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.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 27, 2026

Interest on the Bonds is includable in gross income of the recipient for United States and State of Minnesota income tax purposes according to present federal and Minnesota laws, regulations, rulings and decisions.

In that the Bonds are to be issued as fully taxable obligations for federal and state income tax purposes, the Bonds of this offering are NOT designated as "qualified tax exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, 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 WEST ST. PAUL, MINNESOTA
(Dakota County)

$2,190,000* TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT AREA BONDS, SERIES 2026B

PROPOSAL OPENING: November 9, 2026, 10:00 A.M., C.T.
CONSIDERATION: November 9, 2026, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $2,190,000* Taxable General Obligation Housing Improvement Area Bonds, Series 2026B (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Sections 428A.11 through 428A.21, as amended, by the City of West St. Paul, Minnesota (the "City"), to finance private housing improvements within the Charlton Place Condominium Housing Improvement Area in the City. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: December 2, 2026

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$35,000	2035	$85,000	2042	$140,000
2029	60,000	2036	95,000	2043	145,000
2030	65,000	2037	100,000	2044	155,000
2031	70,000	2038	105,000	2045	170,000
2032	70,000	2039	115,000	2046	180,000
2033	75,000	2040	120,000	2047	195,000
2034	80,000	2041	130,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2038 and thereafter are subject to call for prior optional redemption on February 1, 2037 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $2,163,720.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $43,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; and (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.

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PROPOSAL FORM

CITY OF WEST ST. PAUL
CITY COUNCIL

		Term Expires
Dave Napier	Mayor	January 2027
Pat Armon	Council Member	January 2027
Wendy Berry	Council Member	January 2027
Lisa Eng-Sarne	Council Member	January 2029
Doug Fromm	Council Member	January 2029
Robyn Gulley	Council Member	January 2029
John Justen	Council Member	January 2027

ADMINISTRATION

Nate Burkett, City Manager
Susan Earle, Finance Director
Elke Johnson, City Clerk

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel and City Attorney, 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 West St. Paul, Minnesota (the "City") and the issuance of its $2,190,000* Taxable General Obligation Housing Improvement Area Bonds, Series 2026B (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 November 9, 2026.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 2, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2038 shall be subject to optional redemption prior to maturity on February 1, 2037 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

The Bonds subject to prepayment may be redeemed in whole or in part.. 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 and Minnesota Statutes, Sections 428A.11 through 428A.21, as amended, by the City, to finance private housing improvements within the Charlton Place Condominium Housing Improvement Area (the "HIA") in the City.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$2,190,000	
Total Sources		**$2,190,000**
Uses		
Total Underwriter's Discount (1.200%)	$26,280	
Costs of Issuance	62,000	
Primary Purpose Fund	2,080,000	
Soft Costs	21,000	
Rounding Amount	720	
Total Uses		**$2,190,000**

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City to which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. In addition, the City will pledge housing improvement fees imposed against all units in the HIA. Housing improvement fees levied or to be levied are expected to be sufficient to pay not less than 105% of principal and interest on the Bonds as required by Minnesota law.

Should the pledged housing improvement fees be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose.

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

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

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

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"). The legal opinion will be issued on the basis of existing law and 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).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

Interest on the Bonds is includable in gross income of the recipient for United States and State of Minnesota income tax purposes according to present federal and Minnesota laws, regulations, rulings and decisions.

No opinion has been obtained or is given regarding the federal, state or local tax consequences of the purchase, ownership, retirement or disposition of the Bonds. Prospective purchasers or bondholders should consult with their own tax advisors concerning such tax issues, including, without limitation, anticipated and potential changes in tax rates on interest income, the treatment of interest in jurisdictions other than Minnesota, the calculation and timing of the inclusion of interest in income, the tax consequences of dispositions of Bonds at a gain or loss and the determination of the amount thereof, rules applicable if Bonds are issued or acquired at a premium or discount from their face amount (including without limitation the possible treatment of accrued market discount as ordinary income, deferral of certain interest deductions attributable to indebtedness or continued to purchase or hold Bonds, and the amortization of market premium).

Interest payments and proceeds of the sale, exchange, redemption or retirement of Bonds, are expected to be reported to the Internal Revenue Service to the extent required by law. A backup withholding tax might apply to payments to bondholders under circumstances described in Section 3406 of the Code, including without limitation failure of the bondholder to provide the bondholder’s tax identification number or certain other information. Payments to bondholders who are not U.S. residents or which are foreign entities might also be subject to tax withholding in certain circumstances.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

In that the Bonds are to be issued as fully taxable obligations for federal and state income tax purposes, the Bonds of this offering are NOT designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2025 have been audited by Abdo, 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 should other revenue (housing improvement area fees) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

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

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

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

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.

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

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

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

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

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

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

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

VALUATIONS

OVERVIEW

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

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

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

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

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

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

3 Exempt from referendum market value tax.

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

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

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value	$2,964,819,269[1]
2025/26 Assessor's Estimated Market Value	
Real Estate	$2,819,844,200
Personal Property	10,534,100
Total Valuation	$2,830,378,300
2025/26 Net Tax Capacity	
Real Estate	$30,393,269
Personal Property	205,885
Net Tax Capacity	$30,599,154
Less:	
Captured Tax Increment Tax Capacity[2]	(1,029,310)
Fiscal Disparities Contribution[3]	(2,599,648)
Taxable Net Tax Capacity	$26,970,196
Plus: Fiscal Disparities Distribution[3]	5,033,294
Adjusted Taxable Net Tax Capacity	$32,003,490

[1] According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City was about 95.58% of the actual selling prices of property sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of $2,964,819,269.

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

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

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$17,766,161	58.06%
Commercial	5,663,456	18.51%
Industrial	1,449,268	4.74%
Non-homestead residential	5,514,384	18.02%
Personal property	205,885	0.67%
Total	$30,599,154	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2021/22	$2,183,428,800	$2,102,960,184	$24,709,792	$26,479,039	4.68%
2022/23	2,475,701,800	2,406,896,545	27,988,165	29,111,792	13.39%
2023/24	2,764,404,500	2,702,240,739	30,996,888	32,157,656	11.66%
2024/25	2,723,413,800	2,614,189,828	29,766,462	31,440,609	-1.48%
2025/26	2,830,378,300	2,723,762,935	30,599,154	32,003,490	3.93%

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

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

LARGEST TAXPAYERS

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Robert Street 2008 LLC	Commercial	$526,652	1.72%
Roers West St. Paul Apartments Owner LLC	Commercial	452,045	1.48%
TF WSP LLC	Apartments	349,183	1.14%
Westview Park Apts.	Apartments	313,517	1.02%
Monument Eagle Pointe LLC	Apartments	307,590	1.01%
Target Corp.	Commercial	265,126	0.87%
Ottawa Investments Co.	Apartments	258,508	0.84%
Sasco Investments LLP	Commercial	244,344	0.80%
Menard Inc.	Commercial	235,044	0.77%
Figge Family Properties LLC	Apartments	228,583	0.75%
Total		$3,180,592	10.39%

City's Total 2025/26 Net Tax Capacity $30,599,154

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

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total G.O. debt secured by housing improvement area fees (includes the Bonds)*	$2,190,000
Total G.O. debt secured by special assessments and taxes	6,515,000
Total G.O. debt secured by tax abatement revenues	5,585,000
Total G.O. debt secured by tax increment revenues	540,000
Total G.O. debt secured by taxes	13,955,000
Total G.O. debt secured by utility revenues	4,735,000
Total General Obligation Debt*	$33,520,000

*Preliminary, subject to change.

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

Other Debt

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
5/30/19	$870,790	Fire Truck	12/1/28	$194,240

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 no current plans for additional financing in the next 12 months.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" 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 (includes the Bonds).

2025/26 Assessor's Estimated Market Value	$2,830,378,300
Multiply by 3%	0.03
Statutory Debt Limit	$84,911,349
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	(13,955,000)
Unused Debt Limit	$70,956,349

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Improvement Area Fees
(As of 12/02/2026)

	Taxable Housing Improvement Area Bonds Series 2026B
Dated	12/02/2026
Amount	$2,190,000*
Maturity	02/01

Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2027	0	98,358	0	98,358	98,358	2,190,000	.00%	**2027**
2028	35,000	147,131	35,000	147,131	182,131	2,155,000	1.60%	**2028**
2029	60,000	144,323	60,000	144,323	204,323	2,095,000	4.34%	**2029**
2030	65,000	140,571	65,000	140,571	205,571	2,030,000	7.31%	**2030**
2031	70,000	136,453	70,000	136,453	206,453	1,960,000	10.50%	**2031**
2032	70,000	132,148	70,000	132,148	202,148	1,890,000	13.70%	**2032**
2033	75,000	127,595	75,000	127,595	202,595	1,815,000	17.12%	**2033**
2034	80,000	122,595	80,000	122,595	202,595	1,735,000	20.78%	**2034**
2035	85,000	117,190	85,000	117,190	202,190	1,650,000	24.66%	**2035**
2036	95,000	111,226	95,000	111,226	206,226	1,555,000	29.00%	**2036**
2037	100,000	104,718	100,000	104,718	204,718	1,455,000	33.56%	**2037**
2038	105,000	97,771	105,000	97,771	202,771	1,350,000	38.36%	**2038**
2039	115,000	90,236	115,000	90,236	205,236	1,235,000	43.61%	**2039**
2040	120,000	82,188	120,000	82,188	202,188	1,115,000	49.09%	**2040**
2041	130,000	73,593	130,000	73,593	203,593	985,000	55.02%	**2041**
2042	140,000	64,278	140,000	64,278	204,278	845,000	61.42%	**2042**
2043	145,000	54,409	145,000	54,409	199,409	700,000	68.04%	**2043**
2044	155,000	43,945	155,000	43,945	198,945	545,000	75.11%	**2044**
2045	170,000	32,528	170,000	32,528	202,528	375,000	82.88%	**2045**
2046	180,000	20,190	180,000	20,190	200,190	195,000	91.10%	**2046**
2047	195,000	6,923	195,000	6,923	201,923	0	100.00%	**2047**
	2,190,000	1,948,366	2,190,000	1,948,366	4,138,366			

* Preliminary, subject to change.

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 12/02/2026)

	Improvement Bonds 1) Series 2014B		Improvement Bonds Series 2017A		Improvement Bonds 2) Series 2018A		Improvement Bonds 3) Series 2019A							
Dated	06/24/2014		06/15/2017		06/28/2018		09/17/2019							
Amount	$400,000		$4,825,000		$2,290,000		$4,015,000							
Maturity	02/01		02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	30,000	3,300	335,000	69,675	155,000	39,600	265,000	58,880	785,000	171,455	956,455	5,730,000	12.05%	**2027**
2028	30,000	2,400	340,000	59,550	155,000	34,950	270,000	50,855	795,000	147,755	942,755	4,935,000	24.25%	**2028**
2029	30,000	1,463	345,000	49,275	160,000	30,225	280,000	42,605	815,000	123,568	938,568	4,120,000	36.76%	**2029**
2030	30,000	488	355,000	38,775	165,000	25,350	280,000	34,205	830,000	98,818	928,818	3,290,000	49.50%	**2030**
2031			365,000	27,975	165,000	20,194	290,000	27,105	820,000	75,274	895,274	2,470,000	62.09%	**2031**
2032			370,000	16,950	170,000	14,750	295,000	21,255	835,000	52,955	887,955	1,635,000	74.90%	**2032**
2033			380,000	5,700	175,000	9,144	295,000	15,355	850,000	30,199	880,199	785,000	87.95%	**2033**
2034					180,000	3,150	300,000	9,405	480,000	12,555	492,555	305,000	95.32%	**2034**
2035							305,000	3,203	305,000	3,203	308,203	0	100.00%	**2035**
	120,000	7,650	2,490,000	267,900	1,325,000	177,363	2,580,000	262,868	6,515,000	715,780	7,230,780			

1) This represents the $400,000 Improvement portion of the $4,930,000 General Obligation Bonds, Series 2014B.

2) This represents the $2,290,000 Improvement portion of the $9,550,000 General Obligation Bonds, Series 2018A.

3) This represents the $4,015,000 Improvement portion of the $6,530,000 General Obligation Bonds, Series 2019A.

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 12/02/2026)

	Tax Abatement Bonds Series 2014A		Tax Abatement Bonds 1) Series 2019A		Tax Abatement Refunding Bonds Series 2020A							
Dated	06/24/2014		09/17/2019		12/15/2020							
Amount	$4,845,000		$1,310,000		$2,515,000							
Maturity	02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	245,000	74,406	85,000	19,630	300,000	29,170	630,000	123,206	753,206	4,955,000	11.28%	**2027**
2028	250,000	66,981	90,000	17,005	305,000	23,120	645,000	107,106	752,106	4,310,000	22.83%	**2028**
2029	260,000	59,331	90,000	14,305	310,000	16,970	660,000	90,606	750,606	3,650,000	34.65%	**2029**
2030	270,000	51,381	95,000	11,530	320,000	12,270	685,000	75,181	760,181	2,965,000	46.91%	**2030**
2031	275,000	43,206	95,000	9,155	330,000	9,020	700,000	61,381	761,381	2,265,000	59.44%	**2031**
2032	285,000	34,628	100,000	7,205	335,000	5,611	720,000	47,444	767,444	1,545,000	72.34%	**2032**
2033	295,000	25,381	100,000	5,205	335,000	1,926	730,000	32,513	762,513	815,000	85.41%	**2033**
2034	300,000	15,525	100,000	3,205			400,000	18,730	418,730	415,000	92.57%	**2034**
2035	310,000	5,231	105,000	1,103			415,000	6,334	421,334	0	100.00%	**2035**
	2,490,000	376,072	860,000	88,343	2,235,000	98,088	5,585,000	562,502	6,147,502			

1) This represents the $1,310,000 Tax Abatement portion of the $6,530,000 General Obligation Bonds, Series 2019A.

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 12/02/2026)

	Tax Increment Refunding Bonds Series 2015C							
Dated	12/01/2015							
Amount	$1,320,000							
Maturity	02/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	100,000	14,575	100,000	14,575	114,575	440,000	18.52%	**2027**
2028	100,000	11,700	100,000	11,700	111,700	340,000	37.04%	**2028**
2029	110,000	8,550	110,000	8,550	118,550	230,000	57.41%	**2029**
2030	110,000	5,250	110,000	5,250	115,250	120,000	77.78%	**2030**
2031	120,000	1,800	120,000	1,800	121,800	0	100.00%	**2031**
	540,000	41,875	540,000	41,875	581,875			

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/02/2026)

	Street Reconstruction Bonds 1) Series 2014B		Refunding Bonds 2) Series 2015A		Street Reconstruction Bonds Series 2016B		Street Reconstruction Bonds Series 2017B		Street Reconstruction Bonds 3) Series 2018A							
Dated	06/24/2014		06/24/2015		12/20/2016		06/15/2017		06/28/2018							
Amount	$4,530,000		$5,685,000		$4,825,000		$5,175,000		$7,260,000							
Maturity	02/01		02/01		02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	335,000	38,775	315,000	92,003	335,000	51,203	360,000	77,250	485,000	130,050	1,830,000	389,280	2,219,280	12,125,000	13.11%	**2027**
2028	345,000	28,575	325,000	82,723	340,000	42,765	370,000	66,300	500,000	115,275	1,880,000	335,638	2,215,638	10,245,000	26.59%	**2028**
2029	355,000	17,631	340,000	73,080	350,000	34,140	380,000	55,050	515,000	100,050	1,940,000	279,951	2,219,951	8,305,000	40.49%	**2029**
2030	365,000	5,931	360,000	62,930	360,000	24,815	395,000	43,425	530,000	84,375	2,010,000	221,476	2,231,476	6,295,000	54.89%	**2030**
2031			375,000	52,273	370,000	14,778	405,000	31,425	550,000	67,488	1,700,000	165,963	1,865,963	4,595,000	67.07%	**2031**
2032			390,000	41,180	380,000	4,845	415,000	19,125	565,000	49,369	1,750,000	114,519	1,864,519	2,845,000	79.61%	**2032**
2033			400,000	29,725			430,000	6,450	585,000	30,681	1,415,000	66,856	1,481,856	1,430,000	89.75%	**2033**
2034			405,000	18,053					605,000	10,588	1,010,000	28,640	1,038,640	420,000	96.99%	**2034**
2035			420,000	6,090							420,000	6,090	426,090	0	100.00%	**2035**
	1,400,000	90,913	3,330,000	458,055	2,135,000	172,545	2,755,000	299,025	4,335,000	587,875	13,955,000	1,608,413	15,563,413			

1) This represents the $4,530,000 Street Reconstruction portion of the $4,930,000 General Obligation Bonds, Series 2014B.

2) This represents the $5,685,000 Series 2009B Refunding portion of the $6,880,000 General Obligation Refunding Bonds, Series 2015A.

3) This represents the $7,260,000 Street Reconstruction portion of the $9,550,000 General Obligation Bonds, Series 2018A.

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 12/02/2026)

	Utility Revenue Bonds Series 2016A		Sewer Bonds 1) Series 2019A		Sewer Revenue Bonds Series 2021A							
Dated	06/16/2016		09/17/2019		02/16/2021							
Amount	$5,110,000		$1,130,000		$2,275,000							
Maturity	02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	360,000	42,095	75,000	16,965	145,000	23,313	580,000	82,373	662,373	4,155,000	12.25%	**2027**
2028	365,000	34,845	75,000	14,715	145,000	20,413	585,000	69,973	654,973	3,570,000	24.60%	**2028**
2029	375,000	27,445	80,000	12,390	150,000	17,463	605,000	57,298	662,298	2,965,000	37.38%	**2029**
2030	380,000	19,895	80,000	9,990	155,000	14,413	615,000	44,298	659,298	2,350,000	50.37%	**2030**
2031	390,000	12,195	85,000	7,940	155,000	12,088	630,000	32,223	662,223	1,720,000	63.67%	**2031**
2032	395,000	4,148	85,000	6,240	160,000	10,513	640,000	20,900	660,900	1,080,000	77.19%	**2032**
2033			85,000	4,540	160,000	8,913	245,000	13,453	258,453	835,000	82.37%	**2033**
2034			90,000	2,790	160,000	7,233	250,000	10,023	260,023	585,000	87.65%	**2034**
2035			90,000	945	165,000	5,363	255,000	6,308	261,308	330,000	93.03%	**2035**
2036					165,000	3,300	165,000	3,300	168,300	165,000	96.52%	**2036**
2037					165,000	1,114	165,000	1,114	166,114	0	100.00%	**2037**
	2,265,000	140,623	745,000	76,515	1,725,000	124,121	4,735,000	341,259	5,076,259			

1) This represents the $1,130,000 Sewer portion of the $6,530,000 General Obligation Bonds, Series 2019A.

OVERLAPPING DEBT[1]

Taxing District	2025/26 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt[2]	City's Proportionate Share
Dakota County	$880,683,403	3.0624%	$35,640,000	$1,091,439
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	114,467,734	23.5614%	130,860,000[3]	30,832,448
Metropolitan Council	6,503,726,905	0.4147%	261,560,000[4]	1,084,689
City's Share of Total Overlapping Debt				$33,008,577

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

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

[3] 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.

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

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value $2,964,819,269	Debt/ Per Capita 21,671[1]
Direct G.O. Debt Secured By:			
Housing Improvement Area Fees*	$2,190,000		
Special Assessments & Taxes	6,515,000		
Tax Abatement Revenues	5,585,000		
Tax Increment Revenues	540,000		
Taxes	13,955,000		
Utility Revenues	4,735,000		
Total General Obligation Debt*	$33,520,000		
Less: G.O. Debt Paid Entirely from Revenues[2]	(6,925,000)		
Tax Supported General Obligation Debt*	$26,595,000	0.90%	$1,227.22
City's Share of Total Overlapping Debt	$33,008,577	1.11%	$1,523.17
Total*	$59,603,577	2.01%	$2,750.38

*Preliminary, subject to change.

[1] Estimated 2025 population.

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

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date	% Collected
2021/22	$15,407,955	$15,300,465	$15,401,486	99.96%
2022/23	16,688,415	16,592,643	16,674,480	99.92%
2023/24	17,677,361	17,525,928	17,645,858	99.82%
2024/25	18,934,527	18,766,366	18,784,525	99.21%
2025/26	20,522,991	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[2] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

TAX CAPACITY RATES[3]

	2021/22	2022/23	2023/24	2024/25	2025/26
Dakota County	21.630%	18.816%	18.323%	19.948%	21.031%
City of West St. Paul	70.684%	67.362%	64.708%	72.261%	76.095%
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	20.391%	17.067%	17.391%	19.341%	18.826%
Dakota County CDA	1.391%	1.176%	1.309%	1.369%	1.331%
Metropolitan Council	0.649%	0.564%	0.620%	0.549%	0.594%
Mosquito Abatement	0.372%	0.325%	0.315%	0.320%	0.332%
South Metro EMS	1.800%	2.289%	3.499%	4.340%	5.845%
Transit District	0.969%	0.849%	0.750%	0.824%	0.793%
Referendum Market Value Rates:					
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	0.14099%	0.12150%	0.17014%	0.18085%	0.16830%

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

---

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

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

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

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1889. The City operates under a home rule charter form of government consisting of a seven-member City Council of which the Mayor is not a voting member. The City Administrator, City Clerk and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 100 full-time, three (3) part-time, and eight (8) seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Teamsters	December 31, 2027
Local 72	December 31, 2027
Local 80	December 31, 2027
LELS 597	December 31, 2027

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of $3,623,121 as of December 31, 2025. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent Audit.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

FUNDS ON HAND (as of May 31, 2026)

Fund	Total Cash and Investments
General	$5,290,846
Special Revenue	1,977,627
Debt Service	2,675,395
Investment Fund	(30,306,164)
Enterprise Funds	9,755,891
TIF	11,677,564
Total Funds on Hand	$1,071,161

ENTERPRISE FUNDS

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

	2023 Audited	2024 Audited	2025 Audited
Storm Sewer			
Total Operating Revenues	$570,447	$700,687	$735,258
Less: Operating Expenses	(1,090,343)	(420,596)	(517,812)
Operating Income	($519,896)	$280,091	$217,446
Plus: Depreciation	172,668	226,094	188,059
Revenues Available for Debt Service	($347,228)	$506,185	$405,505
Sanitary Sewer			
Total Operating Revenues	$5,383,380	$5,540,919	$6,010,665
Less: Operating Expenses	(3,479,572)	(4,219,083)	(4,353,883)
Operating Income	$1,903,808	$1,321,836	$1,656,782
Plus: Depreciation	400,294	545,059	742,569
Revenues Available for Debt Service	$2,304,102	$1,866,895	$2,399,351
Recreation			
Total Operating Revenues	$1,051,924	$1,128,666	$1,368,258
Less: Operating Expenses	(1,474,629)	(1,755,409)	(1,857,524)
Operating Income	($422,705)	($626,743)	($489,266)
Plus: Depreciation	527,184	553,565	559,925
Revenues Available for Debt Service	$104,479	($73,178)	$70,659

SUMMARY GENERAL FUND INFORMATION

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

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues					
Taxes	$11,581,204	$12,466,261	$13,955,979	$14,343,692	$14,757,999
Licenses and permits	1,255,504	667,136	868,717	808,272	892,598
Intergovernmental	1,318,790	1,436,606	2,251,392	2,193,034	3,064,343
Special assessments	66,998	30,105	22,356	18,754	32,675
Charges for services	1,152,452	1,025,338	925,040	1,075,187	1,554,381
Fine and forfeits	94,289	143,238	108,911	125,217	90,942
Investment income	(177,337)	(754,910)	485,666	488,258	739,021
Miscellaneous	15,163	15,000	28,350	32,434	803
Total Revenues	$15,307,063	$15,028,774	$18,646,411	$19,084,848	$21,132,762
Expenditures					
General government	$3,401,481	$3,740,322	$4,159,271	$4,569,825	$4,877,044
Public safety	8,748,092	9,135,799	9,752,384	10,571,094	11,557,349
Public works	1,633,631	1,868,298	1,926,552	2,088,905	2,257,307
Parks and recreation	969,404	1,096,687	1,360,296	1,613,430	1,735,080
Capital outlay	0	14,296	0	870	0
Total Expenditures	$14,752,608	$15,855,402	$17,198,503	$18,844,124	$20,426,780
Excess of revenues over (under) expenditures	$554,455	($826,628)	$1,447,908	$240,724	$705,982
Other Financing Sources (Uses)					
Sale of capital assets	$35,211	$1,596	$4,848	$21,686	$66,388
Transfers in	600,000	650,000	650,000	650,000	650,000
Transfers (out)	(2,985,445)	(960,815)	0	0	0
Total Other Financing Sources (Uses)	(2,350,234)	(309,219)	654,848	671,686	716,388
Net changes in Fund Balances	($1,795,779)	($1,135,847)	$2,102,756	$912,410	$1,422,370
General Fund Balance January 1	$12,417,375	$10,621,596	$9,485,749	$11,588,505	$12,500,915
Prior Period Adjustment	0	0	0	0	0
General Fund Balance December 31	$10,621,596	$9,485,749	$11,588,505	$12,500,915	$13,923,285
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$95,282	$428,462	$1,551,081	$385,662	$203,324
Restricted	0	0	838,803	419,402	0
Unassigned	10,526,314	9,057,287	9,198,621	11,695,851	13,719,961
Total	$10,621,596	$9,485,749	$11,588,505	$12,500,915	$13,923,285

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31 2026 Adopted Budget[1]
Revenues	
Taxes	$16,250,614
Licenses and permits	1,058,500
Intergovernmental	2,632,500
Special assessments	29,500
Charges for services	1,095,500
Fine and forfeits	109,000
Investment income	144,000
Miscellaneous	16,000
Total Revenues	$21,335,614
Expenditures	
General government	$5,283,428
Public safety	12,309,035
Public works	2,310,577
Parks and recreation	1,875,349
Unallocated general expenditures	471
Total Expenditures	$21,778,860
Excess of revenues over (under) expenditures	($443,246)
Other Financing Sources (Uses)	
Sale of capital assets	$8,000
Transfers in	650,000
Total Other Financing Sources (Uses)	$658,000
Net changes in Fund Balances	$214,754
General Fund Balance January 1	$13,923,285
Prior Period Adjustment	0
General Fund Balance December 31	$14,138,039

[1] The 2026 budget was adopted on December 8, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 20,615, and a 2025 population estimate of 21,671, and comprising an area of 5.06 square miles, is located adjacent to the southern boundary of St. Paul, Minnesota.

LARGER EMPLOYERS[1]

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	Elementary and secondary education	1,065[2]
Dakota County-Northern Service Center	County government and services	807
Super Target	Retail and grocery	375
Southview Acres Health Care	Nursing home	340
Tapemark	Physicians & surgeons equipment & supplies	284
Walmart	Retail	240
Menards	Home improvement retail	150
Westwood Ridge	Rehabilitation services	150
Lowe's	Home improvement	140
Cub	Grocery	135

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

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

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

BUILDING PERMITS (as of October 9, 2026)

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	3	1	1	27	20
Valuation	$1,007,000	$210	$340,464	$8,263,809	$6,306,058
New Mutiple Family Homes					
No. of building permits	0	0	0	0	1
Valuation	$0	$0	$0	$0	$60,500,500
New Commercial/Industrial					
No. of building permits	1	2	2	0	1
Valuation	$2,500,000	$1,500,000	$11,168,028	$0	$18,100,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	1,712	1,950	1,895	1,843	1,368
Valuation	$31,245,256	$27,867,213	$44,069,682	$41,625,674	$113,400,897

Source: The City.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census population	19,540
2020 U.S. Census population	20,615
Percent of Change 2010 - 2020	5.50%
2025 Metropolitan Council Population Estimate	21,671

Income and Age Statistics

	The City	Dakota County	State of Minnesota	United States
2024 per capita income	$44,887	$52,084	$48,237	$44,673
2024 median household income	$68,464	$106,318	$89,062	$80,734
2024 median family income	$106,458	$131,618	$113,993	$99,999
2024 median gross rent	$1,282	$1,548	$1,280	$1,413
2024 median value owner occupied units	$301,300	$381,000	$329,300	$332,700
2024 median age	39.8 yrs.	38.6 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
City % of 2024 per capita income	93.06%	100.48%
City % of 2024 median family income	93.39%	106.46%

Housing Statistics

	The City		
	2020	2025	Percent of Change
All Housing Units	8,996	9,902	10.07%

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

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Dakota County	Dakota County	State of Minnesota
2022	239,965	2.1%	2.5%
2023	242,833	2.5%	2.8%
2024	243,542	2.9%	3.1%
2025	244,759	3.6%	3.9%
2026, September	241,005	4.4%	4.4%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

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.

CITY OF
WEST ST. PAUL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2025
City of West St. Paul, Minnesota

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF WEST ST PAUL, MINNESOTA

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

Prepared by the Finance Department
of the City of West St. Paul, Minnesota

Susan Earle
Director of Finance

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City of West St. Paul, Minnesota
Annual Comprehensive Financial Report
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For the Year Ended December 31, 2025

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INTRODUCTORY SECTION

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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CITY OF
WEST ST. PAUL

1616 Humboldt Avenue
West St. Paul, MN 55118

651-552-4100
www.wspmn.gov

June 25, 2026

To the Honorable Mayor, City Council, City Manager and
To The Citizens of West St. Paul, Minnesota:

The Annual Comprehensive Financial Report (ACFR) of the City of West St. Paul (the City) for the year ended December 31, 2025, is submitted herewith.

INTRODUCTION

As in past years, this annual comprehensive financial report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a copy of our most recent Certificate of Achievement, an organizational chart and a list of the City's principal elected and appointed officials.

Pursuant to the City Financial Reporting Act of 1978, the City's Finance Officer is required to prepare the ACFR, which is then to be attested to by an external auditor. Accordingly, the City's Finance Director has prepared this report. This report consists of management's representations concerning the finances of the City of West St Paul. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established an internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, it is asserted that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The certified public accounting firm of Abdo LLP has audited these financial statements. Their opinion is the first item in the Financial Section. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2025, fairly presented in conformity with GAAP.

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 designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF WEST ST. PAUL

The City of West St. Paul was incorporated in 1889 and is located in the Twin Cities metropolitan area of Minnesota, immediately adjacent to the State Capitol of St. Paul. With a population of 20,615 (based upon the 2020 Census), it is situated in the northern-most area of Dakota County, one of the fastest growing counties in the State of Minnesota. Although the City has a geographic area of only five square miles and is, for the most part, fully developed, it represents a major regional retail center. The majority of retail sales take place along a 2.5 mile, four-lane major state trunk highway known as South Robert Street that bisects the City. Nearly the entire length of this street is devoted to retail stores, shopping centers and restaurants.

The city operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a mayor and six elected Councilmembers. The City Council is responsible for passing ordinances, adopting budgets, appointing committees and hiring both the City Manager and the City Attorney, among other things. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various operating departments. The City Council is elected on a non-partisan basis. Councilmembers are elected for four-year, staggered terms, with three Councilmembers being elected every two years. The mayor is elected for a two-year term. The city is divided into three wards and two Councilmembers are elected from each ward. The mayor is elected at-large.

The city provides a full range of governmental services, including police protection, construction and maintenance of local streets and other infrastructure, recreational and community development activities. Certain community development services are provided through a legally separate Economic Development Authority (EDA), which functions, in essence, as a city operation since the EDA Board is composed of the Mayor and City Council. Therefore, the activities of the EDA have been included as part of these financial statements as a special revenue fund. Fire protection services are provided through a contract with South Metro Fire Department, a joint venture with the City of South St. Paul.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the proposed budget during July of each year. The City Manager then presents this proposed budget to the City Council in August. The City Council reviews the proposed budget, holds public hearings to receive public input and then adopts a final budget in December. The adopted budget document is prepared by fund and function. The City Manager may transfer appropriations within any given department, but any transfer between funds must be presented to and approved by the City Council. This ACFR

provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund on pages 105 and 106.

ECONOMIC CONDITION AND OUTLOOK

As a mature, first-ring suburb of St. Paul, the City of West St. Paul recognizes the importance of redevelopment to its long-term vitality and has, therefore, made extraordinary efforts in this area. Residential and commercial activities include:

New businesses that opened for operations in 2025 include: Wendys, Mr. Mustacheo, Grande Sunrise, Wingstop, Foxtail Cuts, Abarrotes La Dona, Yesthetics, Accident Care Chiropractic, The Bar Nutrition, Advocate Urgent Care, Poppy & Wonderments, Happy Liquor

Business expansions/remodels completed include: Ice Arena Parking Lot, Dakota County Crisis Center, Heritage Middle School remodel (phase 1), LTS Lohman remodel (232 Lothenbach – phase 1), LTS Lohman remodel (1685 Marthaler – phase 1), St. Croix Lutheran remodel (phase 1)

Business expansion/remodels started include: Walmart remodel, Riverview Baptist Church, Wentworth Library, Heritage Middle School remodel (phase 2), St. Croix Lutheran remodel, Southview Animal Clinic remodel, Arbys remodel, LTS Lohman remodel (232 Lothenbach – phase 2), LTS Lohman remodel (1685 Marthaler – phase 2), St. Croix Lutheran remodel (phase 2), St. Stephens Church remodel

Building Permits Issued: 1,843 for an increase in new market value of $41,625,674 (rounded).

MAJOR INITIATIVES

During 2025, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

Street Reconstruction Program – 2nd phase of Annapolis from Robert Street to Hwy 52, begin construction on the Butler Ave Trail from Robert Street to Hwy 52

Trails and Sidewalks program- Butler Ave Trail, Oakdale Trail/sidewalk, Thompson Regional Trail.

Other Infrastructure-Lift station 4 was completed in 2025

Proposed Redevelopment Areas – The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff continue to identify proposed projects for these areas, analyzing the costs associated with the projects and the timelines for redevelopment.

LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with other aging suburbs, the City is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2025, the City presented its sixteenth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least ten years in advance. The 2025-2035 CIP includes planned projects for streets, parks, sewer system and City facilities, trails-sidewalks and neighborhood streets.

The City also prepares an annual Capital Equipment Plan (CEP). Department heads take part in this process to estimate capital equipment needs for the next ten years. Together the CIP and CEP provide information needed to develop a plan that will sustain or expand City services while keeping property taxes stable.

The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. It is a goal of the City to plan debt issues to coincide with the retirement of existing debt. The City currently has debt issues and retirements planned through the year 2035.

Another tool utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall maintain an unassigned fund balance of at least 52.5% of the subsequent year's expenditures. This policy essentially provides for cash flow while awaiting tax payments in July and December of the year. By utilizing the fund balance, the City avoids the extra cost of borrowing to meet its short term obligations.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West St Paul for its ACFR for the fiscal year ended December 31, 2022.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. We believe that our current ACFR meets the Certificate of Achievement Program's requirements, and we are, therefore, submitting it to the GFOA to determine its eligibility for another certificate.

BOND RATING

In January of 2026, the City issued General Obligation Temporary Tax Increment Financing Refunding bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA and at the same time affirmed its AA long-term and underlying rating on the City's existing GO bonds. This bond rating signifies the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

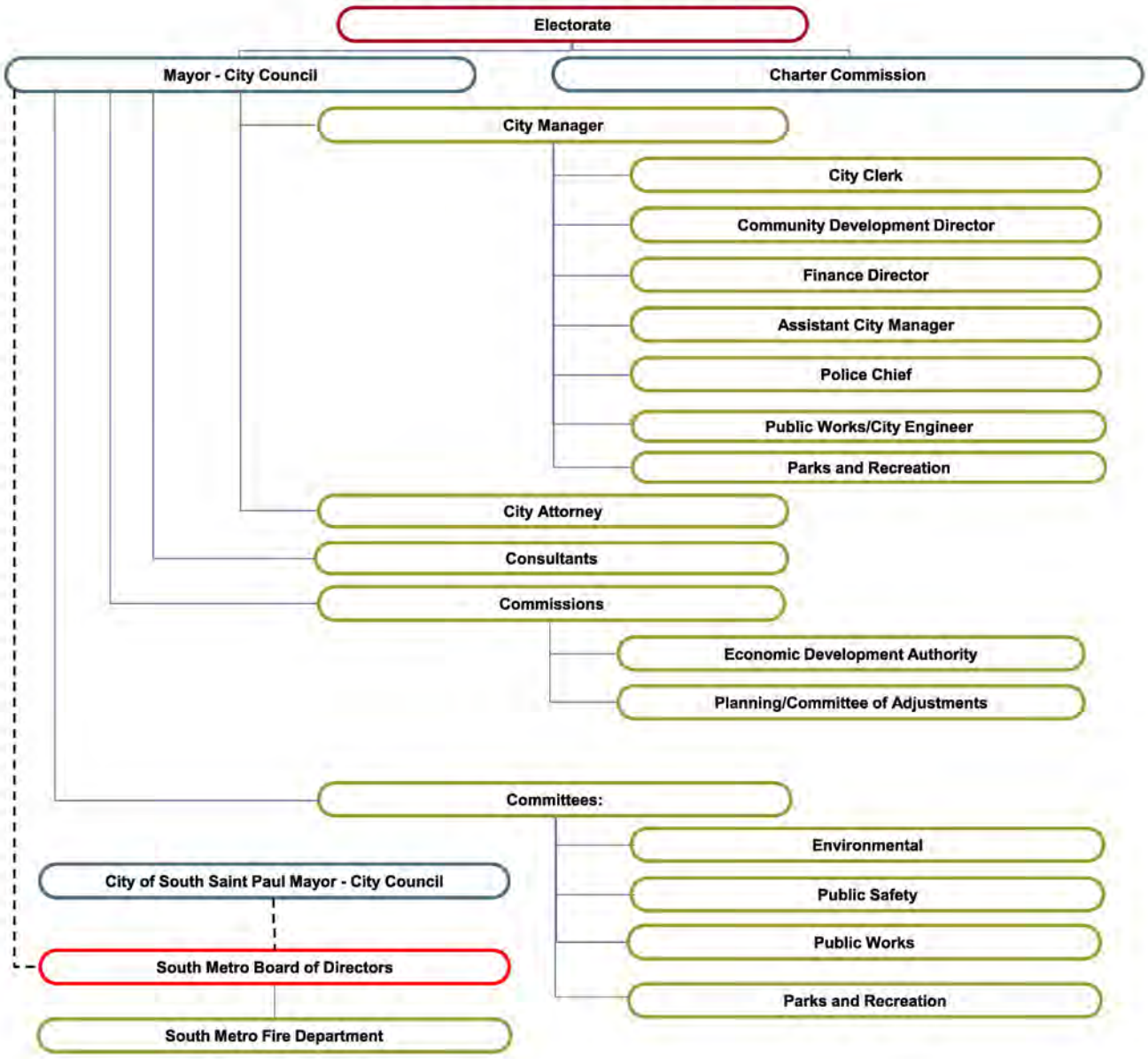
ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of West St. Paul and the City's Finance Department. Special thanks also go to the staff of Abdo LLP for their advice and counsel in the preparation of this ACFR.

Respectfully submitted,

Susan Earle
Finance Director

City of West Saint Paul



City of West St. Paul, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2025

ELECTED

Name	Title	Term Expires
Dave Napier	Mayor	12/31/26
Doug Fromm	Council Member	12/31/28
Pat Armon	Council Member	12/31/26
John Justen	Council Member	12/31/26
Robyn Gulley	Council Member	12/31/28
Lisa Eng-Sarne	Council Member	12/31/28
Wendy Berry	Council Member	12/31/26

APPOINTED

Name	Title
Nate Burkett	City Manager
Dan Nowicki	Assistant City Manager
Susan Earle	Finance Director
Eric Weiss	Parks, Recreation & Environmental Director
Brian Sturgeon	Police Chief
Ross Beckwith	Public Works Director / City Engineer
Ben Boike	Community Development Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West St. Paul
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West St. Paul, Minnesota

Opinions

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of West St. Paul 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 City of West St. Paul's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *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'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'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 starting on page 25 and the schedule of Employer's Share of the Net Pension Liability, the schedule of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios, the respective budgetary comparison schedules and related note disclosures, starting on page 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Abdo

Abdo
Minneapolis, Minnesota
June 25, 2026

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Management's Discussion and Analysis

As management of the City of West St. Paul, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

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

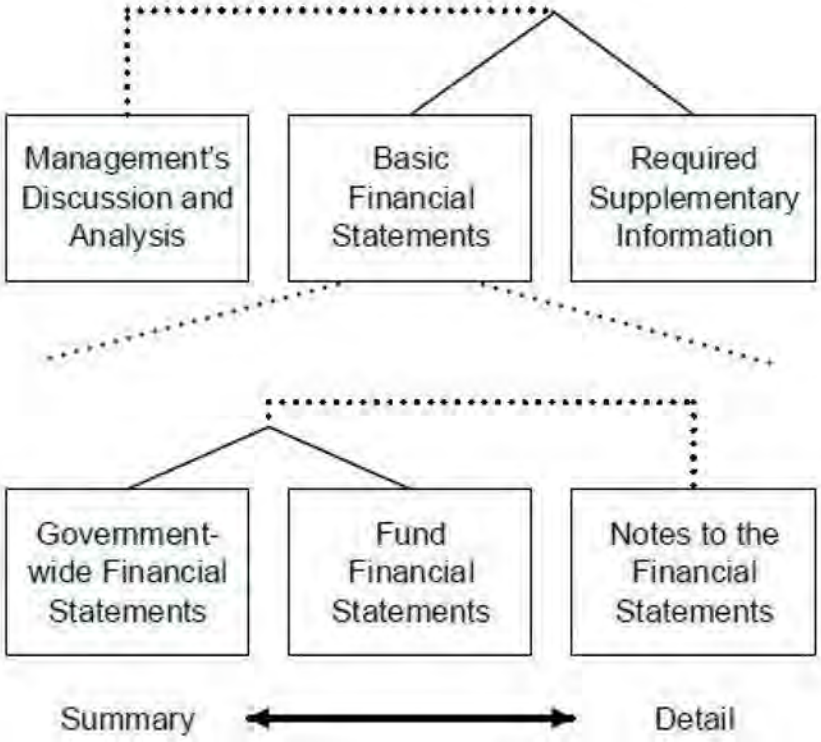


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in 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).

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

The government-wide financial statements start on page 39 of this report.

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

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

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 by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds, several of which are Debt Service and TIF Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Economic Development Authority fund, Debt Service funds, Permanent Improvement Revolving fund and the TIF Districts fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The basic governmental fund financial statements start on page 44 of this report.

Proprietary Funds. The City maintains three proprietary funds. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its storm sewer, sewer, and recreation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 52 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 59 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 98 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 110 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources.

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

City of West St. Paul's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Assets						
Current and other assets	$ 51,122,806	$ 48,056,408	$ 3,066,398	$ 12,314,161	$ 10,402,209	$ 1,911,952
Capital assets	82,710,225	79,825,256	2,884,969	27,346,091	27,109,663	236,428
Total Assets	133,833,031	127,881,664	5,951,367	39,660,252	37,511,872	2,148,380
Deferred Outflows of Resources						
Deferred pension resources	5,623,700	6,415,653	(791,953)	62,311	47,367	14,944
Deferred other postemployment benefits	170,395	131,427	38,968	8,784	5,797	2,987
Total Deferred Outflows of Resources	5,794,095	6,547,080	(752,985)	71,095	53,164	17,931
Liabilities						
Noncurrent liabilities outstanding	44,064,455	45,802,920	(1,738,465)	8,558,408	9,300,352	(741,944)
Other liabilities	2,003,759	3,560,855	(1,557,096)	955,539	1,077,371	(121,832)
Total Liabilities	46,068,214	49,363,775	(3,295,561)	9,513,947	10,377,723	(863,776)
Deferred Inflows of Resources						
Deferred pension resources	7,205,298	8,063,781	(858,483)	129,455	135,030	(5,575)
Deferred lease resources	1,849,983	1,921,058	(71,075)	-	-	-
Total Deferred Inflows of Resources	9,055,281	9,984,839	(929,558)	129,455	135,030	(5,575)
Net Position						
Net investment in capital assets	55,192,499	49,437,672	5,754,827	19,138,611	18,192,053	946,558
Restricted	6,078,011	6,177,092	(99,081)	-	-	-
Unrestricted	23,233,121	19,465,366	3,767,755	10,949,334	8,860,230	2,089,104
Total Net Position	$ 84,503,631	$ 75,080,130	$ 9,423,501	$ 30,087,945	$ 27,052,283	$ 3,035,662
Net Position as a Percent of Total						
Net investment in capital assets	65.3 %	65.9 %		63.6 %	67.2 %	
Restricted	7.2	8.2		0.0	0.0	
Unrestricted	27.5	25.9		36.4	32.8	
	100.0 %	100.0 %		100.0 %	100.0 %	

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

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

Governmental Activities. Governmental activities increased the City's net position, as shown below.

City of West St. Paul's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	$ 2,512,496	$ 2,128,649	$ 383,847	$ 7,818,387	$ 7,368,431	$ 449,956
Operating grants and contributions	2,613,897	1,823,300	790,597	542,365	511,952	30,413
Capital grants and contributions	4,055,951	8,953,264	(4,897,313)	1,017,084	2,033,120	(1,016,036)
General revenues						
Taxes						
Property taxes	21,464,882	20,520,451	944,431	966,637	434,461	532,176
Tax increment	1,156,741	1,327,115	(170,374)	-	-	-
Franchise and other	3,861,221	3,600,310	260,911	-	-	-
Grants and contributions not restricted to specific programs	1,932,236	1,596,622	335,614	-	-	-
Unrestricted investment earnings (loss)	1,826,239	1,286,924	539,315	488,134	338,707	149,427
Gain on sale of capital assets	212,434	25,814	186,620	-	-	-
Miscellaneous	176,820	75,868	100,952	-	-	-
Total Revenues	39,812,917	41,338,317	(1,525,400)	10,832,607	10,686,671	145,936
Expenses						
General government	6,034,478	4,514,005	1,520,473	-	-	-
Public safety	13,071,329	11,352,112	1,719,217	-	-	-
Public works	6,915,183	7,330,556	(415,373)	-	-	-
Parks and recreation	2,829,299	1,293,405	1,535,894	-	-	-
Economic development	1,169,880	2,095,563	(925,683)	-	-	-
Interest on long-term debt	1,019,247	1,114,098	(94,851)	-	-	-
Storm sewer	-	-	-	526,060	430,240	95,820
Sanitary sewer	-	-	-	4,423,294	4,299,638	123,656
Civic center arena	-	-	-	802,069	692,714	109,355
Swimming pool	-	-	-	293,563	232,661	60,902
Regional athletic center	-	-	-	794,007	868,296	(74,289)
Total Expenses	31,039,416	27,699,739	3,339,677	6,838,993	6,523,549	315,444
Increase in Net Position Before Transfers	8,773,501	13,638,578	(4,865,077)	3,993,614	4,163,122	(169,508)
Transfers (Net)	650,000	500,000	150,000	(650,000)	(500,000)	(150,000)
Change in Net Position	9,423,501	14,138,578	(4,715,077)	3,343,614	3,663,122	(319,508)
Net Position, January 1, as previously reportec	75,080,130	60,941,552	14,138,578	27,052,283	23,389,161	3,663,122
Error Correction	-	-	-	(307,952)	-	(307,952)
Net Position, January 1, as restated	75,080,130	60,941,552	14,138,578	26,744,331	23,389,161	3,355,170
Net Position, December 31	$ 84,503,631	$ 75,080,130	$ 9,423,501	$ 30,087,945	$ 27,052,283	$ 3,035,662

Key elements of this increase are as follows:

- Growth in operating grants and contributions due to the strength of the national and local economies
- Decreases in expenses related to public works and economic development expenses.
- Increases in property taxes revenues.

Growth in operating grants and contributions revenues due to economic growth

Police insurance reimbursement aid, local affordable housing aid, street construction aid provided more revenues for the City.

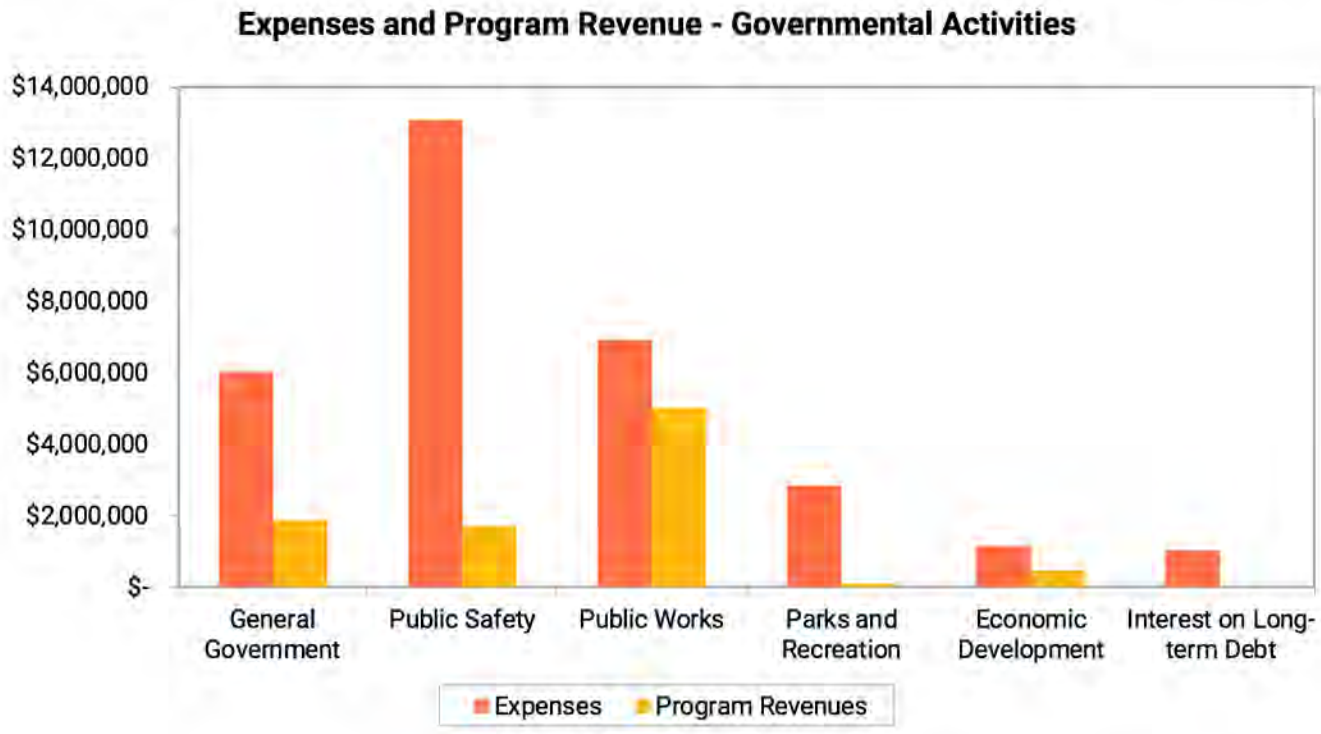
Decreases in expenses related to public works and miscellaneous expenses.

Expenses related to capital projects due to less construction projects costs being incurred for open and new projects.

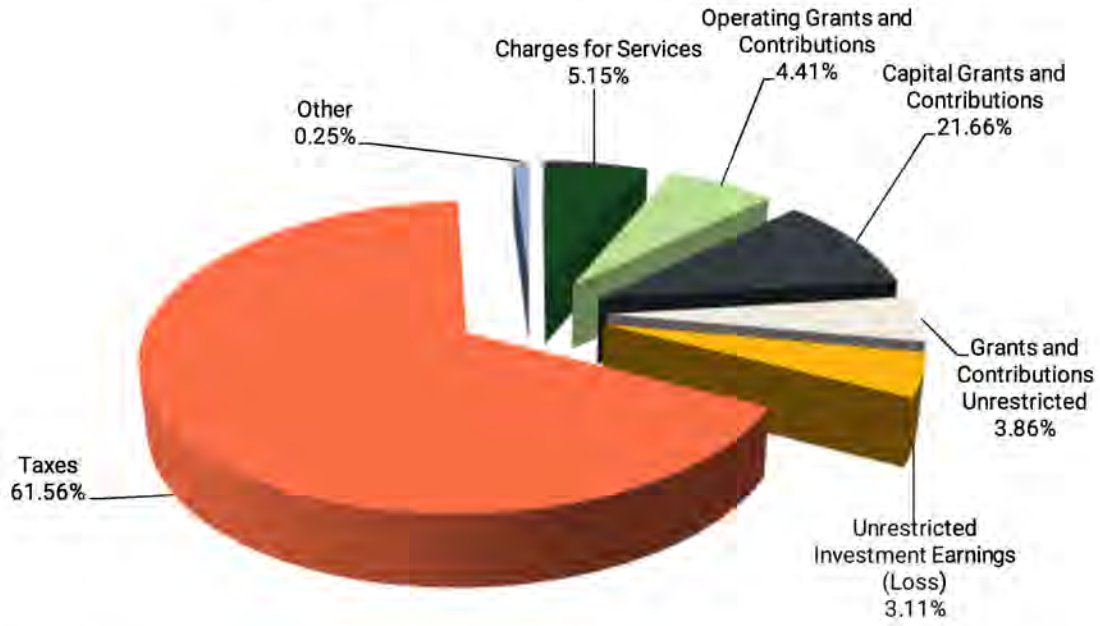
Increases in property tax revenues due to change in tax rates.

Increases in current property tax levy.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.



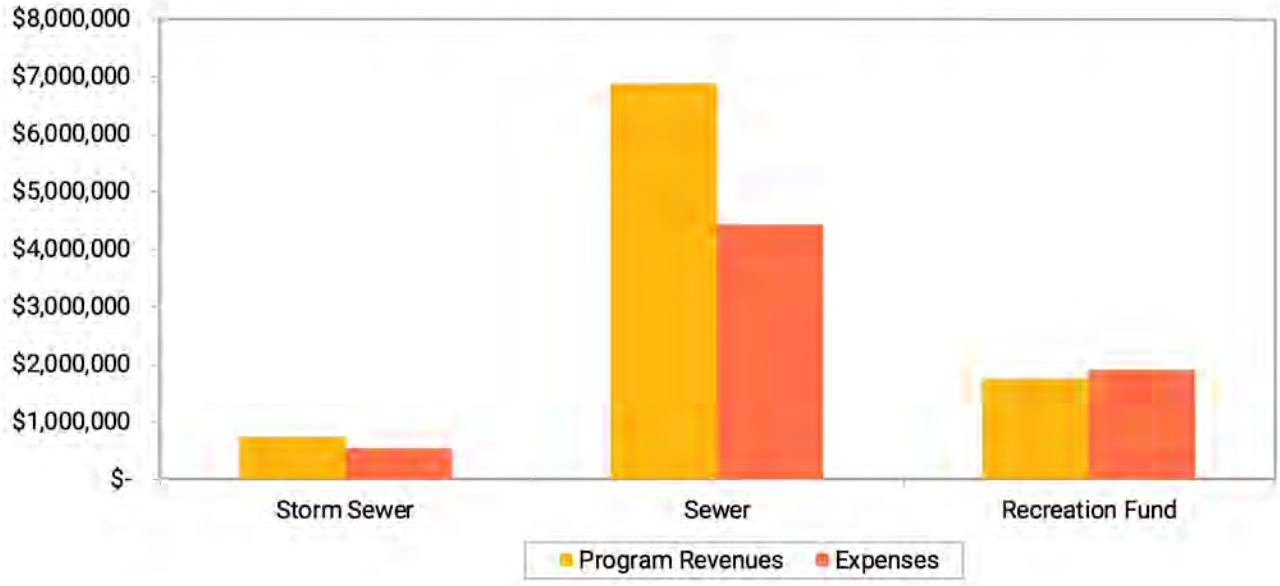
Revenue by Source - Governmental Activities



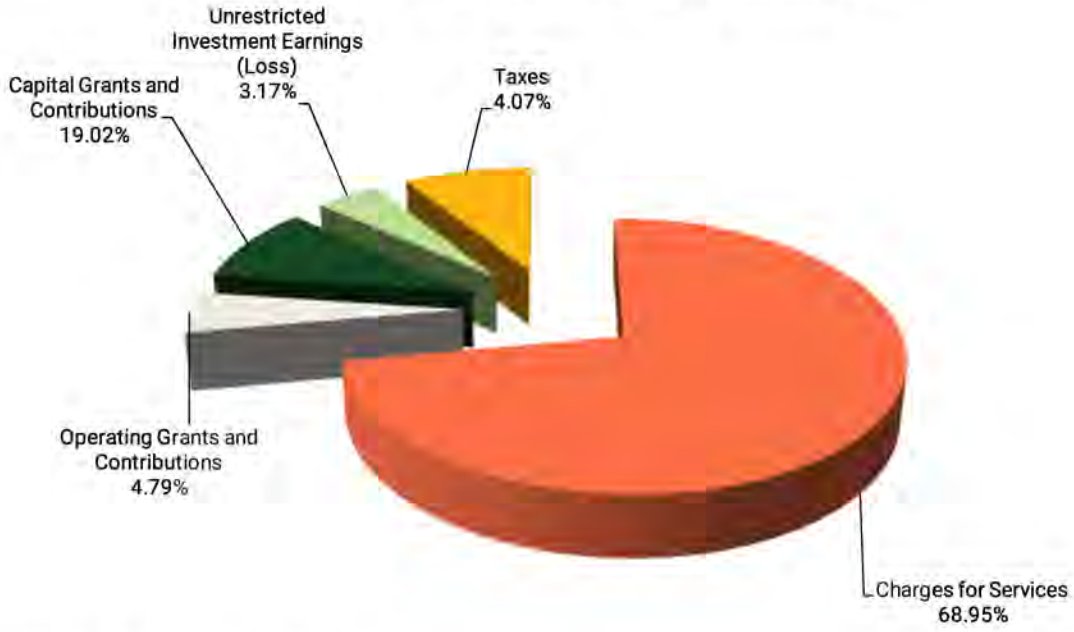
Business-type Activities. Business-type activities increased the City's net position as shown in the changes in net position table. Key elements of this increase are as follows:

- Property taxes for business-type activities increased due to increased taxes relating to the civic center.
- Total expenses for business-type activities decreased due to decreases in depreciation expenses, and general maintenance expenses for the different recreation buildings.
- Charges for services revenues increased due to increases in rates.

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds. 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 financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The table below outlines the governmental fund balances for the year ending December 31, 2025:

	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances									
Nonspendable	$ 203,324	$ -	$ -	$ -	$ -	$ 31,383	$ 234,707	$ 460,830	$ (226,123)
Restricted	-	-	7,986,887	-	382,690	4,446,636	12,816,213	12,866,924	(50,711)
Committed	-	8,895,205	-	-	-	210,364	9,105,569	8,660,576	444,993
Assigned	-	-	-	4,385,645	-	2,950,566	7,336,211	7,686,737	(350,526)
Unassigned	13,719,961	-	-	-	-	(93,565)	13,626,396	10,672,052	2,954,344
Total Fund Balances	$ 13,923,285	$ 8,895,205	$ 7,986,887	$ 4,385,645	$ 382,690	$ 7,545,384	$ 43,119,096	$ 40,347,119	$ 2,771,977

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 59 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Fund Balance		Increase/
	2025	2024	(Decrease)
Fund Balance			
Nonspendable	$ 203,324	$ 385,662	$ (182,338)
Restricted	-	419,402	(419,402)
Unassigned	13,719,961	11,695,851	2,024,110
Total	$ 13,923,285	$ 12,500,915	$ 1,422,370
General Fund Expenditures	20,426,780	18,844,124	
Unassigned as a percent of expenditures	67%	62%	
Total Fund Balance as a percent of Expenditures	68%	66%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to staffing turnover and no election in the current year that resulted in decreased wages expenses during the year.

Other major governmental fund analysis is shown below:

	Ending Net Position 2025	Ending Net Position 2024	Increase (Decrease)
Economic Development Authority	$ 8,895,205	$ 8,720,576	$ 174,629
This increase was mainly due to tax revenues in excess of economic development expense as well as a gain on sale of land held for resale.			
Debt Service	$ 7,986,887	$ 7,751,102	$ 235,785
This increase was mainly due to revenues in excess of current year debt payments and a transfer in.			
Permanent Improvement Revolving Fund	$ 4,385,645	$ 4,592,830	$ (207,185)
This decrease was largely due to an increase in expenditures related to projects.			
TIF Districts	$ 382,690	$ (35,241)	$ 417,931
This increase was mainly due to the collection of tax increment revenues over current year expenditures.			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Ending Net Position 2025	Ending Net Position 2024	Increase (Decrease)
Storm Sewer	$ 4,413,811	$ 4,285,799	$ 128,012
This increase is related to an increase in utility rates of 5% offset with an increase in operating costs.			
Sanitary Sewer	$ 14,542,734	$ 12,602,800	$ 1,939,934
This increase is related to an increase in utility rates of 5% and a significant increase in billings related to commercial charges for services.			
Recreation	$ 11,131,400	$ 10,163,684	$ 967,716
This increase is due to a capital contribution for the arena and increased RAC charges for services.			

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2025 amounts to $110,056,316 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, software, park facilities and roads.

Significant asset additions that occurred during the year are as follows:

Completion of the following projects:

- Kennedy Park Equipment
- 2025 Bernard
- 2025 Smith-Dodd
- Several vehicle and equipment purchases

Additional information on the City's capital assets can be found in Note 3C starting on page 73 of this report.

City of West St. Paul's Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Land	$ 4,528,957	$ 4,207,957	$ 321,000	$ 73,866	$ 73,866	$ -
Construction in Progress	25,154,332	20,423,453	4,730,879	3,100,003	2,332,138	767,865
Buildings	7,344,858	7,843,883	(499,025)	9,933,914	10,223,905	(289,991)
Improvements Other Than Buildings	6,928,419	6,757,639	170,780	-	-	-
Vehicles, Machinery and Equipment	2,769,212	2,876,566	(107,354)	1,239,128	810,452	428,676
Infrastructure	35,984,447	37,715,758	(1,731,311)	12,999,180	13,669,302	(670,122)
Total	$ 82,710,225	$ 79,825,256	$ 2,884,969	$ 27,346,091	$ 27,109,663	$ 236,428

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of Tax Increment debt, assessment debt, revenue related debt and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of West St. Paul's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
G.O. Bonds	$ 27,390,000	$ 29,655,000	$ (2,265,000)	$ -	$ -	$ -
G.O. Improvement Bonds	5,255,000	5,730,000	(475,000)	-	-	-
G.O. Tax Increment Bonds	635,000	725,000	(90,000)	-	-	-
G.O. Revenue Bonds	-	-	-	7,810,000	8,635,000	(825,000)
Bond Premium	852,356	981,140	(128,784)	249,405	282,610	(33,205)
Total	$ 34,132,356	$ 37,091,140	$ (2,958,784)	$ 8,059,405	$ 8,917,610	$ (858,205)

The City's total debt decreased during the current fiscal year. The key factor in this decrease was scheduled bond payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt in excess of this limit.

Additional information on the City's long-term debt can be found in Note 3F starting on page 76 of this report.

Economic Factors and Next Year's Budgets and Rates

- Local tax capacity decreased by 4.3% in 2025.
- The tax base growth slowed to $11.8m of new market value added in 2025 after significant market value growth of over $50m in 2024.
- A few of the projects started or completed in 2025:
    - Several new businesses opened for operation, including Wendys, Mr. Mustacheo, Grande Sunrise, Wingstop, Foxtail Cuts, Abarrotes La Dona, Yesthetics, Accident Care Chiropractic, The Bar Nutrition, Advocate Urgent Care, Poppy and Wonderments, and Happy Liquor
    - LTS Lohman Remodel - Phase 1 completed, phase 2 underway
    - Heritage Middle School Remodel – Phase 1 completed, phase 2 underway
    - St. Croix Lutheran Remodel – Phase 1 completed, phase 2 underway
    - St. Stephen's Church Remodel – Completed
    - Wentworth Library - Underway in 2025 (completed in early 2026)
    - 424 Butler Ave - Planning Phase
    - 150 Thompson - Planning Phase

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of West St. Paul, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118-3972.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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City of West St. Paul, Minnesota
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	$ 33,196,280	$ 10,262,488	$ 43,458,768
Receivables			
Accrued interest	120,193	38,890	159,083
Property taxes	1,025,695	-	1,025,695
Notes	51,182	-	51,182
Accounts	2,018,752	73,408	2,092,160
Special assessments	1,972,693	665,845	2,638,538
Lease	1,868,421	-	1,868,421
Due from other governments	4,630,798	1,520,050	6,150,848
Internal balances	246,520	(246,520)	-
Prepaid items	62,772	-	62,772
Assets held for resale	5,929,500	-	5,929,500
Capital assets			
Land and construction in progress	29,683,289	3,173,869	32,857,158
Depreciable assets (net of accumulated depreciation)	53,026,936	24,172,222	77,199,158
Total Assets	133,833,031	39,660,252	173,493,283
Deferred Outflows of Resources			
Deferred pension resources	5,623,700	62,311	5,686,011
Deferred other postemployment benefits	170,395	8,784	179,179
Total Deferred Outflows of Resources	5,794,095	71,095	5,865,190
Liabilities			
Accounts and contracts payable	981,779	227,913	1,209,692
Accrued salaries payable	348,430	33,822	382,252
Due to other governments	160,623	501,171	661,794
Accrued interest payable	446,596	57,888	504,484
Deposits payable	24,690	26,702	51,392
Unearned revenue	41,641	108,043	149,684
Noncurrent liabilities			
Due within one year			
Long-term liabilities	9,600,058	883,956	10,484,014
Other postemployment benefit liability	168,390	10,610	179,000
Due in more than one year			
Long-term liabilities	25,768,766	7,255,368	33,024,134
Net pension liability	5,258,196	233,398	5,491,594
Other postemployment benefit liability	3,269,045	175,076	3,444,121
Total Liabilities	46,068,214	9,513,947	55,582,161
Deferred Inflows of Resources			
Deferred pension resources	7,205,298	129,455	7,334,753
Deferred lease resources	1,849,983	-	1,849,983
Total Deferred Inflows of Resources	9,055,281	129,455	9,184,736
Net Position			
Net investment in capital assets	55,192,499	19,138,611	74,331,110
Restricted for			
Debt service	1,248,685	-	1,248,685
Economic development	382,690	-	382,690
Street improvements	3,684,160	-	3,684,160
River to River Trail	158,806	-	158,806
Local housing	603,670	-	603,670
Unrestricted	23,233,121	10,949,334	34,182,455
Total Net Position	$ 84,503,631	$ 30,087,945	$ 114,591,576

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Governmental Activities				
General government	$ 6,034,478	$ 1,655,692	$ 203,611	$ -
Public safety	13,071,329	735,862	944,958	-
Public works	6,915,183	4,342	984,473	4,055,951
Parks and recreation	2,829,299	116,600	-	-
Economic development	1,169,880	-	480,855	-
Interest on long-term debt	1,019,247	-	-	-
Total Governmental Activities	31,039,416	2,512,496	2,613,897	4,055,951
Business-type Activities				
Storm sewer	526,060	735,258	171	-
Sanitary sewer	4,423,294	6,010,665	91,469	785,784
Civic center arena	802,069	179,305	138,475	231,300
Swimming pool	293,563	81,255	16,456	-
Regional athletic center	794,007	811,904	295,794	-
Total Business-type Activities	6,838,993	7,818,387	542,365	1,017,084
Total	$ 37,878,409	$ 10,330,883	$ 3,156,262	$ 5,073,035

General Revenues
- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt service
  - Tax increments
  - Franchise and other taxes
- Grants and contributions not restricted to specific programs
- Gain on sale of capital assets
- Unrestricted investment earnings
- Miscellaneous revenues

Transfers - internal activities

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1 as previously reported

Error Correction (Note 10)

Net Position, January 1 as restated

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (4,175,175)	$ -	$ (4,175,175)
(11,390,509)	-	(11,390,509)
(1,870,417)	-	(1,870,417)
(2,712,699)	-	(2,712,699)
(689,025)	-	(689,025)
(1,019,247)	-	(1,019,247)
(21,857,072)	-	(21,857,072)
-	209,369	209,369
-	2,464,624	2,464,624
-	(252,989)	(252,989)
-	(195,852)	(195,852)
-	313,691	313,691
-	2,538,843	2,538,843
(21,857,072)	2,538,843	(19,318,229)
17,796,979	966,637	18,763,616
3,667,903	-	3,667,903
1,156,741	-	1,156,741
3,861,221	-	3,861,221
1,932,236	-	1,932,236
212,434	-	212,434
1,826,239	488,134	2,314,373
176,820	-	176,820
650,000	(650,000)	-
31,280,573	804,771	32,085,344
9,423,501	3,343,614	12,767,115
75,080,130	27,052,283	102,132,413
-	(307,952)	(307,952)
75,080,130	26,744,331	101,824,461
$ 84,503,631	$ 30,087,945	$ 114,591,576

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of West St. Paul, Minnesota
Balance Sheet
Governmental Funds
December 31, 2025

	101 General	209 Economic Development Authority	300's Debt Service	402 Permanent Improvement Revolving Fund
Assets				
Cash and temporary investments	$ 12,096,600	$ 1,374,852	$ 7,412,499	$ 4,527,981
Receivables				
Accounts	489,078	1,063,984	-	235,535
Taxes	274,851	-	-	217,745
Accrued interest	40,483	5,036	25,020	20,470
Notes	-	51,182	-	-
Special assessments	97,197	-	323,024	1,552,472
Lease	1,620,644	-	-	-
Due from other governments	1,832,920	-	3,848	2,361,988
Advances to other funds	129,870	974,391	546,520	-
Prepaid items	31,389	-	-	-
Assets held for resale	-	5,450,800	-	-
Total Assets	$ 16,613,032	$ 8,920,245	$ 8,310,911	$ 8,916,191
Liabilities				
Accounts and contracts payable	$ 247,920	$ 13,110	$ 1,000	$ 222,156
Accrued salaries payable	330,947	9,316	-	6,898
Due to other governments	108,589	114	-	-
Deposits payable	12,190	2,500	-	-
Unearned revenue	39,474	-	-	-
Advances from other funds	-	-	-	400,000
Total Liabilities	739,120	25,040	1,000	629,054
Deferred Inflows of Resources				
Unavailable revenues - property and franchise taxes	274,851	-	-	-
Unavailable revenues - special assessments	97,197	-	323,024	1,552,472
Unavailable revenues - other	-	-	-	2,349,020
Deferred lease resources	1,578,579	-	-	-
Total Deferred Inflows of Resources	1,950,627	-	323,024	3,901,492
Fund Balances				
Nonspendable	203,324	-	-	-
Restricted	-	-	7,986,887	-
Committed	-	8,895,205	-	-
Assigned	-	-	-	4,385,645
Unassigned	13,719,961	-	-	-
Total Fund Balances	13,923,285	8,895,205	7,986,887	4,385,645
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 16,613,032	$ 8,920,245	$ 8,310,911	$ 8,916,191

The notes to the financial statements are an integral part of this statement.

450's TIF Districts	Other Governmental Funds	Total Governmental Funds
$ 1,135,755	$ 6,648,593	$ 33,196,280
-	230,155	2,018,752
-	533,099	1,025,695
3,558	25,626	120,193
-	-	51,182
-	-	1,972,693
-	247,777	1,868,421
18,024	414,018	4,630,798
-	-	1,650,781
-	31,383	62,772
478,700	-	5,929,500
$ 1,636,037	$ 8,130,651	$ 52,527,067
$ 368,956	$ 128,637	$ 981,779
-	1,269	348,430
-	51,920	160,623
10,000	-	24,690
-	2,167	41,641
874,391	129,870	1,404,261
1,253,347	313,863	2,961,424
-	-	274,851
-	-	1,972,693
-	-	2,349,020
-	271,404	1,849,983
-	271,404	6,446,547
-	31,383	234,707
382,690	4,446,636	12,816,213
-	210,364	9,105,569
-	2,950,566	7,336,211
-	(93,565)	13,626,396
382,690	7,545,384	43,119,096
$ 1,636,037	$ 8,130,651	$ 52,527,067

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2025

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	$ 43,119,096
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	138,439,700
Less: accumulated depreciation	(55,729,475)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(33,280,000)
Plus: premiums on bonds issued	(852,356)
Other postemployment benefits payable	(3,437,435)
Compensated absences payable	(1,236,468)
Net pension liability	(5,258,196)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Unavailable revenues - property and franchise taxes	274,851
Special assessments receivable	1,972,693
Unavailable revenues - other	2,349,020
Governmental funds do not report long-term amounts related to pensions and other postemployment benefits	
Deferred outflows of pension resources	5,623,700
Deferred inflows of pension resources	(7,205,298)
Deferred outflows of other postemployment benefits	170,395
Governmental funds do not report a liability for accrued interest until due and payable.	(446,596)
Total Net Position - Governmental Activities	$ 84,503,631

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	101 General	209 Economic Development Authority	300's Debt Service	402 Permanent Improvement Revolving Fund
Revenues				
Taxes	$ 14,757,999	$ 366,739	$ 3,667,903	$ 1,552,409
Licenses and permits	892,598	-	-	-
Intergovernmental	3,064,343	-	-	2,375,818
Charges for services	1,554,381	-	-	-
Fines and forfeitures	90,942	-	-	-
Special assessments	32,675	-	138,941	454,561
Investment earnings	739,021	66,541	279,393	311,142
Miscellaneous	803	1,000	-	-
Total Revenues	21,132,762	434,280	4,086,237	4,693,930
Expenditures				
Current				
General government	4,877,044	-	-	-
Public safety	11,557,349	-	-	-
Public works	2,257,307	-	-	2,238,841
Parks and recreation	1,735,080	-	-	-
Economic development	-	303,262	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	5,032,274
Parks and recreation	-	-	-	-
Debt service				
Principal	-	-	2,830,000	-
Interest and other charges	-	-	1,130,745	-
Total Expenditures	20,426,780	303,262	3,960,745	7,271,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	705,982	131,018	125,492	(2,577,185)
Other Financing Sources (Uses)				
Transfers in	650,000	-	110,293	2,370,000
Sale of capital assets	66,388	-	-	-
Gain on land held for sale	-	43,611	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	716,388	43,611	110,293	2,370,000
Net Change in Fund Balances	1,422,370	174,629	235,785	(207,185)
Fund Balances, January 1	12,500,915	8,720,576	7,751,102	4,592,830
Fund Balances, December 31	$ 13,923,285	$ 8,895,205	$ 7,986,887	$ 4,385,645

The notes to the financial statements are an integral part of this statement.

450's TIF Districts	Other Governmental Funds	Total Governmental Funds
$ 1,156,741	$ 4,945,010	$ 26,446,801
-	-	892,598
-	571,456	6,011,617
-	45,041	1,599,422
-	-	90,942
-	-	626,177
41,797	388,345	1,826,239
-	109,755	111,558
1,198,538	6,059,607	37,605,354
-	233,734	5,110,778
-	397,586	11,954,935
-	216,513	4,712,661
-	73,552	1,808,632
772,749	69,650	1,145,661
-	258,718	258,718
-	398,216	398,216
-	218,450	5,250,724
-	1,094,741	1,094,741
-	-	2,830,000
-	-	1,130,745
772,749	2,961,160	35,695,811
425,789	3,098,447	1,909,543
-	-	3,130,293
-	-	66,388
102,435	-	146,046
(110,293)	(2,370,000)	(2,480,293)
(7,858)	(2,370,000)	862,434
417,931	728,447	2,771,977
(35,241)	6,816,937	40,347,119
$ 382,690	$ 7,545,384	$ 43,119,096

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	$	2,771,977
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		6,199,004
Depreciation expense		(3,314,035)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal repayments		2,830,000
Current year amortization of bond premium		128,784
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.		(17,286)
Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.		
Special assessments		337,800
Property taxes		36,043
Intergovernmental		1,566,035
Long-term pension activity is not reported in governmental funds.		
Pension expense		446,493
Pension revenue from State contributions		53,639
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.		
Other postemployment benefits		(1,515,679)
Compensated absences		(99,274)
Change in Net Position - Governmental Activities	$	9,423,501

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	**602** Sanitary Sewer	Recreation	Totals
Assets				
Current Assets				
Cash and temporary investments	$ 1,261,555	$ 5,026,076	$ 3,974,857	$ 10,262,488
Receivables				
Accrued interest	5,316	19,593	13,981	38,890
Accounts	-	10,792	62,616	73,408
Special assessments	-	665,845	-	665,845
Due from other governments	158,779	1,361,271	-	1,520,050
Total Current Assets	1,425,650	7,083,577	4,051,454	12,560,681
Noncurrent Assets				
Capital assets				
Land	-	10,945	62,921	73,866
Construction in progress	-	3,097,127	2,876	3,100,003
Buildings	121,263	-	16,831,000	16,952,263
Machinery and equipment	259,400	1,771,592	454,860	2,485,852
Infrastructure	9,271,205	15,800,200	-	25,071,405
Less accumulated depreciation	(6,056,899)	(6,958,189)	(7,322,210)	(20,337,298)
Net Capital Assets	3,594,969	13,721,675	10,029,447	27,346,091
Total Assets	5,020,619	20,805,252	14,080,901	39,906,772
Deferred Outflows of Resources				
Deferred pension resources	6,359	35,381	20,571	62,311
Deferred other postemployment benefits	-	5,271	3,513	8,784
Total Deferred outflows of Resources	6,359	40,652	24,084	71,095

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Liabilities				
Current Liabilities				
Accounts and contracts payable	$ 849	$ 165,432	$ 61,632	$ 227,913
Accrued salaries payable	4,562	26,500	2,760	33,822
Due to other governments	-	499,710	1,461	501,171
Due to other funds	-	246,520	-	246,520
Accrued interest payable	4,391	37,462	16,035	57,888
Deposits payable	26,702	-	-	26,702
Unearned revenue	-	-	108,043	108,043
Other postemployment benefits - current	-	6,670	3,940	10,610
Compensated absences payable - current	-	31,383	12,573	43,956
Bonds payable - current	70,000	490,000	280,000	840,000
Total Current Liabilities	106,504	1,503,677	486,444	2,096,625
Noncurrent Liabilities				
Other postemployment benefits	-	106,099	68,977	175,076
Compensated absences payable	-	25,677	10,286	35,963
Net pension liability	23,858	149,636	59,904	233,398
Bonds payable	468,700	4,449,950	2,300,755	7,219,405
Total Noncurrent Liabilities	492,558	4,731,362	2,439,922	7,663,842
Total Liabilities	599,062	6,235,039	2,926,366	9,760,467
Deferred Inflows of Resources				
Deferred pension resources	14,105	68,131	47,219	129,455
Net Position				
Net investment in capital assets	3,056,269	8,633,650	7,448,692	19,138,611
Unrestricted	1,357,542	5,909,084	3,682,708	10,949,334
Total Net Position	$ 4,413,811	$ 14,542,734	$ 11,131,400	$ 30,087,945

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	**602** Sanitary Sewer	Recreation	Totals
Operating Revenues				
Charges for services	$ 735,258	$ 6,010,665	$ 1,072,464	$ 7,818,387
Miscellaneous	-	-	295,794	295,794
Total Operating Revenues	735,258	6,010,665	1,368,258	8,114,181
Operating Expenses				
Personal services	88,246	512,101	337,477	937,824
Supplies	1,412	31,903	67,677	100,992
Professional services	239,254	3,046,714	480,441	3,766,409
Insurance	841	20,596	17,721	39,158
Utilities	-	-	336,551	336,551
Repairs and maintenance	-	-	57,732	57,732
Depreciation	188,059	742,569	559,925	1,490,553
Total Operating Expenses	517,812	4,353,883	1,857,524	6,729,219
Operating Income (Loss)	217,446	1,656,782	(489,266)	1,384,962
Nonoperating Revenues (Expenses)				
Taxes	-	-	966,637	966,637
Special assessments	-	17,293	-	17,293
Investment earnings	68,643	233,262	186,229	488,134
Miscellaneous	171	74,176	154,931	229,278
Interest expense	(8,248)	(69,411)	(32,115)	(109,774)
Total Nonoperating Revenues (Expenses)	60,566	255,320	1,275,682	1,591,568
Income (Loss) Before Transfers and Capital Contributions	278,012	1,912,102	786,416	2,976,530
Capital Contributions - Intergovernmental	-	785,784	-	785,784
Capital Contributions	-	-	231,300	231,300
Transfers Out	(150,000)	(450,000)	(50,000)	(650,000)
Change in Net Position	128,012	2,247,886	967,716	3,343,614
Net Position, January 1 as previously reported	4,285,799	12,602,800	10,163,684	27,052,283
Error Correction (Note 10)	-	(307,952)	-	(307,952)
Net Position, January 1 as restated	4,285,799	12,294,848	10,163,684	26,744,331
Net Position, December 31	$ 4,413,811	$ 14,542,734	$ 11,131,400	$ 30,087,945

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	$ 728,239	$ 5,815,916	$ 1,404,636	$ 7,948,791
Other receipts	-	-	154,931	154,931
Payments to suppliers	(248,376)	(3,269,092)	(1,248,258)	(4,765,726)
Payments to employees	(87,560)	(453,141)	(302,385)	(843,086)
Net Cash Provided (Used) by Operating Activities	392,303	2,093,683	8,924	2,494,910
Cash Flows from Noncapital Financing Activities				
Property taxes received	-	-	966,637	966,637
Assessments collected (remitted) for (to) other agencies	-	294,672	-	294,672
(Increase) decrease in advance to other funds	11,160	-	-	11,160
Transfers to other funds	(150,000)	(450,000)	(50,000)	(650,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(138,840)	(155,328)	916,637	622,469
Cash Flows from Capital Financing Activities				
Acquisition of capital assets	(121,263)	(1,406,794)	(159,526)	(1,687,583)
Donations received	-	-	231,300	231,300
Intergovernmental receipts	-	785,784	-	785,784
Interest paid on bonds	(11,635)	(95,118)	(43,166)	(149,919)
Principal paid on bonds	(69,000)	(486,000)	(270,000)	(825,000)
Net Cash Used by Capital Financing Activities	(201,898)	(1,202,128)	(241,392)	(1,645,418)
Cash Flows from Investing Activities				
Interest received on investments	68,329	228,964	185,262	482,555
Net Increase (Decrease) in Cash and Cash Equivalents	119,894	965,191	869,431	1,954,516
Cash and Cash Equivalents, January 1	1,141,661	4,060,885	3,105,426	8,307,972
Cash and Cash Equivalents, December 31	$ 1,261,555	$ 5,026,076	$ 3,974,857	$ 10,262,488

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	$ 217,446	$ 1,656,782	$ (489,266)	$ 1,384,962
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	188,059	742,569	559,925	1,490,553
Other income related to operations	171	91,469	154,931	246,571
(Increase) decrease in assets				
Receivables				
Accounts	829	4,760	22,439	28,028
Special assessments	-	(74,906)	-	(74,906)
Due from other governments	(8,019)	(216,072)	-	(224,091)
Decrease in deferred outflows of resources				
Deferred pension resources	(1,879)	(8,099)	(4,966)	(14,944)
Deferred other post employment benefit resources	-	(1,507)	(1,480)	(2,987)
Increase (decrease) in liabilities				
Accounts payable	(6,869)	(169,879)	(285,754)	(462,502)
Accrued salaries payable	(32)	5,893	(3,878)	1,983
Due to other governments	-	-	(2,382)	(2,382)
Unearned revenue	-	-	13,939	13,939
Other postemployment benefits	-	61,059	44,495	105,554
Compensated absences payable	-	7,446	(1,257)	6,189
Net pension liability	2,093	(489)	2,914	4,518
Increase in deferred inflows of resources				
Deferred pension resources	504	(5,343)	(736)	(5,575)
Net Cash Provided (Used) by Operating Activities	$ 392,303	$ 2,093,683	$ 8,924	$ 2,494,910
Noncash Capital Financing and Investing Activities				
Amortization of deferred charges	$ 2,854	$ 21,730	$ 8,621	$ 33,205
Capital assets acquired on account	$ -	$ 148,075	$ -	$ 148,075

The notes to the financial statements are an integral part of this statement.

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Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of West St. Paul, Minnesota (the City) operates under its own "Home Rule Charter." Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and six elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended Component Unit

The Economic Development Authority (EDA) is an entity legally separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the six City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

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 nonfiduciary activities of the City. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

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

The *Economic Development Authority fund* accounts for the facilitation of redevelopment of property within the City. The City established the EDA according to Minnesota Statute §469.109. Significant revenue sources for the EDA are general property taxes and intergovernmental revenues.

The *Debt Service fund* accounts for the accumulation of resources and payment of bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

The *Permanent Improvement Revolving fund* accounts for the costs of constructing various street, sanitary sewer, storm sewer, and water projects. These costs are accumulated until it becomes prudent to issue bonds. The bond proceeds are then placed here to finance future construction. Thus, the fund acts as a large, revolving pool of working capital. It is also used to account for construction done on designated state-aid streets. Financing is provided by State grants for specific state-aid street projects. State law requires that these grants be used for the projects specified in the grant application, or on similar state-aid street projects.

The *TIF Districts fund* accounts for the activities within the City's six tax increment districts.

The City reports the following major proprietary funds:

The *Storm Sewer fund* accounts for the costs associated with the City's storm sewer system and ensure that user charges are sufficient to pay for those costs.

The *Sanitary Sewer fund* accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

The *Recreation fund* accounts for City-owned recreation operations consisting of a civic center arena, athletic center and swimming pool.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's storm sewer, sanitary sewer and recreation function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

8. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 73.

Note 1: Summary of Significant Accounting Policies (Continued)

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

- Government Agency Securities are valued using quoted market prices (Level 1 inputs)
- Municipal Bonds and Brokered Certificates of Deposit are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting the League of Minnesota Cities Finance Department at 145 University Avenue West, St. Paul, Minnesota, 55103-2044 or call (651) 281-1200.

Property Taxes

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

In the government-wide financial statements, the City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Property taxes and special assessments have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

Special Assessments

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

Note 1: Summary of Significant Accounting Policies (Continued)

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to a tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

In the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

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

Interfund Receivables and Payables

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

Inventories

Inventories of the proprietary funds are recorded at cost, using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Prepaid Items

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

Assets Held for Resale

Assets held for resale is valued at the lower of cost or realizable value. Due to the nature of redevelopment activities, cost is frequently higher than realizable value. Realizable values are determined using appraised values or estimated actual sales price.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (except for easements which is $50,000 and software which is $10,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Pursuant to GASB Statement 34, in the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

The City implemented GASB 51, Accounting and Financial Reporting for Intangible Assets effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City had not accounted for computer software at historical cost and therefore retroactive reporting was necessary. The City was able to obtain historical costs and acquisition value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Live in Years
Buildings and Improvements	20 to 50
Machinery and Equipment	5 to 20
Motor Vehicles	5 to 20
Trails, Sidewalks and Streetlights	30
Storm Sewers	50
Streets	40
Distribution and Collection Systems	50 to 75
Software	5

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions and other postemployment benefits contributions made subsequent to the measurement date.

Note 1: Summary of Significant Accounting Policies (Continued)

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. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP), Police and Fire Plan (PEPFP) and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Total All Plans
	GERP	PEPFP	DCP	
City's proportionate share	$ (67,082)	$ 824,023	$ 2,705	$ 759,646
Proportionate share of State's contribution	(7,096)	59,941	-	52,845
Total pension expense	$ (74,178)	$ 883,964	$ 2,705	$ 812,491

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay, paid time off and earned safe and sick time is accrued when incurred in the government-wide and proprietary fund financial statements. Sick time is recorded as a liability when it is more likely then not that the balance will be used during service or paid out at termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City's policy regarding vacation leave is contained in the City Code, Section 310.37. Vacation leave may be accumulated by an employee up to a maximum of twice the annual amount that they are eligible for at any point in time. Upon separation from City service, the employee can receive all unused vacation leave as severance pay, subject to this limitation.

The City's policy regarding sick leave is contained in the City Code, Section 310.43. The maximum accumulation allowed is 120 working days. Upon the employee's termination from City service, the City will pay a portion of accumulated sick leave as severance pay based on years of service.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, *unavailable revenue* and *deferred resources.*

- *Unavailable revenue* arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, franchise taxes, special assessments and other unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.

- *Deferred lease resources* are reported in both the fund financial statements and the statement of net position and results from present value calculations related to the lease receivable.

Postemployment Benefits Other Than Pensions

Under Minnesota statue 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at December 31, 2025. The General fund is typically used to liquidate governmental other postemployment benefits payable

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. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

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

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

The City's fund balance policy establishes a year-end targeted unassigned fund balance amount of 52.5% of the subsequent year's budgeted expenditures for cash-flow timing needs. At all other times the unassigned fund balance should never be less than 10% of budgeted expenditures.

Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, the Economic Development Authority special revenue fund and the Insurance special revenue fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.

4. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council as allowed by City Charter.

5. Formal budgetary integration is employed as a management control device during the year for the General fund and the Economic Development Authority special revenue fund and the Insurance special revenue fund.

6. Supplementary budgets are adopted for the debt service and proprietary funds. These budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance, respectively, and are not reflected in the financial statements, because these are adopted for management purposes only and do not represent a legally adopted budget.

7. A capital improvement program is reviewed annually by the City Council for the capital projects funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

8. Budgeted appropriations for expenditures are controlled at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services and benefits; materials, supplies, services, capital outlay) within each activity.

B. Deficit Fund Balance

The following funds had deficits at December 31, 2025:

Fund	Amount
Nonmajor Governmental	
Community Events	$ 19,541
Grant Fund	42,641

The fund balance deficits will be eliminated with future revenues and transfers from other funds.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was $12,978,662 and the bank balance was $13,331,294. The bank balance was covered by federal depository insurance totaling $250,000. The remaining balance was covered by collateral held by the City's agent in the City's name.

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2025, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	less than 1 year	$ 909	$ -	$ -	$ -
Broker Money Market Funds	N/A	less than 1 year	2,625,856	-	-	-
Non-pooled Investments at Fair Value						
US Government Securities	N/A	1 to 5 years	1,346,877	1,346,877	-	-
US Government Securities	N/A	more than 5 years	6,096,924	6,096,924	-	-
Taxable Municipal Bonds	AA-	less than 1 year	495,470	-	495,470	-
Taxable Municipal Bonds	Aa1	1 to 5 years	501,409	-	501,409	-
Taxable Municipal Bonds	Aa2	1 to 5 years	649,328	-	649,328	-
Taxable Municipal Bonds	AA	1 to 5 years	6,421,865	-	6,421,865	-
Taxable Municipal Bonds	AA+	1 to 5 years	5,526,047	-	5,526,047	-
Taxable Municipal Bonds	AAA	1 to 5 years	2,728,631		2,728,631	
Taxable Municipal Bonds	Aa1	more than 5 years	453,010		453,010	
Taxable Municipal Bonds	AA	more than 5 years	1,128,899		1,128,899	
Taxable Municipal Bonds	AA+	more than 5 years	907,500		907,500	
Taxable Municipal Bonds	AAA	more than 5 years	377,780		377,780	
Brokered Certificates of Deposit	N/A	less than 1 year	728,805	-	728,805	-
Brokered Certificates of Deposit	N/A	1 to 5 years	490,796	-	490,796	-
Total Investments			$ 30,480,106	$ 7,443,801	$ 20,409,540	$ -

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

Cash and Investments Summary

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying Amount of Deposits	$ 12,978,662
Investments	30,480,106
Total	$ 43,458,768

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

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

- *Custodial Credit Risk.* For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, investments in securities are held by the City's broker-dealer of which $500,000 is insured through SIPC. The broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.

- *Concentration of Credit risk*. The City's investment policy places limits on various security types as a percentage of the total portfolio. United States governmental securities are allowed to be 100% of the portfolio. State and local securities cannot exceed 40% of the portfolio. The City has placed limits on other types of securities, but has not invested in these types. The City places no limit on the amount the City may invest in any one issuer (except commercial paper).

- *Interest Rate Risk*. The City's investment policy states the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be structured so that securities mature concurrent with cash needs to meet anticipated demands and the portfolio should consist largely of securities with active secondary or resale markets.

B. Lease Receivable

The City had the following lease receivables as of December 31, 2025:

Description	Issue Date	Maturity Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease Agreements					
T-Mobile - Marie Tower Site	01/01/16	12/31/45	1.80 %	$ 22,480	$ 855,081
T-Mobile - 354 Annapolis	01/01/16	12/31/45	1.80	33,023	319,762
New Cingular Wireless (AT&T) - Marie Tower Site	10/26/06	12/31/40	1.80	34,726	445,800
T-Mobile - 1035 Oakdale Ave	04/01/09	03/30/34	1.80	22,666	247,778
Total Lease Receivable					$ 1,868,421

The City leases various tower sites to companies. These agreements contain various renewal and extension options. The latest maturity date is projected to be in in 2045, however, the Utilities anticipates new or revised leasing arrangements to occur in the future.

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	$ 4,207,957	$ 321,000	$ -	$ 4,528,957
Construction in progress	20,423,453	5,478,344	(747,465)	25,154,332
Total Capital Assets not Being Depreciated	24,631,410	5,799,344	(747,465)	29,683,289
Capital Assets Being Depreciated				
Buildings	13,351,322	-	-	13,351,322
Improvements other than buildings	9,062,875	441,750	(20,679)	9,483,946
Vehicles, machinery and equipment	8,081,305	705,375	(155,486)	8,631,194
Infrastructure	77,289,949	-	-	77,289,949
Total Capital Assets Being Depreciated	107,785,451	1,147,125	(176,165)	108,756,411
Less Accumulated Depreciation for				
Buildings	(5,507,439)	(499,025)		(6,006,464)
Improvements other than buildings	(2,305,236)	(270,970)	20,679	(2,555,527)
Machinery and equipment	(5,204,739)	(812,729)	155,486	(5,861,982)
Infrastructure	(39,574,191)	(1,731,311)	-	(41,305,502)
Total Accumulated Depreciation	(52,591,605)	(3,314,035)	176,165	(55,729,475)
Total Capital Assets Being Depreciated, Net	55,193,846	(2,166,910)	-	53,026,936
Governmental Activities Capital Assets, Net	$ 79,825,256	$ 3,632,434	$ (747,465)	$ 82,710,225

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	$ 73,866	$ -	$ -	$ 73,866
Construction in progress	2,332,138	767,865	-	3,100,003
Total Capital Assets not Being Depreciated	2,406,004	767,865	-	3,173,869
Capital Assets Being Depreciated				
Buildings and improvements	16,674,350	277,913	-	16,952,263
Distribution and collection systems	25,071,405	-	-	25,071,405
Machinery and equipment	1,804,649	681,203	-	2,485,852
Total Capital Assets Being Depreciated	43,550,404	959,116	-	44,509,520
Less Accumulated Depreciation for				
Buildings and improvements	(6,450,445)	(567,904)	-	(7,018,349)
Distribution and collection systems	(11,402,103)	(670,122)	-	(12,072,225)
Machinery and equipment	(994,197)	(252,527)	-	(1,246,724)
Total Accumulated Depreciation	(18,846,745)	(1,490,553)	-	(20,337,298)
Total Capital Assets Being Depreciated, Net	24,703,659	(531,437)	-	24,172,222
Business-type Activities Capital Assets, Net	$ 27,109,663	$ 236,428	$ -	$ 27,346,091

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

Governmental Activities	
General government	$ 365,340
Public safety	248,122
Public works	2,206,428
Parks and recreation	494,145
Total Depreciation Expense - Governmental Activities	$ 3,314,035
Business-type Activities	
Storm sewer	$ 188,059
Sanitary sewer	742,569
Recreation	559,925
Total Depreciation Expense - Business-type Activities	$ 1,490,553

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include various street and road improvements. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Smith Dodd Intersection Improvements	$ 1,781,706	$ 147,089
2025 Bernard Street Reconstruction	2,080,689	217,120
Total	$ 3,862,395	$ 364,209

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
General	Nonmajor Governmental Funds	Cashflow purposes	$ 129,870
Debt service	Permanent Improvement Revolving Fund	Capital project funding	300,000
Economic Development Authority	Permanent Improvement Revolving Fund	Capital project funding	100,000
Debt service	Sanitary Fund	Cashflow purposes	246,520
Economic Development Authority	TIF Districts	To fund tax increment projects	874,391
Total			$ 1,650,781

Interfund loans are not expected to be collected in full within one year, except when made for cash flow purposes. Loans will be repaid with future tax increment collections, donation revenue and land sale proceeds.

The City made transfers during the fiscal year 2025 as shown and described below:

	Transfer In			
Fund	General	Debt Service	Permanent Improvement Revolving	Total
Transfer Out				
TIF Districts	$ -	$ 110,293	$ -	$ 110,293
Nonmajor Governmental	-	-	2,370,000	2,370,000
Storm Sewer	150,000	-	-	150,000
Sanitary Sewer	450,000	-	-	450,000
Recreation	50,000	-	-	50,000
Total	$ 650,000	$ 110,293	$ 2,370,000	$ 3,130,293

During the year, transfers are used to 1) transfer funds to the General fund for administrative support, 2) transfer tax increment resources to pay debt service, and 3) transfer to fund current and future capital projects.

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. tax increment, G.O. special assessment, and G.O. revenue bonds.

On November 28, 2016, the City issued $4,825,000 of G.O. Street Reconstruction bonds that are guaranteed through a Credit Enhancement Program. Agreement with the Minnesota Public Facilities Authority which is acting on behalf of the State of Minnesota. The provisions of the agreement shall be binding on the City as long as the obligations of the issue remain outstanding. Through December 31, 2025, the Authority has made scheduled payments on the obligation on behalf of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2014A	$ 4,845,000	2.00 - 3.38 %	6/24/2014	2/1/2035	$ 2,730,000
G.O. Street Reconstruction Bonds, Series 2014B	4,930,000	2.00 - 3.25	6/24/2014	2/1/2030	1,875,000
G.O. Refunding Bonds, Series 2015A	5,685,000	2.90 - 3.00	6/24/2015	2/1/2035	3,620,000
G.O. Street Reconstruction Bonds, Series 2016B	4,825,000	2.00 - 2.75	11/28/2016	2/1/2032	2,460,000
G.O. Improvement Bonds Series 2017A	4,825,000	3.00 - 4.00	5/22/2017	2/1/2033	2,815,000
G.O. Street Reconstruction Bonds, Series 2017B	5,175,000	3.00 - 4.00	5/22/2017	2/1/2033	3,100,000
G.O. Improvement Bonds Series 2018A	7,260,000	3.00 - 4.00	6/26/2018	2/1/2034	4,805,000
G.O. Tax Abatement Bonds, Series 2023A	5,985,000	4.35	3/2/2023	2/1/2026	5,985,000
Total G.O. Bonds					$ 27,390,000

Note 3: Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	$ 8,335,000	$ 741,823	$ 9,076,823
2027	2,440,000	536,661	2,976,661
2028	2,500,000	464,569	2,964,569
2029	2,575,000	390,020	2,965,020
2030	2,665,000	312,120	2,977,120
2031 - 2035	8,875,000	556,664	9,431,664
Total	$ 27,390,000	$ 3,001,857	$ 30,391,857

G.O. Improvement Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2018A	$ 2,290,000	3.00 - 4.00 %	6/26/2018	2/1/2034	$ 1,475,000
G.O. Improvement Bonds, Series 2019A	5,325,000	2.00 - 3.00	8/26/2019	2/1/2035	3,780,000
Total G.O. Improvement Bonds					$ 5,255,000

Annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	$ 490,000	$ 133,785	$ 623,785
2027	505,000	118,110	623,110
2028	515,000	102,810	617,810
2029	530,000	87,135	617,135
2030	540,000	71,085	611,085
2031 - 2035	2,675,000	149,433	2,824,433
Total	$ 5,255,000	$ 662,358	$ 5,917,358

Note 3: Detailed Notes on All Funds (Continued)

G.O. Tax Increment Bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. TIF Refunding Bonds, Series 2015C	$ 1,320,000	1.50 - 3.00 %	12/1/2015	2/1/2031	$ 635,000

Annual debt service requirements to maturity for G.O. tax increment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	$ 95,000	$ 17,256	$ 112,256
2027	100,000	14,575	114,575
2028	100,000	11,700	111,700
2029	110,000	8,550	118,550
2030	110,000	5,250	115,250
2031	120,000	1,800	121,800
Total	$ 635,000	$ 59,131	$ 694,131

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds.

The G.O. Sewer Revenue Bonds will be repaid from future revenues pledged from the enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Storm Sewer	Sanitary Sewer	Recreation
Net Operating Revenues	$ 735,258	$ 6,010,665	$ 811,904
Principal and Interest	80,635	581,118	313,166
Percentage of Revenues	11 %	10 %	39 %

Note 3: Detailed Notes on All Funds (Continued)

The Tax Abatement Bonds and interest thereon are payable from abatements collected from certain property in the City. If abatement revenues are insufficient to meet principal and interest due, the City is required to levy ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2012A	$ 2,520,000	2.00 - 2.75 %	8/14/2012	2/1/2026	$ 95,000
G.O. Sewer Revenue Bonds, Series 2016A	5,110,000	2.10 - 3.00	6/16/2016	2/1/2032	2,615,000
G.O. Sewer Revenue Bonds, Series 2019A	1,130,000	2.00 - 3.00	8/26/2019	2/1/2035	815,000
G.O. Tax Abatement Bonds, Series 2020A	2,515,000	.30 - 1.45	12/1/2020	2/1/2033	2,420,000
G.O. Sewer Revenue Bonds, Series 2021A	2,275,000	1.00 - 2.00	2/16/2021	2/1/2037	1,865,000
Total G.O. Revenue Bonds					$ 7,810,000

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2026	$ 840,000	$ 129,824	$ 969,824
2027	880,000	111,543	991,543
2028	890,000	93,093	983,093
2029	915,000	74,268	989,268
2030	935,000	56,568	991,568
2031 - 2035	3,020,000	99,463	3,119,463
2036 - 2037	330,000	4,414	334,414
Total	$ 7,810,000	$ 569,173	$ 8,379,173

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. bonds	$ 29,655,000	$ -	$ (2,265,000)	$ 27,390,000	$ 8,335,000
G.O. improvement bonds	5,730,000	-	(475,000)	5,255,000	490,000
G.O. tax increment bonds	725,000	-	(90,000)	635,000	95,000
Bond premium	981,140	-	(128,784)	852,356	-
Total Bonds Payable	37,091,140	-	(2,958,784)	34,132,356	8,920,000
Compensated Absences Payable*	1,137,194	99,274	-	1,236,468	680,058
Governmental Activity Long-term Liabilities	$ 38,228,334	$ 99,274	$ (2,958,784)	$ 35,368,824	$ 9,600,058
Business-type Activities					
Bonds Payable					
G.O. revenue bonds	$ 8,635,000	$ -	$ (825,000)	$ 7,810,000	$ 840,000
Bond premium	282,610	-	(33,205)	249,405	-
Total Bonds Payable	8,917,610	-	(858,205)	8,059,405	840,000
Compensated Absences Payable*	73,730	6,189	-	79,919	43,956
Business-type Activity Long-term Liabilities	$ 8,991,340	$ 6,189	$ (858,205)	$ 8,139,324	$ 883,956

Note 3: Detailed Notes on All Funds (Continued)

F. Fund Balance Classification

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

	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving	TIF Districts	Other Governmental Funds	Total
Nonspendable							
Advances to other funds	$ 129,870	$ -	$ -	$ -	$ -	$ -	$ 129,870
Prepaid items	31,389	-	-	-	-	31,383	62,772
Lease receivable	42,065	-	-	-	-	-	42,065
Total Nonspendable	$ 203,324	$ -	$ -	$ -	$ -	$ 31,383	$ 234,707
Restricted for							
Debt service	$ -	$ -	$ 7,986,887	$ -	$ -	$ -	$ 7,986,887
Capital and street improvements	-	-	-	-	-	3,842,966	3,842,966
Local housing	-	-	-	-	-	603,670	603,670
Economic development	-	-	-	-	382,690	-	382,690
Total Restricted	$ -	$ -	$ 7,986,887	$ -	$ 382,690	$ 4,446,636	$ 12,816,213
Committed to							
Economic development	$ -	$ 8,895,205	$ -	$ -	$ -	$ -	$ 8,895,205
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	210,364	210,364
Total Committed	$ -	$ -	$ -	$ -	$ -	$ 210,364	$ 9,105,569
Assigned to							
Street maintenance	$ -	$ -	$ -	$ 4,385,645	$ -	$ -	$ 4,385,645
Equipment acquisition	-	-	-	-	-	1,317,543	1,317,543
Technology replacement	-	-	-	-	-	175,235	175,235
Park improvements	-	-	-	-	-	1,045,846	1,045,846
Capital facilities	-	-	-	-	-	411,942	411,942
Total Assigned	$ -	$ -	$ -	$ 4,385,645	$ -	$ 2,950,566	$ 7,336,211

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan (General Plan)

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

Public Employees Police and Fire Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or 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 entity's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 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 retirement 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 at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Note 4: Defined Benefit Pension Plans - Statewide (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 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Police and Fire Plan Benefits

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

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

C. Contributions

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were $396,877. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were $876,198. The City's contributions were equal to the required contributions as set by state statute.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of $1,917,877 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 $46,265.

City's proportionate share of the net pension liability	$	1,917,877
State of Minnesota's proportionate share of the net pension liability associated with the City		46,265
Total	$	1,964,142

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0579% at the end of the measurement period and 0.0567% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of negative $67,082 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional negative $7,096 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2025, the City reported 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	$ 182,732	$ -
Changes in actuarial assumptions	46,210	441,297
Net difference between projected and actual investment earnings	-	763,141
Changes in proportion	81,717	-
Employer contributions subsequent to the measurement date	198,009	-
Total	$ 508,668	$ 1,204,438

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The $198,009 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ (177,719)
2027	(333,789)
2028	(245,946)
2029	(136,325)

Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of $3,573,717 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.305% at the end of the measurement period and 0.2907% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $123,883.

City's proportionate share of the net pension liability	$ 3,573,717
State of Minnesota's proportionate share of the net pension liability associated with the City	123,883
Total	$ 3,697,600

For the year ended December 31, 2025, the City recognized pension expense of $824,023 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized $59,941 as grant revenue and pension expense for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized $27,451 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2025, the City reported 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	$ 1,651,171	$ -
Changes in actuarial assumptions	2,710,023	4,477,718
Net difference between projected and actual earnings on investments	-	1,595,000
Changes in proportion	369,213	57,597
Employer contributions subsequent to the measurement date	446,936	-
Total	$ 5,177,343	$ 6,130,315

The $446,936 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ 910,189
2027	(700,293)
2028	(1,704,075)
2029	(40,347)
2030	134,618

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 Return on Investment
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 %	

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan, and Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan and 1% for the Police & Fire Plan

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 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 & Fire Plan are based on the Pub-2010 Public Safety Employee Mortality Tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General 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 & Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions:
- The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:
- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

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

Changes in Plan Provisions:
- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2024 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

G. Discount Rate

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

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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 one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (6.00%)	Current (7.00%)	1 Percent Increase (8.00%)
General Employees Fund	$ 4,658,222	$ 1,917,877	$ (305,160)
Police and Fire Fund	9,363,895	3,573,717	(1,180,934)

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.

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

There are six City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member's account annually.

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

		Percentage of		
Employee	Employer	Employee	Employer	Required Rate
$ 2,705	$ 2,705	5.00%	5.00%	5.00%

The City's contributions to the PEDCP for the years ended December 31, 2025, 2024 and 2023 were $2,705, $1,1641 and $1,732, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 6: Postemployment Benefits Other than Pensions

A. Plan Description

In addition to providing the pension benefits described in Note 5, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B. Benefits Provided

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement or disability benefits from a Minnesota public pension plan. The employee may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care benefits are provided through the City's group health insurance plans. The retiree pays 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C. Participants

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	7
Active Plan Members	102
Total Plan Members	109

D. Funding Policy

Retiree health care benefits are currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time.

For the year ended December 31, 2025, the City's average contribution rate was 35.95 percent of covered-employee payroll. For the fiscal year 2025, the City contributed $69,703 to the plan, while implicit contributions totaled $109,476. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

Note 6: Postemployment Benefits Other than Pensions (Continued)

E. Actuarial Methods and Assumptions

The City's total OPEB liability of $3,623,121 was measured as of December 31, 2024, and the OPEB liability was determined by an actuarial valuation as of December 31, 2024. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.08%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	4.08%
Inflation Rate	2.50%
Salary Increases	3.25%
Medical Trend Rate	9.0% in 2025 gradually decreasing to 3.9% over several decades

The discount rate used to measure the total OPEB liability was 4.08 percent.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017,and other adjustments.

Health care cost trend rate was 9% for FY2025, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2075 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high- cost health insurance plans.

The actuarial assumptions used in the valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

F. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2024	$ 1,962,920
Changes for the Year	
Service Costs	104,973
Interest Costs	74,862
Assumption Changes	386,486
Differences between expected and actual experience	1,258,182
Benefit Payment	(164,302)
Net Changes	1,660,201
Balances at December 31, 2025	$ 3,623,121

Note 6: Postemployment Benefits Other than Pensions (Continued)

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.77% to 4.08% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2023 PERA
- General Employees Plan and 7/1/2023 PERA Police & Fire Plan valuations to the rates used in the 2023 and 2024 experience studies, respectively.

Since the prior measurement date, the following plan provisions changed:

- None

Since the prior measurement date, the following benefit terms changed:

- None

G. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

1 Percent Decrease 3.08%	Discount Rate Current 4.08%	1 Percent Increase 5.08%
$ 3,981,345	$ 3,623,121	$ 3,305,734

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 8.0% Decreasing to 2.9%	Healthcare Cost Trend Rates 9.0% Decreasing to 3.9%	1 Percent Increase 10.0% Decreasing to 4.9%
$ 3,274,406	$ 3,623,121	$ 4,023,891

Note 6: Postemployment Benefits Other than Pensions (Continued)

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

For the year ended December 31, 2025, the City Recognized OPEB expense of $1,824,503. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Paid to OPEB Subsequent to the Measurement Date	$ 179,179	$ -

Deferred outflows of resources totaling $164,302 related to pensions resutling from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of December 31, 2026

Note 7: Joint Powers Agreements

A. DCC - Joint Powers Debt Commitment

On August 25, 2005, the City entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount and South St. Paul, Minnesota and, Dakota County Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage in the operation and maintenance of a county-wide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county. Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org/stats.asp.

B. South Metro Fire Department

The City entered into a joint power agreement with the City of South St. Paul to consolidate the cities of West St. Paul and South St. Paul fire departments thereby creating a new entity known as the South Metro Fire Department (SMFD) as of January 1, 2008, the operational date.

The SMFD is governed by a five-member board of directors (Board) that include two council members from each joint city, and one public member which is not an employee nor a resident of either city. The City Council from each respective city appoints four out of the five members to the board. The process for filling the public member position is as follows:

1. The Board shall approve 3 names to be forwarded to each City Council.
2. Each City Council shall rank each nominee in order of preference.
3. If the highest ranked person is the same on each list, then that person is appointed by each Council.

As required by the agreement, the City transferred fire department property and equipment to the SMFD on January 1, 2008, retaining its rights to these assets in the event of SMFD's dissolution. The property and equipment had an estimated original value of $1,446,249.

The activities of the SMFD are funded substantially by the Cities of West St. Paul and South St. Paul, with each contributing an equal share of the SMFD annual budget which must be approved by the Board by a four-fifths vote of all of its members. In addition, each City performed in-kind contributed services of approximate equal value during 2025 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website www.southmetrofire.com.

Financial statements may be obtained by writing to the South Metro Fire Department, 1616 Humboldt Avenue, West St. Paul, MN 55118

Note 8: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Note 8: Other Information (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result, they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

C. Conduit Debt Obligations

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2025, there was one series of Housing Revenue Bonds outstanding as follows:

Description	Amount Issued	Balance at Year End
2017 Walker Methodist Refinancing Bond	$ 29,420,000	$ 25,890,000

Note 9: Subsequent Event

On January 27, 2026, the City issued 2026A General Obligation Bonds for $6,870,000. The bonds will mature on January 15, 2029 and will be used to complete street and capital improvements.

Note 10: Error Correction

During fiscal year 2025, the City determined December 31, 2024 Sewer assessment receivable balances were not properly reflected. Assessments certified on-behalf of an outside agency were incorrectly reported as assessment revenue. The sewer assessment receivable and revenue were overstated by $307,952. The effects of this change decreased the Business-Type Activities and Sewer net position as of January 1st, 2025 by $307,952.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of West St. Paul, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.0579 %	$ 1,917,877	$ 46,265	$ 1,964,142	$ 5,042,143	38.0 %	90.8 %
6/30/2024	0.0567	2,096,102	54,201	2,150,303	4,790,089	43.8	89.1
6/30/2023	0.0560	3,131,457	86,408	3,217,865	4,616,731	67.8	83.1
6/30/2022	0.0553	4,379,778	128,580	4,508,358	3,836,320	114.2	76.7
6/30/2021	0.0555	2,370,099	72,384	2,442,483	4,143,094	57.2	87.0
6/30/2020	0.0555	3,327,479	102,587	3,430,066	3,955,636	84.1	79.1
6/30/2019	0.0564	3,118,230	96,996	3,215,226	3,995,212	78.0	80.2
6/30/2018	0.0587	3,256,435	106,948	3,363,383	3,935,338	82.7	79.5
6/30/2017	0.0580	3,702,682	46,570	3,749,252	3,737,414	99.1	75.9
6/30/2016	0.0553	4,490,086	-	4,490,086	3,425,146	131.1	68.9

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	$ 396,877	$ 396,877	$ -	$ 5,291,687	7.50 %
12/31/2024	368,147	368,147	-	4,908,633	7.50
12/31/2023	343,605	343,605	-	4,581,405	7.50
12/31/2022	315,656	315,656	-	4,208,749	7.50
12/31/2021	296,713	296,713	-	3,956,175	7.50
12/31/2020	306,689	306,689	-	4,089,181	7.50
12/31/2019	301,157	301,157	-	4,015,430	7.50
12/31/2018	294,604	294,604	-	3,928,058	7.50
12/31/2017	292,968	292,968	-	3,906,241	7.50
12/31/2016	269,660	269,660	-	3,595,466	7.50

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2025 - The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members. The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): 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.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2025 - The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of $170.1 million will be 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 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - 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 - 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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - 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 - There were no changes in plan provisions since the previous valuation.

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.3050 %	$ 3,573,717	$ 123,883	$ 3,697,600	$ 4,453,790	80.2 %	91.8 %
6/30/2024	0.2907	3,824,576	145,791	3,970,367	4,025,544	95.0	90.2
6/30/2023	0.2850	4,921,580	198,258	5,119,838	3,876,500	127.0	86.5
6/30/2022	0.2900	12,619,655	551,171	13,170,826	3,263,518	386.7	70.5
6/30/2021	0.2688	2,074,851	125,365	2,200,216	3,301,744	62.8	93.7
6/30/2020	0.2762	3,640,612	-	3,640,612	3,114,478	116.9	87.2
6/30/2019	0.2767	2,945,751	-	2,945,751	2,917,736	101.0	89.3
6/30/2018	0.2654	2,828,891	-	2,828,891	2,797,151	101.1	88.8
6/30/2017	0.2600	3,510,309	-	3,510,309	2,665,352	131.7	85.4
6/30/2016	0.2600	10,434,252	-	10,434,252	2,502,937	416.9	63.9

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	$ 876,198	$ 876,198	$ -	$ 4,950,269	17.70 %
12/31/2024	729,731	729,731	-	4,122,777	17.70
12/31/2023	683,165	683,165	-	3,859,688	17.70
12/31/2022	625,758	625,758	-	3,535,359	17.70
12/31/2021	587,312	587,312	-	3,318,147	17.70
12/31/2020	579,079	579,079	-	3,271,632	17.70
12/31/2019	506,520	506,520	-	2,988,319	16.95
12/31/2018	463,200	463,200	-	2,859,258	16.20
12/31/2017	443,980	443,980	-	2,740,619	16.20
12/31/2016	411,042	411,042	-	2,537,297	16.20

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2025 - Assumed rates of salary increases were reduced slightly. Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements. Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment. Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. Continued used of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience. Percent married assumption for female retirees lowered from 70% to 65%. Minor changes were made to form of payment assumptions for retirees. Minor changes were made to assumptions made with respect to missing participant data. The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 percent. 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 MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2025 - The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase). The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%. The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis). The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 20248 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048. Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 - 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 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional $9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - An additional one-time direct state aid contribution of $19.4 million will be contributed to the Plan on October 1, 2023. The 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 percent vesting after five years increasing incrementally to 100 percent after 10 years. A one-time non-compounding benefit increase of 3.0 percent 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 was increased, effective July 1, 2023.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing $9 million state contribution. New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, 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- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.0 percent to 60.0 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

Schedule of Changes in the City's OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service Costs	104,973	96,769	106,618	100,786	92,324	81,132	81,245
Interest Costs	74,862	76,556	37,471	40,569	56,305	71,303	70,079
Differences between expected and actual experience	1,258,182	27,545	88,488	(5,830)	(103,829)	-	(221,491)
Assumption Changes	386,486	40,989	(224,635)	23,539	83,455	(94,866)	11,362
Benefit Payment	(164,302)	(144,876)	(143,718)	(170,011)	(141,459)	(136,006)	(136,702)
Net Change in Total OPEB Liability	1,660,201	96,983	(135,776)	(10,947)	(13,204)	(78,437)	(195,507)
Total OPEB Liability - Beginning	1,962,920	1,865,937	2,001,713	2,012,660	2,025,864	2,104,301	2,299,808
Total OPEB Liability - Ending	$ 3,623,121	$ 1,962,920	$ 1,865,937	$ 2,001,713	$ 2,012,660	$ 2,025,864	$ 2,104,301
Covered - Employee Payroll	$ 10,076,909	$ 7,264,723	$ 7,264,723	$ 7,364,723	$ 7,125,288	$ 6,980,780	$ 6,454,653
City's total OPEB liability as a percentage of covered employee payroll	35.95 %	27.02 %	25.68 %	27.18 %	28.25 %	29.02	32.60 %

Changes in assumptions:

In 2025, The following assumptions changed:
- The discount rate was changed from 3.77% to 4.08% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2023 PERA General Employees Plan and 7/1/2023 PERA Police & Fire Plan valuations to the rates used in the 2023 and 2024 experience studies, respectively.

In 2024, the following assumptions changed:
- The discount rate was changed from 4.05% to 3.77% based on updated 20-year municipal bond rates.

In 2023, the following assumptions changed:
- The discount rate was changed from 1.84% to 4.05% based on updated 20-year municipal bond rates.

In 2022, the following assumptions changed:
- The discount rate was changed from 2.00% to 1.84% based on updated 20-year municipal bond rates.

In 2021, the following assumptions changed:
- The discount rate was changed from 2.75% to 2.00% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawl, mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General Employees Plan and and 7/1/2018 PERA Police & Fire Plan valuations to the rates used in the 7/1/2021 valuations.
- The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

In 2020, the following assumptions changed:
- The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.
- The medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

In 2019, the following assumptions changed:
- The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General and Police & Fire Employees Retirement Plan actuarial valuation.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

In 2018, the following assumptions changes:
- The health care trend rates were changed to better anticipate short term and long term medical increases.
- Rates from base RP-2014 headcount-weighted table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.
- The index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination changed from 3.81% to 3.31%.
- The discount rate was changed from 3.81% to 3.31%.

Changes in Plan Provisions:
- None

Changes in benefits:
- None

City of West St. Paul, Minnesota
Required Supplementary Information (Continued)
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	$ 14,870,394	$ 14,757,999	$ (112,395)
Licenses and permits	894,700	892,598	(2,102)
Intergovernmental	2,674,379	3,064,343	389,964
Charges for services	953,219	1,554,381	601,162
Fines and forfeitures	105,000	90,942	(14,058)
Special assessments	70,500	32,675	(37,825)
Investment earnings	151,000	739,021	588,021
Miscellaneous	-	803	803
Total Revenues	19,719,192	21,132,762	1,413,570
Expenditures			
Current			
General government	4,772,827	4,877,044	(104,217)
Public safety	11,560,325	11,557,349	2,976
Public works	2,263,649	2,257,307	6,342
Parks and recreation	1,780,891	1,735,080	45,811
Total Expenditures	20,377,692	20,426,780	(49,088)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,500)	705,982	1,364,482
Other Financing Sources (Uses)			
Transfers in	650,000	650,000	-
Sale of capital assets	8,000	66,388	58,388
Total Other Financing Sources (Uses)	658,000	716,388	58,388
Net Change in Fund Balances	(500)	1,422,370	1,422,870
Fund Balances, January 1	12,500,915	12,500,915	-
Fund Balances, December 31	$ 12,500,415	$ 13,923,285	$ 1,422,870

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Required Supplementary Information (Continued)
Budgetary Comparison Schedules
Economic Development Authority Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Property taxes	$ 366,739	$ 366,739	$ -
Investment earnings	85,000	66,541	(18,459)
Miscellaneous revenue	5,000	1,000	(4,000)
Total Revenues	456,739	434,280	(22,459)
Expenditures			
Current			
Economic development	449,432	303,262	146,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,307	131,018	123,711
Other Financing Sources (Uses)			
Gain on land held for sale	-	43,611	43,611
Net Change in Fund Balances	7,307	174,629	167,322
Fund Balances, January 1	8,720,576	8,720,576	-
Fund Balances, December 31	$ 8,727,883	$ 8,895,205	$ 167,322

The notes to the financial statements are an integral part of this statement.

Notes to the Required Supplemental Information - Budgetary Reporting

A. Budgetary Comparison Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Major Governmental			
General Fund	$ 20,377,692	$ 20,426,780	$ 49,088

The excess of expenditures were funded by greater than anticipated revenues.

C. Summary of Significant Budget Variances

The General fund revenues varied significantly from final budget amounts as noted below:

Revenues

- Intergovernmental revenue exceeded final budgeted amounts due to more police insurance aid and state grants received than anticipated at time of final budget approval.
- Charges for services exceeded final budgeted amounts due to more Newport inspection charges and community development charges.
- Interest earnings exceeded final budgeted amounts due to conservative budgeting based on market uncertainty.

The Economic Development Authority fund expenditures varied significantly from final budget amounts as noted below:

Expenditures

- Economic Development expenditures were under final budgeted amounts due to lower business housing rehabilitation costs than anticipated.

D. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2025.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WEST ST PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of West St. Paul, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2025

	Special Revenue	Capital Projects	Total
Assets			
Cash and temporary investments	$ 888,467	$ 5,760,126	$ 6,648,593
Receivables			
Accounts	155	230,000	230,155
Taxes	-	533,099	533,099
Accrued interest	7	25,619	25,626
Lease	-	247,777	247,777
Due from other governments	6,919	407,099	414,018
Prepaid items	31,383	-	31,383
Total Assets	$ 926,931	$ 7,203,720	$ 8,130,651
Liabilities			
Accounts payable	$ 120,804	$ 7,833	$ 128,637
Accrued salaries and benefits payable	1,269	-	1,269
Due to other governments	-	51,920	51,920
Unearned revenue	-	2,167	2,167
Advances from other funds	53,006	76,864	129,870
Total Liabilities	175,079	138,784	313,863
Deferred Inflows of Resources			
Deferred lease resources	-	271,404	271,404
Fund Balances			
Nonspendable	31,383	-	31,383
Restricted	603,670	3,842,966	4,446,636
Committed	210,364	-	210,364
Assigned	-	2,950,566	2,950,566
Unassigned	(93,565)	-	(93,565)
Total Fund Balances	751,852	6,793,532	7,545,384
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 926,931	$ 7,203,720	$ 8,130,651

City of West St. Paul, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	$ 1,007,298	$ 3,937,712	$ 4,945,010
Intergovernmental	571,456	-	571,456
Charges for services	-	45,041	45,041
Investment earnings	11,074	377,271	388,345
Miscellaneous			
Insurance dividends	16,529	-	16,529
Other	92,911	315	93,226
Total Revenues	1,699,268	4,360,339	6,059,607
Expenditures			
Current			
General government	233,734	-	233,734
Public safety	397,586	-	397,586
Public works	216,513	-	216,513
Parks and recreation	73,552	-	73,552
Economic development	69,650	-	69,650
Capital outlay			
General government	-	258,718	258,718
Public safety	-	398,216	398,216
Public works	-	218,450	218,450
Parks and recreation	-	1,094,741	1,094,741
Total Expenditures	991,035	1,970,125	2,961,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	708,233	2,390,214	3,098,447
Other Financing Sources (Uses)			
Transfers out	-	(2,370,000)	(2,370,000)
Net Change in Fund Balances	708,233	20,214	728,447
Fund Balances, January 1	43,619	6,773,318	6,816,937
Fund Balances, December 31	$ 751,852	$ 6,793,532	$ 7,545,384

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

Community Events - used to account for private contributions for community events.

Insurance - used to account for claims paid under the City's liability, property and casualty and miscellaneous insurance policy deductibles. This is not considered to be a self-insurance fund.

Housing Fund – used to track revenues and expenditures related to Local Affordable Housing Aid.

Grant Fund – used to track small state, private and local grants.

City of West St. Paul, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2025

	201 Community Events	220 Grant Fund	240 Housing Fund	212 Insurance	Total
Assets					
Cash and temporary investments	$ -	$ 69,391	$ 608,867	$ 210,209	$ 888,467
Receivables					
Accounts	-	-	-	155	155
Accrued interest	7	-	-	-	7
Prepaid items	31,383	-	-	-	31,383
Due from other governments	-	6,919	-	-	6,919
Total Assets	$ 31,390	$ 76,310	$ 608,867	$ 210,364	$ 926,931
Liabilities					
Accounts payable	$ -	$ 115,607	$ 5,197	$ -	$ 120,804
Accrued salaries payable	-	1,269	-	-	1,269
Advances from other funds	50,931	2,075	-	-	53,006
Total Liabilities	50,931	118,951	5,197	-	175,079
Fund Balances					
Nonspendable	31,383	-	-	-	31,383
Restricted	-	-	603,670	-	603,670
Committed	-	-	-	210,364	210,364
Unassigned	(50,924)	(42,641)	-	-	(93,565)
Total Fund Balances	(19,541)	(42,641)	603,670	210,364	751,852
Total Liabilities and Fund Balances	$ 31,390	$ 76,310	$ 608,867	$ 210,364	$ 926,931

City of West St. Paul, Minnesota
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	201 Community Events	220 Grant Fund	240 Housing Fund	212 Insurance	Total
Revenues					
Taxes	$ 41,350	$ -	$ -	$ 965,948	$ 1,007,298
Intergovernmental	-	90,601	480,855	-	571,456
Investment earnings	104	2	10,968	-	11,074
Miscellaneous					
Insurance dividends	-	-	-	16,529	16,529
Other	44,937	8,388	-	39,586	92,911
Total Revenues	86,391	98,991	491,823	1,022,063	1,699,268
Expenditures					
Current					
General government	77,017	3,213	-	153,504	233,734
Public safety	-	114,040	-	283,546	397,586
Public works	-	-	-	216,513	216,513
Parks and recreation	-	7,640	-	65,912	73,552
Economic development	-	-	69,650	-	69,650
Total Expenditures	77,017	124,893	69,650	719,475	991,035
Net Change in Fund Balances	9,374	(25,902)	422,173	302,588	708,233
Fund Balances, January 1	(28,915)	(16,739)	181,497	(92,224)	43,619
Fund Balances, December 31	$ (19,541)	$ (42,641)	$ 603,670	$ 210,364	$ 751,852

City of West St. Paul, Minnesota

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Insurance Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	$ 965,948	$ 965,948	$ -
Miscellaneous			
Insurance dividends	45,000	16,529	(28,471)
Other	-	39,586	39,586
Total Revenues	1,010,948	1,022,063	11,115
Expenditures			
Current			
General government	51,466	39,904	11,562
Public safety	375,590	283,546	92,044
Public works	258,627	216,513	42,114
Parks and recreation	84,252	65,912	18,340
Unallocated	241,013	113,600	127,413
Total Expenditures	1,010,948	719,475	291,473
Net Change in Fund Balances	-	302,588	302,588
Fund Balances, January 1	(92,224)	(92,224)	-
Fund Balances, December 31	$ (92,224)	$ 210,364	$ 302,588

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Vehicle and Equipment - used to account for major capital improvements of a public works nature as set forth in the City Code, Section 315.03. Financing is provided by a specific annual property tax levy to the extent that miscellaneous revenue is not sufficient to cover the required expenditures.

Sales Tax Street Improvement - used to account for street improvement projects. Financing is provided by sales tax revenue.

Technology Replacement - used to account for the acquisition of computer hardware and software. Financing is provided by interest earnings on a specified pool of money and property taxes, which was established in 2001.

Parks Improvement - used to account for the acquisition, development and maintenance of the City's park infrastructure. Financing is provided by park dedication fees, donations, property taxes and interest earnings on a specified pool of money.

Government Facilities - used to account for costs associated with construction and capital costs relating to current and future City-owned facilities. Funding is provided through a combination of bond proceeds, property taxes and transfers from other funds.

River to River Trail - used to account for construction costs and related funding for the City's River to River Trail project.

City of West St. Paul, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2025

	401 Vehicle and Equipment	410 Sales Tax Street Improvement	411 Technology Replacement	413 Parks Improvement	415 Government Facilities	421 River to River Trail	Total
Assets							
Cash and temporary investments	$ 1,021,323	$ 3,288,143	$ 177,594	$ 856,861	$ 410,558	$ 5,647	$ 5,760,126
Receivable							
Accounts	-	-	-	-	-	230,000	230,000
Taxes							
Franchise fees	292,829	-	-	240,270	-	-	533,099
Accrued interest	3,391	18,918	429	1,474	1,384	23	25,619
Lease	-	-	-	247,777	-	-	247,777
Due from other governments	-	377,099	-	30,000	-	-	407,099
Total Assets	$ 1,317,543	$ 3,684,160	$ 178,023	$ 1,376,382	$ 411,942	$ 235,670	$ 7,203,720
Liabilities							
Accounts payable	$ -	$ -	$ 2,788	$ 5,045	$ -	$ -	$ 7,833
Due to other governments	-	-	-	51,920	-	-	51,920
Unearned revenue	-	-	-	2,167	-	-	2,167
Advances from other funds	-	-	-	-	-	76,864	76,864
Total Liabilities	-	-	2,788	59,132	-	76,864	138,784
Deferred Inflows of Resources							
Deferred lease resources	-	-	-	271,404	-	-	271,404
Fund Balances							
Restricted	-	3,684,160	-	-	-	158,806	3,842,966
Assigned	1,317,543	-	175,235	1,045,846	411,942	-	2,950,566
Total Fund Balances	1,317,543	3,684,160	175,235	1,045,846	411,942	158,806	6,793,532
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,317,543	$ 3,684,160	$ 178,023	$ 1,376,382	$ 411,942	$ 235,670	$ 7,203,720

City of West St. Paul, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2025

	401 Vehicle and Equipment	410 Sales Tax Street Improvement	411 Technology Replacement	413 Parks Improvement	415 Government Facilities	421 River to River Trail	Total
Revenues							
Taxes							
Property taxes	$ -	$ -	$ 218,000	$ -	$ 205,500	$ -	$ 423,500
Franchise fees	592,349	-	-	636,097	-	-	1,228,446
Sales tax	-	2,285,766	-	-	-	-	2,285,766
Charges for services	-	-	-	45,041	-	-	45,041
Investment earnings	60,128	247,551	6,007	46,402	16,945	238	377,271
Miscellaneous	-	-	-	315	-	-	315
Total Revenues	652,477	2,533,317	224,007	727,855	222,445	238	4,360,339
Expenditures							
Capital outlay							
General government	-	-	210,881	-	47,837	-	258,718
Public safety	398,216	-	-	-	-	-	398,216
Public works	218,450	-	-	-	-	-	218,450
Parks and recreation	160,993	-	-	933,748	-	-	1,094,741
Total Expenditures	777,659	-	210,881	933,748	47,837	-	1,970,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,182)	2,533,317	13,126	(205,893)	174,608	238	2,390,214
Other Financing Sources (Uses)							
Transfers out	-	(2,370,000)	-	-	-	-	(2,370,000)
Net Change in Fund Balances	(125,182)	163,317	13,126	(205,893)	174,608	238	20,214
Fund Balances, January 1	1,442,725	3,520,843	162,109	1,251,739	237,334	158,568	6,773,318
Fund Balances, December 31	$ 1,317,543	$ 3,684,160	$ 175,235	$ 1,045,846	$ 411,942	$ 158,806	$ 6,793,532

City of West St. Paul, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued on the Following Pages)
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
Property taxes	$ 14,789,394	$ 14,682,189	$ (107,205)
Franchise taxes	45,000	33,414	(11,586)
Water surcharge	36,000	42,396	6,396
Total taxes	14,870,394	14,757,999	(112,395)
Licenses and permits			
Licenses	202,900	226,074	23,174
Permits	691,800	666,524	(25,276)
Total licenses and permits	894,700	892,598	(2,102)
Intergovernmental			
Federal			
Grants	65,000	51,603	(13,397)
State			
Local government aid	1,912,673	1,920,315	7,642
Police and fire aid	372,500	571,491	198,991
Municipal state aid	40,000	80,000	40,000
Other	174,206	320,802	146,596
County	110,000	120,132	10,132
Total intergovernmental	2,674,379	3,064,343	389,964
Charges for services			
General government	303,660	494,158	190,498
Public safety	538,059	741,325	203,266
Public works	2,000	6,764	4,764
Parks and recreation	84,500	116,600	32,100
Community development	25,000	195,495	170,495
Other	-	39	39
Total charges for services	953,219	1,554,381	601,162
Fines and forfeitures	105,000	90,942	(14,058)
Special assessments	70,500	32,675	(37,825)
Investment earnings	151,000	739,021	588,021
Miscellaneous			
Refunds and reimbursements	-	3	3
Contributions and donations	-	800	800
Total miscellaneous	-	803	803
Total Revenues	19,719,192	21,132,762	1,413,570

City of West St. Paul, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures			
Current			
General government			
Mayor and City Council			
Personal services	$ 83,855	$ 82,560	$ 1,295
Supplies	-	20	(20)
Other services and charges	92,500	90,382	2,118
Total Mayor and City Council	176,355	172,962	3,393
Management and administration			
Personal services	535,128	530,249	4,879
Supplies	6,300	3,403	2,897
Other services and charges	53,970	20,533	33,437
Total management and administration	595,398	554,185	41,213
Finance			
Personal services	427,922	381,545	46,377
Supplies	3,675	1,560	2,115
Other services and charges	29,150	60,367	(31,217)
Total finance	460,747	443,472	17,275
City Clerk			
Personal services	126,187	127,313	(1,126)
Other services and charges	1,075	420	655
Total city clerk	127,262	127,733	(471)
Marketing and communications			
Personal services	116,663	119,819	(3,156)
Supplies	5,500	1,882	3,618
Other services and charges	59,175	44,259	14,916
Total marketing and communications	181,338	165,960	15,378
Human relations			
Personal services	221,330	201,175	20,155
Supplies	800	109	691
Other services and charges	62,828	47,667	15,161
Total human relations	284,958	248,951	36,007
Elections			
Personal services	1,507	-	1,507
Supplies	12,500	12,420	80
Other services and charges	5,540	3,802	1,738
Total elections	19,547	16,222	3,325
City attorney			
Other services and charges	330,900	298,385	32,515
Charter commission			
Other services and charges	3,200	5,824	(2,624)
General governmental buildings			
Personal services	102,845	102,859	(14)
Supplies	20,525	19,331	1,194
Other services and charges	172,704	381,714	(209,010)
Total general governmental buildings	296,074	503,904	(207,830)

City of West St. Paul, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)			
Current (continued)			
General government (continued)			
Planning and zoning			
Personal services	$ 140,222	$ 140,550	$ (328)
Supplies	700	20	680
Other services and charges	27,435	5,389	22,046
Total planning and zoning	168,357	145,959	22,398
Recycling			
Personal services	78,331	103,465	(25,134)
Supplies	6,000	-	6,000
Other services and charges	42,828	32,936	9,892
Total recycling	127,159	136,401	(9,242)
Building inspection			
Personal services	871,523	881,926	(10,403)
Supplies	6,551	5,208	1,343
Other services and charges	75,755	193,079	(117,324)
Total building inspection	953,829	1,080,213	(126,384)
Management information systems			
Personal services	388,653	391,789	(3,136)
Supplies	10,300	9,297	1,003
Other services and charges	548,750	449,565	99,185
Total management information systems	947,703	850,651	97,052
Innovations			
Other services and charges	100,000	126,222	(26,222)
Total general government	4,772,827	4,877,044	(104,217)
Public safety			
Police			
Personal services	7,169,904	7,161,096	8,808
Supplies	221,260	193,879	27,381
Other services and charges	1,290,644	1,319,763	(29,119)
Total police	8,681,808	8,674,738	7,070
Fire			
Other services and charges	2,855,213	2,854,658	555
Civil defense			
Supplies	5,000	2,743	2,257
Other services and charges	18,304	25,210	(6,906)
Total civil defense	23,304	27,953	(4,649)
Total public safety	11,560,325	11,557,349	2,976
Public works			
Streets and highways			
Personal services	1,364,073	1,263,950	100,123
Supplies	310,965	415,154	(104,189)
Other services and charges	108,936	67,615	41,321
Total streets and highways	1,783,974	1,746,719	37,255

City of West St. Paul, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)			
Current (continued)			
Engineering			
Personal services	$ 219,448	$ 219,942	$ (494)
Supplies	3,700	2,135	1,565
Other services and charges	12,912	16,507	(3,595)
Total engineering	236,060	238,584	(2,524)
Facility			
Supplies	9,000	9,921	(921)
Other services and charges	87,515	107,113	(19,598)
Total facility	96,515	117,034	(20,519)
Street lighting			
Supplies	2,000	2,946	(946)
Other services and charges	145,100	152,024	(6,924)
Total street lighting	147,100	154,970	(7,870)
Total public works	2,263,649	2,257,307	6,342
Parks and recreation			
Maintenance			
Personal services	784,077	810,250	(26,173)
Supplies	102,700	98,687	4,013
Other services and charges	191,415	203,170	(11,755)
Total maintenance	1,078,192	1,112,107	(33,915)
Programming			
Personal services	628,259	583,975	44,284
Supplies	74,440	38,998	35,442
Total programming	702,699	622,973	79,726
Total parks and recreation	1,780,891	1,735,080	45,811
Total Expenditures	20,377,692	20,426,780	(49,088)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,500)	705,982	1,364,482
Other Financing Sources (Uses)			
Transfers in	650,000	650,000	-
Sale of capital assets	8,000	66,388	58,388
Total Other Financing Sources (Uses)	658,000	716,388	58,388
Net Change in Fund Balances	(500)	1,422,370	1,422,870
Fund Balances, January 1	12,500,915	12,500,915	-
Fund Balances, December 31	$ 12,500,415	$ 13,923,285	$ 1,422,870

City of West St. Paul, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2025

	300 Debt Retirement	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds	335 2015C G.O. Tax Increment Refunding Bonds	336 2016B G.O. Improvement Bonds
Assets						
Cash and temporary investments	$ 2,229,779	$ 492,556	$ 545,836	$ 482,873	$ 9,206	$ 499,870
Receivables						
Accrued interest	9,022	1,533	1,649	1,395	-	1,475
Special assessments	7,971	-	-	-	-	-
Due from other governments	626	-	-	-	-	-
Due from other funds	546,520	-	-	-	-	-
Total Assets	$ 2,793,918	$ 494,089	$ 547,485	$ 484,268	$ 9,206	$ 501,345
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ 1,000	$ -
Deferred Inflows of Resources						
Unavailable revenues - special assessments	7,971	-	-	-	-	-
Fund Balances						
Restricted for debt service	2,785,947	494,089	547,485	484,268	8,206	501,345
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,793,918	$ 494,089	$ 547,485	$ 484,268	$ 9,206	$ 501,345

City of West St. Paul, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2025

	337 2017A G.O. Improvement Bonds	338 2017B G.O. Improvement Bonds	339 2018A G.O. Improvement Bonds	340 2019 A G.O. Obligation Fund	341 2023A Tax Abatement Bonds	Total
Assets						
Cash and temporary investments	$ 756,253	$ 1,111,813	$ 936,556	$ 300,204	$ 47,553	$ 7,412,499
Receivables						
Accrued interest	2,535	3,841	2,694	684	192	25,020
Special assessments	76,632	50,503	-	187,918	-	323,024
Due from other governments	28	303	-	2,891	-	3,848
Due from other funds	-	-	-	-	-	546,520
Total Assets	$ 835,448	$ 1,166,460	$ 939,250	$ 491,697	$ 47,745	$ 8,310,911
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 1,000
Deferred Inflows of Resources						
Unavailable revenues - special assessments	76,632	50,503	-	187,918	-	323,024
Fund Balances						
Restricted for debt service	758,816	1,115,957	939,250	303,779	47,745	7,986,887
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 835,448	$ 1,166,460	$ 939,250	$ 491,697	$ 47,745	$ 8,310,911

City of West St. Paul, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances (Continued on the following Pages)
For the Year Ended December 31, 2025

	300 Debt Retirement	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds	335 2015C G.O. Tax Increment Refunding Bonds	336 2016B G.O. Improvement Bonds
Revenues						
Taxes						
Property taxes	$ -	$ 341,545	$ 415,237	$ 414,729	$ -	$ 406,661
Special assessments	2,770	-	-	-	-	-
Investment earnings	124,854	14,819	14,159	11,611	(41)	12,092
Total Revenues	127,624	356,364	429,396	426,340	(41)	418,753
Expenditures						
Debt service						
Principal	-	230,000	345,000	275,000	90,000	320,000
Interest and other charges	6	89,517	64,161	110,891	21,294	66,582
Total Expenditures	6	319,517	409,161	385,891	111,294	386,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	127,618	36,847	20,235	40,449	(111,335)	32,171
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	110,293	-
Net Change in Fund Balances	127,618	36,847	20,235	40,449	(1,042)	32,171
Fund Balances, January 1	2,658,329	457,242	527,250	443,819	9,248	469,174
Fund Balances, December 31	$ 2,785,947	$ 494,089	$ 547,485	$ 484,268	$ 8,206	$ 501,345

City of West St. Paul, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2025

	337 2017A G.O. Improvement Bonds	338 2017B G.O. Improvement Bonds	339 2018A G.O. Improvement Bonds	340 2019A G.O. Obligation Fund	341 2023A Taxable Abatement Bonds	Total
Revenues						
Taxes						
Property taxes	$ 341,669	$ 463,523	$ 812,661	$ 471,878	$ -	$ 3,667,903
Special assessments	45,109	25,830	-	65,232	-	138,941
Investment earnings	27,524	43,660	21,860	2,784	6,071	279,393
Total Revenues	414,302	533,013	834,521	539,894	6,071	4,086,237
Expenditures						
Debt service						
Principal	315,000	330,000	595,000	330,000	-	2,830,000
Interest and other charges	95,516	103,836	217,635	100,484	260,823	1,130,745
Total Expenditures	410,516	433,836	812,635	430,484	260,823	3,960,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,786	99,177	21,886	109,410	(254,752)	125,492
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	110,293
Net Change in Fund Balances	3,786	99,177	21,886	109,410	(254,752)	235,785
Fund Balances, January 1	755,030	1,016,780	917,364	194,369	302,497	7,751,102
Fund Balances, December 31	$ 758,816	$ 1,115,957	$ 939,250	$ 303,779	$ 47,745	$ 7,986,887

City of West St. Paul, Minnesota
TIF Districts
Combining Balance Sheet
December 31, 2025

	451 TIF 1-2	452 TIF 1-3	454 TIF 1-5	455 TIF Town Center 1	456 TIF K Mart	Total
Assets						
Cash and temporary investments	$ 229,464	$ 91,531	$ 215,761	$ 398,893	$ 200,106	$ 1,135,755
Receivables						
Accrued interest	904	460	761	908	525	3,558
Due from other governments	4,107	13,917	-	-	-	18,024
Assets held for resale	478,700	-	-	-	-	478,700
Total Assets	$ 713,175	$ 105,908	$ 216,522	$ 399,801	$ 200,631	$ 1,636,037
Liabilities						
Accounts payable	$ 1,402	$ 1,402	$ 32,470	$ 236,969	$ 96,713	$ 368,956
Deposits payable	10,000	-	-	-	-	10,000
Advances from other funds	-	874,391	-	-	-	874,391
Total Liabilities	11,402	875,793	32,470	236,969	96,713	1,253,347
Fund Balances						
Restricted	701,773	-	184,052	162,832	103,918	1,152,575
Unassigned	-	(769,885)	-	-	-	(769,885)
Total Fund Balances	701,773	(769,885)	184,052	162,832	103,918	382,690
Total Liabilities and Fund Balance	$ 713,175	$ 105,908	$ 216,522	$ 399,801	$ 200,631	$ 1,636,037

City of West St. Paul, Minnesota
TIF Districts
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2025

	451 TIF 1-2	452 TIF 1-3	454 TIF 1-5	455 TIF Town Center 1	456 TIF K Mart	Total
Revenues						
Tax increments	$ 237,427	$ 96,796	$ 82,847	$ 523,483	$ 216,188	$ 1,156,741
Investment earnings	10,781	5,474	9,835	9,793	5,914	41,797
Total Revenues	248,208	102,270	92,682	533,276	222,102	1,198,538
Expenditures						
Current						
Economic development	38,984	1,402	63,538	472,536	196,289	772,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	209,224	100,868	29,144	60,740	25,813	425,789
Other Financing Sources (Uses)						
Gain on sale of property	102,435	-	-	-	-	102,435
Transfers out	(110,293)	-	-	-	-	(110,293)
Total Other Financing Sources (Uses)	(7,858)	-	-	-	-	(7,858)
Net Change in Fund Balances	201,366	100,868	29,144	60,740	25,813	417,931
Fund Balances, January 1	500,407	(870,753)	154,908	102,092	78,105	(35,241)
Fund Balances, December 31	$ 701,773	$ (769,885)	$ 184,052	$ 162,832	$ 103,918	$ 382,690

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Net Position
December 31, 2025

	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	Totals
Assets				
Current Assets				
Cash and temporary investments	$ 1,144,361	$ 556,163	$ 2,274,333	$ 3,974,857
Receivables				
Accrued interest	3,753	1,817	8,411	13,981
Accounts	26,569	-	36,047	62,616
Total Current Assets	1,174,683	557,980	2,318,791	4,051,454
Noncurrent Assets				
Capital assets				
Land	32,296	30,625	-	62,921
Buildings	6,816,020	1,719,948	8,295,032	16,831,000
Machinery and equipment	238,893	81,661	134,306	454,860
Construction in progress	2,876	-	-	2,876
Less accumulated depreciation	(2,839,991)	(1,341,635)	(3,140,584)	(7,322,210)
Net Capital Assets	4,250,094	490,599	5,288,754	10,029,447
Total Assets	5,424,777	1,048,579	7,607,545	14,080,901
Deferred Outflows of Resources				
Deferred pension resources	20,571	-	-	20,571
Deferred other postemployment benefits	3,513	-	-	3,513
Total Deferred Outflows of Resources	24,084	-	-	24,084
Liabilities				
Current Liabilities				
Accounts payable	17,258	6,579	37,795	61,632
Accrued salaries payable	2,760	-	-	2,760
Due to other governments	778	100	583	1,461
Accrued interest payable	-	-	16,035	16,035
Unearned revenue	-	-	108,043	108,043
Other postemployment benefits - current	3,940	-	-	3,940
Compensated absences payable - current	12,573	-	-	12,573
Bonds payable - current	-	-	280,000	280,000
Total Current Liabilities	37,309	6,679	442,456	486,444
Noncurrent Liabilities				
Other postemployment benefits	68,977	-	-	68,977
Compensated absences payable	10,286	-	-	10,286
Net pension liability	59,904	-	-	59,904
Bonds payable	-	-	2,300,755	2,300,755
Total Noncurrent Liabilities	139,167	-	2,300,755	2,439,922
Total Liabilities	176,476	6,679	2,743,211	2,926,366
Deferred Inflows of Resources				
Deferred pension resources	47,219	-	-	47,219
Net Position				
Net investment in capital assets	4,250,094	490,599	2,707,999	7,448,692
Unrestricted	975,072	551,301	2,156,335	3,682,708
Total Net Position	$ 5,225,166	$ 1,041,900	$ 4,864,334	$ 11,131,400

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	Totals
Operating Revenues				
Charges for services	$ 179,305	$ 81,255	$ 811,904	$ 1,072,464
Miscellaneous	-	-	295,794	295,794
Total Operating Revenues	179,305	81,255	1,107,698	1,368,258
Operating Expenses				
Personal services	316,999	20,478	-	337,477
Supplies	21,955	33,514	12,208	67,677
Professional services	43,058	136,884	300,499	480,441
Insurance	6,343	4,670	6,708	17,721
Utilities	119,510	17,595	199,446	336,551
Repairs and maintenance	24,555	17,087	16,090	57,732
Depreciation	269,649	63,335	226,941	559,925
Total Operating Expenses	802,069	293,563	761,892	1,857,524
Operating Income (Loss)	(622,764)	(212,308)	345,806	(489,266)
Nonoperating Revenues (Expenses)				
Taxes				
Property taxes	411,456	220,774	334,407	966,637
Investment earnings	50,088	27,810	108,331	186,229
Miscellaneous	138,475	16,456	-	154,931
Interest expense	-	-	(32,115)	(32,115)
Total Nonoperating Revenues (Expenses)	600,019	265,040	410,623	1,275,682
Income (Loss) Before Transfers and Capital Contributions	(22,745)	52,732	756,429	786,416
Transfers Out	-	-	(50,000)	(50,000)
Capital Contributions	231,300	-	-	231,300
Total Transfers and Capital Contributions	231,300	-	(50,000)	181,300
Change in Net Position	208,555	52,732	706,429	967,716
Net Position, January 1	5,016,611	989,168	4,157,905	10,163,684
Net Position, December 31	$ 5,225,166	$ 1,041,900	$ 4,864,334	$ 11,131,400

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Cash Flows
For the Year Ended December 31, 2025

	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	$ 228,805	$ 81,255	$ 1,094,576	$ 1,404,636
Other receipts	138,475	16,456	-	154,931
Payments to suppliers	(347,981)	(213,340)	(686,937)	(1,248,258)
Payments to employees	(281,907)	(20,478)	-	(302,385)
Net Cash Provided (Used) by Operating Activities	(262,608)	(136,107)	407,639	8,924
Cash Flows from Noncapital Financing Activities				
Property taxes received	411,456	220,774	334,407	966,637
Transfers to other funds	-	-	(50,000)	(50,000)
Net Cash Provided (Used) by Noncapital Financing Activities	411,456	220,774	284,407	916,637
Cash Flows from Capital Financing Activities				
Acquisition of capital assets	(159,526)	-	-	(159,526)
Donations received	231,300	-	-	231,300
Interest paid on bonds	-	-	(43,166)	(43,166)
Principal paid on bonds	-	-	(270,000)	(270,000)
Net Cash Provided (Used) by Capital Financing Activities	71,774	-	(313,166)	(241,392)
Cash Flows from Investing Activities				
Interest received on investments	50,242	27,770	107,250	185,262
Net Increase (Decrease) in Cash and Cash Equivalents	270,864	112,437	486,130	869,431
Cash and Cash Equivalents, January 1	873,497	443,726	1,788,203	3,105,426
Cash and Cash Equivalents, December 31	$ 1,144,361	$ 556,163	$ 2,274,333	$ 3,974,857
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	$ (622,764)	$ (212,308)	$ 345,806	$ (489,266)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation	269,649	63,335	226,941	559,925
Other income related to operations	138,475	16,456	-	154,931
(Increase) decrease in assets				
Accounts receivable	49,500	-	(27,061)	22,439
(Increase) decrease in deferred outflows of resources				
Deferred pension resources	(4,966)	-	-	(4,966)
Deferred other post employment benefit resources	(1,480)	-	-	(1,480)
Increase (decrease) in liabilities				
Accounts payable	(132,552)	(3,590)	(149,612)	(285,754)
Accrued salaries payable	(3,878)	-	-	(3,878)
Due to other governments	(8)	-	(2,374)	(2,382)
Unearned revenue	-	-	13,939	13,939
Other postemployment benefits	44,495	-	-	44,495
Compensated absences payable	(1,257)	-	-	(1,257)
Net pension liability	2,914	-	-	2,914
Increase (decrease) in deferred inflows of resources				
Deferred pension resources	(736)	-	-	(736)
Net Cash Provided (Used) by Operating Activities	$ (262,608)	$ (136,107)	$ 407,639	$ 8,924
Noncash Capital Financing and Investing Activities				
Amortization of deferred charges	$ -	$ -	$ 8,621	$ 8,621

STATISTICAL SECTION (UNAUDITED)

CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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Statistical Section (Unaudited)

This part of the City of West St. Paul'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.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

City of West St. Paul, Minnesota

Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	$ 25,581,953	$ 21,553,165	$ 14,637,278	$ 14,907,996
Restricted	3,631,128	4,714,357	5,770,993	6,308,095
Unrestricted	733,497	1,171,013	4,475,645	6,157,614
Total Governmental Activities Net Position	$ 29,946,578	$ 27,438,535	$ 24,883,916	$ 27,373,705
Business-type Activities				
Net investment in capital assets	$ 11,877,211	$ 12,222,536	$ 13,484,035	$ 11,252,882
Restricted	-	-	-	67,000
Unrestricted	3,410,467	2,843,384	2,800,071	6,186,594
Total Business-type Activities Net Position	$ 15,287,678	$ 15,065,920	$ 16,284,106	$ 17,506,476
Primary Government				
Net investment in capital assets	$ 37,459,164	$ 33,775,701	$ 28,121,313	$ 26,160,878
Restricted	3,631,128	4,714,357	5,770,993	6,375,095
Unrestricted	4,143,964	4,014,397	7,275,716	12,344,208
Total Primary Government Net Position	$ 45,234,256	$ 42,504,455	$ 41,168,022	$ 44,880,181

Note 1: The City implemented GASB Statement No. 75 in fiscal 2018.
Net position information has been restated for 2018 for this accounting change.
Years prior to 2018 have not been restated.

Note 2: An error correction was necessary in 2025 to restate beginning
Business-Type Activities net position. The above 2024 balances have been restated to reflect
this error correction, as a reduction to unrestricted net position.

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 12,983,527	$ 19,368,715	$ 25,597,876	$ 40,845,497	$ 49,437,672	$ 55,192,499
9,446,647	9,352,279	10,498,821	15,890,495	6,177,092	6,078,011
10,494,620	13,862,678	11,337,573	4,205,560	19,465,366	23,233,121
$ 32,924,794	$ 42,583,672	$ 47,434,270	$ 60,941,552	$ 75,080,130	$ 84,503,631
$ 11,688,922	$ 10,951,892	$ 14,111,045	$ 15,063,919	$ 18,192,053	$ 19,138,611
-	-	-	-	-	-
6,411,965	7,632,992	5,673,739	8,325,242	8,552,278	10,949,334
$ 18,100,887	$ 18,584,884	$ 19,784,784	$ 23,389,161	$ 26,744,331	$ 30,087,945
$ 24,672,449	$ 39,708,921	$ 39,708,921	$ 55,909,416	$ 67,629,725	$ 74,331,110
9,446,647	10,498,821	10,498,821	15,890,495	6,177,092	6,078,011
16,906,585	17,011,312	17,011,312	12,530,802	28,017,644	34,182,455
$ 51,025,681	$ 67,219,054	$ 67,219,054	$ 84,330,713	$ 101,824,461	$ 114,591,576

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities				
General government	$ 4,406,578	$ 3,887,143	$ 4,222,701	$ 3,782,687
Public safety	8,533,267	8,142,584	7,513,679	8,638,648
Public works	20,833,032	8,449,894	7,043,080	8,478,627
Parks and recreation	998,392	1,204,868	1,257,105	2,807,291
Economic development	893,626	542,105	999,115	503,616
Interest on long-term debt	730,418	946,484	1,226,640	1,308,163
Total Governmental Activities Expenses	36,395,313	23,173,078	22,262,320	25,519,032
Business-type activities				
Storm sewer	336,468	380,216	432,327	346,263
Sanitary sewer	3,007,180	3,246,607	3,459,654	3,471,635
Recreation	1,428,676	1,483,968	1,254,364	1,329,673
Total Business-type Activities Expenses	4,772,324	5,110,791	5,146,345	5,147,571
Total Primary Government Expenses	$ 41,167,637	$ 28,283,869	$ 27,408,665	$ 30,666,603
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 740,765	$ 815,931	$ 935,046	$ 914,722
Public safety	576,352	748,403	678,084	691,807
Public works	28,275	108,907	31,652	42,125
Parks and recreation	62,336	61,858	71,786	80,166
Economic development	-	-	-	-
Operating grants and contributions	3,574,024	2,091,719	1,985,896	1,904,064
Capital grants and contributions	8,887,491	2,057,115	1,743,167	5,957,178
Total Governmental Activities Program Revenues	13,869,243	5,883,933	5,445,631	9,590,062
Business-type activities				
Charges for services				
Storm sewer	461,890	462,292	465,700	464,919
Sanitary sewer	3,049,436	3,469,335	3,959,106	4,362,210
Recreation	1,111,017	1,097,615	1,014,764	1,074,045
Operating grants and contributions	136,111	11,199	72,420	226,558
Capital grants and contributions	-	97,818	65,212	370,027
Total Business-type Activities Program Revenues	4,758,454	5,138,259	5,577,202	6,497,759
Total Primary Government Program Revenues	$ 18,627,697	$ 11,022,192	$ 11,022,833	$ 16,087,821

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 6,535,071	$ 4,889,304	$ 4,391,880	$ 4,871,581	$ 4,514,005	$ 6,034,478
7,408,380	8,437,609	10,716,185	11,179,916	11,352,112	13,071,329
5,610,489	4,220,794	5,128,745	5,836,779	7,330,556	6,915,183
1,623,583	4,184,446	1,643,133	2,404,521	1,293,405	2,829,299
596,534	611,276	463,092	1,259,117	2,095,563	1,169,880
1,135,208	1,046,590	992,368	1,159,994	1,114,098	1,019,247
22,909,265	23,390,019	23,335,403	26,711,908	27,699,739	31,039,416
323,324	471,619	403,674	1,124,928	430,240	526,060
3,652,569	4,959,644	4,308,043	3,572,796	4,299,638	4,423,294
1,330,980	1,474,795	1,513,721	1,518,179	1,793,671	1,889,639
5,306,873	6,906,058	6,225,438	6,215,903	6,523,549	6,838,993
$ 28,216,138	$ 30,296,077	$ 29,560,841	$ 32,927,811	$ 34,223,288	$ 37,878,409
$ 1,177,614	$ 1,518,999	$ 989,491	$ 1,108,355	$ 1,094,073	$ 1,655,692
610,465	969,646	792,563	724,012	903,528	735,862
2,510	817,580	18,389	7,377	5,806	4,342
12,234	67,330	97,532	104,766	125,242	116,600
-	-	-	-	-	-
4,367,304	2,067,121	2,435,689	3,246,727	1,823,300	2,613,897
1,156,480	5,720,514	2,772,065	7,621,814	8,953,264	4,055,951
7,326,607	11,161,190	7,105,729	12,813,051	12,905,213	9,182,344
468,453	502,209	533,616	570,447	700,687	735,258
4,410,040	4,831,650	5,064,168	5,502,449	5,540,919	6,010,665
662,036	859,447	954,248	1,051,924	1,126,825	1,072,464
30,223	280,121	6,271	113	511,952	542,365
83,109	1,047,424	2,011,626	1,733,763	2,033,120	1,017,084
5,653,861	7,520,851	8,569,929	8,858,696	9,913,503	9,377,836
$ 12,980,468	$ 18,682,041	$ 15,675,658	$ 21,671,747	$ 22,818,716	$ 18,560,180

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Net Revenues (Expenses)				
Governmental activities	$ (22,526,070)	$ (17,289,145)	$ (16,816,689)	$ (15,928,970)
Business-type activities	(13,870)	27,468	430,857	1,350,188
Total Primary Government Net (Expenses) Revenues	$ (22,539,940)	$ (17,261,677)	$ (16,385,832)	$ (14,578,782)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	$ 11,710,599	$ 12,711,291	$ 13,830,174	$ 15,392,049
Tax increments	380,874	257,640	261,993	240,654
Franchise and other taxes	942,289	948,583	1,085,443	1,182,809
Grants and contributions not restricted to specific programs	288,957	14,361	111,861	144,361
Gain on sale of capital assets	7,069	13,574	28,004	9,971
Unrestricted investment earnings (loss)	386,434	129,363	182,238	741,916
Miscellaneous revenues	176,256	98,972	28,485	56,999
Transfers - capital assets	(229,359)	-	(1,423,266)	-
Transfers	1,354,788	607,318	1,189,000	650,000
Total Governmental Activities	15,017,907	14,781,102	15,293,932	18,418,759
Business-type activities				
Property taxes	385,859	335,394	584,708	332,224
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings (loss)	51,884	21,669	29,179	162,563
Gain on sale of capital assets	-	-	-	20,000
Franchise and other taxes	-	-	-	-
Miscellaneous revenues	3,494	1,029	18,727	7,395
Transfers - capital assets	229,359	-	1,423,266	-
Transfers	(1,354,788)	(607,318)	(1,189,000)	(650,000)
Total Business-type Activities	(684,192)	(249,226)	866,880	(127,818)
Total Primary Government	$ 14,333,715	$ 14,531,876	$ 16,160,812	$ 18,290,941
Change in Net Position				
Governmental activities	$ (7,508,163)	$ (2,508,043)	$ (1,522,757)	$ 2,489,789
Business-type activities	(698,062)	(221,758)	1,297,737	1,222,370
Total Primary Government	$ (8,206,225)	$ (2,729,801)	$ (225,020)	$ 3,712,159

Note 1: The City implemented GASB Statement No. 75 in fiscal 2018.
Net position information has been restated for 2018 for this accounting change.
Years Prior to 2018 have not been restated.
Note 2: An error correction was necessary in 2025 to restate beginning
Business-Type Activities net position. 2024 data has been restated to reflect
this error correction, as a reduction to operating grants and contributions.

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (15,582,658)	$(12,228,829)	$(16,229,674)	$ (13,898,857)	$ (14,794,526)	$(21,857,072)
346,988	614,793	2,344,491	2,642,793	3,389,954	2,538,843
$ (15,235,670)	$(11,614,036)	$(13,885,183)	$ (11,256,064)	$ (11,404,572)	$(19,318,229)
$ 16,490,273	$ 17,489,821	$ 18,164,949	$ 19,316,352	$ 20,520,451	$ 21,464,882
274,278	415,185	493,448	1,079,680	1,327,115	1,156,741
2,535,191	3,279,725	3,484,687	3,568,217	3,600,310	3,861,221
100,559	210,000	100,000	1,307,367	1,596,622	1,932,236
48,999	37,681	1,596	4,848	25,814	212,434
909,230	(209,056)	(2,262,135)	1,441,370	1,286,924	1,826,239
178,330	64,351	38,669	38,305	75,868	176,820
(432,863)	-	240,507	-	-	-
1,029,750	600,000	818,551	650,000	500,000	650,000
21,133,747	21,887,707	21,080,272	27,406,139	28,933,104	31,280,573
385,498	378,946	629,730	530,834	434,461	966,637
-	65,500	65,000	164,290	-	-
218,885	(29,427)	(1,001,027)	509,269	338,707	488,134
31,047	-	-	-	-	-
178,979	-	196,247	344,384	-	-
29,901	54,185	24,517	62,807	-	-
432,863	-	(240,507)	-	-	-
(1,029,750)	(600,000)	(818,551)	(650,000)	(500,000)	(650,000)
247,423	(130,796)	(1,144,591)	961,584	273,168	804,771
$ 21,381,170	$ 21,756,911	$ 19,935,681	$ 28,367,723	$ 29,206,272	$ 32,085,344
$ 5,551,089	$ 9,658,878	$ 4,850,598	$ 13,507,282	$ 14,138,578	$ 9,423,501
594,411	483,997	1,199,900	3,604,377	3,663,122	3,343,614
$ 6,145,500	$ 10,142,875	$ 6,050,498	$ 17,111,659	$ 17,801,700	$ 12,767,115

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Fund balance				
Nonspendable	$ 159,886	$ 137,357	$ 239,987	$ 634,282
Restricted	-	-	-	-
Unassigned	9,184,804	9,568,132	8,605,933	8,977,398
Total General Fund	$ 9,344,690	$ 9,705,489	$ 8,845,920	$ 9,611,680
All Other Governmental Funds				
Fund balance				
Nonspendable	$ -	$ 195	$ -	$ 1,295
Restricted	4,702,048	5,532,989	7,463,904	10,261,929
Committed	4,115,670	3,800,093	3,247,769	3,254,869
Assigned	2,392,043	2,378,012	2,904,822	3,787,958
Unassigned	(9,475,090)	(5,933,565)	(1,158,529)	(1,540,187)
Total All Other Governmental Funds	$ 1,734,671	$ 5,777,724	$ 12,457,966	$ 15,765,864

Table 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 572,589	$ 95,282	$ 428,462	$ 1,551,081	$ 385,662	$ 203,324
-	-	-	838,803	419,402	-
11,844,786	10,526,314	9,057,287	9,198,621	11,695,851	13,719,961
$ 12,417,375	$ 10,621,596	$ 9,485,749	$ 11,588,505	$ 12,500,915	$ 13,923,285
$ 30,545	$ 38,214	$ 6,070	$ 15,872	$ 75,168	$ 31,383
10,392,194	9,295,390	9,848,265	15,833,216	12,447,522	12,816,213
3,780,137	3,886,797	3,832,366	3,985,481	8,660,576	9,105,569
4,138,450	7,742,833	6,873,817	5,058,810	7,686,737	7,336,211
(1,111,816)	(1,200,480)	(1,104,125)	(1,397,952)	(1,023,799)	(93,565)
$ 17,229,510	$ 19,762,754	$ 19,456,393	$ 23,495,427	$ 27,846,204	$ 29,195,811

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes				
General property tax	$ 11,735,485	$ 12,994,764	$ 13,856,838	$ 15,485,241
Tax increments	380,874	257,640	261,993	240,654
Franchise and other taxes	917,403	922,750	1,058,214	1,075,774
Licenses and permits	547,130	596,208	693,853	674,183
Intergovernmental	9,276,992	5,420,045	2,836,629	6,401,295
Charges for services	681,171	795,681	839,961	900,481
Fines and forfeitures	175,941	239,325	158,754	118,187
Special assessments	335,038	837,539	656,171	1,136,441
Investment earnings (loss)	386,434	129,363	182,238	741,916
Miscellaneous	736,614	418,770	238,053	407,009
Total Revenues	25,173,082	22,612,085	20,782,704	27,181,181
Expenditures				
Current				
General government	3,402,485	3,494,343	3,358,764	3,361,648
Public safety	7,110,041	7,707,321	7,821,246	8,212,054
Public works	2,620,991	8,260,796	2,810,677	8,572,338
Parks and recreation	874,301	930,829	949,742	2,602,546
Economic development	883,134	535,810	1,002,061	505,505
Capital outlay	17,836,065	5,556,965	6,874,222	2,069,178
Debt service				
Principal	3,130,000	2,045,000	2,040,000	2,600,000
Bond issuance costs	45,849	153,238	153,175	136,313
Interest and other charges	736,513	676,550	1,068,269	1,343,941
Total Expenditures	36,639,379	29,360,852	26,078,156	29,403,523
Excess (Deficiency) or Revenues Over (Under) Expenditures	(11,466,297)	(6,748,767)	(5,295,452)	(2,222,342)
Other Financing Sources (Uses)				
Transfers in	2,699,796	845,223	2,764,504	748,535
Sale of capital assets	7,069	13,574	28,004	9,971
Gain on sale of assets held for resale	-	-	-	-
Bond premium	67,957	789,367	349,121	311,029
Refunding bonds issued	4,825,000	10,000,000	9,550,000	-
Issuance of debt	-	-	-	5,325,000
Transfers out	(1,345,008)	(237,905)	(1,575,504)	(98,535)
Total Other Financing Sources (Uses)	6,254,814	11,410,259	11,116,125	6,296,000
Net Change in Fund Balance	$ (5,211,483)	$ 4,661,492	$ 5,820,673	$ 4,073,658
Debt Service as a Percentage of Noncapital Expenditures	25.9 %	11.1 %	12.3 %	14.2 %

Table 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 18,010,277	$ 19,493,630	$ 20,460,366	$ 22,176,682	$ 23,075,028	$ 24,028,200
274,278	415,185	493,448	1,079,680	1,327,115	1,156,741
1,016,912	1,278,317	1,149,940	730,299	971,481	1,261,860
846,736	1,255,504	667,136	868,717	808,272	892,598
4,542,872	5,332,247	3,852,945	12,073,356	12,348,136	6,011,617
889,350	2,020,308	1,067,640	968,359	1,149,568	1,599,422
46,676	94,289	143,238	108,911	125,217	90,942
511,580	576,349	639,493	597,774	674,719	626,177
909,230	(209,056)	(2,262,135)	1,441,370	1,286,924	1,826,239
881,687	774,459	217,259	177,004	184,786	111,558
27,929,598	31,031,232	26,429,330	40,222,152	41,951,246	37,605,354
3,550,552	3,575,614	3,897,026	4,375,913	4,868,843	5,110,778
8,495,569	8,920,272	9,427,992	10,084,244	10,959,956	11,954,935
3,025,901	2,757,994	3,018,952	3,032,511	3,269,669	4,712,661
912,644	1,029,452	1,168,945	1,450,951	1,699,019	1,808,632
594,758	584,201	545,507	1,179,896	2,099,004	1,145,661
3,748,521	7,994,269	6,293,765	16,372,062	10,236,272	7,002,399
3,050,000	4,820,000	3,190,000	3,070,000	2,745,000	2,830,000
-	-	668	100,936	-	-
1,361,166	1,255,096	1,148,830	1,053,697	1,331,982	1,130,745
24,739,111	30,936,898	28,691,685	40,720,210	37,209,745	35,695,811
3,190,487	94,334	(2,262,355)	(498,058)	4,741,501	1,909,543
1,913,706	6,291,673	3,202,663	2,437,992	1,821,534	3,130,293
49,104	43,131	1,596	4,848	21,686	66,388
105	-	-	-	-	146,046
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,985,000	-	-
(883,956)	(5,691,673)	(2,384,112)	(1,787,992)	(1,321,534)	(2,480,293)
1,078,959	643,131	820,147	6,639,848	521,686	862,434
$ 4,269,446	$ 737,465	$ (1,442,208)	$ 6,141,790	$ 5,263,187	$ 2,771,977
15.4 %	19.9 %	24.1 %	16.0 %	14.4 %	13.4 %

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Shown by Year of Tax Collectability)

Fiscal Year Ended December 31,	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Less Fiscal Disparity Contribution	Adjusted Tax Capacity Value
2016	$ 8,944,793	$ 4,910,545	$ 2,791,840	$ 16,647,178	$ 1,876,417	$ 14,770,761
2017	9,249,565	4,929,237	2,975,898	17,154,700	1,866,610	15,288,090
2018	10,372,379	4,935,125	3,831,982	19,139,486	1,860,876	17,278,610
2019	11,241,227	5,110,884	3,945,780	20,297,891	1,913,093	18,384,798
2020	12,485,988	5,319,315	4,179,755	21,985,058	1,920,823	20,064,235
2021	13,428,894	4,787,520	5,521,791	23,738,205	2,052,094	21,686,111
2022	14,247,410	5,823,018	4,639,364	24,709,792	2,255,137	22,454,655
2023	16,240,457	4,816,188	6,931,520	27,988,165	2,219,324	25,768,841
2024	17,617,107	6,499,652	6,880,129	30,996,888	2,251,468	28,745,420
2025	16,676,585	6,786,201	6,303,676	29,766,462	2,492,033	27,274,429

Source: Dakota County Assessing Services

Note: The year associated with a Tax Capacity or a Market Value means one of two things:
Assessment Year: the year for which the property market values are determined. Market values must be assessed annually on January 2nd. Pay year or tax payment year: the year in which the taxes are payable. Current year taxes - are based on the prior January 2nd assessment. To more accurately compare the information on this table to the financial statements the year is the pay year.

Table 5

Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
69.795	$ 1,474,190,900	1.00%
71.100	1,409,414,640	1.08%
71.412	1,597,495,173	1.08%
72.624	1,701,939,357	1.08%
72.624	1,853,655,614	1.08%
69.427	1,999,480,045	1.08%
70.684	2,102,960,184	1.07%
67.362	2,406,896,545	1.07%
64.708	2,686,056,774	1.07%
72.261	2,723,413,800	1.00%

Table 6

City of West St. Paul, Minnesota

Statistical Section (Unaudited)

Property Tax Capacity Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	Overlapping Rates*			
				School District	Other Districts	County	Total
2016	15.10 %	54.69 %	69.79 %	22.17 %	6.40 %	28.57 %	126.93 %
2017	13.27	57.83	71.10	22.30	6.00	28.00	127.40
2018	17.15	54.26	71.41	21.22	5.28	26.58	124.49
2019	17.29	55.33	72.62	24.25	5.16	25.39	127.41
2020	18.17	51.94	70.11	22.13	4.83	24.13	121.20
2021	15.95	54.15	70.10	22.13	4.83	24.13	121.19
2022	14.52	56.16	70.68	20.39	5.18	21.63	117.88
2023	11.91	54.82	66.73	17.07	5.20	18.82	107.82
2024 **	11.01	53.70	64.71	17.39	6.49	18.32	106.92
2025	10.62	61.64	72.26	19.34	7.39	19.95	118.94

Source: Dakota County website www.dakotacounty.us

Note: The City's basic property tax rate may be increased only by a majority vote of the City's Council members. Rates for debt service are set based on each year's requirements.

*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners.

**Corrected data for 2024

City of West St. Paul, Minnesota

Table 7

Statistical Section (Unaudited)
Principal Property Taxpayers
Current Year and Nine Years Ago

2025			2016		
Taxpayer	Taxable Capacity Value	Percentage of Total City Capacity Value	Taxpayer	Taxable Capacity Value	Percentage of Total City Capacity Value
Robert Street 2008 LLC	$493,704	1.66%	Robert Street 2008 LLC	$315,108	1.89%
Roers West St Paul Apartment:	460,454	1.55%	Target Corp.	258,496	1.55%
TF WSP LLC	355,080	1.19%	Signal Hills Company LLC	244,048	1.47%
Westview Park Apts	317,930	1.07%	Menards Inc.	243,564	1.46%
Monument Eagle Pointe LLC	315,298	1.06%	Xcel Energy	242,092	1.45%
Ottawa Invest Co.	262,584	0.88%	Lowes Home Centers Inc.	198,040	1.19%
Target Corp.	260,958	0.88%	Wal-Mart	187,008	1.12%
Holiday Acres Ltd. Partnership	251,251	0.84%	Mailand Properties LP	178,068	1.07%
Figge Family Properties LLC	234,468	0.79%	Westview Park Apartments	164,761	0.99%
Sasco Investments LLP	234,158	0.79%	Sascon Investments LLP	160,488	0.96%
Total	$3,185,885	10.70%	Total	$2,191,673	13.17%
Total All Property	$29,766,462			$16,647,178	

Source: Ehlers, Dakota County
2016 from City's 2016 ACFR.

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Table 8

City of West St. Paul, Minnesota

Statistical Section (Unaudited)

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 12,164,861	$ 12,010,377	98.73%	$ 154,484	$ 12,164,861	100.00%
2017	12,935,220	12,620,994	97.57%	314,226	12,935,220	100.00%
2018	15,773,645	14,239,938	90.28%	1,533,707	15,773,645	100.00%
2019	15,773,645	15,654,271	99.24%	119,374	15,773,645	100.00%
2020	16,801,114	16,695,681	99.37%	98,604	16,794,285	99.96%
2021	17,834,090	17,647,196	98.95%	179,730	17,826,926	99.96%
2022	18,657,430	18,536,823	99.35%	110,452	18,647,275	99.95%
2023	19,755,031	19,666,372	99.55%	71,468	19,737,840	99.91%
2024	20,934,425	20,698,277	98.87%	202,264	20,698,277	98.87%
2025	22,325,681	22,189,494	99.39%	N/A	22,189,494	99.39%

Sources: City Budget Book (Levy) and Dakota County tax collection reports of Finance.

* The total amount of property taxes levied is partially supported by property tax relief payments on behalf of lower-valued residential properties.

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	Total Governmental Activities	
2016	$ 19,932,993	$ 8,101,105	$ 1,335,036	$ 29,369,134	176.42%
2017	29,989,101	6,753,901	1,273,962	38,016,964	221.61%
2018	36,629,188	7,908,612	1,219,928	45,757,728	239.08%
2019	35,140,151	12,377,700	1,136,814	48,654,665	239.70%
2020	33,123,980	11,282,148	1,060,740	45,466,868	206.81%
2021	31,057,531	8,454,000	979,666	40,491,197	170.57%
2022	28,937,378	7,336,417	903,592	37,177,387	150.46%
2023	32,696,915	6,413,832	822,518	39,933,265	142.68%
2024	30,435,303	5,924,393	731,444	37,091,140	119.66%
2025	28,041,519	5,449,393	641,444	34,132,356	110.12%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 14 for personal income and population data.

Table 9

Business-Type Activities							
Storm Sewer Bonds	Sewer Bonds	Sports Dome Bonds	Term Loan Payable	Total Business-Type Activities	Total Primary Government	Percentage of County-Wide Personal Income[a]	Per Capita[a]
$ 1,063,391	$ 5,420,395	$ 4,689,035	$ 245,000	$ 11,417,821	$ 40,786,955	0.15%	$ 1,963
1,060,537	5,131,019	4,482,633	290,000	10,964,189	48,981,153	N/A	2,420
1,001,682	4,607,644	4,271,228	290,000	10,170,554	55,928,282	N/A	2,650
940,828	5,260,465	4,054,825	245,000	10,501,118	59,155,783	N/A	2,810
877,973	4,701,737	6,448,857	-	12,028,567	57,495,435	N/A	2,711
814,118	6,757,878	3,655,237	-	11,227,233	51,718,430	N/A	2,506
748,264	6,419,146	3,401,616	-	10,569,026	47,746,413	N/A	2,284
680,409	5,937,413	3,132,996	-	9,750,818	49,684,083	N/A	2,375
610,554	5,447,680	2,859,376	-	8,917,610	46,008,750	N/A	2,199
538,700	4,939,950	2,580,755	-	8,059,405	42,191,761	N/A	1,965

City of West St. Paul, Minnesota

Statistical Section (Unaudited)

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percentage of Est. Actual Taxable Value of Property [a]	Per Capita [b]
2016	$ 40,831,955	$ 805,362	$ 40,026,593	2.72%	1,924
2017	48,936,153	4,312,827	44,623,326	3.17%	2,207
2018	55,883,282	5,422,866	50,460,416	3.16%	2,397
2019	59,155,783	5,945,784	53,209,999	3.13%	2,527
2020	57,495,435	7,200,521	50,294,914	2.71%	2,440
2021	51,718,430	7,458,655	44,259,775	2.21%	2,120
2022	47,746,413	7,566,185	40,180,228	1.91%	1,922
2023	49,684,083	7,742,601	41,941,482	1.74%	2,004
2024	46,008,750	7,751,102	38,257,648	1.42%	1,782
2025	42,191,761	7,986,887	34,204,874	1.26%	1,599

[a] See Table 5 for property value data.

[b] See Table 14 for population data.

City of West St. Paul, Minnesota

Table 11

Statistical Section (Unaudited)
Computation of Direct and Overlapping Debt
December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
School Districts			
ISD No. 197	$ 136,810,000	25.539%	$ 34,939,359
Metropolitan Council	235,750,000	0.459%	1,083,036
Dakota County	35,640,000	3.445%	1,227,655
Subtotal - Overlapping Debt			37,250,050
City Direct Debt			35,105,000
Total Direct and Overlapping Debt			$ 72,355,050

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City'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.

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the County's capital lease, loan, and other debt. The applicable percentage of the County Economic Development Bonds, which are backed by county sales taxes, was estimated by dividing the City's retail sales by the County's retail sales.

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Estimated Market Value of Taxable Property	$ 1,474,190,900	$ 1,409,414,640	$ 1,597,495,173	$ 1,701,939,357
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	44,225,727	42,282,439	47,924,855	51,058,181
Total Net Debt Applicable to Limit	19,932,993	29,989,101	36,629,188	35,140,151
Legal Debt Margin	$ 24,292,734	$ 12,293,338	$ 11,295,667	$ 15,918,030

Table 12

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 1,853,655,614	$ 1,999,480,045	$ 2,102,960,184	$ 2,406,896,545	$ 2,686,056,774	$ 2,723,413,800
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
55,609,668	59,984,401	63,088,806	72,206,896	80,581,703	81,702,414
33,123,980	31,057,531	28,937,378	32,696,915	30,435,303	28,041,519
$ 22,485,688	$ 28,926,870	$ 34,151,428	$ 39,509,981	$ 50,146,400	$ 53,660,895

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated Market Value of Taxable Property	$ 2,723,413,800
Statutory percentage	3.0%
Statutory debt limit	$ 81,702,414
Debt applicable to limit	$ 28,041,519
Legal debt margin	$ 53,660,895

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Sanitary Sewer and Storm Revenue Bonds					
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	$ 3,049,436	$ 2,662,008	387,428	$ 270,000	$ 42,663	1.24
2017	3,931,627	3,067,740	863,887	275,000	146,173	2.05
2018	4,424,806	3,196,229	1,228,577	565,000	146,173	1.73
2019	4,827,129	3,135,560	1,691,569	585,000	128,906	2.37
2020	4,858,617	3,335,738	1,522,879	600,000	136,254	2.07
2021	5,294,725	4,585,780	708,945	355,000	122,310	1.49
2022	5,592,250	3,479,149	2,113,101	317,000	126,383	4.77
2023	5,953,827	4,042,731	1,911,096	460,000	119,244	4.75
2024	6,241,606	4,086,114	2,155,492	535,000	120,859	3.30
2025	6,745,923	4,311,770	2,434,153	555,000	106,753	3.76

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

Table 13

Improvement Bonds				Tax Increment Bonds			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
$ 417,789	$ 1,320,000	$ 373,029	0.25	$ 207,089	$ 50,000	$ 29,250	2.61
151,525	1,320,000	162,664	0.10	215,185	60,000	30,010	2.39
118,410	1,045,000	135,282	0.10	79,464	65,000	29,073	0.84
102,709	1,030,000	203,934	0.08	163,136	70,000	28,060	1.66
83,144	1,065,000	297,122	0.06	191,187	75,000	26,954	1.88
37,954	1,650,000	263,594	0.02	203,841	80,000	25,753	1.93
95,780	1,095,000	210,548	0.07	493,448	75,000	24,458	4.96
95,780	900,000	185,533	0.09	493,448	80,000	23,063	4.79
156,551	470,000	149,735	0.09	222,052	90,000	19,508	4.79
138,941	475,000	149,735	0.22	237,427	90,000	19,508	4.36

City of West St. Paul, Minnesota

Table 14

Statistical Section (Unaudited)
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population *	County-Wide Personal Income **	Per Capita Personal Income **	Unemployment Rate ***
2016	20,800	22,807,156,736	54,975	2.40%
2017	20,222	23,514,178,595	59,736	3.60%
2018	21,053	24,243,118,131	54,300	2.60%
2019	21,053	24,994,654,793	61,914	2.90%
2020	20,615	27,958,762,000	64,748	5.90%
2021	20,882	28,797,524,860	66,043	3.40%
2022	20,903	29,661,450,606	67,364	2.50%
2023	20,924	30,551,294,124	*68,711*	2.50%
2024	21,472	31,467,832,948	70,085	2.30%
2025	21,390	35,294,325,000	77,886	2.90%

* Source of data: Metropolitan Council
Data for 2017 is estimated.
*** Source of data: Minnesota Department of Employment and Economic Development.

City of West St. Paul, Minnesota

Table 15

Statistical Section (Unaudited)
Principal Employers
Current Year and Nine Years Ago

Employer	2025 Employees	2025 Percentage of Total City Employment	2016 Employees	2016 Percentage of Total City Employment
I.S.D. No. 197	1,065	12.67%	1,000	12.62%
Dakota County	807	9.60%	582	7.34%
Super Target	375	4.46%	375	4.73%
Southview Acres Health Center	340	4.04%	340	4.29%
Tapemark	284	3.38%	310	3.91%
Wal-Mart	240	2.85%	240	3.03%
Menards	150	1.78%	160	2.02%
Westwood Ridge	150	1.78%	150	1.89%
Lowe's Home Improvement	140	1.66%	150	1.89%
Cub	135	1.61%	140	1.77%
Total	3,686		3,447	

Sources: Ehlers and Associates, Inc. and Metropolitan Council

City of West St. Paul, Minnesota

Statistical Section (Unaudited)

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of December 31, 2016	2017	2018	2019
General Government				
Administration	7.0	7.8	7.8	7.8
Finance	3.0	3.0	3.0	3.0
Community development	4.0	4.0	4.0	5.3
Building inspections	4.0	5.0	5.0	3.0
MIS	3.0	3.0	2.0	2.0
Police				
Officers	30.0	32.0	32.0	32.0
Civilians	6.0	6.0	6.0	6.8
Public Works				
Engineering	3.0	3.0	3.0	3.0
Streets	11.0	11.0	11.0	11.0
Sewer	4.0	4.0	4.0	4.0
Building maintenance	1.0	1.0	1.0	1.0
Parks and Recreation	7.0	7.0	7.0	7.0
Ice Arena / Pool Manager	1.5	1.5	1.5	1.5
Total	84.5	88.3	87.3	87.3

Source: City Budget Books

Notes: 1. The numbers above represent full-time and permanent part-time budgeted positions. Seasonal employees are not included.

Table 16

Full-time Equivalent Employees as of December 31,					
2020	2021	2022	2023	2024	2025
7.8	6.8	8.0	7.0	7.0	8.0
3.0	3.0	3.0	3.0	3.0	3.0
4.3	2.15	2.2	2.15	2.15	2.15
3.0	3.9	3.9	3.9	4.9	4.9
2.0	2.0	3.0	3.0	3.0	3.0
32.0	32.0	36.0	38.0	40.0	40.0
7.4	7.4	6.8	6.8	7.4	7.4
3.0	2.0	2.0	3.0	3.0	3.0
11.0	9.7	9.7	10.7	10.65	10.65
4.0	3.3	3.3	3.3	3.3	3.3
1.0	1.0	1.0	1.0	1.0	1.0
7.0	7.8	8.8	9.8	10.8	10.8
1.8	1.8	2.0	2.0	2.0	2.0
87.2	82.8	89.6	93.6	98.2	99.2

City of West St. Paul, Minnesota

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year 2016	2017	2018	2019	2020
Police:					
Part 1 Crimes reports	1,083	1,065	1,043	1,468	1,645
Part 2 Crimes reports	853	873	796	792	801
Total arrests	981	877	759	1,119	1,066
Part 1 arrests	487	414	370	738	741
Cases investigated	471	552	468	494	473
Group A offenses	NA	NA	NA	NA	NA
Group B offenses**	NA	NA	NA	NA	NA
Total arrests	NA	NA	NA	NA	NA
Group A arrests	NA	NA	NA	NA	NA
Cases investigated	NA	NA	NA	NA	NA
Building inspection:					
Permits issued:					
Residential	293	294	272	348	359
Commercial/Other	1,256	1,453	1,425	1,654	1,073
Public works:					
Streets/Alleys patched (person hrs)	3,008	5,038	5,038	5,588	4,846
Parks and recreation:					
Recreation programs offered	110	110	110	136	89
Ice Arena annual admissions	65,500	66,000	66,000	66,750	20,000
Golf course:					
Rounds played	12,320	11,055	Closed	Closed	Closed
Golf cars rented	1,825	1,875	NA	NA	NA
Sports Dome:					
Field hours rented	5,798	6,519	6,519	7,310	4,249
Wastewater:					
Average sewer lines cleaned (miles)	30	37	37	35	34

Sources: Various City departments.

*Change in Reporting styles

Table 17

Fiscal Year				
2021	2022	2023	2024	2025
1,483	*	*	*	*
811	*	*	*	*
855	*	*	*	*
542	*	*	*	*
406	*	*	*	*
NA	1,651	1,745	1,630	1,552
NA	----	172	172	261
NA	488	958	753	936
NA	300	665	543	741
NA	444	515	549	560
1,216	1,358	2,226	1,631	1,544
525	354	292	264	299
4,799	5,929	4,606	4,864	3,150
120	159	176	134	158
40,000	42,000	44,500	44,500	89,200
Closed	Closed	Closed	Closed	Closed
NA	NA	NA	NA	NA
6,540	6,775	6,950	Not Available	7,360
34	23	27	30	27

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2016	2017	2018	2019
Police				
Stations	1	1	1	1
Police Vehicles				
Marked	12	11	11	11
Unmarked	8	9	9	9
Gun Range	1	1	1	1
Holding cells	3	3	3	3
Fire				
Stations	1	1	1	1
Public Works				
Streets (miles)	71.20	71.20	71.20	71.20
Alley (miles)	5	5	5	5
Streetlights	256	256	256	256
Parks and Recreation				
Acreage	155.0	155.0	155.0	155.0
Parks and playgrounds	17.0	17.0	17.0	17.0
Baseball/softball diamonds	9.0	9.0	9.0	9.0
Soccer/football fields	2	2	2	2
Community (senior) centers	1	1	1	1
Outdoor skating rinks	12	12	12	12
Executive golf course (par 29)	1	1	Closed	Closed
Public sports dome	1	1	1	1
Public swimming pool	1	1	1	1
Public ice arena	1	1	1	1
Wastewater				
Sanitary sewers (miles)	63	63	63	63
Storm sewers (miles)	35	35	35	35

Sources: Various City departments.

Table 18

Fiscal Year					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
11	11	12	12	12	14
9	9	9	9	9	9
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
71.20	71.20	71.20	71.20	71.20	71.20
5	5	5	5	5	5
256	256	256	256	256	256
155.0	155.0	155.0	155.0	155.0	-
17.0	17.0	17.0	17.0	17.0	17.0
9.0	9.0	9.0	9.0	9.0	9.0
2	2	2	2	2	2
1	1	1	1	1	1
12	12	12	12	12	12
Closed	Closed	Closed	Closed	Closed	Closed
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
63	63	63	63	63	63
35	35	35	35	35	35

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Kennedy & Graven
CHARTERED

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

$_____
CITY OF WEST ST. PAUL, MINNESOTA
TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT AREA BONDS
SERIES 2026B

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

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

2. The principal of and interest on the Bonds are payable from housing improvement fees levied or to be levied on property within a housing improvement area in the City, but if necessary for the payment thereof, 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. We express no opinion as to the status of the interest on the Bonds for federal or state income tax purposes.

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.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$_____
CITY OF WEST ST. PAUL, MINNESOTA
TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT AREA BONDS
SERIES 2026B

CONTINUING DISCLOSURE CERTIFICATE

_____, 2026

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of West St. Paul, Dakota County, Minnesota (the "City") in connection with the issuance of its Taxable General Obligation Housing Improvement Area Bonds, Series 2026B (the "Bonds") in the original aggregate principal amount of $_____. The Bonds are being issued pursuant to a resolution adopted by the City Council of the City (the "Resolution"). The Bonds are being delivered to _____[, as syndicate manager], (the "Purchaser") on the date hereof. Pursuant to the Resolution, the City 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 City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City 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 Resolution, 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 Resolution, 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 City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

"Bonds" means the Taxable General Obligation Housing Improvement Area Bonds, Series 2026B, issued by the City in the original aggregate principal amount of $_____.

"City" means the City of West St. Paul, Dakota County, Minnesota, which is the obligated person with respect to the Bonds.

"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 Final Official Statement, dated _____, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the City.

"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.

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

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

(c) The City 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 City'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. US 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 City 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 City 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 City 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 City shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the City'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 City shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The City's obligations under the Resolution 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 City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution 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 Resolution or this Disclosure Certificate, the City 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 Resolution 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 City 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 Resolution 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 Resolution 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 City 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 compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City 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 City 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 City 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 City 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 City to comply with its obligations under the Resolution 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 City 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 City, 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 WEST ST. PAUL, MINNESOTA

By _____
Mayor

By _____
City Manager

APPENDIX E

TERMS OF PROPOSAL

$2,190,000* TAXABLE GENERAL OBLIGATION
HOUSING IMPROVEMENT AREA BONDS, SERIES 2026B
CITY OF WEST ST. PAUL, MINNESOTA

Proposals for the purchase of $2,190,000* Taxable General Obligation Housing Improvement Area Bonds, Series 2026B (the "Bonds") of the City of West St. Paul, 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 November 9, 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 6:30 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Sections 428A.11 through 428A.21, as amended, by the City, to finance private housing improvements within the Charlton Place Condominium Housing Improvement Area in the City. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 2, 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:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$35,000	2035	$85,000	2042	$140,000
2029	60,000	2036	95,000	2043	145,000
2030	65,000	2037	100,000	2044	155,000
2031	70,000	2038	105,000	2045	170,000
2032	70,000	2039	115,000	2046	180,000
2033	75,000	2040	120,000	2047	195,000
2034	80,000	2041	130,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2038 shall be subject to optional redemption prior to maturity on February 1, 2037 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

The Bonds subject to prepayment may be redeemed in whole or in part. 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 December 2, 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 will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"). The legal opinion will be issued on the basis of existing law and 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).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the sections entitled "FORM OF LEGAL OPINION" found in Appendix B and "FORM OF CONTINUING DISCLOSURE CERTIFICATE" found in Appendix D of the Preliminary Official Statement).

SUBMISSION OF PROPOSALS

Proposals must not be for less than $2,163,720 plus accrued interest on the principal sum of $2,190,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

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

A good faith deposit ("Deposit") in the amount of $43,800 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.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

In that the Bonds are to be issued as fully taxable obligations for federal and state income tax purposes, the Bonds of this offering are NOT designated as "qualified tax exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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.

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the City Council

City of West St. Paul, Minnesota

PROPOSAL FORM

The City Council **November 9, 2026**
City of West St. Paul, Minnesota (the "City")

RE: $2,190,000* Taxable General Obligation Housing Improvement Area Bonds, Series 2026B (the "Bonds")
DATED: December 2, 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 $2,163,720) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2028	_____	% due	2035	_____	% due	2042
_____	% 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			

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

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

A good faith deposit ("Deposit") in the amount of $43,800 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 December 2, 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: ____.

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 December 2, 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 West St. Paul, Minnesota, on November 9, 2026.

By: _____ By: _____

Title: _____ Title: _____