

# Comprehensive Annual Financial Report



For the  
year ended  
December 31,  
2017



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

**FOR THE FISCAL YEAR ENDED**

**DECEMBER 31, 2017**

**Thomas Harmening – City Manager**

**Prepared by: Finance Division**

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

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## **I. INTRODUCTORY SECTION**



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June 8, 2018

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

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of St. Louis Park for the fiscal year ended December 31, 2017.

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

The City of St. Louis Park's financial statements have been audited by Redpath and Company Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Louis Park for the fiscal year ended December 31, 2017, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Louis Park's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

The City of St. Louis Park, established in 1886, is a first ring community located immediately west of Minneapolis. Thanks to its convenient location, St. Louis Park combines all the cultural amenities of a large metropolitan area with small town friendliness. The City of St. Louis Park currently occupies a land area of 10.8 square miles and serves a population of 48,747. The City of St. Louis Park is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statutes to extend its corporate limits by annexation, St. Louis Park is a completely developed community and is bordered on all sides by other incorporated communities.

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

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

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

The appropriated budget is prepared by fund, (e.g. General), function (e.g., public safety), and department (e.g., police). Department directors may make transfers of appropriation within a department, but not between personnel and non-personnel categories. Transfers of appropriations between funds, however, require the approval of the City Council. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. These comparisons are presented starting on page 98.

## **Factors Affecting Financial Condition**

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

### ***Local economy***

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

### ***Redevelopment/Development***

The City of St. Louis Park is committed to evaluating, preserving, and improving the housing stock available within the community. It is important that a wide variety of housing alternatives be available within the community. Redevelopment projects over the past ten years have provided a mix of apartment, co-op, condominium, town-home, and single family units. Many of these housing developments contain a commercial component including both retail and services to support the new housing and create more livable neighborhoods. The City has used its tax increment financing authority in many of these projects in order to meet specific community and economic development objectives.

Some of the larger projects include:

**Central Park West Apartments (Phase I):** Construction was completed on a six-story, multi-family building near The West End. The 199-unit luxury apartment building is adjacent to a large public gathering space for both active and passive recreation. A second six-story apartment building with 164 units (Phase II) is planned for construction in the coming year.

**The Shoreham:** Bader Development has completed the redevelopment of a 2.23-acre block at the southwest corner of County Highway 25 and France Avenue. The Shoreham is a mixed-use five-story building with 148 apartments. The building hosts Bader Development's headquarters and a new medical clinic, creating more than 50 new jobs.

**AC Hotel by Marriott at Central Park West:** TPI Hospitality has constructed a six-story, 126 room AC Hotel by Marriott which will opened in the spring of 2018.

**10 West End:** The city has approved this 11-story, 335,710 square feet office building, to be located on the south side of the Central Park West civic space.

The Elmwood: 36<sup>th</sup> Street LLC is scheduled to begin construction of a five-story, 70 unit mixed-use development. The apartments will be restricted to ages 55-plus and include 17 affordable units. The development also includes 4,400 square feet of commercial space; on-street, surface and underground parking; and outdoor amenity spaces.

Redevelopment interest continues to remain strong in St. Louis Park and other proposals and inquiries are being considered for multi-family and mixed use projects.

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

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

### ***Long-term Financial Planning***

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

### **Awards**

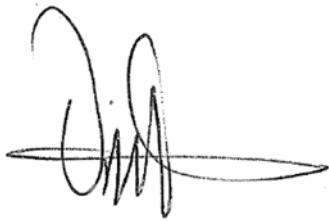
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Louis Park for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the thirty-fourth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## Acknowledgements

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

Respectfully submitted,



Thomas Harmening  
City Manager



Timothy Simon  
Chief Financial Officer

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of St. Louis Park  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

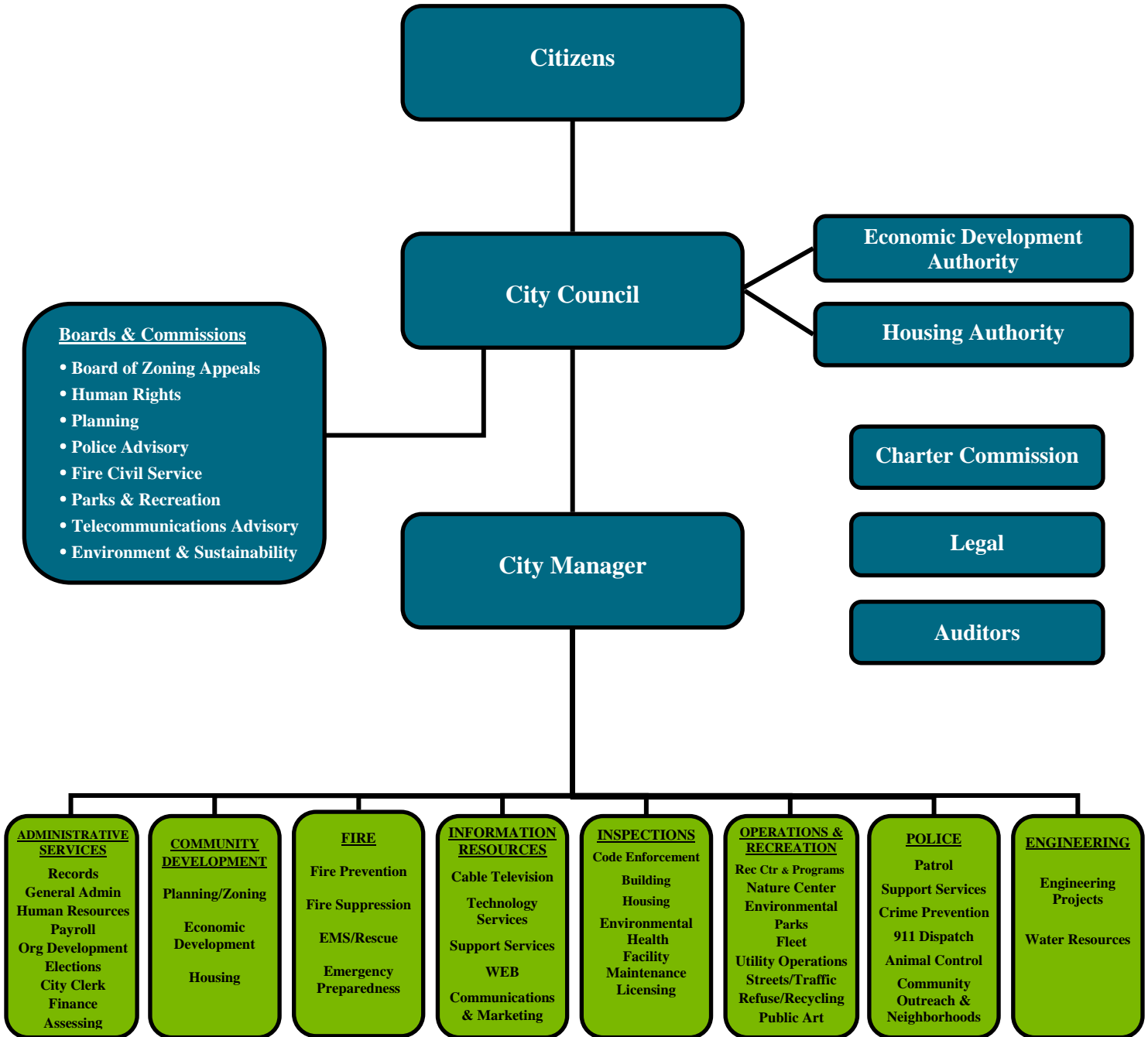
*Christopher P. Morill*

Executive Director/CEO



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# SERVICES CHART



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# OFFICIALS OF THE CITY OF ST. LOUIS PARK

## Council

**Jake Spano**

Mayor  
EDA Commissioner  
Term Expires 1/2020

**Steve Hallfin**

At-Large A Councilmember  
EDA Vice President  
Term Expires 1/2020

**Thom Miller**

At-Large B Councilmember  
EDA Commissioner  
Term Expires 1/2020

**Susan Sanger**

Ward 1 Councilmember  
EDA Commissioner  
Term Expires 1/2018

**Anne Mavity**

Ward 2 Councilmember  
EDA President  
Term Expires 1/2018

**Gregg Lindberg**

Ward 3 Councilmember  
EDA Treasurer  
Term Expires 1/2018

**Tim Brausen**

Ward 4 Councilmember  
EDA Commissioner  
Term Expires 1/2018

## Executive Staff

Thomas Harmening, *City Manager*

Nancy Deno, *Deputy City Manager/Human Resources Director*

Mike Harcey, *Police Chief*

Steve Koering, *Fire Chief*

Karen Barton, *Community Development Director*

Brian Hoffman, *Inspections Director*

Timothy Simon, *Chief Financial Officer*

Debra Heiser, *Engineering Director*

Clint Pires, *Chief Information Officer*

Cindy Walsh, *Operations & Recreation Director*

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## **II. FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Louis Park, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of St. Louis Park, Minnesota's basic financial statements as listed in the table of contents.

### **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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Louis Park, Minnesota, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the City of St. Louis Park, Minnesota's 2016 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 7, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the OPEB Schedule of Funding Progress, the Schedules of Proportionate Share of Net Pension Liability, the Schedules of Pension Contributions, and the Notes to the Required Supplementary Information, as listed in the table of contents, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Louis Park, Minnesota's basic financial statements. The introductory section, combining fund financial statements and schedules, and statistical section, are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fund financial statements and schedules, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018, on our consideration of the City of St. Louis Park, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Louis Park, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis Park, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 8, 2018

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

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As management of the City of St. Louis Park, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 3 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$172,304,561 (*net position*). Of this amount, \$31,867,745 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,555,155 as a result of revenues in excess of expenses. \$1,816,105 was a result of an increase of net position within business-type activities, and \$2,739,050 from an increase of net position within governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$61,199,384 a decrease of \$3,103,887 in comparison with the prior year. A large portion of the decrease was related to the contract for deed payoff in the Development EDA fund (\$2,025,297). Approximately 20 percent of this total amount, \$12,416,915 is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$17,054,520 (45 percent) of the total subsequent year budgeted General fund expenditures.
- The City's total bonded debt increased \$5,360,000 during 2017. New debt issued and principal paid during the year was \$9,900,000 and \$4,540,000 respectively.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart on page 22 shows how the various parts of this annual report are arranged and related to one another.

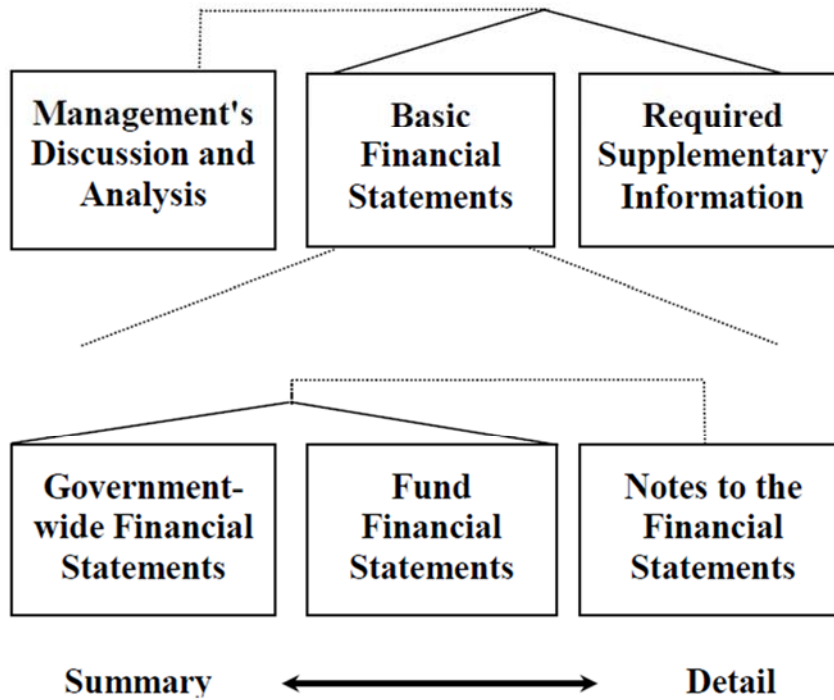
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining fund financial statements and schedules that further explains and supports the information in the financial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

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

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avoid “doubling-up” effect within the governmental and business-type activities columns of said statements.

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



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

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

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

	<b>Fund Financial Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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**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 between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements start on page 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 governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

The City adopts annual appropriated budgets for the General Fund. Budgetary comparison statements are provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 42 of this report.

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

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

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

The basic proprietary fund financial statements starts on page 48 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 57 of this report.

**Other Supplementary Information** - In addition to the basic financial statements and accompanying notes, Required Supplementary Information, presents a detailed budgetary



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

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comparison schedule for the General Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement No. 45, it also includes other post-employment benefit plan schedule of funding progress. In accordance with the requirements of GASB Statement No. 68, also included is defined benefit pension plan information: a) schedules of the City's contributions and b) schedules of the City's proportionate share of net pension liability. These schedules can be found in the Required Supplementary Information section of this report. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information starting on page 116 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 \$172,304,561 at the close of the most recent fiscal year.

A portion of the City's net position (75 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

### City of St. Louis Park's Net Position

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 85,023,101	\$ 87,490,376	\$ (2,467,275)	\$ 8,681,376	\$ 7,629,388	\$ 1,051,988
Capital assets	135,655,580	127,342,721	8,312,859	38,632,979	33,636,822	4,996,157
Total assets	220,678,681	214,833,097	5,845,584	47,314,355	41,266,210	6,048,145
Total deferred outflows of resources	17,018,923	28,302,033	(11,283,110)	-	-	-
<b>Liabilities</b>						
Other liabilities	8,772,608	7,801,517	971,091	1,818,815	1,401,159	417,656
Noncurrent liabilities	68,598,169	91,246,133	(22,647,964)	14,799,501	10,985,117	3,814,384
Total liabilities	77,370,777	99,047,650	(21,676,873)	16,618,316	12,386,276	4,232,040
Total deferred inflows of resources	18,718,305	5,218,008	13,500,297	-	-	-
<b>Net position</b>						
Net investment in capital assets	103,279,857	96,458,787	6,821,070	25,716,982	23,030,284	2,686,698
Restricted	11,439,977	10,658,889	781,088	-	-	-
Unrestricted	26,888,688	31,751,796	(4,863,108)	4,979,057	5,849,650	(870,593)
Total net position	\$ 141,608,522	\$ 138,869,472	\$ 2,739,050	\$ 30,696,039	\$ 28,879,934	\$ 1,816,105

An additional portion of the City's net position (\$11,439,977) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$31,867,745) may be used to meet the City's ongoing obligations to citizens and creditors.

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

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

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended December 31, 2017. Overall, both the governmental and business-type activities revenue and expenses remained stable. Governmental activities increased the City's net position by \$2,739,050. Business-type activities increased the City's net position by \$1,816,105.

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

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 7,807,878	\$ 8,026,850	\$ (218,972)	\$ 19,404,164	\$ 17,886,729	\$ 1,517,435
Operating grants and contributions	3,670,054	2,512,011	1,158,043	159,376	181,525	(22,149)
Capital grants and contributions	5,205,879	3,960,739	1,245,140	279,801	799,894	(520,093)
General revenues						
Property taxes and TIF	40,544,785	37,919,392	2,625,393	-	-	-
Franchise fees	3,763,394	3,079,399	683,995	-	-	-
Grants and contributions not restricted to specific programs	590,978	584,639	6,339	-	-	-
Unrestricted investment earnings	408,945	388,647	20,298	65,900	65,391	509
Gain on disposal of capital assets	106,204	142,713	(36,509)	-	-	-
Miscellaneous	2,091,334	3,201,122	(1,109,788)	-	-	-
<b>Total revenues</b>	<b>64,189,451</b>	<b>59,815,512</b>	<b>4,373,939</b>	<b>19,909,241</b>	<b>18,933,539</b>	<b>975,702</b>
Expenses						
General government	10,648,181	11,182,348	(534,167)	-	-	-
Public safety	17,870,131	20,091,787	(2,221,656)	-	-	-
Public information	647,316	549,940	97,376	-	-	-
Operations and recreation	13,448,470	13,352,637	95,833	-	-	-
Engineering	7,859,907	5,091,818	2,768,089	-	-	-
Housing and rehabilitation	480,911	528,467	(47,556)	-	-	-
Housing maintenance	72,244	144,204	(71,960)	-	-	-
Social and economic development	10,987,654	8,826,281	2,161,373	-	-	-
Interest on long-term debt	1,511,329	1,620,489	(109,160)	-	-	-
Water	-	-	-	4,786,816	4,773,624	13,192
Sewer	-	-	-	6,227,919	6,002,088	225,831
Solid waste	-	-	-	3,390,874	3,256,804	134,070
Storm water	-	-	-	1,611,785	1,514,761	97,024
<b>Total expenses</b>	<b>63,526,143</b>	<b>61,387,971</b>	<b>2,138,172</b>	<b>16,017,394</b>	<b>15,547,277</b>	<b>470,117</b>
Increase (decrease) in net position before transfers	663,308	(1,572,459)	2,235,767	3,891,847	3,386,262	505,585
Transfers	2,075,742	1,879,956	195,786	(2,075,742)	(1,879,956)	(195,786)
Change in net position	2,739,050	307,497	2,431,553	1,816,105	1,506,306	309,799
Net position, January 1	138,869,472	138,561,975	307,497	28,879,934	27,373,628	1,506,306
Net position, December 31	<u>\$ 141,608,522</u>	<u>\$ 138,869,472</u>	<u>\$ 2,739,050</u>	<u>\$ 30,696,039</u>	<u>\$ 28,879,934</u>	<u>\$ 1,816,105</u>

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

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## Governmental Activities

Governmental activities increased the City's net position by \$2,739,050. Overall the governmental activities in 2017 were stable, with a slight increase in both revenues and expenses. Revenues increased by \$4.4 million, primarily related to property tax and TIF general revenues while expenses increased by \$2.1 million, with the largest increases in engineering (\$2.7 million) and social and economic development (\$2.2 million) relating to project costs. Public safety expenses came in \$2.2 million under budget related to the police and fire net pension.

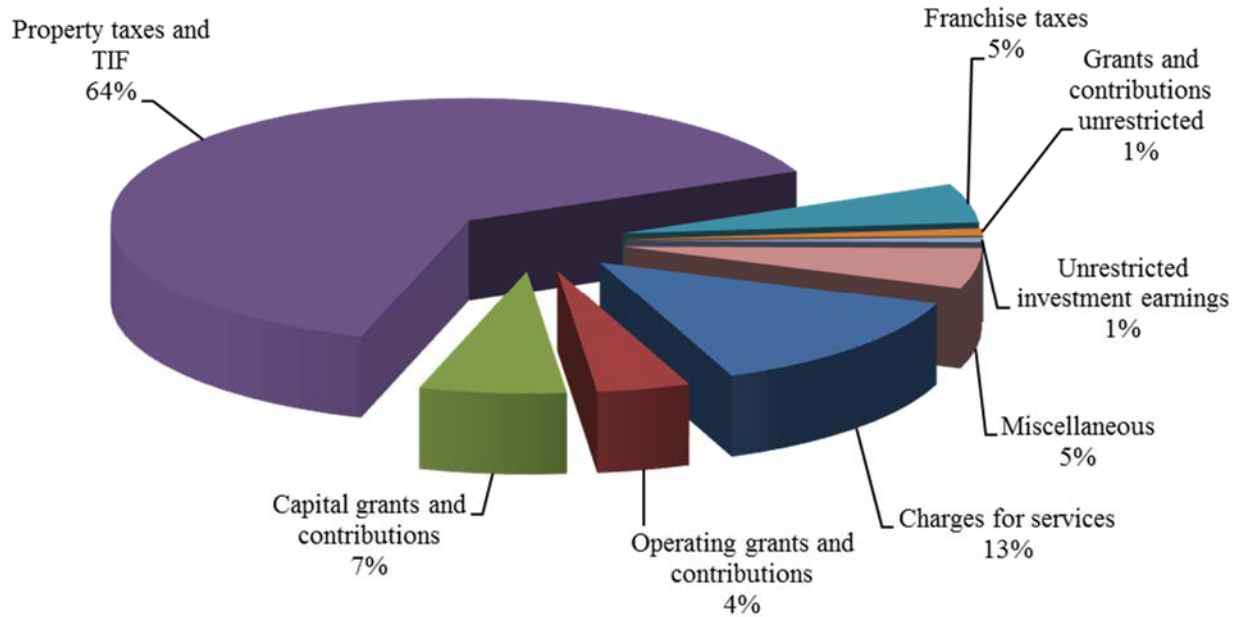
## Business-type Activities

Business-type activities increased the City's net position by \$1,816,105. Revenues increased by \$1 million, expenses increased \$0.5 million and net transfers decreased by \$0.2 million. The increase in revenues was the result of increased utility rates and the increase in expenses was a result of increased operating expenses to provide services.

## Governmental Activities

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

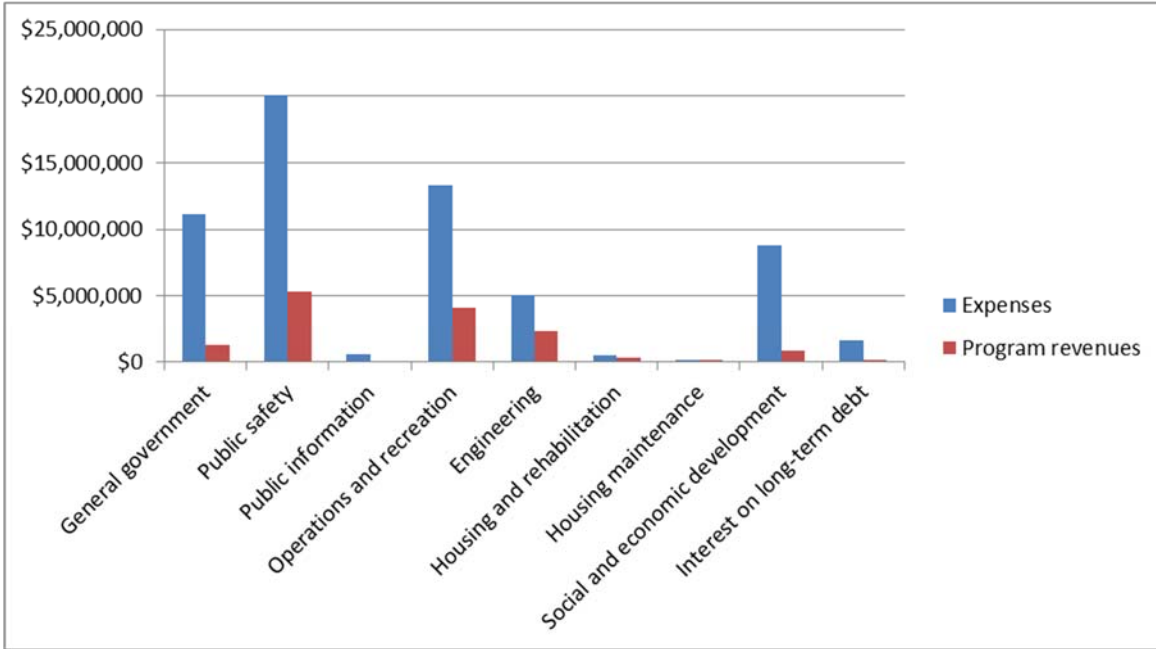
**Revenues by Source - Governmental Activities**



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

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

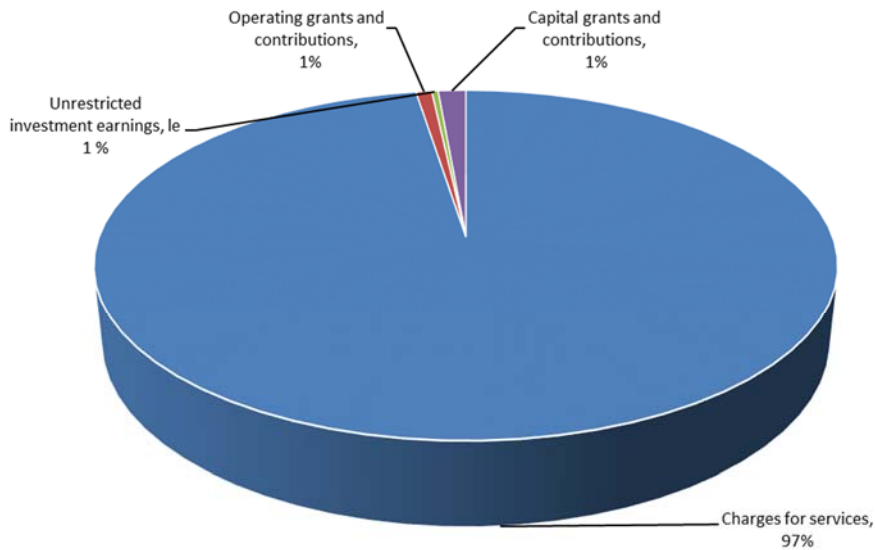
**Expenses and Program Revenues - Governmental Activities**



## ***Business-type Activities***

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

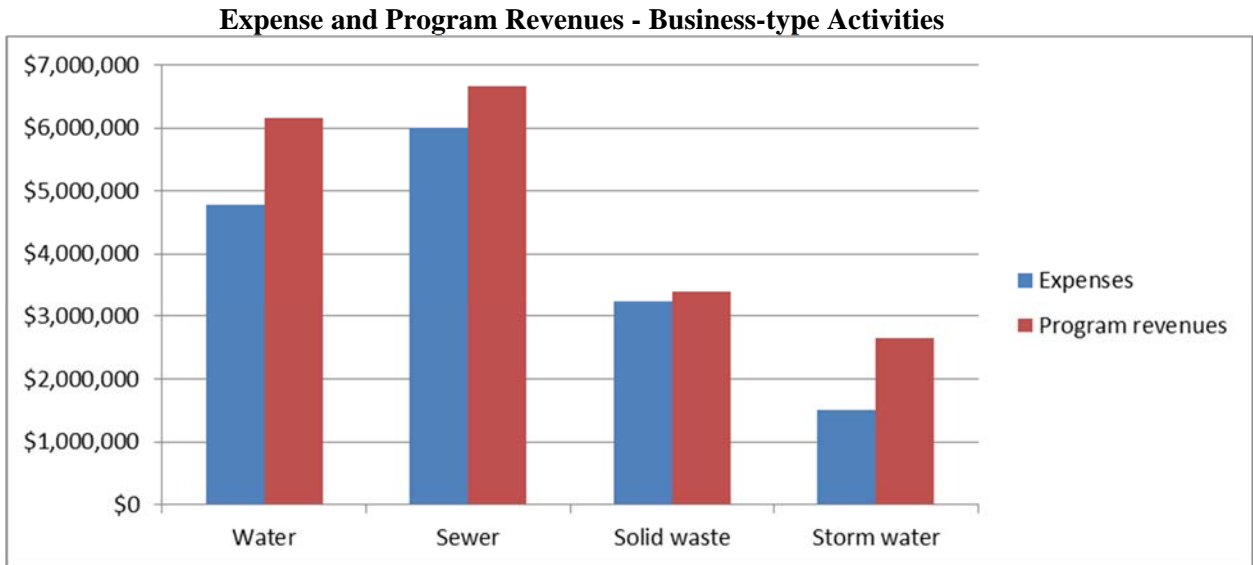
**Revenue Sources - Business-type Activities**



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

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



### Financial Analysis of the Government's Funds

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

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

**Governmental funds** – As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$61,199,384, a decrease of \$3,103,887 in comparison with the prior year. Approximately 21.9 percent of this total amount, \$13,426,273, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$47,773,111 is not available for new spending because it is either 1) nonspendable (\$299,321), 2) restricted (\$12,117,594), 3) committed (\$696,235) or 4) assigned (\$34,659,961) for specific purposes.

Major Funds	Fund Balances December 31,		Increase (Decrease)
	2016	2017	
<b>General</b>	\$ 17,874,696	\$ 18,789,914	\$ 915,218
The City's General Fund balance increased \$915,218 during the current fiscal year. A portion of this increase pertains to higher than anticipated license and permit revenue of \$239,781. This is primarily related to increased license and permit revenues from more robust construction within the City. Also, intergovernmental revenue was \$267,337 over budget which pertains to higher than anticipated highway user tax, and police and fire revenues. Operating expenditures were also approximately \$1.1 million under budget for fiscal year 2017.			
<b>Housing Rehabilitation</b>	\$ 3,448,469	\$ 4,335,903	\$ 887,434
The Housing Rehabilitation fund balance increased \$887,434 as a result of special assessment and miscellaneous revenues exceeding expenditures by \$1,068,713 prior to net transfers out of \$181,000.			
<b>Debt Service</b>	\$ 2,048,975	\$ 2,285,277	\$ 236,302
The fund balance of the Debt Service fund increased \$236,302 due to collection of property taxes and transfers in exceeding scheduled bond principal and interest payments.			
<b>Permanent Improvement Revolving</b>	\$ 2,577,727	\$ 2,865,788	\$ 288,061
The Permanent Improvement Revolving fund balance increased slightly from prior year. Special assessments of \$163,000 were received with minimal expenditures.			
<b>Streets Capital Projects</b>	\$ 1,193,411	\$ (46,617)	\$ (1,240,028)
The Streets Capital Projects fund balance decreased by \$1,240,028 as a result of capital outlay in the current year of \$7.1 million, revenue of \$4.5 million, and net transfers in of \$1.35 million.			
<b>Development EDA</b>	\$ 26,111,150	\$ 23,821,044	\$ (2,290,106)
The Development EDA fund balance decreased \$2,290,106 as a result of paying off the contract for deed (\$2,025,297). Although the fund has \$26 million in fund balance, approximately \$12.7 million is made up of loans receivable and land			
<b>Sidewalks and Trails</b>	\$ 1,011,967	\$ 1,255,566	\$ 243,599
The increase in fund balance is attributable to the issuance of bonds. In 2017 the fund recorded \$2.1 million of capital outlay.			
<b>Park Improvement</b>	\$ 5,030,197	\$ 1,413,614	\$ (3,616,583)
The Park Improvement fund experienced a decrease in fund balance of \$3,616,583. The decrease is a result of spending prior year bond proceeds.			
<b>Redevelopment District</b>	\$ (1,289,720)	\$ 1,224,227	\$ 2,513,947
The Redevelopment District fund is comprised of all tax increment districts in the City. The increase in fund balance of \$2,513,947 is due to collection of property taxes and tax increments in excess of expenditures and transfers out.			

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

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*Proprietary funds* – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the Water, Sewer, Solid Waste, and Storm Water funds amounted to \$7,960,886. Total net position increased by \$2,250,134. This increase was primarily a result of a planned increase in fees to cover infrastructure replacement.

### General Fund Budgetary Highlights

Actual revenues were \$688,416 over budget and expenditures were \$1,126,292 under budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$915,218. Favorable revenue and expenditure variances accounted for the increase in fund balance. The largest favorable revenue variances included licenses and permits (\$239,781) as well as charges for intergovernmental (\$267,337). The largest expenditure variance was in the operation and recreation function, which was \$494,794 under budget.

### Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business type activities as of December 31, 2017 was \$174,288,559 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 8 percent.

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

- Substantial completion of 37th Street at Minnehaha Creek bridge replacement
- Substantial completion of Carpenter Park storm water improvement project and skate park
- Street Rehab projects
- Connect the park trail, sidewalk and bike improvements
- Completion of indoor/outdoor recreation center projects
- \$3.1 million of capital asset acquisition within the capital replacement fund.

For the year ending December 31, 2017, the City has elected to use the modified approach as defined in GASB Statement No. 34 for infrastructure reporting for its Pavement Management Program, which includes streets. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- 1) The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (a) an up to-date inventory; (b) perform condition assessments and summarize the results using a measurement scale; and (c) estimate annual amount to maintain and preserve at the established condition assessment level.
- 2) The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.



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

The City's policy is to achieve an average rating of good (70) for all streets. Over the course of 2014, 2015 and 2016, all areas were assessed, providing a new overall condition rating. Going forward, four areas will be assessed every other year. The City increased the number of areas assessed each year in an effort to get more comparative data and more thoroughly analyze the street infrastructure system. As of the last complete assessment, the City's street system was rated at an Overall Condition Index (OCI) of 67, which is slightly below the City's policy level. City staff is working with the City Council to develop a plan to increase this number back to the policy level. This plan includes the planned improvements to commercial and industrial roads that were not a part of the plan in the past. The City's streets are constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating and overlaying. The City expended \$4,494,315 on street maintenance for the year ending December 31, 2017. The physical condition assessment completed in 2012 was the first assessment that reported on the entire system. The City has estimated that the amount of annual expenditures required maintaining the City's street system at the average OCI rating of good is approximately \$4,255,000. The annual expenditures will vary from year to year, depending on the area of the City being targeted that year. The estimate for the year ending December 31, 2017 was \$3,999,000, which is lower than the actual expenditures for the year. This was a result of the planning to increase the annual improvements to get condition back to policy level.

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

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Land	\$ 16,991,835	\$ 16,991,835	\$ -	\$ 515,083	\$ 515,083	\$ -
Permanent easements	1,429,976	1,429,976	-	-	-	-
Buildings and structures	41,151,267	33,543,044	7,608,223	677,842	805,616	(127,774)
Improvements other than buildings	20,479,878	13,666,061	6,813,817	3,634,513	3,908,104	(273,591)
Machinery and equipment	4,028,846	4,045,211	(16,365)	5,555,882	6,054,509	(498,627)
Fleet	5,962,679	4,848,540	1,114,139	-	-	-
Infrastructure - Streets	26,011,544	26,011,544	-	-	-	-
Infrastructure - Other	13,773,828	14,709,476	(935,648)	21,762,197	22,102,350	(340,153)
Construction in progress	5,825,727	12,097,034	(6,271,307)	6,487,462	251,160	6,236,302
<b>Total</b>	<b>\$ 135,655,580</b>	<b>\$ 127,342,721</b>	<b>\$ 8,312,859</b>	<b>\$ 38,632,979</b>	<b>\$ 33,636,822</b>	<b>\$ 4,996,157</b>

Additional information on the City's capital assets can be found in Note 5 on pages 72 - 73 of this report.

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

## *Debt administration*

At the end of the current fiscal year, the City had total bonded debt outstanding of \$50,910,000. Of this amount, \$33,430,000 comprises debt issued for improvement and capital projects and will be repaid by ad valorem tax levies. In addition, \$3,410,000 is general obligation tax increment debt which financed redevelopment projects and will be repaid from the tax increments resulting from increased tax capacity of the redevelopment properties. The remaining \$14,070,000 of the City's bonded debt represents general obligation revenue bonds to be repaid by the Water, Sewer, and Storm Water fund user charges. Furthermore, the City has long-term debt of \$165,931 for capital leases payable, \$4,040,577 for compensated absences, \$3,458,414 for other post-employment benefits payable and \$23,949,480 for the net pension liability.

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

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
G.O. Revenue Bonds	\$ -	\$ -	\$ -	\$ 14,070,000	\$ 10,515,000	\$ 3,555,000
G.O. Tax Increment	3,410,000	3,805,000	(395,000)	-	-	-
G.O. Improvement	33,430,000	31,230,000	2,200,000	-	-	-
Notes payable	-	2,025,297	(2,025,297)	-	-	-
Capital leases	165,931	215,619	(49,688)	-	-	-
Compensated absences	3,895,292	3,837,736	57,556	145,285	188,635	(43,350)
Other postemployment benefits	3,250,130	2,997,138	252,992	208,284	189,944	18,340
Net pension liability	23,949,480	46,787,244	(22,837,764)	-	-	-
<b>Total</b>	<b><u>\$ 68,100,833</u></b>	<b><u>\$ 90,898,034</u></b>	<b><u>\$(22,797,201)</u></b>	<b><u>\$ 14,423,569</u></b>	<b><u>\$ 10,893,579</u></b>	<b><u>\$ 3,529,990</u></b>

Principal payments during 2017 totaled \$4,540,000. The City maintains an "AAA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The current debt limitation for the City is \$159,807,639 which is significantly more than the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 on pages 74 - 79 of this report.

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

The City estimates that the demand for City services will continue to grow as the economy improves. The property tax levy is set annually and is adjusted as necessary to fund the cost of providing services to our citizens and customers. Charges for services are evaluated each year and adjusted to support operations and capital outlay. All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

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

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### **Requests for Information**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City of St. Louis Park's finances and to show the City's accountability for the resources it is entrusted. Questions concerning any of the information provided in the report, or requests for additional financial information, can be directed to the City of St. Louis Park Finance Department at 5005 Minnetonka Boulevard, St. Louis Park, Minnesota, 55416, 952-924-2500, or Tim Simon – Chief Financial Officer at [tsimon@stlouispark.org](mailto:tsimon@stlouispark.org).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2017

**Statement 1**

	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and investments	\$ 55,798,056	\$ 6,442,600	\$ 62,240,656
Accrued interest receivable	141,365	16,609	157,974
Due from other governments	2,368,236	-	2,368,236
Accounts receivable	1,445,009	3,801,899	5,246,908
Taxes receivable	736,425	-	736,425
Prepaid items	166,791	379,808	546,599
Inventories	234,227	61,222	295,449
Deposits receivable	31,000	700	31,700
Internal balances	2,981,829	(2,981,829)	-
Special assessments receivable	6,736,201	960,367	7,696,568
Loans receivable	6,920,101	-	6,920,101
Pledges receivable	1,350,000	-	1,350,000
Land held for resale	6,113,861	-	6,113,861
<b>Capital assets</b>			
Nondepreciable assets	50,259,082	7,002,543	57,261,625
Depreciable assets (net of accumulated depreciation)	85,396,498	31,630,436	117,026,934
<b>Total assets</b>	<b>220,678,681</b>	<b>47,314,355</b>	<b>267,993,036</b>
Deferred outflows of resources - pension related	17,018,923	-	17,018,923
<b>Liabilities</b>			
Accounts payable	1,801,911	654,507	2,456,418
Salaries payable	1,732,359	138,074	1,870,433
Due to other governments	1,175,028	69,983	1,245,011
Contracts payable	1,401,684	312,738	1,714,422
Accrued interest payable	533,411	140,909	674,320
Deposits payable	1,362,898	94,290	1,457,188
Unearned revenue	765,317	408,314	1,173,631
<b>Noncurrent liabilities</b>			
Due within one year	4,460,327	1,463,259	5,923,586
Due in more than one year	64,137,842	13,336,242	77,474,084
<b>Total liabilities</b>	<b>77,370,777</b>	<b>16,618,316</b>	<b>93,989,093</b>
Deferred inflows of resources - pension related	18,718,305	-	18,718,305
<b>Net position</b>			
Net investment in capital assets	103,279,857	25,716,982	128,996,839
<b>Restricted for</b>			
Economic development	5,034,822	-	5,034,822
E-911 purposes	392,004	-	392,004
Community development	421,575	-	421,575
Debt service	3,325,205	-	3,325,205
Cable TV equipment	458,878	-	458,878
Police and fire purposes	1,807,493	-	1,807,493
Unrestricted	26,888,688	4,979,057	31,867,745
<b>Total net position</b>	<b>\$ 141,608,522</b>	<b>\$ 30,696,039</b>	<b>\$ 172,304,561</b>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 10,648,181	\$ 1,143,220	\$ 11,815	\$ -
Public safety	17,870,131	3,962,306	1,188,499	-
Public information	647,316	-	-	-
Operations and recreation	13,448,470	2,308,221	101,284	115,000
Engineering	7,859,907	134,508	680,835	4,597,792
Housing and rehabilitation	480,911	4,514	-	309,805
Housing maintenance	72,244	-	56,961	-
Social and economic development	10,987,654	255,109	1,470,446	183,282
Interest on long-term debt	1,511,329	-	160,214	-
Total governmental activities	63,526,143	7,807,878	3,670,054	5,205,879
Business-Type activities				
Water	4,786,816	6,089,295	-	279,801
Sewer	6,227,919	7,261,014	3,359	-
Solid waste	3,390,874	3,237,506	156,017	-
Storm water	1,611,785	2,816,349	-	-
Total business-type activities	16,017,394	19,404,164	159,376	279,801
Total	\$ 79,543,537	\$ 27,212,042	\$ 3,829,430	\$ 5,485,680

General revenues  
Taxes  
  Property taxes  
  Tax increment  
  Franchise taxes  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Gain on sale of capital assets  
Miscellaneous  
Transfers  
  
Total general revenues and transfers  
  
Change in net position  
  
Net position - January 1  
  
Net position - December 31

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

**Statement 2**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (9,493,146)	\$ -	\$ (9,493,146)
(12,719,326)	-	(12,719,326)
(647,316)	-	(647,316)
(10,923,965)	-	(10,923,965)
(2,446,772)	-	(2,446,772)
(166,592)	-	(166,592)
(15,283)	-	(15,283)
(9,078,817)	-	(9,078,817)
(1,351,115)	-	(1,351,115)
<u>(46,842,332)</u>	<u>-</u>	<u>(46,842,332)</u>
-	1,582,280	1,582,280
-	1,036,454	1,036,454
-	2,649	2,649
<u>-</u>	<u>1,204,564</u>	<u>1,204,564</u>
<u>-</u>	<u>3,825,947</u>	<u>3,825,947</u>
<u>(46,842,332)</u>	<u>3,825,947</u>	<u>(43,016,385)</u>
31,582,993	-	31,582,993
8,961,792	-	8,961,792
3,763,394	-	3,763,394
590,978	-	590,978
408,945	65,900	474,845
106,204	-	106,204
2,091,334	-	2,091,334
<u>2,075,742</u>	<u>(2,075,742)</u>	<u>-</u>
<u>49,581,382</u>	<u>(2,009,842)</u>	<u>47,571,540</u>
2,739,050	1,816,105	4,555,155
<u>138,869,472</u>	<u>28,879,934</u>	<u>167,749,406</u>
<u>\$ 141,608,522</u>	<u>\$ 30,696,039</u>	<u>\$ 172,304,561</u>

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



CITY OF ST. LOUIS PARK, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017

	Special Revenue Fund		
	General	Housing Rehabilitation	Debt Service
<b>Assets</b>			
Cash and investments	\$ 21,645,958	\$ 1,175,269	\$ 2,450,082
Accrued interest receivable	46,737	4,346	3,676
Due from other governments	388,420	-	80,033
Accounts receivable	446,350	3,769	13,543
Taxes receivable - unremitted	56,716	-	-
Taxes receivable - delinquent	627,627	-	-
Prepaid items	58,594	-	-
Inventories	234,227	-	-
Special assessments receivable - delinquent	-	30,299	-
Special assessments receivable - deferred	34,790	5,795,085	-
Due from other funds	-	-	-
Interfund loan receivable	-	-	-
Loans receivable - current	-	-	40,000
Loans receivable - noncurrent	-	3,230,023	1,520,000
Pledges receivable - current	-	-	-
Pledges receivable - noncurrent	-	-	-
Land held for resale	-	-	-
<b>Total assets</b>	<b>\$ 23,539,419</b>	<b>\$ 10,238,791</b>	<b>\$ 4,107,334</b>
<b>Liabilities</b>			
Accounts payable	\$ 491,652	\$ 63,862	\$ 4,450
Salaries payable	1,672,414	5,239	-
Due to other governments	107,204	-	-
Contracts payable	-	16,002	-
Due to other funds	-	-	-
Interfund loan payable	-	-	-
Deposits payable	1,098,630	-	244,268
Unearned revenue	751,978	-	13,339
<b>Total liabilities</b>	<b>4,121,878</b>	<b>85,103</b>	<b>262,057</b>
Deferred inflows of resources			
Unavailable revenue	627,627	5,817,785	1,560,000
<b>Fund balances</b>			
Nonspendable	292,821	-	-
Restricted	392,004	-	2,285,277
Committed	-	116,942	-
Assigned	1,050,569	4,218,961	-
Unassigned	17,054,520	-	-
<b>Total fund balances</b>	<b>18,789,914</b>	<b>4,335,903</b>	<b>2,285,277</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 23,539,419</b>	<b>\$ 10,238,791</b>	<b>\$ 4,107,334</b>

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

Capital Projects Funds								
Permanent Improvement Revolving	Streets Capital Projects	Development EDA	Sidewalks and Trails	Park Improvement	Redevelopment District	Other Governmental Funds	Total Governmental Funds	
\$ 2,427,899	\$ -	\$ 12,187,073	\$ 1,252,919	\$ 1,877,539	\$ 6,217,960	\$ 3,922,805	\$ 53,157,504	
7,692	-	29,024	2,647	5,175	10,590	22,953	132,840	
-	1,634,497	260,686	-	-	-	4,600	2,368,236	
-	4,722	3,660	-	1,704	-	959,918	1,433,666	
-	-	-	-	-	29,743	-	86,459	
-	-	-	-	-	22,339	-	649,966	
-	-	-	-	-	-	6,500	65,094	
-	-	-	-	-	-	-	234,227	
15,318	-	-	-	-	-	1,462	47,079	
680,820	-	-	-	-	-	178,427	6,689,122	
422,021	-	-	-	-	-	-	422,021	
-	-	5,638,921	-	-	-	-	5,638,921	
-	-	243,603	-	-	-	-	283,603	
-	-	712,816	-	-	731,360	442,299	6,636,498	
-	-	-	-	100,000	-	-	100,000	
-	-	-	-	1,250,000	-	-	1,250,000	
-	-	6,113,861	-	-	-	-	6,113,861	
<u>\$ 3,553,750</u>	<u>\$ 1,639,219</u>	<u>\$ 25,189,644</u>	<u>\$ 1,255,566</u>	<u>\$ 3,234,418</u>	<u>\$ 7,011,992</u>	<u>\$ 5,538,964</u>	<u>\$ 85,309,097</u>	
\$ -	\$ 283,587	\$ 340,718	\$ -	\$ 66,560	\$ 12,222	\$ 44,814	\$ 1,307,865	
-	-	13,488	-	-	-	22,045	1,713,186	
-	-	994,394	-	2,500	25,929	-	1,130,027	
-	981,451	-	-	401,744	-	-	1,399,197	
-	420,798	-	-	-	-	1,223	422,021	
-	-	-	-	-	5,638,921	-	5,638,921	
-	-	20,000	-	-	-	-	1,362,898	
-	-	-	-	-	-	-	765,317	
-	1,685,836	1,368,600	-	470,804	5,677,072	68,082	13,739,432	
687,962	-	-	-	1,350,000	110,693	216,214	10,370,281	
-	-	-	-	-	-	6,500	299,321	
-	-	914,014	1,032,496	-	4,805,857	2,687,946	12,117,594	
-	-	-	-	-	-	579,293	696,235	
2,865,788	-	22,907,030	223,070	1,413,614	-	1,980,929	34,659,961	
-	(46,617)	-	-	-	(3,581,630)	-	13,426,273	
2,865,788	(46,617)	23,821,044	1,255,566	1,413,614	1,224,227	5,254,668	61,199,384	
<u>\$ 3,553,750</u>	<u>\$ 1,639,219</u>	<u>\$ 25,189,644</u>	<u>\$ 1,255,566</u>	<u>\$ 3,234,418</u>	<u>\$ 7,011,992</u>	<u>\$ 5,538,964</u>	<u>\$ 85,309,097</u>	
Total Fund balances reported above							\$ 61,199,384	
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds							115,977,653	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:								
Receivables not available soon enough to pay for the current period's expenditures							10,370,281	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:								
Bonds payable and unamortized bond premium							(37,337,336)	
Accrued interest payable							(533,411)	
Internal service funds are used by management to charge the cost of certain services to individual funds.								
The assets and liabilities are included in the governmental statement of net position							(8,068,049)	
Net position of governmental activities							<u>\$ 141,608,522</u>	

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2017

	Special Revenue Fund		
	General	Housing Rehabilitation	Debt Service
<b>Revenues</b>			
Property taxes	\$ 24,809,554	\$ 100,000	\$ 2,139,937
Tax increments	-	-	-
Franchise taxes	-	-	-
License and permits	3,985,517	-	-
Intergovernmental	1,899,006	-	160,215
Charges for services	3,260,177	4,514	-
Fines and forfeits	293,236	-	-
Special assessments	-	827,505	-
Interest income	125,985	9,521	7,871
Miscellaneous	167,484	612,697	128,611
<b>Total revenues</b>	<u>34,540,959</u>	<u>1,554,237</u>	<u>2,436,634</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	8,142,675	-	-
Public safety	15,746,079	-	-
Public information	-	-	-
Operations and recreation	10,315,799	-	-
Engineering	339,876	-	-
Housing and rehabilitation	-	453,940	-
Housing maintenance	-	-	-
Social and economic development	-	-	630,472
<b>Capital outlay</b>			
General government	140,290	-	-
Public safety	-	-	-
Public information	-	-	-
Operations and recreation	-	-	-
Engineering	-	-	-
Social and economic development	-	-	-
<b>Debt service</b>			
Principal	-	-	1,625,000
Interest and other	-	31,584	1,220,981
Bond issuance costs	-	-	-
<b>Total expenditures</b>	<u>34,684,719</u>	<u>485,524</u>	<u>3,476,453</u>
<b>Revenues over (under) expenditures</b>	<u>(143,760)</u>	<u>1,068,713</u>	<u>(1,039,819)</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,951,218	160,000	1,520,829
Transfers out	(892,240)	(341,279)	(244,708)
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,058,978</u>	<u>(181,279)</u>	<u>1,276,121</u>
<b>Net change in fund balances</b>	915,218	887,434	236,302
<b>Fund balances - January 1</b>	<u>17,874,696</u>	<u>3,448,469</u>	<u>2,048,975</u>
<b>Fund balances - December 31</b>	<u>\$ 18,789,914</u>	<u>\$ 4,335,903</u>	<u>\$ 2,285,277</u>

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

Capital Projects Funds							
Permanent Improvement Revolving	Streets Capital Projects	Development EDA	Sidewalks and Trails	Park Improvement	Redevelopment District	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 26,054	\$ -	\$ 810,000	\$ 1,056,101	\$ -	\$ 28,941,646
-	-	-	-	-	8,961,792	-	8,961,792
-	-	-	-	-	-	3,763,394	3,763,394
-	-	-	-	-	-	-	3,985,517
-	4,481,828	1,470,446	-	159,702	-	56,961	8,228,158
-	-	230,340	-	9,000	-	25,094	3,529,125
-	-	-	-	-	-	-	293,236
162,612	-	-	-	-	-	179,742	1,169,859
22,555	-	92,895	10,532	25,438	20,987	53,419	369,203
966	82,218	1,064,372	-	158,370	-	3,994	2,218,712
186,133	4,564,046	2,884,107	10,532	1,162,510	10,038,880	4,082,604	61,460,642
-	-	-	-	-	-	-	8,142,675
63,623	-	-	-	-	-	14,875	15,824,577
-	-	-	-	-	-	495,256	495,256
-	-	-	-	349,530	-	-	10,665,329
-	-	-	189,606	-	-	3,444,091	3,973,573
-	-	-	-	-	-	-	453,940
-	-	-	-	-	-	57,370	57,370
-	-	3,654,599	-	-	5,949,457	212,274	10,446,802
-	-	-	-	-	-	-	140,290
-	-	-	-	-	-	25,088	25,088
-	-	-	-	-	-	106,049	106,049
-	-	-	-	4,429,563	-	-	4,429,563
-	7,162,262	-	2,077,255	-	-	-	9,239,517
-	-	410,843	-	-	-	-	410,843
-	-	2,025,297	-	-	-	-	3,650,297
-	-	13,474	-	-	227,741	-	1,493,780
-	-	10,959	29,460	-	-	-	40,419
63,623	7,162,262	6,115,172	2,296,321	4,779,093	6,177,198	4,355,003	69,595,368
122,510	(2,598,216)	(3,231,065)	(2,285,789)	(3,616,583)	3,861,682	(272,399)	(8,134,726)
185,000	1,358,188	-	-	-	-	411,253	5,586,488
(19,449)	-	-	(156,617)	-	(1,347,735)	(1,180,585)	(4,182,613)
-	-	930,000	2,500,000	-	-	-	3,430,000
-	-	10,959	186,005	-	-	-	196,964
165,551	1,358,188	940,959	2,529,388	-	(1,347,735)	(769,332)	5,030,839
288,061	(1,240,028)	(2,290,106)	243,599	(3,616,583)	2,513,947	(1,041,731)	(3,103,887)
2,577,727	1,193,411	26,111,150	1,011,967	5,030,197	(1,289,720)	6,296,399	64,303,271
\$ 2,865,788	\$ (46,617)	\$ 23,821,044	\$ 1,255,566	\$ 1,413,614	\$ 1,224,227	\$ 5,254,668	\$ 61,199,384

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

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2017

**Statement 5**

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

Net changes in fund balances - total governmental funds (Statement 4) \$ (3,103,887)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	14,351,350
Capital outlay not capitalized	(4,516,907)
Depreciation expense	(3,064,510)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position (66,500)

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

Proceeds from long term debt	(3,430,000)
Principal repayments on long term debt	3,650,297

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (16,710)

Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the City-wide financial statements. (149,237)

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

Special assessments	(560,807)
Property taxes	373,647
Pledges	(100,000)
Loans	(22,000)

Internal service funds are used by management to charge the costs for equipment, information system, equipment replacement, employee benefits and major losses incurred by individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (605,686)

Change in net position of governmental activities (Statement 2) \$ 2,739,050

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

CITY OF ST. LOUIS PARK, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2017  
With Comparative Amounts For Enterprise Funds For December 31, 2016

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2017	2016	2017	2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 1,274,890	\$ 15,523	\$ 837,894	\$ 272,392
Accrued interest receivable	-	-	-	3,596
Due from other governments	-	-	-	66
Accounts receivable	1,340,211	1,270,238	1,310,502	1,098,156
Prepaid items	19,040	-	360,768	355,301
Deposits receivable	700	700	-	-
Due from other funds	-	-	-	-
Inventories	61,222	86,086	-	-
Special assessments receivable - delinquent	93,513	102,432	325	1,289
Special assessments receivable - deferred	704,840	737,768	161,689	176,764
Total current assets	<u>3,494,416</u>	<u>2,212,747</u>	<u>2,671,178</u>	<u>1,907,564</u>
<b>Noncurrent assets</b>				
<b>Capital assets, at cost</b>				
Land	114,844	114,844	60,000	60,000
Buildings and structures	4,761,612	4,761,612	6,111	6,111
Improvements other than buildings	951,045	951,045	22,278	22,278
Infrastructure	15,466,976	15,466,976	20,446,343	20,116,999
Machinery, furniture and equipment	8,677,710	8,677,710	262,039	262,039
Fleet	-	-	-	-
Construction in progress	3,373,516	-	363,282	-
Total capital assets, at cost	<u>33,345,703</u>	<u>29,972,187</u>	<u>21,160,053</u>	<u>20,467,427</u>
Less: accumulated depreciation	<u>(15,383,228)</u>	<u>(14,495,903)</u>	<u>(16,192,010)</u>	<u>(16,079,626)</u>
Total noncurrent assets	<u>17,962,475</u>	<u>15,476,284</u>	<u>4,968,043</u>	<u>4,387,801</u>
<b>Total assets</b>	<u>21,456,891</u>	<u>17,689,031</u>	<u>7,639,221</u>	<u>6,295,365</u>
Deferred outflows of resources - pension related	-	-	-	-
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	206,031	95,132	36,903	111,233
Salaries payable	59,043	61,264	37,262	34,063
Accrued flex spending	-	-	-	-
Due to other governments	20,318	9,948	2,899	4,643
Contracts payable	220,277	301,204	-	-
Due to other funds	-	500,000	-	-
Deposits payable	20,500	18,157	-	-
Accrued interest payable	118,675	73,330	14,646	2,178
Compensated absences payable - current	37,669	72,040	37,509	31,149
Capital lease payable - current	-	-	-	-
Bonds payable - current	1,194,700	1,179,800	16,500	17,000
Unearned revenue	408,314	322,550	-	-
Total current liabilities	<u>2,285,527</u>	<u>2,633,425</u>	<u>145,719</u>	<u>200,266</u>
<b>Noncurrent liabilities</b>				
Compensated absences payable	23,298	48,477	25,006	20,766
Capital lease payable	-	-	-	-
Bonds payable	11,210,612	8,214,899	1,146,611	155,706
Other postemployment benefits payable	135,807	127,850	35,887	31,600
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>11,369,717</u>	<u>8,391,226</u>	<u>1,207,504</u>	<u>208,072</u>
<b>Total liabilities</b>	<u>13,655,244</u>	<u>11,024,651</u>	<u>1,353,223</u>	<u>408,338</u>
Deferred inflows of resources - pension related	-	-	-	-
<b>Net position</b>				
Net investment in capital assets	6,742,101	6,081,585	4,149,928	4,215,095
Unrestricted	1,059,546	582,795	2,136,070	1,671,932
<b>Total net position</b>	<u>\$ 7,801,647</u>	<u>\$ 6,664,380</u>	<u>\$ 6,285,998</u>	<u>\$ 5,887,027</u>

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

		Business-Type Activities Enterprise Funds				Governmental Activities	
Solid Waste		Storm Water		Totals		Internal Service Funds	
2017	2016	2017	2016	2017	2016		
\$ 2,155,321	\$ 1,708,616	\$ 2,174,495	\$ 3,245,258	\$ 6,442,600	\$ 5,241,789	\$ 2,640,552	
6,096	6,416	10,513	9,852	16,609	19,864	8,525	
-	-	-	-	-	66	-	
696,362	677,548	454,824	409,187	3,801,899	3,455,129	11,343	
-	-	-	-	379,808	355,301	101,697	
-	-	-	-	700	700	31,000	
-	500,000	-	-	-	500,000	-	
-	-	-	-	61,222	86,086	-	
-	-	-	-	93,838	103,721	-	
-	-	-	-	866,529	914,532	-	
<u>2,857,779</u>	<u>2,892,580</u>	<u>2,639,832</u>	<u>3,664,297</u>	<u>11,663,205</u>	<u>10,677,188</u>	<u>2,793,117</u>	
-	-	340,239	340,239	515,083	515,083	818,094	
-	-	-	-	4,767,723	4,767,723	9,274,550	
-	-	6,182,215	6,182,215	7,155,538	7,155,538	1,657,545	
-	-	15,865,727	15,865,727	51,779,046	51,449,702	1,313,801	
-	-	89,099	89,099	9,028,848	9,028,848	7,635,904	
-	-	-	-	-	-	10,482,284	
-	-	2,750,662	251,160	6,487,460	251,160	-	
-	-	25,227,942	22,728,440	79,733,698	73,168,054	31,182,178	
-	-	(9,525,481)	(8,955,703)	(41,100,719)	(39,531,232)	(11,504,251)	
-	-	15,702,461	13,772,737	38,632,979	33,636,822	19,677,927	
<u>2,857,779</u>	<u>2,892,580</u>	<u>18,342,293</u>	<u>17,437,034</u>	<u>50,296,184</u>	<u>44,314,010</u>	<u>22,471,044</u>	
-	-	-	-	-	-	17,018,923	
406,428	249,736	5,145	7,255	654,507	463,356	494,046	
18,819	17,329	22,950	24,758	138,074	137,414	-	
-	-	-	-	-	-	19,173	
40,968	50,739	5,798	9,277	69,983	74,607	45,001	
-	-	92,461	-	312,738	301,204	2,487	
-	-	-	-	-	500,000	-	
-	-	73,790	-	94,290	18,157	-	
-	-	7,588	8,363	140,909	83,871	-	
4,180	2,341	8,901	7,381	88,259	112,911	2,353,715	
-	-	-	-	-	-	51,612	
-	-	163,800	163,200	1,375,000	1,360,000	-	
-	-	-	-	408,314	322,550	-	
<u>470,395</u>	<u>320,145</u>	<u>380,433</u>	<u>220,234</u>	<u>3,282,074</u>	<u>3,374,070</u>	<u>2,966,034</u>	
2,787	1,561	5,935	4,920	57,026	75,724	1,541,577	
-	-	-	-	-	-	114,319	
-	-	713,708	875,933	13,070,931	9,246,538	-	
9,494	6,557	27,097	23,937	208,285	189,944	3,250,130	
-	-	-	-	-	-	23,949,480	
<u>12,281</u>	<u>8,118</u>	<u>746,740</u>	<u>904,790</u>	<u>13,336,242</u>	<u>9,512,206</u>	<u>28,855,506</u>	
482,676	328,263	1,127,173	1,125,024	16,618,316	12,886,276	31,821,540	
-	-	-	-	-	-	18,718,305	
-	-	14,824,953	12,733,604	25,716,982	23,030,284	19,511,996	
2,375,103	2,564,317	2,390,167	3,578,406	7,960,886	8,397,450	(30,561,874)	
<u>\$ 2,375,103</u>	<u>\$ 2,564,317</u>	<u>\$ 17,215,120</u>	<u>\$ 16,312,010</u>	<u>33,677,868</u>	<u>\$ 31,427,734</u>	<u>\$ (11,049,878)</u>	
Adjustment to reflect consolidation of Internal Service fund activities				(2,981,829)			
Net position of business-type activities				<u>\$ 30,696,039</u>			

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



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For The Year Ended December 31, 2017

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2016

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2017	2016	2017	2016
Operating revenues				
Charges for services	\$ 5,643,016	\$ 5,268,597	\$ 7,235,499	\$ 6,616,115
Other	49,444	50,607	25,515	47,590
Rent	396,835	340,086	-	-
<b>Total operating revenues</b>	<b>6,089,295</b>	<b>5,659,290</b>	<b>7,261,014</b>	<b>6,663,705</b>
Operating expenses				
Personal services	1,321,273	1,372,830	868,578	778,069
Supplies	265,700	202,193	35,004	36,410
Professional services	482,035	374,665	41,647	89,674
Insurance	25,027	21,429	65,982	66,044
Utilities	379,715	377,267	47,927	41,129
Repairs and maintenance	481,797	1,126,710	302,970	187,484
Depreciation	887,322	707,093	112,386	114,295
Disposal charges	46,594	48,737	4,265,237	4,177,255
Other	470,676	420,359	216,896	205,837
<b>Total operating expenses</b>	<b>4,360,139</b>	<b>4,651,283</b>	<b>5,956,627</b>	<b>5,696,197</b>
Operating income (loss)	1,729,156	1,008,007	1,304,387	967,508
Nonoperating revenues (expenses)				
Interest income	13,460	17,650	3,167	8,144
Property taxes	-	-	-	-
Intergovernmental revenue	-	7,365	3,359	-
Miscellaneous expense	(39,830)	(12,781)	(10,390)	(5,668)
Amortization of bond premiums	20,404	14,949	2,046	26
Gain on disposal of capital assets	-	-	-	-
Interest expense	(217,563)	(231,389)	(17,715)	(5,274)
Bond issuance costs	(59,272)	-	(13,122)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(282,801)</b>	<b>(204,206)</b>	<b>(32,655)</b>	<b>(2,772)</b>
Income (loss) before contributions and transfers	1,446,355	803,801	1,271,732	964,736
Capital contributions				
Connection fees and special assessments	279,801	465,203	-	-
Capital assets	-	-	-	-
Transfers in	-	926,986	-	75,254
Transfers out	(588,889)	(678,127)	(872,761)	(1,680,684)
Change in net position	1,137,267	1,517,863	398,971	(640,694)
Net position - January 1	6,664,380	5,146,517	5,887,027	6,527,721
Net position - December 31	\$ 7,801,647	\$ 6,664,380	\$ 6,285,998	\$ 5,887,027

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

Business-Type Activities Enterprise Funds						Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds
2017	2016	2017	2016	2017	2016	
\$ 3,116,087	\$ 3,180,075	\$ 2,816,349	\$ 2,642,383	\$ 18,810,951	\$ 17,707,170	\$ 3,655,740
121,419	60,515	-	-	196,378	158,712	438,983
-	-	-	-	396,835	340,086	-
<u>3,237,506</u>	<u>3,240,590</u>	<u>2,816,349</u>	<u>2,642,383</u>	<u>19,404,164</u>	<u>18,205,968</u>	<u>4,094,723</u>
536,021	482,774	542,301	542,193	3,268,173	3,175,866	4,974,247
203,064	180,422	4,617	3,783	508,385	422,808	591,937
29,142	11,783	155,776	49,711	708,600	525,833	296,694
3,916	3,810	8,463	14,923	103,388	106,206	421,871
-	-	33,834	43,275	461,476	461,671	-
-	30,884	2,454	25,728	787,221	1,370,806	-
-	-	569,779	565,262	1,569,487	1,386,650	1,722,763
2,507,800	2,450,485	-	-	6,819,631	6,676,477	-
92,767	81,989	122,494	122,855	902,833	831,040	895,115
<u>3,372,710</u>	<u>3,242,147</u>	<u>1,439,718</u>	<u>1,367,730</u>	<u>15,129,194</u>	<u>14,957,357</u>	<u>8,902,627</u>
(135,204)	(1,557)	1,376,631	1,274,653	4,274,970	3,248,611	(4,807,904)
17,202	14,478	32,071	25,119	65,900	65,391	34,364
-	-	-	-	-	-	2,267,700
156,017	174,160	-	-	159,376	181,525	629,701
-	-	(98,709)	(55,262)	(148,929)	(73,711)	-
-	-	3,248	477	25,698	15,452	-
-	-	-	-	-	-	106,204
-	-	(19,418)	(21,190)	(254,696)	(257,853)	(8,147)
-	-	(3,850)	-	(76,244)	-	-
<u>173,219</u>	<u>188,638</u>	<u>(86,658)</u>	<u>(50,856)</u>	<u>(228,895)</u>	<u>(69,196)</u>	<u>3,029,822</u>
38,015	187,081	1,289,973	1,223,797	4,046,075	3,179,415	(1,778,082)
-	-	-	-	279,801	465,203	-
-	-	-	334,691	-	334,691	66,500
-	-	-	-	-	1,002,240	671,867
(227,229)	(220,611)	(386,863)	(314,269)	(2,075,742)	(2,893,691)	-
<u>(189,214)</u>	<u>(33,530)</u>	<u>903,110</u>	<u>1,244,219</u>	<u>2,250,134</u>	<u>2,087,858</u>	<u>(1,039,715)</u>
<u>2,564,317</u>	<u>2,597,847</u>	<u>16,312,010</u>	<u>15,067,791</u>	<u>31,427,734</u>	<u>29,339,876</u>	<u>(10,010,163)</u>
<u>\$ 2,375,103</u>	<u>\$ 2,564,317</u>	<u>\$ 17,215,120</u>	<u>\$ 16,312,010</u>	<u>\$ 33,677,868</u>	<u>\$ 31,427,734</u>	<u>\$ (11,049,878)</u>
Adjustment to reflect consolidation of Internal Service fund activities				(434,029)		
Change in net position of business-type activities				<u>\$ 1,816,105</u>		

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

**CITY OF ST. LOUIS PARK, MINNESOTA**

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2017

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2016

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2017	2016	2017	2016
Cash flows from operating activities				
Receipts from customers and users	\$ 6,099,832	\$ 5,268,004	\$ 7,039,258	\$ 6,468,203
Receipts from interfund services provided	-	-	-	-
Other operating cash receipts	49,444	50,607	25,515	47,590
Payments to suppliers	(2,105,378)	(2,866,512)	(5,057,204)	(4,703,978)
Payments to employees	(1,375,087)	(1,342,114)	(850,492)	(730,276)
Miscellaneous expense	(39,830)	(12,781)	(10,390)	(5,668)
Net cash flows provided (used) by operating activities	<u>2,628,981</u>	<u>1,097,204</u>	<u>1,146,687</u>	<u>1,075,871</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	-
Transfers out	(552,651)	(536,555)	(767,848)	(745,483)
Increase (decrease) in due to other funds	(500,000)	500,000	-	-
(Increase) decrease in due from other funds	-	-	-	-
Property taxes	-	-	-	-
Intergovernmental receipts	-	7,365	3,359	-
Net cash flows provided (used) by noncapital financing activities	<u>(1,052,651)</u>	<u>(29,190)</u>	<u>(764,489)</u>	<u>(745,483)</u>
Cash flows from capital and related financing activities				
Transfers in	-	926,986	-	75,254
Transfers out	(36,238)	(141,572)	(104,913)	(935,201)
Connection fees/special assessments received	279,801	465,203	-	-
Acquisition of capital assets	(3,373,513)	(2,180,026)	(692,628)	(438,695)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of bonds, net	5,208,945	-	1,151,829	-
Transfer of bond proceeds (to)/from escrow account	-	1,865,855	-	-
Principal paid				
Bonds	(2,237,200)	(2,619,500)	(172,500)	(16,500)
Capital lease	-	-	-	-
Interest paid				
Bonds	(172,218)	(271,341)	(5,247)	(5,429)
Capital lease	-	-	-	-
Net cash flows provided (used) by capital and related financing activities	<u>(330,423)</u>	<u>(1,954,395)</u>	<u>176,541</u>	<u>(1,320,571)</u>
Cash flows from investing activities				
Interest received	<u>13,460</u>	<u>21,203</u>	<u>6,763</u>	<u>8,633</u>
Net increase (decrease) in cash and cash equivalents	1,259,367	(865,178)	565,502	(981,550)
Cash and cash equivalents - January 1	<u>15,523</u>	<u>880,701</u>	<u>272,392</u>	<u>1,253,942</u>
Cash and cash equivalents - December 31	<u>\$ 1,274,890</u>	<u>\$ 15,523</u>	<u>\$ 837,894</u>	<u>\$ 272,392</u>

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

Business-Type Activities Enterprise Funds						Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds
2017	2016	2017	2016	2017	2016	
\$ 3,097,273	\$ 3,174,016	\$ 2,844,502	\$ 2,599,435	\$ 19,080,865	\$ 17,509,658	\$ -
-	-	-	-	-	-	3,652,167
121,419	60,515	-	-	196,378	158,712	451,104
(2,689,768)	(2,689,385)	(240,766)	(231,823)	(10,093,116)	(10,491,698)	(2,043,689)
(528,529)	(464,384)	(538,414)	(516,421)	(3,292,522)	(3,053,195)	(2,713,570)
-	-	(98,709)	(55,262)	(148,929)	(73,711)	-
395	80,762	1,966,613	1,795,929	5,742,676	4,049,766	(653,988)
-	-	-	-	-	-	100,000
(195,429)	(189,737)	(281,308)	(273,115)	(1,797,236)	(1,744,890)	-
-	-	-	-	(500,000)	500,000	-
500,000	(500,000)	-	-	500,000	(500,000)	-
-	-	-	-	-	-	2,267,700
156,017	174,160	-	-	159,376	181,525	629,701
460,588	(515,577)	(281,308)	(273,115)	(1,637,860)	(1,563,365)	2,997,401
-	-	-	-	-	1,002,240	571,867
(31,800)	(30,874)	(105,555)	(41,154)	(278,506)	(1,148,801)	-
-	-	-	-	279,801	465,203	-
-	-	(2,499,503)	(533,463)	(6,565,644)	(3,152,184)	(3,071,897)
-	-	-	-	-	-	179,353
-	-	343,073	-	6,703,847	-	-
-	-	-	9,097	-	1,874,952	-
-	-	(505,300)	(359,000)	(2,915,000)	(2,995,000)	-
-	-	-	-	-	-	(49,688)
-	-	(20,193)	(24,281)	(197,658)	(301,051)	-
-	-	-	-	-	-	(8,147)
(31,800)	(30,874)	(2,787,478)	(948,801)	(2,973,160)	(4,254,641)	(2,378,512)
17,522	13,010	31,410	22,239	69,155	65,085	34,612
446,705	(452,679)	(1,070,763)	596,252	1,200,811	(1,703,155)	(487)
1,708,616	2,161,295	3,245,258	2,649,006	5,241,789	6,944,944	2,641,039
<u>\$ 2,155,321</u>	<u>\$ 1,708,616</u>	<u>\$ 2,174,495</u>	<u>\$ 3,245,258</u>	<u>\$ 6,442,600</u>	<u>\$ 5,241,789</u>	<u>\$ 2,640,552</u>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

For The Year Ended December 31, 2017

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2016

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2017	2016	2017	2016
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 1,729,156	\$ 1,008,007	\$ 1,304,387	\$ 967,508
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous expense	(39,830)	(12,781)	(10,390)	(5,668)
Depreciation	887,322	707,093	112,386	114,295
(Increase) decrease in assets/deferred outflows				
Accounts receivable	(69,973)	(296,901)	(212,280)	(149,998)
Special assessments	41,847	(5,259)	16,039	2,086
Prepaid items	(19,040)	13,667	(5,467)	6,463
Inventories	24,864	(71,205)	-	-
Deferred outflows of resources	-	-	-	-
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	121,269	(8,483)	(76,074)	93,392
Due to other governments	-	-	-	-
Contracts payable	(80,927)	(229,131)	-	-
Deposits payable	2,343	(16,610)	-	-
Accrued salaries payable	(2,221)	3,600	3,199	17,415
Unearned revenue	85,764	(21,909)	-	-
Accrued flex spending	-	-	-	-
Compensated absences payable	(59,550)	11,142	10,600	22,391
Other postemployment benefits	7,957	15,974	4,287	7,987
Net pension liability	-	-	-	-
Deferred inflows of resources	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 2,628,981</u>	<u>\$ 1,097,204</u>	<u>\$ 1,146,687</u>	<u>\$ 1,075,871</u>
Noncash capital and related financing activities				
Amortization of bond premiums	\$ 20,404	\$ 14,949	\$ 2,046	\$ 26
Disposal of capital assets	-	-	-	-
Capital contributions from government	-	-	-	-

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

Business-Type Activities Enterprise Funds							Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds	
2017	2016	2017	2016	2017	2016		
\$ (135,204)	\$ (1,557)	\$ 1,376,631	\$ 1,274,653	\$ 4,274,970	\$ 3,248,611	\$ (4,807,904)	
-	-	(98,709)	(55,262)	(148,929)	(73,711)	-	
-	-	569,779	565,262	1,569,487	1,386,650	1,722,763	
(18,814)	(6,059)	(45,637)	(42,948)	(346,704)	(495,906)	8,548	
-	-	-	-	57,886	(3,173)	-	
-	-	-	18,433	(24,507)	38,563	73,291	
-	-	-	-	24,864	(71,205)	-	
-	-	-	-	-	-	11,283,110	
146,921	69,988	(5,589)	10,019	186,527	164,916	113,811	
-	-	-	-	-	-	(25,174)	
-	-	92,461	-	11,534	(229,131)	-	
-	-	73,790	-	76,133	(16,610)	-	
1,490	9,696	(1,808)	15,999	660	46,710	-	
-	-	-	-	85,764	(21,909)	-	
-	-	-	-	-	-	4,486	
3,065	3,902	2,535	4,981	(43,350)	42,416	57,556	
2,937	4,792	3,160	4,792	18,341	33,545	252,992	
-	-	-	-	-	-	(22,837,764)	
-	-	-	-	-	-	13,500,297	
<u>\$ 395</u>	<u>\$ 80,762</u>	<u>\$ 1,966,613</u>	<u>\$ 1,795,929</u>	<u>\$ 5,742,676</u>	<u>\$ 4,049,766</u>	<u>\$ (653,988)</u>	
\$ -	\$ -	\$ 3,248	\$ 477	\$ 25,698	\$ 15,452	\$ -	
-	-	-	-	-	-	734,929	
-	-	-	-	-	-	66,500	

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

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**Note 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**A. FINANCIAL REPORTING ENTITY**

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

BLENDING COMPONENT UNITS

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

The following funds are maintained by the EDA: *Debt Service Funds –2008B* General Obligation Tax Increment Bonds, and Hoigaard’s 2010A & B TIF Notes; *Capital Project Funds – Development EDA* and Redevelopment District.

RELATED ORGANIZATION

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.



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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The *Permanent Improvement Revolving Fund* accounts for the resources and expenditures required for the acquisition and construction of capital improvements which will provide a direct or significant indirect benefit to individual property owners. Financing of these projects is provided by shared costs with other organizations, land sales, state allotment from highway user tax collections and assessment proceeds.

The *Streets Capital Projects Fund* accounts for street construction projects. Revenues are provided by the General Fund or by the issuance of General Obligation bonds.

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

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The *Sidewalks and Trails Fund* accounts for the City's 10 year plan to add additional sidewalks, trails, bike lane and bikeway throughout the community. Financing for this plan will occur by issuing general obligation bonds over several stages throughout the life of the plan.

The *Park Improvement Fund* accounts for the financing of land acquisition and development for park purposes. Revenues are provided by St. Louis Park School District contributions, interest earnings, rent, sale of property and a property tax levy.

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

**D. BUDGETARY INFORMATION**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund. A budget is not presented for the Housing Rehabilitation Fund since the City does not legally require to adopt a budget for the fund.

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

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

**E. LEGAL COMPLIANCE - BUDGETS**

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental/divisional basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts in accordance with the provisions of Section 6.05 of the City Charter.
5. After the budget resolution is approved, the City Council can increase the budget only by resolution if actual receipts exceed the estimated, or from accumulated fund balance in the amount of unexpended appropriations from the previous fiscal year. During the year 2017, the budget was not amended.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund.
7. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
9. The legal level of budgetary control is at the fund level. Expenditures may not legally exceed budgeted appropriations at the total fund level. The City Council must approve all expenditures at fund level either by resolution or through the disbursement process.
10. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, and other services and charges, and capital outlay) within each program. Management can exceed

appropriations at the department level without City Council approval. Approval must be received for exceeding budgeted appropriations at the fund level.

11. The City Council may authorize transfer of budgeted amounts between City funds.

## **F. CASH AND INVESTMENTS**

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

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

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

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

## **G. ACCOUNTS RECEIVABLE**

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

## **H. INTERFUND RECEIVABLES AND PAYABLES**

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

## **I. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following

January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City's property tax revenue includes payment from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2017 totaled \$2,116,656. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

**J. SPECIAL ASSESSMENT REVENUE RECOGNITION**

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

**K. INVENTORIES**

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

**L. PREPAID ITEMS**

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

**M. CAPITAL ASSETS**

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

	<u>Capitalization Threshold</u>
Land	\$1
Land improvements	5,000
Buildings and building improvements	5,000
Machinery and equipment	10,000
Office equipment	25,000
Vehicle or fleet	10,000
Infrastructure	250,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation. The City uses the modified approach for reporting street and trail system capital assets.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2017, no interest was capitalized in connection with construction in progress.

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

Buildings and structures	5 – 30 years
Improvements other than buildings	5 – 30 years
Infrastructure	5 – 100 years
Machinery, furniture and equipment (including software)	3 – 30 years
Fleet	3 – 25 years
Temporary easements	3 – 5 years

Capital assets of the water utility and sewer utility operations include the water distribution system and sewer collection system. These systems have been wholly (or substantially) financed by non-operating funds (special assessments, general taxes, federal and state grants, and other sources) and contribution to the Water and Sewer operating funds. City policy is to finance these assets by the sources indicated rather than by user charges. Accordingly, the water and sewer user rates are not established at levels sufficient to cover depreciation on these assets.

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

The City elects to use the modified approach as defined by GASB Statement No. 34 for infrastructure reporting of its streets. The City conducted a physical assessment in the summer of 2015 of the condition of the streets. This condition assessment will be performed every 2 years. Each segment of City owned street was assigned a physical condition based on potential defects. An Overall Condition Index (OCI) was assigned to each segment. The index is expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to those segments that have the characteristic of a new street. The following conditions were defined:

<u>Range</u>	<u>Description</u>
86 - 100	Excellent
71 - 85	Very good
56 - 70	Good
41 - 55	Fair
26 - 40	Poor
11 - 25	Very poor
0 - 10	Failed

The City’s policy relative to maintaining the street and trail assets is to achieve an average rating of “Good” for all segments. This acceptable rating allows minor cracking and patching of the pavement along with minor roughness that could be noticeable to the users of the system.

**N. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay and flex leave benefits. No liability is recorded for unpaid accumulated sick leave, except for that portion that is payable as severance. All liabilities for vacation leave, flex leave and severance, both current and long-term, are recorded in the Employee Benefits Fund, an Internal Service Fund for governmental funds, and in the individual enterprise

funds when incurred. The personnel ordinance limits the annual accumulation of benefits that can be accumulated from year-to-year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**O. LONG-TERM OBLIGATIONS**

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

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

**P. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

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

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City's Chief Financial Officer and/or City Manager is authorized to establish assignments of fund balance.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

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

**Q. INTERFUND TRANSACTIONS**

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



payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**R. COMPARATIVE TOTALS**

The basic financial statements and required supplementary information, include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

**S. NET POSITION**

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position is displayed in three components.

- a) Net investment in capital assets – consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b) Restricted net position – consist of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c) Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

**T. USE OF ESTIMATES**

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

**U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, bond reimbursement payments not yet due and other miscellaneous unavailable revenue.

**V. PENSION PLANS**

**COST SHARING MULTIPLE – EMPLOYER PLANS**

*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.

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

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

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

1. United States government treasury bills, treasury notes, treasury bonds;
2. Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
3. 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;
4. General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
5. 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
6. Time deposits that are fully insured by any federal agency.

Custodial Credit Risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The City has no additional deposit policies addressing custodial credit risk. As of December 31, 2017, the bank balance of the City’s deposits was \$4,028,524 all of which was covered by federal depository insurance or by collateral pledged and held in the City’s name.

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**B. INVESTMENTS**

The City is authorized by Minnesota Statute Chapter 118A, and the City’s investment policy, to invest in the following:

1. Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements, and is rated one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.
3. State and local securities as follows:
  - a) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
  - b) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
  - c) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating agency.
4. Bankers acceptance of United States banks.
5. Commercial paper, with a maturity of 270 days or less, issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.

At December 31, 2017, the City had the following investments and maturities:

Investment Type	Rating	Investment Maturities (in Years)				
		Fair Value	Less Than 1	1-5	6-10	11-15
4M Fund	NR	\$ 19,059,445	\$ 19,059,445	\$ -	\$ -	\$ -
Money market funds	NR	1,739,310	1,739,310	-	-	-
Commercial paper	NR	2,887,102	2,887,102	-	-	-
Brokered Certificates of Deposit	NR	3,565,799	480,022	3,085,777	-	-
Municipal Bonds	A - AAA	4,972,040	-	4,972,040	-	-
US Treasury	AAA	14,913,534	199,204	14,714,330	-	-
Federal National Mortgage Association	N/A	4,013,210	199,954	3,813,256	-	-
Federal Home Loan Bank Notes	N/A	8,818,260	4,104,474	4,713,786	-	-
<b>Total</b>		<b>\$ 59,968,700</b>	<b>\$ 28,669,511</b>	<b>\$ 31,299,189</b>	<b>\$ -</b>	<b>\$ -</b>
		Total investments				\$ 59,968,700
		Deposits				2,267,025
		Petty cash				4,931
		Total cash and investments				<u>\$ 62,240,656</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

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The City has the following recurring fair value measurements as of December 31, 2017:

Investment Type	12/31/2017	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Commercial paper	\$ 2,887,102	\$ -	\$ 2,887,102	\$ -
Brokered Certificates of Deposit	3,565,799	-	3,565,799	-
Municipal Bonds	4,972,040	-	4,972,040	-
US Treasury	14,913,534	-	14,913,534	-
Federal National Mortgage Association	4,013,210	-	4,013,210	-
Federal Home Loan Bank Notes	8,818,260	-	8,818,260	-
<b>Total/Subtotal</b>	<b>39,169,945</b>	<b>\$ -</b>	<b>\$ 39,169,945</b>	<b>\$ -</b>
Investments not categorized:				
External investment pool - 4M Fund	19,059,445			
Money market funds	1,739,310			
<b>Total</b>	<b>\$ 59,968,700</b>			

The City’s external investment pool investment is with the 4M Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

**C. INVESTMENT RISKS**

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City’s investment policy states the investment portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements that might be reasonably anticipated. The maximum maturity of investments shall not extend beyond five years, unless related to specific cash flow needs.

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

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

Federal National Mortgage Assn.	6.69%
Federal Home Loan Bank	14.70%
US Treasury	24.87%

**Note 3 RECEIVABLES**

**A. LOANS RECEIVABLE**

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

Also, some of the loans are forgivable after 30 years if certain criteria are met. As of December 31, 2017, any forgiveness of loans would not occur for another 20 – 30 years. At this time, information is not available to develop an estimate for any loans which may be forgiven. Therefore, no allowance has been recorded. As loan maturity dates approach, the City will evaluate whether an allowance for forgivable loans should be recorded in the financial statements.

As of December 31, 2017, the loans receivable balance was \$6,920,101.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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Significant receivable balances not expected to be collected within one year of December 31, 2017 are as follows:

	Loans Receivable	Special Assessments Receivable	Property Taxes	Interfund Loans Receivable	Pledges Receivable	Total
Major Funds:						
General Fund	\$ -	\$ -	\$ 627,627	\$ -	\$ -	\$ 627,627
Housing Rehabilitation Fund	3,230,023	21,721	23,339	-	-	3,275,083
Debt Service Funds	1,520,000	-	-	-	-	1,520,000
Permanent Improvement Revolving Fund	-	6,485	-	-	-	6,485
Development EDA Fund	712,816	-	-	-	-	712,816
Redevelopment District Fund	731,360	-	-	4,638,921	-	5,370,281
Park Improvement Fund	-	-	-	-	1,250,000	1,250,000
Water Fund	-	51,421	-	-	-	51,421
Sewer Fund	-	501	-	-	-	501
Nonmajor Governmental Funds	442,299	2,774	-	-	-	445,073
Total	<u>\$ 6,636,498</u>	<u>\$ 82,902</u>	<u>\$ 650,966</u>	<u>\$ 4,638,921</u>	<u>\$ 1,250,000</u>	<u>\$ 13,259,287</u>

**Note 4 UNAVAILABLE REVENUE**

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

	Unavailable
Delinquent property taxes receivable (General Fund)	\$ 627,627
Delinquent property taxes receivable (Redevelopment District)	22,339
Special assessments not yet due (Permanent Improvement Revolving)	687,962
Special assessments not yet due (Housing Rehabilitation)	5,817,785
Special assessments not yet due (Nonmajor Funds)	178,568
Bond reimbursement payments not yet due (Debt Service Funds)	1,560,000
Other miscellaneous (Redevelopment District)	88,354
Other miscellaneous (Park Improvement Fund)	1,350,000
Other miscellaneous (Nonmajor Funds)	37,646
Total unavailable revenue for governmental funds	<u>\$ 10,370,281</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**Note 5 CAPITAL ASSETS**

The City has elected to use the modified approach as defined by GASB Statement No. 34 for reporting of street infrastructure. As a result, no accumulated depreciation or depreciation expense has been recorded for street infrastructure. Additional information of the modified approach is presented in the Notes to Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded. Modified approach adjustments represent the changes due to implementation of the modified approach for infrastructure reporting. Capital asset activity for the year ended December 31, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,991,835	\$ -	\$ -	\$ -	\$ 16,991,835
Infrastructure - streets	26,011,544	-	-	-	26,011,544
Permanent easements	1,429,976	-	-	-	1,429,976
Construction in progress	12,097,034	8,969,243	15,174,050	(66,500)	5,825,727
Total capital assets, not being depreciated	<u>56,530,389</u>	<u>8,969,243</u>	<u>15,174,050</u>	<u>(66,500)</u>	<u>50,259,082</u>
Capital assets, being depreciated:					
Buildings and structures	47,589,376	8,705,169	-	-	56,294,545
Improvements other than buildings	27,001,220	7,945,651	-	-	34,946,871
Infrastructure	31,912,725	-	-	-	31,912,725
Machinery, furniture and equipment	9,777,050	738,370	-	66,500	10,581,920
Fleet	9,274,577	2,140,754	734,929	-	10,680,402
Total capital assets, being depreciated	<u>125,554,948</u>	<u>19,529,944</u>	<u>734,929</u>	<u>66,500</u>	<u>144,416,463</u>
Less accumulated depreciation for:					
Buildings and structures	14,046,332	1,096,947	-	-	15,143,279
Improvements other than buildings	13,335,159	1,131,829	-	-	14,466,988
Infrastructure	17,203,249	1,445,575	509,927	-	18,138,897
Machinery, furniture and equipment	5,731,839	821,236	-	-	6,553,075
Fleet	4,426,037	291,686	-	-	4,717,723
Total accumulated depreciation	<u>54,742,616</u>	<u>4,787,273</u>	<u>509,927</u>	<u>-</u>	<u>59,019,962</u>
Total capital assets being depreciated - net	<u>70,812,332</u>	<u>14,742,671</u>	<u>225,002</u>	<u>66,500</u>	<u>85,396,501</u>
Governmental activities capital assets - net	<u>\$ 127,342,721</u>	<u>\$ 23,711,914</u>	<u>\$ 15,399,052</u>	<u>\$ -</u>	<u>\$ 135,655,583</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 515,083	\$ -	\$ -	\$ -	\$ 515,083
Construction in progress	251,160	6,236,300	-	-	6,487,460
Total capital assets, not being depreciated	<u>766,243</u>	<u>6,236,300</u>	<u>-</u>	<u>-</u>	<u>7,002,543</u>
Capital assets, being depreciated:					
Buildings and structures	4,767,723	-	-	-	4,767,723
Improvements other than buildings	7,155,538	-	-	-	7,155,538
Infrastructure	51,449,702	329,344	-	-	51,779,046
Machinery, furniture and equipment	9,028,848	-	-	-	9,028,848
Total capital assets, being depreciated	<u>72,401,811</u>	<u>329,344</u>	<u>-</u>	<u>-</u>	<u>72,731,155</u>
Less accumulated depreciation for:					
Buildings and structures	3,962,107	127,778	-	-	4,089,885
Improvements other than buildings	3,247,434	273,595	-	-	3,521,029
Infrastructure	29,347,352	669,493	-	-	30,016,845
Machinery, furniture and equipment	2,974,339	498,621	-	-	3,472,960
Total accumulated depreciation	<u>39,531,232</u>	<u>1,569,487</u>	<u>-</u>	<u>-</u>	<u>41,100,719</u>
Total capital assets being depreciated - net	<u>32,870,579</u>	<u>(1,240,143)</u>	<u>-</u>	<u>-</u>	<u>31,630,436</u>
Business-type activities capital assets - net	<u>\$ 33,636,822</u>	<u>\$ 4,996,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,632,979</u>

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

Governmental activities:	
General government	\$ 74,984
Public safety	466,342
Engineering	8,393
Operations and recreation	2,328,908
Public information	55,874
Social and economic development	130,009
Internal service	1,722,763
Total depreciation expense - governmental activities	<u>\$ 4,787,273</u>
Business-type activities:	
Water	\$ 887,322
Sewer	112,386
Storm water	569,779
Total depreciation expense - business-type activities	<u>\$ 1,569,487</u>



**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**Note 6 CITY INDEBTEDNESS**

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

As of December 31, 2017, long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rates	Authorized And Issued	Outstanding 12/31/17
<u>Governmental Activities:</u>					
General Long-Term Debt:					
General Improvement Bonds:					
G.O. Improvement Bonds Series 2010A	5/7/2010	2/1/2031	1.25-5.7%	\$ 3,105,000	\$ 2,415,000
G.O. Improvement Refunding Bonds Series 2010C	12/29/2010	2/1/2040	3.0-5.65%	1,770,000	1,560,000
G.O. Improvement Bonds Series 2010D (BABS)	12/29/2010	2/1/2032	1.25-5.15%	13,025,000	10,340,000
G.O. Improvement Bonds Series 2012A HIA	10/17/2012	2/1/2033	0.75 - 3.90%	1,290,000	1,080,000
G.O. Improvement Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	5,070,000	4,605,000
G.O. Improvement Bonds Series 2016A	7/14/2016	2/1/2027	1.375 - 2.375%	10,000,000	10,000,000
G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2028	2.125 - 3%	3,430,000	3,430,000
Total General Improvement Bonds				<u>37,690,000</u>	<u>33,430,000</u>
Tax Increment Bonds:					
Tax Increment Refunding Bonds Series 2008B	12/11/2008	2/1/2024	3.25-4.63%	5,490,000	3,410,000
Issuance premiums (discounts)					
Total - bonded indebtedness	N/A	N/A	N/A	N/A	497,336
Capital lease payable - copier	2/14/2014	1/14/2019	0.00%	40,500	8,775
Capital lease payable - vehicles	5/1/2016	5/1/2021	4.53%	222,149	157,156
Compensated absences payable	N/A	N/A	N/A	N/A	3,895,292
Total governmental activities				<u>43,442,649</u>	<u>41,398,559</u>
<u>Business-Type Activities:</u>					
General Obligation Revenue Bonds:					
Utility Crossover Refunding Bonds Series 2013A	7/1/2013	8/1/2023	1.0-1.9%	4,170,000	3,120,000
Utility Revenue Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	4,930,000	4,480,000
Utility G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2033	2.125 - 3%	4,985,000	4,985,000
Utility Refunding Revenue Bonds Series 2017A	7/13/2017	2/1/2025	2.125 - 3%	1,485,000	1,485,000
Total General Obligation Revenue Bonds				<u>15,570,000</u>	<u>14,070,000</u>
Issuance premiums (discounts)					
Total - bonded indebtedness	N/A	N/A	N/A	N/A	375,931
Compensated absences payable	N/A	N/A	N/A	N/A	145,285
Total business-type activities				<u>15,570,000</u>	<u>14,591,216</u>
Total City				<u>\$ 59,012,649</u>	<u>\$ 55,989,775</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**GOVERNMENTAL ACTIVITIES**

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

Year Ending December 31	G.O. Improvement Bonds		G.O. Tax Increment Bonds	
	Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2018	\$ 1,640,000	\$ 1,102,101	\$ 415,000	\$ 141,613
2019	2,555,000	1,039,838	435,000	124,613
2020	2,625,000	966,956	460,000	105,563
2021	2,695,000	890,188	485,000	84,300
2022	2,755,000	810,304	510,000	61,913
2023	2,825,000	727,121	535,000	38,400
2024	2,905,000	638,277	570,000	13,181
2025	2,990,000	549,433	-	-
2026	3,065,000	462,481	-	-
2027	2,580,000	378,216	-	-
2028	1,460,000	306,895	-	-
2029	1,120,000	246,608	-	-
2030	1,165,000	187,819	-	-
2031	1,210,000	126,481	-	-
2032	1,015,000	69,578	-	-
2033	160,000	40,290	-	-
2034	80,000	34,505	-	-
2035	85,000	30,070	-	-
2036	90,000	25,323	-	-
2037	95,000	20,258	-	-
2038	100,000	14,870	-	-
2039	105,000	9,155	-	-
2040	110,000	3,108	-	-
Total	<u>\$ 33,430,000</u>	<u>\$ 8,679,871</u>	<u>\$ 3,410,000</u>	<u>\$ 569,581</u>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**BUSINESS-TYPE ACTIVITIES**

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

<u>Year Ending</u> <u>December 31</u>	<u>G.O. Revenue Bonds</u>	
	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,375,000	\$ 319,656
2019	1,675,000	284,463
2020	1,710,000	251,963
2021	1,220,000	217,275
2022	1,255,000	188,980
2023	1,295,000	159,165
2024	1,030,000	128,250
2025	1,060,000	102,125
2026	875,000	78,450
2027	340,000	64,413
2028	350,000	56,863
2029	360,000	48,425
2030	365,000	39,363
2031	375,000	29,175
2032	390,000	17,700
2033	395,000	5,925
Total	<u>\$ 14,070,000</u>	<u>\$ 1,992,191</u>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	\$ 31,230,000	\$ 3,430,000	\$ 1,230,000	\$ 33,430,000	\$ 1,640,000
G.O. tax increment bonds	3,805,000	-	395,000	3,410,000	415,000
Add:					
Premiums on bonds	459,545	196,964	55,119	601,390	-
Discounts on bonds	(111,446)	-	(7,391)	(104,055)	-
Total bonds payable	<u>35,383,099</u>	<u>3,626,964</u>	<u>1,672,728</u>	<u>37,337,335</u>	<u>2,055,000</u>
Note Payable	2,025,297	-	2,025,297	-	-
Capital lease payable	215,619	-	49,688	165,931	51,612
Compensated absences	<u>3,837,736</u>	<u>2,406,125</u>	<u>2,348,569</u>	<u>3,895,292</u>	<u>2,353,715</u>
Total government activity long-term debt	<u>\$ 41,461,751</u>	<u>\$ 6,033,089</u>	<u>\$ 6,096,282</u>	<u>\$ 41,398,558</u>	<u>\$ 4,460,327</u>
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	\$ 10,515,000	\$ 6,470,000	\$ 2,915,000	\$ 14,070,000	\$ 1,375,000
Add:					
Premiums on bonds	91,538	310,091	25,699	375,930	-
Total bonds payable	<u>10,606,538</u>	<u>6,780,091</u>	<u>2,940,699</u>	<u>14,445,930</u>	<u>1,375,000</u>
Compensated absences	<u>188,635</u>	<u>178,768</u>	<u>222,118</u>	<u>145,285</u>	<u>88,259</u>
Total business-type activity long-term debt	<u>\$ 10,795,173</u>	<u>\$ 6,958,859</u>	<u>\$ 3,162,817</u>	<u>\$ 14,591,215</u>	<u>\$ 1,463,259</u>

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

**\$9,900,000 GENERAL OBLIGATION BONDS, SERIES 2017A**

On July 13, 2017, the City issued the \$9,900,000 General Obligation, Series 2017A with an average interest rate of 2.78% to provide \$3,430,000 of funding for sidewalks, trails and the Southwest Light Rail Transit project, \$4,985,000 for utility system improvements, \$1,485,000 for a current refunding of the 2010B Utility Bonds. The City will use a portion of the net proceeds to redeem the 2018 through 2025 maturities of the Series 2010B Bonds aggregating \$3,040,000 principal amount of the City's \$5,935,000 General Obligation Series 2010B Bonds with an average interest rate of 2.73% dated May 7, 2010. Net proceeds of \$1,556,867 were used to retire all outstanding principal of the refunded bonds on August 1, 2017.

The City Refunded the Bonds to reduce its total debt service payments over eight years by \$92,830 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$85,718.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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CAPITAL LEASE PAYABLE

**A. COPY MACHINE**

In 2014, the City entered into a lease purchase agreement for a copier. The agreement calls for monthly payments of \$675 maturing on January 14, 2019. Depreciation in the amount of \$8,100 has been recorded as depreciation expense during 2017.

The net book value of assets under the capital lease at December 31, 2017 is as follows:

Equipment	\$ 40,500
Accumulated depreciation	<u>(31,000)</u>
Net book value	<u><u>\$ 9,500</u></u>

The following is a schedule of future minimum lease payments under the capital lease:

<u>Year Ending December 31,</u>	<u>Payment</u>
2018	\$ 8,100
2019	<u>675</u>
Total minimum lease payments	<u><u>\$ 8,775</u></u>

**B. VEHICLES**

In 2016, the City entered into a lease agreement for ten vehicles. The agreement calls for total monthly payments of \$4,145 maturing on May 1, 2021, with an interest rate of 4.53 percent. Depreciation in the amount of \$74,257 has been recorded as depreciation expense during 2017.

The net book value of assets under the capital lease at December 31, 2017 is as follows:

Equipment	\$ 222,149
Accumulated depreciation	<u>(74,257)</u>
Net book value	<u><u>\$ 147,892</u></u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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The following is a schedule of future minimum lease payments under the capital lease:

	Year Ending December 31,	Payment
	2018	\$ 49,735
	2019	49,735
	2020	49,735
	2021	20,707
Total minimum lease payments		169,912
Less: amount representing interest		(12,756)
Present value of minimum lease payments		<u>\$ 157,156</u>

**REVENUE PLEDGED**

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

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal and Interest	Current Year	
		Type	Percent of total debt service	Debt service as a % of net revenues	Pledged Through		Principal and Interest paid	Pledged Revenue received
G.O. Improvement Bonds Series 2012A HIA	Housing Improvement Area	Fee	100.0%	55.0%	2033	1,397,831	88,039	160,793
G.O. Improvement Bonds Series 2010A	Housing Improvement Area	Fee	100.0%	95.1%	2031	3,419,090	244,155	256,766
Tax Increment Refunding Bonds Series 2008B	Street Improvements	TIF	100.0%	100.0%	2024	3,979,581	552,813	552,813
G.O. Improvement Refunding Bonds Series 2010C	Louisiana Court Project	Operating revenues of Louisiana Court	100.0%	93.2%	2040	2,717,985	119,905	128,611
Utility Refunding Revenue Bonds Series 2010B	Utility Infrastructure Projects	Utility charges/Special Assessments	100.0%	100.0%	2025	1,765,083	220,155	220,155
Utility Crossover Refunding Bonds Series 2013A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2023	3,255,183	790,413	790,413
Utility Revenue Bonds Series 2014A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2026	4,895,000	544,100	544,100
G.O. Improvement Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100.0%	n/a	2033	6,239,754	-	-

**Note 7 DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

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

**B. BENEFITS PROVIDED**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. PEPFF Benefits

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

**C. CONTRIBUTIONS**

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

1. GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the year ended December 31, 2017, were \$1,122,359. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2017. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2017. The City's contributions to the PEPFF for the year ended December 31, 2017, were \$1,210,648. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

1. GERF Pension Costs

At December 31, 2017, the City reported a liability of \$14,485,146 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a recution due to the State of Minnesota's contribution of \$6 million to the fund in 2017. 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 \$182,131. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportion was .2269% which was an increase of .0011% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$2,004,710 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$5,260 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund.



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At December 31, 2017, the City reported its proportionate share of the GERS' 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	\$ 477,386	\$ 932,344
Changes in actuarial assumptions	2,404,847	1,452,137
Difference between projected and actual investment earnings	94,453	-
Changes in proportion	48,196	199,617
Contributions paid to PERA subsequent to the measurement date	566,138	-
<b>Total</b>	<b>\$ 3,591,020</b>	<b>\$ 2,584,098</b>

\$566,138 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2018	\$ 465,123
2019	848,769
2020	(258,242)
2021	(614,866)
Thereafter	-

2. **PEPFF Pension Costs**

At December 31, 2017, the City reported a liability of \$9,464,334 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportion was .7010% which was a decrease of .0080% from its proportion measured as of June 30, 2016. The City also recognized \$63,090 for the year ended December 31, 2017, 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 PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

For the year ended December 31, 2017, the City recognized pension expense of \$2,337,030 for its proportionate share of the PEPFF's pension expense.

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At December 31, 2017, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 217,850	\$ 2,527,973
Changes in actuarial assumptions	12,385,969	13,437,006
Difference between projected and actual investment earnings	127,347	-
Changes in proportion	86,403	169,228
Contributions paid to PERA subsequent to the measurement date	<u>610,334</u>	<u>-</u>
Total	<u>\$ 13,427,903</u>	<u>\$ 16,134,207</u>

\$610,334 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2018	\$ 156,195
2019	156,198
2020	(189,426)
2021	(773,727)
2022	(2,665,878)
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for the GERF and the PEPFF for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be 1% per year for the GERF through 2044 and PEPFF through 2064 and then 2.5% thereafter.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The most recent five year experience study for the Police and Fire Plan was completed in 2016.

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The following changes in actuarial assumptions occurred in 2017:

**General Employees Fund**

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

**Police and Fire Fund**

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

The long-term expected rate of return on pension plan investments is 7.5%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total	100%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. At June 30, 2016, the Police and Fire Fund projected benefit payments to exceed the funds projected fiduciary net position after June 30, 2056 and therefore used a single discount rate of 5.6%, which as stated above, increased to 7.5% at June 30, 2017.

**G. PENSION LIABILITY SENSITIVITY**

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

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the GERF net pension liability	\$ 22,467,538	\$ 14,485,146	\$ 7,950,109
City's proportionate share of the PEPFF net pension liability	\$ 17,824,103	\$ 9,464,334	\$ 2,562,884

**H. PENSION PLAN FIDUCIARY NET POSITION**

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

**I. PENSION EXPENSE**

Pension expense recognized by the City for the fiscal year ended December 31, 2017 is as follows:

GERF	\$ 2,009,970
PEPFF	2,337,030
	<hr/>
Total	<u>\$ 4,347,000</u>

**Note 8 DEFINED CONTRIBUTION PLAN**

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

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Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member’s account annually.

Total contributions made by the City during fiscal year 2017 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer (Pension Expense)	Employee	Employer	Rate
\$ 2,294	\$ 2,294	5%	5%	5%

**Note 9 OTHER POST-EMPLOYMENT BENEFITS**

**A. PLAN DESCRIPTION**

In addition to providing the pension benefits described in Note 7, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees through a single-employer defined benefit plan. The City’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, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report.

**B. BENEFITS PROVIDED**

Retirees

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

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

**C. PARTICIPANTS**

As of the actuarial valuation dated January 1, 2017, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	45
Active employees	<u>262</u>
Total	<u><u>307</u></u>
Participating employers	<u><u>1</u></u>

**D. FUNDING POLICY**

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. Contribution requirements are negotiated between the City and union representatives and established by Council for nonunion groups.

**E. ANNUAL OPEB COSTS AND NET OPEB OBLIGATION**

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2017, was calculated as follows:

Annual required contribution (ARC)	\$ 500,957
Interest on net OPEB obligation	111,548
Adjustment to ARC	<u>(173,286)</u>
Annual OPEB cost	439,219
Contributions made during the year	<u>(167,886)</u>
Increase (decrease) in net OPEB obligation	271,333
Net OPEB obligation - beginning of year	<u>3,187,082</u>
Net OPEB obligation - end of year	<u><u>\$ 3,458,415</u></u>

For governmental activities, the net OPEB obligation has been and is anticipated to be liquidated by the Employee Administrative internal service fund.

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the previous three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 675,521	\$ 197,287	29.2%	\$ 2,752,601
December 31, 2016	691,347	256,866	37.2%	3,187,082
December 31, 2017	439,219	167,886	38.2%	3,458,415

**F. FUNDED STATUS AND FUNDING PROGRESS**

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits, therefore, the actuarial value of assets is zero. The funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
January 1, 2017	\$ -	\$ 3,918,390	\$ 3,918,390	0.0%	\$ 23,588,815	16.6%

\*Using the Projected Unit Credit cost method.

**G. ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 6.8% reduced by .3% each year to arrive at an ultimate health care cost trend rate of 4.4%, which includes a 2.75% inflation assumption.

The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level dollar over 30 years on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

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**Note 10 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The City has established interfund loans to finance infrastructure improvements, project reimbursements, housing rehabilitation loans and to provide initial financing for TIF districts. A summary at December 31, 2017 is as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Major Funds:		
Development EDA	\$ 5,638,921	\$ -
Redevelopment District	-	5,638,921
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 5,638,921</u>	<u>\$ 5,638,921</u>

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as due from other funds in the advancing fund, and a due to other fund in the fund with the deficit, until adequate resources are received. A summary at December 31, 2017 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
Permanent Improvement Revolving	\$ 422,021	\$ -
Streets Capital Projects	-	420,798
Other:		
Special Service Districts	-	1,223
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 422,021</u>	<u>\$ 422,021</u>



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***Interfund Transfers***

Interfund transfers at December 31, 2017 are as follows:

Fund	Transfers in			
	General	Housing Rehabilitation	Debt Service	Permanent Imp. Revolving
Transfers out				
General	\$ -	\$ -	\$ -	\$ 185,000
Housing Rehabilitation	8,185	-	333,094	-
Debt Service	-	-	-	-
Permanent Improvement Revolving	19,449	-	-	-
Streets Capital Projects	-	-	-	-
Redevelopment District	-	160,000	1,187,735	-
Nonmajor Governmental	126,348	-	-	-
Water	552,651	-	-	-
Sewer	767,848	-	-	-
Solid Waste	195,429	-	-	-
Storm Water	281,308	-	-	-
Total transfers in	<u>\$ 1,951,218</u>	<u>\$ 160,000</u>	<u>\$ 1,520,829</u>	<u>\$ 185,000</u>

Fund	Transfers in			
	Streets Capital Projects	Nonmajor Governmental	Internal Service Funds	Total
Transfers out				
General	\$ -	\$ 407,240	\$ 300,000	\$ 892,240
Housing Rehabilitation	-	-	-	341,279
Debt Service	-	-	244,708	244,708
Permanent Improvement Revolving	-	-	-	19,449
Streets Capital Projects	156,617	-	-	156,617
Redevelopment District	-	-	-	1,347,735
Nonmajor Governmental	1,050,224	4,013	-	1,180,585
Water	4,438	-	31,800	588,889
Sewer	73,113	-	31,800	872,761
Solid Waste	-	-	31,800	227,229
Storm Water	73,796	-	31,759	386,863
Total transfers in	<u>\$ 1,358,188</u>	<u>\$ 411,253</u>	<u>\$ 671,867</u>	<u>\$ 6,258,355</u>

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

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**Note 11 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2017, a summary of the governmental fund balance classifications are as follows:

Fund/Description	Nonspendable	Restricted	Committed	Assigned
General Fund				
Prepaid items	\$ 58,594	\$ -	\$ -	\$ -
Inventories	234,227	-	-	-
E-911 purposes	-	392,004	-	-
Inspections	-	-	-	550,000
DWI enforcement	-	-	-	172,187
Fire expenditures	-	-	-	19,000
Tax court petitions	-	-	-	309,382
Housing Rehabilitation	-	-	116,942	4,218,961
Debt service	-	2,285,277	-	-
Permanent improvement revolving				
Capital improvements	-	-	-	2,680,788
Light pole replacement	-	-	-	185,000
Development EDA				
Economic development	-	228,965	-	-
Capital improvements	-	685,049	-	-
Redevelopment efforts	-	-	-	22,907,030
Sidewalks and Trails	-	1,032,496	-	223,070
Park Improvement				
Development of parks	-	-	-	1,413,614
Redevelopment districts	-	4,805,857	-	-
Other governmental funds				
Prepaid items	6,500	-	-	-
Community development	-	421,575	-	-
Cable TV equipment purchases	-	458,878	579,293	621,267
Police and fire purposes	-	1,807,493	-	-
Special service districts	-	-	-	186,008
Street rehabilitation	-	-	-	1,173,654
<b>Total</b>	<b>\$ 299,321</b>	<b>\$ 12,117,594</b>	<b>\$ 696,235</b>	<b>\$ 34,659,961</b>

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

**B. MINIMUM FUND BALANCE POLICY**

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

The policy establishes a year-end target of unassigned fund balance amount for cash flow timing needs in the range of 40-50% of the subsequent years budget expenditures. At December 31, 2017, the unassigned fund balance for the General Fund was 45% of the subsequent year’s budgeted expenditures.

**Note 12 DEFICIT FUND BALANCE/NET POSITION**

At December 31, 2017, individual funds with deficit fund balance/net position are as follows:

	<u>Amount</u>	<u>Future Financing Source</u>
Redevelopment District:		
HRA Levy	\$ (2,103,103)	General property tax levy
Edgewood TIF District	(878)	Future tax increment
Elmwood Village	(1,365,648)	Future tax increment
Hard Coat TIF District	(72,788)	Future tax increment
Shoreham TIF District	(19,989)	Future tax increment
Excelsior Blvd TIF District	(19,224)	Future tax increment
Internal Service Funds:		
Employee Administrative	<u>(31,778,099)</u>	Future pension contributions and investment earnings
 Total	 <u><u>\$ (35,359,729)</u></u>	

**Note 13 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to carry commercial insurance for risks of loss, including workers compensation, property and general liability and employee health and accident insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**PROPERTY AND CASUALTY INSURANCE**

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

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

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

**B. LITIGATION**

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

**C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2017.

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

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

District Name / Note Description	Issue Date	Principal Amount	Interest Rate	First Note Pymt	Final Note Pymt	% TIF Available	2017 Payments	12/31/2017 Balance
<b>Zarthan/16th Ave TIF District</b>								
Rottlund - Town Homes/Condos	11/06/2000	1,395,547	8.00%	08/01/2003	02/01/2021	89.75%	216,547	696,261
CSM - Town Place Suites	10/25/2000	1,101,362	8.00%	08/01/2003	02/01/2022	89.75%	89,502	1,218,476
CSM - Spring Hill Suites	10/25/2000	1,448,088	8.00%	08/01/2003	02/01/2022	89.75%	108,658	1,750,836
							<u>414,707</u>	
<b>Mill City TIF District</b>								
MSP SLP Apartments	11/20/2000	3,431,137	8.75%	08/1/2002	02/01/2023	94.75%	469,792	3,748,461
<b>Park Commons TIF District</b>								
Excelsior & Grand Phase I	07/01/2003	3,500,000	8.50%	08/05/2005	02/01/2023	97.00%	881,761	3,792,973
Excelsior & Grand Phase NE	06/05/2006	4,668,633	8.50%	08/01/2006	02/01/2028	97.00%	442,129	4,748,150
Excelsior & Grand Phase NW	06/05/2006	4,079,105	8.50%	08/01/2007	02/01/2028	97.00%	475,217	4,608,745
Excelsior & Grand Phase E	06/05/2006	3,300,715	8.50%	08/01/2006	02/01/2028	97.00%	278,355	3,990,718
							<u>2,077,462</u>	
<b>Edgewood TIF District</b>								
Real Estate Recycling / Edgewood Investors	02/01/2004	600,000	1.70%	08/01/2006	08/01/2019	95.00%	63,082	103,155
<b>Wolfe Lake TIF District</b>								
Belt Line Industrial Park	01/20/2006	996,000	7.50%	08/01/2006	02/01/2020	95.00%	124,392	255,277
<b>Aquila Commons TIF District</b>								
Stonebridge Development	05/26/2006	1,050,000	5.75%	08/01/2008	08/01/2018	95.00%	165,416	119,725
<b>Elmwood Village TIF District</b>								
Webster LLC / Adagio	07/29/2013	820,000	4.00%	08/01/2014	08/01/2019	95.00%	211,650	387,400
Medley Row	07/29/2013	200,000	4.00%	08/01/2014	02/01/2020	95.00%	45,927	115,246
Grecco / Towerlight	08/01/2013	490,000	6.50%	02/01/2015	02/01/2017	95.00%	21,042	-
Hoigaard Village 2010A TIF Revenue Bonds	10/21/2010	3,495,000	1.5-5%	02/01/2011	02/01/2023	95.00%	356,763	1,895,000
Hoigaard Village 2010B TIF Revenue Note	10/21/2010	935,000	3.99%	02/01/2011	02/01/2018	95.00%	272,709	80,635
							<u>908,091</u>	
<b>Highway 7 Corporate Center TIF District</b>								
Highway 7 Business Center Note A	07/24/2008	2,100,000	1.00%	08/01/2008	08/01/2026	95.00%	114,330	1,049,782
Highway 7 Business Center Note B	07/24/2008	360,000	1.00%	08/01/2008	08/01/2026	95.00%	19,599	179,963
Highway 7 Business Center Note C	07/24/2008	72,000	1.00%		08/01/2027	95.00%		78,776
Highway 7 Business Center Note D	07/24/2008	23,000	1.00%		08/01/2027	95.00%		25,165
							<u>133,929</u>	
<b>West End TIF District</b>								
Duke Realty Limited Partnership	11/01/2010	21,100,000	6.75%	02/01/2012	08/01/2031	95.00%	1,078,322	20,909,528
<b>Ellipse on Excelsior TIF District</b>								
Ellipse on Excelsior Note A	08/01/2011	1,230,000	6.00%	02/01/2012	02/01/2019	95.00%	279,016	345,611
Ellipse on Excelsior Note B	08/01/2011	220,000	6.00%	02/01/2012	08/01/2019	95.00%	45,421	84,494
E2	08/01/2015	686,195	5.60%	08/01/2015	02/01/2021	95.00%	138,468	429,669
							<u>462,906</u>	
<b>Eliot Park TIF District</b>								
Cedar Lake Road Apartments LLC	05/18/2016	1,100,000	5.50%	08/01/2016	02/01/2021	95.00%	195,168	946,483

**E. LOUISIANA COURT PROJECT**

The City of St. Louis Park has entered into an agreement with Project for Pride in Living Louisiana Court Limited Partnership to issue \$4,505,000 in General Obligation Bonds – Series 2000A for the purpose of acquiring and renovating certain rental housing facilities within the City of St. Louis Park intended primarily for low and moderate income persons and their families. During 2010, the 2000A bonds were refunded by the \$1,770,000 General Obligation Refunding Bonds, Series 2010C. The City of St. Louis Park will receive monthly principal and interest payments from Project for Pride in Living Louisiana Court Limited Partnership to cover all debt service obligations of the City of St. Louis Park on a semi-annual basis. In the event that the City of St. Louis Park does not receive payment from Project for Pride in Living, the City of St. Louis Park is still under obligation to make all debt service payments. At such time, the City of St. Louis Park would pursue collection of above referenced principal and interest payments per the agreement dated May 1, 2000. As of December 31, 2017, the outstanding principal on the bonds is \$1,560,000.

**F. CONSTRUCTION COMMITMENTS**

The City has active construction projects as of December 31, 2017. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and the construction of additional storm sewer and utility improvements. At year end the City’s commitments with contractors are as follows:

Project	Remaining Commitment
Hwy 7 at Louisiana	\$ 128,025
ROC - glue laminated construction	73,539
Aquatic park filter replacement	250,470
2017 pavement mgmt and watermain	117,827
W. 37th Street bridge replacement	623,945
Alley reconstruction	29,169
Connect the Park sidewalk	25,497
Water treatment plant #4 rehab	2,907,801
2017 MSA - Texas Ave	136,070
Carpenter Park - stormwater improvement	82,866
Bass Lake Preserve Outlet	126,367
Total commitments	\$ 4,501,576

**Note 14 CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued industrial, hospital or housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial or housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017, there were 15 revenue bonds issued. The aggregate principal amount payable as of December 31, 2017 is \$139,755,926.

**Note 15 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 75** *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

**Statement No. 83** *Certain Asset Retirement Obligations*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 84** *Fiduciary Activities*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

**Statement No. 85** *Omnibus 2017*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

**Statement No. 86** *Certain Debt Extinguishment Issues*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

**Statement No. 87** *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

**Statement No. 88** *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statements No. 75 and No. 87 may have a material impact.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 24,748,436	\$ 24,748,436	\$ 24,809,554	\$ 61,118
Licenses and permits				
Business regulatory licenses	631,110	631,110	720,282	89,172
Non-business licenses and permits	3,114,626	3,114,626	3,265,235	150,609
Total licenses and permits	<u>3,745,736</u>	<u>3,745,736</u>	<u>3,985,517</u>	<u>239,781</u>
Intergovernmental				
Federal	151,500	151,500	198,746	47,246
State shared taxes				
Highway user tax	600,000	600,000	680,835	80,835
Insurance premium tax	637,427	637,427	693,200	55,773
State of Minnesota				
Other	115,637	115,637	158,287	42,650
PERA	45,205	45,205	45,205	-
Police training reimbursement	20,000	20,000	15,896	(4,104)
School district	58,700	58,700	57,746	(954)
Other local governments	3,200	3,200	49,091	45,891
Total intergovernmental	<u>1,631,669</u>	<u>1,631,669</u>	<u>1,899,006</u>	<u>267,337</u>
Charges for services				
General government	801,867	801,867	707,619	(94,248)
Public safety	98,250	98,250	132,282	34,032
Public works - signals/lighting	17,250	17,250	17,000	(250)
Culture and rec	1,110,770	1,110,770	1,196,819	86,049
Rent of City property	1,160,265	1,160,265	1,206,457	46,192
Total charges for services	<u>3,188,402</u>	<u>3,188,402</u>	<u>3,260,177</u>	<u>71,775</u>
Fines and forfeits				
Municipal court	225,000	225,000	237,357	12,357
Liquor violations	12,000	12,000	15,750	3,750
Property forfeits	15,000	15,000	37,479	22,479
Miscellaneous violations	2,200	2,200	2,650	450
Total fines and forfeits	<u>254,200</u>	<u>254,200</u>	<u>293,236</u>	<u>39,036</u>
Interest income	140,000	140,000	125,985	(14,015)
Miscellaneous	144,100	144,100	167,484	23,384
Total revenues	<u>33,852,543</u>	<u>33,852,543</u>	<u>34,540,959</u>	<u>688,416</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2017

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government				
Administration				
Current				
Personal services	\$ 595,738	\$ 595,738	\$ 601,349	\$ (5,611)
Supplies	3,500	3,500	1,600	1,900
Other services and charges	481,794	481,794	514,967	(33,173)
Capital outlay	-	-	140,290	(140,290)
Total administration	<u>1,081,032</u>	<u>1,081,032</u>	<u>1,258,206</u>	<u>(177,174)</u>
General services				
Supplies	15,000	15,000	31,448	(16,448)
Other services and charges	489,806	489,806	88,328	401,478
Total general services	<u>504,806</u>	<u>504,806</u>	<u>119,776</u>	<u>385,030</u>
Human resources				
Current				
Personal services	582,599	582,599	577,229	5,370
Supplies	2,000	2,000	2,547	(547)
Other services and charges	170,100	170,100	150,956	19,144
Total human resources	<u>754,699</u>	<u>754,699</u>	<u>730,732</u>	<u>23,967</u>
Communications, marketing and community outreach				
Current				
Personal services	350,610	350,610	322,113	28,497
Materials and supplies	27,600	27,600	18,031	9,569
Other services and charges	295,184	295,184	406,459	(111,275)
Total communications, etc.	<u>673,394</u>	<u>673,394</u>	<u>746,603</u>	<u>(73,209)</u>
Technology and support services				
Current				
Personal services	900,312	900,312	778,525	121,787
Materials and supplies	7,500	7,500	20,834	(13,334)
Other services and charges	662,900	662,900	622,256	40,644
Total technology and support services	<u>1,570,712</u>	<u>1,570,712</u>	<u>1,421,615</u>	<u>149,097</u>
Accounting				
Current				
Personal services	568,460	568,460	540,891	27,569
Materials and supplies	3,000	3,000	4,324	(1,324)
Other services and charges	335,890	335,890	327,739	8,151
Total accounting	<u>907,350</u>	<u>907,350</u>	<u>872,954</u>	<u>34,396</u>
Assessing				
Current				
Personal services	691,114	691,114	642,425	48,689
Materials and supplies	1,500	1,500	544	956
Other services and charges	14,525	14,525	8,295	6,230
Total assessing	<u>707,139</u>	<u>707,139</u>	<u>651,264</u>	<u>55,875</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2017

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government (continued)				
Facilities maintenance				
Current				
Personal services	\$ 444,244	\$ 444,244	\$ 461,977	\$ (17,733)
Materials and supplies	89,000	89,000	94,733	(5,733)
Other services and charges	599,530	599,530	571,630	27,900
Total facilities maintenance	1,132,774	1,132,774	1,128,340	4,434
Community development				
Current				
Personal services	1,351,355	1,351,355	1,342,231	9,124
Materials and supplies	1,100	1,100	1,450	(350)
Other services and charges	13,600	13,600	9,794	3,806
Total community development	1,366,055	1,366,055	1,353,475	12,580
Total general government	8,697,961	8,697,961	8,282,965	414,996
Public safety				
Police				
Current				
Personal services	8,363,703	8,363,703	8,380,899	(17,196)
Materials and supplies	142,055	142,055	203,058	(61,003)
Other services and charges	593,369	593,369	574,867	18,502
Total police	9,099,127	9,099,127	9,158,824	(59,697)
Fire protection				
Current				
Personal services	3,967,816	3,967,816	3,859,683	108,133
Materials and supplies	122,250	122,250	123,723	(1,473)
Other services and charges	310,810	310,810	330,236	(19,426)
Total fire protection	4,400,876	4,400,876	4,313,642	87,234
Inspection services				
Current				
Personal services	2,304,363	2,304,363	2,082,056	222,307
Materials and supplies	12,000	12,000	12,474	(474)
Other services and charges	109,490	109,490	179,083	(69,593)
Total inspection services	2,425,853	2,425,853	2,273,613	152,240
Total public safety	15,925,856	15,925,856	15,746,079	179,777

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2017

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operations and recreation				
Public works administration				
Current				
Personal services	\$ 241,199	\$ 241,199	\$ 205,756	\$ 35,443
Materials and supplies	6,000	6,000	2,664	3,336
Other services and charges	18,400	18,400	36,485	(18,085)
Total public works administration	265,599	265,599	244,905	20,694
Public works operations				
Current				
Personal services	1,480,975	1,480,975	1,454,444	26,531
Materials and supplies	532,500	532,500	430,277	102,223
Other services and charges	1,005,542	1,005,542	917,763	87,779
Total public works operations	3,019,017	3,019,017	2,802,484	216,533
Culture and recreation				
Current				
Personal services	4,373,340	4,373,340	4,463,134	(89,794)
Materials and supplies	1,014,978	1,014,978	804,629	210,349
Other services and charges	2,137,659	2,137,659	2,000,647	137,012
Total culture and recreation	7,525,977	7,525,977	7,268,410	257,567
Total operations and recreation	10,810,593	10,810,593	10,315,799	494,794
Engineering				
Current				
Personal services	210,319	210,319	202,470	7,849
Materials and supplies	10,450	10,450	3,495	6,955
Other services and charges	155,832	155,832	133,911	21,921
Total engineering	376,601	376,601	339,876	36,725
Total expenditures	35,811,011	35,811,011	34,684,719	1,126,292
Revenues over (under) expenditures	(1,958,468)	(1,958,468)	(143,760)	1,814,708
Other financing sources (uses)				
Transfers in	1,899,927	1,899,927	1,951,218	51,291
Transfers out	-	-	(892,240)	(892,240)
Total other financing sources (uses)	1,899,927	1,899,927	1,058,978	(840,949)
Net change in fund balances	\$ (58,541)	\$ (58,541)	915,218	\$ 973,759
Fund balances - January 1			17,874,696	
Fund balances - December 31			\$ 18,789,914	

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS - POST EMPLOYMENT BENEFIT PLAN**  
For The Year Ended December 31, 2017

**Statement 10**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2013	\$ -	\$ 5,140,716	\$ 5,140,716	0.0%	\$ 17,338,372	29.6%
January 1, 2015	\$ -	\$ 5,257,905	\$ 5,257,905	0.0%	\$ 21,324,812	24.7%
January 1, 2017	\$ -	\$ 3,918,390	\$ 3,918,390	0.0%	\$ 23,588,815	16.6%

\*Using the projected unit credit actuarial pay cost method.

CITY OF ST. LOUIS PARK, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 GENERAL EMPLOYEES RETIREMENT FUND  
 For The Year Ended December 31, 2017

Statement 11

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.2263%	\$ 11,728,040	\$ -	\$ 11,728,040	\$ 13,317,871	88.1%	78.2%
2016	2016	0.2258%	18,333,840	239,395	18,573,235	14,027,206	132.4%	68.9%
2017	2017	0.2269%	14,485,146	182,131	14,667,277	14,714,583	99.7%	75.9%

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**  
For The Year Ended December 31, 2017

**Statement 12**

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Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 1,026,806	\$ 1,026,806	\$ -	\$ 13,690,747	7.5%
December 31, 2016	1,076,319	1,076,319	-	14,350,435	7.5%
December 31, 2017	1,122,359	1,122,359	-	14,965,469	7.5%

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 PUBLIC EMPLOYEES POLICE AND FIRE FUND  
 For The Year Ended December 31, 2017

**Statement 13**

<u>Measurement Date</u> June 30	<u>Fiscal Year Ending</u> December 31	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Covered Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	2015	0.7170%	\$ 8,146,798	\$ 6,568,763	124.0%	86.6%
2016	2016	0.7090%	28,453,404	6,826,711	416.8%	63.9%
2017	2017	0.7010%	9,464,334	7,214,850	131.2%	85.4%

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



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**  
For The Year Ended December 31, 2017

**Statement 14**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 1,087,225	\$ 1,087,225	\$ -	\$ 6,711,265	16.2%
December 31, 2016	1,127,487	1,127,487	-	6,959,796	16.2%
December 31, 2017	1,210,648	1,210,648	-	7,473,136	16.2%

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

**CITY OF ST. LOUIS PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2017

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**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the major funds.

**Note B MODIFIED APPROACH FOR CITY STREETS AND TRAILS INFRASTRUCTURE CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets including the street and trail system; water treatment and distribution system; wastewater collection system; park and recreation lands and improvement system; storm water conveyance system; and building combined with site amenities such as parking and landscape areas used by the City in the conduct of its business. Each major infrastructure can be divided into subsystems. For example, the street and trail system can be divided into pavement widths, curb type and sidewalk. City owned streets could further be classified as collector or local. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City elects to use the modified approach as defined in GASB Statement No. 34 for infrastructure reporting for its Pavement Management Program. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- 1) The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- 2) The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City's policy relative to maintaining the street and trail assets is to achieve an average rating of "Good" for all segments. This acceptable rating allows minor cracking and patching of the pavement along with minor roughness that could be noticeable to the users of the system.

**CITY OF ST. LOUIS PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2017

In 2017, the City conducted a physical condition assessment of four of eight areas of the City. This assessment will be performed every two years. Each street segment was assigned a physical condition based on potential defects. An Overall Condition Index (OCI) was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. The following conditions were defined:

<u>Range</u>	<u>Description</u>
86 - 100	Excellent
71 - 85	Very good
56 - 70	Good
41 - 55	Fair
26 - 40	Poor
11 - 25	Very poor
0 - 10	Failed

As of December 31, 2017, the City's street and trail system was rated at an OCI index of 67 on the average with detail condition as follows:

<u>Condition</u>	<u>% of Streets and Trails</u>
Excellent to Good	64.0%
Fair	14.2%
Poor to Substandard	21.8%

The City's streets are constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating and overlaying. The City expended \$4,494,315 on street maintenance for the year ending December 31, 2017. These expenditures delayed deterioration; however, the overall condition of the system was not improved through these maintenance expenditures. The City has estimated that the amount of annual expenditures through 2027 required to maintain the City's street system at the average OCI rating of "good" is approximately \$4,255,000.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>	<u>OCI Rating</u>
2015	2,622,000	2,050,904	65%
2016	3,999,000	2,731,582	64%
2017	4,255,000	4,494,315	67%

**Note C PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

*2017 Changes*

Changes in Actuarial Assumptions:

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

*2016 Changes*

Changes in Actuarial Assumptions:

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

**PERA – Public Employees Police and Fire Fund**

*2017 Changes*

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.

**CITY OF ST. LOUIS PARK**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2017

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- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

*2016 Changes*

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**COMBINING FUND STATEMENTS AND SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**



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### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

### CAPITAL PROJECTS FUNDS

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2017

**Statement 15**

	Special Revenue	Capital Projects	Total
<b>Assets</b>			
Cash and investments	\$ 1,749,829	\$ 2,172,976	\$ 3,922,805
Accrued interest receivable	4,915	18,038	22,953
Due from other governments	4,600	-	4,600
Accounts receivable	168,706	791,212	959,918
Prepaid items	-	6,500	6,500
Special assessments receivable - delinquent	1,462	-	1,462
Special assessments receivable - deferred	178,427	-	178,427
Loans receivable - noncurrent	442,299	-	442,299
<b>Total assets</b>	<b>\$ 2,550,238</b>	<b>\$ 2,988,726</b>	<b>\$ 5,538,964</b>
<b>Liabilities</b>			
Accounts payable	\$ 43,735	\$ 1,079	\$ 44,814
Salaries payable	22,045	-	22,045
Due to other funds	1,223	-	1,223
<b>Total liabilities</b>	<b>67,003</b>	<b>1,079</b>	<b>68,082</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	216,214	-	216,214
<b>Fund balances</b>			
Nonspendable	-	6,500	6,500
Restricted	880,453	1,807,493	2,687,946
Committed	579,293	-	579,293
Assigned	807,275	1,173,654	1,980,929
<b>Total fund balances</b>	<b>2,267,021</b>	<b>2,987,647</b>	<b>5,254,668</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,550,238</b>	<b>\$ 2,988,726</b>	<b>\$ 5,538,964</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2017

**Statement 16**

	Special Revenue	Capital Projects	Total
<b>Revenues</b>			
Taxes			
Franchise taxes	\$ 684,128	\$ 3,079,266	\$ 3,763,394
Intergovernmental	56,961	-	56,961
Charges for services	25,094	-	25,094
Special assessments	179,742	-	179,742
Interest income	14,393	39,026	53,419
Miscellaneous	3,994	-	3,994
<b>Total revenues</b>	<b>964,312</b>	<b>3,118,292</b>	<b>4,082,604</b>
<b>Expenditures</b>			
Current			
Public safety	-	14,875	14,875
Public information	495,256	-	495,256
Engineering	-	3,444,091	3,444,091
Housing maintenance	57,370	-	57,370
Social and economic development	212,274	-	212,274
Capital outlay			
Public safety	-	25,088	25,088
Public information	106,049	-	106,049
<b>Total expenditures</b>	<b>870,949</b>	<b>3,484,054</b>	<b>4,355,003</b>
Revenues over (under) expenditures	93,363	(365,762)	(272,399)
<b>Other financing sources (uses)</b>			
Transfers in	11,253	400,000	411,253
Transfers out	(130,361)	(1,050,224)	(1,180,585)
<b>Total other financing sources (uses)</b>	<b>(119,108)</b>	<b>(650,224)</b>	<b>(769,332)</b>
Net change in fund balances	(25,745)	(1,015,986)	(1,041,731)
Fund balances - January 1	2,292,766	4,003,633	6,296,399
Fund balances - December 31	<u>\$ 2,267,021</u>	<u>\$ 2,987,647</u>	<u>\$ 5,254,668</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 December 31, 2017

**Statement 17**

	Cable Television	Community Development	Special Service Districts	Total
<b>Assets</b>				
Cash and investments	\$ 1,549,464	\$ 12,322	\$ 188,043	\$ 1,749,829
Accrued interest receivable	4,383	-	532	4,915
Due from other governments	-	4,600	-	4,600
Accounts receivable	168,706	-	-	168,706
Special assessments receivable - delinquent	-	-	1,462	1,462
Special assessments receivable - deferred	-	-	178,427	178,427
Loans receivable - noncurrent	-	442,299	-	442,299
<b>Total assets</b>	<b>\$ 1,722,553</b>	<b>\$ 459,221</b>	<b>\$ 368,464</b>	<b>\$ 2,550,238</b>
<b>Liabilities</b>				
Accounts payable	\$ 41,070	\$ -	\$ 2,665	\$ 43,735
Salaries payable	22,045	-	-	22,045
Due to other funds	-	-	1,223	1,223
<b>Total liabilities</b>	<b>63,115</b>	<b>-</b>	<b>3,888</b>	<b>67,003</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	37,646	178,568	216,214
<b>Fund balances</b>				
Restricted	458,878	421,575	-	880,453
Committed	579,293	-	-	579,293
Assigned	621,267	-	186,008	807,275
<b>Total fund balances</b>	<b>1,659,438</b>	<b>421,575</b>	<b>186,008</b>	<b>2,267,021</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,722,553</b>	<b>\$ 459,221</b>	<b>\$ 368,464</b>	<b>\$ 2,550,238</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For The Year Ended December 31, 2017

**Statement 18**

	<u>Cable Television</u>	<u>Community Development</u>	<u>Special Service Districts</u>	<u>Total</u>
Revenues				
Taxes				
Franchise taxes	\$ 684,128	\$ -	\$ -	\$ 684,128
Intergovernmental	-	56,961	-	56,961
Charges for services	-	-	25,094	25,094
Special assessments	-	-	179,742	179,742
Interest income	12,579	-	1,814	14,393
Miscellaneous	862	-	3,132	3,994
Total revenues	<u>697,569</u>	<u>56,961</u>	<u>209,782</u>	<u>964,312</u>
Expenditures				
Current				
Public information				
Personal services	416,238	-	-	416,238
Supplies	15,199	-	-	15,199
Other services and charges	63,819	-	-	63,819
Housing maintenance				
Personal services	-	6,897	-	6,897
Other services and charges	-	50,473	-	50,473
Social and economic development				
Supplies	-	-	23,856	23,856
Other services and charges	-	-	188,418	188,418
Capital outlay				
Public information	106,049	-	-	106,049
Total expenditures	<u>601,305</u>	<u>57,370</u>	<u>212,274</u>	<u>870,949</u>
Revenues over (under) expenditures	<u>96,264</u>	<u>(409)</u>	<u>(2,492)</u>	<u>93,363</u>
Other financing sources (uses)				
Transfers in	-	-	11,253	11,253
Transfers out	(84,506)	-	(45,855)	(130,361)
Total other financing sources (uses)	<u>(84,506)</u>	<u>-</u>	<u>(34,602)</u>	<u>(119,108)</u>
Net change in fund balances	11,758	(409)	(37,094)	(25,745)
Fund balances - January 1	<u>1,647,680</u>	<u>421,984</u>	<u>223,102</u>	<u>2,292,766</u>
Fund balances - December 31	<u>\$ 1,659,438</u>	<u>\$ 421,575</u>	<u>\$ 186,008</u>	<u>\$ 2,267,021</u>



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## NONMAJOR CAPITAL PROJECTS FUNDS

Pavement Management Fund – used to account for the financing of street rehabilitation. Revenues are provided by a franchise fee and transfers from the Sanitary Sewer Utility and Water Utility Funds.

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
December 31, 2017

**Statement 19**

	Pavement Management	Police and Fire Pensions	Total
<b>Assets</b>			
Cash and investments	\$ 369,524	\$ 1,803,452	\$ 2,172,976
Accrued interest receivable	12,918	5,120	18,038
Accounts receivable	791,212	-	791,212
Prepaid items	6,500	-	6,500
<b>Total assets</b>	<b>\$ 1,180,154</b>	<b>\$ 1,808,572</b>	<b>\$ 2,988,726</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 1,079	\$ 1,079
<b>Fund balances</b>			
Nonspendable	6,500	-	6,500
Restricted	-	1,807,493	1,807,493
Assigned	1,173,654	-	1,173,654
<b>Total fund balances</b>	<b>1,180,154</b>	<b>1,807,493</b>	<b>2,987,647</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,180,154</b>	<b>\$ 1,808,572</b>	<b>\$ 2,988,726</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
For The Year Ended December 31, 2017

**Statement 20**

	Pavement Management	Police and Fire Pensions	Total
Revenues			
Taxes			
Franchise taxes	\$ 3,079,266	\$ -	\$ 3,079,266
Interest income	23,818	15,208	39,026
Total revenues	<u>3,103,084</u>	<u>15,208</u>	<u>3,118,292</u>
Expenditures			
Current			
Public safety	-	14,875	14,875
Engineering	3,444,091	-	3,444,091
Capital outlay			
Public safety	-	25,088	25,088
Total expenditures	<u>3,444,091</u>	<u>39,963</u>	<u>3,484,054</u>
Revenues over (under) expenditures	<u>(341,007)</u>	<u>(24,755)</u>	<u>(365,762)</u>
Other financing sources (uses)			
Transfers in	400,000	-	400,000
Transfers out	(1,050,224)	-	(1,050,224)
Total other financing sources (uses)	<u>(650,224)</u>	<u>-</u>	<u>(650,224)</u>
Net change in fund balances	(991,231)	(24,755)	(1,015,986)
Fund balances - January 1	<u>2,171,385</u>	<u>1,832,248</u>	<u>4,003,633</u>
Fund balances - December 31	<u>\$ 1,180,154</u>	<u>\$ 1,807,493</u>	<u>\$ 2,987,647</u>

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MAJOR DEBT SERVICE FUNDS

2010A General Obligation Bond  
2012A General Obligation HIA Bonds  
2010D General Obligation Fire Station Bond  
2014A General Obligation Bonds  
2016A General Obligation Bonds  
2000 General Obligation Bond Reserve  
2010C General Obligation Bond  
2010C General Obligation Bond Reserve Fund  
2005A General Obligation Bond  
Hoigaard's 2010 A & B TIF Notes  
2008B General Obligation Tax Increment Bond

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR DEBT SERVICE FUNDS**  
December 31, 2017

	2010D General Obligation Fire Station Bond	2014A General Obligation Bonds	2016A General Obligation Bonds	2000 General Obligation Bond Reserve
<b>Assets</b>				
Cash and investments	\$ 926,306	\$ 572,539	\$ 511,630	\$ 121,105
Accrued interest receivable	1,747	1,060	869	-
Due from other governments	80,033	-	-	-
Accounts receivable	-	-	-	-
Loans receivable - current	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,008,086</u></b>	<b><u>\$ 573,599</u></b>	<b><u>\$ 512,499</u></b>	<b><u>\$ 121,105</u></b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	13,339	-	-	-
<b>Total liabilities</b>	<b>13,339</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Restricted	994,747	573,599	512,499	121,105
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 1,008,086</u></b>	<b><u>\$ 573,599</u></b>	<b><u>\$ 512,499</u></b>	<b><u>\$ 121,105</u></b>

Statement 21

2010C General Obligation Bond	2010C General Obligation Bond Reserve	Hoigaard's 2010 A & B TIF Notes	2008B General Obligation Tax Increment Bond	Total
\$ 71,018	\$ 243,034	\$ 450	\$ 4,000	\$ 2,450,082
-	-	-	-	3,676
-	-	-	-	80,033
9,877	3,666	-	-	13,543
40,000	-	-	-	40,000
1,520,000	-	-	-	1,520,000
<u>\$ 1,640,895</u>	<u>\$ 246,700</u>	<u>\$ 450</u>	<u>\$ 4,000</u>	<u>\$ 4,107,334</u>
\$ -	\$ -	\$ 450	\$ 4,000	\$ 4,450
-	244,268	-	-	244,268
-	-	-	-	13,339
-	244,268	450	4,000	262,057
1,560,000	-	-	-	1,560,000
80,895	2,432	-	-	2,285,277
<u>\$ 1,640,895</u>	<u>\$ 246,700</u>	<u>\$ 450</u>	<u>\$ 4,000</u>	<u>\$ 4,107,334</u>



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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR DEBT SERVICE FUNDS**  
For The Year Ended December 31, 2017

	2010A General Obligation Bond	2012A General Obligation HIA Bonds	2014A General Obligation Bonds	2010D General Obligation Fire Station Bond
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 595,455	\$ 927,436
Intergovernmental	-	-	-	160,215
Interest income	-	-	1,204	2,842
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>596,659</u>	<u>1,090,493</u>
Expenditures				
Social and economic development				
Developer assistance	-	-	-	-
Debt service				
Principal	120,000	55,000	465,000	550,000
Interest and other	124,605	33,489	100,899	500,523
Total expenditures	<u>244,605</u>	<u>88,489</u>	<u>565,899</u>	<u>1,050,523</u>
Revenues over (under) expenditures	<u>(244,605)</u>	<u>(88,489)</u>	<u>30,760</u>	<u>39,970</u>
Other financing sources (uses)				
Transfers in	244,605	88,489	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>244,605</u>	<u>88,489</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	30,760	39,970
Fund balances - January 1	-	-	542,839	954,777
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,599</u>	<u>\$ 994,747</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR DEBT SERVICE FUNDS**  
For The Year Ended December 31, 2017

	2016A General Obligation Bonds	2000 General Obligation Bond Reserve	2010C General Obligation Bond
Revenues			
Taxes			
Property taxes	\$ 617,046	\$ -	\$ -
Intergovernmental	-	-	-
Interest income	1,049	857	333
Miscellaneous	-	-	128,611
Total revenues	<u>618,095</u>	<u>857</u>	<u>128,944</u>
Expenditures			
Social and economic development			
Developer assistance	-	-	-
Debt service			
Principal	-	-	40,000
Interest and other	219,497	-	79,705
Total expenditures	<u>219,497</u>	<u>-</u>	<u>119,705</u>
Revenues over (under) expenditures	<u>398,598</u>	<u>857</u>	<u>9,239</u>
Other financing sources (uses)			
Transfers in	-	-	857
Transfers out	-	(857)	-
Total other financing sources (uses)	<u>-</u>	<u>(857)</u>	<u>857</u>
Net change in fund balances	398,598	-	10,096
Fund balances - January 1	<u>113,901</u>	<u>121,105</u>	<u>70,799</u>
Fund balances - December 31	<u>\$ 512,499</u>	<u>\$ 121,105</u>	<u>\$ 80,895</u>

2010C General Obligation Bond Reserve	2005A General Obligation Bond	Hoigaard's 2010 A & B TIF Notes	2008B General Obligation Tax Increment Bond	Interfund Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,139,937
-	-	-	-	-	160,215
1,586	-	-	-	-	7,871
-	-	-	-	-	128,611
<u>1,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,436,634</u>
-	-	630,472	-	-	630,472
-	-	-	395,000	-	1,625,000
-	-	-	162,263	-	1,220,981
<u>-</u>	<u>-</u>	<u>630,472</u>	<u>557,263</u>	<u>-</u>	<u>3,476,453</u>
<u>1,586</u>	<u>-</u>	<u>(630,472)</u>	<u>(557,263)</u>	<u>-</u>	<u>(1,039,819)</u>
-	-	630,472	557,263	(857)	1,520,829
-	(244,708)	-	-	857	(244,708)
<u>-</u>	<u>(244,708)</u>	<u>630,472</u>	<u>557,263</u>	<u>-</u>	<u>1,276,121</u>
1,586	(244,708)	-	-	-	236,302
846	244,708	-	-	-	2,048,975
<u>\$ 2,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,285,277</u>

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MAJOR REDEVELOPMENT DISTRICT FUNDS

Duke West End TIF  
Eliot Park TIF  
Ellipse TIF District  
HRA Levy  
Victoria Ponds  
Park Center Housing  
CSM TIF District  
Mill City TIF District  
Park Commons TIF District  
Edgewood TIF District  
Elmwood Village  
Wolfe Lake TIF District  
Aquila Commons  
Highway 7 Business Center  
Hard Coat TIF District  
Shoreham TIF District  
Excelsior Blvd TIF District

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
December 31, 2017

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
<b>Assets</b>				
Cash and investments	\$ 1,262,057	\$ 167,133	\$ 335,817	\$ 57,020
Accrued interest receivable	1,813	156	416	146
Taxes receivable - unremitted	-	-	-	1,844
Taxes receivable - delinquent	-	-	-	22,339
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
<b>Total assets</b>	<b>\$ 1,263,870</b>	<b>\$ 167,289</b>	<b>\$ 336,233</b>	<b>\$ 81,349</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,504	\$ 270	\$ 1,857	\$ -
Due to other governments	3,351	982	1,280	-
Interfund loan payable	459,284	20,366	170,014	2,162,113
<b>Total liabilities</b>	<b>464,139</b>	<b>21,618</b>	<b>173,151</b>	<b>2,162,113</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	22,339
<b>Fund balances</b>				
Restricted	799,731	145,671	163,082	-
Unassigned	-	-	-	(2,103,103)
<b>Total fund balances</b>	<b>799,731</b>	<b>145,671</b>	<b>163,082</b>	<b>(2,103,103)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,263,870</b>	<b>\$ 167,289</b>	<b>\$ 336,233</b>	<b>\$ 81,349</b>

Victoria Ponds	Park Center Housing	CSM TIF District	Mill City TIF District	Park Commons TIF District
\$ 266,107	\$ 202,044	\$ 648,313	\$ 386,847	\$ 1,190,919
761	719	1,409	602	1,114
-	-	188	-	23,271
-	-	-	-	-
99,800	-	-	-	-
-	731,360	-	-	-
<u>\$ 366,668</u>	<u>\$ 934,123</u>	<u>\$ 649,910</u>	<u>\$ 387,449</u>	<u>\$ 1,215,304</u>
\$ -	\$ -	\$ 2,327	\$ 270	\$ 3,936
-	743	1,430	1,218	6,517
-	-	-	-	-
-	743	3,757	1,488	10,453
-	88,354	-	-	-
366,668	845,026	646,153	385,961	1,204,851
-	-	-	-	-
366,668	845,026	646,153	385,961	1,204,851
<u>\$ 366,668</u>	<u>\$ 934,123</u>	<u>\$ 649,910</u>	<u>\$ 387,449</u>	<u>\$ 1,215,304</u>



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
December 31, 2017

	Edgewood TIF District	Elmwood Village	Wolfe Lake TIF District	Aquila Commons
<b>Assets</b>				
Cash and investments	\$ -	\$ 1,420,721	\$ 87,115	\$ 111,750
Accrued interest receivable	-	3,038	132	150
Taxes receivable - unremitted	-	4,440	-	-
Taxes receivable - delinquent	-	-	-	-
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,428,199</b>	<b>\$ 87,247</b>	<b>\$ 111,900</b>
<b>Liabilities</b>				
Accounts payable	\$ 270	\$ 930	\$ 270	\$ 270
Due to other governments	608	4,986	697	1,775
Interfund loan payable	-	2,787,931	-	-
<b>Total liabilities</b>	<b>878</b>	<b>2,793,847</b>	<b>967</b>	<b>2,045</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Restricted	-	-	86,280	109,855
Unassigned	(878)	(1,365,648)	-	-
<b>Total fund balances</b>	<b>(878)</b>	<b>(1,365,648)</b>	<b>86,280</b>	<b>109,855</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 1,428,199</b>	<b>\$ 87,247</b>	<b>\$ 111,900</b>

Highway 7 Business Center	Hard Coat TIF District	Shoreham TIF District	Excelsior Blvd TIF District	Interfund Eliminations	Total
\$ 53,493	\$ 27,569	\$ 526	\$ 529	\$ -	\$ 6,217,960
87	47	-	-	-	10,590
-	-	-	-	-	29,743
-	-	-	-	-	22,339
-	-	-	-	(99,800)	-
-	-	-	-	-	731,360
<u>\$ 53,580</u>	<u>\$ 27,616</u>	<u>\$ 526</u>	<u>\$ 529</u>	<u>\$ (99,800)</u>	<u>\$ 7,011,992</u>
\$ 270	\$ 48	\$ -	\$ -	\$ -	\$ 12,222
731	556	526	529	-	25,929
-	99,800	19,989	19,224	(99,800)	5,638,921
<u>1,001</u>	<u>100,404</u>	<u>20,515</u>	<u>19,753</u>	<u>(99,800)</u>	<u>5,677,072</u>
-	-	-	-	-	110,693
52,579	-	-	-	-	4,805,857
-	(72,788)	(19,989)	(19,224)	-	(3,581,630)
<u>52,579</u>	<u>(72,788)</u>	<u>(19,989)</u>	<u>(19,224)</u>	<u>-</u>	<u>1,224,227</u>
<u>\$ 53,580</u>	<u>\$ 27,616</u>	<u>\$ 526</u>	<u>\$ 529</u>	<u>\$ (99,800)</u>	<u>\$ 7,011,992</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
For The Year Ended December 31, 2017

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ 1,056,101
Tax increments	2,076,586	343,232	575,356	-
Interest income	2,839	58	178	24
Total revenues	<u>2,079,425</u>	<u>343,290</u>	<u>575,534</u>	<u>1,056,125</u>
Expenditures				
Current				
Social and economic development	1,125,301	200,863	471,612	15,154
Debt service				
Interest and other	19,086	734	8,096	86,686
Total expenditures	<u>1,144,387</u>	<u>201,597</u>	<u>479,708</u>	<u>101,840</u>
Revenues over (under) expenditures	<u>935,038</u>	<u>141,693</u>	<u>95,826</u>	<u>954,285</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(557,263)	-	-	-
Total other financing sources (uses)	<u>(557,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	377,775	141,693	95,826	954,285
Fund balances - January 1	<u>421,956</u>	<u>3,978</u>	<u>67,256</u>	<u>(3,057,388)</u>
Fund balances - December 31	<u>\$ 799,731</u>	<u>\$ 145,671</u>	<u>\$ 163,082</u>	<u>\$ (2,103,103)</u>

<u>Victoria Ponds</u>	<u>Park Center Housing</u>	<u>CSM TIF District</u>	<u>Mill City TIF District</u>	<u>Park Commons TIF District</u>	<u>Edgewood TIF District</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	166,342	467,997	527,512	2,652,451	52,422
<u>6,202</u>	<u>1,906</u>	<u>3,592</u>	<u>914</u>	<u>114</u>	<u>-</u>
<u>6,202</u>	<u>168,248</u>	<u>471,589</u>	<u>528,426</u>	<u>2,652,565</u>	<u>52,422</u>
1,427	4,581	462,949	476,037	2,374,281	64,776
-	-	-	-	-	-
<u>1,427</u>	<u>4,581</u>	<u>462,949</u>	<u>476,037</u>	<u>2,374,281</u>	<u>64,776</u>
<u>4,775</u>	<u>163,667</u>	<u>8,640</u>	<u>52,389</u>	<u>278,284</u>	<u>(12,354)</u>
-	-	-	-	-	-
<u>(25,133)</u>	<u>(160,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(25,133)</u>	<u>(160,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(20,358)	3,667	8,640	52,389	278,284	(12,354)
<u>387,026</u>	<u>841,359</u>	<u>637,513</u>	<u>333,572</u>	<u>926,567</u>	<u>11,476</u>
<u>\$ 366,668</u>	<u>\$ 845,026</u>	<u>\$ 646,153</u>	<u>\$ 385,961</u>	<u>\$ 1,204,851</u>	<u>\$ (878)</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
For The Year Ended December 31, 2017

	Elmwood Village	Wolfe Lake TIF District	Aquila Commons
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Tax increments	1,653,982	128,465	181,535
Interest income	4,661	186	145
Total revenues	<u>1,658,643</u>	<u>128,651</u>	<u>181,680</u>
Expenditures			
Current			
Social and economic development	303,880	132,210	172,319
Debt service			
Interest and other	107,228	-	-
Total expenditures	<u>411,108</u>	<u>132,210</u>	<u>172,319</u>
Revenues over (under) expenditures	<u>1,247,535</u>	<u>(3,559)</u>	<u>9,361</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(630,472)	-	-
Total other financing sources (uses)	<u>(630,472)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	617,063	(3,559)	9,361
Fund balances - January 1	<u>(1,982,711)</u>	<u>89,839</u>	<u>100,494</u>
Fund balances - December 31	<u>\$ (1,365,648)</u>	<u>\$ 86,280</u>	<u>\$ 109,855</u>

Highway 7 Business Center	Hard Coat TIF District	Shoreham TIF District	Excelsior Blvd TIF District	Interfund Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,056,101
115,413	20,499	-	-	-	8,961,792
114	54	-	-	-	20,987
115,527	20,553	-	-	-	10,038,880
139,531	564	1,041	2,931	-	5,949,457
-	4,600	706	605	-	227,741
139,531	5,164	1,747	3,536	-	6,177,198
(24,004)	15,389	(1,747)	(3,536)	-	3,861,682
-	25,133	-	-	(25,133)	-
-	-	-	-	25,133	(1,347,735)
-	25,133	-	-	-	(1,347,735)
(24,004)	40,522	(1,747)	(3,536)	-	2,513,947
76,583	(113,310)	(18,242)	(15,688)	-	(1,289,720)
\$ 52,579	\$ (72,788)	\$ (19,989)	\$ (19,224)	\$ -	\$ 1,224,227

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### INTERNAL SERVICE FUNDS

The City has three Internal Service Funds to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost reimbursement basis. The City's internal service funds account for employee flex spending, uninsured loss, and capital replacement.



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2017

**Statement 25**

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 1,101,596	\$ 589,614	\$ 949,342	\$ 2,640,552
Accrued interest receivable	5,069	1,306	2,150	8,525
Accounts receivable	-	9,150	2,193	11,343
Prepaid items	-	72,431	29,266	101,697
Deposits receivable	31,000	-	-	31,000
Total current assets	1,137,665	672,501	982,951	2,793,117
<b>Noncurrent assets</b>				
<b>Capital assets, at cost</b>				
Land	-	-	818,094	818,094
Building and structures	-	-	9,274,550	9,274,550
Improvements other than buildings	-	-	1,657,545	1,657,545
Infrastructure	-	-	1,313,801	1,313,801
Machinery, furniture and equipment	-	-	7,635,904	7,635,904
Fleet	-	-	10,482,284	10,482,284
Total capital assets, at cost	-	-	31,182,178	31,182,178
Less: accumulated depreciation	-	-	(11,504,251)	(11,504,251)
Total noncurrent assets	-	-	19,677,927	19,677,927
Total assets	1,137,665	672,501	20,660,878	22,471,044
Deferred outflows of resources - pension related	17,018,923	-	-	17,018,923
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	102,307	11,425	380,314	494,046
Accrued flex spending	19,173	-	-	19,173
Due to other governments	-	-	45,001	45,001
Contracts payable	-	-	2,487	2,487
Compensated absences payable - current	2,353,715	-	-	2,353,715
Capital lease payable - current	-	-	51,612	51,612
Total current liabilities	2,475,195	11,425	479,414	2,966,034
<b>Noncurrent liabilities</b>				
Compensated absences payable	1,541,577	-	-	1,541,577
Capital lease payable	-	-	114,319	114,319
Other postemployment benefits payable	3,250,130	-	-	3,250,130
Net pension liability	23,949,480	-	-	23,949,480
Total noncurrent liabilities	28,741,187	-	114,319	28,855,506
Total liabilities	31,216,382	11,425	593,733	31,821,540
Deferred inflows of resources - pension related	18,718,305	-	-	18,718,305
<b>Net position</b>				
Net investment in capital assets	-	-	19,511,996	19,511,996
Unrestricted	(31,778,099)	661,076	555,149	(30,561,874)
Total net position	\$ (31,778,099)	\$ 661,076	\$ 20,067,145	\$ (11,049,878)

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2017

**Statement 26**

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
Operating revenues				
Charges for services	\$ 2,333,007	\$ -	\$ 1,322,733	\$ 3,655,740
Other	172,779	266,204	-	438,983
<b>Total operating revenues</b>	<b>2,505,786</b>	<b>266,204</b>	<b>1,322,733</b>	<b>4,094,723</b>
Operating expenses				
Personal services	4,943,791	30,456	-	4,974,247
Supplies	-	-	591,937	591,937
Professional services	26,240	-	270,454	296,694
Insurance	-	421,871	-	421,871
Depreciation	-	-	1,722,763	1,722,763
Other	90,968	587	803,560	895,115
<b>Total operating expenses</b>	<b>5,060,999</b>	<b>452,914</b>	<b>3,388,714</b>	<b>8,902,627</b>
Operating income (loss)	(2,555,213)	(186,710)	(2,065,981)	(4,807,904)
Nonoperating revenues (expenses)				
Interest income	19,045	4,975	10,344	34,364
Property taxes	200,000	-	2,067,700	2,267,700
Intergovernmental revenue	84,231	-	545,470	629,701
Gain on disposal of capital assets	-	-	106,204	106,204
Interest expense	-	-	(8,147)	(8,147)
<b>Total nonoperating revenues (expenses)</b>	<b>303,276</b>	<b>4,975</b>	<b>2,721,571</b>	<b>3,029,822</b>
Income (loss) before transfers	(2,251,937)	(181,735)	655,590	(1,778,082)
Capital contributions - capital assets	-	-	66,500	66,500
Transfers in	-	100,000	571,867	671,867
Change in net position	(2,251,937)	(81,735)	1,293,957	(1,039,715)
Net position - January 1	(29,526,162)	742,811	18,773,188	(10,010,163)
Net position - December 31	<u>\$ (31,778,099)</u>	<u>\$ 661,076</u>	<u>\$ 20,067,145</u>	<u>\$ (11,049,878)</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2017

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ 2,333,007	\$ -	\$ 1,319,160	\$ 3,652,167
Other operating cash receipts	172,779	278,325	-	451,104
Payments to suppliers	24,019	(441,020)	(1,626,688)	(2,043,689)
Payments to employees	(2,683,114)	(30,456)	-	(2,713,570)
Net cash flows provided (used) by operating activities	<u>(153,309)</u>	<u>(193,151)</u>	<u>(307,528)</u>	<u>(653,988)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	-	100,000	-	100,000
Property taxes	200,000	-	2,067,700	2,267,700
Intergovernmental receipts	84,231	-	545,470	629,701
Net cash flows provided (used) by noncapital financing activities	<u>284,231</u>	<u>100,000</u>	<u>2,613,170</u>	<u>2,997,401</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers in	-	-	571,867	571,867
Acquisition of capital assets	-	-	(3,071,897)	(3,071,897)
Proceeds from sale of capital assets	-	-	179,353	179,353
Principal paid on capital lease	-	-	(49,688)	(49,688)
Interest paid on capital lease	-	-	(8,147)	(8,147)
Net cash flows provided (used) by and related financing activities	<u>-</u>	<u>-</u>	<u>(2,378,512)</u>	<u>(2,378,512)</u>
<b>Cash flows from investing activities</b>				
Interest received	18,205	5,297	11,110	34,612
Net increase in cash and cash equivalents	149,127	(87,854)	(61,760)	(487)
Cash and cash equivalents - January 1	952,469	677,468	1,011,102	2,641,039
Cash and cash equivalents - December 31	<u>\$ 1,101,596</u>	<u>\$ 589,614</u>	<u>\$ 949,342</u>	<u>\$ 2,640,552</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2017

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (2,555,213)	\$ (186,710)	\$ (2,065,981)	\$ (4,807,904)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	-	-	1,722,763	1,722,763
(Increase) decrease in assets/deferred outflows				
Accounts receivable	-	12,121	(3,573)	8,548
Prepaid items	79,207	2,383	(8,299)	73,291
Deferred outflows of resources	11,283,110	-	-	11,283,110
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	74,397	(20,945)	60,359	113,811
Accrued flex spending	4,486	-	-	4,486
Due to other governments	(12,377)	-	(12,797)	(25,174)
Compensated absences payable	57,556	-	-	57,556
Other postemployment benefits	252,992	-	-	252,992
Net pension liability	(22,837,764)	-	-	(22,837,764)
Deferred inflows of resources	13,500,297	-	-	13,500,297
Net cash provided (used) by operating activities	<u>\$ (153,309)</u>	<u>\$ (193,151)</u>	<u>\$ (307,528)</u>	<u>\$ (653,988)</u>
Noncash capital and related financing activities				
Disposal of capital assets	\$ -	\$ -	\$ 734,929	\$ 734,929
Capital contributions from government	-	-	66,500	66,500

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### **III. STATISTICAL SECTION (UNAUDITED)**

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

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 76,600,774	\$ 89,252,994	\$ 94,326,512	\$ 99,835,484
Restricted	-	20,075,976	21,692,426	17,695,996
Unrestricted	65,908,328	40,508,755	40,581,189	43,929,086
Total governmental activities net position	<u>\$ 142,509,102</u>	<u>\$ 149,837,725</u>	<u>\$ 156,600,127</u>	<u>\$ 161,460,566</u>
Business-type activities				
Net investment in capital assets	\$ 27,559,942	\$ 23,977,469	\$ 21,717,923	\$ 22,347,266
Unrestricted	6,414,768	6,903,776	8,433,915	8,524,086
Total business-type activities net position	<u>\$ 33,974,710</u>	<u>\$ 30,881,245</u>	<u>\$ 30,151,838</u>	<u>\$ 30,871,352</u>
Total primary government				
Net investment in capital assets	\$ 104,160,716	\$ 113,230,463	\$ 116,044,435	\$ 122,182,750
Restricted	-	20,075,976	21,692,426	17,695,996
Unrestricted	72,323,096	47,412,531	49,015,104	52,453,172
Total primary government	<u>\$ 176,483,812</u>	<u>\$ 180,718,970</u>	<u>\$ 186,751,965</u>	<u>\$ 192,331,918</u>

Note:

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

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

**Table 1**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 95,020,700	\$ 96,480,493	\$ 94,891,625	\$ 96,286,131	\$ 96,458,787	\$ 103,279,857
18,941,172	13,560,965	10,971,995	10,608,709	10,658,889	11,439,977
<u>46,413,200</u>	<u>45,688,600</u>	<u>49,971,778</u>	<u>31,667,135</u>	<u>31,751,796</u>	<u>26,888,688</u>
<u>\$ 160,375,072</u>	<u>\$ 155,730,058</u>	<u>\$ 155,835,398</u>	<u>\$ 138,561,975</u>	<u>\$ 138,869,472</u>	<u>\$ 141,608,522</u>
\$ 22,906,086	\$ 19,127,309	\$ 22,818,382	\$ 22,753,326	\$ 23,030,284	\$ 25,716,982
9,829,024	11,540,303	4,783,696	4,620,302	5,849,650	4,979,057
<u>\$ 32,735,110</u>	<u>\$ 30,667,612</u>	<u>\$ 27,602,078</u>	<u>\$ 27,373,628</u>	<u>\$ 28,879,934</u>	<u>\$ 30,696,039</u>
\$ 117,926,786	\$ 115,607,802	\$ 117,710,007	\$ 119,039,457	\$ 119,489,071	\$ 128,996,839
18,941,172	13,560,965	10,971,995	10,608,709	10,658,889	11,439,977
<u>56,242,224</u>	<u>57,228,903</u>	<u>54,755,474</u>	<u>36,287,437</u>	<u>37,601,446</u>	<u>31,867,745</u>
<u>\$ 193,110,182</u>	<u>\$ 186,397,670</u>	<u>\$ 183,437,476</u>	<u>\$ 165,935,603</u>	<u>\$ 167,749,406</u>	<u>\$ 172,304,561</u>



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

	Fiscal Year			
	2008	2009	2010	2011
<b>Expenses</b>				
Governmental activities				
General government	\$ 8,216,816	\$ 8,167,355	\$ 7,192,652	\$ 7,247,716
Public safety	11,867,403	12,138,185	12,256,272	12,535,793
Public works	6,904,217	6,915,541	19,446,758	7,513,833
Public information	425,829	457,872	435,050	803,885
Culture and recreation	7,352,406	7,456,215	7,792,614	7,882,789
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Housing and rehabilitation	1,615,010	1,544,175	4,150,595	794,935
Housing maintenance	199,757	128,099	241,345	79,786
Social and economic development	5,494,634	6,321,623	4,861,518	6,171,527
General services	2,653	7,662	-	-
Interest on long-term debt	1,329,767	1,543,879	1,453,555	1,695,758
Total governmental activities expenses	<u>43,408,492</u>	<u>44,680,606</u>	<u>57,830,359</u>	<u>44,726,022</u>
Business-type activities				
Water	3,391,992	4,089,837	3,904,801	3,839,592
Sewer	4,485,386	4,228,680	4,193,191	4,572,869
Solid Waste	-	-	2,116,949	2,319,099
Refuse	2,135,677	2,125,540	-	-
Storm Water	1,172,199	1,287,202	1,325,803	1,373,546
Wireless	315,664	151,708	-	-
Total business-type activities expenses	<u>11,500,918</u>	<u>11,882,967</u>	<u>11,540,744</u>	<u>12,105,106</u>
Total expenses	<u>\$ 54,909,410</u>	<u>\$ 56,563,573</u>	<u>\$ 69,371,103</u>	<u>\$ 56,831,128</u>
<b>Program revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 955,811	\$ 888,246	\$ 1,065,209	\$ 1,059,527
Public safety	4,282,699	2,958,383	2,898,634	2,917,525
Public works	380,452	2,292,287	601,890	315,163
Public information	-	-	-	200,000
Culture and recreation	2,121,505	2,083,015	1,959,556	2,111,348
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Housing and rehabilitation	507,163	562,930	8,833	62,191
Housing maintenance	-	-	-	-
Social and economic development	173,960	184,236	588,757	316,935
Interest on long-term debt	-	318,134	-	-
Operating grants and contributions	3,581,092	2,664,563	1,735,926	2,065,312
Capital grants and contributions	2,822,683	2,131,755	14,908,522	1,878,697
Total governmental activities program revenue	<u>14,825,365</u>	<u>14,083,549</u>	<u>23,767,327</u>	<u>10,926,698</u>
Business-type activities				
Charges for services				
Water	3,584,384	4,294,962	4,148,394	4,475,068
Sewer	4,506,339	5,153,171	5,277,473	5,768,266
Solid Waste	-	-	2,719,376	2,894,726
Refuse	2,348,133	2,458,555	-	-
Storm Water	1,529,180	1,699,557	1,829,792	1,904,587
Wireless	51,322	16,140	-	-
Operating grants and contributions	966,053	167,604	103,342	103,166
Capital grants and contributions	1,040,384	-	2,890	-
Total business-type activities program revenue	<u>14,025,795</u>	<u>13,789,989</u>	<u>14,081,267</u>	<u>15,145,813</u>
Total program revenues	<u>\$ 28,851,160</u>	<u>\$ 27,873,538</u>	<u>\$ 37,848,594</u>	<u>\$ 26,072,511</u>

**Table 2**  
**Page 1 of 2**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 7,387,354	\$ 10,085,905	\$ 9,161,922	\$ 10,712,749	\$ 11,182,348	\$ 10,648,181
13,264,220	13,365,297	13,954,604	15,336,854	20,091,787	17,870,131
-	-	-	-	-	-
524,012	466,043	507,928	3,057,509	549,940	647,316
-	-	-	-	-	-
15,209,548	13,487,238	13,318,552	9,996,885	13,352,637	13,448,470
5,253,969	16,046,665	21,045,392	10,185,956	5,091,818	7,859,907
3,914,261	1,774,657	909,051	707,661	528,467	480,911
116,949	141,250	130,534	84,505	144,204	72,244
7,810,635	9,040,280	8,058,914	8,872,479	8,826,281	10,987,654
-	-	-	-	-	-
1,245,294	1,295,298	1,185,975	1,233,107	1,620,489	1,511,329
<u>54,726,242</u>	<u>65,702,633</u>	<u>68,272,872</u>	<u>60,187,705</u>	<u>61,387,971</u>	<u>63,526,143</u>
3,890,860	5,747,116	4,609,579	4,684,190	4,773,624	4,786,816
4,593,166	5,272,646	4,885,748	5,333,887	6,002,088	6,227,919
2,562,985	3,614,118	2,813,587	2,917,214	3,256,804	3,390,874
-	-	-	-	-	-
1,485,390	1,390,235	1,422,645	1,400,975	1,514,761	1,611,785
-	-	-	-	-	-
<u>12,532,401</u>	<u>16,024,115</u>	<u>13,731,559</u>	<u>14,336,266</u>	<u>15,547,277</u>	<u>16,017,394</u>
<u>\$ 67,258,643</u>	<u>\$ 81,726,748</u>	<u>\$ 82,004,431</u>	<u>\$ 74,523,971</u>	<u>\$ 76,935,248</u>	<u>\$ 79,543,537</u>
\$ 1,060,679	\$ 1,024,253	\$ 1,142,294	\$ 1,185,881	\$ 1,184,122	\$ 1,143,220
3,344,449	3,109,813	3,477,244	4,237,819	4,354,793	3,962,306
-	-	-	-	-	-
-	-	-	10,000	-	-
2,438,841	-	-	-	-	-
-	2,035,715	2,089,052	2,344,863	2,122,730	2,308,221
-	1,032	318,873	144,151	97,688	134,508
8,162	8,606	7,537	6,315	7,607	4,514
-	-	241	-	-	-
281,002	250,015	224,252	256,557	259,910	255,109
-	-	-	-	-	-
2,360,465	2,709,644	2,024,171	3,586,440	2,512,011	3,670,054
6,290,076	11,881,109	12,066,132	3,178,294	3,960,739	5,205,879
<u>15,783,674</u>	<u>21,020,187</u>	<u>21,349,796</u>	<u>14,950,320</u>	<u>14,499,600</u>	<u>16,683,811</u>
5,109,446	5,037,067	5,188,065	5,766,601	5,674,239	6,089,295
5,959,931	5,822,085	5,841,377	6,112,024	6,663,731	7,261,014
2,858,930	2,912,415	3,179,732	3,189,566	2,905,899	3,237,506
-	-	-	-	-	-
1,977,663	2,054,915	2,246,201	2,472,134	2,642,860	2,816,349
-	-	-	-	-	-
105,976	135,642	127,742	128,610	181,525	159,376
-	-	-	-	799,894	279,801
<u>16,011,946</u>	<u>15,962,124</u>	<u>16,583,117</u>	<u>17,668,935</u>	<u>18,868,148</u>	<u>19,843,341</u>
<u>\$ 31,795,620</u>	<u>\$ 36,982,311</u>	<u>\$ 37,932,913</u>	<u>\$ 32,619,255</u>	<u>\$ 33,367,748</u>	<u>\$ 36,527,152</u>

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

	Fiscal Year			
	2008	2009	2010	2011
Net (expenses) revenues				
Governmental activities	\$ (28,583,127)	\$ (30,597,057)	\$ (34,063,032)	\$ (33,799,324)
Business-type activities	2,524,877	1,907,022	2,540,523	3,040,707
Total primary government	<u>\$ (26,058,250)</u>	<u>\$ (28,690,035)</u>	<u>\$ (31,522,509)</u>	<u>\$ (30,758,617)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 28,523,119	\$ 29,512,631	\$ 29,642,090	\$ 23,527,322
Tax increment	-	-	-	7,222,976
Franchise taxes	1,507,994	1,503,075	1,497,178	1,894,714
Grants and contributions not restricted to specific programs	519,850	153,108	151,624	156,325
Unrestricted investment earnings	2,133,858	1,452,176	629,094	1,048,395
Gain on sale of capital assets	1,842,601	91,149	34,453	51,686
Miscellaneous	470,230	11,229	950,231	2,300,478
Transfers	1,956,727	5,202,312	3,358,921	2,457,867
Total governmental activities expenses	<u>36,954,379</u>	<u>37,925,680</u>	<u>36,263,591</u>	<u>38,659,763</u>
Business-type activities				
Unrestricted investment earnings	243,724	201,825	88,991	136,674
Miscellaneous	18,473	-	-	-
Transfers	(1,956,727)	(5,202,312)	(3,358,921)	(2,457,867)
Total business-type activities expenses	<u>(1,694,530)</u>	<u>(5,000,487)</u>	<u>(3,269,930)</u>	<u>(2,321,193)</u>
Total primary government	<u>\$ 35,259,849</u>	<u>\$ 32,925,193</u>	<u>\$ 32,993,661</u>	<u>\$ 36,338,570</u>
Change in net position				
Governmental activities	\$ 8,371,252	\$ 7,328,623	\$ 2,200,559	\$ 4,860,439
Business-type activities	830,347	(3,093,465)	(729,407)	719,514
Total primary government	<u>\$ 9,201,599</u>	<u>\$ 4,235,158</u>	<u>\$ 1,471,152</u>	<u>\$ 5,579,953</u>

Note:  
GASB 65 was implemented in 2013. Governmental and business-type activities expenses were restated for 2012 to reflect the expensing of bond issuance costs in the year of issuance. Expenses for years prior to 2012 were not restated.  
  
GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ (38,942,568)	\$ (44,682,446)	\$ (46,923,076)	\$ (45,237,385)	\$ (46,888,371)	\$ (46,842,332)
3,479,545	(61,991)	2,851,558	3,332,669	3,320,871	3,825,947
<u>\$ (35,463,023)</u>	<u>\$ (44,744,437)</u>	<u>\$ (44,071,518)</u>	<u>\$ (41,904,716)</u>	<u>\$ (43,567,500)</u>	<u>\$ (43,016,385)</u>
\$ 24,625,789	\$ 26,963,176	\$ 27,398,157	\$ 28,209,567	\$ 30,185,703	\$ 31,582,993
6,446,389	6,647,729	7,380,995	6,763,951	7,733,689	8,961,792
1,954,557	2,211,569	2,268,213	2,915,732	3,079,399	3,763,394
46,422	45,266	504,035	557,671	584,639	590,978
663,978	138,899	407,753	221,408	388,647	408,945
60,416	69,237	464,629	577,248	142,713	106,204
2,183,685	2,199,629	2,609,539	2,985,997	3,201,122	2,091,334
1,660,035	1,761,927	5,995,095	3,620,449	1,879,956	2,075,742
<u>37,641,271</u>	<u>40,037,432</u>	<u>47,028,416</u>	<u>45,852,023</u>	<u>47,195,868</u>	<u>49,581,382</u>
113,260	(3,348)	78,003	59,330	65,391	65,900
-	-	-	-	-	-
<u>(1,660,035)</u>	<u>(1,761,927)</u>	<u>(5,995,095)</u>	<u>(3,620,449)</u>	<u>(1,879,956)</u>	<u>(2,075,742)</u>
<u>(1,546,775)</u>	<u>(1,765,275)</u>	<u>(5,917,092)</u>	<u>(3,561,119)</u>	<u>(1,814,565)</u>	<u>(2,009,842)</u>
<u>\$ 36,094,496</u>	<u>\$ 38,272,157</u>	<u>\$ 41,111,324</u>	<u>\$ 42,290,904</u>	<u>\$ 45,381,303</u>	<u>\$ 47,571,540</u>
\$ (1,301,297)	\$ (4,645,014)	\$ 105,340	\$ 614,638	\$ 307,497	\$ 2,739,050
1,932,770	(1,827,266)	(3,065,534)	(228,450)	1,506,306	1,816,105
<u>\$ 631,473</u>	<u>\$ (6,472,280)</u>	<u>\$ (2,960,194)</u>	<u>\$ 386,188</u>	<u>\$ 1,813,803</u>	<u>\$ 4,555,155</u>

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

**Table 3**

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Fiscal Year	Property Tax	Franchise Tax	Total
2008	\$ 28,523,119	\$ 1,507,993	\$ 30,031,112
2009	28,523,119	1,503,075	30,026,194
2010	29,316,753	1,497,178	30,813,931
2011	30,853,927	1,894,714	32,748,641
2012	31,220,365	1,954,557	33,174,922
2013	33,610,905	2,211,569	35,822,474
2014	34,779,152	2,268,213	37,047,365
2015	34,973,518	2,915,732	37,889,250
2016	37,919,392	3,079,399	40,998,791
2017	40,544,785	3,763,394	44,308,179

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

	Fiscal Year			
	2008	2009	2010	2011
General fund				
Reserved	\$ 29,368	\$ 572,206	\$ -	\$ -
Unreserved	11,697,232	7,326,638	-	-
Nonspendable	-	-	80,664	71,192
Restricted	-	-	425,967	427,718
Assigned	-	-	124,503	139,483
Unassigned	-	-	10,399,401	10,799,829
Total General fund	<u>\$ 11,726,600</u>	<u>\$ 7,898,844</u>	<u>\$ 11,030,535</u>	<u>\$ 11,438,222</u>
All other governmental funds				
Reserved	\$ 10,610,175	\$ 7,540,696	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	7,134,284	7,568,944	-	-
Capital projects funds	43,134,211	40,680,331	-	-
Nonspendable	-	-	250,008	306,058
Restricted	-	-	35,515,318	21,476,374
Committed	-	-	466,792	511,610
Assigned	-	-	33,253,313	34,425,344
Unassigned	-	-	(7,872,234)	(5,042,828)
Total all other governmental funds	<u>\$ 60,878,670</u>	<u>\$ 55,789,971</u>	<u>\$ 61,613,197</u>	<u>\$ 51,676,558</u>

Note:

The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2010, resulting in significant reclassification of the components of fund balance.

**Table 4**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
70,450	256,251	397,873	566,574	330,483	292,821
458,448	498,922	492,223	464,469	413,787	392,004
690,242	691,171	696,293	758,084	936,663	1,050,569
<u>10,757,776</u>	<u>14,342,422</u>	<u>14,576,348</u>	<u>15,242,009</u>	<u>16,193,763</u>	<u>17,054,520</u>
<u>\$ 11,976,916</u>	<u>\$ 15,788,766</u>	<u>\$ 16,162,737</u>	<u>\$ 17,031,136</u>	<u>\$ 17,874,696</u>	<u>\$ 18,789,914</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
426,736	-	-	-	23,563	6,500
20,464,874	15,102,011	12,663,957	12,457,701	10,057,843	11,725,590
459,160	467,682	483,590	481,009	466,287	696,235
35,947,479	33,481,454	38,701,128	39,567,878	41,068,221	33,609,392
<u>(7,567,117)</u>	<u>(7,020,483)</u>	<u>(8,819,377)</u>	<u>(6,551,326)</u>	<u>(5,187,339)</u>	<u>(3,628,247)</u>
<u>\$ 49,731,132</u>	<u>\$ 42,030,664</u>	<u>\$ 43,029,298</u>	<u>\$ 45,955,262</u>	<u>\$ 46,428,575</u>	<u>\$ 42,409,470</u>



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

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$ 21,563,302	\$ 21,700,329	\$ 22,667,190	\$ 23,336,537
Tax increments	8,371,424	7,846,204	6,649,563	7,222,976
Franchise taxes	-	1,503,075	1,497,178	1,894,714
Licenses and permits	4,072,753	2,786,032	2,359,716	2,797,700
Intergovernmental	2,424,119	3,867,795	11,879,601	3,105,500
Charges for services	324,512	4,228,179	4,051,971	3,897,710
Fines and forfeits	3,894,839	332,694	401,610	281,047
Special assessments	703,484	800,054	1,550,110	985,912
Investment earnings	1,990,854	1,358,170	612,098	949,510
Miscellaneous	3,591,212	2,615,062	3,050,231	2,285,608
<b>Total revenues</b>	<b>46,936,499</b>	<b>47,037,594</b>	<b>54,719,268</b>	<b>46,757,214</b>
<b>Expenditures</b>				
General government	6,642,295	6,472,022	6,219,751	6,415,318
Public safety	11,744,656	11,949,612	11,771,246	11,885,577
Public works	4,671,631	4,637,289	15,624,494	4,437,939
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Public information	415,609	445,146	387,459	383,586
Culture and recreation	6,213,945	6,027,059	6,234,938	6,546,054
Housing and rehabilitation	1,621,099	1,550,264	4,144,378	790,918
Housing maintenance	199,757	128,099	241,170	79,786
Social and economic development	5,162,698	6,241,123	4,720,638	6,426,013
General services	2,653	7,662	-	-
Debt service				
Principal	4,485,000	4,709,000	2,170,000	5,420,000
Interest	1,365,484	1,322,477	1,170,286	1,170,549
Other charges	-	-	453,288	1,040
Bond issuance costs	-	-	-	-
Capital outlay	9,998,748	10,314,002	6,306,083	14,295,009
<b>Total expenditures</b>	<b>52,523,575</b>	<b>53,803,755</b>	<b>59,443,731</b>	<b>57,851,789</b>
<b>Revenues over (under) expenditures</b>	<b>(5,587,076)</b>	<b>(6,766,161)</b>	<b>(4,724,463)</b>	<b>(11,094,575)</b>
<b>Other financing sources (uses)</b>				
Transfers in	11,129,934	9,939,299	11,809,353	7,086,529
Transfers out	(9,233,136)	(10,579,081)	(14,974,391)	(5,520,906)
Refunding bonds issued	-	-	3,615,000	-
Bonds issued	5,490,000	2,000,000	20,560,000	-
Proceeds from long term debt	-	-	-	-
Premium on bonds issued	-	10,202	2,792	-
Redemption of refunded bonds	-	-	(1,825,000)	-
Payments to refunded bond escrow agent	-	(6,244,425)	(4,164,000)	-
Costs paid to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	2,123,277	-	27,412	-
<b>Total other financing sources (uses)</b>	<b>9,510,075</b>	<b>(4,874,005)</b>	<b>15,051,166</b>	<b>1,565,623</b>
<b>Net change in fund balances</b>	<b>\$ 3,922,999</b>	<b>\$ (11,640,166)</b>	<b>\$ 10,326,703</b>	<b>\$ (9,528,952)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.76%</b>	<b>13.87%</b>	<b>6.29%</b>	<b>15.13%</b>

Table 5

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 24,259,861	\$ 25,658,762	\$ 24,361,524	\$ 26,598,373	\$ 27,734,546	\$ 28,941,646	
6,446,389	6,647,729	7,380,995	6,763,951	7,733,689	8,961,792	
1,954,557	2,211,569	2,268,213	2,915,732	3,079,399	3,763,394	
3,241,813	3,069,090	3,413,683	4,312,702	4,320,078	3,985,517	
2,983,191	13,887,247	13,216,055	6,017,025	4,345,482	8,228,158	
3,547,900	3,052,789	3,476,264	3,608,933	3,406,964	3,529,125	
341,356	311,882	369,546	263,951	299,808	293,236	
2,233,715	1,505,568	1,268,539	1,238,873	1,192,628	1,169,859	
622,450	123,306	386,263	199,747	362,196	369,203	
2,188,262	2,216,820	2,577,300	3,051,946	3,230,390	2,218,712	
<u>47,819,494</u>	<u>58,684,762</u>	<u>58,718,382</u>	<u>54,971,233</u>	<u>55,705,180</u>	<u>61,460,642</u>	
6,503,965	7,162,588	7,376,380	7,813,046	8,188,193	8,142,675	
12,571,356	12,435,341	13,239,729	14,025,463	14,669,251	15,824,577	
-	-	-	-	-	-	
13,955,142	10,083,541	10,450,789	9,710,604	9,688,872	10,665,329	
939,416	15,998,842	21,013,383	10,068,447	480,162	7,754,421	
470,280	408,683	462,341	561,252	477,721	495,256	
-	-	-	-	-	-	
3,881,500	1,715,540	875,225	538,411	482,313	453,940	
116,949	141,250	130,534	84,505	144,204	57,370	
7,681,176	8,910,821	7,928,905	8,872,479	8,673,638	10,857,645	
-	-	-	-	-	-	
1,285,000	3,275,000	1,970,000	1,612,827	1,681,876	3,650,297	
1,235,118	1,298,016	1,138,100	1,210,971	1,446,371	1,493,780	
46,435	3,895	54,433	2,640	2,717	-	
-	-	-	-	111,922	40,419	
3,930,528	2,089,798	2,271,988	3,486,864	19,894,828	10,159,659	
<u>52,616,865</u>	<u>63,523,315</u>	<u>66,911,807</u>	<u>57,987,509</u>	<u>65,942,068</u>	<u>69,595,368</u>	
<u>(4,797,371)</u>	<u>(4,838,553)</u>	<u>(8,193,425)</u>	<u>(3,016,276)</u>	<u>(10,236,888)</u>	<u>(8,134,726)</u>	
6,395,355	10,472,534	19,317,129	13,296,241	8,148,651	5,586,488	
(5,580,044)	(9,531,189)	(15,241,005)	(9,462,850)	(6,994,545)	(4,182,613)	
1,290,000	-	-	-	-	-	
-	-	5,070,000	-	10,000,000	3,430,000	
-	-	-	2,200,000	-	-	
-	-	98,040	-	396,655	196,964	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
885,328	8,590	321,866	777,248	3,000	-	
<u>2,990,639</u>	<u>949,935</u>	<u>9,566,030</u>	<u>6,810,639</u>	<u>11,553,761</u>	<u>5,030,839</u>	
<u>\$ (1,806,732)</u>	<u>\$ (3,888,618)</u>	<u>\$ 1,372,605</u>	<u>\$ 3,794,363</u>	<u>\$ 1,316,873</u>	<u>\$ (3,103,887)</u>	
<u>5.18%</u>	<u>7.44%</u>	<u>4.81%</u>	<u>5.18%</u>	<u>6.79%</u>	<u>8.65%</u>	

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

	Fiscal Year			
	2008	2009	2010	2011
Population	47,198	47,221	45,250	44,665
<b>Real Property</b>				
Total assessed/tax capacity value	\$ 68,006,453	\$ 69,704,858	\$ 68,386,268	\$ 65,611,006
Less tax increment districts - Area-wide allocation (net)	(7,639,464) (1,498,263)	(8,276,993) (1,635,724)	(6,976,791) (1,231,482)	(6,379,980) (2,775,483)
Net assessed/tax capacity value	<u>\$ 58,868,726</u>	<u>\$ 59,792,141</u>	<u>\$ 60,177,995</u>	<u>\$ 56,455,543</u>
Estimated market value	<u>\$ 5,552,520,000</u>	<u>\$ 5,633,028,200</u>	<u>\$ 5,550,563,700</u>	<u>\$ 5,302,557,500</u>
<b>Personal Property</b>				
Assessed/tax capacity value	<u>\$ 458,627</u>	<u>\$ 434,825</u>	<u>\$ 428,760</u>	<u>\$ 478,864</u>
Estimated market value	<u>\$ 23,263,700</u>	<u>\$ 22,006,100</u>	<u>\$ 21,712,100</u>	<u>\$ 24,363,800</u>
<b>Total Real and Personal Property</b>				
Assessed/tax capacity value	<u>\$ 59,327,353</u>	<u>\$ 60,226,966</u>	<u>\$ 60,606,755</u>	<u>\$ 56,934,407</u>
Estimated market value	<u>\$ 5,575,783,700</u>	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>	<u>\$ 5,326,921,300</u>
Tax Capacity Rate	34.8%	36.7%	37.1%	41.5%

**Table 6**

Fiscal Year					
2012	2013	2014	2015	2016	2017
45,505	46,362	47,411	47,502	48,354	48,747
\$ 62,602,680	\$ 61,348,576	\$ 62,068,742	\$ 65,599,841	\$ 71,118,692	\$ 77,324,247
(5,426,995)	(5,587,609)	(6,130,653)	(5,894,025)	(6,798,025)	(8,211,886)
(3,220,881)	(2,940,678)	(3,670,487)	(3,879,478)	(3,168,815)	(4,255,021)
<u>\$ 53,954,804</u>	<u>\$ 52,820,289</u>	<u>\$ 52,267,602</u>	<u>\$ 55,826,338</u>	<u>\$ 61,151,852</u>	<u>\$ 64,857,340</u>
<u>\$ 5,226,900,300</u>	<u>\$ 5,103,186,900</u>	<u>\$ 5,123,316,900</u>	<u>\$ 5,435,136,500</u>	<u>\$ 5,841,548,800</u>	<u>\$ 6,306,324,900</u>
<u>\$ 490,122</u>	<u>\$ 559,718</u>	<u>\$ 576,427</u>	<u>\$ 607,025</u>	<u>\$ 614,793</u>	<u>\$ 650,504</u>
<u>\$ 24,962,100</u>	<u>\$ 28,487,900</u>	<u>\$ 29,320,000</u>	<u>\$ 30,852,400</u>	<u>\$ 31,212,200</u>	<u>\$ 33,056,300</u>
<u>\$ 54,444,926</u>	<u>\$ 53,380,007</u>	<u>\$ 52,844,029</u>	<u>\$ 56,433,363</u>	<u>\$ 61,766,645</u>	<u>\$ 65,507,844</u>
<u>\$ 5,251,862,400</u>	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>	<u>\$ 6,339,381,200</u>
43.9%	46.6%	48.6%	47.8%	46.2%	46.2%

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

<b>City of St. Louis Park</b>	<b>Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Operating Rate	32.504	34.402	34.869	39.689
Debt Service Rate	2.255	2.265	2.247	1.770
<b>Total City Direct Rates</b>	<b>34.759</b>	<b>36.667</b>	<b>37.116</b>	<b>41.459</b>
<b>Overlapping Rates</b>				
<b>County</b>				
Operating Rate	38.571	40.413	42.640	45.840
<b>School District</b>				
Operating Rate	8.691	9.080	9.295	12.917
Debt Service Rate	10.889	11.257	11.803	13.539
<b>Other Taxing Districts</b>				
St. Louis Park HRA Levy	1.344	1.759	1.718	1.817
Metro Mosquito Control	0.486	0.489	0.461	0.525
Metro Council	0.812	0.817	0.793	0.885
Metro Transit Debt	1.264	1.273	1.366	1.539
Hennepin County HRA	-	-	0.241	0.397
Hennepin Parks	3.137	3.334	3.499	3.765
Park Museum	0.719	0.771	0.778	0.815
HC Regional Railroad Authority	0.979	0.470	1.000	1.246
Referendum Market Value Based Rate	-	-	0.152	0.148
Watershed	1.404	1.489	1.511	1.606
<b>Total Overlapping Rates</b>	<b>68.296</b>	<b>71.152</b>	<b>75.257</b>	<b>85.039</b>
<b>Total Direct and Overlapping Rates</b>	<b>103.055</b>	<b>107.819</b>	<b>112.373</b>	<b>126.498</b>

**Table 7**

Year					
2012	2013	2014	2015	2016	2017
40.303	42.902	45.868	45.234	43.744	42.933
3.563	3.650	2.702	2.520	2.451	3.267
43.866	46.552	48.570	47.754	46.195	46.200
48.231	49.461	49.959	46.398	45.356	44.087
13.324	13.976	16.741	15.642	14.887	12.364
15.946	15.754	15.617	14.698	13.627	13.247
1.806	1.676	1.808	1.679	1.634	1.661
0.537	0.556	0.563	0.507	0.483	0.475
0.940	0.997	1.069	0.976	0.925	0.883
1.607	1.689	1.703	1.523	1.491	1.463
0.403	0.478	0.514	0.471	0.439	0.497
3.943	4.054	4.169	3.789	3.601	3.365
0.799	0.754	0.766	0.702	0.712	0.711
1.294	1.561	1.777	1.817	1.879	1.925
-	-	-	-	-	-
1.705	1.769	1.806	1.738	1.724	1.738
90.535	92.725	96.492	89.940	86.758	82.416
134.401	139.277	145.062	137.694	132.953	128.616

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

**Table 8**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ARC WEMPSMN001, LLC	\$ 106,623,000	1	1.68 %	\$ 99,450,000	1	1.78 %
Interchange Investors	96,800,000	2	1.53	83,000,000	2	1.49
Gateway Knollwood, LLC	80,243,000	3	1.27			
G & I VII 1600 & Moneygram LLC	80,000,000	4	1.26			
Excelsior & Grand LLC	87,593,200	5	1.38	39,643,700	6	0.71
Middleton Park Place Investors, LLC	58,821,000	6	0.93			
West End Office MN, LLC	54,758,000	7	0.86			
PNMC Holdings	49,988,100	8	0.79			
Ellipse On Excelsior LLC	45,507,000	9	0.72			
WTC No 459 Corp	44,950,000	10	0.71	26,390,000	8	0.47
Park Nicollet				60,602,100	3	1.09
Parkdale Property LLC				53,000,000	4	0.95
Park Place OPCO LLC				49,420,000	5	0.89
Park Shore Senior Campus, LLC				23,805,000	9	0.43
Target				27,458,500	7	0.49
General Growth/Knollwood Co.				21,556,600	10	0.39
<b>Total</b>	<b>\$ 705,283,300</b>		<b>11.13 %</b>	<b>\$ 484,325,900</b>		<b>8.69 %</b>
<b>Total taxable assessed value</b>	<b>\$ 6,339,381,200</b>			<b>\$ 5,575,783,700</b>		

Source: Hennepin County Assessor's Office

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

**Table 9**

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Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage	Amount	Percentage
			of Levy		of Levy
2008	\$ 21,100,651	\$ 20,693,403	98.07 %	\$ 21,100,651	100.00 %
2009	22,204,522	21,796,296	98.16	22,204,522	100.00
2010	22,841,195	22,465,478	98.36	22,841,195	100.00
2011	23,724,816	23,368,028	98.50	23,724,816	100.00
2012	24,746,325	24,435,571	98.74	24,690,024	99.77
2013	25,613,874	25,379,070	99.08	25,603,646	99.96
2014	26,527,267	26,129,048	98.50	26,508,347	99.93
2015	27,938,615	27,590,682	98.75	27,892,392	99.83
2016	29,615,682	29,462,804	99.48	29,353,171	99.11
2017	31,350,534	30,559,213	97.48	30,559,213	97.48



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

Table 10

Fiscal Year	Governmental Activities				Business Type Activities	Net Unamortized Premiums/ (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Tax Increment Bonds	Capital Leases	Notes Payable	Revenue Bonds				
2008	\$10,715,000	\$15,995,000	\$ -	\$ -	\$ 9,570,000	\$ (76,234)	\$ 36,203,766	2.24 %	767.06
2009	9,590,000	8,405,000	-	-	9,185,000	43,692	27,223,692	1.54	576.52
2010	26,335,000	7,410,000	-	-	11,334,924	41,847	45,121,771	2.71	997.17
2011	21,420,000	6,905,000	26,220	-	10,555,000	(136,030)	38,770,190	2.32	868.02
2012	21,730,000	6,600,000	-	-	9,600,000	(141,310)	37,788,690	2.17	830.43
2013	20,185,000	4,870,000	-	-	12,785,000	(93,362)	37,746,638	2.07	814.17
2014	23,609,091	4,520,700	33,075	-	16,826,503	101,294	45,090,663	2.39	951.06
2015	22,445,000	4,175,000	24,975	2,122,173	13,510,000	78,070	42,355,218	2.25	891.65
2016	31,230,000	3,805,000	215,619	2,025,297	10,515,000	439,637	48,230,553	2.44	997.45
2017	33,430,000	3,410,000	165,931	-	14,070,000	873,267	51,949,198	2.53	1,065.69

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

(1) See the Schedule of Demographic Statistics on page 177 for personal income and population data.

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

**Table 11**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Restricted for Debt Service Funds</u>	<u>Net Unamortized Premiums/ (Discounts)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2008	\$ 10,715,000	\$ (5,436,328)	\$ 511	\$ 5,279,183	0.09 %	111.85
2009	9,590,000	(2,198,070)	12,514	7,404,444	0.13	156.80
2010	26,335,000	(2,765,611)	(114,863)	23,454,526	0.42	518.33
2011	21,420,000	(2,792,922)	(111,310)	18,515,768	0.35	414.55
2012	21,730,000	(3,862,611)	(123,684)	17,743,705	0.34	389.93
2013	20,185,000	(3,703,071)	(119,339)	16,362,590	0.32	352.93
2014	23,609,091	(3,152,137)	(16,954)	20,440,000	0.40	431.12
2015	22,445,000	(3,092,198)	(20,758)	19,332,044	0.35	406.97
2016	31,230,000	(3,146,018)	355,124	28,439,106	0.48	588.14
2017	33,430,000	(3,325,205)	503,370	30,608,165	0.48	627.90

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value on page 164 for property value data.

(2) Population data can be found in the Schedule of Demographic Statistics on page 177.

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2017**

**Table 12**

Governmental Unit	Debt Outstanding (1)	Percentage Applicable (2)	Share of Overlapping Debt
<b>Overlapping Debt</b>			
Hennepin County	\$ 911,083,511	3.76 %	\$ 34,256,740
St. Louis Park Independent School District	33,819,742	99.47	33,640,497
Hopkins Independent School District	140,286,562	3.12	4,376,941
Edina Independent School District	181,497,226	0.06	108,898
Hennepin County Suburban Park District	45,784,829	5.25	2,403,704
Hennepin Regional RR Authority	26,942,546	5.25	1,414,484
Metropolitan Council	12,606,580	1.92	242,046
<b>Subtotal of Overlapping Debt</b>	1,352,020,996		76,443,310
<b>Direct Debt</b>			
City of St. Louis Park	30,425,154	100	30,425,154
<b>Total of Direct and Overlapping Debt</b>	<b>\$ 1,382,446,150</b>		<b>\$ 106,868,464</b>

Source: Hennepin County, Minnesota

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

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

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

	Fiscal Year			
	2008	2009	2010	2011
Debt Limit	\$ 167,273,511	\$ 169,651,029	\$ 167,168,274	\$ 159,807,639
Total Net Debt Applicable to Limit	<u>2,747,414</u>	<u>2,880,000</u>	<u>15,535,000</u>	<u>15,150,000</u>
Legal Debt Margin	<u>\$ 164,526,097</u>	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>	<u>\$ 144,657,639</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	1.64%	1.70%	9.29%	9.48%

**Legal Debt Margin Calculation for Fiscal Year**

Estimated Taxable Market Value	<u>\$ 5,575,783,700</u>	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>	<u>\$ 5,326,921,300</u>
Debt Limit (3% of taxable market value)	<u>\$ 167,273,511</u>	<u>\$ 169,651,029</u>	<u>\$ 167,168,274</u>	<u>\$ 159,807,639</u>
Debt applicable to limit				
Total Bonded Debt	\$ 36,280,000	\$ 27,180,000	\$ 45,079,924	\$ 38,880,000
Less:				
Amount Set Aside for Repayment of G.O.	(487,586)	-	-	-
G.O. Revenue Bonds	(9,570,000)	(9,185,000)	(11,334,924)	(10,555,000)
G.O. Improvement Bonds	(7,480,000)	(6,710,000)	(10,800,000)	(6,270,000)
G.O. Tax Increment Bonds	(15,995,000)	(8,405,000)	(7,410,000)	(6,905,000)
Notes payable	-	-	-	-
<b>Total Net Debt Applicable to Limit:</b>	<u>2,747,414</u>	<u>2,880,000</u>	<u>15,535,000</u>	<u>15,150,000</u>
<b>Legal Debt Margin:</b>	<u>\$ 164,526,097</u>	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>	<u>\$ 144,657,639</u>

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

Table 13

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 157,555,872	\$ 153,950,244	\$ 154,579,107	\$ 163,979,667	\$ 176,182,830	\$ 190,181,436
14,755,000	13,820,000	17,952,166	16,984,975	23,934,703	28,375,000
<u>\$ 142,800,872</u>	<u>\$ 140,130,244</u>	<u>\$ 136,626,941</u>	<u>\$ 146,994,692</u>	<u>\$ 152,248,127</u>	<u>\$ 161,806,436</u>
9.36%	8.98%	11.61%	10.36%	13.59%	14.92%
<u>\$ 5,251,862,400</u>	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>	<u>\$ 6,339,381,200</u>
<u>\$ 157,555,872</u>	<u>\$ 153,950,244</u>	<u>\$ 154,579,107</u>	<u>\$ 163,979,667</u>	<u>\$ 176,182,830</u>	<u>\$ 190,181,436</u>
\$ 37,930,000	\$ 37,840,000	\$ 44,989,369	\$ 42,277,148	\$ 45,550,000	\$ 50,910,000
-	-	-	-	-	-
(9,600,000)	(12,785,000)	(16,826,503)	(13,510,000)	(10,515,000)	(14,070,000)
(6,975,000)	(6,365,000)	(5,690,000)	(5,485,000)	(5,270,000)	(5,055,000)
(6,600,000)	(4,870,000)	(4,520,700)	(4,175,000)	(3,805,000)	(3,410,000)
-	-	-	(2,122,173)	(2,025,297)	-
<u>14,755,000</u>	<u>13,820,000</u>	<u>17,952,166</u>	<u>16,984,975</u>	<u>23,934,703</u>	<u>28,375,000</u>
<u>\$ 142,800,872</u>	<u>\$ 140,130,244</u>	<u>\$ 136,626,941</u>	<u>\$ 146,994,692</u>	<u>\$ 152,248,127</u>	<u>\$ 161,806,436</u>

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

**Table 14**

Fiscal Year	Revenue Bonds <sup>1</sup>					Coverage
	Gross Revenue <sup>2</sup>	Less: Operating Expenses <sup>3</sup>	Net Revenue Available	Debt Service		
				Principal	Interest	
2008	5,200,332	(4,300,290)	900,042	340,000	264,902	1.49
2009	5,985,714	(4,982,093)	1,003,621	385,000	374,208	1.32
2010	5,981,074	(3,851,018)	2,130,056	400,000	327,325	2.93
2011	12,186,180	(8,269,813)	3,916,367	525,000	363,435	4.41
2012	13,079,123	(8,387,329)	4,691,794	1,405,000	375,218	2.64
2013	12,659,936	(10,417,099)	2,242,837	985,000	324,393	1.71
2014	13,277,524	(10,514,981)	2,762,543	1,015,000	352,614	2.02
2015	14,379,975	(9,041,931)	5,338,044	1,045,000 <sup>4</sup>	381,359	3.74
2016	15,481,494	(10,328,560)	5,152,934	1,155,000 <sup>5</sup>	301,051	3.54
2017	16,495,157	(10,186,997)	6,308,160	1,360,000 <sup>6</sup>	197,658	4.05

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

<sup>1</sup> Includes Water Utility, Sewer Utility and Storm Water Utility revenue bonds.

<sup>2</sup> Gross revenue includes investment income and excludes intergovernmental and miscellaneous revenues.

<sup>3</sup> Expenses exclude depreciation, interest on bonds and miscellaneous expenses.

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

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

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

**Table 15**

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2008	47,198	1,613,039	34,176	35.8	4,258	5.6
2009	47,221	1,761,674	37,307	35.7	4,447	5.9
2010	45,250	1,660,539	36,697	35.5	4,347	3.9
2011	44,665	1,680,297	37,620	35.4	4,365	4.4
2012	45,505	1,744,525	38,337	35.4	4,472	4.6
2013	46,362	1,828,193	39,433	35.4	4,545	4.4
2014	47,411	1,884,398	39,746	35.4	4,590	2.6
2015	47,502	1,876,424	39,502	35.5	4,590	2.3
2016	48,354	1,962,641	40,589	35.2	4,627	2.9
2017	48,747	2,053,370	42,123	35.7	4,571	2.1

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



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

Table 16

Employer	Fiscal Year 2017			Fiscal Year 2008		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Park Nicollet Health Services and Methodist Hospital	6,286	1	15.2 %	6,144	1	15.3 %
Wells Fargo Mortgage	1,450	2	3.5			
St. Louis Park Public Schools (I.S.D. No. 283)	950	3	2.3	682	3	1.7
Japs-Olson Company	659	4	1.6	650	4	1.6
MoneyGram International	409	5	1.0	523	8	1.3
HealthPartners	400	6	1.0			
Center for Diagnostic Imaging	387	7	0.9			
Northland Aluminum Products (NordicWare)	350	8	0.8			
St. Louis Park, City of	277	9	0.7			
AAA Minneapolis	205	10	0.5			
Sholom Home West				851	2	2.1
Knollwood Mall				650	5	1.6
Target				580	6	1.4
Allied Interstate				565	7	1.4
Byerly's				400	9	1.0
Miracle Mile Shopping Center				350	10	0.9
Total	<u>11,373</u>		<u>27.50 %</u>	<u>11,395</u>		<u>28.30 %</u>
Total City employment (2)			41,438			40,212

Source: (1) St. Louis Park Community Development Department  
 (2) Metropolitan Council Community Profiles Data

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

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General government	122.5	114.5	105.5	95.4
Public safety				
Police				
Officers	51.0	51.0	51.0	51.0
Civilians	18.5	17.0	20.0	23.0
Fire				
Firefighters and officers	25.0	25.0	25.0	24.0
Operations and recreation and Engineering	32.0	32.0	32.0	32.0
Water	11.4	11.4	9.9	11.2
Sewer	2.7	2.7	3.6	4.9
Solid Waste	1.8	1.8	1.8	3.3
Storm Water	2.6	2.6	3.3	4.9
<b>Total Employees</b>	<b>267.5</b>	<b>258.0</b>	<b>252.0</b>	<b>249.7</b>

Source: St. Louis Park Human Resources Department

**Table 17**

Fiscal Year						
2012	2013	2014	2015	2016	2017	
90.3	88.8	88.4	89.4	91.6	97.9	
52.0	52.0	53.0	55.0	55.0	57.0	
30.0	34.0	35.0	35.0	35.0	35.0	
24.0	24.0	24.0	25.0	26.0	28.0	
33.0	35.0	34.0	35.0	35.0	28.1	
11.2	10.9	11.2	11.5	11.4	12.5	
4.9	4.9	5.5	6.0	6.0	6.4	
3.3	3.3	4.7	5.8	5.8	5.3	
4.8	4.8	6.2	6.7	6.7	7.1	
253.5	257.7	262.0	269.4	272.5	277.3	

CITY OF ST. LOUIS PARK, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 OPERATING INDICATORS BY FUNCTION  
 LAST TEN FISCAL YEARS

Table 18

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Medical calls	3,153	3,110	3,188	3,101	3,152	3,296	2,391	3,756	3,623	3,705
Traffic stops	2,724	2,462	4,236	5,362	7,146	6,674	6,907	6,692	6,939	7,401
Other	24,412	22,562	21,355	21,742	24,354	25,014	27,752	29,299	31,462	31,052
<b>Fire</b>										
Inspections/Medical/All other calls	4,357	4,429	3,893	3,078	3,117	3,360	4,747	5,118	6,130	5,513
Fire calls - residential/structural	61	96	107	153	142	66	116	135	53	202
Fire calls - other	46	68	37	53	64	48	91	115	41	85
<b>Cable TV</b>										
Hours of new programming	294	250	456	535	-	549.5	311	400	400	368
<b>Inspections</b>										
Permits	13,687	8,895	8,397	9,220	9,091	10,254	11,111	9,684	10,099	11,246
Inspections	24,022	27,332	20,204	22,818	23,667	26,902	32,543	23,031	23,372	28,484
<b>Culture and recreation</b>										
Aquatic park attendance	76,218	67,617	69,825	67,422	70,270	52,557	51,894	68,355	72,439	65,665
Hours of ice time	6,787	6,354	6,493	4,687	5,444	4,701	4,773	4,626	4,125	6,000
<b>Water</b>										
Gallons of water production (billions)	2.4	2.4	2.1	2.1	2.4	2.2	2.09	2.01	1.78	1.79
Average watermain breaks per year	30	30	30	30	30	27	40	41	20	11
<b>Public Works</b>										
Snowplowing hours	1,672	2,454	3,216	2,543	1,173	6,449	3,752	2,284	3,781	2,859

Source: St. Louis Park Departments

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

**Table 19**

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	26	26	28	26	25	28	28	29
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	13	13	13	14	13	13	10	14	15
Fire hydrants	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,772	1,773
<b>Culture and recreation</b>										
Parks	53	53	53	57	57	57	57	52	53	53
Trails	10	10	10	10	10	10	10	10	22	22
<b>Streets</b>										
Lane miles of streets	290	310	311	311	311	311	311	311	311	311
Miles of streets	117	155	156	155	155	155	155	155	155	155
<b>Water</b>										
Wells	11	11	11	11	11	11	11	10	10	10
Water treatment plants	6	6	6	6	6	6	6	6	6	6
Miles of watermain	148	148	149	160	160	160	160	160	175	175
<b>Sanitary Sewer</b>										
Lift stations	23	23	23	23	23	23	23	23	23	23
Miles of sewermain	138	138	139	147	147	147	147	147	143	143
<b>Storm Sewer</b>										
Lift stations	10	10	10	10	10	10	10	10	10	11
Ponds and lakes	26	26	52	52	52	52	52	52	52	52
Catch basins	2,943	3,154	3,731	3,731	3,731	3,731	3,731	3,731	3,885	3,885

Source: St. Louis Park Departments

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