

Comprehensive Annual Financial Report

For the
year ended
December 31,
2018



 **St. Louis Park**
MINNESOTA

Experience *LIFE* in the Park

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

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2018

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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CITY OF ST. LOUIS PARK, MINNESOTA
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I. INTRODUCTORY SECTION

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June 12, 2019

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, 2018.

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

The City of St. Louis Park's financial statements have been audited by Redpath and Company Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Louis Park for the fiscal year ended December 31, 2018, 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, 2018, 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 49,039. 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 92 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

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

Local economy

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

Redevelopment/Development

The City of St. Louis Park is committed to 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:

4800 Excelsior

The latest redevelopment along the Excelsior Blvd commercial corridor is Weidner Apartment Homes' *4800 Excelsior*. The six-story, mixed-use building is located immediately west of the landmark *Excelsior & Grand*. It contains 164 apartment units (146 market-rate and 18 affordable units at 60% of the area median income) and 28,228 square feet of ground floor commercial space leased to *Fresh Thyme* grocery.

Parkway 25

Sela Group redeveloped the former *Vescio's* restaurant and *Valu Stay Inn* sites at 4001 County Road 25 and 4025 Hwy. 7. The new five-story, mixed-use, LEED Silver certified building consists of 112 luxury apartment units and 12,000 square feet of ground floor commercial space on a combined 1.57-acre parcel.

Central Park West Apartments

DLC Residential completed construction on a six-story, multi-family building called *Central Park West Apartments* within *The West End* area off of I-394 and State Hwy 100. The 199-unit luxury apartment building is adjacent to a large public gathering (civic) space for both active and passive recreation. It is Phase I of the Central Park West redevelopment.

AC Hotel by Marriott

TPI Hospitality constructed a 6-story, 126-room *AC Hotel by Marriott* immediately next door to the *Central Park West Apartments*. The hotel has a rooftop amenity space with views of downtown Minneapolis, as well as a small bar and restaurant. It is Phase III of the Central Park West redevelopment.

Courtyard by Marriott Hotel

CSM Corporation completed construction on a six-story, 142-room *Courtyard by Marriott* hotel next to the existing *Marriott West* hotel in the northwest quadrant of I-394 and US 169. The two hotels have a pedestrian connection allowing customers to have full access to amenities offered at each hotel.

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

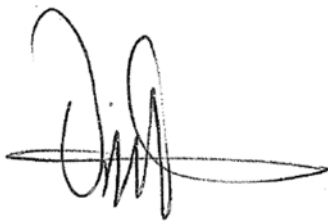
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Louis Park for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the thirty-fifth 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

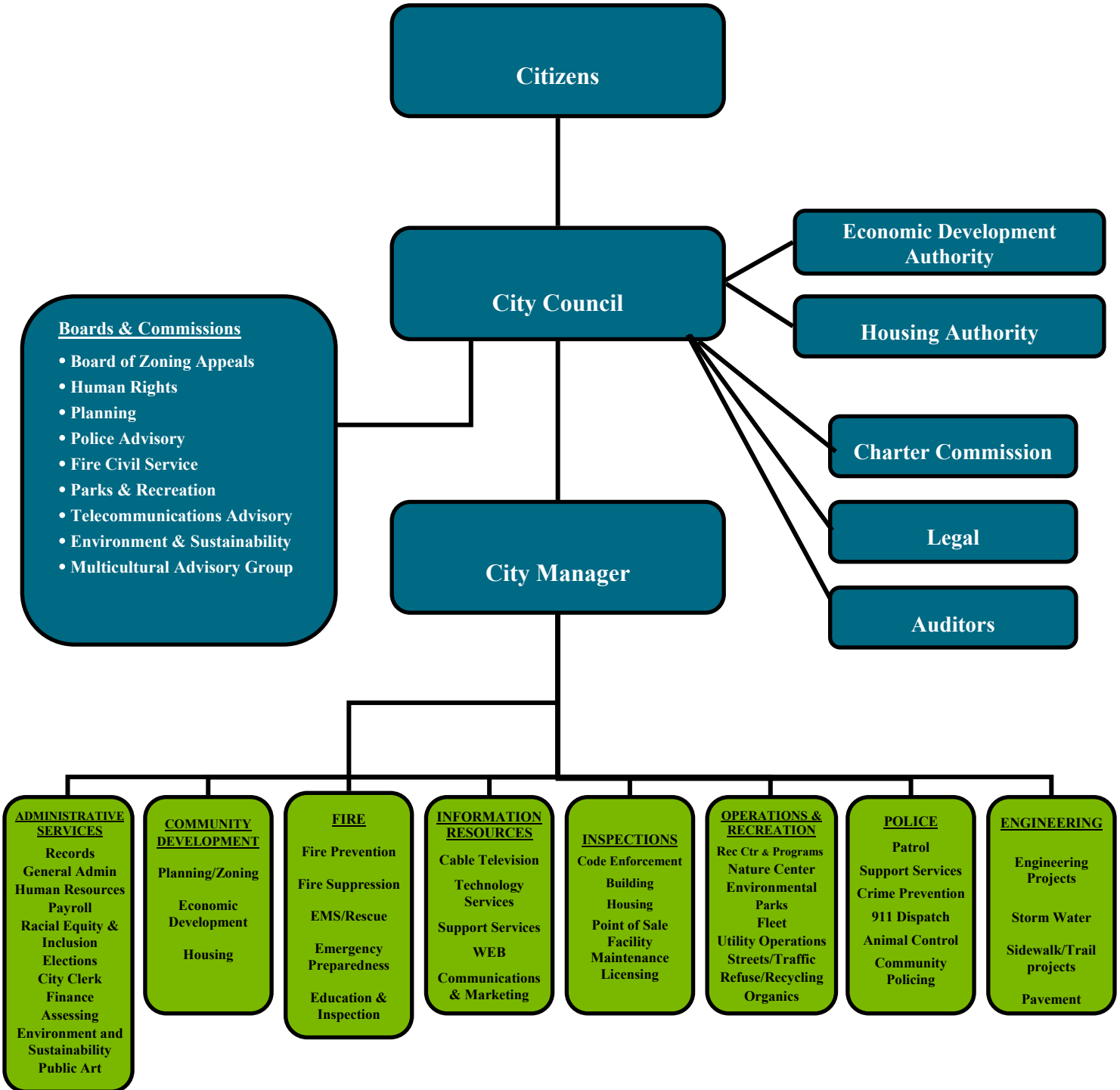
December 31, 2017

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 President
Term Expires 1/2020

Thom Miller

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

Margaret Rog

Ward 1 Councilmember
EDA Treasurer
Term Expires 1/2022

Anne Mavity

Ward 2 Councilmember
EDA Commissioner
Term Expires 1/2022

Rachel Harris

Ward 3 Councilmember
EDA Commissioner
Term Expires 1/2022

Tim Brausen

Ward 4 Councilmember
EDA Vice President
Term Expires 1/2022

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, 2018, 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. 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, 2018, 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.

Emphasis of Matter

As described in Note 9 to the financial statements, City of St. Louis Park, Minnesota adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

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, Schedule of Changes in Total OPEB Liability and Related Ratios, 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 and individual nonmajor fund financial statements and schedules, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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 12, 2019, on our consideration of the City of St. Louis Park, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Louis Park, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis Park, Minnesota's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 12, 2019

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

As management of the City of St. Louis Park, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. 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 \$176,361,906 (*net position*). Of this amount, \$30,078,006 (*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 \$4,057,345 as a result of revenues in excess of expenses. \$1,460,245 was a result of an increase of net position within business-type activities, and \$2,597,100 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 \$58,996,381 a decrease of \$2,203,003 in comparison with the prior year. The decrease was primarily related to capital outlay expenditures. Approximately 22 percent of this total amount, \$12,748,025 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 \$17,697,405 (45.3 percent) of the total subsequent year budgeted General fund expenditures.
- The City's total bonded debt increased \$5,370,000 during 2018. New debt issued, and principal paid during the year was \$8,800,000 and \$3,430,000 respectively.

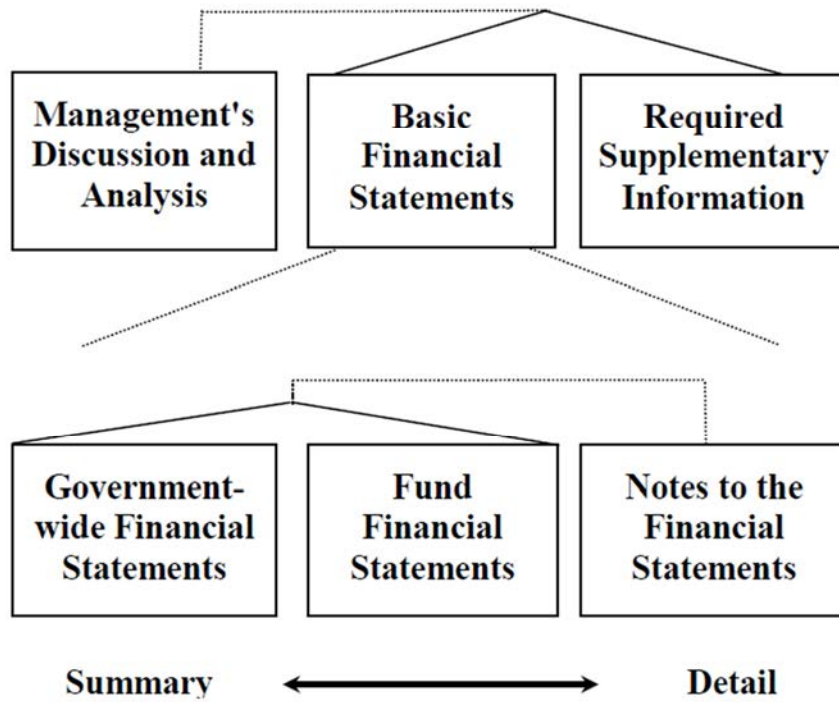
Overview of the Financial Statements

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

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

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



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

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

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

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

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

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

The *statement of net position* presents information on all 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

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, Development EDA, and Redevelopment District, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements start on page 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 benefits, 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 45 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 49 of this report.

Other Supplementary Information - In addition to the basic financial statements and accompanying notes, Required Supplementary Information, presents a detailed budgetary comparison schedule for the General Fund to demonstrate compliance with the budget. In

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

accordance with the requirements of GASB Statement No. 75, it also includes other post-employment benefit plan schedule of changes in total OPEB liability and related ratios. In accordance with the requirements of GASB Statement No. 68, also included is defined benefit pension plan information: a) schedules of the City's contributions and b) schedules of the City's proportionate share of net pension liability. These schedules can be found in the Required Supplementary Information section of this report. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information starting on page 92 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 \$176,361,906 at the close of the most recent fiscal year.

A portion of the City's net position (74 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		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Assets						
Current and other assets	\$ 83,718,324	\$ 85,023,101	\$ (1,304,777)	\$ 11,425,279	\$ 8,681,376	\$ 2,743,903
Capital assets	141,268,586	135,655,580	5,613,006	43,327,483	38,632,979	4,694,504
Total assets	224,986,910	220,678,681	4,308,229	54,752,762	47,314,355	7,438,407
Total deferred outflows of resources	13,978,083	17,018,923	(3,040,840)	-	-	-
Liabilities						
Other liabilities	10,706,234	8,772,608	1,933,626	2,268,442	1,818,815	449,627
Noncurrent liabilities	65,520,989	68,598,169	(3,077,180)	20,328,036	14,799,501	5,528,535
Total liabilities	76,227,223	77,370,777	(1,143,554)	22,596,478	16,618,316	5,978,162
Total deferred inflows of resources	18,532,148	18,718,305	(186,157)	-	-	-
Net position						
Net investment in capital assets	107,090,668	103,279,857	3,810,811	25,992,377	25,716,982	275,395
Restricted	13,200,855	11,439,977	1,760,878	-	-	-
Unrestricted	23,914,099	26,888,688	(2,974,589)	6,163,907	4,979,057	1,184,850
Total net position	\$ 144,205,622	\$ 141,608,522	\$ 2,597,100	\$ 32,156,284	\$ 30,696,039	\$ 1,460,245

An additional portion of the City's net position \$13,200,855 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$30,078,006 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, 2018. Overall, both the governmental and business-type activities revenue and expenses remained stable. Governmental activities increased the City's net position by \$2,597,100. Business-type activities increased the City's net position by \$1,460,245.

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

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 8,765,915	\$ 7,807,878	\$ 958,037	\$ 20,066,320	\$ 19,404,164	\$ 662,156
Operating grants and contributions	2,666,090	3,670,054	(1,003,964)	174,250	159,376	14,874
Capital grants and contributions	3,526,377	5,205,879	(1,679,502)	429,928	279,801	150,127
General revenues						
Property taxes and TIF	43,715,743	40,544,785	3,170,958	-	-	-
Franchise fees	3,804,678	3,763,394	41,284	-	-	-
Lodging taxes	1,021,855	-	1,021,855	-	-	-
Grants and contributions not restricted to specific programs	618,645	590,978	27,667	-	-	-
Unrestricted investment earnings	739,130	408,945	330,185	159,537	65,900	93,637
Gain on disposal of capital assets	1,751,339	106,204	1,645,135	-	-	-
Miscellaneous	491,591	2,091,334	(1,599,743)	-	-	-
Total revenues	67,101,363	64,189,451	2,911,912	20,830,035	19,909,241	920,794
Expenses						
General government	11,051,775	10,648,181	403,594	-	-	-
Public safety	17,621,109	17,870,131	(249,022)	-	-	-
Public information	642,350	647,316	(4,966)	-	-	-
Operations and recreation	15,146,290	13,448,470	1,697,820	-	-	-
Engineering	7,491,753	7,859,907	(368,154)	-	-	-
Housing and rehabilitation	530,192	480,911	49,281	-	-	-
Housing maintenance	19,768	72,244	(52,476)	-	-	-
Social and economic development	12,549,378	10,987,654	1,561,724	-	-	-
Interest on long-term debt	1,456,241	1,511,329	(55,088)	-	-	-
Water	-	-	-	5,445,760	4,786,816	658,944
Sewer	-	-	-	6,083,196	6,227,919	(144,723)
Solid waste	-	-	-	3,463,412	3,390,874	72,538
Storm water	-	-	-	2,372,829	1,611,785	761,044
Total expenses	66,508,856	63,526,143	2,982,713	17,365,197	16,017,394	1,347,803
Increase (decrease) in net position before transfers	592,507	663,308	(70,801)	3,464,838	3,891,847	(427,009)
Transfers	2,004,593	2,075,742	(71,149)	(2,004,593)	(2,075,742)	71,149
Change in net position	2,597,100	2,739,050	(141,950)	1,460,245	1,816,105	(355,860)
Net position, January 1	141,608,522	138,869,472	2,739,050	30,696,039	28,879,934	1,816,105
Net position, December 31	<u>\$ 144,205,622</u>	<u>\$ 141,608,522</u>	<u>\$ 2,597,100</u>	<u>\$ 32,156,284</u>	<u>\$ 30,696,039</u>	<u>\$ 1,460,245</u>

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

Governmental Activities

Governmental activities increased the City's net position by \$2,597,100. Overall the governmental activities in 2018 were stable, with a slight increase in both revenues and expenses. Revenues increased by \$2.9 million, primarily related to property tax/TIF general revenues and a gain on sale of land held for resale of \$1.6 million, while expenses increased by \$2.9 million, with the largest increases in operations and recreation (\$1.7 million) and social and economic development (\$1.5 million) relating to project costs.

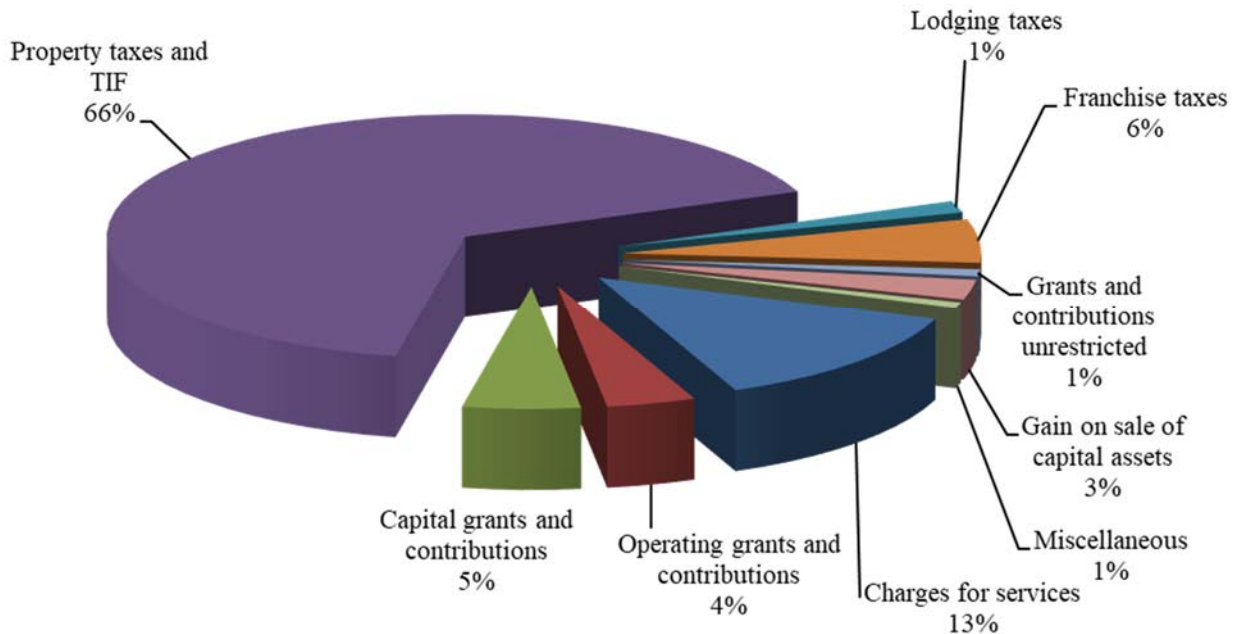
Business-type Activities

Business-type activities increased the City's net position by \$1,460,245. Revenues increased by \$920 thousand, expenses increased \$1.3 million and net transfers were comparable to prior year. 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:

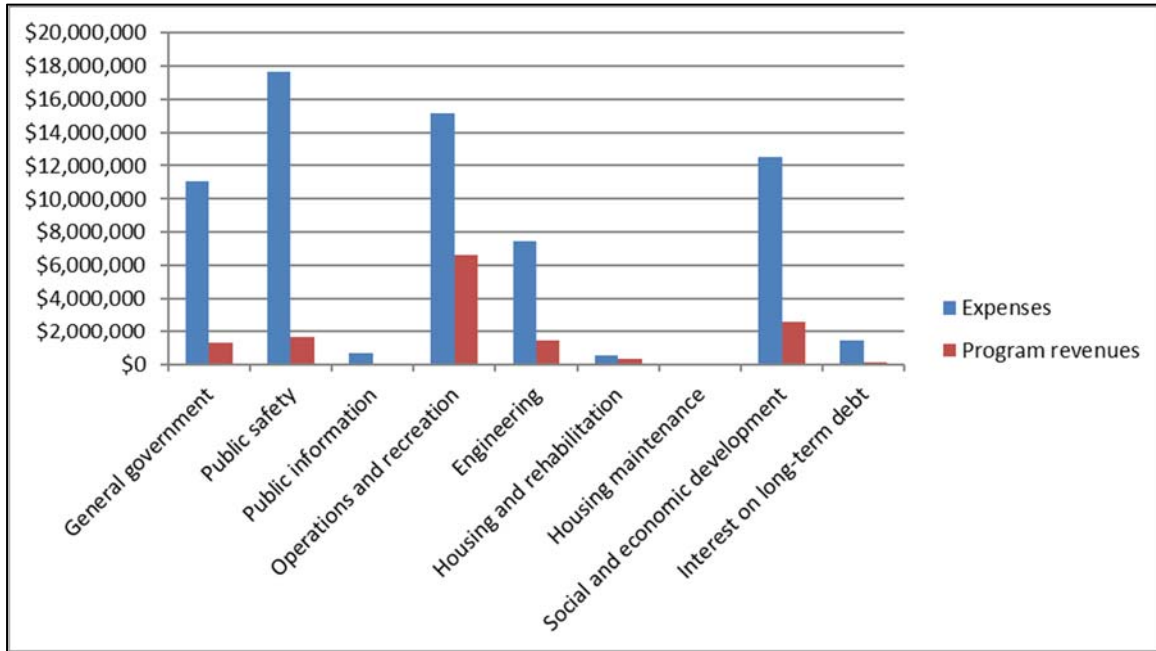
Revenues by Source - Governmental Activities



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:

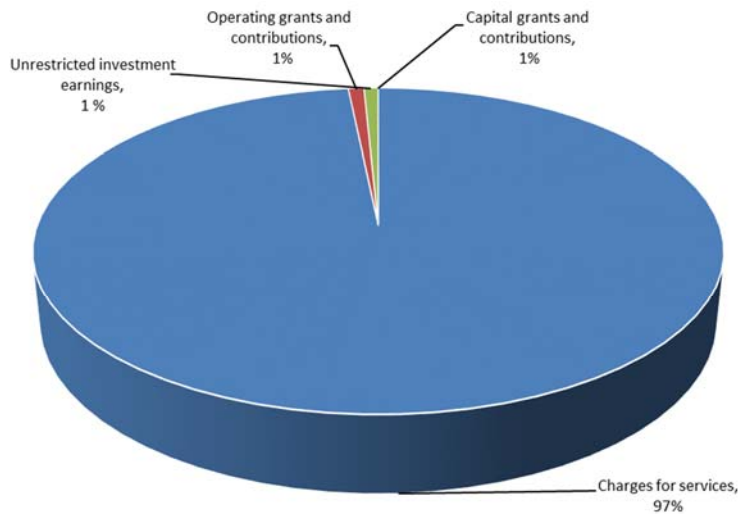
Expenses and Program Revenues - Governmental Activities



Business-type Activities

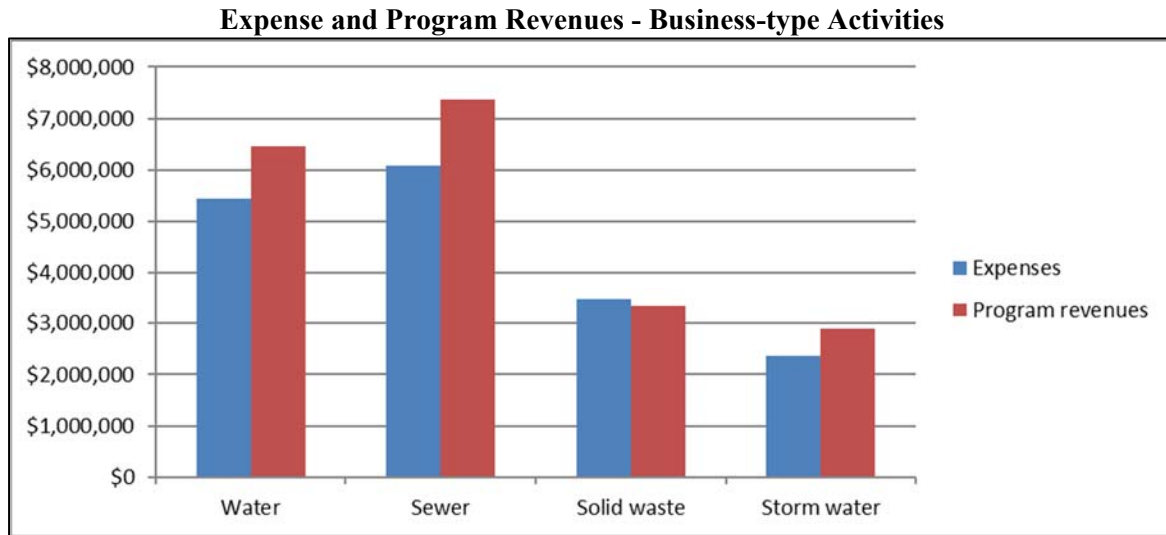
Revenues - The following chart illustrates the City's revenue by source for its business-type activities:

Revenue Sources - Business-type Activities



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

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 \$58,996,381, a decrease of \$2,203,003 in comparison with the prior year. Approximately 18 percent of this total amount, \$10,414,969, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$48,581,412) is not available for new spending because it is either 1) nonspendable (\$278,632), 2) restricted (\$12,469,393), 3) committed (\$1,064,284) or 4) assigned (\$34,869,103) for specific purposes.

Major Funds	Fund Balances		Increase (Decrease)
	December 31, 2017	December 31, 2018	
General	\$ 18,789,914	\$ 19,254,384	\$ 464,470
The City's General Fund balance increased \$464,470 during the current fiscal year. A combination of higher than anticipated revenues and lower than anticipated expenditures resulted in the increase. Significant positive variances included property tax revenue of \$874,254, which was primarily excess tax increment. Also, intergovernmental revenue was \$143,713 over budget which primarily pertains to higher than anticipated highway user tax. Operating expenditures were also approximately \$690,000 under budget for fiscal year 2018, with the largest positive variances in public safety (\$345,520) and operations and recreation (\$266,970).			
Housing Rehabilitation	\$ 4,335,903	\$ 5,193,532	\$ 857,629
The Housing Rehabilitation fund balance increased \$857,629 as a result of special assessment and miscellaneous revenues exceeding expenditures by \$1,038,931 prior to net transfers out of \$181,000.			
Debt Service	\$ 2,285,277	\$ 3,738,092	\$ 1,452,815
The fund balance of the Debt Service fund increased \$1,452,815 due to collection of property taxes and transfers in exceeding scheduled bond principal and interest payments.			
Development EDA	\$ 23,821,044	\$ 24,888,020	\$ 1,066,976
The Development EDA fund balance increased \$1,066,976 as a result of proceeds from the sale of land held for resale. Although the fund has \$25 million in fund balance, approximately \$9.8 million is made up of loans receivable and land held for resale.			
Redevelopment District	\$ 1,224,227	\$ 1,737,245	\$ 513,018
The Redevelopment District fund is comprised of all tax increment districts in the City. The increase in fund balance of \$513,018 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

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 \$9,397,386. Total net position increased by \$1,711,895. This increase was primarily a result of a planned increase in fees to cover infrastructure replacement.

General Fund Budgetary Highlights

Actual revenues were \$1,337,777 over budget and expenditures were \$690,542 under budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$464,470. Favorable revenue and expenditure variances accounted for the increase in fund balance. The largest favorable revenue variance was property taxes (\$874,254). The largest favorable expenditure variances were in the public safety function (\$345,520) and the operations and recreation function (\$266,970).

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business type activities as of December 31, 2018 was \$184,596,069 (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 5.9 percent.

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

- Aquila Park softball field and lighting project
- Dakota Park field lighting project
- Street Rehab projects
- Connect the park trail, sidewalk and bike improvements
- Completion of water treatment plant #4 upgrade
- \$2.1 million of capital asset acquisition within the capital replacement fund

For the year ending December 31, 2018, 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.

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

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

forward, two areas will be assessed every year. The City increased the number of areas and frequency 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, mill and overlaying. The City expended \$4,201,721 on street maintenance for the year ending December 31, 2018. 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 \$4,839,000. 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, 2018 was \$4,255,000, which is comparable to 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		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Land	\$ 16,991,835	\$ 16,991,835	\$ -	\$ 515,083	\$ 515,083	\$ -
Permanent easements	1,429,976	1,429,976	-	-	-	-
Buildings and structures	39,920,316	41,151,267	(1,230,951)	301,850	677,838	(375,988)
Improvements other than buildings	25,925,478	20,479,878	5,445,600	3,611,066	3,634,509	(23,443)
Machinery and equipment	4,396,460	4,028,846	367,614	5,124,355	5,555,888	(431,533)
Fleet	6,564,770	5,962,679	602,091	-	-	-
Infrastructure - Streets	26,011,544	26,011,544	-	-	-	-
Infrastructure - Other	15,845,445	13,773,828	2,071,617	33,775,129	21,762,201	12,012,928
Construction in progress	4,182,762	5,825,727	(1,642,965)	-	6,487,460	(6,487,460)
Total	\$ 141,268,586	\$ 135,655,580	\$ 5,613,006	\$ 43,327,483	\$ 38,632,979	\$ 4,694,504

Additional information on the City's capital assets can be found in Note 5 on pages 65-66 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 \$56,280,000. Of this amount, \$32,290,000 comprises debt issued for improvement and capital projects, of which \$28,975,000 will be repaid by ad valorem tax levies and \$3,315,000 will be repaid through the collection of special assessments. In addition, \$2,995,000 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 \$20,995,000 of the City's bonded debt represents general obligation revenue bonds with \$19,475,000 to be repaid by the Water, Sewer, and Storm Water fund user charges and \$1,520,000 from revenues collected from the benefitting property. Furthermore, the City has long-term debt of \$180,382 for capital leases payable, \$4,095,604 for compensated absences, \$3,500,643 for other postemployment benefits payable and \$20,494,066 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		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
G.O. Improvement	\$ 28,975,000	\$ 28,375,000	\$ 600,000	\$ 19,475,000	\$ 14,070,000	\$ 5,405,000
G.O. Tax Increment	2,995,000	3,410,000	(415,000)	-	-	-
G.O. Special Assessment	3,315,000	3,495,000	(180,000)	-	-	-
G.O. Revenue Bonds	1,520,000	1,560,000	(40,000)	-	-	-
Bond issuance premium/discount	445,293	497,335	(52,042)	677,443	375,930	301,513
Capital leases	180,382	165,931	14,451	-	-	-
Compensated absences	4,095,604	3,895,292	200,312	175,593	145,285	30,308
Other postemployment benefits	3,500,643	3,250,130	250,513	-	208,284	(208,284)
Net pension liability	20,494,066	23,949,480	(3,455,414)	-	-	-
Total	<u>\$ 65,520,988</u>	<u>\$ 68,598,168</u>	<u>\$ (3,077,180)</u>	<u>\$ 20,328,036</u>	<u>\$ 14,799,499</u>	<u>\$ 5,528,537</u>

Principal payments during 2018 totaled \$3,430,000. 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 \$200,205,657 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 67-72 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 2019 fiscal year.

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

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.

BASIC FINANCIAL STATEMENTS

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CITY OF ST. LOUIS PARK, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2018

Statement 1

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and investments	\$ 57,240,488	\$ 9,556,525	\$ 66,797,013
Accrued interest receivable	135,340	22,951	158,291
Due from other governments	1,745,301	17,209	1,762,510
Accounts receivable	1,430,702	4,018,572	5,449,274
Taxes receivable	457,110	-	457,110
Prepaid items	557,593	27,378	584,971
Inventories	208,730	40,995	249,725
Deposits receivable	-	700	700
Internal balances	3,233,479	(3,233,479)	-
Special assessments receivable	6,247,262	974,428	7,221,690
Loans receivable	7,738,313	-	7,738,313
Pledges receivable	1,250,000	-	1,250,000
Land held for resale	3,474,006	-	3,474,006
Capital assets			
Nondepreciable assets	48,616,117	515,083	49,131,200
Depreciable assets (net of accumulated depreciation)	92,652,469	42,812,400	135,464,869
Total assets	<u>224,986,910</u>	<u>54,752,762</u>	<u>279,739,672</u>
Deferred outflows of resources			
Related to pensions	13,734,236	-	13,734,236
Related to OPEB	243,847	-	243,847
Total deferred outflows of resources	<u>13,978,083</u>	<u>-</u>	<u>13,978,083</u>
Liabilities			
Accounts payable	3,478,309	527,144	4,005,453
Salaries payable	1,959,207	153,131	2,112,338
Due to other governments	866,721	291,199	1,157,920
Contracts payable	1,584,905	480,707	2,065,612
Accrued interest payable	543,668	251,279	794,947
Deposits payable	1,382,450	130,855	1,513,305
Unearned revenue	890,974	434,127	1,325,101
Noncurrent liabilities			
Due within one year	5,547,953	2,200,357	7,748,310
Due in more than one year	59,973,036	18,127,679	78,100,715
Total liabilities	<u>76,227,223</u>	<u>22,596,478</u>	<u>98,823,701</u>
Deferred inflows of resources related to pensions	<u>18,532,148</u>	<u>-</u>	<u>18,532,148</u>
Net position			
Net investment in capital assets	107,090,668	25,992,377	133,083,045
Restricted for			
Economic development	5,803,367	-	5,803,367
E-911 purposes	272,840	-	272,840
Community development	461,828	-	461,828
Debt service	4,727,310	-	4,727,310
Cable TV equipment	280,989	-	280,989
Police and fire purposes	1,654,521	-	1,654,521
Unrestricted	<u>23,914,099</u>	<u>6,163,907</u>	<u>30,078,006</u>
Total net position	<u>\$ 144,205,622</u>	<u>\$ 32,156,284</u>	<u>\$ 176,361,906</u>

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 11,051,775	\$ 1,214,710	\$ 97,870	\$ -
Public safety	17,621,109	4,049,914	1,212,054	172,499
Public information	642,350	576	-	-
Operations and recreation	15,146,290	2,516,191	127,530	145,000
Engineering	7,491,753	136,648	759,968	679,382
Housing and rehabilitation	530,192	633,932	-	347,874
Housing maintenance	19,768	-	52,033	-
Social and economic development	12,549,378	213,944	195,489	2,181,622
Interest on long-term debt	1,456,241	-	221,146	-
Total governmental activities	<u>66,508,856</u>	<u>8,765,915</u>	<u>2,666,090</u>	<u>3,526,377</u>
Business-Type activities				
Water	5,445,760	6,469,268	9,200	181,051
Sewer	6,083,196	7,360,679	3,187	65,668
Solid waste	3,463,412	3,348,948	161,863	-
Storm water	2,372,829	2,887,425	-	183,209
Total business-type activities	<u>17,365,197</u>	<u>20,066,320</u>	<u>174,250</u>	<u>429,928</u>
Total	<u>\$ 83,874,053</u>	<u>\$ 28,832,235</u>	<u>\$ 2,840,340</u>	<u>\$ 3,956,305</u>

General revenues
Taxes
 Property taxes
 Tax increment
 Franchise taxes
 Lodging 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
\$ (9,739,195)	\$ -	\$ (9,739,195)
(12,186,642)	-	(12,186,642)
(641,774)	-	(641,774)
(12,357,569)	-	(12,357,569)
(5,915,755)	-	(5,915,755)
451,614	-	451,614
32,265	-	32,265
(9,958,323)	-	(9,958,323)
(1,235,095)	-	(1,235,095)
<u>(51,550,474)</u>	<u>-</u>	<u>(51,550,474)</u>
-	1,213,759	1,213,759
-	1,346,338	1,346,338
-	47,399	47,399
-	697,805	697,805
<u>-</u>	<u>3,305,301</u>	<u>3,305,301</u>
<u>(51,550,474)</u>	<u>3,305,301</u>	<u>(48,245,173)</u>
33,449,668	-	33,449,668
10,266,075	-	10,266,075
3,804,678	-	3,804,678
1,021,855	-	1,021,855
618,645	-	618,645
739,130	159,537	898,667
1,751,339	-	1,751,339
491,591	-	491,591
2,004,593	(2,004,593)	-
<u>54,147,574</u>	<u>(1,845,056)</u>	<u>52,302,518</u>
2,597,100	1,460,245	4,057,345
<u>141,608,522</u>	<u>30,696,039</u>	<u>172,304,561</u>
<u>\$ 144,205,622</u>	<u>\$ 32,156,284</u>	<u>\$ 176,361,906</u>

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

	Special Revenue Fund			Capital Projects Funds			Total Governmental Funds
	General	Housing Rehabilitation	Debt Service	Development EDA	Redevelopment District	Other Governmental Funds	
Assets							
Cash and investments	\$ 22,549,462	\$ 1,941,815	\$ 3,952,743	\$ 15,212,343	\$ 5,713,850	\$ 5,509,296	\$ 54,879,509
Accrued interest receivable	48,465	4,234	5,514	32,950	11,823	26,649	129,635
Due from other governments	254,318	-	77,315	1,033,619	-	380,049	1,745,301
Accounts receivable	421,938	39,550	-	14,330	-	954,608	1,430,426
Taxes receivable - unremitted	141,205	-	-	-	37,521	-	178,726
Taxes receivable - delinquent	269,180	-	-	-	9,204	-	278,384
Prepaid items	50,202	-	-	-	-	19,700	69,902
Inventories	208,730	-	-	-	-	-	208,730
Special assessments receivable - delinquent	-	28,840	-	-	-	9,123	37,963
Special assessments receivable - deferred	-	5,284,145	-	-	-	925,154	6,209,299
Due from other funds	-	-	-	-	-	1,346,378	1,346,378
Interfund loan receivable	-	-	-	4,637,189	-	-	4,637,189
Loans receivable - current	-	-	40,000	308,127	-	-	348,127
Loans receivable - noncurrent	-	3,236,091	1,480,000	1,442,436	743,982	487,677	7,390,186
Pledges receivable - current	-	-	-	-	-	100,000	100,000
Pledges receivable - noncurrent	-	-	-	-	-	1,150,000	1,150,000
Land held for resale	-	-	-	3,474,006	-	-	3,474,006
Total assets	\$ 23,943,500	\$ 10,534,675	\$ 5,555,572	\$ 26,155,000	\$ 6,516,380	\$ 10,908,634	\$ 83,613,761
Liabilities							
Accounts payable	\$ 604,788	\$ 26,176	\$ -	\$ 1,220,009	\$ 5,780	\$ 764,008	\$ 2,620,761
Salaries payable	1,889,449	5,926	-	15,544	-	22,075	1,932,994
Due to other governments	217,903	-	-	8,622	25,986	545,497	798,008
Contracts payable	-	8,922	-	-	-	1,574,311	1,583,233
Due to other funds	-	-	-	-	-	1,346,378	1,346,378
Interfund loan payable	-	-	-	-	4,637,189	-	4,637,189
Deposits payable	1,097,856	-	284,594	-	-	-	1,382,450
Unearned revenue	609,940	-	12,886	22,805	-	245,343	890,974
Total liabilities	4,419,936	41,024	297,480	1,266,980	4,668,955	4,497,612	15,191,987
Deferred inflows of resources							
Unavailable revenue	269,180	5,300,119	1,520,000	-	110,180	2,225,914	9,425,393
Fund balances							
Nonspendable	258,932	-	-	-	-	19,700	278,632
Restricted	272,840	-	3,738,092	-	5,803,367	2,655,094	12,469,393
Committed	-	225,179	-	266,336	-	572,769	1,064,284
Assigned	1,025,207	4,968,353	-	24,621,684	-	4,253,859	34,869,103
Unassigned	17,697,405	-	-	-	(4,066,122)	(3,316,314)	10,314,969
Total fund balances	19,254,384	5,193,532	3,738,092	24,888,020	1,737,245	4,185,108	58,996,381
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,943,500	\$ 10,534,675	\$ 5,555,572	\$ 26,155,000	\$ 6,516,380	\$ 10,908,634	\$ 83,613,761
Total Fund balances reported above							\$ 58,996,381
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							120,686,817
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							9,425,393
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							(37,250,294)
Accrued interest payable							(543,668)
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							(7,109,007)
Net position of governmental activities							\$ 144,205,622

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, 2018

Statement 4

	Special Revenue Fund			Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General	Housing Rehabilitation	Debt Service	Development EDA	Redevelopment District		
Revenues							
Property taxes	\$ 26,580,140	\$ 100,000	\$ 3,164,782	\$ 22,126	\$ 1,176,503	\$ 810,000	\$ 31,853,551
Tax increments	-	-	-	-	10,266,075	-	10,266,075
Franchise taxes	-	-	-	-	-	3,804,678	3,804,678
Lodging tax	-	-	-	1,021,855	-	-	1,021,855
License and permits	4,001,645	-	-	-	-	-	4,001,645
Intergovernmental	2,006,090	-	154,754	2,198,214	-	881,117	5,240,175
Charges for services	3,473,358	2,775	-	188,866	-	43,328	3,708,327
Fines and forfeits	282,146	-	-	-	-	-	282,146
Special assessments	-	799,181	-	-	-	351,396	1,150,577
Interest income	251,494	17,847	23,268	176,802	53,718	154,002	677,131
Miscellaneous	188,912	631,157	106,392	273,078	48	329,750	1,529,337
Total revenues	36,783,785	1,550,960	3,449,196	3,880,941	11,496,344	6,374,271	63,535,497
Expenditures							
Current							
General government	9,075,636	-	-	-	-	-	9,075,636
Public safety	16,718,408	-	-	-	-	331,894	17,050,302
Public information	-	-	-	-	-	567,653	567,653
Operations and recreation	10,764,790	-	-	-	-	266,754	11,031,544
Engineering	552,432	-	-	-	-	3,897,465	4,449,897
Housing and rehabilitation	-	512,029	-	-	-	-	512,029
Housing maintenance	-	-	-	-	-	12,040	12,040
Social and economic development	-	-	449,821	2,803,901	6,970,900	254,737	10,479,359
Capital outlay							
Public safety	97,125	-	-	-	-	24,005	121,130
Public information	-	-	-	-	-	177,889	177,889
Operations and recreation	-	-	-	-	-	4,588,865	4,588,865
Engineering	-	-	-	-	-	7,560,984	7,560,984
Social and economic development	-	-	-	1,940,010	-	-	1,940,010
Debt service							
Principal	-	-	2,055,000	-	-	-	2,055,000
Interest and other	-	-	1,257,938	-	204,387	-	1,462,325
Bond issuance costs	-	-	-	4,255	-	28,805	33,060
Total expenditures	37,208,391	512,029	3,762,759	4,748,166	7,175,287	17,711,091	71,117,723
Revenues over (under) expenditures	(424,606)	1,038,931	(313,563)	(867,225)	4,321,057	(11,336,820)	(7,582,226)
Other financing sources (uses)							
Transfers in	1,929,076	160,000	1,719,780	-	-	3,473,225	7,282,081
Transfers out	(1,040,000)	(341,302)	-	-	(3,808,039)	(419,121)	(5,608,462)
Bonds issued	-	-	46,598	254,010	-	1,719,392	2,020,000
Premium on bonds issued	-	-	-	246	-	5,413	5,659
Proceeds from sale of capital assets	-	-	-	1,679,945	-	-	1,679,945
Total other financing sources (uses)	889,076	(181,302)	1,766,378	1,934,201	(3,808,039)	4,778,909	5,379,223
Net change in fund balances	464,470	857,629	1,452,815	1,066,976	513,018	(6,557,911)	(2,203,003)
Fund balances - January 1	18,789,914	4,335,903	2,285,277	23,821,044	1,224,227	10,743,019	61,199,384
Fund balances - December 31	\$ 19,254,384	\$ 5,193,532	\$ 3,738,092	\$ 24,888,020	\$ 1,737,245	\$ 4,185,108	\$ 58,996,381

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

CITY OF ST. LOUIS PARK, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2018

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) \$ (2,203,003)

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	14,388,878
Capital outlay not capitalized	(6,045,630)
Depreciation expense	(3,634,084)

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	(2,020,000)
Principal repayments on long term debt	2,055,000

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

(10,257)

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.

52,042

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	(451,305)
Property taxes	(371,583)
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.

959,042

Change in net position of governmental activities (Statement 2)	<u><u>\$ 2,597,100</u></u>
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The accompanying notes are an integral part of these financial statements.

	Business-Type Activities Enterprise Funds					Governmental
	Water	Sewer	Solid Waste	Storm Water	Totals	Internal Service Funds
Assets						
Current assets						
Cash and investments	\$ 2,431,308	\$ 2,846,665	\$ 1,756,658	\$ 2,521,894	\$ 9,556,525	\$ 2,360,979
Accrued interest receivable	3,804	4,487	4,872	9,788	22,951	5,705
Due from other governments	-	-	-	17,209	17,209	-
Accounts receivable	1,480,874	1,345,567	736,482	455,649	4,018,572	276
Prepaid items	9,126	9,126	9,126	-	27,378	487,691
Deposits receivable	700	-	-	-	700	-
Inventories	40,995	-	-	-	40,995	-
Special assessments receivable - delinquent	88,997	1,260	-	-	90,257	-
Special assessments receivable - deferred	667,345	216,826	-	-	884,171	-
Total current assets	4,723,149	4,423,931	2,507,138	3,004,540	14,658,758	2,854,651
Noncurrent assets						
Capital assets, at cost						
Land	114,844	60,000	-	340,239	515,083	818,094
Buildings and structures	4,761,612	6,111	-	-	4,767,723	9,451,756
Improvements other than buildings	951,045	22,278	-	6,182,215	7,155,538	1,812,425
Infrastructure	24,156,147	21,198,582	-	19,172,676	64,527,405	1,313,801
Machinery, furniture and equipment	8,677,710	262,040	-	89,098	9,028,848	8,144,700
Fleet	-	-	-	-	-	10,854,001
Construction in progress	-	-	-	-	-	766,601
Total capital assets, at cost	38,661,358	21,549,011	-	25,784,228	85,994,597	33,161,378
Less: accumulated depreciation	(16,243,244)	(16,323,313)	-	(10,100,557)	(42,667,114)	(12,579,609)
Total noncurrent assets	22,418,114	5,225,698	-	15,683,671	43,327,483	20,581,769
Total assets	27,141,263	9,649,629	2,507,138	18,688,211	57,986,241	23,436,420
Deferred outflows of resources						
Related to pensions	-	-	-	-	-	13,734,236
Related to OPEB	-	-	-	-	-	243,847
Total deferred outflows of resources	-	-	-	-	-	13,978,083
Liabilities						
Current liabilities						
Accounts payable	228,465	49,285	209,830	39,564	527,144	857,548
Salaries payable	72,506	40,017	21,263	19,345	153,131	-
Accrued flex spending	-	-	-	-	-	26,213
Due to other governments	95,424	8,603	47,555	139,617	291,199	68,713
Contracts payable	479,507	-	-	1,200	480,707	1,672
Deposits payable	37,960	-	-	92,895	130,855	-
Accrued interest payable	210,561	34,573	-	6,145	251,279	-
Compensated absences payable - current	43,263	45,205	5,321	11,568	105,357	2,498,575
Capital lease payable - current	-	-	-	-	-	59,378
Bonds payable - current	1,789,800	137,500	-	167,700	2,095,000	-
Unearned revenue	434,127	-	-	-	434,127	-
Total current liabilities	3,391,613	315,183	283,969	478,034	4,468,799	3,512,099
Noncurrent liabilities						
Compensated absences payable	28,841	30,136	3,547	7,712	70,236	1,597,029
Capital lease payable	-	-	-	-	-	121,004
Bonds payable	15,187,377	2,326,988	-	543,078	18,057,443	-
Other postemployment benefits payable	-	-	-	-	-	3,500,643
Net pension liability	-	-	-	-	-	20,494,066
Total noncurrent liabilities	15,216,218	2,357,124	3,547	550,790	18,127,679	25,712,742
Total liabilities	18,607,831	2,672,307	287,516	1,028,824	22,596,478	29,224,841
Deferred inflows of resources - pension related						
	-	-	-	-	-	18,532,148
Net position						
Net investment in capital assets	7,270,426	3,749,058	-	14,972,893	25,992,377	20,401,387
Unrestricted	1,263,006	3,228,264	2,219,622	2,686,494	9,397,386	(30,743,873)
Total net position	\$ 8,533,432	\$ 6,977,322	\$ 2,219,622	\$ 17,659,387	35,389,763	\$ (10,342,486)
Adjustment to reflect consolidation of Internal Service fund activities					(3,233,479)	
Net position of business-type activities					\$ 32,156,284	

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, 2018

Statement 7

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Solid Waste	Storm Water	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 6,012,849	\$ 7,359,874	\$ 3,343,761	\$ 2,887,425	\$ 19,603,909	\$ 3,877,577
Other	44,250	805	5,187	-	50,242	313,845
Rent	412,169	-	-	-	412,169	-
Total operating revenues	6,469,268	7,360,679	3,348,948	2,887,425	20,066,320	4,191,422
Operating expenses						
Personal services	1,317,221	800,955	596,642	595,273	3,310,091	3,172,581
Supplies	182,881	29,610	125,457	24,401	362,349	627,040
Professional services	520,408	241,192	26,810	83,802	872,212	85,755
Insurance	27,189	56,842	4,244	7,940	96,215	192,701
Utilities	414,993	46,640	-	28,393	490,026	-
Repairs and maintenance	1,211,205	190,378	-	2,223	1,403,806	-
Depreciation	860,016	131,302	-	575,077	1,566,395	1,694,015
Disposal charges	19,641	4,105,226	2,631,995	-	6,756,862	-
Other	395,848	264,072	72,789	787,937	1,520,646	865,423
Total operating expenses	4,949,402	5,866,217	3,457,937	2,105,046	16,378,602	6,637,515
Operating income (loss)	1,519,866	1,494,462	(108,989)	782,379	3,687,718	(2,446,093)
Nonoperating revenues (expenses)						
Interest income	55,130	35,909	25,691	42,807	159,537	43,999
Property taxes	-	-	-	-	-	1,967,700
Intergovernmental revenue	9,200	3,187	161,863	-	174,250	747,718
Miscellaneous expense	(11,264)	(2,223)	-	(228,905)	(242,392)	-
Amortization of bond premiums	35,660	10,800	-	2,930	49,390	-
Gain on disposal of capital assets	-	-	-	-	-	71,394
Interest expense	(362,363)	(52,921)	-	(15,694)	(430,978)	(8,300)
Bond issuance costs	(92,225)	(18,740)	-	-	(110,965)	-
Total nonoperating revenues (expenses)	(365,862)	(23,988)	187,554	(198,862)	(401,158)	2,822,511
Income (loss) before contributions and transfers	1,154,004	1,470,474	78,565	583,517	3,286,560	376,418
Capital contributions						
Connection fees and special assessments	181,051	65,668	-	-	246,719	-
Capital assets	-	-	-	183,209	183,209	-
Transfers in	-	-	-	-	-	330,974
Transfers out	(603,270)	(844,818)	(234,046)	(322,459)	(2,004,593)	-
Change in net position	731,785	691,324	(155,481)	444,267	1,711,895	707,392
Net position - January 1	7,801,647	6,285,998	2,375,103	17,215,120	33,677,868	(11,049,878)
Net position - December 31	\$ 8,533,432	\$ 6,977,322	\$ 2,219,622	\$ 17,659,387	\$ 35,389,763	\$ (10,342,486)
					(251,650)	
Adjustment to reflect consolidation of Internal Service fund activities						
Change in net position of business-type activities					\$ 1,460,245	

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

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Solid Waste	Storm Water	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 6,369,639	\$ 7,268,737	\$ 3,303,641	\$ 2,888,496	\$ 19,830,513	\$ -
Receipts from interfund services provided	-	-	-	-	-	3,879,494
Other operating cash receipts	44,250	805	5,187	-	50,242	353,995
Payments to suppliers	(2,385,254)	(4,564,232)	(3,060,432)	(857,719)	(10,867,637)	(2,041,453)
Payments to employees	(1,428,428)	(821,261)	(601,791)	(621,531)	(3,473,011)	(3,315,447)
Miscellaneous expense	(11,263)	(2,223)	-	(228,905)	(242,391)	-
Net cash flows provided (used) by operating activities	2,588,944	1,881,826	(353,395)	1,180,341	5,297,716	(1,123,411)
Cash flows from noncapital financing activities						
Transfers out	(569,231)	(790,883)	(201,292)	(289,747)	(1,851,153)	200,000
Property taxes	-	-	-	-	-	1,967,700
Intergovernmental receipts	9,200	3,187	161,863	-	174,250	747,718
Net cash flows provided (used) by noncapital financing activities	(560,031)	(787,696)	(39,429)	(289,747)	(1,676,903)	2,915,418
Cash flows from capital and related financing activities						
Transfers in	-	-	-	-	-	130,974
Transfers out	(34,039)	(53,935)	(32,754)	(32,712)	(153,440)	-
Connection fees/special assessments received	181,051	65,668	-	-	246,719	-
Acquisition of capital assets	(5,315,656)	(388,959)	-	(373,078)	(6,077,693)	(2,350,079)
Proceeds from sale of capital assets	-	-	-	-	-	169,083
Proceeds from issuance of bonds, net	5,710,000	1,309,939	-	-	7,019,939	-
Principal paid						
Bonds	(1,194,700)	(16,500)	-	(163,800)	(1,375,000)	-
Capital lease	-	-	-	-	-	(60,076)
Interest paid						
Bonds	(270,477)	(32,994)	-	(17,137)	(320,608)	-
Capital lease	-	-	-	-	-	(8,300)
Net cash flows provided (used) by capital and related financing activities	(923,821)	883,219	(32,754)	(586,727)	(660,083)	(2,118,398)
Cash flows from investing activities						
Interest received	51,326	31,422	26,915	43,532	153,195	46,818
Net increase (decrease) in cash and cash equivalents	1,156,418	2,008,771	(398,663)	347,399	3,113,925	(279,573)
Cash and cash equivalents - January 1	1,274,890	837,894	2,155,321	2,174,495	6,442,600	2,640,552
Cash and cash equivalents - December 31	\$ 2,431,308	\$ 2,846,665	\$ 1,756,658	\$ 2,521,894	\$ 9,556,525	\$ 2,360,979

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

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Solid Waste	Storm Water	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 1,519,866	\$ 1,494,462	\$ (108,989)	\$ 782,379	\$ 3,687,718	\$ (2,446,093)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous expense	(11,263)	(2,223)	-	(228,905)	(242,391)	-
Depreciation	860,016	131,302	-	575,077	1,566,395	1,694,015
(Increase) decrease in assets/deferred outflows						
Accounts receivable	(140,663)	(35,065)	(40,120)	(18,034)	(233,882)	42,067
Special assessments	42,011	(56,072)	-	-	(14,061)	-
Prepaid items	9,914	351,642	(9,126)	-	352,430	(385,994)
Inventories	20,227	-	-	-	20,227	-
Deferred outflows of resources	-	-	-	-	-	3,040,840
Increase (decrease) in liabilities/deferred inflows						
Accounts payable	22,434	12,382	(196,598)	34,419	(127,363)	91,748
Due to other governments	75,106	5,704	6,587	133,819	221,216	23,712
Contracts payable	259,230	-	-	(91,261)	167,969	-
Deposits payable	17,460	-	-	19,105	36,565	-
Accrued salaries payable	13,463	2,755	2,444	(3,605)	15,057	-
Unearned revenue	25,813	-	-	-	25,813	-
Accrued flex spending	-	-	-	-	-	7,040
Compensated absences payable	11,137	12,826	1,901	4,444	30,308	200,312
Other postemployment benefits	(135,807)	(35,887)	(9,494)	(27,097)	(208,285)	250,513
Net pension liability	-	-	-	-	-	(3,455,414)
Deferred inflows of resources	-	-	-	-	-	(186,157)
Net cash provided (used) by operating activities	\$ 2,588,944	\$ 1,881,826	\$ (353,395)	\$ 1,180,341	\$ 5,297,716	\$ (1,123,411)
Noncash capital and related financing activities						
Amortization of bond premiums	\$ 35,660	\$ 10,800	\$ -	\$ 2,930	\$ 49,390	\$ -
Disposal of capital assets	-	-	-	-	-	874,970
Capital assets acquired through financing	-	-	-	17,209	17,209	74,527
Capital assets acquired on account	-	-	-	166,000	166,000	270,939

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

BLENDED COMPONENT UNITS

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

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

RELATED ORGANIZATION

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, 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.

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

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

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

The 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 benefits including postemployment benefits and pensions, uninsured loss, capital replacement.

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

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

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

D. BUDGETARY INFORMATION

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund. 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 2018, 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 2018 totaled \$2,437,135. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

J. SPECIAL ASSESSMENT REVENUE RECOGNITION

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

K. INVENTORIES

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

L. PREPAID ITEMS

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

M. CAPITAL ASSETS

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

<u>Capitalization Threshold</u>	
Land	All
Buildings	\$5,000
Other Improvements	\$25,000
Machinery and equipment	\$10,000
Vehicles	\$10,000
Infrastructure	\$250,000
Other assets	\$5,000
Construction in progress	Accumulate all costs and capitalize if over \$100,000 when completed

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation. 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.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

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

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

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

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

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement No. 51, the retroactive reporting of permanent easements is not required and therefore, the City has elected not to report permanent easements acquired in years prior to 2010. 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 2017 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. RECLASSIFICATIONS

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

S. NET POSITION

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

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

T. USE OF ESTIMATES

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

U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 two items that qualify for reporting in this category. They are the pension and OPEB related deferred outflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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

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, 2018, the bank balance of the City’s deposits was \$2,138,283 all of which was covered by federal depository insurance or by collateral pledged and held in the City’s name.

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.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

At December 31, 2018, 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	\$ 23,181,858	\$ 23,181,858	\$ -	\$ -	\$ -
Money market funds	NR	3,546,439	3,546,439	-	-	-
Commercial paper	NR	2,376,488	2,376,488	-	-	-
Brokered Certificates of Deposit	NR	3,065,108	1,673,998	1,391,110	-	-
Municipal Bonds	A - AAA	5,423,634	3,982,260	1,441,374	-	-
US Treasury	N/A	17,276,820	-	17,276,820	-	-
Federal National Mortgage Association	N/A	4,564,663	349,724	4,214,939	-	-
Federal Home Loan Bank Notes	N/A	5,503,328	617,444	4,885,884	-	-
Total		\$ 64,938,338	\$ 35,728,211	\$ 29,210,127	\$ -	\$ -
Total investments						\$ 64,938,338
Deposits						1,853,690
Petty cash						4,985
Total cash and investments						\$ 66,797,013

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted market prices. Level 2 investments are valued using inputs that are based on matrix pricing models. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2018:

Investment Type	12/31/2018	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Commercial paper	\$ 2,376,488	\$ -	\$ 2,376,488	\$ -
Brokered Certificates of Deposit	3,065,108	-	3,065,108	-
Municipal Bonds	5,423,634	-	5,423,634	-
US Treasury	17,276,820	-	17,276,820	-
Federal National Mortgage Association	4,564,663	-	4,564,663	-
Federal Home Loan Bank Notes	5,503,328	-	5,503,328	-
Total/Subtotal	38,210,041	\$ -	\$ 38,210,041	\$ -
Investments not categorized:				
External investment pool - 4M Fund	23,181,858			
Money market funds	3,546,439			
Total	\$ 64,938,338			

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.

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.	7.03%
Federal Home Loan Bank	8.47%
US Treasury	26.60%

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018, 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, 2018, the loans receivable balance was \$7,738,313.

Significant receivable balances not expected to be collected within one year of December 31, 2018 are as follows:

	Loans Receivable	Special Assessments Receivable	Property Taxes	Interfund Loans Receivable	Pledges Receivable	Total
Major Funds:						
General Fund	\$ -	\$ -	\$ 265,424	\$ -	\$ -	\$ 265,424
Housing Rehabilitation Fund	3,236,091	15,287	9,075	-	-	3,260,453
Debt Service Funds	1,480,000	-	-	-	-	1,480,000
Development EDA Fund	1,442,436	-	-	4,637,189	-	6,079,625
Redevelopment District Fund	743,982	-	-	-	1,250,000	1,993,982
Water Fund	-	50,296	-	-	-	50,296
Sewer Fund	-	428	-	-	-	428
Nonmajor Governmental Funds	487,677	8,140	-	-	-	495,817
Total	<u>\$ 7,390,186</u>	<u>\$ 74,151</u>	<u>\$ 274,499</u>	<u>\$ 4,637,189</u>	<u>\$ 1,250,000</u>	<u>\$ 13,626,025</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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:

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	\$ 269,180
Delinquent property taxes receivable (Redevelopment District)	9,204
Special assessments not yet due (Housing Rehabilitation)	5,300,119
Special assessments not yet due (Nonmajor Funds)	932,890
Bond reimbursement payments not yet due (Debt Service Funds)	1,520,000
Other miscellaneous (Redevelopment District)	100,976
Other miscellaneous (Nonmajor Funds)	<u>1,293,024</u>
 Total unavailable revenue for governmental funds	 <u><u>\$ 9,425,393</u></u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018 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	5,825,727	6,659,548	8,302,513	-	4,182,762
Total capital assets, not being depreciated	50,259,082	6,659,548	8,302,513	-	48,616,117
Capital assets, being depreciated:					
Buildings and structures	56,294,545	177,207	-	-	56,471,752
Improvements other than buildings	34,946,871	6,880,266	-	-	41,827,137
Infrastructure	31,912,725	3,537,730	-	-	35,450,455
Machinery, furniture and equipment	10,581,920	1,171,363	172,870	-	11,580,413
Fleet	10,680,402	1,073,816	702,100	-	11,052,118
Total capital assets, being depreciated	144,416,463	12,840,382	874,970	-	156,381,875
Less accumulated depreciation for:					
Buildings and structures	15,143,279	1,408,157	-	-	16,551,436
Improvements other than buildings	14,466,988	1,434,671	-	-	15,901,659
Infrastructure	18,138,897	956,186	-	509,927	19,605,010
Machinery, furniture and equipment	6,553,075	645,123	14,245	-	7,183,953
Fleet	4,717,723	883,963	604,411	(509,927)	4,487,348
Total accumulated depreciation	59,019,962	5,328,100	618,656	-	63,729,406
Total capital assets being depreciated - net	85,396,501	7,512,282	256,314	-	92,652,469
Governmental activities capital assets - net	\$ 135,655,583	\$ 14,171,830	\$ 8,558,827	\$ -	\$ 141,268,586
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 515,083	\$ -	\$ -	\$ -	\$ 515,083
Construction in progress	6,487,460	3,741,924	10,229,384	-	-
Total capital assets, not being depreciated	7,002,543	3,741,924	10,229,384	-	515,083
Capital assets, being depreciated:					
Buildings and structures	4,767,723	-	-	-	4,767,723
Improvements other than buildings	7,155,538	-	-	-	7,155,538
Infrastructure	51,779,046	12,748,359	-	-	64,527,405
Machinery, furniture and equipment	9,028,848	-	-	-	9,028,848
Total capital assets, being depreciated	72,731,155	12,748,359	-	-	85,479,514
Less accumulated depreciation for:					
Buildings and structures	4,089,885	375,988	-	-	4,465,873
Improvements other than buildings	3,521,029	23,443	-	-	3,544,472
Infrastructure	30,016,845	735,431	-	-	30,752,276
Machinery, furniture and equipment	3,472,960	431,533	-	-	3,904,493
Total accumulated depreciation	41,100,719	1,566,395	-	-	42,667,114
Total capital assets being depreciated - net	31,630,436	11,181,964	-	-	42,812,400
Business-type activities capital assets - net	\$ 38,632,979	\$ 14,923,888	\$ 10,229,384	\$ -	\$ 43,327,483

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

Governmental activities:	
General government	\$ 80,424
Public safety	467,676
Engineering	8,393
Operations and recreation	2,885,195
Public information	62,388
Social and economic development	130,009
Internal service	<u>1,694,015</u>
Total depreciation expense - governmental activities	<u>\$ 5,328,100</u>
Business-type activities:	
Water	\$ 860,016
Sewer	131,302
Storm water	<u>575,077</u>
Total depreciation expense - business-type activities	<u>\$ 1,566,395</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018, long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rates	Authorized And Issued	Outstanding 12/31/18
<u>Governmental Activities:</u>					
General Long-Term Debt:					
General Improvement Bonds:					
G.O. Improvement Bonds Series 2010D (BABS)	12/29/2010	2/1/2032	1.25 - 5.15%	\$ 13,025,000	\$ 9,775,000
G.O. Improvement Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	5,070,000	4,130,000
G.O. Improvement Bonds Series 2016A	7/14/2016	2/1/2027	1.375 - 2.375%	10,000,000	9,620,000
G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2028	2.125 - 3%	3,430,000	3,430,000
G.O. Improvement Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	2,020,000	2,020,000
Total General Improvement Bonds				<u>33,545,000</u>	<u>28,975,000</u>
Tax Increment Bonds:					
Tax Increment Refunding Bonds Series 2008B	12/1/2008	2/1/2024	3.25 - 4.625%	5,490,000	2,995,000
G.O. Special Assessment Bonds:					
G.O. Improvement Bonds Series 2010A	5/7/2010	2/1/2031	1.25 - 5.7%	3,105,000	2,290,000
G.O. Improvement Bonds Series 2012A HIA	10/17/2012	2/1/2033	0.75 - 3.90%	1,290,000	1,025,000
Total G.O. Special Assessment Bonds				<u>4,395,000</u>	<u>3,315,000</u>
G.O. Revenue bonds:					
G.O. Improvement Refunding Bonds Series 2010C	12/29/2010	2/1/2040	3.00 - 5.65%	1,770,000	1,520,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	445,293
Total - bonded indebtedness				<u>45,200,000</u>	<u>37,250,293</u>
Capital lease payable - copier	2/14/2014	12/31/2018	0.00%	40,500	-
Capital lease payable - vehicles	5/1/2016	5/1/2021	4.53%	222,149	180,382
Total Capital Leases Payable				<u>262,649</u>	<u>180,382</u>
Compensated absences payable	N/A	N/A	N/A	N/A	4,095,604
Total governmental activities				<u>45,462,649</u>	<u>41,526,279</u>
<u>Business-Type Activities:</u>					
General Obligation Revenue Bonds:					
Utility Crossover Refunding Bonds Series 2013A	7/10/2013	8/1/2023	1.0 - 1.9%	4,170,000	2,370,000
Utility Revenue Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	4,930,000	4,020,000
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	1,320,000
Utility G.O. Revenue Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	6,780,000	6,780,000
Total General Obligation Revenue Bonds				<u>22,350,000</u>	<u>19,475,000</u>
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	677,443
Total - bonded indebtedness				<u>22,350,000</u>	<u>20,152,443</u>
Compensated absences payable	N/A	N/A	N/A	N/A	175,593
Total business-type activities				<u>22,350,000</u>	<u>20,328,036</u>
Total long-term debt				<u>\$ 67,812,649</u>	<u>\$ 61,854,315</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

GOVERNMENTAL ACTIVITIES

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

Year Ending December 31	G.O. Improvement Bonds		G.O. Tax Increment Bonds		G.O. Special Assessment Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,330,000	\$ 901,178	\$ 435,000	\$ 124,613	\$ 185,000	\$ 145,753	\$ 40,000	\$ 76,455
2020	2,555,000	823,705	460,000	105,563	190,000	139,046	45,000	74,805
2021	2,625,000	749,265	485,000	84,300	205,000	131,640	45,000	72,983
2022	2,685,000	672,091	510,000	61,913	210,000	123,510	45,000	71,104
2023	2,750,000	592,209	535,000	38,400	215,000	114,764	50,000	69,048
2024	2,820,000	507,343	570,000	13,181	230,000	105,311	50,000	66,823
2025	2,905,000	423,068	-	-	235,000	95,133	55,000	64,433
2026	2,975,000	341,161	-	-	245,000	84,345	55,000	61,875
2027	2,485,000	263,821	-	-	260,000	72,578	60,000	59,143
2028	1,360,000	201,390	-	-	270,000	59,773	60,000	56,233
2029	1,005,000	151,073	-	-	285,000	45,923	65,000	53,138
2030	800,000	107,120	-	-	300,000	30,844	65,000	49,855
2031	825,000	65,276	-	-	315,000	14,828	70,000	46,378
2032	855,000	22,016	-	-	85,000	4,973	75,000	42,589
2033	-	-	-	-	85,000	1,658	75,000	38,633
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>\$ 28,975,000</u>	<u>\$ 5,820,716</u>	<u>\$ 2,995,000</u>	<u>\$ 427,970</u>	<u>\$ 3,315,000</u>	<u>\$ 1,170,079</u>	<u>\$ 1,520,000</u>	<u>\$ 1,040,784</u>

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

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

BUSINESS-TYPE ACTIVITIES

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

Year Ending December 31	G.O. Revenue Bonds	
	Principal	Interest
2019	\$ 2,095,000	\$ 542,308
2020	2,065,000	463,563
2021	1,585,000	414,475
2022	1,640,000	371,180
2023	1,690,000	325,765
2024	1,440,000	278,750
2025	1,495,000	235,725
2026	1,320,000	194,450
2027	805,000	164,538
2028	825,000	142,888
2029	860,000	119,825
2030	875,000	95,613
2031	900,000	69,900
2032	930,000	42,450
2033	950,000	14,250
Total	<u>\$ 19,475,000</u>	<u>\$ 3,475,680</u>

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

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	\$ 28,375,000	\$ 2,020,000	\$ 1,420,000	\$ 28,975,000	\$ 2,330,000
G.O. tax increment bonds	3,410,000	-	415,000	2,995,000	435,000
G.O. special assessment bonds	3,495,000	-	180,000	3,315,000	185,000
G.O. revenue bonds	1,560,000	-	40,000	1,520,000	40,000
Add:					
Premiums on bonds	601,390	5,659	65,241	541,808	-
Discounts on bonds	(104,055)	-	(7,540)	(96,515)	-
Total bonds payable	37,337,335	2,025,659	2,112,701	37,250,293	2,990,000
Capital lease payable	165,931	74,527	60,076	180,382	59,378
Compensated absences	3,895,292	2,893,952	2,693,640	4,095,604	2,498,575
Total governmental activity long-term debt	<u>\$ 41,398,558</u>	<u>\$ 4,994,138</u>	<u>\$ 4,866,417</u>	<u>\$ 41,526,279</u>	<u>\$ 5,547,953</u>
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	\$ 14,070,000	\$ 6,780,000	\$ 1,375,000	\$ 19,475,000	\$ 2,095,000
Add:					
Premiums on bonds	375,930	350,903	49,390	677,443	-
Total bonds payable	14,445,930	7,130,903	1,424,390	20,152,443	2,095,000
Compensated absences	145,285	201,122	170,814	175,593	105,357
Total business-type activity long-term debt	<u>\$ 14,591,215</u>	<u>\$ 7,332,025</u>	<u>\$ 1,595,204</u>	<u>\$ 20,328,036</u>	<u>\$ 2,200,357</u>

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

\$8,800,000 GENERAL OBLIGATION BONDS, SERIES 2018A

On June 14, 2018, the City issued Charter General Obligation Bonds in the amount of \$2,020,000 for funding sidewalks, trails, fiber, and softball fields, and General Obligation Revenue Bonds in the amount of \$6,780,000 for funding water treatment plant filters, water rehab/infrastructure, and sewer improvements. The bond issues were consolidated into one issuance of \$8,800,000 General Obligation Bonds, Series 2018A.

The Charter G.O. Bonds will have a term of 10 years, an average interest rate of 2.83%, and will be repaid with property tax levies, G.O. Revenue Bonds will have a term of 15 years, an average interest rate of 2.56%, and will be repaid with water and sewer rates.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 December 31, 2018. Depreciation in the amount of \$8,775 has been recorded as depreciation expense during 2018.

The net book value of assets under the capital lease at December 31, 2018 is as follows:

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

There are no remaining future minimum lease payments under the capital lease.

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 \$44,481 has been recorded as depreciation expense during 2018.

In 2018, the City entered into a lease agreement for three vehicles. The agreement calls for total monthly payments of \$1,406 maturing on May 1, 2023, with an interest rate of 5.00 percent. Depreciation in the amount of \$11,154 has been recorded as depreciation expense during 2018.

The net book value of assets under the capital lease at December 31, 2018 is as follows:

Equipment	\$	313,475
Accumulated depreciation		<u>(129,892)</u>
Net book value	\$	<u><u>183,583</u></u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

	Year Ending December 31,	Payment
	2019	\$ 66,612
	2020	66,612
	2021	37,584
	2022	16,877
	2023	<u>7,026</u>
Total minimum lease payments		194,711
Less: amount representing interest		<u>(14,329)</u>
Present value of minimum lease payments		<u>\$ 180,382</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%	53.1%	2033	1,310,604	87,803	165,471
G.O. Improvement Bonds Series 2010A	Housing Improvement Area	Fee	100.0%	94.3%	2031	3,174,471	245,069	259,947
Tax Increment Refunding Bonds Series 2008B	Street Improvements	TIF	100.0%	100.0%	2024	3,422,969	557,088	557,088
G.O. Improvement Refunding Bonds Series 2010C	Louisiana Court Project	Operating revenues of Louisiana Court	100.0%	111.7%	2040	2,599,380	118,855	106,392
Utility Crossover Refunding Bonds Series 2013A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2023	2,462,170	793,013	793,013
Utility Revenue Bonds Series 2014A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2026	4,350,000	545,000	545,000
Utility Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2033	6,092,413	147,341	147,341
Utility Refunding Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2033	1,462,950	209,303	209,303
Utility Revenue Bonds Series 2018A	Utility Infrastructure Projects	Utility charges	100.0%	n/a	2033	8,583,146	-	-

Note 7 **DEFINED BENEFIT PENSION PLANS**

A. PLAN DESCRIPTION

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to 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. 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated Plan members is 1.2% for each of the first ten years and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. The accrual for Minneapolis Employees Retirement Fund (MERF) members is 2% for each of the first 10 years of service and 2.5% for each additional year. 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.

Beginning January 1, 2019, benefit recipients will receive a future annual increase equal to 50 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

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.

Beginning in 2019, the COLA will be fixed at 1 percent. Under funding measurements from 2017, the 2.5 percent COLA trigger was never expected to occur and was subsequently removed from law. Post retirement increases are given each year except for annuitants who have been receiving a benefit for only 31 to 41 months. These annuitants will receive a prorated amount of the increase on a sliding scale.

C. CONTRIBUTIONS

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

1. GERS Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2018. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2018, were \$1,122,359. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Legislation increased both employee and employer contribution rates in the Police and Fire Plan. Employee rates increased from 10.80 percent of pay to 11.30 percent and employer rates increase from 16.20 percent to 16.95 percent on January 1, 2019. On January 1, 2020 employee rates increase to 11.80 percent and employer rates increase to 17.70 percent. The City's contributions to the PEPFF for the year ended December 31, 2018 were \$1,210,648. The City's contributions were equal to the required contributions as set by state statute.

D. PENSIONS COST

1. GERS Pension Costs

At December 31, 2018, the City reported a liability of \$12,798,290 for its proportionate share of the GERS's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. 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 \$419,668. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018 the City's proportion was .2269% which was a decrease of .0011% from its proportion measured as of June 30, 2017.

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Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.

If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the entity would include a brief description of the nature of those changes.

For the year ended December 31, 2018, the City recognized pension expense of \$1,366,006 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$97,870 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 338,749	\$ 376,345
Changes in actuarial assumptions	1,237,342	1,438,024
Difference between projected and actual investment earnings	-	1,295,243
Changes in proportion	251,906	69,088
Contributions paid to PERA subsequent to the measurement date	<u>608,703</u>	<u>-</u>
Total	<u>\$ 2,436,700</u>	<u>\$ 3,178,700</u>

\$608,703 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, 2019. 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>
2019	\$ 507,295
2020	(625,664)
2021	(96,512)
2022	(267,122)
2023	-
Thereafter	-

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2. PEPFF Pension Costs

At December 31, 2018, the City reported a liability of \$7,695,776 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportion was .7220%, which was a decrease of .0210% from its proportion measured as of June 30, 2017. The City also recognized \$64,980 for the year ended December 31, 2018, 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.

Beginning in January 1, 2019, the COLA will be fixed at 1 percent. Under funding measurements from 2017, the 2.5 percent COLA trigger was never expected to occur and was subsequently removed from law.

For the year ended December 31, 2018, the City recognized pension expense of \$930,249 for its proportionate share of the PEPFF's pension expense.

At December 31, 2018, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 310,183	\$ 1,906,671
Changes in actuarial assumptions	9,637,336	11,329,185
Difference between projected and actual investment earnings	-	1,586,586
Changes in proportion	698,853	531,006
Contributions paid to PERA subsequent to the measurement date	651,164	-
	<u>11,297,536</u>	<u>15,353,448</u>
Total	<u>\$ 11,297,536</u>	<u>\$ 15,353,448</u>

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\$651,164 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, 2019. 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
2019	\$ (133,627)
2020	(500,037)
2021	(1,103,915)
2022	(3,072,374)
2023	102,877
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

	GERF	PEPFF
Inflation	2.50% per year	2.50% per year
Salary Growth	3.25% per year after 26 years of service	3.25% per year after 25 years of service
Investment Rate of Return	7.50%	7.50%

The total pension liability for each of the defined benefit cost-sharing plans was determined by an actuarial valuation as of June 30, 2018, using the entry age normal actuarial cost method. Inflation is assumed to be 2.50 percent for the GERF and PEPFF. Salary growth assumptions in the GERF decrease in annual increments from 11.25 percent after one year of service, to 3.25 percent after 26 years of service. In the PEPFF. Salary growth assumptions decrease from 12.25 percent after one year of service to 3.25 percent after 25 years of service.

Mortality rates for all plans are based on RP-2014 mortality tables. The tables are adjusted slightly to fit PERA's experience. Actuarial assumptions for the General Employees Plan are reviewed every four to six years. The most recent six-year experience study for the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

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

Police and Fire Fund

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

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 (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	20%	5.90%
Cash	2%	0.00%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2018 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 position of the General Employees Fund and the Police and Fire 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.

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	\$ 20,798,860	\$ 12,798,290	\$ 6,194,048
City's proportionate share of the PEPFF net pension liability	\$ 16,500,227	\$ 7,695,776	\$ 414,861

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

H. PENSION PLAN FIDUCIARY NET POSITION

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

I. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2018 is as follows:

GERF	\$	1,364,747
PEPFF		919,700
		919,700
Total	\$	2,284,447

Note 8 DEFINED CONTRIBUTION PLAN

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

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

Total contributions made by the City during fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer (Pension Expense)	Employee	Employer	Rate
\$ 2,428	\$ 2,428	5%	5%	5%

Note 9 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For the year ended December 31, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 established new accounting and financial reporting requirements for government whose employees are provided OPEB. Net position has not been restated as a result of the change in accounting principle because its effects on the financial statements were not material.

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 7 and 8, the City provides post-employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee

contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. BENEFITS PROVIDED

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Police officers, 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.

C. PARTICIPANTS

As of the December 31, 2018 actuarial valuation, participants of the plan consisted of:

Active employees electing coverage	262
Active employees waiving coverage	2
Retirees electing coverage	<u>15</u>
Total	<u><u>279</u></u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City’s total OPEB liability of \$3,500,643 was measured as of December 31, 2017, and was determined by an actuarial valuation as of December 31, 2018. Changes in the total OPEB liability during 2018 were:

Changes for the year:	
Service cost	\$ 273,798
Interest cost	126,654
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	120,221
Benefit payments	<u>(140,966)</u>
Net changes	379,707
Balance - beginning of year	<u>3,120,936</u>
Balance - end of year	<u><u>\$ 3,500,643</u></u>

There were no plan changes since the measurement date of December 31, 2017.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Based on most recently disclosed assumptions for the pension plan in which the employee participates
Discount rate	3.31%
20-year municipal bond yield	3.31%
Healthcare cost trend rates	6.9% in 2018 gradually decreasing over several decades to an ultimate rate of 4.40% in 2075
Retirees' share of benefit-related costs	100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return were based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date. (Fidelity 20-year Municipal 6.0. AA Index)

Mortality rates for general employees were based on the RP-2014 Mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments mortality rates for Police and Fire were based on the RP-2000 mortality tables with projected mortality improvements based on scale AA, and other adjustments.

The actuarial assumptions used in the December 31, 2018 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in assumptions and other inputs since the prior measurement date reflect a decrease in the discount rate from 3.81% to 3.31%.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.31%) or 1% higher (4.31%) than the current discount rate:

	1% Decrease (2.31%)	Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB liability	\$ 3,752,684	\$ 3,500,643	\$ 3,264,159

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.90% decreasing to 3.4%) or 1% higher (7.90% decreasing to 5.40%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 3,099,374	\$ 3,500,643	\$ 3,973,215

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

For the year ended December 31, 2018, the City recognized \$415,149 of OPEB expense. At December 31, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 138,323	\$ -
Changes in assumption	105,524	-
Total	<u>\$ 243,847</u>	<u>\$ -</u>

\$138,323 of the deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2019	\$ 14,697
2020	14,697
2021	14,697
2022	14,697
2023	14,697
Thereafter	32,039
	<u>\$ 105,524</u>

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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, 2018 is as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Major Funds:		
Development EDA	\$ 4,637,188	\$ -
Redevelopment District	<u>-</u>	<u>4,637,188</u>
Total	<u>\$ 4,637,188</u>	<u>\$ 4,637,188</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, 2018 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
Permanent Improvement Revolving	\$ 1,346,378	\$ -
Other:		
Special Service Districts	-	435,811
Capital Projects	<u>-</u>	<u>910,567</u>
Total	<u>\$ 1,346,378</u>	<u>\$ 1,346,378</u>

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Interfund Transfers

Interfund transfers at December 31, 2018 are as follows:

Fund	Transfers in		
	General	Housing Rehabilitation	Debt Service
Transfers out			
General	\$ -	\$ -	\$ 380,000
Housing Rehabilitation	8,431	-	332,871
Redevelopment District	-	160,000	1,006,909
Nonmajor Governmental	69,493	-	-
Water	569,230	-	-
Sewer	790,883	-	-
Solid Waste	201,292	-	-
Storm Water	289,747	-	-
Total transfers in	<u>\$ 1,929,076</u>	<u>\$ 160,000</u>	<u>\$ 1,719,780</u>

Fund	Transfers in		
	Nonmajor Governmental	Internal Service Funds	Total
Transfers out			
General	\$ 460,000	\$ 200,000	\$ 1,040,000
Housing Rehabilitation	-	-	341,302
Redevelopment District	2,641,130	-	3,808,039
Nonmajor Governmental	349,628	-	419,121
Water	1,286	32,754	603,270
Sewer	21,181	32,754	844,818
Solid Waste	-	32,754	234,046
Storm Water	-	32,712	322,459
Total transfers in	<u>\$ 3,473,225</u>	<u>\$ 330,974</u>	<u>\$ 7,613,055</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, 2018, a summary of the governmental fund balance classifications are as follows:

Fund/Description	Nonspendable	Restricted	Committed	Assigned
General Fund				
Prepaid items	\$ 50,202	\$ -	\$ -	\$ -
Inventories	208,730	-	-	-
E-911 purposes	-	272,840	-	-
Inspections	-	-	-	550,000
DWI enforcement	-	-	-	107,287
Fire expenditures	-	-	-	17,920
Tax court petitions	-	-	-	200,000
Windsor power	-	-	-	50,000
City Hall Remodel	-	-	-	100,000
Housing Rehabilitation	-	-	225,179	4,968,353
Debt service	-	3,738,092	-	-
Development EDA				
Prepaid items	-	-	-	-
Economic development	-	-	266,336	-
Redevelopment efforts	-	-	-	24,621,684
Redevelopment districts	-	5,803,367	-	-
Other governmental funds				
Prepaid items	19,700	-	-	-
Capital improvements	-	257,756	-	2,646,731
Light pole replacement	-	-	-	370,000
Community development	-	461,828	-	-
Cable TV equipment purchases	-	280,989	572,769	641,461
Police and fire purposes	-	1,654,521	-	-
Special service districts	-	-	-	139,030
Street rehabilitation	-	-	-	456,637
Total	\$ 278,632	\$ 12,469,393	\$ 1,064,284	\$ 34,869,103

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, 2018, the unassigned fund balance for the General Fund was 45.3% of the subsequent year’s budgeted expenditures.

Note 12 DEFICIT FUND BALANCE/NET POSITION

At December 31, 2018, individual funds with deficit fund balance/net position are as follows:

	<u>Amount</u>	<u>Future Financing Source</u>
Redevelopment District:		
HRA Levy	\$ (1,107,841)	General property tax levy
Elmwood Village	(2,873,487)	Future tax increment
Hard Coat TIF District	(52,823)	Future tax increment
Excelsior Blvd TIF District	(31,791)	Future tax increment
Other Governmental Funds:		
Westwood Hills Nature Center Constr	(1,086,169)	Future bonding
Park Improvement	(456,394)	Future property taxes
Streets Capital Projects	(1,760,551)	Future bonding/MSA reimburse
Internal Service Funds:		
Employee Benefits	<u>(31,769,189)</u>	Future pension contributions and investment earnings
Total	<u>\$ (39,138,245)</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, 2018.

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, 2018

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

District Name / Note Description	Issue Date	Principal Amount	Interest Rate	First Note Pymt	Final Note Pymt	% TIF Available	2018 Payments	12/31/2018 Balance
Zarthan/16th Ave TIF District								
Rottlund - Town Homes/Condos	11/06/2000	1,395,547	8.00%	08/01/2003	02/01/2021	89.75%	238,273	511,429
CSM - Town Place Suites	10/25/2000	1,101,362	8.00%	08/01/2003	02/01/2022	89.75%	94,025	1,218,476
CSM - Spring Hill Suites	10/25/2000	1,448,088	8.00%	08/01/2003	02/01/2022	89.75%	113,680	1,750,836
							<u>445,978</u>	
Mill City TIF District								
MSP SLP Apartments	11/20/2000	3,431,137	8.75%	08/1/2002	02/01/2023	94.75%	528,698	3,543,995
Park Commons TIF District								
Excelsior & Grand Phase I	07/01/2003	3,500,000	8.50%	08/05/2005	02/01/2023	97.00%	976,442	3,126,135
Excelsior & Grand Phase NE	06/05/2006	4,668,633	8.50%	08/01/2006	02/01/2028	97.00%	496,951	4,654,653
Excelsior & Grand Phase NW	06/05/2006	4,079,105	8.50%	08/01/2007	02/01/2028	97.00%	512,157	4,488,259
Excelsior & Grand Phase E	06/05/2006	3,300,715	8.50%	08/01/2006	02/01/2028	97.00%	303,186	4,027,739
							<u>2,288,736</u>	
Edgewood TIF District								
Real Estate Recycling / Edgewood Investors	02/01/2004	600,000	1.70%	08/01/2006	08/01/2019	95.00%	56,379	48,298
Wolfe Lake TIF District								
Belt Line Industrial Park	01/20/2006	996,000	7.50%	08/01/2006	02/01/2020	95.00%	117,352	155,141
Aquila Commons TIF District								
Stonebridge Development	05/26/2006	1,050,000	5.75%	08/01/2008	08/01/2018	95.00%	124,226	-
Elmwood Village TIF District								
Webster LLC / Adagio	07/29/2013	820,000	4.00%	08/01/2014	08/01/2019	95.00%	239,731	160,964
Medley Row	07/29/2013	200,000	4.00%	08/01/2014	02/01/2020	95.00%	54,578	64,721
Hoigaard Village 2010A TIF Revenue Bonds	10/21/2010	3,495,000	1.5-5%	02/01/2011	02/01/2023	95.00%	365,869	1,620,000
Hoigaard Village 2010B TIF Revenue Note	10/21/2010	935,000	3.99%	02/01/2011	02/01/2018	95.00%	83,852	-
							<u>744,030</u>	
Highway 7 Corporate Center TIF District								
Highway 7 Business Center Note A	07/24/2008	2,100,000	1.00%	08/01/2008	08/01/2026	95.00%	99,929	960,164
Highway 7 Business Center Note B	07/24/2008	360,000	1.00%	08/01/2008	08/01/2026	95.00%	17,131	164,600
Highway 7 Business Center Note C	07/24/2008	72,000	1.00%		08/01/2027	95.00%	-	79,566
Highway 7 Business Center Note D	07/24/2008	23,000	1.00%		08/01/2027	95.00%	-	25,417
							<u>117,060</u>	
West End TIF District								
Duke Realty Limited Partnership	11/01/2010	21,100,000	6.75%	02/01/2012	08/01/2031	95.00%	1,614,363	20,909,528
Ellipse on Excelsior TIF District								
Ellipse on Excelsior Note A	08/01/2011	1,230,000	6.00%	02/01/2012	02/01/2019	95.00%	360,134	-
Ellipse on Excelsior Note B	08/01/2011	220,000	6.00%	02/01/2012	08/01/2019	95.00%	88,578	-
E2	08/01/2015	686,195	5.60%	08/01/2015	02/01/2021	95.00%	153,267	298,680
							<u>601,979</u>	
Eliot Park TIF District								
Cedar Lake Road Apartments LLC	05/18/2016	1,100,000	5.50%	08/01/2016	02/01/2021	95.00%	350,721	644,066

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, 2018, the outstanding principal on the bonds is \$1,520,000.

F. CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2018. 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
2017 Pavement Management and Watermain	\$ 59,220
W. 37th Street Bridge Replacement	323,206
Water Treatment Plant #4 Rehab	85,824
Water Treatment Plant #16 Rehab	26,010
Rec Center Parking Lot Mill and Overlay	74,176
Recoat Reservoir at Water Treatment Plant #6	939,950
Pedestrian Flasher System	119,223
2018 Alley Reconstruction	21,130
Connect the Park - Utica Avenue	224,789
Trunk Hwy 7 at Wooddale Ave. bridge	167,925
2018 Pavement Mgmt. (Area 6)	314,791
Rec Center Roof and Exterior Rehab	128,538
Westwood Hills Nature Center Earthwork	522,015
	\$ 3,006,797

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, 2018, there were 16 revenue bonds issued. The aggregate principal amount payable as of December 31, 2018 is \$181,333,977.

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. 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. 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.

Statement No. 89 *Accounting for Interest Cost Incurred before the end of a Construction Period*. The Provisions of this statement are effective for the reporting periods beginning after December 15, 2019.

Statement No. 90 *Major Equity Interest an amendment of GASB Statements No. 14 and No. 61*. The provisions of this statement are effective for the reporting periods beginning after December 15, 2018.

Statement No. 91 *Conduit Debt Obligations*. The provisions of this statement are effective for the reporting periods beginning after December 15, 2020.

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

Note 16 SUBSEQUENT EVENTS

On April 10, 2019, the City issued \$22,220,000 General Obligation Bonds, Series 2019A on April 10, 2019, with a true interest cost of 2.64% to finance: (i) construction of a new Westwood Hills Nature Center; and (ii) the required City contribution of various improvements for the Southwest Light Rail Transit line, improvements to the City's fiber system, the costs of sidewalks and trails including reconstruction costs of sidewalks and trails along Cedar Lake Road related to the City's Connect the Park Initiative, and the cost of reconstruction to Cedar Lake Road.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 25,705,886	\$ 25,705,886	\$ 26,580,140	\$ 874,254
Licenses and permits				
Business regulatory licenses	648,390	648,390	627,985	(20,405)
Non-business licenses and permits	3,276,258	3,276,258	3,373,660	97,402
Total licenses and permits	3,924,648	3,924,648	4,001,645	76,997
Intergovernmental				
Federal	219,500	219,500	237,694	18,194
State shared taxes				
Highway user tax	680,835	680,835	759,968	79,133
Insurance premium tax	697,500	697,500	721,626	24,126
State of Minnesota				
Other	115,637	115,637	105,491	(10,146)
PERA	45,205	45,205	45,205	-
Police training reimbursement	45,000	45,000	51,678	6,678
School district	58,700	58,700	60,012	1,312
Other local governments	-	-	24,416	24,416
Total intergovernmental	1,862,377	1,862,377	2,006,090	143,713
Charges for services				
General government	868,250	868,250	809,491	(58,759)
Public safety	113,650	113,650	194,406	80,756
Public works - signals/lighting	17,250	17,250	13,000	(4,250)
Culture and rec	1,164,760	1,164,760	1,167,711	2,951
Rent of City property	1,200,412	1,200,412	1,288,750	88,338
Total charges for services	3,364,322	3,364,322	3,473,358	109,036
Fines and forfeits				
Municipal court	240,000	240,000	233,486	(6,514)
Liquor violations	12,000	12,000	6,000	(6,000)
Property forfeits	15,000	15,000	38,760	23,760
Miscellaneous violations	2,200	2,200	3,900	1,700
Total fines and forfeits	269,200	269,200	282,146	12,946
Interest income	160,000	160,000	251,494	91,494
Miscellaneous	159,575	159,575	188,912	29,337
Total revenues	35,446,008	35,446,008	36,783,785	1,337,777

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2018

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government				
Administration				
Current				
Personal services	\$ 842,007	\$ 842,007	\$ 916,845	\$ (74,838)
Supplies	3,500	3,500	4,615	(1,115)
Other services and charges	811,871	811,871	605,789	206,082
Capital outlay	-	-	0	-
Total administration	<u>1,657,378</u>	<u>1,657,378</u>	<u>1,527,249</u>	<u>130,129</u>
Finance				
Current				
Personal services	582,459	582,459	575,501	6,958
Materials and supplies	3,000	3,000	2,503	497
Other services and charges	393,293	393,293	386,031	7,262
Total finance	<u>978,752</u>	<u>978,752</u>	<u>964,035</u>	<u>14,717</u>
Assessing				
Current				
Personal services	741,940	741,940	678,700	63,240
Materials and supplies	1,600	1,600	802	798
Other services and charges	16,325	16,325	31,214	(14,889)
Total assessing	<u>759,865</u>	<u>759,865</u>	<u>710,716</u>	<u>49,149</u>
Human resources				
Current				
Personal services	624,566	624,566	607,101	17,465
Supplies	2,000	2,000	6,270	(4,270)
Other services and charges	170,100	170,100	121,678	48,422
Total human resources	<u>796,666</u>	<u>796,666</u>	<u>735,049</u>	<u>61,617</u>
Community development				
Current				
Personal services	1,465,011	1,465,011	1,523,542	(58,531)
Materials and supplies	1,300	1,300	586	714
Other services and charges	13,600	13,600	35,592	(21,992)
Total community development	<u>1,479,911</u>	<u>1,479,911</u>	<u>1,559,720</u>	<u>(79,809)</u>
Facilities maintenance				
Current				
Personal services	474,680	474,680	464,145	10,535
Materials and supplies	93,000	93,000	97,241	(4,241)
Other services and charges	594,662	594,662	661,723	(67,061)
Total facilities maintenance	<u>1,162,342</u>	<u>1,162,342</u>	<u>1,223,109</u>	<u>(60,767)</u>

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2018

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government (continued)				
Communications and marketing				
Current				
Personal services	\$ 438,190	\$ 438,190	\$ 407,376	\$ 30,814
Materials and supplies	27,500	27,500	11,284	16,216
Other services and charges	290,250	290,250	411,073	(120,823)
Total communications, etc.	755,940	755,940	829,733	(73,793)
Information resources				
Current				
Personal services	860,032	860,032	834,906	25,126
Materials and supplies	24,500	24,500	20,933	3,567
Other services and charges	704,900	704,900	670,186	34,714
Total information services	1,589,432	1,589,432	1,526,025	63,407
Total general government	9,180,286	9,180,286	9,075,636	104,650
Public safety				
Police				
Current				
Personal services	8,749,932	8,749,932	8,827,173	(77,241)
Materials and supplies	183,825	183,825	230,419	(46,594)
Other services and charges	699,561	699,561	734,382	(34,821)
Capital outlay	325,000	325,000	97,125	227,875
Total police	9,958,318	9,958,318	9,889,099	69,219
Fire protection				
Current				
Personal services	4,139,620	4,139,620	4,095,884	43,736
Materials and supplies	125,000	125,000	119,378	5,622
Other services and charges	393,353	393,353	415,256	(21,903)
Total fire protection	4,657,973	4,657,973	4,630,518	27,455
Inspection services				
Current				
Personal services	2,317,505	2,317,505	2,152,674	164,831
Materials and supplies	12,000	12,000	8,262	3,738
Other services and charges	215,257	215,257	134,980	80,277
Total inspection services	2,544,762	2,544,762	2,295,916	248,846
Total public safety	17,161,053	17,161,053	16,815,533	345,520

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2018

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operations and recreation				
Public works administration				
Current				
Personal services	\$ 207,353	\$ 207,353	\$ 192,086	\$ 15,267
Materials and supplies	5,500	5,500	2,271	3,229
Other services and charges	17,900	17,900	13,687	4,213
Total public works administration	230,753	230,753	208,044	22,709
Public works operations				
Current				
Personal services	1,542,300	1,542,300	1,484,174	58,126
Materials and supplies	532,500	532,500	559,094	(26,594)
Other services and charges	1,017,057	1,017,057	955,675	61,382
Total public works operations	3,091,857	3,091,857	2,998,943	92,914
Culture and recreation				
Current				
Personal services	4,757,770	4,757,770	4,758,043	(273)
Materials and supplies	848,198	848,198	878,049	(29,851)
Other services and charges	2,103,182	2,103,182	1,921,711	181,471
Total culture and recreation	7,709,150	7,709,150	7,557,803	151,347
Total operations and recreation	11,031,760	11,031,760	10,764,790	266,970
Engineering				
Current				
Personal services	353,405	353,405	402,389	(48,984)
Materials and supplies	8,000	8,000	5,296	2,704
Other services and charges	164,429	164,429	144,747	19,682
Total engineering	525,834	525,834	552,432	(26,598)
Total expenditures	37,898,933	37,898,933	37,208,391	690,542
Revenues over (under) expenditures	(2,452,925)	(2,452,925)	(424,606)	2,028,319
Other financing sources (uses)				
Transfers in	1,929,090	1,929,090	1,929,076	(14)
Transfers out	-	-	(1,040,000)	(1,040,000)
Total other financing sources (uses)	1,929,090	1,929,090	889,076	(1,040,014)
Net change in fund balances	\$ (523,835)	\$ (523,835)	464,470	\$ 988,305
Fund balance - January 1			18,789,914	
Fund balance - December 31			\$ 19,254,384	

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
For The Year Ended December 31, 2018

Statement 10

	<u>2018</u>
Total OPEB Liability:	
Service cost	\$ 273,798
Interest cost	126,654
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	120,221
Benefit payments	<u>(140,966)</u>
Net change in total OPEB liability	379,707
Total OPEB liability - beginning	<u>3,120,936</u>
Total OPEB liability - ending	<u>\$ 3,500,643</u>
 Covered-employee payroll	 \$22,206,835
 Total OPEB liability as a percentage of covered-employee payroll	 15.8%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF ST. LOUIS PARK, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
 GENERAL EMPLOYEES RETIREMENT FUND
 Last Ten Years

Statement 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%
2018	2018	0.2307%	12,798,290	419,668	13,217,958	15,513,575	85.2%	79.5%

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 PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
 Last Ten Years

Statement 12

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%
December 31, 2018	1,206,070	1,206,070	-	16,080,867	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
 Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.7170%	\$ 8,146,798	\$ 6,568,763	124.0%	86.6%
2016	2016	0.7090%	28,453,404	6,826,711	416.8%	63.9%
2017	2017	0.7010%	9,464,334	7,214,850	131.2%	85.4%
2018	2018	0.7220%	7,695,776	7,675,241	100.3%	88.8%

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
 Last Ten Years

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%
December 31, 2018	1,284,219	1,284,219	-	7,927,279	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, 2018

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, 2018

In 2017, the City conducted a physical condition assessment of four of eight areas of the City. Going forward two areas will be assessed each year. 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, 2018, 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	62.1%
Fair	14.3%
Poor to Substandard	23.6%

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 \$4,201,721 on street maintenance for the year ending December 31, 2018. 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 2028 required to maintain the City's street system at the average OCI rating of "good" is approximately \$4,839,000.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>	<u>OCI Rating</u>
2016	\$ 3,999,000	\$ 2,731,582	64%
2017	4,255,000	4,494,315	67%
2018	4,839,000	4,201,721	67%

Note C PENSION INFORMATION

PERA – General Employees Retirement Fund

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

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

PERA – Public Employees Police and Fire Fund

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.

CITY OF ST. LOUIS PARK
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2018

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

2016 Changes

Changes in Actuarial Assumptions:

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

Note D OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. There are no factors that affect trends in the amounts reported, such as changes in benefit terms or assumptions.

COMBINING FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS FUNDS

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

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CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

Statement 15

	Special Revenue	Capital Projects	Total
Assets			
Cash and investments	\$ 1,565,518	\$ 3,943,778	\$ 5,509,296
Accrued interest receivable	4,062	22,587	26,649
Due from other governments	-	380,049	380,049
Accounts receivable	153,248	801,360	954,608
Prepaid items	-	19,700	19,700
Special assessments receivable - delinquent	1,100	8,023	9,123
Special assessments receivable - deferred	201,721	723,433	925,154
Due from other funds	-	1,346,378	1,346,378
Loans receivable - noncurrent	487,677	-	487,677
Pledges receivable - current	-	100,000	100,000
Pledges receivable - noncurrent	-	1,150,000	1,150,000
	<u>\$ 2,413,326</u>	<u>\$ 8,495,308</u>	<u>\$ 10,908,634</u>
Liabilities			
Accounts payable	\$ 49,206	\$ 714,802	\$ 764,008
Salaries payable	22,075	-	22,075
Due to other governments	-	545,497	545,497
Contracts payable	-	1,574,311	1,574,311
Due to other funds	1,223	1,345,155	1,346,378
Unearned revenue	-	245,343	245,343
	<u>72,504</u>	<u>4,425,108</u>	<u>4,497,612</u>
Deferred inflows of resources			
Unavailable revenue	244,745	1,981,169	2,225,914
Fund balances			
Nonspendable	-	19,700	19,700
Restricted	742,817	1,912,277	2,655,094
Committed	572,769	-	572,769
Assigned	780,491	3,473,368	4,253,859
Unassigned	-	(3,316,314)	(3,316,314)
	<u>2,096,077</u>	<u>2,089,031</u>	<u>4,185,108</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,413,326</u>	<u>\$ 8,495,308</u>	<u>\$ 10,908,634</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2018

Statement 16

	Special Revenue	Capital Projects	Total
Revenues			
Property taxes	\$ -	\$ 810,000	\$ 810,000
Franchise taxes	620,637	3,184,041	3,804,678
Intergovernmental	12,033	869,084	881,117
Charges for services	22,728	20,600	43,328
Special assessments	178,897	172,499	351,396
Interest income	21,685	132,317	154,002
Miscellaneous	44,901	284,849	329,750
Total revenues	900,881	5,473,390	6,374,271
Expenditures			
Current			
Public safety	-	331,894	331,894
Public information	567,653	-	567,653
Operations and recreation	-	266,754	266,754
Engineering	-	3,897,465	3,897,465
Housing maintenance	12,040	-	12,040
Social and economic development	254,737	-	254,737
Capital outlay			
Public safety	-	24,005	24,005
Public information	177,889	-	177,889
Operations and recreation	-	4,588,865	4,588,865
Engineering	-	7,560,984	7,560,984
Debt service			
Bond issuance costs	-	28,805	28,805
Total expenditures	1,012,319	16,698,772	17,711,091
Revenues over (under) expenditures	(111,438)	(11,225,382)	(11,336,820)
Other financing sources (uses)			
Transfers in	-	3,473,225	3,473,225
Transfers out	(59,506)	(359,615)	(419,121)
Bonds issued	-	1,719,392	1,719,392
Premiums on bonds issue	-	5,413	5,413
Total other financing sources (uses)	(59,506)	4,838,415	4,778,909
Net change in fund balances	(170,944)	(6,386,967)	(6,557,911)
Fund balances - January 1	2,267,021	8,475,998	10,743,019
Fund balances - December 31	\$ 2,096,077	\$ 2,089,031	\$ 4,185,108

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.

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CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018

Statement 17

	Cable Television	Community Development	Special Service Districts	Total
Assets				
Cash and investments	\$ 1,385,164	\$ 17,129	\$ 163,225	\$ 1,565,518
Accrued interest receivable	3,698	46	318	4,062
Accounts receivable	153,248	-	-	153,248
Special assessments receivable - delinquent	-	-	1,100	1,100
Special assessments receivable - deferred	-	-	201,721	201,721
Loans receivable - noncurrent	-	487,677	-	487,677
Total assets	\$ 1,542,110	\$ 504,852	\$ 366,364	\$ 2,413,326
Liabilities				
Accounts payable	\$ 24,816	\$ -	\$ 24,390	\$ 49,206
Salaries payable	22,075	-	-	22,075
Due to other funds	-	-	1,223	1,223
Total liabilities	46,891	-	25,613	72,504
Deferred inflows of resources				
Unavailable revenue	-	43,024	201,721	244,745
Fund balances				
Restricted	280,989	461,828	-	742,817
Committed	572,769	-	-	572,769
Assigned	641,461	-	139,030	780,491
Total fund balances	1,495,219	461,828	139,030	2,096,077
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,542,110	\$ 504,852	\$ 366,364	\$ 2,413,326

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, 2018

Statement 18

	Cable Television	Community Development	Special Service Districts	Total
Revenues				
Franchise taxes	\$ 620,637	\$ -	\$ -	\$ 620,637
Intergovernmental	-	12,033	-	12,033
Charges for services	-	-	22,728	22,728
Special assessments	-	-	178,897	178,897
Interest income	19,616	260	1,809	21,685
Miscellaneous	576	40,000	4,325	44,901
Total revenues	640,829	52,293	207,759	900,881
Expenditures				
Current				
Public information				
Personal services	456,822	-	-	456,822
Supplies	6,497	-	-	6,497
Other services and charges	104,334	-	-	104,334
Housing maintenance				
Other services and charges	-	12,040	-	12,040
Social and economic development				
Supplies	-	-	18,433	18,433
Other services and charges	-	-	236,304	236,304
Capital outlay				
Public information	177,889	-	-	177,889
Total expenditures	745,542	12,040	254,737	1,012,319
Revenues over (under) expenditures	(104,713)	40,253	(46,978)	(111,438)
Other financing sources (uses)				
Transfers out	(59,506)	-	-	(59,506)
Net change in fund balances	(164,219)	40,253	(46,978)	(170,944)
Fund balances - January 1	1,659,438	421,575	186,008	2,267,021
Fund balances - December 31	\$ 1,495,219	\$ 461,828	\$ 139,030	\$ 2,096,077

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

Westwood Hills Nature Center Construction Project Fund – used to account for the construction of a new nature center. Revenues will be provided by the issuance of bonds.

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

Sidewalks and Trails Fund – used to account for Connect The Park projects to construct sidewalks, trails and bikeways. Revenues will be provided by the issuance of general obligation bonds.

Streets Capital Projects Fund – used to account for street construction projects. Revenues are provided by the General Fund for maintenance expenditures or by the issuance of general obligation bonds.

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.

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	Police and Fire Pensions	Permanent Improvement Revolving	Westwood Hills Nature Center Construction Project	Park Improvement	Sidewalks and Trails	Streets Capital Projects	Pavement Management	Total
Assets								
Cash and investments	\$ 1,650,051	\$ 1,795,943	\$ -	\$ 31,147	\$ 450,181	\$ -	\$ 16,456	\$ 3,943,778
Accrued interest receivable	4,470	8,033	-	-	2,107	-	7,977	22,587
Due from other governments	-	-	-	22,351	-	357,698	-	380,049
Accounts receivable	-	-	-	-	-	-	801,360	801,360
Prepaid items	-	-	-	13,200	-	-	6,500	19,700
Special assessments receivable - delinquent	-	8,023	-	-	-	-	-	8,023
Special assessments receivable - deferred	-	723,433	-	-	-	-	-	723,433
Due from other funds	-	1,346,378	-	-	-	-	-	1,346,378
Pledges receivable - current	-	-	-	100,000	-	-	-	100,000
Pledges receivable - noncurrent	-	-	-	1,150,000	-	-	-	1,150,000
Total assets	\$ 1,654,521	\$ 3,881,810	\$ -	\$ 1,316,698	\$ 452,288	\$ 357,698	\$ 832,293	\$ 8,495,308
Liabilities								
Accounts payable	\$ -	\$ 133,910	\$ 153,611	\$ 73,085	\$ -	\$ 354,196	\$ -	\$ 714,802
Due to other governments	-	-	-	-	194,532	932	350,033	545,497
Contracts payable	-	-	21,991	204,664	-	1,328,533	19,123	1,574,311
Due to other funds	-	-	910,567	-	-	434,588	-	1,345,155
Unearned revenue	-	-	-	245,343	-	-	-	245,343
Total liabilities	-	133,910	1,086,169	523,092	194,532	2,118,249	369,156	4,425,108
Deferred inflows of resources								
Unavailable revenue	-	731,169	-	1,250,000	-	-	-	1,981,169
Fund balances								
Nonspendable	-	-	-	13,200	-	-	6,500	19,700
Restricted	1,654,521	-	-	-	257,756	-	-	1,912,277
Assigned	-	3,016,731	-	-	-	-	456,637	3,473,368
Unassigned	-	-	(1,086,169)	(469,594)	-	(1,760,551)	-	(3,316,314)
Total fund balances	1,654,521	3,016,731	(1,086,169)	(456,394)	257,756	(1,760,551)	463,137	2,089,031
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,654,521	\$ 3,881,810	\$ -	\$ 1,316,698	\$ 452,288	\$ 357,698	\$ 832,293	\$ 8,495,308

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, 2018

Statement 20

	Police and Fire Pensions	Permanent Improvement Revolving	Westwood Hills Nature Center Construction Project	Park Improvement	Sidewalks and Trails	Streets Capital Projects	Pavement Management	Inter-Fund Eliminations	Total
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ 810,000	\$ -	\$ -	\$ -	\$ -	\$ 810,000
Franchise taxes	-	-	-	-	-	-	3,184,041	-	3,184,041
Intergovernmental	-	-	-	189,702	-	679,382	-	-	869,084
Charges for services	2,103	-	-	18,497	-	-	-	-	20,600
Special assessments	-	172,499	-	-	-	-	-	-	172,499
Interest income	24,285	42,507	-	5,836	34,026	-	25,663	-	132,317
Miscellaneous	-	442	-	284,407	-	-	-	-	284,849
Total revenues	26,388	215,448	-	1,308,442	34,026	679,382	3,209,704	-	5,473,390
Expenditures									
Current									
Public safety	155,355	176,539	-	-	-	-	-	-	331,894
Operations and recreation	-	-	-	266,754	-	-	-	-	266,754
Engineering	-	-	-	-	-	-	3,897,465	-	3,897,465
Capital outlay									
Public safety	24,005	-	-	-	-	-	-	-	24,005
Operations and recreation	-	-	1,065,614	3,523,251	-	-	-	-	4,588,865
Engineering	-	62,980	-	-	2,091,463	5,406,541	-	-	7,560,984
Debt service									
Bond issuance costs	-	-	-	7,038	21,767	-	-	-	28,805
Total expenditures	179,360	239,519	1,065,614	3,797,043	2,113,230	5,406,541	3,897,465	-	16,698,772
Revenues over (under) expenditures	(152,972)	(24,071)	(1,065,614)	(2,488,601)	(2,079,204)	(4,727,159)	(687,761)	-	(11,225,382)
Other financing sources (uses)									
Transfers in	-	185,000	-	20,555	-	3,013,225	275,000	(20,555)	3,473,225
Transfers out	-	(9,986)	(20,555)	-	(45,373)	-	(304,256)	20,555	(359,615)
Bonds issued	-	-	-	595,069	1,124,323	-	-	-	1,719,392
Premiums on bonds issue	-	-	-	2,969	2,444	-	-	-	5,413
Total other financing sources (uses)	-	175,014	(20,555)	618,593	1,081,394	3,013,225	(29,256)	-	4,838,415
Net change in fund balances	(152,972)	150,943	(1,086,169)	(1,870,008)	(997,810)	(1,713,934)	(717,017)	-	(6,386,967)
Fund balances - January 1	1,807,493	2,865,788	-	1,413,614	1,255,566	(46,617)	1,180,154	-	8,475,998
Fund balances - December 31	\$ 1,654,521	\$ 3,016,731	\$ (1,086,169)	\$ (456,394)	\$ 257,756	\$ (1,760,551)	\$ 463,137	\$ -	\$ 2,089,031

FUNDS INCLUDED IN DEBT SERVICE FUND

2010A General Obligation Bonds
2012A General Obligation HIA Bonds
2010D General Obligation Fire Station Bonds
2014A General Obligation Bonds
2016A General Obligation Bonds
2000 General Obligation Bond Reserve
2010C General Obligation Bonds
2010C General Obligation Bond Reserve Fund
2005A General Obligation Bonds
Hoigaard's 2010 A & B TIF Notes
2008B General Obligation Tax Increment Bonds
2017A General Obligation Bonds
2018A General Obligation Bonds
2019A General Obligation Bonds

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING BALANCE SHEET
 DEBT SERVICE FUND
 December 31, 2018

	2010D General Obligation Fire Station Bond	2014A General Obligation Bonds	2016A General Obligation Bonds	2000 General Obligation Bond Reserve
Assets				
Cash and investments	\$ 963,519	\$ 602,803	\$ 1,160,547	\$ 121,105
Accrued interest receivable	1,773	1,099	2,036	-
Due from other governments	77,315	-	-	-
Loans receivable - current	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
Total assets	\$ 1,042,607	\$ 603,902	\$ 1,162,583	\$ 121,105
Liabilities				
Deposits payable	\$ -	\$ -	\$ -	\$ -
Unearned revenue	12,886	-	-	-
Total liabilities	12,886	-	-	-
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balances				
Restricted	1,029,721	603,902	1,162,583	121,105
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,042,607	\$ 603,902	\$ 1,162,583	\$ 121,105

2010C General Obligation Bond	2010C General Obligation Bond Reserve	2017A General Obligation Bonds	2018A General Obligation Bonds	2019A General Obligation Bonds	Total
\$ 70,950	\$ 291,285	\$ 315,646	\$ 46,888	\$ 380,000	\$ 3,952,743
-	-	479	127	-	5,514
-	-	-	-	-	77,315
40,000	-	-	-	-	40,000
1,480,000	-	-	-	-	1,480,000
<u>\$ 1,590,950</u>	<u>\$ 291,285</u>	<u>\$ 316,125</u>	<u>\$ 47,015</u>	<u>\$ 380,000</u>	<u>\$ 5,555,572</u>
\$ -	\$ 284,594	\$ -	\$ -	\$ -	\$ 284,594
-	-	-	-	-	12,886
-	284,594	-	-	-	297,480
1,520,000	-	-	-	-	1,520,000
70,950	6,691	316,125	47,015	380,000	3,738,092
<u>\$ 1,590,950</u>	<u>\$ 291,285</u>	<u>\$ 316,125</u>	<u>\$ 47,015</u>	<u>\$ 380,000</u>	<u>\$ 5,555,572</u>

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CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
For The Year Ended December 31, 2018

	2010A General Obligation Bond	2012A General Obligation HIA Bonds	2014A General Obligation Bonds	2010D General Obligation Fire Station Bond
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 590,730	\$ 925,211
Intergovernmental	-	-	-	154,754
Interest income	-	-	2,952	5,580
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>593,682</u>	<u>1,085,545</u>
Expenditures				
Social and economic development				
Developer assistance	-	-	-	-
Debt service				
Principal	125,000	55,000	475,000	565,000
Interest and other	120,069	32,803	88,379	485,571
Total expenditures	<u>245,069</u>	<u>87,803</u>	<u>563,379</u>	<u>1,050,571</u>
Revenues over (under) expenditures	<u>(245,069)</u>	<u>(87,803)</u>	<u>30,303</u>	<u>34,974</u>
Other financing sources (uses)				
Transfers in	245,069	87,803	-	-
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Total other financing sources (uses)	<u>245,069</u>	<u>87,803</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	30,303	34,974
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>573,599</u>	<u>994,747</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,902</u>	<u>\$ 1,029,721</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
For The Year Ended December 31, 2018

	2016A General Obligation Bonds	2000 General Obligation Bond Reserve	2010C General Obligation Bond	2010C General Obligation Bond Reserve
Revenues				
Taxes				
Property taxes	\$ 1,232,319	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	5,967	1,915	603	4,259
Miscellaneous	-	-	106,392	-
Total revenues	1,238,286	1,915	106,995	4,259
Expenditures				
Social and economic development				
Developer assistance	-	-	-	-
Debt service				
Principal	380,000	-	40,000	-
Interest and other	208,202	-	78,855	-
Total expenditures	588,202	-	118,855	-
Revenues over (under) expenditures	650,084	1,915	(11,860)	4,259
Other financing sources (uses)				
Transfers in	-	-	1,915	-
Transfers out	-	(1,915)	-	-
Bonds issued	-	-	-	-
Total other financing sources (uses)	-	(1,915)	1,915	-
Net change in fund balances	650,084	-	(9,945)	4,259
Fund balances - January 1	512,499	121,105	80,895	2,432
Fund balances - December 31	<u>\$ 1,162,583</u>	<u>\$ 121,105</u>	<u>\$ 70,950</u>	<u>\$ 6,691</u>

Hoigaard's 2010 A & B TIF Notes	2008B General Obligation Tax Increment Bond	2017A General Obligation Bonds	2018A General Obligation Bonds	2019A General Obligation Bonds	Interfund Eliminations	Total
\$ -	\$ -	\$ 416,522	\$ -	\$ -	\$ -	\$ 3,164,782
-	-	-	-	-	-	154,754
-	-	1,473	519	-	-	23,268
-	-	-	-	-	-	106,392
-	-	417,995	519	-	-	3,449,196
449,821	-	-	-	-	-	449,821
-	415,000	-	-	-	-	2,055,000
-	142,087	101,870	102	-	-	1,257,938
449,821	557,087	101,870	102	-	-	3,762,759
(449,821)	(557,087)	316,125	417	-	-	(313,563)
449,821	557,087	-	-	380,000	(1,915)	1,719,780
-	-	-	-	-	1,915	-
-	-	-	46,598	-	-	46,598
449,821	557,087	-	46,598	380,000	-	1,766,378
-	-	316,125	47,015	380,000	-	1,452,815
-	-	-	-	-	-	2,285,277
\$ -	\$ -	\$ 316,125	\$ 47,015	\$ 380,000	\$ -	\$ 3,738,092

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FUNDS INCLUDED IN REDEVELOPMENT DISTRICT FUND

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
REDEVELOPMENT DISTRICT FUND
December 31, 2018

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
Assets				
Cash and investments	\$ 1,571,644	\$ 234,907	\$ 133,645	\$ 107,762
Accrued interest receivable	1,682	278	161	510
Taxes receivable - unremitted	-	-	-	5,087
Taxes receivable - delinquent	-	-	-	9,204
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
Total assets	\$ 1,573,326	\$ 235,185	\$ 133,806	\$ 122,563
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	3,282	1,104	1,273	-
Interfund loan payable	478,371	-	-	1,221,200
Total liabilities	481,653	1,104	1,273	1,221,200
Deferred inflows of resources				
Unavailable revenue	-	-	-	9,204
Fund balances				
Restricted	1,091,673	234,081	132,533	-
Unassigned	-	-	-	(1,107,841)
Total fund balances	1,091,673	234,081	132,533	(1,107,841)
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,573,326	\$ 235,185	\$ 133,806	\$ 122,563

Victoria Ponds	Park Center Housing	CSM TIF District	Mill City TIF District	Park Commons TIF District
\$ 294,697	\$ 215,250	\$ 712,274	\$ 442,069	\$ 1,240,914
752	718	1,487	671	1,246
-	-	2,401	-	24,235
-	-	-	-	-
78,792	-	-	-	-
-	743,982	-	-	-
<u>\$ 374,241</u>	<u>\$ 959,950</u>	<u>\$ 716,162</u>	<u>\$ 442,740</u>	<u>\$ 1,266,395</u>
\$ -	\$ -	\$ -	\$ 5,780	\$ -
571	757	1,500	1,275	6,387
-	-	-	-	-
<u>571</u>	<u>757</u>	<u>1,500</u>	<u>7,055</u>	<u>6,387</u>
-	100,976	-	-	-
373,670	858,217	714,662	435,685	1,260,008
-	-	-	-	-
<u>373,670</u>	<u>858,217</u>	<u>714,662</u>	<u>435,685</u>	<u>1,260,008</u>
<u>\$ 374,241</u>	<u>\$ 959,950</u>	<u>\$ 716,162</u>	<u>\$ 442,740</u>	<u>\$ 1,266,395</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING BALANCE SHEET
REDEVELOPMENT DISTRICT FUND
December 31, 2018

	Edgewood TIF District	Elmwood Village	Wolfe Lake TIF District	Aquila Commons
Assets				
Cash and investments	\$ 612	\$ 22,247	\$ 97,174	\$ 174,403
Accrued interest receivable	-	3,020	148	303
Taxes receivable - unremitted	-	5,798	-	-
Taxes receivable - delinquent	-	-	-	-
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
Total assets	\$ 612	\$ 31,065	\$ 97,322	\$ 174,706
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	612	5,104	708	1,139
Interfund loan payable	-	2,899,448	-	-
Total liabilities	612	2,904,552	708	1,139
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balances				
Restricted	-	-	96,614	173,567
Unassigned	-	(2,873,487)	-	-
Total fund balances	-	(2,873,487)	96,614	173,567
Total liabilities, deferred inflows of resources, and fund balances	\$ 612	\$ 31,065	\$ 97,322	\$ 174,706

Highway 7 Business Center	Hard Coat TIF District	Shoreham TIF District	Excelsior Blvd TIF District	Interfund Eliminations	Total
\$ 71,107	\$ 25,875	\$ 369,270	\$ -	\$ -	\$ 5,713,850
71	94	682	-	-	11,823
-	-	-	-	-	37,521
-	-	-	-	-	9,204
-	-	-	-	(78,792)	-
-	-	-	-	-	743,982
<u>\$ 71,178</u>	<u>\$ 25,969</u>	<u>\$ 369,952</u>	<u>\$ -</u>	<u>\$ (78,792)</u>	<u>\$ 6,516,380</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,780
717	-	1,019	538	-	25,986
-	78,792	6,737	31,433	(78,792)	4,637,189
<u>717</u>	<u>78,792</u>	<u>7,756</u>	<u>31,971</u>	<u>(78,792)</u>	<u>4,668,955</u>
-	-	-	-	-	110,180
70,461	-	362,196	-	-	5,803,367
-	(52,823)	-	(31,971)	-	(4,066,122)
<u>70,461</u>	<u>(52,823)</u>	<u>362,196</u>	<u>(31,971)</u>	<u>-</u>	<u>1,737,245</u>
<u>\$ 71,178</u>	<u>\$ 25,969</u>	<u>\$ 369,952</u>	<u>\$ -</u>	<u>\$ (78,792)</u>	<u>\$ 6,516,380</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
REDEVELOPMENT DISTRICT FUND
For The Year Ended December 31, 2018

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ 1,176,503
Tax increments	2,500,563	445,675	586,830	-
Interest income	4,531	617	47	2,036
Miscellaneous	-	-	48	-
Total revenues	<u>2,505,094</u>	<u>446,292</u>	<u>586,925</u>	<u>1,178,539</u>
Expenditures				
Current				
Social and economic development	1,636,978	357,148	608,973	15,249
Debt service				
Interest and other	19,086	734	8,501	59,086
Total expenditures	<u>1,656,064</u>	<u>357,882</u>	<u>617,474</u>	<u>74,335</u>
Revenues over (under) expenditures	849,030	88,410	(30,549)	1,104,204
Other financing (uses)				
Transfers out	(557,088)	-	-	(108,942)
Net change in fund balances	291,942	88,410	(30,549)	995,262
Fund balances - January 1	<u>799,731</u>	<u>145,671</u>	<u>163,082</u>	<u>(2,103,103)</u>
Fund balances - December 31	<u>\$ 1,091,673</u>	<u>\$ 234,081</u>	<u>\$ 132,533</u>	<u>\$ (1,107,841)</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	175,139	524,194	588,476	2,633,103	59,435
7,903	3,491	6,978	2,456	2,624	-
-	-	-	-	-	-
<u>7,903</u>	<u>178,630</u>	<u>531,172</u>	<u>590,932</u>	<u>2,635,727</u>	<u>59,435</u>
901	5,439	462,663	541,208	2,580,570	58,557
-	-	-	-	-	-
<u>901</u>	<u>5,439</u>	<u>462,663</u>	<u>541,208</u>	<u>2,580,570</u>	<u>58,557</u>
7,002	173,191	68,509	49,724	55,157	878
-	(160,000)	-	-	-	-
7,002	13,191	68,509	49,724	55,157	878
<u>366,668</u>	<u>845,026</u>	<u>646,153</u>	<u>385,961</u>	<u>1,204,851</u>	<u>(878)</u>
<u>\$ 373,670</u>	<u>\$ 858,217</u>	<u>\$ 714,662</u>	<u>\$ 435,685</u>	<u>\$ 1,260,008</u>	<u>\$ -</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
REDEVELOPMENT DISTRICT FUND
For The Year Ended December 31, 2018

	Elmwood Village	Wolfe Lake TIF District	Aquila Commons
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Tax increments	1,875,123	133,191	194,003
Interest income	18,642	510	1,009
Miscellaneous	-	-	-
Total revenues	<u>1,893,765</u>	<u>133,701</u>	<u>195,012</u>
Expenditures			
Current			
Social and economic development	308,078	123,367	131,300
Debt service			
Interest and other	111,517	-	-
Total expenditures	<u>419,595</u>	<u>123,367</u>	<u>131,300</u>
Revenues over (under) expenditures	1,474,170	10,334	63,712
Other financing (uses)			
Transfers out	<u>(2,982,009)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,507,839)	10,334	63,712
Fund balances - January 1	<u>(1,365,648)</u>	<u>86,280</u>	<u>109,855</u>
Fund balances - December 31	<u>\$ (2,873,487)</u>	<u>\$ 96,614</u>	<u>\$ 173,567</u>

<u>Highway 7 Business Center</u>	<u>Hard Coat TIF District</u>	<u>Shoreham TIF District</u>	<u>Excelsior Blvd TIF District</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,176,503
140,843	23,444	386,056	-	10,266,075
99	513	2,262	-	53,718
-	-	-	-	48
<u>140,942</u>	<u>23,957</u>	<u>388,318</u>	<u>-</u>	<u>11,496,344</u>
123,060	-	5,385	12,024	6,970,900
-	3,992	748	723	204,387
<u>123,060</u>	<u>3,992</u>	<u>6,133</u>	<u>12,747</u>	<u>7,175,287</u>
17,882	19,965	382,185	(12,747)	4,321,057
-	-	-	-	(3,808,039)
17,882	19,965	382,185	(12,747)	513,018
<u>52,579</u>	<u>(72,788)</u>	<u>(19,989)</u>	<u>(19,224)</u>	<u>1,224,227</u>
<u>\$ 70,461</u>	<u>\$ (52,823)</u>	<u>\$ 362,196</u>	<u>\$ (31,971)</u>	<u>\$ 1,737,245</u>

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INTERNAL SERVICE FUNDS

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

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2018

Statement 25

	Employee Benefits	Uninsured Loss	Capital Replacement	Total
Assets				
Current assets				
Cash and investments	\$ 830,541	\$ 561,785	\$ 968,653	\$ 2,360,979
Accrued interest receivable	4,354	1,351	-	5,705
Accounts receivable	-	-	276	276
Prepaid items	393,360	75,746	18,585	487,691
Total current assets	<u>1,228,255</u>	<u>638,882</u>	<u>987,514</u>	<u>2,854,651</u>
Noncurrent assets				
Capital assets, at cost				
Land	-	-	818,094	818,094
Building and structures	-	-	9,451,756	9,451,756
Improvements other than buildings	-	-	1,812,425	1,812,425
Infrastructure	-	-	1,313,801	1,313,801
Machinery, furniture and equipment	-	-	8,144,700	8,144,700
Fleet	-	-	10,854,001	10,854,001
Construction in progress	-	-	766,601	766,601
Total capital assets, at cost	-	-	<u>33,161,378</u>	<u>33,161,378</u>
Less: accumulated depreciation	-	-	<u>(12,579,609)</u>	<u>(12,579,609)</u>
Total noncurrent assets	-	-	<u>20,581,769</u>	<u>20,581,769</u>
Total assets	<u>1,228,255</u>	<u>638,882</u>	<u>21,569,283</u>	<u>23,436,420</u>
Deferred outflows of resources				
Related to pensions	13,734,236	-	-	13,734,236
Related to OPEB	243,847	-	-	243,847
Total deferred outflows of resources	<u>13,978,083</u>	-	-	<u>13,978,083</u>
Liabilities				
Current liabilities				
Accounts payable	326,074	30,880	500,594	857,548
Accrued flex spending	26,213	-	-	26,213
Due to other governments	779	-	67,934	68,713
Contracts payable	-	-	1,672	1,672
Compensated absences payable - current	2,498,575	-	-	2,498,575
Capital lease payable - current	-	-	59,378	59,378
Total current liabilities	<u>2,851,641</u>	<u>30,880</u>	<u>629,578</u>	<u>3,512,099</u>
Noncurrent liabilities				
Compensated absences payable	1,597,029	-	-	1,597,029
Capital lease payable	-	-	121,004	121,004
Other postemployment benefits payable	3,500,643	-	-	3,500,643
Net pension liability	20,494,066	-	-	20,494,066
Total noncurrent liabilities	<u>25,591,738</u>	-	<u>121,004</u>	<u>25,712,742</u>
Total liabilities	<u>28,443,379</u>	<u>30,880</u>	<u>750,582</u>	<u>29,224,841</u>
Deferred inflows of resources - pension related	<u>18,532,148</u>	-	-	<u>18,532,148</u>
Net position				
Net investment in capital assets	-	-	20,401,387	20,401,387
Unrestricted	<u>(31,769,189)</u>	<u>608,002</u>	<u>417,314</u>	<u>(30,743,873)</u>
Total net position	<u>\$ (31,769,189)</u>	<u>\$ 608,002</u>	<u>\$ 20,818,701</u>	<u>\$ (10,342,486)</u>

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, 2018

Statement 26

	<u>Employee Benefits</u>	<u>Uninsured Loss</u>	<u>Capital Replacement</u>	<u>Total</u>
Operating revenues				
Charges for services	\$ 2,490,289	\$ -	\$ 1,387,288	\$ 3,877,577
Other	241,146	65,377	7,322	313,845
Total operating revenues	2,731,435	65,377	1,394,610	4,191,422
Operating expenses				
Personal services	3,139,953	32,628	-	3,172,581
Supplies	-	-	627,040	627,040
Professional services	73,171	-	12,584	85,755
Insurance, deductibles and uninsured losses	-	192,701	-	192,701
Depreciation	-	-	1,694,015	1,694,015
Other	24,668	500	840,255	865,423
Total operating expenses	3,237,792	225,829	3,173,894	6,637,515
Operating income (loss)	(506,357)	(160,452)	(1,779,284)	(2,446,093)
Nonoperating revenues (expenses)				
Interest income	34,530	7,378	2,091	43,999
Property taxes	200,000	-	1,767,700	1,967,700
Intergovernmental revenue	180,737	-	566,981	747,718
Gain on disposal of capital assets	-	-	71,394	71,394
Interest expense	-	-	(8,300)	(8,300)
Total nonoperating revenues (expenses)	415,267	7,378	2,399,866	2,822,511
Income (loss) before transfers	(91,090)	(153,074)	620,582	376,418
Transfers in	100,000	100,000	130,974	330,974
Change in net position	8,910	(53,074)	751,556	707,392
Net position - January 1	(31,778,099)	661,076	20,067,145	(11,049,878)
Net position - December 31	\$ (31,769,189)	\$ 608,002	\$ 20,818,701	\$ (10,342,486)

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2018

	Employee Benefits	Uninsured Loss	Capital Replacement	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 2,490,289	\$ -	\$ 1,389,205	\$ 3,879,494
Other operating cash receipts	272,146	74,527	7,322	353,995
Payments to suppliers	(266,653)	(177,061)	(1,597,739)	(2,041,453)
Payments to employees	(3,282,819)	(32,628)	-	(3,315,447)
Net cash flows provided (used) by operating activities	<u>(787,037)</u>	<u>(135,162)</u>	<u>(201,212)</u>	<u>(1,123,411)</u>
Cash flows from noncapital financing activities				
Transfers in	100,000	100,000	-	200,000
Property taxes	200,000	-	1,767,700	1,967,700
Intergovernmental receipts	180,737	-	566,981	747,718
Net cash flows provided (used) by noncapital financing activities	<u>380,737</u>	<u>-</u>	<u>2,334,681</u>	<u>2,715,418</u>
Cash flows from capital and related financing activities				
Transfers in	-	-	130,974	130,974
Acquisition of capital assets	-	-	(2,350,079)	(2,350,079)
Proceeds from sale of capital assets	-	-	169,083	169,083
Principal paid on capital lease	-	-	(60,076)	(60,076)
Interest paid on capital lease	-	-	(8,300)	(8,300)
Net cash flows provided (used) by and related financing activities	<u>-</u>	<u>-</u>	<u>(2,118,398)</u>	<u>(2,118,398)</u>
Cash flows from investing activities				
Interest received	35,245	7,333	4,240	46,818
Net increase in cash and cash equivalents	(371,055)	(127,829)	19,311	(479,573)
Cash and cash equivalents - January 1	1,101,596	589,614	949,342	2,640,552
Cash and cash equivalents - December 31	<u>\$ 730,541</u>	<u>\$ 461,785</u>	<u>\$ 968,653</u>	<u>\$ 2,160,979</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2018

	Employee Benefits	Uninsured Loss	Capital Replacement	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (506,357)	\$ (160,452)	\$ (1,779,284)	\$ (2,446,093)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	-	-	1,694,015	1,694,015
(Increase) decrease in assets/deferred outflows				
Accounts receivable	31,000	9,150	1,917	42,067
Prepaid items	(393,360)	(3,315)	10,681	(385,994)
Deferred outflows of resources	3,040,840	-	-	3,040,840
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	223,767	19,455	(151,474)	91,748
Accrued flex spending	7,040	-	-	7,040
Due to other governments	779	-	22,933	23,712
Compensated absences payable	200,312	-	-	200,312
Other postemployment benefits	250,513	-	-	250,513
Net pension liability	(3,455,414)	-	-	(3,455,414)
Deferred inflows of resources	(186,157)	-	-	(186,157)
Net cash provided (used) by operating activities	<u>\$ (787,037)</u>	<u>\$ (135,162)</u>	<u>\$ (201,212)</u>	<u>\$ (1,123,411)</u>
Noncash capital and related financing activities				
Disposal of capital assets	\$ -	\$ -	\$ 874,970	\$ 874,970
Capital assets acquired through financing	-	-	74,527	74,527
Capital assets acquired on account	-	-	270,939	270,939

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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			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 89,252,994	\$ 94,326,512	\$ 99,835,484	\$ 95,020,700
Restricted	20,075,976	21,692,426	17,695,996	18,941,172
Unrestricted	40,508,755	40,581,189	43,929,086	46,413,200
Total governmental activities net position	<u>\$ 149,837,725</u>	<u>\$ 156,600,127</u>	<u>\$ 161,460,566</u>	<u>\$ 160,375,072</u>
Business-type activities				
Net investment in capital assets	\$ 23,977,469	\$ 21,717,923	\$ 22,347,266	\$ 22,906,086
Unrestricted	6,903,776	8,433,915	8,524,086	9,829,024
Total business-type activities net position	<u>\$ 30,881,245</u>	<u>\$ 30,151,838</u>	<u>\$ 30,871,352</u>	<u>\$ 32,735,110</u>
Total primary government				
Net investment in capital assets	\$ 113,230,463	\$ 116,044,435	\$ 122,182,750	\$ 117,926,786
Restricted	20,075,976	21,692,426	17,695,996	18,941,172
Unrestricted	47,412,531	49,015,104	52,453,172	56,242,224
Total primary government	<u>\$ 180,718,970</u>	<u>\$ 186,751,965</u>	<u>\$ 192,331,918</u>	<u>\$ 193,110,182</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					
2013	2014	2015	2016	2017	2018
\$ 96,480,493	\$ 94,891,625	\$ 96,286,131	\$ 96,458,787	\$ 103,279,857	\$ 107,090,668
13,560,965	10,971,995	10,608,709	10,658,889	11,439,977	13,200,855
<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>23,914,099</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>	<u>\$ 144,205,622</u>
\$ 19,127,309	\$ 22,818,382	\$ 22,753,326	\$ 23,030,284	\$ 25,716,982	\$ 25,992,377
11,540,303	4,783,696	4,620,302	5,849,650	4,979,057	6,163,907
<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>	<u>\$ 32,156,284</u>
\$ 115,607,802	\$ 117,710,007	\$ 119,039,457	\$ 119,489,071	\$ 128,996,839	\$ 133,083,045
13,560,965	10,971,995	10,608,709	10,658,889	11,439,977	13,200,855
<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>30,078,006</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>	<u>\$ 176,361,906</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental activities				
General government	\$ 8,167,355	\$ 7,192,652	\$ 7,247,716	\$ 7,387,354
Public safety	12,138,185	12,256,272	12,535,793	13,264,220
Public works	6,915,541	19,446,758	7,513,833	-
Public information	457,872	435,050	803,885	524,012
Culture and recreation	7,456,215	7,792,614	7,882,789	-
Operations and recreation	-	-	-	15,209,548
Engineering	-	-	-	5,253,969
Housing and rehabilitation	1,544,175	4,150,595	794,935	3,914,261
Housing maintenance	128,099	241,345	79,786	116,949
Social and economic development	6,321,623	4,861,518	6,171,527	7,810,635
General services	7,662	-	-	-
Interest on long-term debt	1,543,879	1,453,555	1,695,758	1,245,294
Total governmental activities expenses	<u>44,680,606</u>	<u>57,830,359</u>	<u>44,726,022</u>	<u>54,726,242</u>
Business-type activities				
Water	4,089,837	3,904,801	3,839,592	3,890,860
Sewer	4,228,680	4,193,191	4,572,869	4,593,166
Solid Waste	-	2,116,949	2,319,099	2,562,985
Refuse	2,125,540	-	-	-
Storm Water	1,287,202	1,325,803	1,373,546	1,485,390
Wireless	151,708	-	-	-
Total business-type activities expenses	<u>11,882,967</u>	<u>11,540,744</u>	<u>12,105,106</u>	<u>12,532,401</u>
Total expenses	<u>\$ 56,563,573</u>	<u>\$ 69,371,103</u>	<u>\$ 56,831,128</u>	<u>\$ 67,258,643</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 888,246	\$ 1,065,209	\$ 1,059,527	\$ 1,060,679
Public safety	2,958,383	2,898,634	2,917,525	3,344,449
Public works	2,292,287	601,890	315,163	-
Public information	-	-	200,000	-
Culture and recreation	2,083,015	1,959,556	2,111,348	2,438,841
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Housing and rehabilitation	562,930	8,833	62,191	8,162
Housing maintenance	-	-	-	-
Social and economic development	184,236	588,757	316,935	281,002
Interest on long-term debt	318,134	-	-	-
Operating grants and contributions	2,664,563	1,735,926	2,065,312	2,360,465
Capital grants and contributions	2,131,755	14,908,522	1,878,697	6,290,076
Total governmental activities program revenue	<u>14,083,549</u>	<u>23,767,327</u>	<u>10,926,698</u>	<u>15,783,674</u>
Business-type activities				
Charges for services				
Water	4,294,962	4,148,394	4,475,068	5,109,446
Sewer	5,153,171	5,277,473	5,768,266	5,959,931
Solid Waste	-	2,719,376	2,894,726	2,858,930
Refuse	2,458,555	-	-	-
Storm Water	1,699,557	1,829,792	1,904,587	1,977,663
Wireless	16,140	-	-	-
Operating grants and contributions	167,604	103,342	103,166	105,976
Capital grants and contributions	-	2,890	-	-
Total business-type activities program revenue	<u>13,789,989</u>	<u>14,081,267</u>	<u>15,145,813</u>	<u>16,011,946</u>
Total program revenues	<u>\$ 27,873,538</u>	<u>\$ 37,848,594</u>	<u>\$ 26,072,511</u>	<u>\$ 31,795,620</u>

Table 2
Page 1 of 2

		Fiscal Year									
		2013	2014	2015	2016	2017	2018				
\$	10,085,905	\$	9,161,922	\$	10,712,749	\$	11,182,348	\$	10,648,181	\$	11,051,775
	13,365,297		13,954,604		15,336,854		20,091,787		17,870,131		17,621,109
	-		-		-		-		-		-
	466,043		507,928		3,057,509		549,940		647,316		642,350
	-		-		-		-		-		-
	13,487,238		13,318,552		9,996,885		13,352,637		13,448,470		15,146,290
	16,046,665		21,045,392		10,185,956		5,091,818		7,859,907		7,491,753
	1,774,657		909,051		707,661		528,467		480,911		530,192
	141,250		130,534		84,505		144,204		72,244		19,768
	9,040,280		8,058,914		8,872,479		8,826,281		10,987,654		12,549,378
	-		-		-		-		-		-
	1,295,298		1,185,975		1,233,107		1,620,489		1,511,329		1,456,241
	<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>		<u>66,508,856</u>
	5,747,116		4,609,579		4,684,190		4,773,624		4,786,816		5,445,760
	5,272,646		4,885,748		5,333,887		6,002,088		6,227,919		6,083,196
	3,614,118		2,813,587		2,917,214		3,256,804		3,390,874		3,463,412
	-		-		-		-		-		-
	1,390,235		1,422,645		1,400,975		1,514,761		1,611,785		2,372,829
	-		-		-		-		-		-
	<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>17,365,197</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>	\$	<u>83,874,053</u>
\$	1,024,253	\$	1,142,294	\$	1,185,881	\$	1,184,122	\$	1,143,220	\$	1,214,710
	3,109,813		3,477,244		4,237,819		4,354,793		3,962,306		4,049,914
	-		-		-		-		-		-
	-		-		10,000		-		-		-
	-		-		-		-		-		576
	2,035,715		2,089,052		2,344,863		2,122,730		2,308,221		2,516,191
	1,032		318,873		144,151		97,688		134,508		136,648
	8,606		7,537		6,315		7,607		4,514		633,932
	-		241		-		-		-		-
	250,015		224,252		256,557		259,910		255,109		213,944
	-		-		-		-		-		-
	2,709,644		2,024,171		3,586,440		2,512,011		3,670,054		2,666,090
	11,881,109		12,066,132		3,178,294		3,960,739		5,205,879		3,526,377
	<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>		<u>14,958,382</u>
	5,037,067		5,188,065		5,766,601		5,674,239		6,089,295		6,469,268
	5,822,085		5,841,377		6,112,024		6,663,731		7,261,014		7,360,679
	2,912,415		3,179,732		3,189,566		2,905,899		3,237,506		3,348,948
	-		-		-		-		-		-
	2,054,915		2,246,201		2,472,134		2,642,860		2,816,349		2,887,425
	-		-		-		-		-		-
	135,642		127,742		128,610		181,525		159,376		174,250
	-		-		-		799,894		279,801		429,928
	<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>20,670,498</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>	\$	<u>35,628,880</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Net (expenses) revenues				
Governmental activities	\$ (30,597,057)	\$ (34,063,032)	\$ (33,799,324)	\$ (38,942,568)
Business-type activities	1,907,022	2,540,523	3,040,707	3,479,545
Total primary government	<u>\$ (28,690,035)</u>	<u>\$ (31,522,509)</u>	<u>\$ (30,758,617)</u>	<u>\$ (35,463,023)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 29,512,631	\$ 29,642,090	\$ 23,527,322	\$ 24,625,789
Tax increment	-	-	7,222,976	6,446,389
Franchise taxes	1,503,075	1,497,178	1,894,714	1,954,557
Lodging taxes	-	-	-	-
Grants and contributions not restricted to specific programs	153,108	151,624	156,325	46,422
Unrestricted investment earnings	1,452,176	629,094	1,048,395	663,978
Gain on sale of capital assets	91,149	34,453	51,686	60,416
Miscellaneous	11,229	950,231	2,300,478	2,183,685
Transfers	5,202,312	3,358,921	2,457,867	1,660,035
Total governmental activities expenses	<u>37,925,680</u>	<u>36,263,591</u>	<u>38,659,763</u>	<u>37,641,271</u>
Business-type activities				
Unrestricted investment earnings	201,825	88,991	136,674	113,260
Miscellaneous	-	-	-	-
Transfers	(5,202,312)	(3,358,921)	(2,457,867)	(1,660,035)
Total business-type activities expenses	<u>(5,000,487)</u>	<u>(3,269,930)</u>	<u>(2,321,193)</u>	<u>(1,546,775)</u>
Total primary government	<u>\$ 32,925,193</u>	<u>\$ 32,993,661</u>	<u>\$ 36,338,570</u>	<u>\$ 36,094,496</u>
Change in net position				
Governmental activities	\$ 7,328,623	\$ 2,200,559	\$ 4,860,439	\$ (1,301,297)
Business-type activities	(3,093,465)	(729,407)	719,514	1,932,770
Total primary government	<u>\$ 4,235,158</u>	<u>\$ 1,471,152</u>	<u>\$ 5,579,953</u>	<u>\$ 631,473</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					
2013		2014		2015		2016		2017		2018	
\$	(44,682,446)	\$	(46,923,076)	\$	(45,237,385)	\$	(46,888,371)	\$	(46,842,332)	\$	(51,550,474)
	(61,991)		2,851,558		3,332,669		3,320,871		3,825,947		3,305,301
<u>\$</u>	<u>(44,744,437)</u>	<u>\$</u>	<u>(44,071,518)</u>	<u>\$</u>	<u>(41,904,716)</u>	<u>\$</u>	<u>(43,567,500)</u>	<u>\$</u>	<u>(43,016,385)</u>	<u>\$</u>	<u>(48,245,173)</u>
\$	26,963,176	\$	27,398,157	\$	28,209,567	\$	30,185,703	\$	31,582,993	\$	33,449,668
	6,647,729		7,380,995		6,763,951		7,733,689		8,961,792		10,266,075
	2,211,569		2,268,213		2,915,732		3,079,399		3,763,394		3,804,678
	-		-		-		-		-		1,021,855
	45,266		504,035		557,671		584,639		590,978		618,645
	138,899		407,753		221,408		388,647		408,945		739,130
	69,237		464,629		577,248		142,713		106,204		1,751,339
	2,199,629		2,609,539		2,985,997		3,201,122		2,091,334		491,591
	1,761,927		5,995,095		3,620,449		1,879,956		2,075,742		2,004,593
	<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>		<u>54,147,574</u>
	(3,348)		78,003		59,330		65,391		65,900		159,537
	-		-		-		-		-		-
	<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>(2,004,593)</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>(1,845,056)</u>
<u>\$</u>	<u>38,272,157</u>	<u>\$</u>	<u>41,111,324</u>	<u>\$</u>	<u>42,290,904</u>	<u>\$</u>	<u>45,381,303</u>	<u>\$</u>	<u>47,571,540</u>	<u>\$</u>	<u>52,302,518</u>
\$	(4,645,014)	\$	105,340	\$	614,638	\$	307,497	\$	2,739,050	\$	2,597,100
	(1,827,266)		(3,065,534)		(228,450)		1,506,306		1,816,105		1,460,245
<u>\$</u>	<u>(6,472,280)</u>	<u>\$</u>	<u>(2,960,194)</u>	<u>\$</u>	<u>386,188</u>	<u>\$</u>	<u>1,813,803</u>	<u>\$</u>	<u>4,555,155</u>	<u>\$</u>	<u>4,057,345</u>

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

Table 3

Fiscal Year	Property Tax	Franchise Tax	Total
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
2018	43,715,743	3,804,678	47,520,421

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			
	2009	2010	2011	2012
General fund				
Reserved	\$ 572,206	\$ -	\$ -	\$ -
Unreserved	7,326,638	-	-	-
Nonspendable	-	80,664	71,192	70,450
Restricted	-	425,967	427,718	458,448
Assigned	-	124,503	139,483	690,242
Unassigned	-	10,399,401	10,799,829	10,757,776
Total General fund	<u>\$ 7,898,844</u>	<u>\$ 11,030,535</u>	<u>\$ 11,438,222</u>	<u>\$ 11,976,916</u>
All other governmental funds				
Reserved	\$ 7,540,696	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	7,568,944	-	-	-
Capital projects funds	40,680,331	-	-	-
Nonspendable	-	250,008	306,058	426,736
Restricted	-	35,515,318	21,476,374	20,464,874
Committed	-	466,792	511,610	459,160
Assigned	-	33,253,313	34,425,344	35,947,479
Unassigned	-	(7,872,234)	(5,042,828)	(7,567,117)
Total all other governmental funds	<u>\$ 55,789,971</u>	<u>\$ 61,613,197</u>	<u>\$ 51,676,558</u>	<u>\$ 49,731,132</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					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
256,251	397,873	566,574	330,483	292,821	258,932
498,922	492,223	464,469	413,787	392,004	272,840
691,171	696,293	758,084	936,663	1,050,569	1,025,207
14,342,422	14,576,348	15,242,009	16,193,763	17,054,520	17,697,405
<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>	<u>\$ 19,254,384</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	23,563	6,500	19,700
15,102,011	12,663,957	12,457,701	10,057,843	11,725,590	12,196,553
467,682	483,590	481,009	466,287	696,235	1,064,284
33,481,454	38,701,128	39,567,878	41,068,221	33,609,392	33,843,896
(7,020,483)	(8,819,377)	(6,551,326)	(5,187,339)	(3,628,247)	(7,382,436)
<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>	<u>\$ 39,741,997</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			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 21,700,329	\$ 22,667,190	\$ 23,336,537	\$ 24,259,861
Tax increments	7,846,204	6,649,563	7,222,976	6,446,389
Lodging tax	-	-	-	-
Franchise taxes	1,503,075	1,497,178	1,894,714	1,954,557
Licenses and permits	2,786,032	2,359,716	2,797,700	3,241,813
Intergovernmental	3,867,795	11,879,601	3,105,500	2,983,191
Charges for services	4,228,179	4,051,971	3,897,710	3,547,900
Fines and forfeits	332,694	401,610	281,047	341,356
Special assessments	800,054	1,550,110	985,912	2,233,715
Investment earnings	1,358,170	612,098	949,510	622,450
Miscellaneous	2,615,062	3,050,231	2,285,608	2,188,262
Total revenues	47,037,594	54,719,268	46,757,214	47,819,494
Expenditures				
General government	6,472,022	6,219,751	6,415,318	6,503,965
Public safety	11,949,612	11,771,246	11,885,577	12,571,356
Public works	4,637,289	15,624,494	4,437,939	-
Operations and recreation	-	-	-	13,955,142
Engineering	-	-	-	939,416
Public information	445,146	387,459	383,586	470,280
Culture and recreation	6,027,059	6,234,938	6,546,054	-
Housing and rehabilitation	1,550,264	4,144,378	790,918	3,881,500
Housing maintenance	128,099	241,170	79,786	116,949
Social and economic development	6,241,123	4,720,638	6,426,013	7,681,176
General services	7,662	-	-	-
Debt service				
Principal	4,709,000	2,170,000	5,420,000	1,285,000
Interest	1,322,477	1,170,286	1,170,549	1,235,118
Other charges	-	453,288	1,040	46,435
Bond issuance costs	-	-	-	-
Capital outlay	10,314,002	6,306,083	14,295,009	3,930,528
Total expenditures	53,803,755	59,443,731	57,851,789	52,616,865
Revenues over (under) expenditures	(6,766,161)	(4,724,463)	(11,094,575)	(4,797,371)
Other financing sources (uses)				
Transfers in	9,939,299	11,809,353	7,086,529	6,395,355
Transfers out	(10,579,081)	(14,974,391)	(5,520,906)	(5,580,044)
Refunding bonds issued	-	3,615,000	-	1,290,000
Bonds issued	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	-	27,412	-	885,328
Total other financing sources (uses)	(4,874,005)	15,051,166	1,565,623	2,990,639
Net change in fund balances	\$ (11,640,166)	\$ 10,326,703	\$ (9,528,952)	\$ (1,806,732)
Debt service as a percentage of noncapital expenditures	13.84%	6.29%	15.26%	5.18%

Table 5

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 25,658,762	\$ 24,361,524	\$ 26,598,373	\$ 27,734,546	\$ 28,941,646	\$ 31,853,551	
6,647,729	7,380,995	6,763,951	7,733,689	8,961,792	10,266,075	
-	-	-	-	-	1,021,855	
2,211,569	2,268,213	2,915,732	3,079,399	3,763,394	3,804,678	
3,069,090	3,413,683	4,312,702	4,320,078	3,985,517	4,001,645	
13,887,247	13,216,055	6,017,025	4,345,482	8,228,158	5,240,175	
3,052,789	3,476,264	3,608,933	3,406,964	3,529,125	3,708,327	
311,882	369,546	263,951	299,808	293,236	282,146	
1,505,568	1,268,539	1,238,873	1,192,628	1,169,859	1,150,577	
123,306	386,263	199,747	362,196	369,203	677,131	
2,216,820	2,577,300	3,051,946	3,230,390	2,218,712	1,529,337	
<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>	<u>63,535,497</u>	
7,162,588	7,376,380	7,813,046	8,188,193	8,142,675	9,075,636	
12,435,341	13,239,729	14,025,463	14,669,251	15,824,577	17,050,302	
-	-	-	-	-	-	
10,083,541	10,450,789	9,710,604	9,688,872	10,665,329	11,031,544	
15,998,842	21,013,383	10,068,447	480,162	7,754,421	4,449,897	
408,683	462,341	561,252	477,721	495,256	567,653	
-	-	-	-	-	-	
1,715,540	875,225	538,411	482,313	453,940	512,029	
141,250	130,534	84,505	144,204	57,370	12,040	
8,910,821	7,928,905	8,872,479	8,673,638	10,857,645	10,479,359	
-	-	-	-	-	-	
3,275,000	1,970,000	1,612,827	1,681,876	3,650,297	2,055,000	
1,298,016	1,138,100	1,210,971	1,446,371	1,493,780	1,462,325	
3,895	54,433	2,640	2,717	-	-	
-	-	-	111,922	40,419	33,060	
2,089,798	2,271,988	3,486,864	19,894,828	10,159,659	14,388,878	
<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>71,117,723</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>	<u>(7,582,226)</u>	
10,472,534	19,317,129	13,296,241	8,148,651	5,586,488	7,282,081	
(9,531,189)	(15,241,005)	(9,462,850)	(6,994,545)	(4,182,613)	(5,608,462)	
-	-	-	-	-	-	
-	5,070,000	-	10,000,000	3,430,000	2,020,000	
-	-	2,200,000	-	-	-	
-	98,040	-	396,655	196,964	5,659	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
8,590	321,866	777,248	3,000	-	1,679,945	
<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>5,379,223</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>\$ (2,203,003)</u>	
<u>7.44%</u>	<u>4.81%</u>	<u>5.18%</u>	<u>6.02%</u>	<u>8.61%</u>	<u>5.6%</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			
	2009	2010	2011	2012
Population	47,221	45,250	44,665	45,505
Real Property				
Total assessed/tax capacity value	\$ 69,704,858	\$ 68,386,268	\$ 65,611,006	\$ 62,602,680
Less tax increment districts - Area-wide allocation (net)	(8,276,993) (1,635,724)	(6,976,791) (1,231,482)	(6,379,980) (2,775,483)	(5,426,995) (3,220,881)
Net assessed/tax capacity value	<u>\$ 59,792,141</u>	<u>\$ 60,177,995</u>	<u>\$ 56,455,543</u>	<u>\$ 53,954,804</u>
Estimated market value	<u>\$ 5,633,028,200</u>	<u>\$ 5,550,563,700</u>	<u>\$ 5,302,557,500</u>	<u>\$ 5,226,900,300</u>
Personal Property				
Assessed/tax capacity value	<u>\$ 434,825</u>	<u>\$ 428,760</u>	<u>\$ 478,864</u>	<u>\$ 490,122</u>
Estimated market value	<u>\$ 22,006,100</u>	<u>\$ 21,712,100</u>	<u>\$ 24,363,800</u>	<u>\$ 24,962,100</u>
Total Real and Personal Property				
Assessed/tax capacity value	<u>\$ 60,226,966</u>	<u>\$ 60,606,755</u>	<u>\$ 56,934,407</u>	<u>\$ 54,444,926</u>
Estimated market value	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>	<u>\$ 5,326,921,300</u>	<u>\$ 5,251,862,400</u>
Tax Capacity Rate	36.7%	37.1%	41.5%	43.9%

Table 6

Fiscal Year						
2013	2014	2015	2016	2017	2018	
46,362	47,411	47,502	48,354	48,747	49,039	
\$ 61,348,576	\$ 62,068,742	\$ 65,599,841	\$ 71,118,692	\$ 77,324,247	\$ 81,272,437	
(5,587,609)	(6,130,653)	(5,894,025)	(6,798,025)	(8,211,886)	(8,746,231)	
(2,940,678)	(3,670,487)	(3,879,478)	(3,168,815)	(4,255,021)	(4,787,086)	
<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>\$ 67,739,120</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>\$ 6,637,473,500</u>	
<u>\$ 559,718</u>	<u>\$ 576,427</u>	<u>\$ 607,025</u>	<u>\$ 614,793</u>	<u>\$ 650,504</u>	<u>\$ 710,227</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>\$ 36,048,400</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>\$ 68,469,347</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>\$ 6,673,521,900</u>	
46.6%	48.6%	47.8%	46.2%	46.2%	46.4%	

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

City of St. Louis Park	Year			
	2009	2010	2011	2012
Operating Rate	34.402	34.869	39.689	40.303
Debt Service Rate	2.265	2.247	1.770	3.563
Total City Direct Rates	36.667	37.116	41.459	43.866
Overlapping Rates				
County				
Operating Rate	40.413	42.640	45.840	48.231
School District				
Operating Rate	9.080	9.295	12.917	13.324
Debt Service Rate	11.257	11.803	13.539	15.946
Other Taxing Districts				
St. Louis Park HRA Levy	1.759	1.718	1.817	1.806
Metro Mosquito Control	0.489	0.461	0.525	0.537
Metro Council	0.817	0.793	0.885	0.940
Metro Transit Debt	1.273	1.366	1.539	1.607
Hennepin County HRA	-	0.241	0.397	0.403
Hennepin Parks	3.334	3.499	3.765	3.943
Park Museum	0.771	0.778	0.815	0.799
HC Regional Railroad Authority	0.470	1.000	1.246	1.294
Referendum Market Value Based Rate	-	0.152	0.148	-
Watershed	1.489	1.511	1.606	1.705
Total Overlapping Rates	71.152	75.257	85.039	90.535
Total Direct and Overlapping Rates	107.819	112.373	126.498	134.401

Table 7

Year					
2013	2014	2015	2016	2017	2018
42.902	45.868	45.234	43.744	42.933	41.759
3.650	2.702	2.520	2.451	3.267	4.624
46.552	48.570	47.754	46.195	46.200	46.383
49.461	49.959	46.398	45.356	44.087	42.808
13.976	16.741	15.642	14.887	12.364	14.506
15.754	15.617	14.698	13.627	13.247	14.529
1.676	1.808	1.679	1.634	1.661	1.718
0.556	0.563	0.507	0.483	0.475	0.456
0.997	1.069	0.976	0.925	0.883	0.844
1.689	1.703	1.523	1.491	1.463	1.383
0.478	0.514	0.471	0.439	0.497	0.457
4.054	4.169	3.789	3.601	3.365	3.161
0.754	0.766	0.702	0.712	0.711	0.710
1.561	1.777	1.817	1.879	1.925	1.962
-	-	-	-	-	-
1.769	1.806	1.738	1.724	1.738	1.694
92.725	96.492	89.940	86.758	82.416	84.228
139.277	145.062	137.694	132.953	128.616	130.611

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

Table 8

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ARC WEMPSMN001, LLC	\$ 111,533,000	1	1.67 %	\$ 72,900,000	1	1.29 %
Interchange Investors	96,800,000	2	1.45			
Excelsior & Grand Apartments, LLC	88,665,000	3	1.33			
BRI 1880 Towers At West End, LLC	82,478,000	4	1.24			
Gatewood Knoowood, LLC	81,181,600	5	1.22			
Middleton Park Place Investors, LLC	62,683,000	6	0.94			
West End Office MN, LLC	62,211,000	7	0.93			
PNMC Holdings	59,950,700	8	0.90			
MFREVF III - Ellipse, LLC	51,397,000	9	0.77			
WTC No 459 Corp	45,650,000	10	0.68			
Thompson Reuters Property Tax Service				57,000,000	2	1.01
AEW VIF II Acquisition LLC				49,420,000	3	0.87
Parkdale Property LLC				39,273,000	4	0.69
Park Nicollet				38,500,300	5	0.68
Park Glen				26,390,000	6	0.47
Target				18,325,000	7	0.32
General Growth/Knollwood Co.				18,250,000	8	0.32
Park Shore Senior Campus, LLC				23,805,000	9	0.42
Xcel Energy				14,489,900	10	0.26
Total	\$ 742,549,300		11.13 %	\$ 358,353,200		6.33 %
Total taxable assessed value	\$ 6,673,521,900			\$ 5,655,034,300		

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
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	25,611,682	99.99
2014	26,527,267	26,129,048	98.50	26,515,779	99.96
2015	27,938,615	27,590,682	98.75	27,899,442	99.86
2016	29,615,682	29,462,804	99.48	29,438,804	99.40
2017	31,350,534	30,559,213	97.48	30,719,890	97.99
2018	32,921,154	32,737,859	99.44	32,737,859	99.44

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				
2009	\$ 9,590,000	\$ 8,405,000	\$ -	\$ -	\$ 9,185,000	\$ 43,692	\$ 27,223,692	1.55	576.52
2010	26,335,000	7,410,000	-	-	11,334,924	41,847	45,121,771	2.72	997.17
2011	21,420,000	6,905,000	26,220	-	10,555,000	(136,030)	38,770,190	2.31	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	2.06	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	2.26	891.65
2016	31,230,000	3,805,000	215,619	2,025,297	10,515,000	439,637	48,230,553	2.46	997.45
2017	33,430,000	3,410,000	165,931	-	14,070,000	873,267	51,949,198	2.53	1,065.69
2018	33,810,000	2,995,000	180,382	-	19,475,000	1,122,736	57,583,118	2.67	1,174.23

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

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

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>
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
2018	33,810,000	(4,727,310)	445,293	29,527,983	0.44	602.13

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value on page 158 for property value data.

(2) Population data can be found in the Schedule of Demographic Statistics on page 171.

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CITY OF ST. LOUIS PARK, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2018

Table 12

Governmental Unit	Debt Outstanding (1)	Percentage Applicable (2)	Share of Overlapping Debt
Overlapping Debt			
Hennepin County	\$ 1,056,890,798	4.06 %	\$ 42,909,766
St. Louis Park Independent School District	120,593,922	99.43	119,906,537
Hopkins Independent School District	178,684,351	3.22	5,753,636
Edina Independent School District	173,510,411	0.06	104,106
Hennepin County Suburban Park District	43,575,708	5.67	2,470,743
Hennepin Regional RR Authority	24,600,380	5.67	1,394,842
Metropolitan Council	75,902,689	1.93	1,464,922
Subtotal of Overlapping Debt	1,673,758,259		174,004,552
Direct Debt			
City of St. Louis Park	37,430,675	100	37,430,675
Total of Direct and Overlapping Debt	\$ 1,711,188,934		\$ 211,435,227

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			
	2009	2010	2011	2012
Debt Limit	\$ 169,651,029	\$ 167,168,274	\$ 159,807,639	\$ 157,555,872
Total Net Debt Applicable to Limit	2,880,000	15,535,000	15,150,000	14,755,000
Legal Debt Margin	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>	<u>\$ 144,657,639</u>	<u>\$ 142,800,872</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	1.70%	9.29%	9.48%	9.36%
Legal Debt Margin Calculation for Fiscal Year				
Estimated Taxable Market Value	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>	<u>\$ 5,326,921,300</u>	<u>\$ 5,251,862,400</u>
Debt Limit (3% of taxable market value)	<u>\$ 169,651,029</u>	<u>\$ 167,168,274</u>	<u>\$ 159,807,639</u>	<u>\$ 157,555,872</u>
Debt applicable to limit				
Total Bonded Debt	\$ 27,180,000	\$ 45,079,924	\$ 38,880,000	\$ 37,930,000
Less:				
G.O. Revenue Bonds	(9,185,000)	(11,334,924)	(10,555,000)	(9,600,000)
G.O. Improvement Bonds	(6,710,000)	(10,800,000)	(6,270,000)	(6,975,000)
G.O. Tax Increment Bonds	(8,405,000)	(7,410,000)	(6,905,000)	(6,600,000)
Notes payable	-	-	-	-
Total Net Debt Applicable to Limit:	<u>2,880,000</u>	<u>15,535,000</u>	<u>15,150,000</u>	<u>14,755,000</u>
Legal Debt Margin:	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>	<u>\$ 144,657,639</u>	<u>\$ 142,800,872</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									
		2013	2014	2015	2016	2017	2018				
\$	153,950,244	\$	154,579,107	\$	163,979,667	\$	176,182,830	\$	190,181,436	\$	200,205,657
	13,726,638		18,053,460		17,063,045		23,934,703		28,375,000		28,975,000
\$	140,223,606	\$	136,525,647	\$	146,916,622	\$	152,248,127	\$	161,806,436	\$	171,230,657
	8.92%		11.68%		10.41%		13.59%		14.92%		14.47%
\$	5,131,674,800	\$	5,152,636,900	\$	5,465,988,900	\$	5,872,761,000	\$	6,339,381,200	\$	6,673,521,900
\$	153,950,244	\$	154,579,107	\$	163,979,667	\$	176,182,830	\$	190,181,436	\$	200,205,657
\$	37,746,638	\$	45,090,663	\$	42,355,218	\$	45,550,000	\$	50,910,000	\$	56,280,000
	(12,785,000)		(16,826,503)		(13,510,000)		(10,515,000)		(14,070,000)		(19,475,000)
	(6,365,000)		(5,690,000)		(5,485,000)		(5,270,000)		(5,055,000)		(4,835,000)
	(4,870,000)		(4,520,700)		(4,175,000)		(3,805,000)		(3,410,000)		(2,995,000)
	-		-		(2,122,173)		(2,025,297)		-		-
	13,726,638		18,053,460		17,063,045		23,934,703		28,375,000		28,975,000
\$	140,223,606	\$	136,525,647	\$	146,916,622	\$	152,248,127	\$	161,806,436	\$	171,230,657

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

Table 14

Fiscal Year	Revenue Bonds ¹					Coverage
	Gross Revenue ²	Less: Operating Expenses ³	Net Revenue Available	Debt Service		
				Principal	Interest	
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 ⁴	381,359	3.74
2016	15,481,494	(10,328,560)	5,152,934	1,155,000 ⁵	301,051	3.54
2017	16,495,157	(10,186,997)	6,308,160	1,360,000 ⁶	197,658	4.05
2018	16,851,218	(11,354,272)	5,496,946	1,375,000	320,608	3.24

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

¹ Includes Water Utility, Sewer Utility and Storm Water Utility revenue bonds.

² Gross revenue includes investment income and excludes intergovernmental and miscellaneous revenues.

³ Expenses exclude depreciation, interest on bonds and miscellaneous expenses.

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

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

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

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

Table 15

<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>
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
2018	49,039	2,157,275	43,991	35.7	4,560	2.2

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 2018			Fiscal Year 2009		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Park Nicollet Health Services and Methodist Hospital	6,708	1	16.2 %	6,022	1	15.1 %
Wells Fargo Mortgage	1,450	2	3.5			
St. Louis Park Public Schools (I.S.D. No. 283)	860	3	2.1	682	2	1.7
Japs-Olson Company	645	4	1.6	507	8	1.3
Healthland	564	5	1.4			
Shalom Houme SLP	497	6	1.2			
MoneyGram International	442	7	1.1	535	7	1.3
Center for Diagnostic Imaging	400	8	1.0			
HealthPartners	400	9	1.0			
Southwest Research Institute	326	10	0.8			
Knollwood Mall				600	3	1.5
Target				595	4	1.5
Sholom Home West				589	5	1.5
Allied Interstate				577	6	1.4
Byerly's				350	9	0.9
Miracle Mile Shopping Center				350	10	0.9
Total	<u>12,292</u>		<u>29.90 %</u>	<u>10,807</u>		<u>27.10 %</u>
Total City employment (2)			41,438			39,809

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

Function	Fiscal Year			
	2009	2010	2011	2012
General government	114.5	105.5	95.4	90.3
Public safety				
Police				
Officers	51.0	51.0	51.0	52.0
Civilians	17.0	20.0	23.0	30.0
Fire				
Firefighters and officers	25.0	25.0	24.0	24.0
Operations and recreation and Engineering	32.0	32.0	32.0	33.0
Water	11.4	9.9	11.2	11.2
Sewer	2.7	3.6	4.9	4.9
Solid Waste	1.8	1.8	3.3	3.3
Storm Water	2.6	3.3	4.9	4.8
Total Employees	258.0	252.0	249.7	253.5

Source: St. Louis Park Human Resources Department

Table 17

Fiscal Year						
2013	2014	2015	2016	2017	2018	
88.8	88.4	89.4	91.6	97.9	91.8	
52.0	53.0	55.0	55.0	57.0	57.0	
34.0	35.0	35.0	35.0	35.0	35.0	
24.0	24.0	25.0	26.0	28.0	28.0	
35.0	34.0	35.0	35.0	28.1	35.0	
10.9	11.2	11.5	11.4	12.5	14.6	
4.9	5.5	6.0	6.0	6.4	5.1	
3.3	4.7	5.8	5.8	5.3	4.9	
4.8	6.2	6.7	6.7	7.1	6.2	
<u>257.7</u>	<u>262.0</u>	<u>269.4</u>	<u>272.5</u>	<u>277.3</u>	<u>277.6</u>	

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

Table 18

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Medical calls	3,110	3,188	3,101	3,152	3,296	2,391	3,756	3,623	3,705	4,375
Traffic stops	2,462	4,236	5,362	7,146	6,674	6,907	6,692	6,939	7,401	6,267
Other	22,562	21,355	21,742	24,354	25,014	27,752	29,299	31,462	31,052	31,882
Fire										
Inspections/Medical/All other calls	4,429	3,893	3,078	3,117	3,360	4,747	5,118	6,130	5,513	6,308
Fire calls - residential/structural	96	107	153	142	66	116	135	53	202	297
Fire calls - other	68	37	53	64	48	91	115	41	85	68
Cable TV										
Hours of new programming	250	456	535	-	549.5	311	400	400	368	362
Inspections										
Permits	8,895	8,397	9,220	9,091	10,254	11,111	9,684	10,099	11,246	10,106
Inspections	27,332	20,204	22,818	23,667	26,902	32,543	23,031	23,372	28,484	25,187
Culture and recreation										
Aquatic park attendance	67,617	69,825	67,422	70,270	52,557	51,894	68,355	72,439	65,665	71,977
Hours of ice time	6,354	6,493	4,687	5,444	4,701	4,773	4,626	4,125	6,000	6,400
Water										
Gallons of water production (billions)	2.4	2.1	2.1	2.4	2.2	2.09	2.01	1.78	1.79	1.91
Average watermain breaks per year	30	30	30	30	27	40	41	20	11	38
Public Works										
Snowplowing hours	2,454	3,216	2,543	1,173	6,449	3,752	2,284	3,781	2,859	5,466

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	26	28	26	25	28	28	29	29
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	13	13	14	13	13	10	14	15	15
Fire hydrants	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,772	1,773	1,774
Culture and recreation										
Parks	53	53	57	57	57	57	52	53	53	53
Trails	10	10	10	10	10	10	10	22	22	22
Streets										
Lane miles of streets	310	311	311	311	311	311	311	311	311	314
Miles of streets	155	155	155	155	155	155	155	155	155	157
Water										
Wells	11	11	11	11	11	11	10	10	10	10
Water treatment plants	6	6	6	6	6	6	6	6	6	6
Miles of watermain	148	149	160	160	160	160	160	175	175	175
Sanitary Sewer										
Lift stations	23	23	23	23	23	23	23	23	23	23
Miles of sewermain	138	139	147	147	147	147	147	143	143	143
Storm Sewer										
Lift stations	10	10	10	10	10	10	10	10	11	11
Ponds and lakes	26	52	52	52	52	52	52	52	52	52
Catch basins	3,154	3,731	3,731	3,731	3,731	3,731	3,731	3,885	3,885	3,940

Source: St. Louis Park Departments

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