



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Bloomington
in tune



CITY OF
BLOOMINGTON
MINNESOTA

Annual Comprehensive Financial Report

of the City of
Bloomington, Minnesota

For the Year Ended
December 31, 2025

Prepared by the Finance Department

CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

SECTION I

INTRODUCTORY SECTION

CITY OF BLOOMINGTON, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

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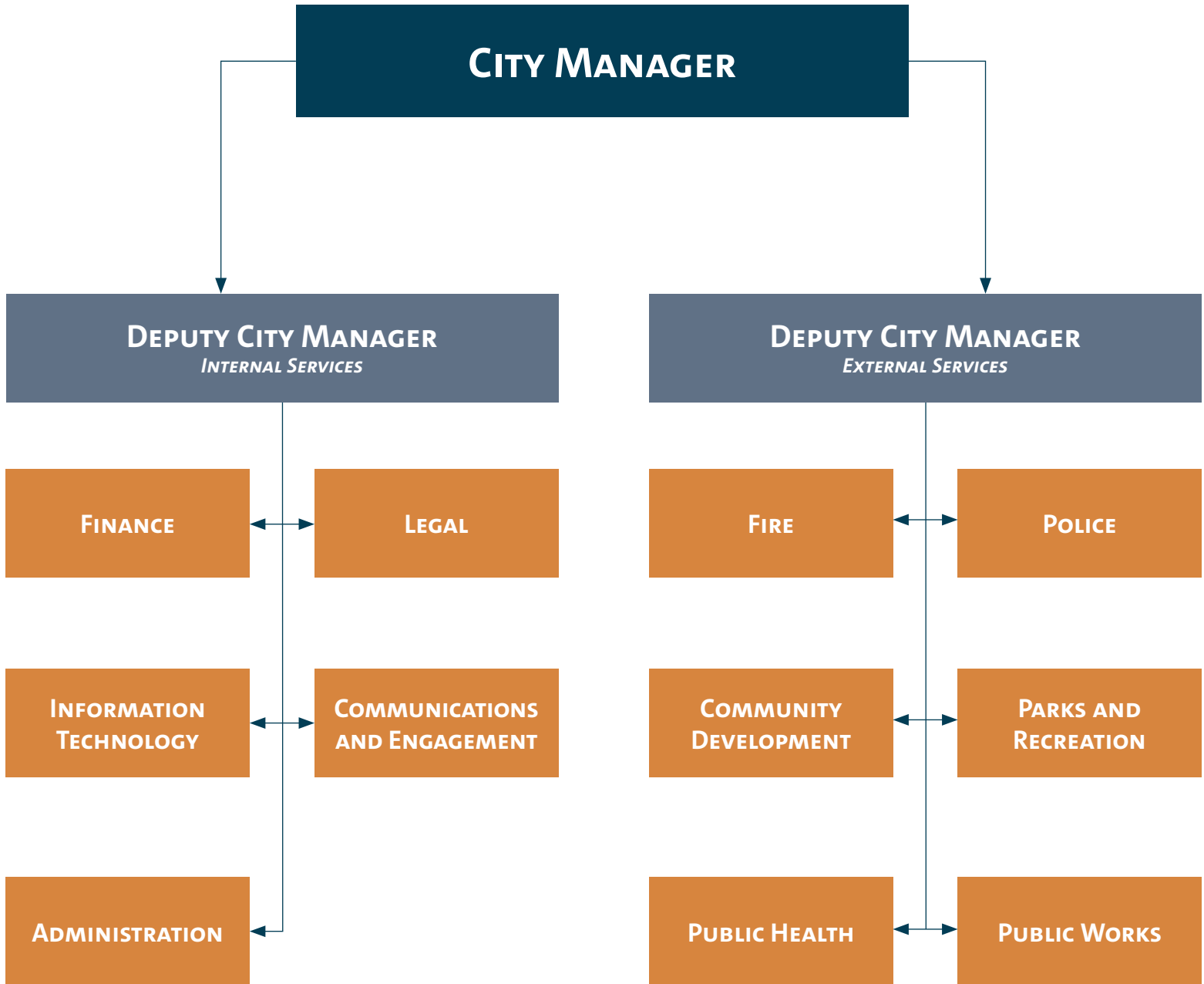
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CITY OF
BLOOMINGTON
MINNESOTA

ORGANIZATION CHART



CITY OF BLOOMINGTON, MINNESOTA

DECEMBER 31, 2025

PRINCIPAL OFFICIALS

TIM BUSSE, MAYOR

JENNA CARTER COUNCILMEMBER

LONA DALLESANDRO COUNCILMEMBER

DWAYNE LOWMAN COUNCILMEMBER

CHAO MOUA COUNCILMEMBER

SHAWN NELSON COUNCILMEMBER

VICTOR RIVAS..... COUNCILMEMBER

ZACH WALKER, CITY MANAGER



June 3, 2026

To the Citizens of the City of Bloomington,
Mayor, Council Members, and City Management

The Annual Comprehensive Financial Report of the City of Bloomington, Minnesota (the City) for the fiscal year ended December 31, 2025 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared by the City's Finance Department. Management assumes full responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables contained in this report, based upon a comprehensive framework of internal controls that has been established for that purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects; that it fairly sets forth the financial position and results of City operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bloomington's MD&A can be found immediately following the Independent Auditors' Report.

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Charter.

The City and the City's Housing and Redevelopment Authority (HRA), a discrete component unit of the City, are required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, independent auditor's report on compliance and on internal control over financial reporting based upon the audit of the basic financial statements performed in accordance with Government Auditing Standards, and independent auditor's report on compliance and internal control over compliance applicable to each major federal award program, are included in a separate single audit report.

Other Reporting Entity Components

In accordance with GASB pronouncements, the City's financial statements include all funds and departments of the City (the primary government) and its component units. Component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. As a result of applying the entity definition criteria of GASB, the following organizations have been included in the City's financial statements:

1. The Port Authority of the City of Bloomington (Port Authority)
2. Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Note 1 to the financial statements gives further information about the component units included in the financial statements. Note 15 to the financial statements presents disclosure information for each of the discretely presented component units. The financial schedules of the Port Authority and the HRA are included within the City's Annual Comprehensive Financial Report in the Other Supplementary Information section under the Component Units tab.

Economic Condition and Outlook

Bloomington covers an area of 38.3 square miles and is situated completely within Hennepin County. Bloomington was incorporated as a township on May 11, 1858, the same day Minnesota became a state. Over the past seven decades Bloomington has grown from a rural village beyond the developing edge of Minneapolis to one of Minnesota's largest cities and the region's hospitality and retail hub. This growth was spurred by freeways reaching out from the metropolitan downtowns and further enhanced by its proximity to the Minneapolis/St. Paul International Airport. The Minnesota River meanders along as a southern border to the city. Residents enjoy miles of scenic hiking and biking paths while exploring nature areas overlooking the Minnesota Valley National Wildlife Refuge.

Bloomington is also the terminus for the 12-mile METRO Blue Line (Hiawatha). This light rail transit (LRT) line connects four Bloomington stations with several popular Twin Cities destinations along the Blue and Green light rail lines including the Minneapolis/St. Paul International Airport, Minneapolis Veteran's Administration Health Care System, University of Minnesota, Downtown Minneapolis, the State Capitol, and Downtown St. Paul. Bloomington is also served by multiple Bus Rapid Transit (BRT) routes, including the Orange Line, Red Line, and D-Line, along with numerous high service bus routes.

The city has many well-known national and international corporations within its boundaries, including HealthPartners, Seagate Technology, The Toro Company, Donaldson Company, International Dairy Queen, Skywater Technology, Polar Semiconductor, Evernorth Health Services (formerly known as Express Scripts), WTW (Willis Towers Watson), Thermo King by Trane Technologies, Ziegler CAT, and the North American headquarters for SICK Inc. Bloomington is home to the largest retail and entertainment destination in the United States, Mall of America®. More than 11,000 people work at Mall of America and it attracts over 32 million visitors each year. As the state's number one tourist attraction, Mall of America draws more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and 9,528 hotel/motel rooms, Bloomington is a major regional and national business and meeting center, employing thousands of workers in the hospitality industry.

Housing is well-maintained throughout the city and Bloomington is fortunate to have a diversified tax base, which for payable 2025 is composed of approximately 45.5% commercial/industrial, 42.9% residential, and 11.1% apartments. Shopping areas are efficiently distributed, and Bloomington businesses provide two jobs for every Bloomington resident in the workforce. Bloomington also has plenty of room for new development and is experiencing additional growth, especially in the multi-family sector.

Current City Development

Total project valuation for all building permits issued in 2025 was \$540,667,281. The majority of new development continues to focus on the South Loop District and I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth. The following development projects in Bloomington were under construction or were completed in 2025:

- Seagate Expansion, 80,000 square foot, two-story manufacturing addition.
- Walser Toyota dealership and corporate offices, 122,000 square feet.
- Ardor on the Bluff apartments, 235 market rate units.
- Oxboro Heights Senior Apartments, 125 units, all affordable between 30% and 70% Area Median Income.
- Tommy's Car Wash, 5,300 square foot new car wash.
- Luther Hyundai, 9,200 square foot dealership expansion.
- Schneiderman's Furniture, office building conversion plus 4,000 square foot addition.
- Rosalyn senior living apartments, 128 units.
- The Knox apartments, 99 units.
- Ever apartments, 208 units and 1,400 square feet of commercial space.
- SICK Technology Campus – Phase II office building and parking structure.
- Gyropolis restaurant addition.
- Bloomington Community Health and Wellness Center, a new 106,000 square foot structure.
- Bloomington Ice Garden renovation.
- Luther Kia, a two-story, 54,000 square foot new dealership.
- Bloomington Jefferson and Bloomington Kennedy high school athletic stadiums.

Mall of America® Development

Mall of America (MOA)®, the largest retail and entertainment destination in the country, opened its doors in August 1992 and has become one of the most visited tourist destinations in the world.

Mall of America has two anchor department stores: Macy's and Nordstrom, as well as up to 500 world-class retail stores, restaurants and attractions. In 2025, Mall of America welcomed 20 new tenants including SKIMS, CardVault by Tom Brady, POP MART, NBA Store, Laderach, MINISO, Samsung Experience Store, and New Balance. Two connected luxury hotels, the 500-room Radisson Blu on the south side and the 342-room JW Marriott hotel on the north side, offer outstanding amenities such as meeting rooms, onsite dining, fitness centers, and more.

Mall of America also features an extensive entertainment complex that includes Nickelodeon Universe®. The 7-acre indoor theme park features 27 rides and attractions for all ages. Guests can enjoy everything from soaring through the air on the Backyardigans Swing-Along to flying high on Shredders Mutant Masher, a giant pendulum ride that spins and swings riders more than 50 feet in the air.

Other attractions at the Mall include Crayola Experience, where families can create colorful fun with 23 hands-on activities, LEGO Imagination Center featuring a LEGO Robot towering over 34 feet tall, several destination restaurants, as well as SEA LIFE, a 1.2 million-gallon walk-through aquarium featuring four different lake and sea environments. Free parking is provided in two, 6,000-space, seven-level public parking facilities. Plus, Mall of America recently launched PARK, SHOP, FLY, a new long-term and overnight parking program offering travelers secure, convenient, and cost-effective parking.

Mall of America is a regional asset, attracting more than 32 million visitors a year and generating significant income and more than \$2 billion in economic impact for the State of Minnesota. The Port Authority of the City of Bloomington financed the initial land acquisition and public infrastructure improvements. The total Phase I project was \$744 million, of which the Port Authority provided approximately \$108 million in public improvements for site work, parking facilities, structural roadway and bridge work, and land acquisition.

The mall is expanding in phases. Both the south side (Radisson Blu) and north side (Phase 1C) have seen expansions. The 500-room Radisson Blu opened in 2013 with a total project cost of \$137 million. In 2015, the \$292 million Phase 1C expansion opened on the north side, increasing total project area of Mall of America to 5.6 million square feet. The Phase 1C expansion added 735,000 square feet including a 342-room JW Marriott hotel, a ten-story office building anchored by the supercomputing company Hewlett Packard, and 161,000 square feet of additional retail, restaurants, and a large gathering space.

Mall of America anticipates several additional expansion phases on both the north and east sides of MOA. The City has completed significant infrastructure improvements, such as the lowering of Lindau Lane, to facilitate further expansion of the mall. The most likely next phase is a \$300 million waterpark. The Port Authority and City Council approved key development documents on March 9, 2022 to facilitate this development; however, the project was stalled by the market adjustments in 2022, with the increase in interest rates and construction costs. Staff continues to work with the developer on a revised financial model for a future consideration by the boards.

Major Initiatives

Site and Facade Improvement Program

The City recognizes that attractive neighborhood commercial nodes are an essential part of the community. Planning to inspire businesses, boost the local economy, and enhance the vitality in older areas, the City developed and launched a Site and Facade Improvement Program in 2024.

The grant funded program covers half of the cost when businesses make revitalizing improvements to public facing commercial areas in Bloomington. Eligible businesses receive a reimbursement of 50 percent of the cost of their project, a minimum grant of \$5,000 and maximum of \$24,999 per property, resulting in total project cost range from \$10,000 to \$50,000 and higher.

The grant program encourages revitalization of older commercial buildings with eligible improvements including repairing or replacing windows, doors, canopies, parapets and steps; removing exterior finishes or materials that cover architectural details; sidewalk and pedestrian improvements; mounted signage; murals, landscaping and masonry repairs; ADA accessibility to the building from outside; and more.

The opportunity to receive financial assistance inspired many businesses to consider investing in immediate property upgrades. In 2025, Staff approved ten applications for a total of \$210,000. When combined with owner contributions, these projects generated a total community investment of \$817,000. The Site and Facade Improvement Program is one of many new initiatives the City has implemented recently. Through partnerships with local business owners, the City continues to support investment, encourage growth, and promote the community's long-term well-being.

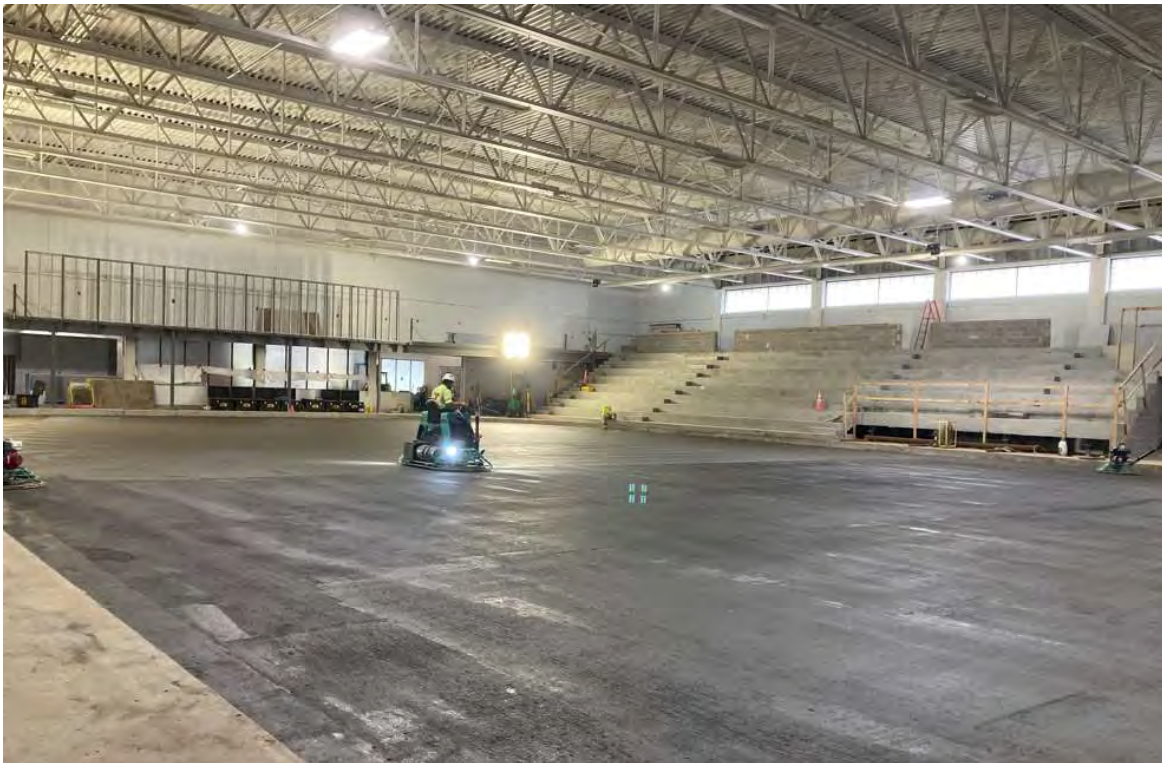


Ice Garden Modernization Project

The City of Bloomington is a great place to live, work, and enjoy a wide range of recreational opportunities. As the community continues to grow, the City remains committed to investing in amenities that foster connection, enhance well-being, and serve residents for generations to come.

Guided by more than two years of community input, the City developed the Bloomington Forward investment plan, a long-term vision supporting three major infrastructure projects centered on health, wellness, athletics and recreation. One initiative was the comprehensive modernization of the historic Bloomington Ice Garden. In November 2023, Bloomington voters approved a half percent local option sales tax through a citywide referendum, authorizing a total of \$155 million dollars in bonds, \$37 million of which was dedicated to funding improvements at Bloomington Ice Garden.

Bloomington Ice Garden opened in 1970 with one sheet of ice. Two additional rinks were added over the following decades. Years of heavy use took a toll on the facility. Aging equipment, high demand, and limited accessibility were among the challenges addressed through the Bloomington Ice Garden Modernization project.



Construction began in fall 2024, with activities increasing in early 2025. On March 15, 2025, the building closed completely to allow major construction to take place during the off season. The facility reopened key spaces on October 1, 2025, in time for the start of the skating season.

Today, Bloomington Ice Garden is a premier 126,000 square foot facility with three sheets of ice. As one of Minnesota's busiest ice arenas, it provides more than 10,000 hours of ice time and welcomes over 450,000 visitors each year. The building hosts a wide range of hockey and figure skating events, including local, state and regional competitions. Following modernization, the facility features a modern design with seating for nearly 2,600 spectators. It also includes 8,000 square feet of rentable space across four areas, supporting both ice sports and community events.



Key upgrades include:

- A new ammonia-based ice mechanical system
- Replacement and upgrades of all major mechanical equipment
- Roof replacement
- New rink floors and dasher board systems
- Advanced sound and lighting systems
- Modern scoreboards
- A second level temperature-controlled viewing area between rinks two and three
- An indoor training area and conference meeting space on the second level
- Reconfiguration of rink three from Olympic size to standard NHL size
- A second level concourse surrounding the main high school rink
- Improvements to ticketing, security, office, and concession areas

Additional improvements include a larger lobby, updated locker rooms, modern restrooms and a new concessions and seating area. Accessibility was significantly enhanced with the addition of two lifts and eight accessible seating areas throughout the facility. The building now features 15 modernized locker rooms, including three larger locker room suites for the main high school rink. The parking lot was also redesigned to improve safety, with clearer pedestrian walkways and more accessible parking options.

The Bloomington Ice Garden Modernization project was supported by a dedicated public webpage where residents could learn more and follow progress. Informative timelines, frequent updates, photos and timelapse images were shared with residents.

The modernization project was recognized as one of Minnesota's top construction projects, earning the 2026 MCA Choice Award from the Minnesota Construction Association. This award honors projects that demonstrate leadership, innovation, collaboration and craftsmanship. The project was noted for its strong leadership, creative use of materials, and successful integration of modern construction techniques within a valued community facility. RJM Construction and JLG Architects were recognized alongside the City for their expertise and collaboration.

Relevant Financial Policies

In accordance with the City's Budgetary and Financial Control Policy, the City strives to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures. The City also reviews and updates the schedule of fund balances, reserves, and working capital in all other operating funds and determines adequacy of those money balances, using specified guidelines and criteria in conjunction with the budgets set annually.

The City's Debt Policy confines long-term borrowing to capital improvements, equipment or projects that have a life of more than four years and cannot be financed from current revenues. The City endeavors to keep the total maturity length of general obligation bonds below twenty years and to have at least 50% of the principal retired within ten years. Total net general obligation debt (net of utilities supported debt, tax increment, and any debt supported by other pledged revenues like special assessments) shall not exceed 75% of the dollar per capita debt limit per year.

Budget Process

The City Council is required to adopt a final budget no later than December 31 for the next year. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, enterprise funds, and internal service funds. The general fund, special revenue funds, enterprise funds, and internal service funds have legally adopted annual budgets. All appropriation changes that occur during the year are approved by the City Council. Capital projects are approved on a project-by-project basis.

Liquidity

The following table shows previous year-end fund balances for the General Fund, as compared to original budget appropriations for the following year.

	General Fund Budget Appropriations	Fund Balance Beginning of Year	
		Amount	% of Budget
2022	\$ 85,301,172	\$ 42,565,870	49.9%
2023	94,161,711	44,898,089	47.7
2024	100,098,114	51,157,572	51.1
2025	109,813,407	55,569,726	50.6
2026	122,269,273	55,291,969	45.2

The City's General Fund working capital balance of \$55,291,969 at December 31, 2025 ties to the total fund balance of \$55,291,969 as noncurrent assets are offset by deferred inflows. The City anticipates that the 2026 year-end General Fund balance will remain constant based upon budgeted 2026 revenues and expenditures and one-time transfers of fund balance to other funds for specific projects.

Debt Administration

General obligation bond debt statistics for the City of Bloomington at December 31, 2025 are as follows (primary government only):

	Amount	% Market Value	Bonded Debt per Capita	
			Current Year	Prior Year
General Obligation Bonded Debt	\$ 49,932,036			
Improvement Bonds	36,434,339			
General Obligation Tax Increment	14,213,229			
Net Total	91,579,604			
Less Debt Service Funds	(22,046,629)			
Total Net Bonded Debt	69,532,975	.39%	\$ 751	\$ 617
Overlapping Debt (1)	278,108,698	1.62	3,003	3,115
Total – 2025 Year-End	<u>\$ 347,641,673</u>	<u>2.01%</u>	<u>\$ 3,754</u>	
Total - Prior Year-End	<u>\$ 342,487,522</u>	<u>1.94%</u>		<u>\$ 3,732</u>

(1) School, County, and other local taxing entities - see Table 11 in the Statistical Section.

In 2025, the City retired \$1,055,000 of general obligation, \$6,320,000 of improvement, \$527,340 of tax increment, and \$960,000 of business-type G.O. bonds. The City issued \$14,455,000 of general obligation, \$3,859,000 of general obligation improvement bonds, and \$91,625,000 of sales tax revenue bonds.

The following table presents general obligation bonds issued during the recent fiscal years:

Date of Issue	Amount	Type	Average Life	Net Interest Rate	Interest Cost Per Borrowed Dollar
06/29/21	\$ 975,000	Taxable Tax Increment	10.04 years	2.45%	\$.25
09/09/21	2,005,000	Charter Bonds	6.36	.98	.25
11/23/21	4,540,000	Improvement	6.07	1.31	.21
04/27/22	11,975,000	Capital Improvement	12.48	3.05	.43
09/08/22	11,875,000	Improvement	6.89	2.51	.33
12/20/22	5,551,460	Taxable Tax Increment	8.65	2.45	.26
09/05/24	9,110,000	Improvement	6.40	2.94	.31
11/26/24	34,780,000	Sales Tax Revenue	12.40	5.05	.62
08/13/25	63,500,000	Sales Tax Revenue	11.28	4.41	.56
08/13/25	28,125,000	G.O. Sales Tax Revenue	10.60	4.04	.48
10/22/25	959,000	Improvement	6.25	5.09	.32
11/20/25	3,210,000	Capital Improvement	12.29	4.66	.57
11/20/25	2,900,000	Improvement	6.05	3.00	.29
12/17/25	11,245,000	Capital Improvement	12.19	3.76	.53

The City's bonds are rated Aaa by Moody's Investors Service (Moody's highest rating, upgraded from Aa1 in November 1998), AAA by Standard and Poor's (S&P's highest rating, upgraded in October 2000), and AAA by Fitch Ratings (Fitch's highest rating, awarded in October 2004). These "Triple Triple A" bond ratings were reaffirmed at the most recent bond issuance. The City believes that its 2025 financial results will result in continued excellent bond ratings. These excellent ratings have had a positive effect on the sale of the City's bonds, by broadening the City's market and lowering the interest rates for borrowing.

10-Year Capital Improvement Plan

The proceeds of general obligation bond issues; federal, state and local grants; and other local funding sources for capital projects are accounted for in capital projects funds until the particular projects are completed.

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and probable sources of funding for proposed various capital improvement projects. Any unreserved fund balances of the Park Development Fund and the Facility Fund are identified for use as proposed in the Capital Improvement Plan, when and if such projects are ordered by the City Council.

The City's latest ten-year Capital Improvement Plan originally indicated the following totals for the ten-year period of 2026-2035:

<u>Project Category</u>	<u>Estimated Amount (in millions)</u>	<u>Approximate Sources of Funding</u>	
City Facilities, Parks and Park Development	\$ 367.2	Bonds	75%
		Local Sales Tax	5
		Grants, Other	13
		Cash on Hand	7
Alternative/Surface Transportation	277.7	PIR Bonds	29%
		Franchise Fees	17
		Municipal State Aid	14
		Cash on Hand	9
		Grants, Other	10
		Tax Abatement	3
		Other Governments	18
Water, Sewer, and Stormwater Facilities	204.8	Cash on Hand	74%
		Utility Bonds	17
		Other Governments	7
		Tax Abatement	2
Economic Development and Redevelopment	99.1	Liquor/Lodging Tax	52%
		TIF Revenue Bonds	45
		Cash on Hand	3
Total	<u>\$ 948.8</u>		

Certificate of Achievement

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 Bloomington, Minnesota for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the 54th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

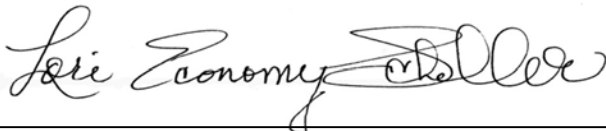
Independent Audit

State law provides that the City may arrange for examination of its books, records, accounts and affairs, or any part thereof, by the state auditor, or by certified public accountants. It has been a long-standing policy of the City to provide for a complete annual audit of City records by certified public accountants. The Independent Auditors' Report is included in the Financial Section of this report.

Acknowledgments

We wish to express our appreciation to the Finance Department staff, in particular Rose Ackerman, Mary Lee, James Colclasure, Mary Kay Heinen, Jeff Bots and Teresa Yu for their diligent work in preparing this report. We appreciate the cooperation and support from other City departments both in the preparation of this report and in budget management throughout the year. We also wish to thank the Mayor, members of the City Council, and the City Manager for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Lori Economy-Scholler, Chief Financial Officer
Finance Department



Amy Sevig, Deputy Finance Officer
Finance Department



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bloomington
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO



CITY OF
BLOOMINGTON
MINNESOTA

CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For The Year Ended December 31, 2025

SECTION II

FINANCIAL SECTION



CITY OF
BLOOMINGTON
MINNESOTA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Bloomington, Minnesota

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Bloomington, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bloomington, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Bloomington, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bloomington, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2026, on our consideration of the City of Bloomington, 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 Bloomington, 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 Bloomington, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 3, 2026

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Bloomington (the City), we offer readers of the City's financial statements a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2025. This discussion and analysis should be read in conjunction with the transmittal letter, which can be found on pages 9 - 20 of this report, and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the 2025 fiscal year by \$844.1 million (*net position*). Of this amount, \$159.7 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$48.0 million is restricted for fire pension, \$51.5 million is restricted for debt service, \$42.1 million is restricted for tax increment and abatement purposes, \$2.8 million is restricted for public safety, \$1.8 million is restricted for street reconstruction, \$1.8 million is restricted for local affordable housing, \$492,000 is restricted for cemetery, \$68,000 is restricted for community services and \$535.9 million is the City's net investment in capital assets.
- The City's net position increased by \$55.4 million. The general revenues overall increase of \$17.6 million included several factors. Property and sales taxes increased \$12.7 million due to the 9.15% levy increase and due to a full year of collecting local sales tax in 2025 compared to only collecting for a partial year for 2024. The new tax was implemented and eight months of collections occurred in 2024. Interest and investment earnings increased \$6.6 million due to an increase of \$4.4 million in interest and an increase of \$2.2 million in fair market compared to prior year. This was due to higher balances available for investment related to bond proceeds. Operating grants and contributions increased \$9.4 million due to a \$4.6 million increase in the development services area from pass thru grant funding. In addition there was a \$2.1 million increase in the public safety area due to having two active SAFER grants providing funding. The Community Services operating grants and contribution increased \$2.7 million as a result of more public health grant revenue. Capital grants and contributions increased by \$5.0 million mainly due to an increase in special assessment and State Aid revenue along with revenue from a legal settlement.
- As of December 31, 2025, the City's governmental funds had combined fund balances of \$321.3 million, an increase of \$88.2 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 40% of the total fund balances are available to meet the City's current and future needs. The remaining 60% is restricted mostly for grants, debt service, and capital projects.
- At the end of the current fiscal year, total fund balance in the General Fund was \$55.3 million, or 48.8% of actual total General Fund expenditures. This compares to \$55.6 million from the prior year, a decrease of \$300,000. The General Fund working capital goal policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues and/or expenditures. As of December 31, 2025, the fund balance of the General

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Fund was within or above this range. \$4.5 million of the fund balance has been committed for budgeted carryover amounts unspent in 2025 and future projects open purchase order contracts at the end of 2025 that were carried over to the 2026 budget.

- In 2025 the Net Pension liability decreased \$3.6 million due to changes in actuarial assumptions with the General Employee Retirement Fund and Public Employees Police and Fire Fund in addition to overall good investment returns. The pension related net deferred inflows and net deferred outflows decreased in the General Employee Retirement Fund. The net deferred inflows and net deferred outflows decreased as well in the Public Employees Police and Fire Fund as a result of changes in actuarial assumptions.
- The estimated market value for all taxable property is at \$17.8 billion for assessment year 2024 (payable 2025). Total market value has been growing each year since 2013 and now stands 56% higher than the estimated market value 10 years ago. Growth was especially strong between 2021 (payable 2022) and 2022 (payable 2023), posting an approximate 14% increase. Growth continued for 2023 (payable 2024) and 2024 (payable 2025), although at a much lower rate.
- Entity-wide, the City recorded \$26.0 million in depreciation expense on its capital assets.

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

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between them 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 net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general services, development services, public works, public safety, and community services.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The business-type activities of the City include water/wastewater utility, storm water utility, recreational facilities, solid waste management, and contractual police.

The government-wide financial statements include not only the City (*known as the primary government*), but also two legally separate entities for which the City is financially accountable. The *component units* are the Housing and Redevelopment Authority in and for the City of Bloomington (HRA) and the Bloomington Port Authority. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on Exhibits 1 and 2 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 finance-related legal compliance. 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 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 financial 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 externally reports five major and twelve nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Community Development Block Grant, Debt Service, Capital Projects, and Improvement Construction funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits 3 through 6 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise and internal service.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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/wastewater utility, storm water utility, recreational facilities, solid waste management and contractual police.

Internal service funds are used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its information technology, fleet, support services, public safety equipment, self-insurance, benefit accrual, insured benefits, facilities maintenance, and PERA pension. Because these services predominately benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements; however, some allocations have been made to business-type activities. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements provide separate information for water/wastewater, storm water, recreational facilities, solid waste, and contractual police (which are considered to be major funds of the City). The City's enterprise funds are the same as the business-type activities reported in the government-wide statements (except for internal service fund amounts which are allocated to both the governmental and business-type activities) but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found on Exhibits 7 through 9 of this report.

Notes to the basic 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 basic financial statements can be found following Exhibit 9 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on Exhibits A-1 through A-9 of this report.

The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented in the *supplementary information* section. Combining and individual fund statements and schedules can be found on Exhibits B-1 through D-3 of this report.

The *other supplementary information* section includes additional information on the two component units.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

An analysis of the City’s financial position begins with a review of the *Statement of Net Position* and the *Statement of Activities*. These two statements report the City’s net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

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 exceeded liabilities and deferred inflows by \$844,128,217 at December 31, 2025, as compared to \$788,725,754 at the end of 2024.

CITY OF BLOOMINGTON'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 485,682,606	\$ 377,602,754	\$ 65,443,111	\$ 61,839,207	\$ 551,125,717	\$ 439,441,961
Capital assets	538,883,884	478,199,702	115,973,113	110,194,651	654,856,997	588,394,353
Total assets	<u>1,024,566,490</u>	<u>855,802,456</u>	<u>181,416,224</u>	<u>172,033,858</u>	<u>1,205,982,714</u>	<u>1,027,836,314</u>
Deferred outflows:						
Deferred outflows of resources	39,188,824	44,525,167	-	-	39,188,824	44,525,167
Total assets and deferred outflows	<u>1,063,755,314</u>	<u>900,327,623</u>	<u>181,416,224</u>	<u>172,033,858</u>	<u>1,245,171,538</u>	<u>1,072,361,481</u>
Liabilities:						
Long term liabilities outstanding	295,475,660	188,700,874	8,869,438	9,881,945	304,345,098	198,582,819
Other liabilities	19,313,872	13,261,079	2,441,538	3,047,458	21,755,410	16,308,537
Total liabilities	<u>314,789,532</u>	<u>201,961,953</u>	<u>11,310,976</u>	<u>12,929,403</u>	<u>326,100,508</u>	<u>214,891,356</u>
Deferred inflows:						
Deferred inflows of resources	71,091,866	64,842,703	3,850,947	3,901,668	74,942,813	68,744,371
Total liabilities and deferred inflows	<u>385,881,398</u>	<u>266,804,656</u>	<u>15,161,923</u>	<u>16,831,071</u>	<u>401,043,321</u>	<u>283,635,727</u>
Net position:						
Net investment in capital assets	428,825,520	414,866,332	107,044,126	100,215,410	535,869,646	515,081,742
Restricted	148,572,350	121,178,823	-	-	148,572,350	121,178,823
Unrestricted	<u>100,476,046</u>	<u>97,477,812</u>	<u>59,210,175</u>	<u>54,987,377</u>	<u>159,686,221</u>	<u>152,465,189</u>
Total net position	<u>\$ 677,873,916</u>	<u>\$ 633,522,967</u>	<u>\$ 166,254,301</u>	<u>\$ 155,202,787</u>	<u>\$ 844,128,217</u>	<u>\$ 788,725,754</u>

As of December 31, 2025 the City had a positive net position balance for the government as a whole. The increase in current and other assets is mostly related to an increase in cash of \$98.6 million which is primarily due to the unspent bond proceeds of \$92.9 million for the Community Health and Wellness Center project. The deferred outflows decreased \$5.3 million due to changes in actuarial assumptions. Long term liabilities outstanding increased roughly \$105.8 million due to bond issuances. The two largest bond issuances totaling \$91.6 million were for the Community Health and Wellness Center.

By far, the largest portion of the City’s net position, \$535,869,646 (approximately 64%), reflects the City’s net investment in capital assets (e.g., land, buildings and structures, machinery and equipment, distribution system, improvements, infrastructure, and subscription assets) less any

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

related debt used to acquire those assets. The City uses these capital assets as an integral part of providing services to citizens; consequently, these are not “liquid” assets and are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, \$148,572,350 (approximately 17%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$159,686,221 (approximately 19%), may be used to meet the government’s ongoing obligation to citizens and creditors.

The following schedule provides a summary of the City’s operations for the year ended December 31, 2025:

CITY OF BLOOMINGTON'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2025	2024	2025	2024	2025	2024	
REVENUES:							
Program revenues:							
Charges for services	\$ 14,939,734	\$ 16,863,823	\$ 60,738,416	\$ 58,609,855	\$ 75,678,150	\$ 75,473,678	0.3 %
Operating grants and contributions	24,013,620	14,631,745	436,057	438,282	24,449,677	15,070,027	62.2 %
Capital grants and contributions	20,324,611	16,252,917	960,453	34,397	21,285,064	16,287,314	30.7 %
General revenues:							
Property taxes	83,875,937	77,197,125	2,233,432	1,930,195	86,109,369	79,127,320	8.8 %
Local sales tax	15,706,960	9,982,343	-	-	15,706,960	9,982,343	57.3 %
Business taxes	18,017,362	18,287,823	-	-	18,017,362	18,287,823	(1.5)%
Grants and contributions not restricted	4,268,915	5,409,264	-	-	4,268,915	5,409,264	(21.1)%
Gain on sale of capital assets	332,606	557,228	-	12,500	332,606	569,728	(41.6)%
Interest and investment earnings (losses)	13,998,429	8,192,760	2,581,315	1,796,137	16,579,744	9,988,897	66.0 %
Total revenues	<u>195,478,174</u>	<u>167,375,028</u>	<u>66,949,673</u>	<u>62,821,366</u>	<u>262,427,847</u>	<u>230,196,394</u>	<u>14.0 %</u>
EXPENSES:							
General services	8,691,675	9,268,111	-	-	8,691,675	9,268,111	(6.2)%
Development services	24,171,447	28,073,687	-	-	24,171,447	28,073,687	(13.9)%
Public works	22,288,780	24,753,904	-	-	22,288,780	24,753,904	(10.0)%
Public safety	57,779,937	50,762,948	-	-	57,779,937	50,762,948	13.8 %
Community services	32,545,581	26,043,746	-	-	32,545,581	26,043,746	25.0 %
Interest on long-term debt	5,114,825	2,136,497	-	-	5,114,825	2,136,497	139.4 %
Water/wastewater utility	-	-	31,777,599	31,168,323	31,777,599	31,168,323	2.0 %
Storm water utility	-	-	5,583,739	5,385,483	5,583,739	5,385,483	3.7 %
Recreational facilities	-	-	7,338,757	6,999,460	7,338,757	6,999,460	4.8 %
Solid waste management	-	-	9,958,257	10,622,238	9,958,257	10,622,238	(6.3)%
Contractual police	-	-	1,774,787	1,509,526	1,774,787	1,509,526	17.6 %
Total expenses	<u>150,592,245</u>	<u>141,038,893</u>	<u>56,433,139</u>	<u>55,685,030</u>	<u>207,025,384</u>	<u>196,723,923</u>	<u>5.2 %</u>
Change in net position before transfers	44,885,929	26,336,135	10,516,534	7,136,336	55,402,463	33,472,471	65.5 %
Transfers	(534,980)	(1,181,831)	534,980	1,181,831	-	-	- %
Change in net position	44,350,949	25,154,304	11,051,514	8,318,167	55,402,463	33,472,471	65.5 %
Net position - January 1	<u>633,522,967</u>	<u>608,368,663</u>	<u>155,202,787</u>	<u>146,884,620</u>	<u>788,725,754</u>	<u>755,253,283</u>	<u>4.4 %</u>
Net position - December 31	<u>\$ 677,873,916</u>	<u>\$ 633,522,967</u>	<u>\$ 166,254,301</u>	<u>\$ 155,202,787</u>	<u>\$ 844,128,217</u>	<u>\$ 788,725,754</u>	<u>7.0 %</u>

Expenses above include \$21,195,473 of depreciation expense for governmental activities and \$4,770,595 for business type activities under the full accrual basis of accounting.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

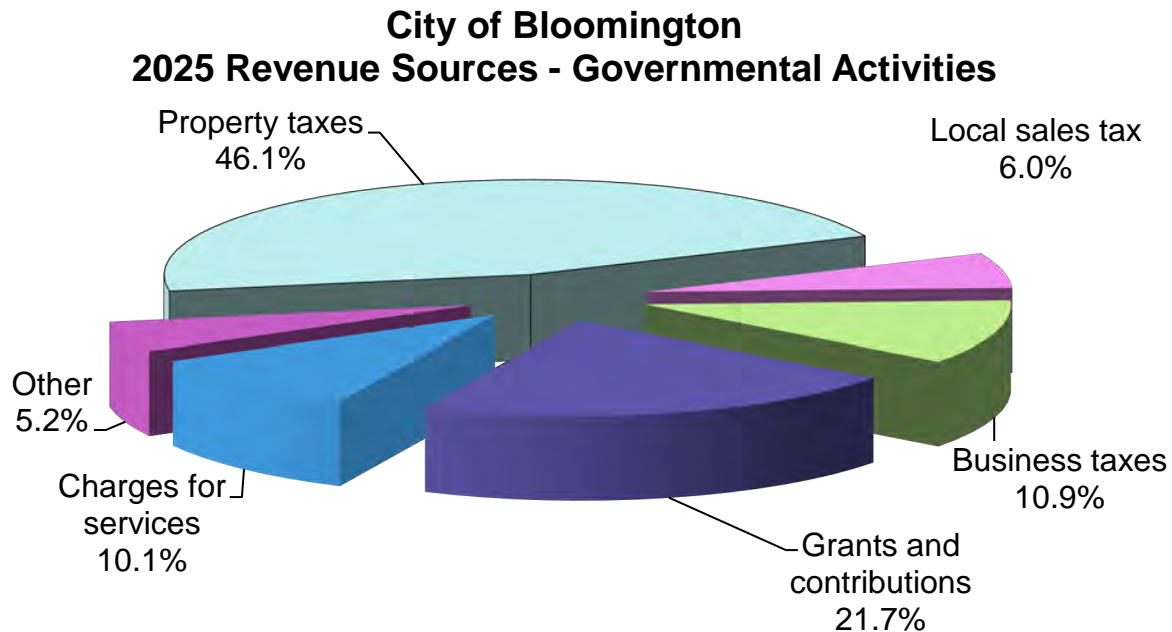
Governmental activities

Internal service fund charges for services (program revenues of \$55,357,883) and expenses (\$52,171,802) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2024 to 2025 follows:

Overall, governmental activities net position increased by \$44.4 million. Within this increase, general revenues increased overall by \$16.6 million in 2025 due to a combination of the following factors. Property taxes increased by \$6.7 million as a result of the levy increase. Local sales taxes increased \$5.7 million due to collecting a full year of taxes compared to only eight months in 2024. Grants and contributions decreased by \$1.1 million due to the PERA Pension intergovernmental revenue and American Rescue Plan grant funding decreasing. Interest and investment earnings increased \$5.8 million due to a higher balance of funds available to invest because of bond issuances.

Program revenues overall increased by \$11.5 million in 2025. Operating grants and contributions increased by \$9.4 million due to a \$4.6 million increase in the development services area from pass thru grant funding. In addition there was a \$2.1 million increase in the public safety area due to having two active SAFER grants providing funding. The Community Services operating grants and contribution increased \$2.7 million as a result of more public health grant revenue. Capital grants and contributions increased by \$4.0 million mainly due to an increase in special assessment and State Aid revenue.

Governmental activities expenses increased by \$9.6 million in 2025. A large portion of this increase is a result of Public Safety expenses increasing \$7.0 million. The fire department was awarded a second Staffing for Adequate Fire and Emergency Response (SAFER) grant so it was utilizing funding from two grants in 2025. In addition, Community Service expenses increased \$6.5 million due to a variety of Park and Recreation projects.



CITY OF BLOOMINGTON, MINNESOTA

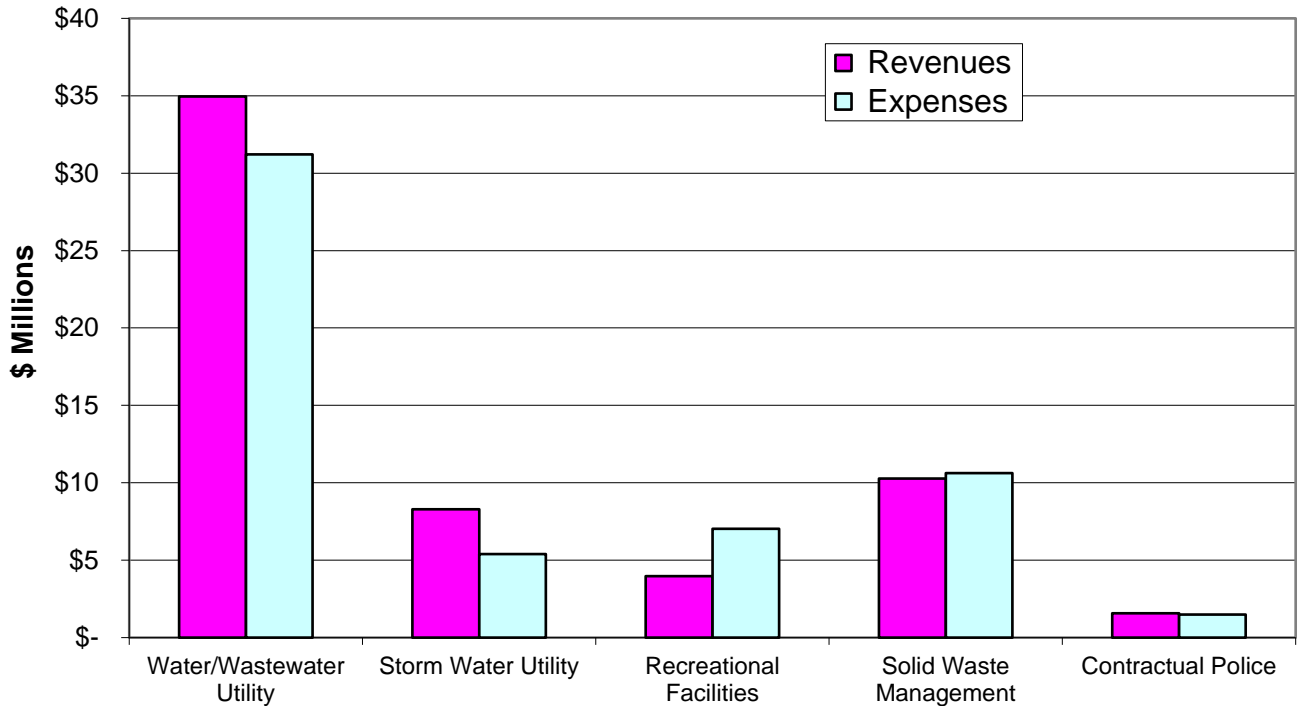
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

Business-type activities

Business-type charges for services revenue increased \$2.1 million in 2025. The majority of this increase is due to higher revenue in water/wastewater utility revenue of \$1.1 million due to higher water rates. In addition, solid waste management fund increased charges for services revenue by just under \$300,000 due increases in revenue from garbage, recycling, yard waste and organics billings. Capital grants and contributions increased \$960,000 in the water/wastewater utility due to receiving a legal settlement for perfluoroalkyl and polyfluoroalkyl substances (PFAS) which are chemicals that have contaminated water.

Business-type expenses increased in 2025 by \$748,000. The majority of this increase was due to the increase of \$609,000 in the water/wastewater utility related to the amount the City pays Met Council for wastewater services and general overall cost increases in operational expenses.

**City of Bloomington
2025 Expenses and Program Revenues - Business-Type Activities**



CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

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.

Governmental Funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City’s financial requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government’s net resources available at the end of the fiscal year.

At December 31, 2025, the City’s governmental funds reported combined ending fund balances of \$321,274,487 an increase of \$88.2 million in comparison with the prior year. Fund balance of \$194.2 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$127.1 million or 40% of total fund balance constitutes *unrestricted fund balance* which is the total of *committed fund balance* (amounts that can be used only for the specific purposes by a formal action of the City Council), *assigned fund balance* (amounts that are to be used for a specific purpose as expressed by an official that has been delegated authority from the City Council), and *unassigned fund balance* (amounts that are available for any purpose in the General Fund and Non-Major Funds). The following presents the amounts of unrestricted fund balance by various fund types:

<u>Fund Type</u>	<u>Unrestricted Fund Balance</u>
General Fund	\$ 54,203,830
Capital Projects Funds	8,078,138
Improvement Construction Fund	55,467,692
Nonmajor funds:	
Special revenue funds	9,321,496
Total	<u>\$ 127,071,156</u>

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

The following tables provide an overview of revenues by source and expenditures by function for all governmental funds:

**Revenues by Source
Governmental Funds**

	2025		2024		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by source:					
Property taxes	\$ 83,709,357	44.1%	\$ 78,878,167	47.5%	\$ 4,831,190
Special assessments	2,817,262	1.5	3,214,739	1.9	(397,477)
Local sales tax	15,706,960	8.3	9,982,343	6.0	5,724,617
Lodging and admissions tax	18,017,362	9.5	18,287,822	11.0	(270,460)
Business licenses and permits	7,376,618	3.9	7,919,278	4.8	(542,660)
Fines	725,262	0.4	761,897	0.5	(36,635)
Intergovernmental	34,380,983	18.1	22,749,675	13.7	11,631,308
Program income	2,731,235	1.4	3,548,496	2.1	(817,261)
Interest and investment income	11,656,651	6.1	6,247,095	3.8	5,409,556
Franchise fees	9,332,353	4.9	9,075,269	5.5	257,084
Contractual component unit	317,995	0.2	323,652	0.2	(5,657)
Other	2,985,729	1.6	5,076,905	3.0	(2,091,176)
Total	<u>\$ 189,757,767</u>	<u>100.0%</u>	<u>\$ 166,065,338</u>	<u>100.0%</u>	<u>\$23,692,429</u>

Property taxes increased by \$4.8 million from 2024 due to a levy increase of 9.15%. Local sales tax revenue increased \$5.7 million as 2025 was the first full year of collection. The sales tax was initiated in 2024 with a partial year of collection. Intergovernmental revenue increased \$11.6 million from 2024. There was a variety of grants that contributed to this increase including funding for the Staffing for Adequate Fire and Emergency Response (SAFER) grant and public health funding increases. In addition, State Aid increased in the Improvement Construction area. Lastly, the Capital Projects area saw increases for intergovernmental revenue from pass through grants and local affordable housing aid.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**Expenditures by Function
Governmental Funds**

	2025		2024		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 9,713,119	4.7%	\$ 9,450,963	5.9%	\$ 1,250,755
Development services	21,040,069	9.8	24,979,611	15.6	10,142,878
Public works	15,369,426	7.2	13,373,268	8.4	(10,093,361)
Public safety	55,870,655	26.1	51,101,806	32.0	7,901,668
Parks and recreation	15,649,114	7.3	14,302,982	8.9	10,153,239
Community services	12,608,016	5.9	11,687,744	7.3	938,913
Debt service	11,621,210	5.4	9,676,218	6.1	191,814
Capital outlay	71,916,414	33.6	25,357,329	15.9	3,983,688
Total	\$ 213,788,023	100.0%	\$159,929,921	100.0%	\$24,469,594

Please note that the governmental fund information shown above is presented on the modified accrual basis of accounting. The information on the government-wide statements is presented on the full accrual basis. The two formats are prepared differently as required by generally accepted accounting principles (GAAP). See the reconciliations of these statements on Exhibits 4 and 6.

Following is a discussion of the major governmental funds that had large increases or decreases of fund balances:

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$55,291,969 which was comprised of \$1,088,139 of restricted fund balance, \$4,462,129 of committed fund balance and \$49,741,701 of unassigned fund balance. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 43.9% of total General Fund expenditures. It is important to note that the full amount of the General Fund unassigned fund balance of \$49,741,701 is deemed necessary for a working capital goal of \$53,369,838. The committed amount of \$4,462,129 consists of a budget carryover amount of \$802,089 and future projects rollover amount of \$3,660,040. The budget carryover represents 2025 budgeted amounts that were unspent in 2025 and were carried over to the 2026 budget. The future projects rollover amount represents open purchase order contracts at the end of 2025 that were carried over to the 2026 budget for future projects.

Overall, General Fund revenues increased from \$104.4 million in 2024 to \$112.1 million in 2025, an increase of \$7.7 million. This was mainly due to an increase in property taxes and intergovernmental revenue. General Fund expenditures increased from \$103.5 million in 2024 to \$113.3 million in 2025. The public safety spending increased which was funded by the Public Safety State Aid received at the end of 2024.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Community Development Block Grant had an increase in fund balance of \$26,827. The increase was mainly due to unexpended federally funded rehabilitation loan repayments.

The Debt Service fund balance had a net increase of \$6,059,313. The increase was mainly due to the issuance of debt and requirement of a reserve fund for the Bloomington Community Health and Wellness Center.

The Capital Projects fund balance had a net increase of \$74,803,718. The increase was due to the issuance of debt for the Salt Shed and the Bloomington Community Health and Wellness Center.

The Improvement Construction fund balance had a net increase of \$6,690,654. This change was due to an increase in intergovernmental revenue and issuance of debt.

The \$46.6 million increase in capital outlay in the governmental funds is primarily due to expenditures for the Salt Shed and the Bloomington Community Health and Wellness Center.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As discussed earlier, the City reports two types of proprietary funds: enterprise funds and internal service funds. The following sections describe the key balances and transactions for the different fund types.

The net position of the enterprise funds increased by \$10.6 million during the current fiscal year. Key factors in this change include:

- The Water/Wastewater Utility Fund had an increase in net position of \$7.1 million, or 8.0%, mainly due to operating revenues and expenses resulting in net income of \$6.7 million and transfers in of \$460,214 for well replacement. The \$6.7 million was a result of additional charges for services, a \$1 million legal settlement and \$1.6 million of interest income and change in fair value of investments.
- The Storm Water Utility Fund had an increase in net position of \$3.6 million, or 6.3%, due to an increase in service charges.

The net position of the internal service funds increased by \$10.9 million during the current fiscal year. Key factors in this change include:

- The Fleet Fund had an increase of \$2.8 million due to additional charges for services
- The Facilities Fund had an increase of \$4.6 million mainly due to a transfer in of American Rescue Plan grant funds.
- The PERA Pension Fund had an increase of \$4.3 million due to changes in actuarial valuations of pension liabilities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original and final amended 2025 budgets resulted in a \$12.2 million increase in appropriations. The primary factors contributing to this increase include:

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- \$4.4 million transfer to the Strategic Priorities Fund – After meeting the General Fund's required working capital threshold (40% of the following year's revenues), the City Council approved a transfer of \$4.4 million to the Strategic Priorities Fund. This amount included positive budget variances from 2024. These funds help offset future tax levy pressures and support Council-directed initiatives.
- \$4.0 million SAFER Grant – The City was awarded two 3-year SAFER (Staffing for Adequate Fire and Emergency Response) grants. One grant began in April 2023 to support the hiring of 18 full-time firefighters, and a second grant began in April 2025 to support an additional 18 firefighters. The 2025 budget increased by \$4.0 million to reflect these grants, fully offset by SAFER grant revenues.
- \$553,000 in remaining one-time Public Safety State Aid – The City received one-time state aid at the end of 2023 for Police, Fire, and Legal services. Police received the majority of the aid, and remaining funds were carried over into 2024 and again into 2025.
- \$1.0 million in Public Health grant-funded expenditures – The amended budget includes additional expenditures supported by Public Health grant revenues.
- \$1.3 million of 2024 encumbrance carryovers – These carryovers were related to purchase orders initiated in 2024 that were not fully completed or delivered until 2025. The carryovers ensured budget authority remained available for commitments delayed due to vendor timelines, project schedules, or final completion timing.

The City ended 2025 with a General Fund operating deficit of approximately \$278,000. While the amended budget anticipated a deficit of approximately \$6.7 million, actual year-end results were significantly more favorable than expected.

- This positive variance was primarily driven by stronger-than-anticipated revenue performance. Total General Fund revenues came in at \$112.1 million, approximately \$3.1 million above the amended budget.
- Key contributors to this favorable variance included business licenses and permit revenues, which exceeded budget by approximately \$1.4 million.
- Interest earnings and investment performance also exceeded expectations, with interest and investment revenue totaling approximately \$1.9 million above budget.
- Intergovernmental revenues exceeded budget by approximately \$663,000.
- Miscellaneous revenues and fines also came in above budget expectations.

On the expenditure side, actual spending was approximately \$3.4 million below the amended budget. Savings occurred across several departments, including Public Works, Administration, Community Development, and contingency appropriations, contributing to the improved year-end financial results.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2025 amount to \$654,856,997 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and structures, machinery and equipment, construction in progress, improvements, and distribution systems. Major capital asset additions during the fiscal year include the following:

- The City's Utilities Division improved the water, wastewater, and storm water distribution systems at a cost of \$10.3 million.
- The 2025 Pavement Management Program (PMP) expended \$8,440,063. These improvements included 3 miles of reconstructed streets and 8.61 miles of overlaid streets.
- The City's Improvement Construction Fund spent nearly \$14.9 million on street improvement projects in 2025 for PMP Reconstruction, PMP Overlay, Trails and State Aid funded street projects.
- Construction in Progress reflects additions of \$50.5 million mainly due to the Bloomington Forward projects for the Ice Garden, Nine Mile Creek and Community Health and Wellness Center.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements. Additional information on the City's capital assets can be found in Note 4.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding (excluding unamortized premiums) of \$220,607,229 as compared to \$119,530,569 in the prior year. This amount is comprised of \$212,162,229 related to governmental activities and \$8,445,000 in debt related to business-type activities. In 2025, the City issued \$959,000 in general obligation housing improvement area bonds, \$14,455,000 in general obligation capital improvement plan bonds, \$2,900,000 in general obligation permanent improvement revolving fund bonds, and \$91,625,000 of sales tax revenue bonds. The City retired a total of \$8,862,340 in bonded debt in 2025 resulting in bonds payable of \$220,607,229 at December 31, 2025.

Also at the end of the current fiscal year, the City had subscriptions payable of \$673,595 as compared to \$838,532 in the prior year. In 2025, the City had additional subscription payables of \$678,212 and retired \$843,149.

The City maintains an "Aaa" rating from Moody's, an "AAA" rating from Standard & Poor's, and an "AAA" rating from Fitch Ratings. The City is one of only 35 cities nationwide to hold this "Triple A" bond ratings combination. Additional information on the City's long-term debt can be found in Note 7.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

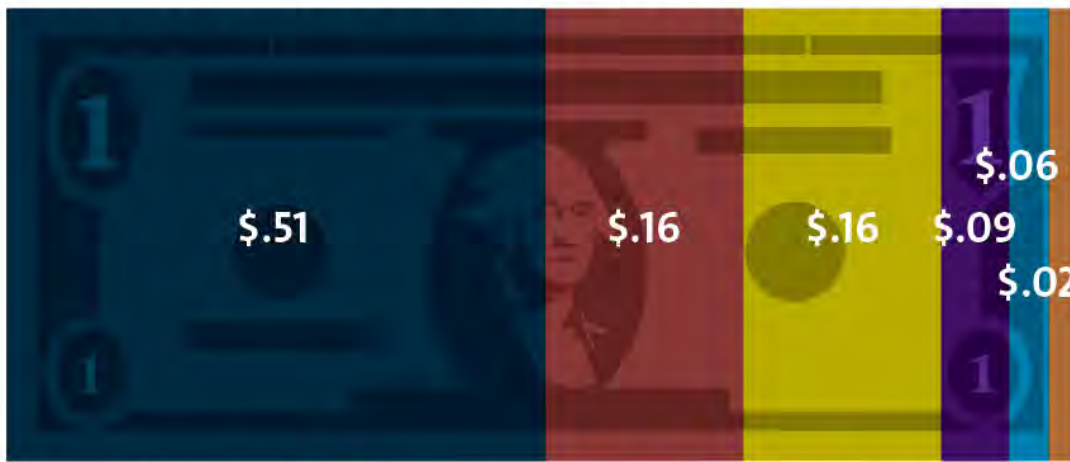
The following key indicators provide highlights of the City's economic outlook and future budget impact:

- At December 2025, the unemployment rate in Bloomington was 3.8%, up from a rate of 2.4% from a year ago. This is less than the state's December unemployment rate of 4.3% and compares favorably to the national rate of 4.4%.
- For 2025 (payable 2026), residential values grew roughly 1.1% between years, while apartment property saw a slight decline of 1.3% in value despite the addition of \$71 million of newly constructed buildings on the tax roll. There are still multifamily developments in the pipeline, but interest rates have made projects more difficult to pencil out. The Industrial segment saw slowing growth of 2.5% in 2025 (payable 2026), compared to the 7.3% growth in 2024 (payable 2025). Commercial values also posted a nominal growth of 0.7% from the previous year. The continued decline in office values offset some of the gains in other areas of the commercial sector.
- Bloomington has a diverse tax base with approximately half commercial and half residential and multi-family. As of January 2025, the assessor's estimated market value for the city of Bloomington was \$17.9 billion. The total city market value is now 51.7% above the previous peak in 2008.
- The City maintains a ten-year General Fund financial model to guide service levels and respond to short-term economic fluctuations, supporting sound long-term fiscal decisions. Similar ten-year models are used for other funds to help prevent steep increases and to plan for pay-as-you-go capital improvements.
- On December 15, 2025, the City Council adopted the 2026 budget and approved a property tax levy of \$93.9 million, a 6.96% increase from the previous year. The 2026 budget was shaped by the *Bloomington. Tomorrow. Together.* strategic plan and informed by Priority Based Budgeting software, investing in the City's core priorities to build a strong, connected, and enduring community focused on being welcoming, healthy, and economically equitable.
- A major focus of the 2026 budget continues to be public safety. Within the broader goal of a healthy community, which includes human and environmental health, the budget supports the objective of enhanced safety and security. This included continued investment in transitioning the Fire Department from a primarily paid-on-call model to a hybrid staffing model with both part-time and full-time firefighters.
- Each dollar of City property tax in 2026 is allocated as follows: 51 cents to Police and Fire, 16 cents to Public Works, 16 cents to Parks and Recreation, 9 cents to debt payments for capital projects such as road and facility improvements, 6 cents to Community Development, and 2 cents to Public Health.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DIVIDING UP THE 2026 CITY PROPERTY TAX DOLLAR



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or the requests for additional financial information should be addressed to the Chief Financial Officer, Bloomington Civic Plaza, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431.

BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGTON, MINNESOTA

Statement of Net Position

December 31, 2025

EXHIBIT 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
ASSETS					
Cash, cash equivalents, and investments	\$ 358,297,282	\$ 50,410,117	\$ 408,707,399	\$ 148,313,574	\$ 23,024,616
Receivables, net	57,969,964	17,700,843	75,670,807	63,868	25,678,150
Prepaid items	1,702,946	794,493	2,497,439	-	-
Due from primary government	-	-	-	-	74,988
Due from component units	14,716,485	-	14,716,485	-	-
Due from other governments	-	-	-	-	128,284
Land held for resale	1,489,863	-	1,489,863	17,150,000	221,500
Internal balances	3,462,342	(3,462,342)	-	-	-
Net fire pension asset	48,043,724	-	48,043,724	-	-
Capital assets:					
Capital assets - nondepreciable	168,855,276	4,732,142	173,587,418	20,627,510	1,719,385
Capital assets - net of accumulated depr	370,028,608	111,240,971	481,269,579	-	1,529,808
Net capital assets	538,883,884	115,973,113	654,856,997	20,627,510	3,249,193
Total assets	1,024,566,490	181,416,224	1,205,982,714	186,154,952	52,376,731
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pensions/OPEB	39,188,824	-	39,188,824	-	-
Total assets and deferred outflows of resources	1,063,755,314	181,416,224	1,245,171,538	186,154,952	52,376,731
LIABILITIES					
Accounts payable and other current liabilities	14,692,617	2,278,798	16,971,415	705,983	1,113,344
Accrued interest payable	3,517,551	136,420	3,653,971	65,646	-
Due to other governments	-	-	-	-	73,592
Unearned revenue	1,028,716	26,320	1,055,036	-	58,070
Due to component units	74,988	-	74,988	-	-
Due to primary government	-	-	-	176,283	304,281
Due to primary government - bonds	-	-	-	-	200,000
Noncurrent liabilities:					
Due to primary government -					
Loans payable due in more than one year	-	-	-	-	12,697,602
Bonds payable due in more than one year	-	-	-	-	1,200,000
Accrued interest payable	-	-	-	-	138,319
Due within one year	17,763,368	990,000	18,753,368	380,000	-
Due in more than one year	231,162,707	7,879,438	239,042,145	4,065,000	-
Net pension/OPEB liability	46,549,585	-	46,549,585	-	-
Total liabilities	314,789,532	11,310,976	326,100,508	5,392,912	15,785,208
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - leases	8,477,264	3,850,947	12,328,211	-	-
Deferred inflows of resources - pensions/OPEB	62,614,602	-	62,614,602	-	-
Total deferred inflows of resources	71,091,866	3,850,947	74,942,813	-	-
Total liabilities and deferred inflows of resources	385,881,398	15,161,923	401,043,321	5,392,912	15,785,208
NET POSITION					
Net investment in capital assets	428,825,520	107,044,126	535,869,646	20,627,510	3,249,193
Restricted for:					
Fire pension	48,043,724	-	48,043,724	-	-
Debt service	51,450,813	-	51,450,813	558,556	-
Tax increment/abatement purposes	42,106,824	-	42,106,824	157,171,007	6,450,757
Public safety	2,777,372	-	2,777,372	-	-
Street reconstruction	1,837,222	-	1,837,222	-	-
Local affordable housing	1,796,414	-	1,796,414	-	-
Cemetery	491,915	-	491,915	-	-
Community services	68,066	-	68,066	-	-
Unrestricted	100,476,046	59,210,175	159,686,221	2,404,967	26,891,573
Total net position	\$ 677,873,916	\$ 166,254,301	\$ 844,128,217	\$ 180,762,040	\$ 36,591,523

See notes to the basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA
Statement of Activities
Year Ended December 31, 2025

EXHIBIT 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
Primary Government:									
Governmental activities:									
General Services	\$ 8,691,675	\$ 1,589,646	\$ 376,931	\$ -	\$ (6,725,098)	\$ -	\$ (6,725,098)	\$ -	\$ -
Development Services	24,171,447	8,604,823	7,794,603	990,245	(6,781,776)	-	(6,781,776)	-	-
Public Works	22,288,780	827,412	11,928	18,946,858	(2,502,582)	-	(2,502,582)	-	-
Public Safety	57,779,937	1,133,528	6,648,807	-	(49,997,602)	-	(49,997,602)	-	-
Community Services	32,545,581	2,784,325	9,181,351	387,508	(20,192,397)	-	(20,192,397)	-	-
Interest on long-term debt	5,114,825	-	-	-	(5,114,825)	-	(5,114,825)	-	-
Total governmental activities	<u>150,592,245</u>	<u>14,939,734</u>	<u>24,013,620</u>	<u>20,324,611</u>	<u>(91,314,280)</u>	<u>-</u>	<u>(91,314,280)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water/Wastewater Utility	31,777,599	36,098,915	6,000	960,453	-	5,287,769	5,287,769	-	-
Storm Water Utility	5,583,739	8,496,187	13,954	-	-	2,926,402	2,926,402	-	-
Recreational Facilities	7,338,757	4,068,663	81,863	-	-	(3,188,231)	(3,188,231)	-	-
Solid Waste Management	9,958,257	10,206,449	334,240	-	-	582,432	582,432	-	-
Contractual Police	1,774,787	1,868,202	-	-	-	93,415	93,415	-	-
Total business-type activities	<u>56,433,139</u>	<u>60,738,416</u>	<u>436,057</u>	<u>960,453</u>	<u>-</u>	<u>5,701,787</u>	<u>5,701,787</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 207,025,384</u>	<u>\$ 75,678,150</u>	<u>\$ 24,449,677</u>	<u>\$ 21,285,064</u>	<u>(91,314,280)</u>	<u>5,701,787</u>	<u>(85,612,493)</u>	<u>-</u>	<u>-</u>
Component units:									
Port Authority	\$ 6,406,625	\$ 5,000	\$ 1,135,000	\$ 249,115	-	-	-	(5,017,510)	-
Housing and Redevelopment Authority	12,578,514	926,825	7,491,987	-	-	-	-	-	(4,159,702)
Total component units	<u>\$ 18,985,139</u>	<u>\$ 931,825</u>	<u>\$ 8,626,987</u>	<u>\$ 249,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,017,510)</u>	<u>(4,159,702)</u>
General revenues:									
					83,875,937	2,233,432	86,109,369	16,942,698	4,568,793
					15,706,960	-	15,706,960	-	-
					18,017,362	-	18,017,362	-	-
					4,268,915	-	4,268,915	-	-
					332,606	-	332,606	-	-
					13,998,429	2,581,315	16,579,744	5,927,297	1,021,905
					(534,980)	534,980	-	-	-
					<u>135,665,229</u>	<u>5,349,727</u>	<u>141,014,956</u>	<u>22,869,995</u>	<u>5,590,698</u>
					44,350,949	11,051,514	55,402,463	17,852,485	1,430,996
					633,522,967	155,202,787	788,725,754	162,909,555	35,160,527
					<u>\$ 677,873,916</u>	<u>\$ 166,254,301</u>	<u>\$ 844,128,217</u>	<u>\$ 180,762,040</u>	<u>\$ 36,591,523</u>

See notes to the basic financial statements.



CITY OF
BLOOMINGTON
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CITY OF BLOOMINGTON, MINNESOTA

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

This fund accounts for all unrestricted resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUND

Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.

Community Development Block Grant Fund - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

DEBT SERVICE FUND

Debt service funds account for the accumulation of resources for and payment of general long-term debt principal and interest.

Debt Service Fund – This fund is used to account for the accumulation of resources for payment of principal and interest on debt service.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the construction and financing of large capital projects.

Capital Projects Fund – This fund accounts for funds and monies required for financing land acquisitions, park development, housing, and construction and equipment related to public facilities.

Improvement Construction Fund – This fund accounts for the proceeds of bonds sold for the purpose of street, trails, sewer, water, and state aid construction.

CITY OF BLOOMINGTON, MINNESOTA

Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Community Development Block Grant	Debt Service
ASSETS			
Cash, cash equivalents and investments	\$ 54,042,405	\$ 5,081	\$ 29,800,568
Accrued interest receivable	688,460	-	204,036
Taxes receivable	1,073,380	-	16,262
Accounts receivable	1,713,648	-	-
Lease receivable	8,477,264	-	-
Mortgages and notes receivable	-	11,781,732	-
Prepaid items	-	-	-
Land held for resale	-	-	-
Due from other funds	1,295,000	-	-
Due from component units	402,513	78,051	-
Due from other governments	2,416,689	-	-
Special assessments receivable	650,229	-	11,644,206
Total assets	\$ 70,759,588	\$ 11,864,864	\$ 41,665,071
LIABILITIES			
Accounts payable	\$ 4,630,393	\$ 1,305	\$ 24,610
Retainage payable	-	-	-
Due to other funds	-	55,000	-
Due to component units	74,988	-	-
Unearned revenue	631,609	-	-
Deposits payable	7,748	-	-
Total liabilities	5,344,738	56,305	24,610
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - mortgages	-	11,781,732	-
Deferred inflows - taxes	995,388	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	650,229	-	11,644,206
Deferred inflows - leases	8,477,264	-	-
Deferred inflows - land held for resale	-	-	-
Total deferred inflows of resources	10,122,881	11,781,732	11,644,206
FUND BALANCES			
Nonspendable	-	-	-
Restricted	1,088,139	26,827	29,996,255
Committed	4,462,129	-	-
Assigned	-	-	-
Unassigned	49,741,701	-	-
Total fund balances	55,291,969	26,827	29,996,255
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,759,588	\$ 11,864,864	\$ 41,665,071

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 149,990,206	\$ 65,139,484	\$ 13,129,289	\$ 312,107,033
954,491	452,255	80,304	2,379,546
2,575,710	-	324	3,665,676
630,770	2,038,978	339,254	4,722,650
-	-	-	8,477,264
-	-	-	11,781,732
1,808	-	-	1,808
1,489,863	-	-	1,489,863
-	-	-	1,295,000
12,697,602	-	-	13,178,166
313,010	10,399,372	293,566	13,422,637
730,371	131,817	31,375	13,187,998
<u>\$ 169,383,831</u>	<u>\$ 78,161,906</u>	<u>\$ 13,874,112</u>	<u>\$ 385,709,372</u>
\$ 5,203,997	\$ 1,003,714	\$ 169,180	\$ 11,033,199
1,417,436	438,756	-	1,856,192
2,539,166	-	1,030,000	3,624,166
-	-	-	74,988
-	-	322,107	953,716
-	-	750,054	757,802
<u>9,160,599</u>	<u>1,442,470</u>	<u>2,271,341</u>	<u>18,300,063</u>
-	-	-	11,781,732
-	-	-	995,388
-	10,202,577	-	10,202,577
730,371	131,817	31,375	13,187,998
-	-	-	8,477,264
1,489,863	-	-	1,489,863
<u>2,220,234</u>	<u>10,334,394</u>	<u>31,375</u>	<u>46,134,822</u>
1,808	-	-	1,808
149,923,052	10,917,350	2,249,900	194,201,523
8,078,138	-	10,086,971	22,627,238
-	55,467,692	-	55,467,692
-	-	(765,475)	48,976,226
<u>158,002,998</u>	<u>66,385,042</u>	<u>11,571,396</u>	<u>321,274,487</u>
<u>\$ 169,383,831</u>	<u>\$ 78,161,906</u>	<u>\$ 13,874,112</u>	<u>\$ 385,709,372</u>



CITY OF
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CITY OF BLOOMINGTON, MINNESOTA
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2025

EXHIBIT 4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 321,274,487

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:

Cost of capital assets	\$ 733,294,080	
Less accumulated depreciation	<u>(260,627,228)</u>	472,666,852

Governmental funds do not report a liability for accrued interest until due and payable. (3,517,551)

Internal service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Internal service fund net position per statements	46,392,640	
Add allocation to business-type activities	<u>3,252,342</u>	49,644,982

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (212,162,229)

A portion of other post employment benefits (OPEB) was not paid in the current period and, therefore, not reported in the governmental funds.

Total OPEB liability	(10,980,394)	
Deferred outflows of resources - OPEB plan deferments	1,373,790	
Deferred inflows of resources - OPEB plan deferments	<u>(3,045,760)</u>	(12,652,364)

Bond premiums are reported as other financing sources in the governmental funds at the time of issuance. In the Statement of Net Position, these costs are amortized over the life of the debt issue. (12,192,286)

Amounts due from component units-bonds payable are not reflected in the governmental funds and, therefore, must be added to reconcile to the total net position of governmental activities. 1,535,225

Amounts pertaining to the Bloomington Fire Relief Association pension plan are not current financial resources and, therefore, are not reported in governmental funds:

Net pension asset	48,043,724	
Deferred outflows of resources	3,062,683	
Deferred inflows of resources	<u>(15,287,165)</u>	35,819,242

Other long-term assets related to delinquent property taxes, land held for resale, and special assessments are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds. 37,457,558

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 677,873,916

See notes to the basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General Fund	Community Development Block Grant	Debt Service
REVENUES			
Property taxes	\$ 69,042,993	\$ -	\$ 7,002,797
Fiscal disparities	4,864,975	-	463,592
Special assessments	114,366	-	2,537,680
Local sales tax	-	-	-
Lodging and admissions tax	10,690,510	-	-
Business licenses and permits	7,376,618	-	-
Fines	534,665	-	-
Intergovernmental	13,114,466	862,586	-
Program income	2,375,752	-	-
Interest	1,401,921	-	760,639
Net change in fair value of investments	906,270	-	340,841
Other	1,700,698	-	-
Franchise fees	-	-	-
Contractual payments from component unit	-	-	-
Total revenues	<u>112,123,234</u>	<u>862,586</u>	<u>11,105,549</u>
EXPENDITURES			
Current:			
General services	9,388,088	-	32,550
Development services	11,031,290	809,143	42,500
Public works	15,119,570	-	154,290
Public safety	53,940,188	-	-
Parks and recreation	13,333,392	-	259,375
Community services	10,275,156	-	-
Debt service:			
Interest	-	-	3,381,857
Principal retirement	-	-	7,375,000
Capital outlay:			
General services	10,154	-	-
Development services	-	-	-
Public works	51,710	-	-
Public safety	138,002	-	-
Parks and recreation	56,521	-	-
Community services	-	-	-
Total expenditures	<u>113,344,071</u>	<u>809,143</u>	<u>11,245,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,220,837)</u>	<u>53,443</u>	<u>(140,023)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	6,179,406	-	1,200,284
Transfers to other funds	(5,236,326)	(26,616)	(427,863)
Issuance of debt	-	-	5,426,915
Premium on bonds issued	-	-	-
Total other financing sources (uses)	<u>943,080</u>	<u>(26,616)</u>	<u>6,199,336</u>
Net change in fund balance	(277,757)	26,827	6,059,313
Fund balance - January 1	<u>55,569,726</u>	<u>-</u>	<u>23,936,942</u>
Fund balance - December 31	<u>\$ 55,291,969</u>	<u>\$ 26,827</u>	<u>\$ 29,996,255</u>

See notes to the basic financial statements.

EXHIBIT 5

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 400,000	\$ 1,935,000	\$ 78,380,790
-	-	-	5,328,567
128,294	24,718	12,204	2,817,262
15,706,960	-	-	15,706,960
7,326,852	-	-	18,017,362
-	-	-	7,376,618
-	-	190,597	725,262
4,211,753	7,583,381	8,608,797	34,380,983
52,273	-	303,210	2,731,235
3,815,596	2,363,000	401,795	8,742,951
548,846	957,899	159,844	2,913,700
155,785	181,409	947,837	2,985,729
-	8,125,368	1,206,985	9,332,353
317,995	-	-	317,995
<u>32,264,354</u>	<u>19,635,775</u>	<u>13,766,269</u>	<u>189,757,767</u>
-	-	292,481	9,713,119
4,394,495	-	4,762,641	21,040,069
64,827	30,739	-	15,369,426
3,086	-	1,927,381	55,870,655
792,317	-	1,264,030	15,649,114
-	-	2,332,860	12,608,016
317,995	-	19,018	3,718,870
332,340	-	195,000	7,902,340
-	-	-	10,154
41,057	-	-	41,057
5,624,429	14,966,691	-	20,642,830
41,417	-	260,182	439,601
50,669,190	-	-	50,725,711
-	-	57,061	57,061
<u>62,281,153</u>	<u>14,997,430</u>	<u>11,110,654</u>	<u>213,788,023</u>
<u>(30,016,799)</u>	<u>4,638,345</u>	<u>2,655,615</u>	<u>(24,030,255)</u>
4,787,078	343,864	964,092	13,474,724
(8,659,649)	(1,463,974)	(2,682,851)	(18,497,279)
101,666,703	2,845,382	-	109,939,000
7,026,385	327,037	-	7,353,422
<u>104,820,517</u>	<u>2,052,309</u>	<u>(1,718,759)</u>	<u>112,269,867</u>
74,803,718	6,690,654	936,856	88,239,611
<u>83,199,280</u>	<u>59,694,388</u>	<u>10,634,540</u>	<u>233,034,876</u>
<u>\$ 158,002,998</u>	<u>\$ 66,385,042</u>	<u>\$ 11,571,396</u>	<u>\$ 321,274,487</u>



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

EXHIBIT 6

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 88,239,611**

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized (subject to the City's capitalization policy) and depreciated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 71,916,414	
Depreciation expense	(15,295,009)	
Loss on disposal of capital assets	<u>(29,815)</u>	56,591,590

The issuance of long-term debt (e.g., bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt issued	(109,939,000)	
Principal paid	7,902,340	(102,036,660)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

(6,469,498)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued interest payable, the total other post employment benefits (OPEB) obligation, and related deferred items.

(2,459,603)

Internal service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities.

Change in internal service fund net position per statements	10,875,894	
Add allocation to business-type activities	<u>(477,912)</u>	10,397,982

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

1,366,375

Interest revenue on Due from Component Units is not recorded in the governmental funds until received but reported in the Statement of Activities when earned.

(4,202)

Governmental Funds report Fire Department pension contribution as expenditures, however pension expense is reported in the statement of activities. This is the amount by which pension expense differed from pension contributions.

(1,079,646)

Repayments of Due from Component Units are treated as revenues in the governmental funds but reported as a reduction of the receivable in the Statement of Net Position. Bond proceeds loaned to the component unit are treated as expenditures in the governmental funds but reported as an increase in the receivable in the Statement of Net Position.

(195,000)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 44,350,949**

See notes to the basic financial statements.



CITY OF
BLOOMINGTON
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CITY OF BLOOMINGTON, MINNESOTA

MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.

Water/Wastewater Utility Fund - This fund accounts for the operations of the City-owned water and sewer systems.

Storm Water Utility Fund - This fund accounts for the operations and improvements of the storm water drainage system.

Recreational Facilities Fund - This fund accounts for the operations of the City's ice garden, golf courses, aquatic recreation facilities and art center operations.

Solid Waste Management Fund - This fund accounts for the operations of the City's garbage and recycling program.

Contractual Police Fund - This fund accounts for the operations of police contractual services acquired by various establishments.

CITY OF BLOOMINGTON, MINNESOTA
Statement of Fund Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Storm Water Utility	Recreational Facilities
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 31,944,763	\$ 13,678,963	\$ 4,054,109
Accrued interest receivable	357,108	95,707	28,349
Assessments receivable	811,748	707,293	-
Accounts receivable	6,603,288	2,160,725	285,745
Prepaid items	794,493	-	-
Due from other funds	-	-	-
Due from other governments	-	-	20,075
Total current assets	40,511,400	16,642,688	4,388,278
Noncurrent assets:			
Lease receivable	3,850,947	-	-
Land	2,280,001	511,358	1,015,893
Buildings and structures	18,973,707	791,498	15,669,388
Machinery and equipment	1,862,507	179,571	2,352,138
Improvements	5,267,549	1,844,511	2,645,259
Distribution system and infrastructure	117,641,750	81,438,690	-
Construction in progress	-	832,140	92,750
Subscription asset	-	-	-
Accumulated depreciation/amortization	(88,731,446)	(33,818,329)	(14,875,822)
Total noncurrent assets	61,145,015	51,779,439	6,899,606
Total assets	101,656,415	68,422,127	11,287,884
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - related to pensions	-	-	-
Total deferred inflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable	1,089,007	102,366	232,162
Estimated claims payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Retainage payable	22,406	37,143	-
Unearned revenue	-	-	26,320
Subscription payable	-	-	-
Bonds payable	130,000	690,000	170,000
Accrued interest payable	2,279	124,297	9,844
Deposits payable	19,883	-	8,078
Total current liabilities	1,263,575	953,806	446,404
Noncurrent liabilities:			
Benefits payable	-	-	-
Bonds payable	135,000	7,024,438	720,000
Estimated claims payable	-	-	-
Net pension liability	-	-	-
Total noncurrent liabilities	135,000	7,024,438	720,000
Total liabilities	1,398,575	7,978,244	1,166,404
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - related to leases	3,850,947	-	-
Deferred inflows - related to pensions	-	-	-
Total deferred inflows of resources	3,850,947	-	-
NET POSITION			
Net investment in capital assets	57,006,662	44,027,858	6,009,606
Restricted - public safety state aid	-	-	-
Unrestricted	39,400,231	16,416,025	4,111,874
Total net position	\$ 96,406,893	\$ 60,443,883	\$ 10,121,480

See notes to the basic financial statements.

EXHIBIT 7

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ 719,776	\$ 12,506	\$ 50,410,117	\$ 46,190,249
9,022	-	490,186	316,593
27,029	-	1,546,070	-
2,479,943	263,864	11,793,565	68,560
-	-	794,493	1,701,138
-	-	-	2,539,166
-	-	20,075	150,730
<u>3,235,770</u>	<u>276,370</u>	<u>65,054,506</u>	<u>50,966,436</u>
-	-	3,850,947	-
-	-	3,807,252	14,504,240
-	-	35,434,593	48,545,968
-	-	4,394,216	57,109,575
-	-	9,757,319	9,208,980
-	-	199,080,440	139,719
-	-	924,890	757,507
-	-	-	1,936,010
-	-	(137,425,597)	(65,984,967)
-	-	119,824,060	66,217,032
<u>3,235,770</u>	<u>276,370</u>	<u>184,878,566</u>	<u>117,183,468</u>
-	-	-	34,752,351
-	-	-	<u>34,752,351</u>
701,383	66,370	2,191,288	1,045,666
-	-	-	1,331,878
-	-	-	1,076,992
-	210,000	210,000	-
-	-	59,549	-
-	-	26,320	75,000
-	-	-	673,595
-	-	990,000	-
-	-	136,420	-
-	-	27,961	85
<u>701,383</u>	<u>276,370</u>	<u>3,641,538</u>	<u>4,203,216</u>
-	-	-	20,462,847
-	-	7,879,438	-
-	-	-	1,026,248
-	-	-	35,569,191
-	-	7,879,438	57,058,286
<u>701,383</u>	<u>276,370</u>	<u>11,520,976</u>	<u>61,261,502</u>
-	-	3,850,947	-
-	-	-	44,281,677
-	-	3,850,947	<u>44,281,677</u>
-	-	107,044,126	65,543,437
-	-	-	65,825
2,534,387	-	62,462,517	(19,216,622)
<u>\$ 2,534,387</u>	<u>\$ -</u>	<u>169,506,643</u>	<u>\$ 46,392,640</u>

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds.
Net position of business-type activities

(3,252,342)
\$ 166,254,301

CITY OF BLOOMINGTON, MINNESOTA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2025

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>	<u>Recreational Facilities</u>
Operating revenues:			
Charges for services	\$ 36,053,807	\$ 8,495,687	\$ 4,035,270
Other	45,108	500	33,393
Total operating revenues	<u>36,098,915</u>	<u>8,496,187</u>	<u>4,068,663</u>
Operating expenses:			
Salaries and benefits	6,708,226	1,781,961	2,899,471
Materials, supplies and service	9,308,432	1,327,856	3,294,726
Depreciation/Amortization	1,893,679	2,260,194	616,722
Water purchased	4,941,225	-	-
Wastewater disposal cost	9,142,056	-	-
Total operating expenses	<u>31,993,618</u>	<u>5,370,011</u>	<u>6,810,919</u>
Operating income (loss)	<u>4,105,297</u>	<u>3,126,176</u>	<u>(2,742,256)</u>
Nonoperating revenues (expenses):			
Taxes	-	-	2,233,432
Legal settlement	960,453	-	-
Intergovernmental	6,000	13,954	81,863
Interest income (charges)	1,104,636	497,175	134,432
Net change in fair value of investments	507,057	200,358	65,856
Gain (loss) on disposal of capital assets	-	-	(713,088)
Interest expense	(5,685)	(248,576)	(24,176)
Total nonoperating revenues (expenses)	<u>2,572,461</u>	<u>462,911</u>	<u>1,778,319</u>
Income (loss) before capital contributions and transfers	6,677,758	3,589,087	(963,937)
Transfers:			
Transfers from other funds	460,214	-	178,181
Transfers to other funds	-	-	(10,000)
Change in net position	7,137,972	3,589,087	(795,756)
Total net position - January 1	<u>89,268,921</u>	<u>56,854,796</u>	<u>10,917,236</u>
Total net position - December 31	<u>\$ 96,406,893</u>	<u>\$ 60,443,883</u>	<u>\$ 10,121,480</u>

See notes to the basic financial statements.

EXHIBIT 8

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ 10,206,449	\$ 1,868,202	\$ 60,659,415	\$ 55,039,703
-	-	79,001	318,180
<u>10,206,449</u>	<u>1,868,202</u>	<u>60,738,416</u>	<u>55,357,883</u>
290,242	1,756,895	13,436,795	29,745,941
9,679,949	17,892	23,628,855	16,525,396
-	-	4,770,595	5,900,465
-	-	4,941,225	-
-	-	9,142,056	-
<u>9,970,191</u>	<u>1,774,787</u>	<u>55,919,526</u>	<u>52,171,802</u>
<u>236,258</u>	<u>93,415</u>	<u>4,818,890</u>	<u>3,186,081</u>
-	-	2,233,432	-
-	-	960,453	-
334,240	-	436,057	527,855
66,763	-	1,803,006	1,596,704
5,038	-	778,309	745,074
-	-	(713,088)	332,606
-	-	(278,437)	-
<u>406,041</u>	<u>-</u>	<u>5,219,732</u>	<u>3,202,239</u>
642,299	93,415	10,038,622	6,388,320
-	-	638,395	5,106,666
-	(93,415)	(103,415)	(619,092)
<u>642,299</u>	<u>-</u>	<u>10,573,602</u>	<u>10,875,894</u>
<u>1,892,088</u>	<u>-</u>	<u>158,933,041</u>	<u>35,516,746</u>
<u>\$ 2,534,387</u>	<u>\$ -</u>	<u>\$ 169,506,643</u>	<u>\$ 46,392,640</u>

Change in net position reported above

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds.

Change in net position of business-type activities (Exh. 2)

\$ 10,573,602

477,912

\$ 11,051,514

CITY OF BLOOMINGTON, MINNESOTA

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Stormwater Utility	Recreational Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	36,272,039	8,578,847	3,882,721
Cash payment from other funds	-	-	-
Cash payments to other funds	(4,251,425)	(1,649,900)	(1,358,226)
Payments to employees	(6,683,439)	(1,261,406)	(2,886,288)
Payments to suppliers	(19,077,199)	(232,101)	(1,935,243)
Net cash provided by (used in) operating activities	6,259,976	5,435,440	(2,297,036)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants	6,000	13,954	91,788
Transfers from other funds	460,214	-	178,181
Transfers to other funds	-	-	(10,000)
Taxes	-	-	2,233,432
Net cash provided by noncapital financing activities	466,214	13,954	2,493,401
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond payments	(130,000)	(665,000)	(165,000)
Interest and other payments	(6,769)	(314,938)	(26,926)
Proceeds from settlement	960,453	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	(6,811,892)	(4,105,250)	(382,749)
Net cash provided by (used in) capital and related financing activities	(5,988,208)	(5,085,188)	(574,675)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (charges)	1,611,693	697,534	200,287
Net cash provided by investing activities	1,611,693	697,534	200,287
Net increase (decrease) in cash and cash equivalents	2,349,675	1,061,740	(178,023)
Cash and cash equivalents - January 1	29,595,088	12,617,223	4,232,132
Cash and cash equivalents - December 31	\$ 31,944,763	\$ 13,678,963	\$ 4,054,109
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 4,105,297	\$ 3,126,176	\$ (2,742,256)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation/amortization	1,893,679	2,260,194	616,722
Changes in assets and liabilities:			
Receivables	261,111	108,651	(180,549)
Other current assets	(37,267)	(25,991)	(5,393)
Accounts payable	83,910	(35,291)	(3,600)
Unearned revenue	(25,869)	-	293
Interfund payables	-	-	-
Net pension liability	-	-	-
Benefits payable	29,836	1,701	17,747
Deferred outflows of resources	-	-	-
Deferred inflows of resources	(50,721)	-	-
Net cash provided by (used in) operating activities	\$ 6,259,976	\$ 5,435,440	\$ (2,297,036)
Noncash Investing, Capital & Financing Activities:			
Capital assets acquired via subscription liability	\$ -	\$ -	\$ -
Capital asset acquired via retainage	\$ 22,406	\$ 37,143	\$ -

See notes to the basic financial statements.

EXHIBIT 9

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ -	\$ -	\$ -	\$ 54,206,089
10,182,737	1,932,433	60,848,777	779,187
-	-	-	86,580
(755,875)	(107,892)	(8,123,318)	(3,424,730)
(289,366)	(1,744,016)	(12,864,515)	(32,481,676)
<u>(9,557,042)</u>	<u>-</u>	<u>(30,801,585)</u>	<u>(13,919,538)</u>
<u>(419,546)</u>	<u>80,525</u>	<u>9,059,359</u>	<u>5,245,912</u>
334,240	-	445,982	417,125
-	-	638,395	5,106,666
-	(93,415)	(103,415)	(619,092)
-	-	2,233,432	-
<u>334,240</u>	<u>(93,415)</u>	<u>3,214,394</u>	<u>4,904,699</u>
-	-	(960,000)	-
-	-	(348,633)	-
-	-	960,453	-
-	-	-	423,493
-	-	(11,299,891)	(10,248,884)
<u>-</u>	<u>-</u>	<u>(11,648,071)</u>	<u>(9,825,391)</u>
71,800	-	2,581,314	2,341,777
<u>71,800</u>	<u>-</u>	<u>2,581,314</u>	<u>2,341,777</u>
(13,506)	(12,890)	3,206,996	2,666,997
<u>733,282</u>	<u>25,396</u>	<u>47,203,121</u>	<u>43,523,252</u>
<u>\$ 719,776</u>	<u>\$ 12,506</u>	<u>\$ 50,410,117</u>	<u>\$ 46,190,249</u>
\$ 236,258	\$ 93,415	\$ 4,818,890	\$ 3,186,081
-	-	4,770,595	5,900,465
(16,357)	64,231	237,087	(315,782)
(7,355)	-	(76,006)	30,983
(634,863)	-	(589,844)	(729,424)
-	-	(25,576)	-
-	(90,000)	(90,000)	-
-	-	-	(3,607,669)
2,771	12,879	64,934	1,466,038
-	-	-	7,217,421
-	-	(50,721)	(7,902,201)
<u>\$ (419,546)</u>	<u>\$ 80,525</u>	<u>\$ 9,059,359</u>	<u>\$ 5,245,912</u>
\$ -	\$ -	\$ -	\$ 678,212
\$ -	\$ -	\$ 59,549	\$ -



CITY OF
BLOOMINGTON
MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGTON, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bloomington, Minnesota (the City) operates pursuant to applicable Minnesota laws and statutes. The governing body (the City Council) consists of six council members and the Mayor. Four of the council members are elected by district and two of the council members and the Mayor are elected at large. All serve four-year staggered terms, subject to redistricting every ten years, which results in two 2-year terms through that transition. The City Manager, the chief administrative officer, is selected by the City Council to serve an indefinite term. The City Manager controls and directs the administration of the City's affairs and supervises all departments and divisions.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

A. REPORTING ENTITY

In accordance with GASB pronouncements and generally accepted accounting principles, the City's financial statements include all funds, organizations, and departments of the City and the City's component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

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

As a result of applying the entity definition criteria established by GASB, certain organizations have been included with the City's financial statements, as follows:

Discretely Presented Component Units - Entails reporting the component unit financial data in columns separate from the financial data of the City:

Port Authority of the City of Bloomington (Port Authority)

The Port Authority was created by the City in 1981 to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. This goal is accomplished in many cases through the use of Tax Increment Financing, to be issued as needed to effect orderly development. The Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council, and its boundaries encompass the entire City of Bloomington. The Port Authority has limited taxing powers, but extensive authority to issue bonds or notes for public improvements and land development. These are subject to approval by the City Council prior to issuance. The City Council appoints the Port Authority board, guarantees certain Port Authority debt, and contractually provides staff to manage the Port Authority's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

The HRA is a statutory organization established in 1971 to provide housing and redevelopment assistance to Bloomington citizens. Assistance is provided through the administration of various programs. The HRA's boundaries encompass the entire City of Bloomington. The City Council appoints the members of the HRA board and contractually provides City employees to manage the HRA's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

Financial information for the Port Authority and HRA is provided in the Other Supplementary Information section of the City's annual comprehensive financial report. Separate financial statements are not issued for the component units.

B. GOVERNMENT-WIDE AND FUND ACCOUNTING

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

The government-wide statement of net position is designed to display the financial position of the primary government in the two categories of governmental and business-type activities. In this statement, both the governmental and business-type activities columns are reflected on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governments report all capital assets, including infrastructure, in the government-wide statement of net position and report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of the government is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's activities. This statement demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column includes capital-specific grants.

The governmental funds' major fund statements in the fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliations are presented which briefly explain the adjustments necessary to reconcile both the ending net position and the change in net position.

The focus of the government-wide and fund accounting reporting model is on the City as a whole and the City's major funds, including both governmental funds and proprietary funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities, deferred inflows of resources, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

Major governmental funds - The City reports the following major governmental funds:

- *General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Community Development Block Grant Fund* - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974. Revenues of the fund are restricted for housing and development purposes.
- *Debt Service Fund* - This fund is used to account for the accumulation of resources for payment of principal and interest on general obligation bonds, general obligation improvement bonds, general obligation tax increment bonds and sales tax revenue bonds.
- *Capital Projects Fund* - This fund accounts for funds and monies required for financing land acquisitions, construction, park development, and equipment related to public facilities. This fund also accounts for the state allotment of gasoline tax collections for road construction, transitional costs for capital construction and collections of local sales tax.
- *Improvement Construction Fund* - This fund accounts for the proceeds of bonds sold for the purpose of street, sewer, water, and state aid construction.

Major proprietary funds - The City reports the following major proprietary funds:

- *Water/Wastewater Utility Fund* - This fund accounts for the operations of the City-owned water and sewer systems.
- *Storm Water Utility Fund* - This fund accounts for the operations and improvements of the storm water drainage system.
- *Recreational Facilities Fund* - This fund accounts for the operations of the City's ice garden, golf course, aquatic recreation facilities, and art center operations.
- *Solid Waste Management* - This fund accounts for the operations of the City's garbage and recycling program.
- *Contractual Police Fund* - This fund accounts for the operations of police contractual services acquired by various establishments.

Other funds - The City reports the following other funds:

Internal Service Funds - The Internal Service Funds are used to account for information technology, fleet, support services, public safety equipment, self-insurance, benefit accruals, insured benefits, facilities maintenance, and PERA pension, all provided by one department to other departments of the City on a cost-reimbursement basis. The City has allocated the statement of fund net position and the statement of revenues, expenses, and changes in fund net position between various governmental and business-type activities in the government-wide statements.

C. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds:

Measurement Focus - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Reported fund balance is considered a measure of “available spendable resources.” Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government 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 are generally recorded when a liability is incurred, as under accrual accounting.

Revenues - Major revenues that are susceptible to accrual include property taxes (excluding delinquent taxes received over 60 days after year-end), special assessments, intergovernmental revenues, charges for services, and interest on investments. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.

Unavailable Revenues – Unavailable revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Such amounts are classified as deferred inflows of resources within governmental funds.

Unearned Revenues – Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when all revenue recognition criteria are met, the liability for unearned revenue is removed and revenue is recognized.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt and other long-term liabilities which are recognized when due.

Proprietary Funds:

Measurement Focus - Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the statement of net position. The net position of the fund is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of Accounting - All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.

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

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and the following special revenue funds: Community Development Block Grant, Opioid Settlement, Public Safety, Communications, Park Grants, South Loop Revolving Development Services, Creative Placemaking, Federal Relief, Cemetery and Veterans Memorial.

Budgeted amounts are reported as originally adopted and, if such action was taken, amended by the City Council. In the case of the Community Development Block Grant budget, it is a Housing and Urban Development (HUD) fiscal year program. The budget for this program is not yet available from HUD when original budgets are adopted by the City. Therefore, no amounts are in the original budget and only a final budget is presented. Budgeted expenditure appropriations lapse at year-end. During the year, several supplementary appropriations are approved by the City Council.

Future projects represent purchase commitments. Future projects outstanding at year-end are reported as committed fund balances for future projects.

Carryovers of prior-year budget appropriations are allowed when projects have been approved, but not completed, and funding has not been provided in the following year's budget. Budget carryovers at year-end are reported as committed fund balances.

Legal Compliance - Budgets

The City follows the procedures below in establishing the budget reflected in the accompanying 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. The General and special revenue funds are legally adopted through the budgetary process as documented herein.
2. Public hearings are conducted to obtain taxpayer comments.
3. Both the General Fund and special revenue fund budgets are legally enacted through passage of resolutions.

4. Monitoring of budgets is maintained at the expenditure category level within each activity. Budgetary monitoring, by department, division, and by category is required by the City Charter. Management may alter the budget within a department but cannot exceed the total budgeted expenditures for that department unless approved by the City Council. The City Council may authorize transfers of budgeted amounts between departments or funds. These budget amendments must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for capital projects funds is accomplished through the use of project controls.
6. General Fund expenditures may not legally exceed budgeted appropriations at the departmental level. Special revenue fund expenditures may not legally exceed budgeted appropriations at the fund level.

E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in authorized investments (see Note 2). Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value, based upon quoted market prices at the reporting date, except for investments in money market investments and external investment pools that meet GASB Statement No. 79 requirements, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits, and highly liquid investments with an original maturity date at the time of purchase of three months or less. The City accounts for its investments in an entity-wide cash management pool, which is used essentially as a demand deposit account.

Certain resources set aside for future use are classified as restricted on the Statement of Net Position because their use is limited by outside agreements. Interest on these investments is allocated to the respective fund.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due from primary government/component unit” and “due to other funds” or “due to primary government/component unit,” respectively, on the balance sheet (see Note 9). Any interfund balances are eliminated on the entity-wide financial statements.

G. INVENTORIES AND PREPAID ITEMS

Inventory is valued at average cost based on physical counts for all fund types. In the General Fund, inventory is not significant and is recorded as an expenditure at the time of purchase. In the proprietary funds, inventory is recorded as an expense when consumed.

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2025 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

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.

H. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels. These variable payments are excluded from the lease receivable.

A deferred inflow of resources is reported relating to the lease receivable. The deferred inflow of resources is recorded at an amount equal to the lease receivable and is recognized as revenue over the lease term.

I. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS

The City's Subscription-Based Information Technology Agreements (SBITA) are initially measured at the present value of payments expected to be made during the subscription term. The aggregate amount of SBITAs which are immaterial to the City's financial statements have not been reported.

The subscription asset is included in all capital asset schedules along with the corresponding amortization. The related subscription payables are appropriately recorded as short-term and long-term liabilities.

J. CAPITAL ASSETS

Capital outlays are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City's government-wide and proprietary funds statements of net position, which use the full accrual basis of accounting. Infrastructure has been capitalized retroactively to 1980. The carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Depreciation on the City's capital assets (including infrastructure) is recorded on a government-wide basis and in the proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the acquisition value as of the date received. The City's policy is to only capitalize capital assets exceeding \$10,000.

Depreciation has been provided over the estimated useful lives using the straight-line method. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

	Years
Land improvements	20-50
Buildings, structures, and improvements	15-95
Distribution system	36
Machinery and equipment	3-15
Infrastructure	5-48

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources until then.

The City reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The City also reports deferred inflows of resources relating to leases in the government-wide Statement of Net Position, the proprietary funds Statement of Fund Net Position and the governmental funds Balance Sheet. Deferred inflows of resources relating to leases are recognized as revenue over the lease term.

Unavailable revenue arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from five sources: mortgages, taxes, state aid, special assessments and land held for resale. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. COMPENSATED ABSENCES

The City compensates all employees upon termination for unused vacation up to a maximum range of 432 to 480 hours based upon length of service. The City also compensates employees for unused personal time up to a maximum of 1,000 hours. Personal leave balances in excess of 600 hours upon termination are converted to a tax deferred health care retirement account with the State Board of Investments. In addition, police officers' compensatory time balances and vacation balances in excess of 300 hours along with police supervisors' vacation balances in excess of 350 hours are also converted to the tax deferred health care retirement account with the State Board of Investments. A liability for all vacation, personal time and compensatory time which is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid is accrued when incurred in the Benefit Accrual internal service fund.

M. LONG-TERM OBLIGATIONS

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City. Long-term obligations are recognized as a liability of a governmental fund only when due, or when resources have been accumulated in a debt service fund for payment early in the following year. Long-term obligations expected to be financed from proprietary funds are accounted for in those funds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial and Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, housing, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. A bank or financing institution finances this transaction, and the terms and conditions are contracted between the lender and the borrower. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there was one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$17.4 million.

O. NET POSITION

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

Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

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

Unrestricted Net Position - all other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

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 internally imposed constraints for a specific purpose. In accordance with City Charter the City Council is the City’s highest level of decision making authority and can, by legal resolution prior to the end of a fiscal year, approve to establish, modify or rescind a fund balance commitment.

Assigned – consists of internally imposed constraints for the specific purpose of the City’s intended use. Pursuant to the City’s Fund Balance Classification Policy, intent can be expressed by the government body or by an official or body to which the governing body delegates the authority. At this time the City Council has not delegated the authority to assign 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, and then use unrestricted resources as they are needed.

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

Q. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivables or payables between the two types of activities: governmental and business-type.

R. PROPERTY TAXES

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County (the County) for collection in the following year. In the state of Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Property taxes are accrued and recognized as revenue in the fund financial statements for collections within 60 days after year-end, net of delinquencies.

Real property taxes are required by state statute to be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are required to be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts in July, December, and January.

Taxes levied which remain unpaid at December 31 are classified as taxes receivable and are fully offset by deferred inflows in the governmental fund financial statements because they are not known to be available to finance current expenditures. Delinquent property taxes are recorded as earned in the government-wide statements, less a \$200,000 allowance for uncollectible accounts.

S. DEFICIT NET POSITION AND FUND BALANCE

The PERA Pension internal service fund had a negative net position balance of \$(45,098,517) on December 31, 2025 as a result of following accounting required by GASB Statement No. 68. Future pension contributions and investment earnings will reduce the negative net position in the PERA Pension internal service fund. The Benefit Accrual internal service fund had a negative net position balance of \$(6,280,167) on December 31, 2025. This fund accounts for the compensated personal and vacation leave balances. Over the next few years, the City plans to increase internal charges and transfer funds to eliminate the deficit in this fund. The Park Grants fund had a negative fund balance of \$(765,475) on December 31, 2025. The forestry activity has increased significantly with the need to remove trees impacted by emerald ash borer throughout the City. This activity will continue to be supported by taxes, special assessment revenue and grants that will reduce the negative fund balance in this fund.

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 on the financial statements during the reporting period. Actual results could differ from such estimates.

U. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

Pensions. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at national or state banks within the state, as authorized by the City Council.

At December 31, 2025, the carrying amount of the City's deposits with financial institutions was \$(1,554,069) and the bank balances totaled \$415,831. The deficit deposit balance is due to uncashed checks issued to City vendors. Money market funds are automatically swept from investment balances as checks are presented for payment.

Custodial Credit Risk-Deposits – Custodial credit risk is the risk that in event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral. City policy does not further add any restrictions to address custodial credit risk. As of December 31, 2025, the bank balance of the City's deposits was covered by federal depository insurance or covered by collateral pledged and held in the City's name.

B. INVESTMENTS

The City may also invest funds as authorized by Minnesota Statute 118A and its investment policy. This guidance allows the City to invest in money market funds, time deposits, banker's acceptances, commercial paper, U.S. Treasury obligations, U.S. Agency Securities Government Sponsored Enterprises (GSE's), municipal securities, repurchase agreements, and guaranteed investment contracts.

As of December 31, 2025, the City had the following investments and maturities:

Investment Type	Fair Value	Less than One Year	One Year to Five Years	Five Years to Ten Years
Money Market	\$ 147,104,882	\$ 147,104,882	\$ -	\$ -
Commercial Paper Sweep	7,457,880	7,457,880	-	-
Treasury Notes	20,192,350	-	20,192,350	-
Federal Farm Credit Bank	69,224,054	4,906,750	41,182,214	23,135,090
Federal Home Loan Bank	74,223,648	14,817,400	40,428,850	18,977,398
Federal Agriculture Mortgage Corporation	27,958,140	10,000,000	17,958,140	-
Federal Home Loan Mortgage Corporation	9,815,650	-	4,835,150	4,980,500
Federal National Mortgage Association	22,471,989	2,986,200	19,485,789	-
Municipal Bonds	31,812,875	6,503,700	22,075,045	3,234,130
Total investments	410,261,468	<u>\$ 193,776,812</u>	<u>\$ 166,157,538</u>	<u>\$ 50,327,118</u>
Total deposits	(1,554,069)			
Total investments and deposits	<u>\$ 408,707,399</u>			

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

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

Investments by fair value level	12/31/25	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 7,457,880	\$ -	\$ 7,457,880	\$ -
Treasury Notes	20,192,350	20,192,350	-	-
Federal Farm Credit Bank	69,224,054	-	69,224,054	-
Federal Home Loan Bank	74,223,648	-	74,223,648	-
Federal Agriculture Mortgage Corporation	27,958,140	-	27,958,140	-
Federal Home Loan Mortgage Corporation	9,815,650	-	9,815,650	-
Federal National Mortgage Association	22,471,989	-	22,471,989	-
First American Money Market	52,096,354	52,096,354	-	-
Municipal Bonds	31,812,875	-	31,812,875	-
Subtotal	315,252,940	<u>\$ 72,288,704</u>	<u>\$ 242,964,236</u>	<u>\$ -</u>
Investments not categorized:				
External investment pools -				
4M Multi-Class Fund	95,008,528			
Bank Deposits	(1,554,069)			
Total	<u>\$ 408,707,399</u>			

Custodial Credit Risk-Investments – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2025, all investments of the City were insured, registered, and held by the City or its agent in the City’s name. Investments in money market accounts are not evidenced by securities that exist in physical or book entry form and therefore are not subject to custodial credit risk. The City has no policy for credit risk beyond what is provided by Minnesota state law.

Interest Rate Risk – The City’s investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City will attempt to match its investment maturities with anticipated cash flow liquidity demands (static liquidity). The portfolio will be structured so that the liquid component, a minimum of 5% of total investments, will be invested in short term securities maturing in less than thirty days. The City investment policy states that no less than 85% of the portfolio will be invested in investments with maturities of five years or less and no more than 15% of the portfolio will be placed in investments with maturities greater than five years. In no event does the City invest in securities with maturities exceeding 10 years. Total weighted average maturity of total funds will not exceed four years for the portfolio. Maturities will be diversified to avoid undue concentration of assets in a specific sector. An exception to this policy is made for maturities that may be placed in a reserve fund (per bond indentures), whereby maturities dates will coincide with expected use of funds. Another exception is allowed if the City purchases Component Unit bonds with a long duration, up to 20 years, with City Council approval.

Credit Risk – State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The City’s investments in money market funds, Federal Farm Credit, Federal Home Loan Banks, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association Notes and municipal investments were all rated A+ or better by Standard & Poor’s and Fitch’s ratings and A1 or better by Moody’s Investors Service ratings. The City does not have a policy on credit risk beyond State law.

The City’s external investment pool is with the 4M Multi-Class Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Multi-Class Fund is rated AAAM by Standard & Poor’s and has two separate classes, the 4M Liquid Asset Class and the 4M PLUS Class.

The 4M Multi-Class Fund 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) of \$1.00 per share. The Fund’s investments are measured at amortized cost in accordance with Governmental Accounting Standards Board Statement No. 79. The 4M Liquid Asset Class has no redemption requirements. The 4M PLUS Class 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 seven days interest on the amount withdrawn.

Concentration of Credit Risk – The City’s investment policy allows for diversification with the following thresholds: 100% in Money Market funds, 20% in Time deposits, 10% in Bankers Acceptances, 20% in Commercial Paper, 100% in US Treasury obligations, 100% in GSE-Agency securities, 50% in Municipal securities, 10% in Repurchase Agreements, and Guaranteed Investment Contracts varying by project. The City diversifies its investments to substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities, with the exception of U.S. Treasury securities, and authorized pools. Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio but consideration will be given for future purchases. More than 5% of the City’s investments are in the following governmental agencies: Federal Farm Credit Bank (17%), Federal Home Loan Bank (18%), Federal Agricultural Mortgage Corporation (7%), and Federal National Mortgage Association (6%).

Given the smaller portfolios of the Port Authority and the HRA, the above restrictions may be waived for specific project needs.

The following table reconciles cash, cash equivalents, and investments to the basic financial statements at December 31, 2025:

Governmental funds	\$ 312,107,033
Proprietary funds:	
Enterprise	50,410,117
Internal service	46,190,249
Total cash, cash equivalents, and investment	<u>\$ 408,707,399</u>

3. LEASE RECEIVABLE

The City leases a portion of its water towers, sirens and light poles for cellular tower antenna sites. The leases have initial terms of five years with the option to renew five or six additional five year periods. The City considers the likelihood of these options being exercised to be greater than 50%. The annual payments on these leases range from \$9,900 - \$88,012 in 2025 with increases ranging from 4% - 7%. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4%. At December 31, 2025, the City recorded \$12,328,211 in lease receivables and deferred inflows of resources for these arrangements. Total revenue recognized in relation to these leases for the year ended December 31, 2025 is as follows:

	<u>For the year ended 12/31/25</u>
Amortization of lease-related deferred inflows	
Cell tower leases	\$ 236,051
Variable lease revenue	-
Interest revenue	<u>534,886</u>
Total revenue recognized in relation to leased assets	<u>\$ 770,937</u>

4. CAPITAL ASSETS

During 2025 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2025 was as follows:

	Primary Government			Balance at 12/31/25
	Balance at 1/1/25	Additions	Retirements	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 103,324,077	\$ 5,443,035	\$ -	\$ 108,767,112
Construction in progress	12,128,961	50,209,547	(2,250,344)	60,088,164
Total capital assets not being depreciated	115,453,038	55,652,582	(2,250,344)	168,855,276
Capital assets being depreciated:				
Buildings and structures	100,196,708	2,920,174	(1,561,836)	101,555,046
Machinery and equipment	61,685,347	6,759,033	(2,983,357)	65,461,023
Improvements	31,844,978	3,397,089	(337,426)	34,904,641
Infrastructure	477,940,468	14,843,613	-	492,784,081
Subscription asset	1,257,798	678,212	-	1,936,010
Total capital assets being depreciated/amortized	672,925,299	28,598,121	(4,882,619)	696,640,801
Less accumulated depreciation for:				
Buildings and structures	(52,835,863)	(2,806,498)	1,561,836	(54,080,525)
Machinery and equipment	(42,364,279)	(3,921,277)	2,901,161	(43,384,395)
Improvements	(12,671,158)	(1,525,550)	298,918	(13,897,790)
Infrastructure	(202,272,396)	(12,337,915)	-	(214,610,311)
Subscription asset	(34,939)	(604,233)	-	(639,172)
Total accumulated depreciation/amortization	(310,178,635)	(21,195,473)	4,761,915	(326,612,193)
Total capital assets being depreciated/amortized, net	362,746,664	7,402,648	(120,704)	370,028,608
Governmental capital assets, net	\$ 478,199,702	\$ 63,055,230	\$ (2,371,048)	\$ 538,883,884
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,807,252	\$ -	\$ -	\$ 3,807,252
Construction in progress	921,396	331,972	(328,478)	924,890
Total capital assets not being depreciated	4,728,648	331,972	(328,478)	4,732,142
Capital assets being depreciated/amortized:				
Buildings and structures	38,556,451	-	(3,121,858)	35,434,593
Machinery and equipment	4,468,409	278,536	(352,729)	4,394,216
Distribution system	188,716,530	10,363,910	-	199,080,440
Improvements	9,596,833	616,204	(455,718)	9,757,319
Total capital assets being depreciated/amortized	241,338,223	11,258,650	(3,930,305)	248,666,568
Less accumulated depreciation/amortization for:				
Buildings and structures	(21,537,221)	(585,140)	2,637,337	(19,485,024)
Machinery and equipment	(3,181,502)	(275,837)	346,631	(3,110,708)
Distribution system	(106,225,937)	(3,656,092)	-	(109,882,029)
Improvements	(4,927,560)	(253,526)	233,250	(4,947,836)
Total accumulated depreciation/amortization	(135,872,220)	(4,770,595)	3,217,218	(137,425,597)
Total capital assets being depreciated/amortized, net	105,466,003	6,488,055	(713,087)	111,240,971
Business-type activities capital assets, net	\$ 110,194,651	\$ 6,820,027	\$ (1,041,565)	\$ 115,973,113

Depreciation expense was charged to governmental functions and proprietary funds at December 31, 2025 as follows:

Function	Governmental	Fund	Proprietary
General services	\$ 56,314	Water/Wastewater	\$ 1,893,679
Development services	2,803,113	Storm Water	2,260,194
Public works	9,880,942	Recreational Facilities	616,722
Public safety	1,233,818		
Community services	1,320,822		
Internal service funds	5,900,464		
Total depreciation expense	\$ 21,195,473		\$ 4,770,595

5. COMMITMENTS

At December 31, 2025, future projects totaled \$802,089 and are reported as a committed fund balance within the General Fund. At December 31, 2025, the City had commitments for seventeen uncompleted construction contracts with a remaining balance of \$83,359,729.

6. RISK MANAGEMENT

The City acts as a self-insurer for workers' compensation claims. Property, casualty, and automobile insurance coverage are provided through a pooled insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. The risk management activities of the City are accounted for by the Self-Insurance Fund, an internal service fund that charges its costs to user departments. There were no significant reductions in insurance coverages from coverage in the prior year. No settlement amounts exceeded insurance coverage for the past three fiscal years.

The liability recorded in the Self-Insurance Fund includes estimated settlements for claims reported but not settled as of year-end, as well as an estimate of claims incurred but not reported. When a new claim is filed with the City, the League of Minnesota Cities Insurance Trust establishes an estimated loss reserve. This reserve is expensed at year end and then increased or decreased annually.

	<u>2025</u>	<u>2024</u>
Unpaid claims at beginning of year	\$ 2,072,669	\$2,129,567
Claims paid	(1,330,248)	(1,333,509)
New claims	<u>1,615,705</u>	<u>1,276,611</u>
Unpaid claims at end of year	<u>\$ 2,358,126</u>	<u>\$2,072,669</u>

7. LONG-TERM LIABILITIES

The long-term debt obligations outstanding at year-end are summarized as follows:

<u>Type of Bonds</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance at 12/31/25</u>
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2026-2046	2.00 - 5.00%	\$ 38,225,000
G.O. improvement bonds	2026-2037	1.00 - 5.09	33,319,000
G.O. tax increment bonds	2026-2036	1.00 - 2.45	14,213,229
Sales tax revenue bonds	2026-2045	4.55 - 6.00	<u>126,405,000</u>
Total governmental bonds			<u>212,162,229</u>
Business-type activities			
General Obligation (G.O.) bonds	2026-2034	2.00 - 5.00	<u>8,445,000</u>
Total bonds			<u>\$220,607,229</u>

Changes in long-term liabilities during 2025 are summarized as follows:

	Balance at 01/01/25	Additions	Retirements	Balance at 12/31/25	Due Within One Year
Governmental activities:					
G.O. bonds	\$24,825,000	\$ 14,455,000	\$ 1,055,000	\$ 38,225,000	\$ 1,665,000
G.O. improvement bonds	35,780,000	3,859,000	6,320,000	33,319,000	6,490,000
G.O. tax increment bonds	14,740,569	-	527,340	14,213,229	730,903
Sales tax revenue bonds	34,780,000	91,625,000	-	126,405,000	5,795,000
Unamortized bond prems.	5,722,780	7,353,422	883,916	12,192,286	-
Subscription payable	838,532	678,212	843,149	673,595	673,595
Benefits payable	20,130,828	3,719,824	2,310,813	21,539,839	1,076,992
Estimated claims payable	2,072,669	1,615,705	1,330,248	2,358,126	1,331,878
Total governmental	<u>138,890,378</u>	<u>123,306,163</u>	<u>13,270,465</u>	<u>248,926,075</u>	<u>17,763,368</u>
Business-type activities -					
G.O. bonds	9,405,000	-	960,000	8,445,000	990,000
Unamortized bond premiums	476,945	-	52,507	424,438	-
Total business-type	<u>9,881,945</u>	<u>-</u>	<u>1,012,507</u>	<u>8,869,438</u>	<u>990,000</u>
Total	<u>\$ 148,772,323</u>	<u>\$132,367,198</u>	<u>\$23,344,008</u>	<u>\$ 257,795,513</u>	<u>\$ 18,753,368</u>

The benefits payable are generally liquidated by the Benefit Accrual Internal Service Fund. It is not practicable to determine the specific year for payment of benefits payable.

Under state finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds. See statistical Table 12 for more detail.

In 2025 the debt limit was \$534,886,164, the total net debt applicable to the limit was \$35,432,384, and the City could issue up to an additional \$499,453,780 of general obligation debt and still be in compliance with the above statute.

The City has entered into two separate three year right-to-use subscription based information technology agreements. The agreements expire November 30, 2027 with the final payments due for both in 2026. The liability will be liquidated by the Information Technology Internal Service Fund.

Long-term debt maturities (including interest of \$92,434,577) are as follows:

Annual debt service requirements for maturity for **General Obligation (G.O.) bonds** are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,665,000	\$ 1,370,414	\$ 3,035,414
2027	2,275,000	1,516,910	3,791,910
2028	2,320,000	1,406,035	3,726,035
2029	2,425,000	1,292,210	3,717,210
2030	2,420,000	1,177,335	3,597,335
2031-2035	11,670,000	4,280,250	15,950,250
2036-2040	7,305,000	2,309,506	9,614,506
2041-2045	7,080,000	845,638	7,925,638
2046	1,065,000	22,260	1,087,260
Totals	\$ 38,225,000	\$ 14,220,558	\$ 52,445,558

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

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 6,490,000	\$ 1,111,354	\$ 7,601,354
2027	4,944,000	950,346	5,894,346
2028	4,621,000	773,433	5,394,433
2029	4,105,000	609,873	4,714,873
2030	3,339,000	468,771	3,807,771
2031-2035	9,235,000	875,543	10,110,543
2036-2037	585,000	13,554	598,554
Totals	\$ 33,319,000	\$ 4,802,874	\$ 38,121,874

Annual debt service requirements for maturity for **G.O. Tax increment Bonds** are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 730,903	\$ 324,463	\$ 1,055,366
2027	793,705	308,687	1,102,392
2028	812,855	291,943	1,104,798
2029	832,232	274,484	1,106,716
2030	856,842	256,075	1,112,917
2031-2035	3,821,942	1,000,847	4,822,789
2036	6,364,750	77,968	6,442,718
Totals	\$ 14,213,229	\$ 2,534,467	\$ 16,747,696

Annual debt service requirements for maturity for **Sales Tax Revenue Bonds** are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 5,795,000	\$ 5,945,982	\$ 11,740,982
2027	4,015,000	5,841,166	9,856,166
2028	4,225,000	5,623,891	9,848,891
2029	4,445,000	5,401,341	9,846,341
2030	4,675,000	5,173,341	9,848,341
2031-2035	27,145,000	21,989,796	49,134,796
2036-2040	34,560,000	14,412,380	48,972,380
2041-2045	41,545,000	5,067,553	46,612,553
Totals	\$ 126,405,000	\$ 69,455,450	\$ 195,860,450

Annual debt service requirements for maturity for **Subscription Assets** are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 673,595	\$ -	\$ 673,595
Totals	\$ 673,595	\$ -	\$ 673,595

Annual debt service requirements for maturity for **General Obligation (G.O.) bonds** are as follows:

Year Ending December 31	Business-type Activities		
	Principal	Interest	Total
2026	\$ 990,000	\$ 306,707	\$ 1,296,707
2027	1,035,000	264,189	1,299,189
2028	935,000	221,113	1,156,113
2029	970,000	185,573	1,155,573
2030	995,000	156,046	1,151,046
2031-2034	3,520,000	287,600	3,807,600
Totals	\$ 8,445,000	\$ 1,421,228	\$ 9,866,228

On August 13, 2025, the City issued \$63,500,000 of Sales Tax Revenue Bonds, Series 2025A, with an effective interest rate of 4.41%, and \$28,125,000 General Obligation Sales Tax Revenue Bonds, Series 2025B, with an effective interest rate of 4.04%, the proceeds of which will be used to finance the construction of the community health and wellness center. On October 22, 2025, the City issued \$959,000 of Taxable General Obligation Housing Improvement Area Bonds, Series 2025C, with an effective interest rate of 5.09%, which will be used to finance various housing improvements within a housing improvement area. On November 20, 2025, the City issued \$3,210,000 of Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D, with an effective interest rate of 4.66%, for the construction of a new equipment maintenance garage. Also on November 20, 2025, the City issued \$2,900,000 of General Obligation Permanent Improvement Revolving Fund Bonds, Series 57, with an effective interest rate of 3.00%, for the Pavement Management Program to finance curb and gutter, sidewalk, and road surfacing improvement projects within the City. On December 17, 2025, the City issued \$11,245,000 of General Obligation Capital Improvement Plan Bonds, Series 2025E, with an effective interest rate of 3.76%, for the construction of a new public works storage facility.

The following is a schedule of bonds payable at December 31, 2025:

Type of Bonds	Original Amount	Maturities	Rates	Balance at 12/31/25
Governmental Activities:				
General Obligation (G.O.) Bonds:				
2017A Charter Bonds	\$ 1,420,000	2026-2027	2.00 - 2.13%	\$ 315,000
2018A Charter Bonds	1,020,000	2026-2029	3.00 - 4.00	445,000
2019B Charter Bonds	2,105,000	2026-2030	3.00 - 5.00	1,200,000
2021A Charter Bonds	2,005,000	2026-2032	2.00 - 5.00	1,525,000
2022A Capital Improvement Plan Bonds	11,975,000	2026-2043	2.75 - 5.00	11,175,000
2024A Charter Bonds	9,110,000	2026-2035	4.00 - 5.00	9,110,000
2025D Capital Improvement Plan Bonds	3,210,000	2026-2046	4.30 - 5.00	3,210,000
2025E Capital Improvement Plan Bonds	11,245,000	2026-2046	4.00 - 5.00	11,245,000
Total G.O. Bonds	<u>42,090,000</u>			<u>38,225,000</u>
General Obligation (G.O.) Improvement Bonds:				
2011 PIR, Forty-Five Series	7,545,000	2026-2031	3.00 - 3.38	345,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2026-2030	2.75 - 3.25	720,000
2015 PIR, Forty-Nine Series	5,355,000	2026-2036	2.00 - 3.00	935,000
2016 PIR, Fifty Series	6,115,000	2026-2037	2.00 - 3.00	1,835,000
2016 PIR, Refunding, Forty-One and Forty-Two Series	3,730,000	2026-2029	2.00 - 3.00	1,150,000
2017 PIR, Fifty-One Series	4,970,000	2026-2028	2.00 - 3.00	1,690,000
2018B Housing Improvement Bonds	920,000	2026-2034	3.60 - 4.00	605,000
2018 PIR, Fifty-Two Series	5,270,000	2026-2029	3.00 - 5.00	2,410,000
2019 PIR, Fifty-Three Series	4,095,000	2026-2030	3.00 - 5.00	2,290,000
2020 PIR, Fifty-Four Series	5,385,000	2026-2031	1.00 - 5.00	3,485,000
2021 PIR, Fifty-Five Series	4,540,000	2026-2032	1.38 - 5.00	3,400,000
2022 PIR, Fifty-Six Series	11,875,000	2026-2034	4.00 - 5.00	10,595,000
2025C Housing Improvement Area	959,000	2026-2036	5.09	959,000
2025 PIR, Fifty-Seven Series	2,900,000	2026-2036	4.00 - 5.00	2,900,000
Total G.O. Improvement Bonds	<u>68,794,000</u>			<u>33,319,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2019C Taxable Revenue Bonds	15,200,000	2026-2036	2.45	12,813,229
2020B Serial Refunding Bonds	1,975,000	2026-2032	1.00 - 1.75	1,400,000
Total G.O. Tax Increment Bonds	<u>17,175,000</u>			<u>14,213,229</u>
Revenue Bonds:				
2024B Sales Tax Revenue	34,780,000	2026-2045	4.55 - 6.00	34,780,000
2025A Sales Tax Revenue	63,500,000	2026-2045	5.00	63,500,000
2025B G.O. Sales Tax Revenue	28,125,000	2026-2044	4.00 - 5.00	28,125,000
Total Revenue Bonds	<u>126,405,000</u>			<u>126,405,000</u>
Total governmental activities	<u>\$ 254,464,000</u>			<u>\$ 212,162,229</u>
Business-type activities:				
General Obligation (G.O.) Bonds:				
2017B Water Utility Bonds	\$ 1,170,000	2026-2027	2.00 - 2.13	\$ 265,000
2018D Storm Water Utility Green Bonds	10,805,000	2026-2034	3.00 - 5.00	7,290,000
2019A Taxable Charter Bonds	1,645,000	2026-2030	2.53 - 2.80	890,000
Total G.O. Bonds	<u>13,620,000</u>			<u>8,445,000</u>
Total bonds payable	<u>\$ 268,084,000</u>			<u>\$ 220,607,229</u>

PIR = Permanent Improvement Revolving

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects and facilities. General obligation bonds have been issued for both general government and business-type activities. Bonds issued for business-type activities are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City also issues sales tax revenue bonds for approved projects. These revenue bonds are reported in government activities.

Revenues pledged are as follows:

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest
			Percent of total debt service	Term of Pledge	
Governmental Activities:					
General Obligation (G.O.) Bonds:					
2017A G.O. Charter Bonds May-17	Park Improvements	Debt Service Tax Levy	100%	2018 - 2027	\$321,650
2018A G.O. Charter Bonds Jun-18	Park Improvements	Debt Service Tax Levy	100%	2020 - 2029	\$473,875
2019B G.O. Charter Bonds Nov-19	Park Improvements	Debt Service Tax Levy	100%	2021 - 2030	\$1,314,100
2021A G.O. Charter Bonds Sep-21	Park Improvements	Debt Service Tax Levy	100%	2023 - 2032	\$1,718,500
2022A G.O. Capital Improvement Plan Apr-22	Fire Station	Debt Service Tax Levy	100%	2024 - 2043	\$14,855,206
2024A G.O. Charter Bonds Sep-24	Park Improvements	Debt Service Tax Levy	100%	2024 - 2035	\$11,503,225
2025D Capital Improvement Plan Nov-25	Public Works Garage	Debt Service Tax Levy	100%	2025 - 2046	\$5,052,289
2025E Capital Improvement Plan Dec-25	Public Works Salt Shed	Debt Service Tax Levy	100%	2025 - 2046	\$17,206,713
General Obligation (G.O.) Improvement Bonds:					
2011 PIR Bonds, Forty-Five Series Nov-11	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	28% 72%	2013 - 2031	\$350,709
2013 PIR Refunding, Forty-Three Srs Nov-13	Refunding 2009 PIR Bonds Current Refunding	Special Assessments Debt Service Tax Levy	90% 10%	2015 - 2030	\$730,934
2015 PIR Bonds, Forty-Nine Srs Oct-15	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	43% 57%	2017 - 2036	\$945,863
2016 PIR Bonds, Fifty Srs Dec-16	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	41% 59%	2018 - 2037	\$1,998,275
2016 PIR Refunding Bonds, Forty-One and Forty-Two Srs Dec-16	Refunding 2007 PIR and 2008 PIR Bonds Advanced Refunding	Special Assessments	100%	2019 - 2029	\$1,214,800
2017 PIR Bonds, Fifty-One Srs Dec-17	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	2018 - 2028	\$1,747,544
2018B G.O. Taxable Housing Improvmt Jun-18	Housing Improvements	Special Assessments	100%	2020 - 2034	\$716,170
2018 PIR Bonds, Fifty-Two Srs Dec-18	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	2019 - 2029	\$2,592,663
2019 PIR Bonds, Fifty-Three Srs Nov-19	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	2020 - 2030	\$2,507,550
2020 PIR Bonds, Fifty-Four Srs Dec-20	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	22% 78%	2021 - 2031	\$3,601,825
2021 PIR Bonds, Fifty-Five Srs Nov-21	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	2023 - 2032	\$3,767,572
2022 PIR Bonds, Fifty-Six Srs Sep-22	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	2024 - 2034	\$12,941,625
2025C G.O. Taxable Housing Improvmt Oct-25	Housing Improvements	Special Assessments	100%	2025 - 2036	\$1,263,928
2025 PIR Bonds, Fifty-Seven Srs Nov-25	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	20% 80%	2025 - 2036	\$3,742,416

Revenues pledged (continued):

General Obligation (G.O.) Tax Increment Bonds:

2019C Serial G.O. TIF Bonds Dec-19	Housing Developments	TIF Revenue/Tax Levy Developer Loan Revenue	16% / 3% 81%	2020 - 2036	\$15,278,565
2020B Serial G.O. TIF Refunding Bds Dec-20	Refund 2011B TIF Bds Crossover Refunding	TIF Revenue	100%	2021 - 2032	\$1,469,131

Revenue Bonds:

2024B Sales Tax Revenue Bonds Nov-24	Ice Garden	Sales Tax Revenue	100%	2024 - 2045	\$54,987,401
2025A Sales Tax Revenue Bonds Aug-25	Community Health and Wellness Center	Sales Tax Revenue	100%	2025 - 2045	\$99,319,667
2025B G.O. Sales Tax Revenue Bonds Aug-25	Community Health and Wellness Center	Sales Tax Revenue	100%	2025 - 2044	\$41,553,382

Business-type activities:

Enterprise Bonds:

2017B Water Utility May-17	Water System Improvements	Utility revenues	100%	2018- 2027	\$270,603
2018D Storm Water Utility Dec-18	Storm Water Utility	Special Assessments Utility revenues	10% 90%	2020 - 2034	\$8,644,456
2019A Charter Bonds May-19	Ice Garden Improvements	Debt Service Tax Levy	100%	2021 - 2030	\$951,169

General Obligation (G.O.) Bonds:

- 2017A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,420,000 bonds issued in May 2017. Proceeds from the bonds were used to replace playground equipment in parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$321,650, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were \$158,000 and \$165,433, respectively.
- 2018A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,020,000 bonds issued in June 2018. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$473,875, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were \$121,025 and \$122,353, respectively.
- 2019B Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,105,000 bonds issued in November 2019. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,314,100, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$265,050 and \$276,379, respectively.
- 2021A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,005,000 bonds issued in September 2021. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,718,500, payable through February 2032. For the current year, principal and interest paid and total tax levy revenues were \$246,200 and \$258,538, respectively.

- 2022A Capital Improvement Plan. The City has pledged future tax ad valorem revenue to repay the \$11,975,000 bonds issued in April 2022. Proceeds from the bonds were used for certain capital improvements, including but not limited to construction of improvements to fire stations in the City, and construction of a new equipment maintenance garage. Tax levies are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$14,855,206, payable through February 2043. For the current year, principal and interest paid and total tax levy revenues were \$829,075 and \$861,404, respectively.
- 2024A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$9,110,000 bonds issued in September 2024. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$11,503,225, payable through February 2035. For the current year, principal and interest paid and total tax levy revenues were \$402,112 and \$1,223,728, respectively.
- 2025D Capital Improvement Plan. The City has pledged future tax ad valorem revenue to repay the \$3,210,000 bonds issued in November 2025. Proceeds from the bonds were used for the construction of a new equipment maintenance garage. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,052,289, payable through February 2046. No principal or interest payments were paid in the current year and there were no tax revenues.
- 2025E Capital Improvement Plan. The City has pledged future tax ad valorem revenue to repay the \$11,245,000 bonds issued in December 2025. Proceeds from the bonds were used for the construction of a new public works storage facility. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$17,206,713, payable through February 2046. No principal or interest payments were paid in the current year and there were no tax revenues.

General Obligation (G.O.) Improvement Bonds:

- 2011 PIR, Forty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,545,000 bonds issued in November 2011. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 72% and special assessments were projected to produce 28% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$350,709, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$77,394 and \$87,808, respectively.
- 2013 PIR Refunding, Forty-Three Series. The City has pledged future tax ad valorem levies and special assessments to repay the \$5,135,000 bonds issued in November 2013. Proceeds from the bonds refunded the 2009 PIR, 43 Series Bonds on February 1, 2014. Tax levies were projected to produce 10% and special assessments were projected to produce 90% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$730,934, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$193,995 and \$312,370, respectively.
- 2015 PIR, Forty-Nine Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,355,000 bonds issued in October 2015. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 57% and special assessments were projected to produce 43% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$945,863 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$564,750 and \$502,994, respectively.

- 2016 PIR, Fifty Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$6,115,000 bonds issued in December 2016. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 59% and special assessments were projected to produce 41% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,998,275, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$627,700 and \$583,784, respectively.
- 2016 PIR Refunding, Forty-One Series and Forty-Two Series. The City has pledged future special assessments to repay the \$3,730,000 bonds issued in December 2016. Available cash and proceeds from the bonds refunded the 2007 PIR, 41 Series Bonds and the 2008 PIR, 42 Series Bonds on February 1, 2008. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,214,800, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were \$336,000 and \$456,168, respectively.
- 2017 PIR, Fifty-One Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,970,000 bonds issued in December 2017. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,747,544, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$588,838 and \$550,920, respectively.
- 2018B Taxable Housing Improvement Bonds. The City has pledged special assessment revenue to repay the \$920,000 bonds issued in June 2018. Proceeds from the bonds were used to finance various improvements within the Housing Improvement Area. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$716,170, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were \$79,212 and \$71,753, respectively.
- 2018 PIR, Fifty-Two Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,270,000 bonds issued in December 2018. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,592,663 payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$652,075 and \$634,521, respectively.
- 2019 PIR, Fifty-Three Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,095,000 bonds issued in November 2019. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,507,550 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$505,100 and \$525,336, respectively.
- 2020 PIR, Fifty-Four Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,385,000 bonds issued in December 2020. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 78% and special assessments were projected to produce 22% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,601,825 payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$600,300 and \$606,149, respectively.
- 2021 PIR, Fifty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,540,000 bonds issued in November 2021. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,767,572 payable through February 2032. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$546,544 and \$554,105, respectively.

- 2022 PIR, Fifty-Six Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$11,875,000 bonds issued in September 2022. Proceeds from the bonds provide financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$12,941,625 payable through February 2034. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$1,541,625 and \$1,720,756, respectively.
- 2025C Taxable Housing Improvement Bonds. The City has pledged special assessment revenue to repay the \$959,000 bonds issued in October 2025. Proceeds from the bonds were used to finance various improvements within the Housing Improvement Area. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,263,928, payable through February 2036. No principal or interest payments were paid in the current year and special assessment revenues were \$84,000.
- 2025 PIR, Fifty-Seven Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$2,900,000 bonds issued in November 2025. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 80% and special assessments were projected to produce 20% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,742,416 payable through February 2036. No principal or interest payments were paid in the current year and special assessment revenues were \$316,985.

General Obligation (G.O.) Tax Increment Bonds:

- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the \$15,200,000 bonds issued in December 2019. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 16%, tax levies were projected to produce 3%, and developer loan revenues of 81% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$15,278,565 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were \$650,335 and \$650,335, respectively.
- 2020B Serial Refunding Bonds. The City has pledged tax increment revenue to repay the \$1,975,000 bonds issued in December 2020. Proceeds from the bonds refunded the 2011B Serial Refunding Bonds on February 1, 2022. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$1,469,131 payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$214,018 and \$214,018, respectively.

Sales Tax Revenue Bonds:

- 2024B Sales Tax Bonds. The City has pledged future sales tax revenue to repay the \$34,780,000 bonds issued in November 2024. Proceeds from the bonds will be used for the construction and rehabilitation of the Bloomington Ice Garden. Sales tax revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$54,987,401, payable through February 2045. For the current year, principal and interest paid and total tax increment revenues were \$1,195,462 and \$1,195,462, respectively.
- 2025A Sales Tax Bonds. The City has pledged future sales tax revenue to repay the \$63,500,000 bonds issued in August 2025. Proceeds from the bonds will be used for the construction of the Community Health and Wellness Center. Sales tax revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$99,319,667, payable through February 2045. No principal or interest payments were paid in the current year and there were no sales tax revenue.

- 2025B General Obligation Sales Tax Bonds. The City has pledged future sales tax revenue to repay the \$28,125,000 bonds issued in August 2025. Proceeds from the bonds will be used for the construction of the Community Health and Wellness Center. Sales tax revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$41,553,382, payable through February 2044. No principal or interest payments were paid in the current year and there were no sales tax revenue.

Enterprise Bonds:

- 2017B Water Utility. The City has pledged future water utility revenues to repay the \$1,170,000 bonds issued in May 2017. Utility revenues were projected to produce 100% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for various water system improvements. Total principal and interest remaining on the bonds is \$270,603, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were \$136,769 and \$136,769, respectively.
- 2018D Storm Water Utility. The City has pledged future storm water utility revenues and special assessments to repay the \$10,805,000 bonds issued in December 2018. Utility revenues were projected to produce 90% and special assessments were projected to produce 10% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for storm water system improvements. Total principal and interest remaining on the bonds is \$8,644,456, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were \$979,938 and \$979,938, respectively.
- 2019A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,645,000 bonds issued in May 2019. Proceeds from the bonds were used for improvement to the Bloomington Ice Garden. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. The City expects to use money available in the Bloomington Ice Garden enterprise fund to make the debt service payments due on the bonds; however, these funds are not pledged to the repayment of the bonds. Total principal and interest remaining on the bonds is \$951,169, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$191,926 and \$191,926, respectively.

8. NET POSITION/FUND BALANCES

A. NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2025 includes the City’s net investment in capital assets, calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net investment in capital assets:			
Capital assets			
Nondepreciable	\$ 168,855,276	\$ 4,732,142	\$ 173,587,418
Depreciable, net of accumulated depreciation	370,028,608	111,240,971	481,269,579
Less capital related long-term debt outstanding	(210,141,286)	(8,869,438)	(219,010,724)
Retainage payable	(1,856,192)	(59,549)	(1,915,741)
Unspent bond proceeds	<u>101,939,114</u>	<u>-</u>	<u>101,939,114</u>
Total net investment in capital assets	<u>\$ 428,825,520</u>	<u>\$ 107,044,126</u>	<u>\$ 535,869,646</u>

B. GOVERNMENTAL CLASSIFICATIONS

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

	General Fund	Community Development Block Grant	Debt Service	Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ -	\$ -	\$ -	\$ 1,808	\$ -	\$ -	\$ 1,808
Restricted for:							
Debt service	-	-	29,996,255	27,568,162	-	27,568	57,591,985
Abatement purposes	-	-	-	-	8,534,327	-	8,534,327
Capital purposes	-	-	-	119,624,978	545,801	9,714	120,180,493
Public safety	1,088,139	-	-	-	-	1,083,511	2,171,650
Housing development	-	26,827	-	2,729,857	-	-	2,756,684
Public health	-	-	-	-	-	605,722	605,722
Art center	-	-	-	55	-	-	55
Cemetery	-	-	-	-	-	491,915	491,915
Communication	-	-	-	-	-	31,470	31,470
Street reconstruction	-	-	-	-	1,837,222	-	1,837,222
Total restricted	1,088,139	26,827	29,996,255	149,923,052	10,917,350	2,249,900	194,201,523
Committed:							
Budget carryovers	3,660,040	-	-	-	-	-	3,660,040
Capital purposes	-	-	-	31,356	-	759,931	791,287
Creative placemaking	-	-	-	-	-	1,449,886	1,449,886
Park development	-	-	-	1,962,210	-	-	1,962,210
Public safety	-	-	-	-	-	7,640,905	7,640,905
Future projects	802,089	-	-	6,084,572	-	-	6,886,661
Veterans memorial	-	-	-	-	-	236,249	236,249
Total committed	4,462,129	-	-	8,078,138	-	10,086,971	22,627,238
Assigned for:							
Street reconstruction	-	-	-	-	55,467,692	-	55,467,692
Unassigned							
	49,741,701	-	-	-	-	(765,475)	48,976,226
Total fund balances	\$ 55,291,969	\$ 26,827	\$ 29,996,255	\$ 158,002,998	\$ 66,385,042	\$ 11,571,396	\$ 321,274,487

C. WORKING CAPITAL FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the working capital fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes, the second largest is typically lodging and admission taxes.

The policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures.

At December 31, 2025, the fund balance of the General Fund was \$55,291,969 which sufficiently meets the working capital goal described above.

9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of December 31, 2025:

Fund/Component Unit		Receivable	Payable
General Fund	(1)	\$ 1,295,000	\$ -
Contractual Police	(1)	-	210,000
CDBG	(1)	-	55,000
Nonmajor Governmental	(1)	-	1,030,000
Internal Service Funds	(1)	2,539,166	-
Capital Projects	(1)	-	2,539,166
Total		<u>\$ 3,834,166</u>	<u>\$ 3,834,166</u>
 Primary Government:			
General Fund		\$ 402,513	\$ -
Capital Projects Fund		12,697,602	-
CDBG Fund		78,051	74,988
Bonds receivable – due:			
Within one year		200,000	-
In more than one year		1,200,000	-
Accrued interest receivable		138,319	-
Total		<u>\$ 14,716,485</u>	<u>\$ 74,988</u>
 Component Units:			
Port Authority		\$ -	\$ 176,283
Housing and Redevelopment Authority:			
Primary government		\$ 74,988	\$ 13,001,883
Bonds payable – due:			
Within one year		-	200,000
In more than one year		-	1,200,000
Accrued interest payable		-	138,319
Total		<u>\$ 74,988</u>	<u>\$ 14,716,485</u>
Total primary and component units	(2,3)	<u>\$ 14,791,473</u>	<u>\$ 14,791,473</u>

Interfund receivables and payables represent (1) lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year, (2) lag between the date that goods or services are provided or reimbursable expenditures, (3) payments between the primary government and component units.

The following is a schedule of interfund transfers for the year ended December 31, 2025:

Fund Transferred To		Fund Transferred From	Amount
General	*	Community Dev. Block Grant	\$ 26,616
	*	Nonmajor Governmental	622,743
	*	Improvement Construction	1,463,974
	(1)	Capital Projects	3,572,662
	*	Contractual Police	93,415
	*	Internal Service	399,996
Total General			<u>6,179,406</u>
Nonmajor Governmental	*	General	5,000
	(2)	Capital Projects	729,996
	*	Ice Garden	10,000
	*	Internal Service	219,096
Total Nonmajor Governmental			<u>964,092</u>
Debt Service	(3)	Capital Projects	<u>1,200,285</u>
Improvement Construction	(4)	Debt Service	<u>343,864</u>
Capital Projects	(5)	General	4,400,000
	*	Nonmajor Governmental	303,078
	(6)	Debt Service	84,000
Total Capital Projects			<u>4,787,078</u>
Enterprise			
Water/Wastewater Utility	*	Nonmajor Governmental	460,214
Recreational Facilities	(7)	Debt Service	174,723
Recreational Facilities	(8)	Capital Projects	3,458
Total Enterprise			<u>638,395</u>
Internal Service	*	General	831,326
	(9)	Nonmajor Governmental	1,122,092
	(10)	Capital Projects	3,153,248
Total Internal Service			<u>5,106,666</u>
Total			<u>\$ 19,219,786</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them. For the year ending December 31, 2025, transfers included: (1) A one-time transfer of \$1,100,004 from the Capital Projects Fund to the General Fund for tax levy stabilization, and a one-time transfer of \$250,000 to help support Emergency Food Assistance. Annual transfer of \$ 2,222,658 to help support the cost of police services at the Mall of America, (2) A transfer of \$729,996 from the Capital Projects Fund to Nonmajor Governmental Funds for the Small Business Center, (3) A transfer of \$1,195,180 from the Capital Projects Fund to the Debt Service Fund for bond proceeds, and a transfer of \$5,105 to close Fund 4510 – 2018 HIA Capital, (4) A transfer of \$343,864 from the Debt Service Fund to the Improvement Construction Fund for special assessments, (5) A one-time transfer of \$4,400,000 from the General Fund to the Capital Projects Fund for tax levy stabilization, (6) A transfer of \$84,000 from the Debt Service Fund to the Capital Projects Fund for special assessments, (7) A transfer of \$174,723 from the Debt Service Fund to the Enterprise Fund to close Fund 3501 – GO Art Center 2000 Debt, (8) A transfer of \$3,458 from the Capital Projects Fund to the Enterprise Fund to close Fund 4500 – Art Center Capital, (9) A transfer of \$990,944 from Nonmajor Governmental Funds to the Internal Service Fund for American Rescue Plan Grant Funds. A transfer of \$131,148 for Fleet for the purchase of Three Squad Vehicles from DWI Forfeiture, and (10) A transfer of \$3,153,248 from the Capital Projects Fund to the Internal Service Fund for Fleet Garage expense reimbursement. Other items denoted with an asterisk (*) were approved by the City Council as original and carryover budget transfers.

10. CONTINGENCIES

A. LEGAL CONTINGENCIES

There are several lawsuits pending in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

B. 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 it 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 would 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, 2025.

C. TAX INCREMENT DISTRICTS

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

11. DEFINED PENSION BENEFIT PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

PLAN DESCRIPTIONS

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

1. General Employees Retirement Fund (General Plan)

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

2. Public Employees Police and Fire Retirement Fund (Police and Fire Plan)

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

BENEFITS PROVIDED

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

1. General Employees Plan Benefits

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0% of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a prorated increase.

2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is fixed at 1.0%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months, but less than 36 months as of the June 30 before the effective date of the increase, will receive a prorated increase.

CONTRIBUTIONS

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

1. General Employees Fund Contributions

General plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025. The City was required to contribute 7.50% for General Plan members. The City’s contributions to the General Employees Fund for the year ended December 31, 2025 were \$3,777,391. The City’s contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025, and the City was required to contribute 17.70% for Police and Fire Plan members. The City’s contributions to the Police and Fire Fund for the year ended December 31, 2025 were \$4,444,233. The City’s contributions were equal to the required contributions as set by state statute.

PENSION COSTS

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$17,531,459 for its proportionate share of the General Employee’s Fund net pension liability. The City’s net pension liability reflected a reduction due to the State of Minnesota’s (State) contribution of \$16 million. The State is considered a nonemployer 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 \$422,914.

City’s proportionate share of net pension liability	\$ 17,531,459
State’s proportionate share of the net pension liability associated with the City	<u>422,914</u>
Total	<u>\$ 17,954,373</u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was .5290% at the end of the measurement period and .5241% for the beginning of the period.

For the year ended December 31, 2025, the City recognized negative pension expense of \$391,933 for its proportionate share of the General Plan’s pension expense. In addition, the City recognized an additional (\$64,869) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the General Employees Fund.

At December 31, 2025, the City reported its proportionate share of the General Employees Fund 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	\$ 1,671,520	\$ -
Changes in actuarial assumptions	422,409	4,046,547
Net difference between projected and actual earnings on pension plan investments	-	6,994,315
Changes in proportion	671,419	715,172
Contributions paid to PERA subsequent to the measurement date	<u>1,934,601</u>	<u>-</u>
Total	<u>\$ 4,699,949</u>	<u>\$ 11,756,034</u>

The \$1,934,601 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2026	\$ (1,804,388)
2027	(3,598,493)
2028	(2,341,638)
2029	(1,246,167)
2030	-
Thereafter	<u>-</u>
Total	<u>\$ (8,990,686)</u>

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$18,037,732 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 1.5395% at the end of the measurement period and 1.5051% for the beginning of the period.

The State of Minnesota also contributed \$18.0 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$625,277.

City's proportionate share of net pension liability	\$ 18,037,732
State's proportionate share of the net pension liability associated with the City	<u>625,277</u>
Total	<u>\$ 18,663,009</u>

For the year ended December 31, 2025, the City recognized pension expense of \$4,460,355 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$302,540 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$9.0 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9.0 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City also recognized \$138,555 for the year ended December 31, 2025, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported 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	\$ 8,419,320	\$ -
Changes in actuarial assumptions	14,430,850	22,725,244
Net difference between projected and actual earnings on pension plan investments	-	7,847,100
Changes in proportion	4,907,784	1,953,299
Contributions paid to PERA subsequent to the measurement date	<u>2,294,448</u>	<u>-</u>
Total	<u>\$ 30,052,402</u>	<u>\$ 32,525,643</u>

The \$2,294,448 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2026	\$ 5,539,307
2027	(3,096,358)
2028	(8,357,820)
2029	582,244
2030	564,938
Thereafter	-
Total	<u>\$ (4,767,689)</u>

The net pension liability will be liquidated by the PERA Pension Internal Service Fund.

ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.50% for the General Plan and 1.00% for the Police and Fire Plan.

Salary growth assumptions in the General Plan range in annual increments from 11.50% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.0% after 23 years of service.

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

Actuarial assumptions for the General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

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

1. General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.

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

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100%	

DISCOUNT RATE

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

PENSION LIABILITY SENSITIVITY

The following presents the City’s proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase in Discount Rate <u>(8.0%)</u>
Proportionate share of the General Plan net pension liability	\$ 42,581,162	\$ 17,531,459	\$ (2,789,488)
	1% Decrease in Discount Rate <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase in Discount Rate <u>(8.0%)</u>
Proportionate share of the Police and Fire net pension liability	\$ 47,262,680	\$ 18,037,732	\$ (5,960,563)

PENSION PLAN FIDUCIARY NET POSITION

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

B. SINGLE EMPLOYER PLAN – BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Bloomington Fire Department Relief Association (Relief Association) and additions to deductions from the Relief Association’s fiduciary net position have been determined on the same basis as they were reported by the Relief Association. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PLAN DESCRIPTION

Paid on call firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Laws and Statutes.

BENEFITS PROVIDED

The Relief Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established in accordance with the State Statute. The defined retirement benefits are based on the most recent 3-year average salary rates of the highest paid non-officer police officer in the City. Benefit provisions can be amended by the Minnesota State Legislature.

Twenty Year Service Pension

Each member who is at least 50 years of age; has retained membership in the Relief Association for 10 years, and has served at least twenty (20) years of active service with the Bloomington Fire Department before retirement; shall be entitled to a full service monthly pension for the remainder of his or her life. Benefits are based on the most recent three-year average salary rates of the highest paid non-officer police officer in the City.

Disability Benefits

A member who becomes disabled will be eligible for a monthly disability benefit based on the most recent three year average salary rates of the highest paid non-officer police officer for the City. If the period of disability continues to the time when the member would qualify for a service pension, the member will be placed on the service pension rolls and disability benefits shall terminate. No benefits shall be paid for any disability of less than seven days duration.

Death Benefits

Upon the death of a member, the sum of \$500 shall be appropriated from the special account to the designated beneficiary or estate to defray funeral costs. The general account will pay the beneficiary \$2,000.

EMPLOYEES COVERED BY BENEFIT TERMS

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

Retirees and beneficiaries currently receiving benefits	244
Retired members entitled to benefits, but who have not received them	7
Current members:	
Fully vested (20 years or more)	6
Nonvested (less than 20 years)	70
	<hr/>
Total	327
	<hr/> <hr/>

CONTRIBUTIONS

Minnesota Statutes set the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City’s contribution to the Relief Association for the year ended December 31, 2025, was \$0. The City’s contributions was equal to the required contribution as set by state statute. State aid contributions for the year ended December 31, 2025, were \$1,010,430. The actuary also compares the actual statutory contribution rate to an actuarial required contribution rate. The actuarial required contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability, and (c) an allowance for administrative expenses.

NET PENSION LIABILITY

The City’s net pension liability (asset) was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2026.

ACTUARIAL ASSUMPTIONS

The total pension liability in the January 1, 2026 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Measurement date	December 31, 2025
Investment rate of return	6.00%
Projected salary increases	4.00%
Inflation	2.75%
Cost-of-living adjustments	4.00% based on increase in index salary
Age of service retirement	50 with 20 years of service
Post-retirement benefit increase	None

The plan has not had a formal actuarial experience study performed.

The following mortality tables were used in 2025:

Pre-retirement – RP 2014 Employee Mortality table projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017.

Post-retirement – RP 2014 Annuitant Mortality table projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

Post-disabled – RP 2014 Annuitant Mortality table projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of January 1, 2026.

<u>Asset Class</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	0.83%
Investment Grade Bonds	2.19
US Equity	3.79
Developed International Equity	4.50
Emerging Markets Equity	5.45
Real Estate	4.48
Private Equity	6.30

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Relief Association's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the plan's 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.

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at December 31, 2024	\$ 195,805,192	\$ 233,425,875	\$ (37,620,683)
Charges for the year:			
Service cost	3,412,901	-	3,412,901
Interest on total pension liability	11,695,362	-	11,695,362
Effect of economic/demographic gains or losses	4,153,075	-	4,153,075
Benefit payments	(8,590,802)	(8,590,802)	-
Employer contributions – state aid and City	-	1,010,430	(1,010,430)
Net investment income	-	28,813,918	(28,813,918)
Administrative expense	-	(139,969)	139,969
Net changes	10,670,536	21,093,577	(10,423,041)
Balance at December 31, 2025	\$ 206,475,728	\$ 254,519,452	\$ (48,043,724)

PENSION LIABILITY (ASSET) SENSITIVITY

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease in Discount Rate (5.00%)	Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net pension liability (asset)	\$ (13,604,844)	\$ (48,043,724)	\$ (75,095,890)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Relief Association financial report. That report may be obtained by writing to Bloomington Fire Department Relief Association, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431, or by calling (952) 563-8700.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2025, the City recognized pension expense of \$1,079,646. The City also recognized \$1,010,430 for the year ended December 31, 2025, as pension expense (and grant revenue) for the State of Minnesota’s on-behalf contribution to the plan. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,062,683	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	-	15,287,165
Total	\$ 3,062,683	\$ 15,287,165

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2026	\$ 2,898,515
2027	(7,321,476)
2028	(4,793,853)
2029	(3,007,668)
2030	-
Thereafter	-
 Total	 <u><u>\$(12,224,482)</u></u>

C. PENSION AND OPEB AMOUNTS

Pension expense recognized by the City for the fiscal year ended December 31, 2025 is as follows:

	<u>Pension Expense</u>	<u>Pension Asset (Liability)</u>	<u>Deferred Inflow</u>	<u>Deferred Outflow</u>
General Plan	\$ (456,802)	\$ (17,531,459)	\$ 11,756,034	\$ 4,699,949
Police and Fire Plan	4,762,895	(18,037,732)	32,525,643	30,052,402
Fire Relief	2,090,076	48,043,724	15,287,165	3,062,683
OPEB	744,861	(10,980,394)	3,045,760	1,373,790
 Total	 <u><u>\$ 7,141,030</u></u>	 <u><u>\$ 1,494,139</u></u>	 <u><u>\$ 62,614,602</u></u>	 <u><u>\$ 39,188,824</u></u>

12. POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

The City provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. BENEFITS PROVIDED

RETIREES

All retirees of the City upon retirement have the option under state law to continue their medical insurance coverage through the City with retirees paying the full city premium rate for their coverage.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

ACTIVE DEATH BENEFITS

In the case of death of an employee whose dependents who were enrolled under the City’s plan, the City will pay 100% of the group health insurance premium for the employee’s dependents for two years after the employee’s death.

C. CONTRIBUTIONS

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$560,933.

D. MEMBERSHIP

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	73
Active plan members	<u>608</u>
Total	<u>681</u>

E. TOTAL OPEB LIABILITY OF THE CITY

The City’s total OPEB liability of \$10,980,394 as of year-end was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

F. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of January 1, 2025, using the entry-age normal cost method and following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.43%
20-year municipal bond yield	4.43%
Inflation rate	3.75%
Salary increases	3.75%
Medical trend rate	6.20% grading to 4.10% over 49 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 4.43%, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the SOA Scale MP-2021 Mortality Tables.

Future retirees electing coverage is assumed to be 75%.

G. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2025	\$ 10,633,636
Changes for the year	
Service cost	652,586
Interest	471,173
Differences between expected and actual experience	(584,047)
Changes in assumptions	367,979
Contributions - employer	<u>(560,933)</u>
Total net changes	<u>346,758</u>
Ending balance – December 31, 2025	<u>\$ 10,980,394</u>

H. TOTAL OPEB LIABILITY SENSITIVITY TO DISCOUNT AND HEALTHCARE COST TREND RATE CHANGES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.43%	4.43%	5.43%
Total OPEB liability	\$ 11,680,596	\$ 10,980,394	\$ 10,311,484

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using medical trend rates that are 1 percentage point lower or 1 percentage point higher than the current medical trend rates:

	<u>1% Decrease in Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
Medical trend rate	5.20% decreasing to 4.20% over 5 years	6.20% decreasing to 5.20% over 5 years	7.20% decreasing to 6.20% over 5 years
Total OPEB liability	\$ 9,500,542	\$ 10,980,394	\$ 12,733,505

I. OPEB EXPENSE AND RELATED DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

For the current year ended, the City recognized OPEB expense of \$744,861. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 743,396	\$ 1,498,778
Changes in actuarial assumptions	<u>630,394</u>	<u>1,546,982</u>
Total	<u>\$ 1,373,790</u>	<u>\$ 3,045,760</u>

Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2026	\$ (378,898)
2027	(378,898)
2028	(376,946)
2029	(281,387)
2030	(218,889)
Thereafter	<u>(36,952)</u>
Total	<u>\$ (1,671,970)</u>

13. RECEIVABLES AND DEFERRED INFLOWS

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 deferred inflows reported in the governmental funds were as follows:

	Property Taxes	State Aid	Special Assessments	Mortgages	Leases	Land Held For Resale	Total
Major Funds:							
General Fund	\$ 995,388	\$ -	\$ 650,229	\$ -	\$ 8,477,264	\$ -	\$ 10,122,881
Community Development							
Block Grant	-	-	-	11,781,732	-	-	11,781,732
Improvement Bonds	-	-	11,644,206	-	-	-	11,644,206
Capital Projects	-	-	730,371	-	-	1,489,863	2,220,234
Improvement Construction	-	10,202,577	131,817	-	-	-	10,334,394
Total Major Funds	<u>995,388</u>	<u>10,202,577</u>	<u>13,156,623</u>	<u>11,781,732</u>	<u>8,477,264</u>	<u>1,489,863</u>	<u>46,103,447</u>
Nonmajor Funds	-	-	31,375	-	-	-	31,375
Total Deferred Inflows	<u>\$ 995,388</u>	<u>\$ 10,202,577</u>	<u>\$ 13,187,998</u>	<u>\$ 11,781,732</u>	<u>\$ 8,477,264</u>	<u>\$ 1,489,863</u>	<u>\$ 46,134,822</u>
Receivables not expected to be collected within one year	<u>\$ 99,539</u>	<u>\$ 9,099,992</u>	<u>\$ 10,550,398</u>	<u>\$ 10,603,559</u>	<u>\$ 8,254,575</u>	<u>\$ n/a</u>	<u>\$ 38,608,063</u>

14. SUBSEQUENT EVENTS

In February 2026, the City issued \$18,265,000 of General Obligation Sales Tax Revenue Bonds, Series 2026A. The bond proceeds will be used to finance a portion of the costs of the new construction and restoration of the Nine Mile Creek Corridor Renewal project. On the same day in February 2026, the City issued \$25,505,000 of General Obligation Capital Improvement Plan Bonds, Series 2026B. These bond proceeds will be utilized for funding the construction of a new fleet garage. In May 2026, the City issued \$20,300,000 of General Obligation Sewer Revenue Bonds, Series 2026C. The construction of improvements to the City’s wastewater system will be funded with the proceeds from this bond issuance.

15. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Units - Notes 1 through 14 to the basic financial statements apply to the City and generally to its component units. The City’s two component units are reported in a separate column, or discretely presented, in the financial statements to emphasize that they are legally separate from the City. The following notes provide disclosures that are specific to each of the component units. Further detail regarding component units is provided under the Component Unit tab within the “Other Supplementary Information” section of the financial statements.

Port Authority of the City of Bloomington (Port Authority)

Cash, Cash Equivalents, and Investments

A. DEPOSITS

In accordance with Minnesota Statutes, the Port Authority maintains deposits at national or state banks within the state, all of which are members of the Federal Reserve System, as authorized by its Commissioners.

Custodial Credit Risk-Deposits – Custodial credit risk is the risk that in event of a bank failure, the Port Authority’s deposits may not be returned to it. Minnesota Statutes require that all Port Authority deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

At December 31, 2025, the carrying amount of the Port Authority’s deposits with financial institutions and the bank balances totaled \$(82,773). As of December 31, 2025, the bank balance of the Port Authority’s deposits was covered by federal depository insurance or covered by collateral pledged and held in the Port Authority’s name.

B. INVESTMENTS

The Port Authority invests funds, as authorized by Minnesota Statutes and its investment policy is as follows:

See Note 2 of the City for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

At December 31, 2025, the Port Authority had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>One Year to Five Years</u>	<u>Five Years to Ten Years</u>
Money Market	\$ 132,698,294	\$ 132,698,294	\$ -	\$ -
Commercial Paper Sweep	107,382	107,382	-	-
Federal Agricultural Mortgage Corporation	4,994,350	4,994,350	-	-
Federal Farm Credit Bank	4,848,800	-	4,848,800	-
Federal Home Loan Bank	4,982,850	4,982,850	-	-
Municipal Bonds	764,671	764,671	-	-
Total investments	<u>148,396,347</u>	<u>\$ 143,547,547</u>	<u>\$ 4,848,800</u>	<u>\$ -</u>
Total deposits	<u>(82,773)</u>			
Total investments and deposits	<u>\$ 148,313,574</u>			

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

Port Authority of the City of Bloomington (Port Authority)

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

Investments by fair value level	12/31/25	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 107,382	\$ -	\$ 107,382	\$ -
Federal Agricultural Mortgage Corporation	4,994,350	-	4,994,350	-
Federal Farm Credit Bank	4,848,800	-	4,848,800	-
Federal Home Loan Bank	4,982,850	-	4,982,850	-
Municipal Bonds	764,671	-	764,671	-
Subtotal	15,698,053	\$ -	\$ 15,698,053	\$ -
Investments not categorized				
External investment pools:				
4M Multi-Class Fund	132,698,294			
Bank Deposits	(82,773)			
Total	\$ 148,313,574			

Custodial Credit Risk-Investments – For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Port Authority will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2025, all investments of the Port Authority were insured, registered, and held by the Port Authority or its agent in the Port Authority’s name.

Interest Rate Risk - The Port Authority’s investment policy does not have limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The Port Authority’s investments in government securities, and the municipal investments are all rated AA or better by Standard & Poor’s and Moody’s Investors Service, and the 4M Multi-Class Fund is rated AAAM by Standard & Poor’s.

Concentration of Credit Risk - The Port Authority places no limit on the amount the Port Authority may invest in any one issuer. As of December 31, 2025, the Port Authority does not have more than 5% of their portfolio invested in one government agency.

Capital Assets

Changes in capital assets during 2025 are summarized as follows (capitalization thresholds are the same as the City):

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 1,870,700	\$ -	\$ -	\$ 1,870,700
Construction in progress	12,416,889	6,339,921	-	18,756,810
Total capital assets not being depreciated	14,287,589	6,339,921	-	20,627,510
Governmental activities capital assets	\$ 14,287,589	\$ 6,339,921	\$ -	\$ 20,627,510

Port Authority of the City of Bloomington (Port Authority)

Long-term Debt

The long-term debt obligations outstanding at year-end are summarized as follows:

Type of Bonds	Original Issue	Maturities	Rates	Balance 12/31/25
Governmental activities - Taxable G.O. Tax Increment Bonds	\$ 7,150,000	2026-2035	2.95 – 3.60%	\$ 4,445,000

On October 13, 2015, the Port Authority issued \$7,150,000 of Taxable General Obligation Tax Increment Bonds; the effective interest is 3.32%. The proceeds of the bonds were used to finance the construction of a 662-space parking ramp located in the IndiGO Development. A private party independently financed the apartment complex that was built in conjunction with the construction of the parking ramp.

Changes in long-term liabilities during 2025 are summarized as follows:

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25	Due Within One Year
Governmental Activities: G.O. Tax Increment Bonds	\$ 4,815,000	\$ -	\$ 370,000	\$ 4,445,000	\$ 380,000

Long-term debt maturities (including interest of \$844,855) are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2026	\$ 380,000	\$ 151,945	\$ 531,945
2027	390,000	139,320	529,320
2028	405,000	125,010	530,010
2029	420,000	110,160	530,160
2030	435,000	94,770	529,770
2031-2035	2,415,000	223,650	2,638,650
Total	\$ 4,445,000	\$ 844,855	\$ 5,289,855

Due to/from City

At December 31, 2025, the Port Authority owed the City \$176,283 for services, facilities provided and payments made by the City that are Port Authority related.

Due to/Due from Other Funds

Interfund balances are a result of temporary interfund financing at year-end to cover deficit cash balances within the various funds. On December 31, 2025, the balance was \$2,000.

Tax Abatements-Pay-As-You-Go Tax Increment

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

The Port Authority has a tax increment pay-as-you-go agreement relating to Bloomington Central Station District 1-I. Under the terms of the agreement, the developer was assessed \$8,853,505 (\$13,792,570 with interest). As the

Port Authority of the City of Bloomington (Port Authority)

developer makes assessment payments to the City, the Port Authority reimburses the developer via the counted value formula.

The Port Authority has a tax increment pay-as-you-go note for the Fenley project in the Bloomington Central Station District 1-I. Under the terms of the agreement, the developer has paid for public improvements that are TIF eligible costs. The developer may be reimbursed up to \$10,664,100 plus interest at a rate of 5.50% as tax increment payments are received by the Port Authority.

The Port Authority has a tax increment pay-as-you-go note for the Carbon 31 project in the Bloomington Central Station District 1-I. Under the terms of the agreement, the developer has paid for public improvements that are TIF eligible costs. The developer may be reimbursed up to \$22,900,000 plus interest at a rate of 5.25% as tax increment payments are received by the Port Authority.

The agreements are not general obligations of the Port Authority and are payable solely from available tax increment derived from the redevelopment property during the prior six months, less a 10% administrative fee. The Port Authority shall have no obligation to pay any unpaid balance that may remain after decertification of the district on December 31, 2031. Accordingly, the obligations are not reflected in the financial statements of the Port Authority.

Current year abatement (TIF payments) totaled \$3,553,148. At December 31, 2025, the total amount outstanding on the contracts, including interest, was \$35,193,758.

Governmental Classifications

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

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Restricted for:					
Debt service	\$ -	\$ -	\$ 624,202	\$ -	\$ 624,202
Tax increment purposes	-	-	-	144,466,007	144,466,007
Committed for development	-	272,286	-	179,770	452,056
Unassigned	1,952,911	-	-	-	1,952,911
Total fund balances	<u>\$ 1,952,911</u>	<u>\$ 272,286</u>	<u>\$ 624,202</u>	<u>\$ 144,645,777</u>	<u>147,495,176</u>

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Cash, Cash Equivalents, and Investments

See Note 2 for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

Minnesota Statutes require that all HRA deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

Authorized collateral includes the legal investments described as follows, as well as certain first mortgage notes, and certain other state or local government obligations.

Cash balances at December 31, 2025 were:

<u>Credit Risk Category</u>	<u>Bank Balances</u>	<u>Carrying Amount</u>
Insured or collateralized by securities held by the HRA or its agent in the HRA's name	<u>\$ 29,195</u>	<u>\$ 24,083</u>

Investment balances at December 31, 2025 were:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
4M Multi-Class Fund	N/A	\$ 9,742,225	42%
4M Fund Term Series	01/13/26	3,000,000	13%
4M Fund Term Series	01/29/26	5,000,000	22%
4M Fund Term Series	05/13/26	5,000,000	22%
Commercial Paper Sweep	N/A	258,308	1%
Total investments		23,000,533	
Total deposits		24,083	
Net cash, cash equivalents, and investments		<u>\$ 23,024,616</u>	

Interest Rate Risk - The HRA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The HRA's investments in commercial paper are rated at least two of the following: A1 by Standard & Poor's, F-1 by Fitch Ratings, or P-1 by Moody's Investors Service. The 4M Multi-Class Fund is rated AAAM by Standard & Poor's.

Concentration of Credit Risk - The HRA places no limit on the amount the HRA may invest in any one issuer.

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Capital Assets and Land Held for Resale

Changes in capital assets during 2025 are summarized as follows (capitalization thresholds are the same as the City):

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 130,300	\$ -	\$ -	\$ 130,300
Governmental activities capital assets, net	<u>\$ 130,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,300</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$ 1,589,085	\$ -	\$ -	\$ 1,589,085
Capital assets being depreciated -				
Buildings and structures	3,399,032	-	-	3,399,032
Capital assets being depreciated –				
Improvements	1,076,869	20,700	-	1,097,569
Less accumulated depreciation for -				
Depreciable Assets	(2,874,172)	(92,621)	-	(2,966,793)
Total capital assets being depreciated, net	<u>1,601,729</u>	<u>(71,921)</u>	<u>-</u>	<u>1,529,808</u>
Business-type activities capital assets, net	<u>\$ 3,109,814</u>	<u>\$ (71,921)</u>	<u>\$ -</u>	<u>\$ 3,118,893</u>

Land held for resale activity for the year ended December 31, 2025, was as follows:

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Land Held for Resale (Inventory)	\$ 871,141	\$ -	\$ 649,641	\$ 221,500

Long-Term Debt and Obligations Due to Primary Government

The long-term debt obligations outstanding at year-end are summarized as follows:

	Original Issue	Maturities	Rates	Balance 12/31/25
Due to primary government:				
2020B Crossover Refunding Bonds	\$ 3,095,000	2023-2032	1.00-1.75%	\$ 1,400,000

Changes in long-term debt during 2025 are summarized as follows:

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25	Due Within One Year
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	<u>\$1,595,000</u>	<u>\$ -</u>	<u>\$ 195,000</u>	<u>\$1,400,000</u>	<u>\$ 200,000</u>

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Debt Service Payments

The following is a schedule of the total future debt service and tax increment payment requirements for the HRA:

Years ending December 31	Governmental Activities		Total
	Principal	Interest	
2026	\$ 200,000	\$ 17,043	\$ 217,043
2027	200,000	15,043	215,043
2028	205,000	13,017	218,017
2029	210,000	10,628	220,628
2030	215,000	7,704	222,704
2031-2032	370,000	5,696	375,696
Total	<u>\$ 1,400,000</u>	<u>\$ 69,131</u>	<u>\$ 1,469,131</u>

Fund Balance Classifications

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

	General Fund	Housing Develop.	Section 8 Vouchers	Housing Rehab.	Affordable Housing	Opportunity Housing	TIF Special Revenue	Capital Projects	Totals
Nonspendable:									
Long term receivables	\$ -	\$ 478,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478,666
Restricted for:									
Tax increment purposes	-	-	-	-	-	-	6,450,757	-	6,450,757
Committed to:									
Development activities	-	10,386,572	-	-	-	-	-	-	10,386,572
Rehabilitation loans	-	-	-	1,773,208	-	-	-	-	1,773,208
Opportunity housing	-	-	-	-	-	2,730,015	-	-	2,730,015
Assigned for:									
Section 8 Vouchers	-	-	608,580	-	-	-	-	-	608,580
Capital projects	-	-	-	-	-	-	-	289,090	289,090
Unassigned	2,113,568	-	-	(418,416)	(19,194)	-	(2,222,209)	-	(546,251)
Total fund balances	<u>\$ 2,113,568</u>	<u>\$ 10,865,238</u>	<u>\$ 608,580</u>	<u>\$ 1,354,792</u>	<u>\$ (19,194)</u>	<u>\$ 2,730,015</u>	<u>\$ 4,228,548</u>	<u>\$ 289,090</u>	<u>\$ 22,170,637</u>

Due to the City

At December 31, 2025, the HRA owed the City \$304,281 for services provided to the HRA, \$138,319 for accrued interest, \$200,000 for the current portion, and \$1,200,000 for the long-term portion of the debt obligation. In addition, the HRA owes the City \$12,697,602 of Taxable General Obligation Tax Increment Revenue Bonds that were loaned to the HRA to fund affordable housing within the City. The loan matures in 2036 with an interest rate of 2.45%.

Due to HRA

At December 31, 2025, the City owed \$74,988. This amount consists of \$74,988 for rehabilitation loan activities.

Due to/Due from Other Funds

Interfund balances are a result of temporary interfund financing at year-end to cover deficit cash balances within the various funds. At December 31, 2025, the balance was \$40,000.

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Conduit Debt Obligations

From time to time, the HRA has issued Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of 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. The HRA, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there are no Housing Revenue Bonds outstanding.

The following table shows the balance of the conduit debt obligations as of December 31, 2025:

	<u>Original Balance</u>	<u>Beginning Balance 01/01/25</u>	<u>Additions</u>	<u>Less Payments/ Refinance</u>	<u>Ending Balance 12/31/25</u>
Masonic Homes	\$ 4,000,000	\$ 200,000	\$ -	\$ 200,000	\$ -

Mortgages Receivable

The Neighborhood Home Improvement Loan (Neighborhood) program is funded primarily by the HRA tax levy, loan repayments and occasionally from Strategic Initiative funds granted to the HRA by the City. The Neighborhood loans are to be repaid at such time as the related properties are transferred or sold. A lien is placed against the property by the HRA to ensure principal and interest is repaid. Proceeds for the Neighborhood loan principal and interest repayments will be recognized as revenue by the HRA when received. The Neighborhood loan balances outstanding, including interest, total \$9,417,715 as of December 31, 2025. The Neighborhood loans have been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA entered into an agreement with Hennepin County to match funds for a rehabilitation program specifically focusing on foreclosed single-family homes in 2009. Each entity provided \$200,000 in funds for a program total of \$400,000 with a maximum of \$20,000 per property. The HRA reapplied in 2010 and entered into another agreement with Hennepin County for an additional \$200,000 to continue this successful program. Half of the amount provided to the homeowner from Hennepin County will become a grant if the homeowner remains in the home for a minimum of five years. The other half of the amount provided to the homeowner from the HRA is a five percent interest rate loan with the accrual of interest ceasing after ten years. Therefore, the proceeds from repayments for the amount loaned from the HRA are recognized as revenue when received. The foreclosure home (FHIP) loan balances outstanding, including interest, total \$192,473 as of December 31, 2025. The outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.

In 2012, the HRA entered into another agreement with Hennepin County to match funds for the Community Enhancement Program II (CEPII). This program also provides funding for rehabilitation loans. The first round of funding in early 2012 provided \$250,000 each from the HRA and the County for loans. In late 2012, another agreement was entered into with \$200,000 being pledged from each entity. The third round of funding was committed in 2013 providing an additional \$233,934 from the HRA and the County. The HRA and County alternated the loans which were committed in terms of who is the mortgage holder. The CEPII loan balances outstanding, including interest, total \$599,606 as of December 31, 2025. The HRA loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2016, a new Curb Appeal Loan Program (CALP) was initiated by the HRA. This program provides up to a \$10,000 loan for income eligible homeowners to use towards exterior home improvements. These loans are 0% deferred loans that are required to be repaid when the properties are transferred or sold. The CALP loan balances outstanding total \$377,584 as of December 31, 2025. These loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2005, the HRA entered into four mortgage note agreements for the Essex Knoll property. The funds were loaned to low-income families to allow them the ability to purchase a home at an affordable price. Each mortgage

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

note receivable was \$80,000, for a total of \$320,000. The interest rate on each loan is 0% and the term is 30 years. The mortgage note has been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA has a \$406,000 mortgage note receivable dated December 17, 1990, from the sale of land to a developer, Bloomington Family Townhomes LP. The funds were loaned to the developer for the purpose of constructing townhouse projects. The note accrues interest at 3% simple interest per year until the adjustment date, as defined in the note. The accumulated interest and principal was amended in 2008 to be due in the year 2025, or upon sale of the property. In 2025, the mortgage notes and interest totaling \$832,767 was recognized on the balance sheet as a mortgage note receivable and deferred inflow. Proceeds will be recognized as revenue by the HRA when received. If the townhomes are no longer used as affordable units, the note will bear an interest rate of 9% on the adjusted balance from the adjustment date to the year 2025, or upon sale of the property. In 2025 the mortgage was deferred until 2026.

In 2002, the HRA entered into two loan agreements with Bloomington Southview Limited Partnership (BSLP). The funds were used to facilitate the development of affordable housing, site demolition, and abatement of environmental hazards. Under the terms of the loan agreements, the HRA provided BSLP with \$165,000 and \$150,000 loans, recognized on the balance sheet as notes receivable. There are no interim payments due; the compounded interest on the \$165,000 loan is calculated at 3% and is recognized as revenue by the HRA as it accrues. The \$165,000 loan has a term of 30 years. The balance of the loan is \$328,666 as of December 31, 2025. The \$150,000 loan has no interim payments due, the interest rate is 0%, and the term is 30 years. The HRA has not imputed interest on this loan.

In 2008, the HRA entered into a loan agreement with Crossings at Valley View Limited Partnership (Crossings). Crossings received a \$600,000 loan from the HRA to assist with the cost of acquiring property located in the northeast quadrant of Portland Avenue and 88th Street in Bloomington. This land was used to construct fifty low-income housing units. The interest rate on the \$600,000 loan is 0% and the term is 30 years.

The following table shows the balance of the mortgage loans receivable as of December 31, 2025:

	Balance 01/01/25	Additions	Interest	Payoffs	Balance 12/31/25
Neighborhood Loans	\$ 9,423,127	\$ 184,703	\$ 119,778	\$ 309,893	\$ 9,417,715
Foreclosure Loans	236,909	-	564	45,000	192,473
CEP II Loans	626,599	-	5,745	32,738	599,606
CALP Loans	387,584	-	-	10,000	377,584
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	820,587	-	12,180	-	832,767
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	319,093	-	9,573	-	328,666
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	1	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total	<u>\$ 12,883,900</u>	<u>\$ 184,703</u>	<u>\$ 147,840</u>	<u>\$ 397,632</u>	<u>\$ 12,818,811</u>

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Loans Receivable

In 2019, the HRA entered into a loan agreement with Aeon VP Bloomington LLC. Aeon received a \$7,000,000 loan from the HRA to assist in the rehabilitation of Village Club Bloomington Apartments. The apartment contains 306 dwelling units recognized as naturally occurring affordable family housing. The interest rate on the \$7,000,000 loan is 3.375% and the term is 20 years. The principal amount outstanding on the loan is \$4,858,067 as of December 31, 2025. In 2021, the HRA made loans to Lyndale Flats for \$1,457,913 and to 8012 Old Cedar for \$975,000, and in 2022 to Oxboro Heights for \$2,125,000 for development of affordable housing. The principal amount outstanding on the loans are \$1,375,362, \$975,000 and \$2,125,000, respectively, as of December 31, 2025. The loans will be repaid through Tax Increment Financing. In 2024, HRA made loans to 700 American, LLLP for \$3,426,460 to assist with the senior housing redevelopment program. The interest rate of the loan is 4.50%, and the term is 27 years. The principal amount outstanding on the loan is \$3,426,460 as of December 31, 2025.

Equity Participation/Contingent Repayment Agreements

The HRA has ten equity participation agreements with various developers of development sites in Bloomington. The developers are L.W. Fraser Independent Living Project II, Henry Court Inc., AHEPA/Penelope, NHHI/ASI Bloomington Inc. (Garfield Commons and the Meadows), NHHI/Catalpa, non-profit entities of the Presbyterian Homes of Bloomington Inc. (Newton Manor, Ridgeview Terrace, and Summer House), and Cornerstone Advocacy Services. The agreements contain equity-share provisions giving the HRA portions of certain proceeds upon subsequent sales of the development sites. Such proceeds, if any, will be recognized as revenue by the HRA when received. In 2008, the City increased its equity participation agreement with AHEPA/Penelope by contributing an additional \$50,000 to assist with the construction of additional units of low-income senior housing.

On April 11, 2001, the HRA entered into a contingent repayment agreement with Lyndale Avenue Townhomes, Limited Partnership for the purpose of constructing townhomes for low-income tenants. The townhomes are operated by a management company on behalf of the HRA.

Tax Abatements-Pay-As-You-Go Tax Increment

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

The HRA has seven tax increment pay-as-you-go agreements. The agreements are not a general obligation of the HRA and is payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the HRA.

Oxboro O-4 TIF District issued a pay-as-you-go note in 2008 in the principal sum of \$231,000 with an interest rate of 6% per annum. Principal and interest shall be paid on each February 1 and August 1, commencing February 1, 2009 and paid through August 1, 2035. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on August 1, 2035. The current year abatement (TIF note payments) totaled \$48,349. At December 31, 2025, the principal amount outstanding on the note was \$49,815. The pay-as-you-go note provides for payment to the developer equal to 100% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

Knox & American issued a pay-as-you-go note in 2020 in the principal sum of \$6,849,531 with an interest rate of 5.5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021 and paid through February 1, 2039. The current year abatement (TIF note payments) totaled \$486,649, all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$6,849,531. Payments are payable solely from available tax increment derived from the redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 95% of the tax increment received in the prior six months.

Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Portland Commons issued a pay-as-you-go note in 2021 in the principal sum of \$5,687,839 with an interest rate of 5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021, and paid through August 1, 2043. The current year's abatement (TIF note payments) totaled \$346,399, all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$5,679,661. The pay-as-you-go note provides for payment to the developer equal to 85% of tax increment received in the prior six months.

Aeon – Village Club North 172 issued a pay-as-you-go note in 2020 in the principal sum of \$3,625,000 with an interest rate of 4.00%. Principal and interest shall be paid on each February 1 and August 1, commencing February 1, 2024, and paid through February 1, 2049. The current year abatement (TIF note payments) totaled \$164,443, all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$3,625,000. The note provides for payment to the developer equal to 82% of the tax increment received in the prior six months.

8012 Old Cedar issued a pay-as you-go note in 2023 in the principal sum of \$1,353,000 with an interest rate of 3.5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2024 and paid through February 1, 2049. The current year abatement (TIF note payments) totaled \$31,203, all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$1,353,000 to the HRA. The pay-as-you-go note provides for payment to the developer equal to 95% of the tax increment received in the prior six months.

Gyropolis issued a pay-as you-go note in 2024 in the principal sum of \$271,000 with an interest rate of 4.0%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2025 and paid through February 1, 2051. The current year abatement (TIF note payments) totaled \$798 all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$271,000 to the HRA. The pay-as-you-go note provides for payment to the developer equal to 80% of the tax increment received in the prior six months.

8200 Humboldt issued a pay-as you-go note in 2024 in the principal sum of \$6,975,000 with an interest rate of 3.5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2026 and paid through February 1, 2052. The current year abatement (TIF note payments) totaled \$301,273 all of which was applied to outstanding interest. At December 31, 2025, the principal amount outstanding on the note was \$6,975,000 to the HRA. The pay-as-you-go note provides for payment to the developer equal to 95% of the tax increment received in the prior six months.



CITY OF
BLOOMINGTON
MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF
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CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 74,749,610	\$ 74,749,610	\$ 69,042,993	\$ (5,706,617)
Fiscal disparities	-	-	4,864,975	4,864,975
Special assessments	-	-	114,366	114,366
Lodging and admissions tax	11,090,271	11,090,271	10,690,510	(399,761)
Business licenses and permits	5,997,861	5,997,861	7,376,618	1,378,757
Fines	435,000	435,000	534,665	99,665
Intergovernmental	6,812,556	12,451,459	13,114,466	663,007
Program income	3,133,562	2,635,253	2,375,752	(259,501)
Interest	350,000	350,000	1,401,921	1,051,921
Net change in fair value of investments	-	-	906,270	906,270
Other	1,289,663	1,311,368	1,700,698	389,330
Total revenues	<u>103,858,523</u>	<u>109,020,822</u>	<u>112,123,234</u>	<u>3,102,412</u>
EXPENDITURES				
General Government	638,171	638,171	672,163	(33,992)
Administration	4,291,251	4,570,241	4,028,779	541,462
Legal	3,084,418	3,216,548	3,040,098	176,450
Finance	1,671,266	1,728,846	1,657,203	71,643
Community Development	11,353,677	11,293,704	11,031,290	262,414
Parks and Recreation	13,173,911	13,438,407	13,389,912	48,495
Public Works	15,590,419	16,241,343	15,171,280	1,070,063
Public Safety	49,587,456	54,141,925	54,078,190	63,735
Community Services	9,399,401	10,444,070	10,275,156	168,914
Contingency/estimated unspent	1,023,437	1,023,437	-	1,023,437
Total expenditures	<u>109,813,407</u>	<u>116,736,692</u>	<u>113,344,071</u>	<u>3,392,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,954,884)</u>	<u>(7,715,870)</u>	<u>(1,220,837)</u>	<u>6,495,033</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,954,884	6,204,884	6,179,406	(25,478)
Transfers to other funds	-	(5,236,326)	(5,236,326)	-
Total other financing sources (uses)	<u>5,954,884</u>	<u>968,558</u>	<u>943,080</u>	<u>(25,478)</u>
Net change in fund balance	-	(6,747,312)	(277,757)	6,469,555
Fund balance - January 1	<u>55,569,726</u>	<u>55,569,726</u>	<u>55,569,726</u>	<u>-</u>
Fund balance - December 31	<u>\$ 55,569,726</u>	<u>\$ 48,822,414</u>	<u>\$ 55,291,969</u>	<u>\$ 6,469,555</u>

See accompanying notes to the required supplementary information.

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Community Development Block Grant Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 928,051	\$ 862,586	\$ (65,465)
EXPENDITURES				
Current -				
Development services	-	888,051	809,143	78,908
Excess (deficiency) of revenues over (under) expenditures	-	40,000	53,443	13,443
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(40,000)	(26,616)	13,384
Net change in fund balance	-	-	26,827	26,827
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,827</u>	<u>\$ 26,827</u>

See accompanying notes to the required supplementary information.



CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Other Post-Employment Benefits Plan
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios
For The Last Ten Years

Fiscal Year Ending and Measurement Date	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Total OPEB liability			
Service cost	\$ 652,586	\$ 651,804	\$ 768,719
Interest	471,173	427,521	486,792
Contributions - employer	(560,933)	(513,511)	(612,601)
Differences between expected and actual experience	(584,047)	-	(185,606)
Changes in assumptions	367,979	(222,658)	(995,639)
Net change in total OPEB liability	<u>346,758</u>	<u>343,156</u>	<u>(538,335)</u>
Total OPEB liability - beginning of year	<u>10,633,636</u>	<u>10,290,480</u>	<u>10,828,815</u>
Total OPEB liability - end of year	<u>\$ 10,980,394</u>	<u>\$ 10,633,636</u>	<u>\$ 10,290,480</u>
Covered employee payroll	<u>\$ 64,947,533</u>	<u>\$ 64,792,532</u>	<u>\$ 52,558,542</u>
Total OPEB liability as a percentage of covered employee payroll	<u>17%</u>	<u>16%</u>	<u>20%</u>

See accompanying notes to the required supplementary information.

The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

Note: There are no assets in a trust to pay related benefits.

EXHIBIT A-3

<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
\$ 1,009,165	\$ 972,689	\$ 721,033	\$ 723,813	\$ 591,300
235,465	221,012	281,393	295,896	335,249
(522,703)	(440,287)	(341,581)	(344,129)	(299,661)
—	702,073	—	(1,157,501)	745,047
<u>(1,344,299)</u>	<u>506,579</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(622,372)</u>	<u>1,962,066</u>	<u>660,845</u>	<u>(481,921)</u>	<u>1,371,935</u>
<u>11,451,187</u>	<u>9,489,121</u>	<u>8,828,276</u>	<u>9,310,197</u>	<u>7,938,262</u>
<u>\$ 10,828,815</u>	<u>\$ 11,451,187</u>	<u>\$ 9,489,121</u>	<u>\$ 8,828,276</u>	<u>\$ 9,310,197</u>
<u>\$ 51,088,121</u>	<u>\$ 47,593,887</u>	<u>\$ 45,713,920</u>	<u>\$ 45,095,129</u>	<u>\$ 43,914,741</u>
<u>21%</u>	<u>24%</u>	<u>21%</u>	<u>20%</u>	<u>21%</u>

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Proportionate Share of Net Pension Liability -
General Employees Retirement Fund
For The Last Ten Years

EXHIBIT A-4

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	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
Jun. 30, 2016	Dec. 31, 2016	0.5236%	\$ 42,513,723	\$ 555,205	\$ 43,068,928	\$ 32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	\$ 33,815,698	\$ 425,166	\$ 34,240,864	\$ 34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	\$ 28,220,590	\$ 925,710	\$ 29,146,300	\$ 34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	\$ 27,771,041	\$ 863,129	\$ 28,634,170	\$ 35,546,391	78.1%	80.2%
Jun. 30, 2020	Dec. 31, 2020	0.5213%	\$ 31,254,316	\$ 963,817	\$ 32,218,133	\$ 37,171,953	84.1%	79.1%
Jun. 30, 2021	Dec. 31, 2021	0.5191%	\$ 22,167,896	\$ 676,896	\$ 22,844,792	\$ 37,368,926	59.3%	87.0%
Jun. 30, 2022	Dec. 31, 2022	0.5162%	\$ 40,883,210	\$ 1,198,724	\$ 42,081,934	\$ 38,667,520	105.7%	76.7%
Jun. 30, 2023	Dec. 31, 2023	0.5449%	\$ 30,470,198	\$ 840,076	\$ 31,310,274	\$ 43,334,663	70.3%	83.1%
Jun. 30, 2024	Dec. 31, 2024	0.5241%	\$ 19,375,667	\$ 501,015	\$ 19,876,682	\$ 44,357,495	43.7%	89.1%
Jun. 30, 2025	Dec. 31, 2025	0.5290%	\$ 17,531,459	\$ 422,914	\$ 17,954,373	\$ 47,903,885	36.6%	90.8%

See accompanying notes to the required supplementary information.

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Pension Contributions -
General Employees Retirement Fund
For The Last Ten Years

EXHIBIT A-5

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)
Dec. 31, 2016	\$ 2,499,700	\$ 2,499,700	\$ -	\$ 33,329,333	7.5%
Dec. 31, 2017	\$ 2,553,026	\$ 2,553,026	\$ -	\$ 34,040,335	7.5%
Dec. 31, 2018	\$ 2,606,658	\$ 2,606,658	\$ -	\$ 34,755,384	7.5%
Dec. 31, 2019	\$ 2,736,989	\$ 2,736,989	\$ -	\$ 36,493,224	7.5%
Dec. 31, 2020	\$ 2,934,865	\$ 2,934,865	\$ -	\$ 39,131,542	7.5%
Dec. 31, 2021	\$ 2,795,857	\$ 2,795,857	\$ -	\$ 37,278,093	7.5%
Dec. 31, 2022	\$ 3,021,407	\$ 3,021,407	\$ -	\$ 40,285,382	7.5%
Dec. 31, 2023	\$ 3,223,330	\$ 3,223,330	\$ -	\$ 42,977,673	7.5%
Dec. 31, 2024	\$ 3,466,096	\$ 3,466,096	\$ -	\$ 46,214,581	7.5%
Dec. 31, 2025	\$ 3,777,391	\$ 3,777,391	\$ -	\$ 50,365,211	7.5%

See accompanying notes to the required supplementary information.

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Proportionate Share of Net Pension Liability -
Public Employees Police and Fire Fund
For The Last Ten Years

EXHIBIT A-6

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	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
Jun. 30, 2016	Dec. 31, 2016	1.3650%	\$ 54,779,825	\$ -	\$ 54,779,825	\$ 13,147,924	416.6%	63.9%
Jun. 30, 2017	Dec. 31, 2017	1.2770%	\$ 17,241,020	\$ -	\$ 17,241,020	\$ 13,109,393	131.5%	85.4%
Jun. 30, 2018	Dec. 31, 2018	1.2831%	\$ 13,676,526	\$ -	\$ 13,676,526	\$ 13,522,504	101.1%	88.8%
Jun. 30, 2019	Dec. 31, 2019	1.3504%	\$ 14,376,373	\$ -	\$ 14,376,373	\$ 14,241,875	100.9%	89.3%
Jun. 30, 2020	Dec. 31, 2020	1.2568%	\$ 16,565,971	\$ 390,262	\$ 16,956,233	\$ 14,113,932	117.4%	87.2%
Jun. 30, 2021	Dec. 31, 2021	1.2231%	\$ 9,441,036	\$ 424,447	\$ 9,865,483	\$ 14,455,278	65.3%	93.7%
Jun. 30, 2022	Dec. 31, 2022	1.2093%	\$ 52,623,959	\$ 2,298,854	\$ 54,922,813	\$ 14,690,185	358.2%	70.5%
Jun. 30, 2023	Dec. 31, 2023	1.3836%	\$ 23,892,973	\$ 962,404	\$ 24,855,377	\$ 18,169,471	131.5%	86.5%
Jun. 30, 2024	Dec. 31, 2024	1.5051%	\$ 19,801,193	\$ 754,814	\$ 20,556,007	\$ 20,841,678	95.0%	90.1%
Jun. 30, 2025	Dec. 31, 2025	1.5395%	\$ 18,037,732	\$ 625,277	\$ 18,663,009	\$ 23,364,537	77.2%	91.8%

See accompanying notes to the required supplementary information.

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Pension Contributions -
Public Employees Police and Fire Fund
For The Last Ten Years

EXHIBIT A-7

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)
Dec. 31, 2016	\$ 2,164,062	\$ 2,164,062	\$ -	\$ 13,147,924	16.5%
Dec. 31, 2017	\$ 2,131,306	\$ 2,131,306	\$ -	\$ 13,156,231	16.2%
Dec. 31, 2018	\$ 2,262,547	\$ 2,262,547	\$ -	\$ 13,966,353	16.2%
Dec. 31, 2019	\$ 2,435,417	\$ 2,435,417	\$ -	\$ 14,368,236	17.0%
Dec. 31, 2020	\$ 2,627,668	\$ 2,627,668	\$ -	\$ 14,845,588	17.7%
Dec. 31, 2021	\$ 2,544,783	\$ 2,544,783	\$ -	\$ 14,377,311	17.7%
Dec. 31, 2022	\$ 2,836,477	\$ 2,836,477	\$ -	\$ 16,025,299	17.7%
Dec. 31, 2023	\$ 3,366,065	\$ 3,366,065	\$ -	\$ 19,017,319	17.7%
Dec. 31, 2024	\$ 3,898,692	\$ 3,898,692	\$ -	\$ 22,026,500	17.7%
Dec. 31, 2025	\$ 4,444,233	\$ 4,444,233	\$ -	\$ 25,108,659	17.7%

See accompanying notes to the required supplementary information.

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios -
Bloomington Fire Department Relief Association
For The Last Ten Years

c

Fiscal Year Ending and Measurement Date	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023
Total pension liability:			
Service cost	\$ 3,412,901	\$ 3,533,302	\$ 3,397,404
Interest cost	11,695,362	11,192,231	10,821,661
Effect of economic/demographic gains or losses	4,153,075	2,062,400	(392,643)
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Benefit payments, including refunds of employee contributions	<u>(8,590,802)</u>	<u>(7,973,234)</u>	<u>(7,489,990)</u>
Net change in total pension liability	10,670,536	8,814,699	6,336,432
Total pension liability - beginning	<u>195,805,192</u>	<u>186,990,493</u>	<u>180,654,061</u>
Total pension liability - ending (a)	<u><u>\$ 206,475,728</u></u>	<u><u>\$ 195,805,192</u></u>	<u><u>\$ 186,990,493</u></u>
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ 1,279,208	\$ -
Contributions - State of Minnesota	1,010,430	884,039	804,969
Net investment income	28,813,918	21,812,066	27,695,712
Benefit payments, including refunds of employee contributions	(8,590,802)	(7,973,234)	(7,489,990)
Administrative expense	<u>(139,969)</u>	<u>(140,828)</u>	<u>(134,163)</u>
Net change in plan fiduciary net position	21,093,577	15,861,251	20,876,528
Plan fiduciary net position - beginning	<u>233,425,875</u>	<u>217,564,624</u>	<u>196,688,096</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 254,519,452</u></u>	<u><u>\$ 233,425,875</u></u>	<u><u>\$ 217,564,624</u></u>
Net pension liability / (asset) - ending (a) - (b)	<u><u>\$ (48,043,724)</u></u>	<u><u>\$ (37,620,683)</u></u>	<u><u>\$ (30,574,131)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	123.27%	119.21%	116.35%
Covered payroll*	\$ 9,418,224	\$ 10,724,400	\$ 11,012,464
Net pension liability (asset) as a percentage of covered payroll	(510.11)%	(350.80)%	(277.63)%

See accompanying notes to the required supplementary information.

*Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

EXHIBIT A-8

<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
\$ 3,400,875	\$ 3,670,982	\$ 3,516,374	\$ 3,869,840	\$3,529,986	\$3,482,212	\$2,955,252
10,581,920	10,094,430	9,824,558	9,212,131	8,791,865	8,421,504	7,998,295
(2,685,152)	1,531,903	(2,505,138)	(3,358,770)	257,010	(152,691)	831,346
-	-	-	-	-	-	(5,046,951)
-	-	-	7,007,900	-	-	-
<u>(7,112,465)</u>	<u>(6,698,326)</u>	<u>(6,292,678)</u>	<u>(6,051,864)</u>	<u>(5,780,618)</u>	<u>(5,476,046)</u>	<u>-</u>
4,185,178	8,598,989	4,543,116	10,679,237	6,798,243	6,274,979	6,737,942
176,468,883	167,869,894	163,326,778	152,647,541	145,849,298	139,574,319	132,836,377
<u>\$ 180,654,061</u>	<u>\$ 176,468,883</u>	<u>\$ 167,869,894</u>	<u>\$ 163,326,778</u>	<u>\$152,647,541</u>	<u>\$145,849,298</u>	<u>\$139,574,319</u>
\$ -	\$ 706,774	\$ 1,891,670	\$ -	\$1,535,985	\$1,057,759	\$905,855
719,546	672,339	649,689	609,799	594,361	576,114	563,627
(28,973,296)	23,024,351	28,386,105	30,774,778	(7,266,532)	24,503,859	11,133,373
(7,112,465)	(6,698,326)	(6,292,678)	(6,051,864)	(5,780,618)	(5,476,046)	(5,046,951)
(118,301)	(107,450)	(109,327)	(108,058)	(100,782)	(94,692)	(109,128)
<u>(35,484,516)</u>	<u>17,597,688</u>	<u>24,525,459</u>	<u>25,224,655</u>	<u>(11,017,586)</u>	<u>20,566,994</u>	<u>7,446,776</u>
232,172,612	214,574,924	190,049,465	164,824,810	175,842,396	155,275,402	147,828,626
<u>\$ 196,688,096</u>	<u>\$ 232,172,612</u>	<u>\$ 214,574,924</u>	<u>\$ 190,049,465</u>	<u>\$ 164,824,810</u>	<u>\$ 175,842,396</u>	<u>\$ 155,275,402</u>
<u>\$ (16,034,035)</u>	<u>\$ (55,703,729)</u>	<u>\$ (46,705,030)</u>	<u>\$ (26,722,687)</u>	<u>(\$12,177,269)</u>	<u>(\$29,993,098)</u>	<u>(\$15,701,083)</u>
108.88%	131.57%	127.82%	116.36%	107.98%	120.56%	111.25%
\$ 11,243,892	\$ 12,201,192	\$ 11,526,144	\$ 12,348,216	\$11,486,832	\$10,513,294	\$11,003,580
(142.60)%	(456.54)%	(405.21)%	(216.41)%	(106.01)%	(285.29)%	(142.69)%

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Pension Contributions -
Bloomington Fire Department Relief Association
For The Last Ten Years

EXHIBIT A-9

Fiscal Year Ending	Actuarial Determined Contribution (a)	Contributions in Relation to the Actuarial Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll*	Contributions as a Percentage of Covered Payroll* (b/c)
Dec. 31, 2016	\$ 1,396,485	\$ 1,469,482	\$ (72,997)	\$ 11,003,580	13.4%
Dec. 31, 2017	\$ 1,552,692	\$ 1,633,873	\$ (81,181)	\$ 10,513,294	15.5%
Dec. 31, 2018	\$ 2,024,948	\$ 2,130,346	\$ (105,398)	\$ 11,486,832	18.5%
Dec. 31, 2019	\$ 446,855	\$ 609,799	\$ (162,944)	\$ 12,348,216	4.9%
Dec. 31, 2020	\$ 2,416,691	\$ 2,541,359	\$ (124,668)	\$ 11,526,144	22.0%
Dec. 31, 2021	\$ 1,309,527	\$ 1,379,113	\$ (69,586)	\$ 12,201,192	11.3%
Dec. 31, 2022	\$ (1,040,867)	\$ 719,546	\$ (1,760,413)	\$ 11,243,892	6.4%
Dec. 31, 2023	\$ (1,641,341)	\$ 804,969	\$ (2,446,310)	\$ 11,012,464	7.3%
Dec. 31, 2024	\$ 2,055,950	\$ 2,163,247	\$ (107,297)	\$ 10,724,400	20.2%
Dec. 31, 2025	\$ 614,748	\$ 1,010,430	\$ (395,682)	\$ 9,418,224	10.7%

See accompanying notes to the required supplementary information.

*Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

CITY OF BLOOMINGTON, MINNESOTA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2025

1. BUDGETARY INFORMATION

Budgetary comparisons for the City's General Fund and the annually budgeted Community Development Block Grant Fund are required supplementary information.

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The legal level of budgetary control for the General Fund is at the department level (such as General Government, Administration, Legal, and Finance) and at the fund level for the Community Development Block Grant Fund.

2. PENSION INFORMATION

A. PERA – GENERAL EMPLOYEES RETIREMENT FUND

2025 CHANGES

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 CHANGES

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.

- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

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

2023 CHANGES

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 CHANGES

Changes in Actuarial Assumptions:

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

2021 CHANGES

Changes in Actuarial Assumptions:

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

2020 CHANGES

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%.
- The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 CHANGES

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044, and 2.5% per year thereafter, to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0% effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

- Post-retirement benefit increases were changed from 1.00% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60.0% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044, and 2.5% per year thereafter.

Changes in Plan Provisions:

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES

Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- 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.

B. PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2025 CHANGES

Changes in Actuarial Assumption:

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

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 CHANGES

Changes in Plan Provisions:

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

2023 CHANGES

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 CHANGES

Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.40%.
- The mortality projection scale was changed from MP-2020 to MP-2021.

2021 CHANGES

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 Public Safety Mortality Table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality Table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality Table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25–44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 CHANGES

Changes in Actuarial Assumptions:

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

2018 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.60% to 7.50%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% 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 2.5% for inflation.

C. FIRE RELIEF PENSION

The fire relief pension has not had a formal actuarial experience study performed.

2019 CHANGES

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018 for pre-retirement and post-retirement.

3. OPEB INFORMATION

2025 CHANGES

Changes in Actuarial Assumptions:

- The discount rate of 4.28% was updated to 4.43%.
- Medical trend was updated to 2024 Getzen Model.
- Retirement rates, withdrawal rates and disability rates were updated and consistent with rates disclosed in 2025 MNPERA plan ACFR report.
- Mortality tables were updated to relevant Pub-2010 General and Safety mortality tables with improvement scale MP-2021.

2024 CHANGES

Changes in Actuarial Assumptions:

- The discount rate of 4.00% was updated to 4.28%.

2023 CHANGES

Changes in Actuarial Assumptions:

- The discount rate of 4.31% was updated to 4.00%.
- Mortality tables have been updated to RP-2014 Total Dataset Mortality with Improvement Scale MP-2021 for all actives and retirees. And to RP-2014 Disabled Retiree Mortality with Improvement Scale MP-2021 for disabled retirees.
- The trend table has been updated to 2023 Getzen Model released by SOA.
- Husbands are assumed to be 3 years older than their wives.
- 70% of future retirees are assumed to elect spousal coverage in retirement.

2022 CHANGES

Changes in Actuarial Assumptions:

- The discount rate of 1.93% was updated to 4.31%.

2021 CHANGES

Changes in Actuarial Assumptions:

- The discount rate changed to 1.93%.
- The 20-year municipal bond yield changed to 1.93%.
- Updated mortality tables to SOA Scale MP-2019.
- Updated married rates to represent most recent census.

2019 CHANGES

Changes in Discount Rate:

- In 2019 the discount rate changed to 3.00%.

2018 CHANGES

Changes in Actuarial Assumptions:

- In 2018 the actuarial cost method was changed from entry age, level dollar to entry age, level percent of pay as prescribed by GASB 75.



SUPPLEMENTARY INFORMATION



CITY OF BLOOMINGTON, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.

Opioid Fund – This fund is used to account for funds received from the national opioid settlement.

Public Safety Fund - This fund is used to account for the seized cash and/or forfeited property, enhanced 911 services, public safety and fire grant funds, the balance of police pension reimbursement proceeds, and designated fire pension obligation funds.

Communications Fund - This fund was established to account for funds received from the franchise fee of the local cable television service.

Park Grants Fund - This fund was established to account for grant funds received from the State's Natural Resources Fund to be used for operational and maintenance costs associated with the Hyland-Bush-Anderson Lakes Regional Park Reserve.

South Loop Revolving Development Services Fund - This fund was established to account for City funds for the Met Center Environmental Impact Statement (EIS) and Alternative Urban Areawide Review (AUAR) for South Loop development.

Creative Placemaking Fund – This fund was established to account for the use of funds designated for the purpose of building a vibrant, distinctive, and sustainable community through the use of art.

Federal Relief Fund - This fund accounts for the money received as part of the American Rescue Plan Act, an economic stimulus bill passed by the federal government in 2021 to speed up the country's recovery from the economic and health effects of the ongoing COVID-19 pandemic.

Cemetery Fund - This fund was established to provide for the perpetual care, maintenance, and improvement of the City cemetery. A portion of the monies received from the sale of lots are to be used for acquisition of additional cemetery lands with the balance placed in a perpetual care account.

Sewer Availability Charge (SAC) Fund – This fund accounts for funds received at the time a building permit is issued along with accounting for the SAC Small Business Deferral and Credit programs.

Veterans Memorial Fund – This fund was established to account for the donations and ongoing maintenance expenses of the Veterans Memorial.

DEBT SERVICE FUND

G.O. Tax Increment Bonds Fund – This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon.

CAPITAL PROJECTS FUND

Developer Escrow Fund - This fund is used to account for various deposits (mainly contractors' deposits for park development and to guarantee payment of special assessments for water, sewer, streets, and other improvements) required by the City.

CITY OF BLOOMINGTON, MINNESOTA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue					
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking
ASSETS						
Cash, cash equivalents and investments	\$ 590,376	\$ 8,710,484	\$ 7,649	\$ 10,197	\$ 754,783	\$ 1,452,979
Accrued interest receivable	4,077	57,040	-	-	5,148	8,936
Taxes receivable	-	-	-	324	-	-
Accounts receivable	15,275	-	293,601	28,378	-	-
Due from other governments	-	221,886	-	71,680	-	-
Special assessments receivable	-	-	-	31,375	-	-
Total assets	\$ 609,728	\$ 8,989,410	\$ 301,250	\$ 141,954	\$ 759,931	\$ 1,461,915
LIABILITIES						
Accounts payable	\$ 4,006	\$ 10,416	\$ 69,780	\$ 46,054	\$ -	\$ 12,029
Due to other funds	-	-	200,000	830,000	-	-
Unearned revenue	-	254,578	-	-	-	-
Deposits payable	-	-	-	-	-	-
Total liabilities	4,006	264,994	269,780	876,054	-	12,029
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - special assessments	-	-	-	31,375	-	-
Total deferred inflows of resources	-	-	-	31,375	-	-
FUND BALANCES						
Restricted	605,722	1,083,511	31,470	-	-	-
Committed	-	7,640,905	-	-	759,931	1,449,886
Unassigned	-	-	-	(765,475)	-	-
Total fund balances	605,722	8,724,416	31,470	(765,475)	759,931	1,449,886
Total liabilities, deferred inflows of resources, and fund balances	\$ 609,728	\$ 8,989,410	\$ 301,250	\$ 141,954	\$ 759,931	\$ 1,461,915

EXHIBIT B-1

Federal Relief	Cemetery	SAC	Veterans Memorial	Total	Debt Service G.O. Tax Increment Bonds	Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
\$ 67,529	\$ 490,346	\$ 57,541	\$ 240,096	\$ 12,381,980	\$ 27,401	\$ 719,908	\$ 13,129,289
-	3,303	-	1,633	80,137	167	-	80,304
-	-	-	-	324	-	-	324
-	-	-	-	337,254	-	2,000	339,254
-	-	-	-	293,566	-	-	293,566
-	-	-	-	31,375	-	-	31,375
<u>\$ 67,529</u>	<u>\$ 493,649</u>	<u>\$ 57,541</u>	<u>\$ 241,729</u>	<u>\$ 13,124,636</u>	<u>\$ 27,568</u>	<u>\$ 721,908</u>	<u>\$ 13,874,112</u>
\$ -	\$ 1,734	\$ 19,681	\$ 5,480	\$ 169,180	\$ -	\$ -	\$ 169,180
-	-	-	-	1,030,000	-	-	1,030,000
67,529	-	-	-	322,107	-	-	322,107
-	-	37,860	-	37,860	-	712,194	750,054
<u>67,529</u>	<u>1,734</u>	<u>57,541</u>	<u>5,480</u>	<u>1,559,147</u>	<u>-</u>	<u>712,194</u>	<u>2,271,341</u>
-	-	-	-	31,375	-	-	31,375
-	-	-	-	31,375	-	-	31,375
-	491,915	-	-	2,212,618	27,568	9,714	2,249,900
-	-	-	236,249	10,086,971	-	-	10,086,971
-	-	-	-	(765,475)	-	-	(765,475)
-	<u>491,915</u>	-	<u>236,249</u>	<u>11,534,114</u>	<u>27,568</u>	<u>9,714</u>	<u>11,571,396</u>
<u>\$ 67,529</u>	<u>\$ 493,649</u>	<u>\$ 57,541</u>	<u>\$ 241,729</u>	<u>\$ 13,124,636</u>	<u>\$ 27,568</u>	<u>\$ 721,908</u>	<u>\$ 13,874,112</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2025

	Special Revenue					
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking
REVENUES						
Property taxes	\$ -	\$ 1,050,000	\$ 700,000	\$ 185,000	\$ -	\$ -
Special assessments	-	-	-	12,204	-	-
Fines	-	190,597	-	-	-	-
Intergovernmental	-	2,021,818	-	336,537	-	-
Program income	-	-	960	20,855	-	-
Interest	20,180	282,976	-	-	26,957	46,782
Net change in fair value of investments	8,997	121,207	-	(6,656)	12,216	14,453
Other	156,598	32,104	85,605	16,850	-	335,602
Franchise fees	-	-	1,206,985	-	-	-
Total revenues	<u>185,775</u>	<u>3,698,702</u>	<u>1,993,550</u>	<u>564,790</u>	<u>39,173</u>	<u>396,837</u>
EXPENDITURES						
Current:						
General services	-	-	-	-	-	-
Development services	-	-	-	-	25,209	607,173
Public safety	-	1,927,381	-	-	-	-
Parks and recreation	-	-	-	1,264,030	-	-
Community services	131,484	-	2,201,376	-	-	-
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Public safety	-	260,182	-	-	-	-
Community services	-	-	57,061	-	-	-
Total expenditures	<u>131,484</u>	<u>2,187,563</u>	<u>2,258,437</u>	<u>1,264,030</u>	<u>25,209</u>	<u>607,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,291</u>	<u>1,511,139</u>	<u>(264,887)</u>	<u>(699,240)</u>	<u>13,964</u>	<u>(210,336)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	219,096	-	-	744,996
Transfers to other funds	-	(381,144)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(381,144)</u>	<u>219,096</u>	<u>-</u>	<u>-</u>	<u>744,996</u>
Net change in fund balance	54,291	1,129,995	(45,791)	(699,240)	13,964	534,660
Fund balance - January 1	<u>551,431</u>	<u>7,594,421</u>	<u>77,261</u>	<u>(66,235)</u>	<u>745,967</u>	<u>915,226</u>
Fund balance - December 31	<u>\$ 605,722</u>	<u>\$ 8,724,416</u>	<u>\$ 31,470</u>	<u>\$ (765,475)</u>	<u>\$ 759,931</u>	<u>\$ 1,449,886</u>

EXHIBIT B-2

Federal Relief	Cemetery	SAC	Veterans Memorial	Total	Debt Service G.O. Tax Increment Bonds	Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,935,000	\$ -	\$ -	\$ 1,935,000
-	-	-	-	12,204	-	-	12,204
-	-	-	-	190,597	-	-	190,597
2,126,983	-	-	-	4,485,338	-	4,123,459	8,608,797
-	281,395	-	-	303,210	-	-	303,210
-	15,915	-	8,232	401,042	753	-	401,795
-	6,385	-	60	156,662	3,182	-	159,844
-	260	-	100,000	727,019	214,018	6,800	947,837
-	-	-	-	1,206,985	-	-	1,206,985
<u>2,126,983</u>	<u>303,955</u>	<u>-</u>	<u>108,292</u>	<u>9,418,057</u>	<u>217,953</u>	<u>4,130,259</u>	<u>13,766,269</u>
-	203,538	-	88,543	292,081	400	-	292,481
-	-	-	-	632,382	-	4,130,259	4,762,641
-	-	-	-	1,927,381	-	-	1,927,381
-	-	-	-	1,264,030	-	-	1,264,030
-	-	-	-	2,332,860	-	-	2,332,860
-	-	-	-	-	19,018	-	19,018
-	-	-	-	-	195,000	-	195,000
-	-	-	-	260,182	-	-	260,182
-	-	-	-	57,061	-	-	57,061
-	<u>203,538</u>	<u>-</u>	<u>88,543</u>	<u>6,765,977</u>	<u>214,418</u>	<u>4,130,259</u>	<u>11,110,654</u>
<u>2,126,983</u>	<u>100,417</u>	<u>-</u>	<u>19,749</u>	<u>2,652,080</u>	<u>3,535</u>	<u>-</u>	<u>2,655,615</u>
-	-	-	-	964,092	-	-	964,092
<u>(2,126,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,508,127)</u>	<u>(174,724)</u>	<u>-</u>	<u>(2,682,851)</u>
<u>(2,126,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,544,035)</u>	<u>(174,724)</u>	<u>-</u>	<u>(1,718,759)</u>
-	100,417	-	19,749	1,108,045	(171,189)	-	936,856
-	391,498	-	216,500	10,426,069	198,757	9,714	10,634,540
<u>\$ -</u>	<u>\$ 491,915</u>	<u>\$ -</u>	<u>\$ 236,249</u>	<u>\$ 11,534,114</u>	<u>\$ 27,568</u>	<u>\$ 9,714</u>	<u>\$ 11,571,396</u>

CITY OF BLOOMINGTON, MINNESOTA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Opioid Settlement Fund
 Year Ended December 31, 2025

EXHIBIT C-1

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 20,180	\$ 20,180
Net change in fair value of investments	-	-	8,997	8,997
Other	490,133	490,133	156,598	(333,535)
Total revenues	<u>490,133</u>	<u>490,133</u>	<u>185,775</u>	<u>(304,358)</u>
EXPENDITURES				
Current -				
Community services	490,133	719,419	131,484	587,935
Net change in fund balance	-	(229,286)	54,291	283,577
Fund balance - January 1	551,431	551,431	551,431	-
Fund balance - December 31	<u>\$ 551,431</u>	<u>\$ 322,145</u>	<u>\$ 605,722</u>	<u>\$ 283,577</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Special Revenue Fund

Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ -
Fines	65,000	165,000	190,597	25,597
Intergovernmental	1,046,214	1,886,324	2,021,818	135,494
Interest	64,066	64,066	282,976	218,910
Net change in fair value of investments	-	-	121,207	121,207
Other	-	51,329	32,104	(19,225)
Total revenues	<u>2,225,280</u>	<u>3,216,719</u>	<u>3,698,702</u>	<u>481,983</u>
EXPENDITURES				
Current -				
Public safety	1,083,115	2,025,424	1,927,381	98,043
Capital outlay -				
Public safety	-	261,026	260,182	844
Total expenditures	<u>1,083,115</u>	<u>2,286,450</u>	<u>2,187,563</u>	<u>98,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,142,165</u>	<u>930,269</u>	<u>1,511,139</u>	<u>580,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(1,550,000)</u>	<u>(1,491,148)</u>	<u>(381,144)</u>	<u>1,110,004</u>
Net change in fund balance	(407,835)	(560,879)	1,129,995	1,690,874
Fund balance - January 1	<u>7,594,421</u>	<u>7,594,421</u>	<u>7,594,421</u>	<u>-</u>
Fund balance - December 31	<u>\$ 7,186,586</u>	<u>\$ 7,033,542</u>	<u>\$ 8,724,416</u>	<u>\$ 1,690,874</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Communications Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Program income	1,000	1,000	960	(40)
Interest	1,000	1,000	-	(1,000)
Other	81,200	81,200	85,605	4,405
Franchise fees	1,328,000	1,328,000	1,206,985	(121,015)
Total revenues	<u>2,111,200</u>	<u>2,111,200</u>	<u>1,993,550</u>	<u>(117,650)</u>
EXPENDITURES				
Current -				
Community services	2,209,053	2,222,370	2,201,376	20,994
Capital outlay -				
Community services	81,000	53,312	57,061	(3,749)
Total expenditures	<u>2,290,053</u>	<u>2,275,682</u>	<u>2,258,437</u>	<u>17,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178,853)</u>	<u>(164,482)</u>	<u>(264,887)</u>	<u>(100,405)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>219,097</u>	<u>219,097</u>	<u>219,096</u>	<u>(1)</u>
Net change in fund balance	40,244	54,615	(45,791)	(100,406)
Fund balance - January 1	<u>77,261</u>	<u>77,261</u>	<u>77,261</u>	<u>-</u>
Fund balance - December 31	<u>\$ 117,505</u>	<u>\$ 131,876</u>	<u>\$ 31,470</u>	<u>\$ (100,406)</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Park Grants Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 185,000	\$ 185,000	\$ 185,000	\$ -
Special assessments	8,000	8,000	12,204	4,204
Intergovernmental	165,000	217,160	336,537	119,377
Program income	280,000	280,000	20,855	(259,145)
Interest	4,000	4,000	-	(4,000)
Net change in fair value of investments	-	-	(6,656)	(6,656)
Other	20,000	20,000	16,850	(3,150)
Total revenues	<u>662,000</u>	<u>714,160</u>	<u>564,790</u>	<u>(149,370)</u>
EXPENDITURES				
Current -				
Parks and recreation	<u>714,725</u>	<u>1,187,732</u>	<u>1,264,030</u>	<u>(76,298)</u>
Net change in fund balance	(52,725)	(473,572)	(699,240)	(225,668)
Fund balance - January 1	<u>(66,235)</u>	<u>(66,235)</u>	<u>(66,235)</u>	<u>-</u>
Fund balance - December 31	<u>\$ (118,960)</u>	<u>\$ (539,807)</u>	<u>\$ (765,475)</u>	<u>\$ (225,668)</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 South Loop Revolving Development Services Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Program income	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Interest	9,000	9,000	26,957	17,957
Net change in fair value of investments			12,216	12,216
Total revenues	<u>159,000</u>	<u>159,000</u>	<u>39,173</u>	<u>(119,827)</u>
EXPENDITURES				
Current -				
Development services	<u>171,500</u>	<u>185,754</u>	<u>25,209</u>	<u>160,545</u>
Net change in fund balance	(12,500)	(26,754)	13,964	40,718
Fund balance - January 1	<u>745,967</u>	<u>745,967</u>	<u>745,967</u>	<u>-</u>
Fund balance - December 31	<u>\$ 733,467</u>	<u>\$ 719,213</u>	<u>\$ 759,931</u>	<u>\$ 40,718</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Creative Placemaking Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Interest	\$ -	\$ -	\$ 46,782	\$ 46,782
Net change in fair value of investments			14,453	14,453
Other	335,601	335,601	335,602	1
Total revenues	<u>335,601</u>	<u>335,601</u>	<u>396,837</u>	<u>61,236</u>
EXPENDITURES				
Current -				
Development services	618,230	876,255	607,173	269,082
Capital outlay -				
Development services	147,371	562,014	-	562,014
Total expenditures	<u>765,601</u>	<u>1,438,269</u>	<u>607,173</u>	<u>831,096</u>
Excess (deficiency) of revenues over (under) expenditures	(430,000)	(1,102,668)	(210,336)	892,332
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	430,000	445,000	744,996	299,996
Net change in fund balance	-	(657,668)	534,660	1,192,328
Fund balance - January 1	915,226	915,226	915,226	-
Fund balance - December 31	<u>\$ 915,226</u>	<u>\$ 257,558</u>	<u>\$ 1,449,886</u>	<u>\$ 1,192,328</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-7

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Federal Relief Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 2,126,983	\$ 2,126,983	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(2,126,983)	(2,126,983)	-
Net change in fund balance	-	-	-	-
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-8

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Cemetery Special Revenue Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Program income	\$ 206,115	\$ 206,115	\$ 281,395	\$ 75,280
Interest	5,400	5,400	15,915	10,515
Net change in fair value of investments	-	-	6,385	6,385
Other	-	-	260	260
Total revenues	<u>211,515</u>	<u>211,515</u>	<u>303,955</u>	<u>92,440</u>
EXPENDITURES				
Current -				
General services	<u>210,548</u>	<u>203,548</u>	<u>203,538</u>	<u>10</u>
Net change in fund balance	967	7,967	100,417	92,450
Fund balance - January 1	<u>391,498</u>	<u>391,498</u>	<u>391,498</u>	<u>-</u>
Fund balance - December 31	<u>\$ 392,465</u>	<u>\$ 399,465</u>	<u>\$ 491,915</u>	<u>\$ 92,450</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-9

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Veterans Memorial Fund
 Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Interest	\$ -	\$ -	\$ 8,232	\$ 8,232
Net change in fair value of investments	-	-	60	60
Other	-	100,000	100,000	-
Total revenues	-	100,000	108,292	8,292
EXPENDITURES				
Current -				
General services	-	58,500	88,543	(30,043)
Capital outlay -				
General services	-	258,000	-	258,000
Total expenditures	-	316,500	88,543	227,957
Net change in fund balance	-	(216,500)	19,749	236,249
Fund balance - January 1	216,500	216,500	216,500	-
Fund balance - December 31	\$ 216,500	\$ -	\$ 236,249	\$ 236,249

CITY OF BLOOMINGTON, MINNESOTA

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Information Technology Fund - This fund accounts for the acquisition and maintenance of computer software and hardware.

Fleet Fund - This fund accounts for costs related to the operations, maintenance, repair, and replacement of City vehicles. Departments are charged for vehicles used by their staff.

Support Services Fund - This fund accounts for printing, mailroom, and phone system activities. User charges are billed to various City departments.

Public Safety Equipment Fund - This fund accounts for the purchase and maintenance of public safety equipment. User charges are billed to various City departments.

Self-Insurance Fund - This fund accounts for payments of insurance premiums and claims and allocation of such costs to user departments.

Benefit Accrual Fund - This fund accounts for payment of unused vacation, personal leave and compensatory time, and allocation of such costs to respective departments.

Insured Benefits Fund – This fund accounts for the administration of employee benefits for insurance programs.

Facilities Maintenance Fund - This fund accounts for costs related to replacement and maintenance of the main City buildings and park structures.

PERA Pension – This fund accounts for payment of pension related benefits and allocation of such costs to respective department

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2025

	Information Technology	Fleet	Support Services	Public Safety Equipment
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 434,054	\$ 3,829,853	\$ 391,065	\$ 3,497,310
Accrued interest receivable	9,466	27,074	2,688	24,116
Accounts receivable	-	65,726	2,529	-
Prepaid items	1,382,525	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	150,730	-	-
Total current assets	1,826,045	4,073,383	396,282	3,521,426
Noncurrent assets:				
Land	-	-	-	-
Buildings and structures	-	-	-	305,383
Machinery and equipment	1,303,671	38,159,002	41,126	12,462,932
Improvements	462,917	26,827	-	48,912
Distribution system and infrastructure	-	-	-	-
Construction in progress	-	40,210	-	-
Subscription asset	1,936,010	-	-	-
Accumulated depreciation/amortization	(1,692,079)	(22,479,033)	(18,147)	(7,677,548)
Total noncurrent assets	2,010,519	15,747,006	22,979	5,139,679
Total assets	3,836,564	19,820,389	419,261	8,661,105
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - related to pensions	-	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	178,576	322,764	12,004	57,540
Estimated claims payable	-	-	-	-
Benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Subscription payable	673,595	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	852,171	322,764	12,004	57,540
Noncurrent liabilities:				
Benefits payable	-	-	-	-
Estimated claims payable	-	-	-	-
Net pension liability	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	852,171	322,764	12,004	57,540
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - related to pensions	-	-	-	-
NET POSITION				
Net investment in capital assets	1,336,924	15,747,006	22,979	5,139,679
Restricted - public safety state aid	-	-	-	65,825
Unrestricted	1,647,469	3,750,619	384,278	3,398,061
Total net position	\$ 2,984,393	\$ 19,497,625	\$ 407,257	\$ 8,603,565

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities Maintenance	PERA Pension	Total
\$ 5,501,199	\$ 12,659,830	\$ 2,888,036	\$ 16,988,902	\$ -	\$ 46,190,249
36,016	87,358	19,591	110,284	-	316,593
-	-	-	305	-	68,560
318,613	-	-	-	-	1,701,138
-	2,539,166	-	-	-	2,539,166
-	-	-	-	-	150,730
<u>5,855,828</u>	<u>15,286,354</u>	<u>2,907,627</u>	<u>17,099,491</u>	<u>-</u>	<u>50,966,436</u>
-	-	-	14,504,240	-	14,504,240
-	-	-	48,240,585	-	48,545,968
-	-	-	5,142,844	-	57,109,575
-	-	-	8,670,324	-	9,208,980
-	-	-	139,719	-	139,719
-	-	-	717,297	-	757,507
-	-	-	-	-	1,936,010
-	-	-	(34,118,160)	-	(65,984,967)
-	-	-	43,296,849	-	66,217,032
<u>5,855,828</u>	<u>15,286,354</u>	<u>2,907,627</u>	<u>60,396,340</u>	<u>-</u>	<u>117,183,468</u>
-	-	-	-	34,752,351	34,752,351
31,662	26,682	8,408	408,030	-	1,045,666
1,331,878	-	-	-	-	1,331,878
-	1,076,992	-	-	-	1,076,992
-	-	-	75,000	-	75,000
-	-	-	-	-	673,595
-	-	85	-	-	85
<u>1,363,540</u>	<u>1,103,674</u>	<u>8,493</u>	<u>483,030</u>	<u>-</u>	<u>4,203,216</u>
-	20,462,847	-	-	-	20,462,847
1,026,248	-	-	-	-	1,026,248
-	-	-	-	35,569,191	35,569,191
<u>1,026,248</u>	<u>20,462,847</u>	<u>-</u>	<u>-</u>	<u>35,569,191</u>	<u>57,058,286</u>
<u>2,389,788</u>	<u>21,566,521</u>	<u>8,493</u>	<u>483,030</u>	<u>35,569,191</u>	<u>61,261,502</u>
-	-	-	-	44,281,677	44,281,677
-	-	-	43,296,849	-	65,543,437
-	-	-	-	-	65,825
3,466,040	(6,280,167)	2,899,134	16,616,461	(45,098,517)	(19,216,622)
<u>\$ 3,466,040</u>	<u>\$ (6,280,167)</u>	<u>\$ 2,899,134</u>	<u>\$ 59,913,310</u>	<u>\$ (45,098,517)</u>	<u>\$ 46,392,640</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2025

	Information Technology	Fleet	Support Services	Public Safety Equipment
Operating revenues:				
Charges for services	\$ 8,942,280	\$ 9,201,792	\$ 574,569	\$ 2,236,020
Other	2,600	63,943	4,161	54,000
Total operating revenues	<u>8,944,880</u>	<u>9,265,735</u>	<u>578,730</u>	<u>2,290,020</u>
Operating expenses:				
Salaries and benefits	3,597,040	1,430,419	190,881	171,012
Materials, supplies and service	4,324,535	4,136,954	323,393	838,328
Depreciation/Amortization	700,121	2,473,530	2,553	861,782
Total operating expenses	<u>8,621,696</u>	<u>8,040,903</u>	<u>516,827</u>	<u>1,871,122</u>
Operating income (loss)	<u>323,184</u>	<u>1,224,832</u>	<u>61,903</u>	<u>418,898</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	150,730	-	-
Interest income	38,605	147,540	13,504	112,844
Net change in fair value of investments	24,697	66,519	5,968	50,187
Gain (loss) on disposal of capital assets	(43,301)	270,172	-	88,443
Total nonoperating revenues (expenses)	<u>20,001</u>	<u>634,961</u>	<u>19,472</u>	<u>251,474</u>
Income (loss) before transfers	343,185	1,859,793	81,375	670,372
Transfers:				
Transfers from other funds	14,266	910,088	-	-
Transfers to other funds	(219,096)	-	-	-
Change in net position	138,355	2,769,881	81,375	670,372
Total net position - January 1	<u>2,846,038</u>	<u>16,727,744</u>	<u>325,882</u>	<u>7,933,193</u>
Total net position - December 31	<u>\$ 2,984,393</u>	<u>\$ 19,497,625</u>	<u>\$ 407,257</u>	<u>\$ 8,603,565</u>

EXHIBIT D-2

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities Maintenance	PERA Pension	Total
\$ 2,488,143	\$ 2,707,499	\$ 13,498,714	\$ 7,168,370	\$ 8,222,316	\$ 55,039,703
2,585	-	190,891	-	-	318,180
<u>2,490,728</u>	<u>2,707,499</u>	<u>13,689,605</u>	<u>7,168,370</u>	<u>8,222,316</u>	<u>55,357,883</u>
-	3,719,824	14,455,926	1,874,747	4,306,092	29,745,941
2,708,493	-	387,161	3,806,532	-	16,525,396
-	-	-	1,862,479	-	5,900,465
<u>2,708,493</u>	<u>3,719,824</u>	<u>14,843,087</u>	<u>7,543,758</u>	<u>4,306,092</u>	<u>52,171,802</u>
<u>(217,765)</u>	<u>(1,012,325)</u>	<u>(1,153,482)</u>	<u>(375,388)</u>	<u>3,916,224</u>	<u>3,186,081</u>
-	-	-	900	376,225	527,855
196,451	482,763	82,868	522,129	-	1,596,704
89,063	193,254	79,540	235,846	-	745,074
-	-	-	17,292	-	332,606
<u>285,514</u>	<u>676,017</u>	<u>162,408</u>	<u>776,167</u>	<u>376,225</u>	<u>3,202,239</u>
67,749	(336,308)	(991,074)	400,779	4,292,449	6,388,320
-	-	-	4,182,312	-	5,106,666
<u>(399,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(619,092)</u>
(332,247)	(336,308)	(991,074)	4,583,091	4,292,449	10,875,894
<u>3,798,287</u>	<u>(5,943,859)</u>	<u>3,890,208</u>	<u>55,330,219</u>	<u>(49,390,966)</u>	<u>35,516,746</u>
<u>\$ 3,466,040</u>	<u>\$ (6,280,167)</u>	<u>\$ 2,899,134</u>	<u>\$ 59,913,310</u>	<u>\$ (45,098,517)</u>	<u>\$ 46,392,640</u>

CITY OF BLOOMINGTON, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2025

	Information Technology	Fleet	Support Services	Public Safety Equipment
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash from interfund services provided	\$ 8,674,076	\$ 9,159,116	\$ 577,133	\$ 2,229,365
Cash receipts from customers	-	45,000	-	54,000
Cash payment from other funds	-	-	-	-
Cash payments to other funds	(371,040)	(1,512,516)	(144,180)	(44,568)
Payments to employees	(3,476,842)	(1,422,971)	(190,381)	(169,041)
Payments to suppliers	(4,207,037)	(3,029,334)	(174,113)	(793,987)
Net cash provided by (used in) operating activities	<u>619,157</u>	<u>3,239,295</u>	<u>68,459</u>	<u>1,275,769</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	-	-	-	40,000
Transfers from other funds	14,266	910,088	-	-
Transfers to other funds	(219,096)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(204,830)</u>	<u>910,088</u>	<u>-</u>	<u>40,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	-	294,276	-	103,230
Purchase of capital assets	(992,432)	(4,682,185)	(25,532)	(967,546)
Net cash provided by (used in) capital and related financing activities	<u>(992,432)</u>	<u>(4,387,909)</u>	<u>(25,532)</u>	<u>(864,316)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	63,302	214,058	19,472	163,031
Net cash provided by investing activities	<u>63,302</u>	<u>214,058</u>	<u>19,472</u>	<u>163,031</u>
Net increase (decrease) in cash and cash equivalents	<u>(514,803)</u>	<u>(24,468)</u>	<u>62,399</u>	<u>614,484</u>
Cash and cash equivalents - January 1	<u>948,857</u>	<u>3,854,321</u>	<u>328,666</u>	<u>2,882,826</u>
Cash and cash equivalents - December 31	<u>\$ 434,054</u>	<u>\$ 3,829,853</u>	<u>\$ 391,065</u>	<u>\$ 3,497,310</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 323,184	\$ 1,224,832	\$ 61,903	\$ 418,898
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation/amortization	700,121	2,473,530	2,553	861,782
Changes in assets and liabilities:				
Receivables	(269,962)	(57,752)	(988)	-
Other current assets	(842)	(3,867)	617	(6,655)
Accounts payable - other	813	-	-	13,488
Accounts payable - supplier	(163,348)	(404,896)	3,874	(13,716)
Net pension liability	-	-	-	-
Benefits payable	29,191	7,448	500	1,972
Deferred outflows of resources	-	-	-	-
Deferred inflows of resources	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 619,157</u>	<u>\$ 3,239,295</u>	<u>\$ 68,459</u>	<u>\$ 1,275,769</u>
Noncash investing, capital, and financing activities:				
Capital assets acquired via subscription liability	\$ 678,212	\$ -	\$ -	\$ -

EXHIBIT D-3

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities Maintenance	PERA Pension	Total
\$ 2,496,427	\$ 2,687,450	\$ 13,021,514	\$ 7,138,692	\$ 8,222,316	\$ 54,206,089
2,585	-	676,417	1,185	-	779,187
-	86,580	-	-	-	86,580
(167,412)	-	-	(1,185,014)	-	(3,424,730)
-	(2,305,758)	(14,455,926)	(1,862,216)	(8,598,541)	(32,481,676)
(2,254,944)	-	(466,430)	(2,993,693)	-	(13,919,538)
<u>76,656</u>	<u>468,272</u>	<u>(1,224,425)</u>	<u>1,098,954</u>	<u>(376,225)</u>	<u>5,245,912</u>
-	-	-	900	376,225	417,125
-	-	-	4,182,312	-	5,106,666
(399,996)	-	-	-	-	(619,092)
<u>(399,996)</u>	<u>-</u>	<u>-</u>	<u>4,183,212</u>	<u>376,225</u>	<u>4,904,699</u>
-	-	-	25,987	-	423,493
-	-	-	(3,581,189)	-	(10,248,884)
-	-	-	(3,555,202)	-	(9,825,391)
285,514	676,017	162,408	757,975	-	2,341,777
<u>285,514</u>	<u>676,017</u>	<u>162,408</u>	<u>757,975</u>	<u>-</u>	<u>2,341,777</u>
(37,826)	1,144,289	(1,062,017)	2,484,939	-	2,666,997
5,539,025	11,515,541	3,950,053	14,503,963	-	43,523,252
<u>\$ 5,501,199</u>	<u>\$ 12,659,830</u>	<u>\$ 2,888,036</u>	<u>\$ 16,988,902</u>	<u>\$ -</u>	<u>\$ 46,190,249</u>
\$ (217,765)	\$ (1,012,325)	\$ (1,153,482)	\$ (375,388)	\$ 3,916,224	\$ 3,186,081
-	-	-	1,862,479	-	5,900,465
13,225	-	-	(305)	-	(315,782)
(4,940)	66,531	8,327	(28,188)	-	30,983
285,456	-	(72,587)	(3,372)	-	223,798
680	-	(6,683)	(369,133)	-	(953,222)
-	-	-	-	(3,607,669)	(3,607,669)
-	1,414,066	-	12,861	-	1,466,038
-	-	-	-	7,217,421	7,217,421
-	-	-	-	(7,902,201)	(7,902,201)
<u>\$ 76,656</u>	<u>\$ 468,272</u>	<u>\$ (1,224,425)</u>	<u>\$ 1,098,954</u>	<u>\$ (376,225)</u>	<u>\$ 5,245,912</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 678,212



CITY OF
BLOOMINGTON
MINNESOTA

**OTHER
SUPPLEMENTARY
INFORMATION –

COMPONENT
UNITS**

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**
Schedule of Assets, Liabilities, and Fund Balances
December 31, 2025
(with partial comparative information as of December 31, 2024)

EXHIBIT E-1

	Governmental Fund Types				Totals	
	General	South Loop Special Revenue	Debt Service	Capital Projects	2025	2024
ASSETS						
Cash, cash equivalents, and investments	\$ 2,085,522	\$ 355,438	\$ 624,014	\$ 145,248,600	\$ 148,313,574	\$ 138,757,212
Taxes receivable	2,319	-	-	-	2,319	19,882
Accrued interest receivable	671	65	188	44,088	45,012	71,342
Accounts receivable	-	-	-	16,537	16,537	-
Due from other funds	-	2,000	-	-	2,000	2,000
Due from primary government	-	-	-	-	-	5,142
Land held for resale	-	-	-	17,150,000	17,150,000	17,150,000
Total assets	<u>\$ 2,088,512</u>	<u>\$ 357,503</u>	<u>\$ 624,202</u>	<u>\$ 162,459,225</u>	<u>\$ 165,529,442</u>	<u>\$ 156,005,578</u>
LIABILITIES						
Accounts payable	\$ 41,279	\$ 13,000	\$ -	\$ 415,418	\$ 469,697	\$ 1,768,720
Retainage payable	-	-	-	236,286	236,286	541,113
Due to other funds	-	-	-	2,000	2,000	2,000
Due to primary government	94,322	72,217	-	9,744	176,283	186,894
Total liabilities	<u>135,601</u>	<u>85,217</u>	<u>-</u>	<u>663,448</u>	<u>884,266</u>	<u>2,498,727</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - land held for resale	-	-	-	17,150,000	17,150,000	17,150,000
FUND BALANCES						
Restricted	-	-	624,202	144,466,007	145,090,209	135,469,094
Committed	-	272,286	-	179,770	452,056	463,773
Unassigned	1,952,911	-	-	-	1,952,911	423,984
Total fund balances	<u>1,952,911</u>	<u>272,286</u>	<u>624,202</u>	<u>144,645,777</u>	<u>147,495,176</u>	<u>136,356,851</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,088,512</u>	<u>\$ 357,503</u>	<u>\$ 624,202</u>	<u>\$ 162,459,225</u>	<u>\$ 165,529,442</u>	<u>\$ 156,005,578</u>
Reconciliation of Governmental Funds to the Statement of Net Position						
Total Fund Balances-Port Authority					\$ 147,495,176	\$ 136,356,851
Interest Payable					(65,646)	(69,885)
Bonds Payable					(4,445,000)	(4,815,000)
Land					1,870,700	1,870,700
Construction in Progress					18,756,810	12,416,889
Deferred Inflows-land held for resale					17,150,000	17,150,000
Total Net Position-Port Authority					<u>\$ 180,762,040</u>	<u>\$ 162,909,555</u>

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2025
(with partial comparative information for the year ended December 31, 2024)

EXHIBIT E-2

	Governmental Fund Types				Totals	
	General	South Loop Special Revenue	Debt Service	Capital Projects	2025	2024
REVENUES						
Taxes:						
Regular	\$ 2,454,373	\$ -	\$ -	\$ -	\$ 2,454,373	\$ 1,488,697
Tax increment	-	-	560,000	13,928,325	14,488,325	13,066,724
Interest	36,554	6,187	9,079	4,779,333	4,831,153	5,334,137
Net change in fair value of investments	4,077	(3,429)	4,494	1,091,002	1,096,144	1,179,723
City contribution	-	750,000	-	-	750,000	9,045,000
Intergovernmental	35,000	-	-	-	35,000	-
Other	350,000	-	-	5,000	355,000	-
Total revenues	<u>2,880,004</u>	<u>752,758</u>	<u>573,573</u>	<u>19,803,660</u>	<u>24,009,995</u>	<u>30,114,281</u>
EXPENDITURES						
Current:						
General services	1,351,077	771,907	200	331,685	2,454,869	2,566,112
Development services	-	-	-	3,793,357	3,793,357	6,239,035
Debt service:						
Principal retirement	-	-	370,000	-	370,000	360,000
Interest	-	-	162,638	-	162,638	172,315
Capital Outlay						
Development services	-	-	-	6,090,806	6,090,806	11,462,504
Total expenditures	<u>1,351,077</u>	<u>771,907</u>	<u>532,838</u>	<u>10,215,848</u>	<u>12,871,670</u>	<u>20,799,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,528,927</u>	<u>(19,149)</u>	<u>40,735</u>	<u>9,587,812</u>	<u>11,138,325</u>	<u>9,314,315</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	19,000
Transfers out	-	-	-	-	-	(19,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,528,927	(19,149)	40,735	9,587,812	11,138,325	9,314,315
Fund balance - January 1	<u>423,984</u>	<u>291,435</u>	<u>583,467</u>	<u>135,057,965</u>	<u>136,356,851</u>	<u>127,042,536</u>
Fund balance - December 31	<u>\$ 1,952,911</u>	<u>\$ 272,286</u>	<u>\$ 624,202</u>	<u>\$ 144,645,777</u>	<u>\$ 147,495,176</u>	<u>\$ 136,356,851</u>
Change in Governmental Funds					\$ 11,138,325	\$ 9,314,315
Debt Service					370,000	360,000
Capital Outlays					6,090,806	11,462,504
Contributed Capital-Construction in Progress					249,115	581,015
Accrued Interest Payable					4,239	3,825
Change in Net Position of Governmental Activities					<u>\$ 17,852,485</u>	<u>\$ 21,721,659</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-1

Schedule of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 22,446,302	\$ 578,314	\$ 23,024,616
Receivables, net	25,678,148	2	25,678,150
Due from primary government	73,988	1,000	74,988
Due from other government	128,284	-	128,284
Inventory - land held for resale	221,500	-	221,500
Capital assets:			
Capital assets - nondepreciable	130,300	1,589,085	1,719,385
Capital assets - net of accumulated depreciation	-	1,529,808	1,529,808
Net capital assets	130,300	3,118,893	3,249,193
Total assets	48,678,522	3,698,209	52,376,731
LIABILITIES			
Accounts payable	904,243	209,101	1,113,344
Unearned revenue	58,070	-	58,070
Due to other government	40,592	33,000	73,592
Due to primary government	268,240	36,041	304,281
Due to primary government - bonds	200,000	-	200,000
Noncurrent liabilities:			
Due to primary government:			
Loans payable due in more than one year	12,697,602	-	12,697,602
Bonds payable due in more than one year	1,200,000	-	1,200,000
Accrued interest payable	138,319	-	138,319
Total liabilities	15,507,066	278,142	15,785,208
NET POSITION			
Net investment in capital assets	130,300	3,118,893	3,249,193
Restricted for:			
Tax increment purposes	6,450,757	-	6,450,757
Unrestricted	26,590,399	301,174	26,891,573
Total net position	\$ 33,171,456	\$ 3,420,067	\$ 36,591,523

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Activities
For the Year Ended December 31, 2025

EXHIBIT F-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General services	\$ 7,397,488	\$ 210,544	\$ 6,731,012	\$ -	\$ (455,932)	\$ -	\$ (455,932)
Development services	3,473,343	2,077	760,975	-	(2,710,291)	-	(2,710,291)
Interest on long-term debt and amounts due to primary government - bonds payable	332,808	-	-	-	(332,808)	-	(332,808)
Total governmental activities	11,203,639	212,621	7,491,987	-	(3,499,031)	-	(3,499,031)
Business-type activities:							
Assisted rental	698,910	389,704	-	-	-	(309,206)	(309,206)
Property management	675,965	324,500	-	-	-	(351,465)	(351,465)
Total business-type activities	1,374,875	714,204	-	-	-	(660,671)	(660,671)
Total	\$ 12,578,514	\$ 926,825	\$ 7,491,987	\$ -	(3,499,031)	(660,671)	(4,159,702)
General revenues:							
Property taxes					4,454,014	114,779	4,568,793
Interest and investment earnings					1,021,905	-	1,021,905
Transfers					(100,000)	100,000	-
Total general revenues					5,375,919	214,779	5,590,698
Change in net position					1,876,888	(445,892)	1,430,996
Net position - January 1					31,294,568	3,865,959	35,160,527
Net position - December 31					\$ 33,171,456	\$ 3,420,067	\$ 36,591,523

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Assets, Liabilities, and Fund Balances
Governmental Funds
December 31, 2025

	General Fund	Housing Development	Section 8 Vouchers
ASSETS			
Cash and cash equivalents	\$ 2,168,057	\$ 10,295,880	\$ 612,441
Accrued interest receivable	-	195,958	-
Taxes receivable	24,117	-	-
Accounts receivable	-	13,281	-
Mortgages and notes receivable	-	1,631,433	-
Due from other funds	-	40,000	-
Due from primary government	-	-	-
Due from other governments	11,250	-	109,135
Inventory - land for resale	-	-	-
Total assets	<u>\$ 2,203,424</u>	<u>\$ 12,176,552</u>	<u>\$ 721,576</u>
LIABILITIES			
Accounts payable	\$ 196	\$ 57,223	\$ 17,995
Due to other funds	-	-	-
Due to primary government	67,399	101,324	54,409
Unearned revenue	-	-	-
Due to other governments	-	-	40,592
Total liabilities	<u>67,595</u>	<u>158,547</u>	<u>112,996</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow-taxes	22,261	-	-
Deferred inflow-mortgages	-	1,152,767	-
Deferred inflow-land held for resale	-	-	-
Total deferred inflows of resources	<u>22,261</u>	<u>1,152,767</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	478,666	-
Restricted	-	-	-
Committed	-	10,386,572	-
Assigned	-	-	608,580
Unassigned	2,113,568	-	-
Total fund balances (deficits)	<u>2,113,568</u>	<u>10,865,238</u>	<u>608,580</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,203,424</u>	<u>\$ 12,176,552</u>	<u>\$ 721,576</u>

EXHIBIT F-3

Housing Rehabilitation	Affordable Housing	Opportunity Housing	TIF Special Revenue	Capital Projects	Total Governmental Funds
\$ 1,478,834	\$ 16,237	\$ 2,627,067	\$ 4,958,696	\$ 289,090	\$ 22,446,302
-	-	77,096	-	-	273,054
-	-	-	499	-	24,616
-	-	28,565	-	-	41,846
10,412,310	-	12,694,889	-	600,000	25,338,632
-	-	-	-	-	40,000
73,988	-	-	-	-	73,988
-	7,899	-	-	-	128,284
-	-	-	-	221,500	221,500
<u>\$ 11,965,132</u>	<u>\$ 24,136</u>	<u>\$ 15,427,617</u>	<u>\$ 4,959,195</u>	<u>\$ 1,110,590</u>	<u>\$ 48,588,222</u>
\$ 94,852	\$ 3,330	\$ -	\$ 730,647	\$ -	\$ 904,243
-	40,000	-	-	-	40,000
45,108	-	12,697,602	-	-	12,965,842
58,070	-	-	-	-	58,070
-	-	-	-	-	40,592
<u>198,030</u>	<u>43,330</u>	<u>12,697,602</u>	<u>730,647</u>	<u>-</u>	<u>14,008,747</u>
-	-	-	-	-	22,261
10,412,310	-	-	-	600,000	12,165,077
-	-	-	-	221,500	221,500
<u>10,412,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>821,500</u>	<u>12,408,838</u>
-	-	-	-	-	478,666
-	-	-	6,450,757	-	6,450,757
1,773,208	-	2,730,015	-	-	14,889,795
-	-	-	-	289,090	897,670
(418,416)	(19,194)	-	(2,222,209)	-	(546,251)
<u>1,354,792</u>	<u>(19,194)</u>	<u>2,730,015</u>	<u>4,228,548</u>	<u>289,090</u>	<u>22,170,637</u>
<u>\$ 11,965,132</u>	<u>\$ 24,136</u>	<u>\$ 15,427,617</u>	<u>\$ 4,959,195</u>	<u>\$ 1,110,590</u>	<u>\$ 48,588,222</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Reconciliation of the Governmental Funds
Schedule of Assets, Liabilities, and Fund Balances
To the Schedule of Net Position
December 31, 2025

EXHIBIT F-4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 22,170,637

Amounts reported for governmental activities in the Schedule of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$	130,300	
Less accumulated depreciation		-	130,300

Some receivables that are not currently available are reported as deferred inflow in the fund financial schedules but are recognized as revenue when earned in the government-wide schedules.

12,408,838

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(1,400,000)

Accrued interest is not due and payable in the current period and, therefore, not reported in the fund schedules.

(138,319)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 33,171,456



CITY OF
BLOOMINGTON
MINNESOTA

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General Fund	Housing Development	Section 8 Vouchers
REVENUES			
Taxes:			
Regular	\$ 573,121	\$ 497,374	\$ 38,260
Tax increment	-	-	-
Intergovernmental	45,000	-	6,686,012
Program Income	-	73,873	-
Interest	405,150	462,564	-
Other	29,784	-	180,760
Total revenues	<u>1,053,055</u>	<u>1,033,811</u>	<u>6,905,032</u>
EXPENDITURES			
Current:			
General services	612,805	-	6,784,683
Development services	-	483,207	-
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>612,805</u>	<u>483,207</u>	<u>6,784,683</u>
Excess (deficiency) of revenues over expenditures	<u>440,250</u>	<u>550,604</u>	<u>120,349</u>
OTHER FINANCING SOURCES (USES)			
Transfers out to other funds	-	-	-
Transfers in from other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	440,250	550,604	120,349
Fund balance (deficit) - January 1	<u>1,673,318</u>	<u>10,314,634</u>	<u>488,231</u>
Fund balance (deficit) - December 31	<u>\$ 2,113,568</u>	<u>\$ 10,865,238</u>	<u>\$ 608,580</u>

EXHIBIT F-5

<u>Housing Rehabilitation</u>	<u>Affordable Housing</u>	<u>Opportunity Housing</u>	<u>TIF Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 191,298	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,800,053
-	-	-	2,648,871	-	2,648,871
536,450	7,899	-	-	-	7,275,361
987,070	-	57,130	-	-	1,118,073
-	-	154,191	-	-	1,021,905
-	-	-	-	-	210,544
<u>1,714,818</u>	<u>7,899</u>	<u>711,321</u>	<u>2,648,871</u>	<u>-</u>	<u>14,074,807</u>
-	-	-	-	-	7,397,488
1,434,158	27,093	97,691	1,413,618	17,576	3,473,343
-	-	317,995	19,017	-	337,012
-	-	-	195,000	-	195,000
<u>1,434,158</u>	<u>27,093</u>	<u>415,686</u>	<u>1,627,635</u>	<u>17,576</u>	<u>11,402,843</u>
<u>280,660</u>	<u>(19,194)</u>	<u>295,635</u>	<u>1,021,236</u>	<u>(17,576)</u>	<u>2,671,964</u>
-	-	(260,883)	(41,033)	(100,000)	(401,916)
-	-	301,916	-	-	301,916
-	-	41,033	(41,033)	(100,000)	(100,000)
280,660	(19,194)	336,668	980,203	(117,576)	2,571,964
1,074,132	-	2,393,347	3,248,345	406,666	19,598,673
<u>\$ 1,354,792</u>	<u>\$ (19,194)</u>	<u>\$ 2,730,015</u>	<u>\$ 4,228,548</u>	<u>\$ 289,090</u>	<u>\$ 22,170,637</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Reconciliation of the Schedule of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Schedule of Activities
For The Year Ended December 31, 2025

EXHIBIT F-6

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,571,964

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

Revenues in the Schedule of Activities related to delinquent property taxes that do not provide current financial resources are not reported as revenues in the funds.	5,090
Revenues in the Schedule of Activities related to mortgages receivable that do not provide current financial resources are not reported as revenues in the funds.	(249,729)
Revenues in the Schedule of Activities related to Inventory - land held for resale that do not provide current financial resources are not reported as revenues in the funds.	(649,641)
Repayment of principal on long-term debt (e.g., bonds, leases) is an expenditure in the governmental funds but does not affect the Schedule of Activities.	195,000
Change in accrued interest on general long-term debt is reported in the Schedule of Activities but does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	4,204

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,876,888

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-7

Schedule of Fund Net Position
Proprietary Funds
December 31, 2025

	Assisted Rental	Property Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 305,141	\$ 273,173	\$ 578,314
Accounts receivable	1	1	2
Due from primary government	1,000	-	1,000
Total current assets	<u>306,142</u>	<u>273,174</u>	<u>579,316</u>
Noncurrent assets:			
Land	700,000	889,085	1,589,085
Buildings and structures	1,698,090	1,700,942	3,399,032
Improvements Other than Bldg	703,148	394,421	1,097,569
Accumulated depreciation	<u>(1,566,543)</u>	<u>(1,400,250)</u>	<u>(2,966,793)</u>
Total noncurrent assets	<u>1,534,695</u>	<u>1,584,198</u>	<u>3,118,893</u>
Total assets	<u>1,840,837</u>	<u>1,857,372</u>	<u>3,698,209</u>
LIABILITIES			
Current liabilities:			
Accounts payable	45,131	50,558	95,689
Deposits payable	6,730	106,682	113,412
Due to other government	-	33,000	33,000
Due to primary government	11,593	24,448	36,041
Total current liabilities	<u>63,454</u>	<u>214,688</u>	<u>278,142</u>
Total liabilities	<u>63,454</u>	<u>214,688</u>	<u>278,142</u>
NET POSITION			
Net investment in capital assets	1,534,695	1,584,198	3,118,893
Unrestricted	<u>242,688</u>	<u>58,486</u>	<u>301,174</u>
Total net position	<u>\$ 1,777,383</u>	<u>\$ 1,642,684</u>	<u>\$ 3,420,067</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2025

EXHIBIT F-8

	Assisted Rental	Property Management	Total
OPERATING REVENUES			
Program income	\$ 387,487	\$ 323,106	\$ 710,593
Other	2,217	1,394	3,611
Total operating revenues	<u>389,704</u>	<u>324,500</u>	<u>714,204</u>
OPERATING EXPENSES			
Salaries and benefits	87,670	126,474	214,144
Materials, supplies and services	136,336	148,987	285,323
Professional services	645	3,016	3,661
City support services	17,280	15,456	32,736
Home rehabilitation	395,645	350,745	746,390
Depreciation	61,334	31,287	92,621
Total operating expenses	<u>698,910</u>	<u>675,965</u>	<u>1,374,875</u>
Operating income (loss)	(309,206)	(351,465)	(660,671)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	114,779	114,779
Total nonoperating revenues	<u>-</u>	<u>114,779</u>	<u>114,779</u>
Income (loss) before contributions and transfers	(309,206)	(236,686)	(545,892)
Transfers from other funds	-	300,000	300,000
Transfers to other funds	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Change in net position	(509,206)	63,314	(445,892)
Total net position - January 1	<u>2,286,589</u>	<u>1,579,370</u>	<u>3,865,959</u>
Total net position - December 31	<u>\$ 1,777,383</u>	<u>\$ 1,642,684</u>	<u>\$ 3,420,067</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-9

Schedule of Cash Flows
Proprietary Funds
Year Ended December 31, 2025

	Assisted Rental	Property Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 389,703	\$ 324,498	\$ 714,201
Payments to employees	(87,670)	(126,472)	(214,142)
Payments to suppliers	(529,147)	(494,042)	(1,023,189)
Net cash provided by operating activities	(227,114)	(296,016)	(523,130)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from primary government	3,384	18,097	21,481
Payments to primary government	(1,000)	-	(1,000)
Transfers to other funds	(200,000)	-	(200,000)
Taxes	-	114,779	114,779
Net cash provided by noncapital financing activities	(197,616)	132,876	(64,740)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers for capital acquisitions	-	300,000	300,000
Purchases of capital assets	(20,700)	-	(20,700)
Net cash provided by capital and related financing activities	(20,700)	300,000	279,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in cash and cash equivalents	(445,430)	136,860	(308,570)
Cash and cash equivalents - January 1	750,571	136,313	886,884
Cash and cash equivalents - December 31	\$ 305,141	\$ 273,173	\$ 578,314
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (309,206)	\$ (351,465)	\$ (660,671)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	61,334	31,287	92,621
Changes in assets and liabilities:			
Accounts payable	21,013	70,699	91,712
Deposits payable	(254)	(46,536)	(46,790)
Customer receivables	(1)	(1)	(2)
Net cash provided by operating activities	\$ (227,114)	\$ (296,016)	\$ (523,130)

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-10

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 495,599	\$ 495,599	\$ 573,121	\$ 77,522
Intergovernmental	-	33,750	45,000	11,250
Interest	20,000	20,000	405,150	385,150
Other	-	29,780	29,784	4
Total revenues	<u>515,599</u>	<u>579,129</u>	<u>1,053,055</u>	<u>473,926</u>
EXPENDITURES				
Current -				
General services	<u>551,535</u>	<u>646,535</u>	<u>612,805</u>	<u>33,730</u>
Net change in fund balance	(35,936)	(67,406)	440,250	507,656
Fund balance - January 1	<u>1,673,318</u>	<u>1,673,318</u>	<u>1,673,318</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,637,382</u>	<u>\$ 1,605,912</u>	<u>\$ 2,113,568</u>	<u>\$ 507,656</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Development Special Revenue Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 607,053	\$ 607,053	\$ 497,374	\$ (109,679)
Program Income	5,000	5,000	73,873	68,873
Interest	-	-	462,564	462,564
Total revenues	<u>612,053</u>	<u>612,053</u>	<u>1,033,811</u>	<u>421,758</u>
EXPENDITURES				
Current -				
Development services	<u>499,166</u>	<u>499,166</u>	<u>483,207</u>	<u>15,959</u>
Net change in fund balance	112,887	112,887	550,604	437,717
Fund balance - January 1	<u>10,314,634</u>	<u>10,314,634</u>	<u>10,314,634</u>	<u>-</u>
Fund balance - December 31	<u>\$ 10,427,521</u>	<u>\$ 10,427,521</u>	<u>\$ 10,865,238</u>	<u>\$ 437,717</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Section 8 Vouchers Special Revenue Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Regular	\$ 46,715	\$ 46,715	\$ 38,260	\$ (8,455)
Intergovernmental	6,556,940	6,556,940	6,686,012	129,072
Other	98,000	98,000	180,760	82,760
Total revenues	<u>6,701,655</u>	<u>6,701,655</u>	<u>6,905,032</u>	<u>203,377</u>
EXPENDITURES				
Current -				
General services	<u>6,704,683</u>	<u>6,909,683</u>	<u>6,784,683</u>	<u>125,000</u>
Net change in fund balance	(3,028)	(208,028)	120,349	328,377
Fund balance - January 1	<u>488,231</u>	<u>488,231</u>	<u>488,231</u>	<u>-</u>
Fund balance - December 31	<u>\$ 485,203</u>	<u>\$ 280,203</u>	<u>\$ 608,580</u>	<u>\$ 328,377</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Rehabilitation Special Revenue Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 195,790	\$ 195,790	\$ 191,298	\$ (4,492)
Intergovernmental	635,118	635,118	536,450	(98,668)
Program Income	356,713	531,779	987,070	455,291
Total revenues	<u>1,187,621</u>	<u>1,362,687</u>	<u>1,714,818</u>	<u>352,131</u>
EXPENDITURES				
Current -				
Development services	<u>1,247,732</u>	<u>1,608,878</u>	<u>1,434,158</u>	<u>174,720</u>
Net change in fund balance	(60,111)	(246,191)	280,660	526,851
Fund balance - January 1	<u>1,074,132</u>	<u>1,074,132</u>	<u>1,074,132</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,014,021</u>	<u>\$ 827,941</u>	<u>\$ 1,354,792</u>	<u>\$ 526,851</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Affordable Housing Special Revenue Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,899	\$ 7,899
EXPENDITURES				
Current -				
Development services	-	30,000	27,093	2,907
Net change in fund balance	-	(30,000)	(19,194)	10,806
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ (30,000)	\$ (19,194)	\$ 10,806

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-15

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Opportunity Housing Special Revenue Fund
Year Ended December 31, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Program	-	30,000	57,130	27,130
Interest	-	85,000	154,191	69,191
Total revenues	<u>500,000</u>	<u>615,000</u>	<u>711,321</u>	<u>96,321</u>
EXPENDITURES				
Current -				
Development services	-	135,000	97,691	37,309
Debt service:				
Interest	-	318,000	317,995	5
Total expenditures	<u>-</u>	<u>453,000</u>	<u>415,686</u>	<u>37,314</u>
Excess (deficiency) of revenues over expenditures	<u>500,000</u>	<u>162,000</u>	<u>295,635</u>	<u>133,635</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(500,000)	(515,000)	(260,883)	(254,117)
Transfers from other funds	<u>-</u>	<u>304,000</u>	<u>301,916</u>	<u>2,084</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(211,000)</u>	<u>41,033</u>	<u>(252,033)</u>
Net change in fund balance	-	(49,000)	336,668	385,668
Fund balance - January 1	<u>2,393,347</u>	<u>2,393,347</u>	<u>2,393,347</u>	<u>-</u>
Fund balance - December 31	<u>\$ 2,393,347</u>	<u>\$ 2,344,347</u>	<u>\$ 2,730,015</u>	<u>\$ 385,668</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Housing Choice Vouchers
Balance Sheet
December 31, 2025

EXHIBIT G-1

ASSETS		
111	Cash - Unrestricted	\$ 612,441
121	Accounts Receivable - PHA Projects	<u>109,135</u>
290	Total Assets	<u>721,576</u>
LIABILITIES		
312	Accounts Payable <= 90 Days	17,995
332	Accounts Payable - PHA Projects	40,592
333	Accounts Payable - Other Government	<u>54,409</u>
300	Total Liabilities	<u>112,996</u>
NET POSITION		
511.3	Assigned Fund Balance	<u>608,580</u>
513	Total Equity - Net Assets / Position	<u>608,580</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u><u>\$ 721,576</u></u>

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Housing Choice Vouchers
Income Statement
Year Ended December 31, 2025

EXHIBIT G-2

REVENUES

70600	HUD PHA Operating Grants	\$ 6,686,012
71400	Fraud Recovery	1,775
71500	Other Revenue	2,689,165
		9,376,952
70000	Total Revenue	9,376,952

EXPENDITURES

91100	Administrative Salaries	413,725
91400	Advertising and Marketing	1,191
91500	Employee Benefit contributions - Administrative	158,710
91600	Office Expenses	89,890
91700	Legal Expense	648
91900	Other	51,813
96200	Other General Expenses	91,759
97300	Housing Assistance Payments	5,976,947
97350	HAP Portability-In	2,471,920
		9,256,603

90000	Total Expenses	9,256,603
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Excess (deficiency) of Revenues over Expenses	120,349
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Net Position-Beginning	488,231
------------------------	---------

Net Position-Ending	\$ 608,580
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Memo Account Information

11170	Administrative Fee Equity	645,823
11180	Housing Assistance Payments Equity	(37,243)
11190	Unit Months Available	6,780
11210	Number of Unit Months Leased	6,164

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Business Activities
Balance Sheet
December 31, 2025

EXHIBIT G-3

ASSETS

111	Cash - Unrestricted	\$ 298,412
114	Cash - Tenant Security Deposits	6,730
124	Due from City	1,000
161	Land	700,000
162	Buildings	1,698,090
165	Leasehold Improvements	703,148
166	Accumulated Depreciation	<u>(1,566,543)</u>
290	Total Assets	<u>1,840,837</u>

LIABILITIES

312	Accounts Payable <= 90 Days	45,131
333	Accounts Payable - Other Government	11,593
341	Tenant Security Deposits	<u>6,730</u>
300	Total Liabilities	<u>63,454</u>

NET POSITION

508.3	Net Investment in Capital Assets	1,534,695
511.3	Unrestricted	<u>242,688</u>
513	Total Equity - Net Position	<u>1,777,383</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u>\$ 1,840,837</u>

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Business Activities
Income Statement
Year Ended December 31, 2025

EXHIBIT G-4

REVENUES

70300	Net Tenant Rental Revenue	\$ 387,487
70400	Tenant Revenue - Other	<u>2,217</u>
70000	Total Revenue	<u>389,704</u>

EXPENDITURES

91100	Administrative Salaries	55,633
91500	Employee Benefit contributions - Administrative	32,037
91600	Office Expenses	17,560
91700	Legal	645
91900	Other	4,000
93100	Water	31,425
93200	Electric	488
93300	Gas	585
94300	Ordinary Maintenance and Operations Contracts	173,164
96300	Payments in Lieu of Taxes	16,903
97100	Extraordinary Maintenance	305,136
97400	Depreciation Expense	<u>61,334</u>
90000	Total Expenses	<u>698,910</u>
10020	Operating Transfers Out	<u>200,000</u>
10100	Total Other Financing Uses	<u>200,000</u>
10000	Excess (deficiency) of Revenues over (under) Expenses	(509,206)

Net Position-Beginning	<u>2,286,589</u>
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Net Position-Ending	<u><u>\$ 1,777,383</u></u>
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Memo Account Information

11190	Unit Months Available	240
11210	Number of Unit Months Leased	230

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

**NOTES TO THE FINANCIAL DATA SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a modified accrual or accrual basis of accounting as applicable. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

SECTION III

STATISTICAL SECTION (UNAUDITED)



CITY OF
BLOOMINGTON
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA
STATISTICAL SECTION**

This part of the City of Bloomington’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

CONTENTS	PAGE
Financial Trends	202
These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	210
These tables contain information to help the reader assess the factors affecting the City’s ability to generate its property tax.	
Debt Capacity	215
These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	222
These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	224
These tables contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF BLOOMINGTON, MINNESOTA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$310,750,929	\$332,133,255	\$352,048,328	\$365,680,112
Restricted	73,405,143	69,744,412	86,444,757	84,258,362
Unrestricted	67,390,335	77,768,834	69,705,544	72,469,427
Total governmental activities net position	<u>\$451,546,407</u>	<u>\$479,646,501</u>	<u>\$508,198,629</u>	<u>\$522,407,901</u>
Business-type activities:				
Net investment in capital assets	\$85,359,140	\$85,330,605	\$85,607,307	\$86,145,372
Restricted	-	-	-	-
Unrestricted	12,352,137	14,919,169	22,148,610	28,234,991
Total business-type activities net position	<u>\$97,711,277</u>	<u>\$100,249,774</u>	<u>\$107,755,917</u>	<u>\$114,380,363</u>
Primary government:				
Net investment in capital assets	\$396,110,069	\$417,463,860	\$437,655,635	\$451,825,484
Restricted	73,405,143	69,744,412	86,444,757	84,258,362
Unrestricted	79,742,472	92,688,003	91,854,154	100,704,418
Total primary government net position	<u>\$549,257,684</u>	<u>\$579,896,275</u>	<u>\$615,954,546</u>	<u>\$636,788,264</u>

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$376,333,750	\$380,801,226	\$392,399,308	\$402,785,079	\$414,866,332	\$428,825,520
91,916,843	102,118,044	98,424,556	110,905,209	121,178,823	148,572,350
75,722,049	92,960,161	90,636,005	94,678,375	97,477,812	100,476,046
<u>\$543,972,642</u>	<u>\$575,879,431</u>	<u>\$581,459,869</u>	<u>\$608,368,663</u>	<u>\$633,522,967</u>	<u>\$677,873,916</u>
\$88,280,564	\$90,090,606	\$95,781,572	\$97,582,690	\$100,215,410	\$107,044,126
-	-	-	-	-	-
30,546,062	39,490,644	40,703,491	49,301,930	54,987,377	59,210,175
<u>\$118,826,626</u>	<u>\$129,581,250</u>	<u>\$136,485,063</u>	<u>\$146,884,620</u>	<u>\$155,202,787</u>	<u>\$166,254,301</u>
\$464,614,314	\$470,891,832	\$488,180,880	\$500,367,769	\$515,081,742	\$535,869,646
91,916,843	102,118,044	98,424,556	110,905,209	121,178,823	148,572,350
106,268,111	132,450,805	131,339,496	143,980,305	152,465,189	159,686,221
<u>\$662,799,268</u>	<u>\$705,460,681</u>	<u>\$717,944,932</u>	<u>\$755,253,283</u>	<u>\$788,725,754</u>	<u>\$844,128,217</u>

CITY OF BLOOMINGTON, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General services	\$9,615,471	\$8,683,447	\$9,659,744	\$6,106,221
Development services	18,533,117	16,976,729	15,245,431	21,866,534
Public works	19,389,393	16,680,711	18,613,129	19,401,325
Public safety	35,429,025	29,006,295	32,937,726	35,290,965
Community services	18,455,451	17,298,796	16,800,345	17,804,474
Interest on long-term debt	1,537,926	1,553,254	1,183,925	1,165,137
Total governmental activities expenses	<u>102,960,383</u>	<u>90,199,232</u>	<u>94,440,300</u>	<u>101,634,656</u>
Business-type activities:				
Water/wastewater utility	24,967,519	25,078,431	24,838,208	25,562,896
Storm water utility	3,693,302	3,691,245	3,867,530	4,827,637
Recreational facilities	6,269,405	6,178,658	5,811,867	6,004,555
Solid waste management	3,263,225	6,974,219	7,283,298	7,654,546
Contractual police	2,524,831	1,445,658	1,884,065	1,602,820
Total business-type activities expenses	<u>40,718,282</u>	<u>43,368,211</u>	<u>43,684,968</u>	<u>45,652,454</u>
Total primary government expenses	<u>\$143,678,665</u>	<u>\$133,567,443</u>	<u>\$138,125,268</u>	<u>\$147,287,110</u>
Program revenues				
Governmental activities:				
Charges for services:				
General services	\$3,084,579	\$3,441,225	\$3,849,226	\$3,938,006
Development services	4,551,060	4,675,889	6,570,742	5,776,101
Public works	216,346	149,818	142,735	178,416
Public safety	578,786	636,330	455,900	351,555
Community services	2,178,829	2,018,744	2,016,578	2,294,621
Operating grants and contributions	7,838,532	7,405,866	6,016,557	6,853,350
Capital grants and contributions	27,077,936	24,802,770	26,869,409	14,079,165
Total governmental activities program revs	<u>45,526,068</u>	<u>43,130,642</u>	<u>45,921,147</u>	<u>33,471,214</u>
Business-type activities:				
Charges for services:				
Water/wastewater	23,562,178	25,149,599	27,907,362	27,082,382
Storm water	5,528,944	5,854,164	6,292,929	6,646,738
Recreational facilities	3,749,856	3,707,859	3,544,045	3,548,689
Solid waste management	2,496,610	6,813,378	7,128,905	7,403,797
Contractual police	2,745,703	1,434,432	1,983,486	1,661,551
Operating grants and contributions	335,884	371,202	213,200	725,376
Capital grants and contributions	584,363	306,382	768,452	663,546
Total business-type activities program revs	<u>39,003,538</u>	<u>43,637,016</u>	<u>47,838,379</u>	<u>47,732,079</u>
Total primary government program revs	<u>\$84,529,606</u>	<u>\$86,767,658</u>	<u>\$93,759,526</u>	<u>\$81,203,293</u>
Net (expense) revenue:				
Governmental activities	(57,434,315)	(47,068,590)	(48,519,153)	(68,163,442)
Business-type activities	(1,714,744)	268,805	4,153,411	2,079,625
Total primary gov't net (expense) revenue	<u>(\$59,149,059)</u>	<u>(\$46,799,785)</u>	<u>(\$44,365,742)</u>	<u>(\$66,083,817)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$51,260,264	\$53,080,612	\$55,864,418	\$58,885,357
Local sales tax	-	-	-	-
Business taxes	16,936,341	16,274,658	18,042,869	17,945,320
Unrestricted grants and contributions	1,977,371	3,825,860	1,188,665	1,237,962
Gain on sale of capital assets	87,942	195,169	39,997	197,190
Investment earnings	901,701	1,815,321	2,548,752	4,439,564
Transfers	(132,730)	(21,936)	(613,420)	(332,679)
Total governmental activities	<u>71,030,889</u>	<u>75,169,684</u>	<u>77,071,281</u>	<u>82,372,714</u>
Business-type activities:				
Taxes	1,427,984	2,112,584	2,489,325	2,957,606
Gain on sale of capital assets	21,000	-	-	-
Investment earnings	53,740	135,172	249,987	659,725
Transfers	132,730	21,936	613,420	332,679
Total business-type activities	<u>1,635,454</u>	<u>2,269,692</u>	<u>3,352,732</u>	<u>3,950,010</u>
Total primary government	<u>\$72,666,343</u>	<u>\$77,439,376</u>	<u>\$80,424,013</u>	<u>\$86,322,724</u>
Change in net position:				
Governmental activities	\$13,596,574	\$28,101,094	\$28,552,128	\$14,209,272
Business-type activities	(79,290)	2,538,497	7,506,143	6,029,635
Total primary government	<u>\$13,517,284</u>	<u>\$30,639,591</u>	<u>\$36,058,271</u>	<u>\$20,238,907</u>

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$7,903,844	\$6,237,112	\$8,618,788	\$9,530,267	\$9,268,111	\$8,691,675
17,595,162	17,472,571	16,971,960	22,542,016	28,073,687	24,171,447
18,028,831	19,689,961	29,655,103	34,650,081	24,753,904	22,288,780
27,056,760	24,983,228	40,674,767	42,500,077	50,762,948	57,779,937
18,011,586	17,883,591	14,933,791	16,927,111	26,043,746	32,545,581
1,283,662	1,211,756	1,531,010	1,655,522	2,136,497	5,114,825
89,879,845	87,478,219	112,385,419	127,805,074	141,038,893	150,592,245
26,158,381	25,246,844	28,364,112	29,780,702	31,168,323	31,777,599
5,023,648	5,136,183	5,940,682	5,464,651	5,385,483	5,583,739
5,408,414	5,109,193	6,435,366	7,172,458	6,999,460	7,338,757
8,025,278	8,215,273	10,272,387	9,610,207	10,622,238	9,958,257
1,220,343	926,523	1,021,027	1,722,575	1,509,526	1,774,787
45,836,064	44,634,016	52,033,574	53,750,593	55,685,030	56,433,139
\$135,715,909	\$132,112,235	\$164,418,993	\$181,555,667	\$196,723,923	\$207,025,384
\$3,433,002	\$3,561,331	\$3,503,237	\$3,675,833	\$1,615,088	\$1,589,646
6,538,321	4,994,766	7,076,511	9,875,188	10,438,434	8,604,823
315,432	624,686	89,626	298,017	485,893	827,412
329,683	375,677	228,256	551,848	881,624	1,133,528
1,642,059	2,147,973	2,216,560	2,830,676	3,442,784	2,784,325
8,739,753	10,044,034	9,139,218	16,150,344	14,631,745	24,013,620
11,509,693	22,665,316	18,074,024	18,227,339	16,252,917	20,324,611
32,507,943	44,413,783	40,327,432	51,609,245	47,748,485	59,277,965
27,661,415	31,736,641	33,011,125	36,347,845	34,955,336	36,098,915
6,956,150	7,074,381	7,191,477	7,688,369	8,272,831	8,496,187
2,373,122	3,511,196	3,960,871	4,838,832	3,867,786	4,068,663
7,806,382	8,084,185	9,452,134	9,722,059	9,919,764	10,206,449
899,894	868,011	1,141,589	1,786,822	1,594,138	1,868,202
175,616	191,494	421,866	448,187	438,282	436,057
673,632	1,630,181	77,327	-	34,397	960,453
46,546,211	53,096,089	55,256,389	60,832,114	59,082,534	62,134,926
\$79,054,154	\$97,509,872	\$95,583,821	\$112,441,359	\$106,831,019	\$121,412,891
(57,371,902)	(43,064,436)	(72,057,987)	(76,195,829)	(93,290,408)	(91,314,280)
710,147	8,462,073	3,222,815	7,081,521	3,397,504	5,701,787
(\$56,661,755)	(\$34,602,363)	(\$68,835,172)	(\$69,114,308)	(\$89,892,904)	(\$85,612,493)
\$61,604,489	\$63,340,502	\$65,582,826	\$71,615,086	\$77,197,125	\$83,875,937
-	-	-	-	9,982,343	15,706,960
5,898,986	10,996,191	16,457,285	17,579,451	18,287,823	18,017,362
7,825,710	1,559,116	5,489,909	3,224,762	5,409,264	4,268,915
164,583	410,144	92,939	247,596	557,228	332,606
3,505,797	(1,048,948)	(8,103,016)	10,109,652	8,192,760	13,998,429
(62,922)	(285,780)	(1,881,518)	328,076	(1,181,831)	(534,980)
78,936,643	74,971,225	77,638,425	103,104,623	118,444,712	135,665,229
3,129,286	2,148,695	2,140,941	2,137,178	1,930,195	2,233,432
-	-	-	12,500	12,500	-
543,908	(141,924)	(1,209,357)	1,496,434	1,796,137	2,581,315
62,922	285,780	1,881,518	(328,076)	1,181,831	534,980
3,736,116	2,292,551	2,813,102	3,318,036	4,920,663	5,349,727
\$82,672,759	\$77,263,776	\$80,451,527	\$106,422,659	\$123,365,375	\$141,014,956
\$21,564,741	\$31,906,789	\$5,580,438	\$26,908,794	\$25,154,304	\$44,350,949
4,446,263	10,754,624	6,035,917	10,399,557	8,318,167	11,051,514
\$26,011,004	\$42,661,413	\$11,616,355	\$37,308,351	\$33,472,471	\$55,402,463

CITY OF BLOOMINGTON, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:				
Fund balance:				
Nonspendable	\$4,337	\$222	\$ -	\$ -
Restricted	-	-	-	-
Committed	1,179,421	1,799,132	2,069,126	1,852,370
Unassigned	27,625,954	29,143,486	32,599,721	34,687,078
Total general fund	<u>\$28,809,712</u>	<u>\$30,942,840</u>	<u>\$34,668,847</u>	<u>\$36,539,448</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$17,000	\$18,000	\$18,500	\$18,500
Restricted	56,454,794	54,067,300	52,516,968	55,227,759
Committed	7,376,666	8,676,191	9,222,730	11,957,795
Assigned	25,620,010	29,103,813	30,070,485	32,908,059
Unassigned	-	(63,731)	(5,051)	(1,880)
Total all other governmental funds	<u>\$89,468,470</u>	<u>\$91,801,573</u>	<u>\$91,823,632</u>	<u>\$100,110,233</u>

Table 3

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$14,000	\$12,000	\$ -	\$ -	\$ -	\$ -
-	-	-	3,265,050	2,460,622	1,088,139
1,269,780	2,112,433	6,068,345	9,980,089	6,701,472	4,462,129
<u>37,780,258</u>	<u>40,441,437</u>	<u>38,829,744</u>	<u>37,912,433</u>	<u>46,407,632</u>	<u>49,741,701</u>
<u>\$39,064,038</u>	<u>\$42,565,870</u>	<u>\$44,898,089</u>	<u>\$51,157,572</u>	<u>\$55,569,726</u>	<u>\$55,291,969</u>
\$32,500	\$63,054	\$ -	\$24,042	\$12,925	\$1,808
54,005,752	56,915,915	68,687,068	70,151,509	110,753,735	193,113,384
13,198,323	15,265,915	17,820,198	18,116,589	17,025,002	18,165,109
34,304,407	39,380,465	39,822,196	44,131,461	49,739,723	55,467,692
(1,774)	(503,376)	(5,692)	-	(66,235)	(765,475)
<u>\$101,539,208</u>	<u>\$111,121,973</u>	<u>\$126,323,770</u>	<u>\$132,423,601</u>	<u>\$177,465,150</u>	<u>\$265,982,518</u>

CITY OF BLOOMINGTON, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2016	2017	2018	2019
Revenues:				
Taxes	\$51,277,151	\$53,202,530	\$55,702,232	\$58,922,678
Special assessments	3,943,212	3,820,155	4,166,801	3,697,939
Local sales tax	-	-	-	-
Lodging and admissions taxes	16,936,352	16,274,658	18,042,869	17,945,320
Business licenses and permits	4,743,748	5,191,270	6,354,508	6,875,207
Fines	1,057,518	1,243,454	885,262	758,081
Intergovernmental	14,435,816	21,480,304	20,939,959	12,130,865
Program income	2,908,551	2,385,511	2,161,498	2,391,552
Investment earnings	701,235	1,396,754	1,872,255	3,242,671
Other revenues	16,056,456	10,369,189	9,809,885	9,521,012
Total revenues	112,060,039	115,363,825	119,935,269	115,485,325
Expenditures:				
Current:				
General services	7,431,274	7,487,434	8,103,825	6,594,273
Development services	14,926,374	10,987,159	11,952,854	17,574,031
Public works	10,778,986	11,333,270	12,222,664	12,575,661
Public safety	32,045,686	31,496,674	33,071,958	33,525,568
Parks and recreation	-	-	-	9,747,086
Community services	16,131,465	16,410,862	16,749,515	7,380,426
Debt service:				
Interest	1,680,180	1,746,775	1,518,071	1,484,983
Principal retirement	6,975,000	8,950,000	7,705,000	7,285,000
Capital outlay:				
General services	278,450	-	-	-
Development services	10,555,736	4,365,969	2,147,303	8,422,424
Public works	12,314,905	21,983,079	23,366,023	13,685,921
Public safety	90,429	125,739	521,315	246,070
Parks and recreation	-	-	-	755,856
Community services	496,599	3,305,609	1,382,549	36,115
Total expenditures	113,705,084	118,192,570	118,741,077	119,313,414
Revenues over (under) expenditures	(1,645,045)	(2,828,745)	1,194,192	(3,828,089)
Other financing sources (uses):				
Transfers in	8,063,372	9,075,643	8,566,040	7,644,763
Transfers out	(7,925,954)	(8,698,959)	(9,121,654)	(7,909,867)
Proceeds on sale of capital assets	-	-	-	-
Bonds issued	11,455,000	6,390,000	7,210,000	13,300,000
Refunded bonds paid from escrow	-	-	(4,615,000)	-
Bond premiums	637,349	528,292	514,488	950,395
Total other financing sources (uses)	12,229,767	7,294,976	2,553,874	13,985,291
Net change in fund balance	\$10,584,722	\$4,466,231	\$3,748,066	\$10,157,202
Debt service as a percentage of noncapital expenditures	9.8%	11.3%	10.4%	9.5%
Debt service as percentage of total expenditures	7.6%	9.1%	7.8%	7.4%

Table 4

2020	2021	2022	2023	2024	2025
\$61,550,204	\$63,416,380	\$65,359,682	\$69,706,468	\$78,878,167	\$83,709,357
4,004,688	3,691,535	3,949,809	3,010,737	3,214,739	2,817,262
-	-	-	-	9,982,343	15,706,960
5,898,986	10,996,191	16,457,285	17,579,452	18,287,822	18,017,362
6,536,353	6,021,564	8,082,182	6,675,071	7,919,278	7,376,618
457,090	445,686	389,887	584,986	761,897	725,262
18,820,880	16,017,184	21,407,196	26,731,889	22,749,675	34,380,983
1,605,827	2,191,342	2,268,552	2,903,922	3,548,496	2,731,235
2,446,981	(859,209)	(6,335,128)	7,622,090	6,247,095	11,656,651
9,547,287	9,937,906	10,246,972	15,533,882	14,475,826	12,636,077
<u>110,868,296</u>	<u>111,858,579</u>	<u>121,826,437</u>	<u>150,348,497</u>	<u>166,065,338</u>	<u>189,757,767</u>
7,628,013	6,530,378	7,489,571	8,200,208	9,450,963	9,713,119
13,647,728	11,674,375	13,187,975	14,836,733	24,979,611	21,040,069
11,243,353	12,573,666	18,814,333	23,466,629	13,373,268	15,369,426
35,583,266	34,392,291	37,105,476	43,200,138	51,101,806	55,870,655
9,047,173	9,477,874	4,105,296	4,149,743	14,302,982	15,649,114
9,049,118	8,845,792	9,801,255	10,748,831	11,687,744	12,608,016
1,716,496	1,725,817	1,716,318	2,664,404	2,406,787	3,718,870
7,465,000	7,655,000	10,920,000	6,820,000	7,269,431	7,902,340
-	-	21,521	-	-	10,154
521,130	3,164,818	3,427,993	300,605	1,135,898	41,057
14,790,476	11,063,864	18,483,476	12,513,522	14,405,316	20,642,830
3,276,476	388,138	6,640,648	6,205,854	427,960	439,601
1,842,074	1,969,783	2,005,714	2,297,239	9,388,155	50,725,711
18,100	88,341	-	56,421	-	57,061
<u>115,828,403</u>	<u>109,550,137</u>	<u>133,719,576</u>	<u>135,460,327</u>	<u>159,929,921</u>	<u>213,788,023</u>
<u>(4,960,107)</u>	<u>2,308,442</u>	<u>(11,893,139)</u>	<u>14,888,170</u>	<u>6,135,417</u>	<u>(24,030,255)</u>
13,144,063	11,230,074	18,650,997	7,138,397	12,203,941	13,474,724
(13,575,382)	(10,831,830)	(21,194,962)	(9,667,253)	(14,235,582)	(18,497,279)
-	1,841,454	-	-	-	-
6,958,540	7,520,000	29,401,460	-	43,890,000	109,939,000
1,975,000	-	-	-	-	-
411,451	1,016,457	2,569,660	-	1,459,927	7,353,422
<u>8,913,672</u>	<u>10,776,155</u>	<u>29,427,155</u>	<u>(2,528,856)</u>	<u>43,318,286</u>	<u>112,269,867</u>
<u>\$3,953,565</u>	<u>\$13,084,597</u>	<u>\$17,534,016</u>	<u>\$12,359,314</u>	<u>\$49,453,703</u>	<u>\$88,239,611</u>
9.9%	10.1%	12.3%	8.3%	7.2%	8.2%
7.9%	8.6%	9.4%	7.0%	6.1%	5.4%

CITY OF BLOOMINGTON, MINNESOTA

TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property ^(a)	Commercial/Industrial Property	All Other ^(b)	Total Tax Capacity ^(c)	Less: Fiscal Disparity Contribution ^(d)
2016	\$ 70,536,480	\$ 81,279,393	\$ 2,113,468	\$ 153,929,341	\$ 12,505,688
2017	75,259,992	85,280,733	2,165,600	162,706,325	14,137,440
2018	81,653,574	87,864,419	2,316,715	171,834,708	14,293,380
2019	87,297,785	91,040,654	2,242,278	180,580,717	14,430,978
2020	95,303,027	94,095,128	2,101,633	191,499,788	15,510,119
2021	97,714,251	97,194,989	1,474,008	196,383,248	15,823,985
2022	105,453,263	89,705,728	1,523,080	196,682,071	15,229,450
2023	124,655,232	95,814,141	2,081,827	222,551,200	13,462,405
2024	127,411,422	102,049,864	2,059,229	231,520,515	15,173,464
2025	124,930,875	105,269,844	1,134,156	231,334,875	15,031,547

Source: City of Bloomington Assessing Division

By State Statute, property taxes are calculated and collected based on the prior year's assessor market value. For example, the tax capacity and market value figures for payable 2025 above relate to the January 2, 2024 assessment.

- ^(a) Includes single-family homes, condominiums, townhouses, cooperatives, apartments and residential vacant land.
- ^(b) Includes personal property accounts and utilities/machinery classification.
- ^(c) Includes properties in tax increment financing (TIF) districts, the majority of which are commercial/industrial.
- ^(d) Figure represents fiscal disparities contribution net of fiscal disparities distribution.
- ^(e) Figure represents total tax capacity less net fiscal disparities. Note that total direct tax rate in the next column is calculated based on total tax capacity less fiscal disparities contribution and less tax capacity in TIF districts.

Table 5

<u>Adjusted Tax Capacity Value ^(e)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Market Value (EMV)</u>	<u>Tax Capacity as a Percent of EMV</u>
\$ 141,423,653	44.29	\$ 11,463,977,000	1.23%
148,568,885	40.93	12,080,139,600	1.23%
157,541,328	40.57	12,802,264,000	1.23%
166,149,739	40.05	13,472,272,600	1.23%
175,989,669	39.56	14,348,825,000	1.23%
180,559,263	39.74	14,695,644,300	1.23%
181,452,621	40.73	15,010,645,700	1.21%
209,088,795	38.01	17,110,031,100	1.22%
216,347,051	39.82	17,684,661,400	1.22%
216,303,328	43.94	17,829,538,800	1.21%

CITY OF BLOOMINGTON, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Table 6

Fiscal Year	Direct Rate - City of Bloomington			Overlapping Rates*			Total
	Operating	Debt	Total	School District	County	Other Districts	
2016	40.95	3.34	44.29	24.25	45.36	12.38	126.28
2017	37.88	3.05	40.93	20.63	44.09	12.13	117.77
2018	37.70	2.87	40.57	20.76	42.81	11.73	115.87
2019	36.95	3.10	40.05	20.13	41.86	11.25	113.29
2020	36.20	3.35	39.56	19.86	41.08	10.86	111.35
2021	36.47	3.28	39.74	20.25	38.21	10.43	108.63
2022	37.22	3.51	40.73	21.51	38.54	10.45	111.23
2023	34.49	3.53	38.01	17.31	34.54	9.29	99.15
2024	36.16	3.66	39.82	18.09	34.68	9.31	101.89
2025	40.01	3.93	43.94	19.86	37.08	10.68	111.56

Sources: Hennepin County and City of Bloomington Assessing Division

*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners. Although County property tax rates apply to all City property owners, the Other Districts rates apply only to property owners whose property is located within certain geographic boundaries.

For example, a small percentage of Bloomington taxpayers pay school district taxes to schools in neighboring communities. Also, the Other Districts rates include Watershed taxing districts, of which there are four different rates depending on location of parcels in Bloomington.

CITY OF BLOOMINGTON, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Table 7

Taxpayer	Payable 2025			Payable 2016		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Mall of America	\$18,630,578	1	8.05%	\$18,300,554	1	11.89%
Opal Holdings	6,352,240 ^(a)	2	2.75%	-	-	-
Kraus-Anderson	2,365,706	3	1.02%	2,197,066	3	1.43%
Carlson Companies	1,742,180	4	4.77%	1,592,426	4	1.03%
Workspace Property Trust	1,576,528 ^(b)	5	0.68%	-	-	-
HealthPartners	1,230,442	6	3.37%			
Hampshire 10660 LLC (Audenn)	1,175,000	7	0.51%			
ML CASA II (Avalon at Devonshire)	1,161,175	8	3.18%			
Bcs3 Housing LLC (The Fenley)	1,146,368	9	0.50%			
Mdewakanton Sioux	1,130,000	10	0.49%	-	-	-
Metropolitan Life Insurance	-	-	-	6,680,000 ^(a)	2	4.34%
Gramercy Property Trust	-	-	-	1,582,580	5	1.03%
Liberty Property LP	-	-	-	1,471,260 ^(b)	6	0.96%
Frauenshuh	-	-	-	1,111,259	7	0.72%
Artis REIT	-	-	-	1,028,020	8	0.67%
DRA Advisors	-	-	-	1,017,260	9	0.66%
KBS Capital Advisors	-	-	-	1,012,000	10	0.66%
Total	\$36,510,217		25.33%	\$35,992,425		23.38%
Total All Property	\$231,334,875			\$153,929,341		

Source: City of Bloomington Assessing Division

Note: Tax capacity values above relate to the prior year's assessment.

^(a) Normandale Lake Office Park sold by Teachers Insurance to Equity Group in August 2012, who then sold to Metropolitan Life in October 2014. Metropolitan Life sold in July 2022 to Opal Holdings.

^(b) Liberty Property Trust properties sold to Workspace Property Trust in October 2016.

CITY OF BLOOMINGTON, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Table 8

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Delinquent Collections in Subsequent Years ^(a)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 52,845,452	\$ 52,561,489	99.46%	\$ (336,619)	\$ 52,224,870	98.83%
2017	55,883,748	55,477,456	99.27%	(562,215)	54,915,241	98.27%
2018	58,398,517	58,069,379	99.44%	(341,739)	57,727,640	98.85%
2019	61,756,432	61,429,758	99.47%	(18,365)	61,411,393	99.44%
2020	64,689,863	64,078,788	99.06%	33,658	64,112,446	99.11%
2021	66,468,834	65,703,985	98.85%	(237,125)	65,466,860	98.49%
2022	68,296,727	67,670,986	99.08%	(272,748)	67,398,238	98.68%
2023	74,545,878	71,824,702	96.35%	1,597,826	73,422,528	98.49%
2024	80,484,270	79,285,955	98.51%	(7,440)	79,278,515	98.50%
2025	87,876,211	86,218,272	98.11%	-	86,218,272	98.11%

Source: City of Bloomington Finance Department

^(a) Negative amounts in the "Delinquent Collection in Subsequent Years" column reflect reductions of assessed property values.

CITY OF BLOOMINGTON, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities					Total Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	Sales Tax Revenue Bonds	Subscription Payables		Revenue Bonds			
2016	7,180,000	55,489,159	4,770,000	-	-	67,439,159	-	67,439,159	1.5%	790
2017	5,520,000	54,392,867	4,635,000	-	-	64,547,867	1,170,000	65,717,867	1.4%	765
2018	6,320,000	48,597,893	4,105,000	-	-	59,022,893	12,656,987	71,679,880	1.5%	838
2019	7,290,000	47,079,614	10,660,000	-	-	65,029,614	14,144,480	79,174,094	1.6%	932
2020	5,980,000	46,198,333	13,668,540	-	-	65,846,873	13,516,973	79,363,846	1.4%	882
2021	6,525,000	45,018,787	14,083,540	-	-	65,627,327	12,659,466	78,286,793	1.3%	861
2022	18,040,000	52,727,039	15,275,000	-	-	86,042,039	11,771,959	97,813,998	1.6%	1,082
2023	17,435,000	46,003,856	15,060,000	-	-	78,498,856	10,844,451	89,343,307	1.4%	976
2024	26,877,619	39,111,662	14,740,569	35,118,499	838,532	116,686,881	9,881,945	126,568,826	1.8%	1,379
2025	40,932,036	36,434,339	14,213,229	132,774,911	673,595	225,028,110	8,869,438	233,897,548	3.2%	2,526

Source: City of Bloomington Finance Department

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

^(a) See Table 14 for personal income and population data.

CITY OF BLOOMINGTON, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Debt			Total	Less Debt Service Fund Balance	Net Bonded Debt	Percentage of Estimated Market Value of Property ^(a)	Net Bonded Debt Per Capita ^(b)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds					
2016	\$ 7,180,000	\$ 55,489,159	\$ 4,770,000	\$67,439,159	\$ 23,725,327	\$ 43,713,832	0.38%	\$ 512
2017	5,520,000	54,392,867	4,635,000	64,547,867	21,701,505	42,846,362	0.35%	499
2018	6,320,000	48,597,893	4,105,000	59,022,893	17,109,882	41,913,011	0.33%	490
2019	7,290,000	47,079,614	10,660,000	65,029,614	17,580,823	47,448,791	0.35%	559
2020	5,980,000	46,198,333	13,668,540	65,846,873	20,742,551	45,104,322	0.31%	501
2021	6,525,000	45,018,787	14,083,540	65,627,327	20,664,346	44,962,981	0.31%	494
2022	18,040,000	52,727,039	15,275,000	86,042,039	18,217,700	67,824,339	0.45%	750
2023	17,435,000	46,003,856	15,060,000	78,498,856	19,390,625	59,108,231	0.35%	646
2024	26,877,619	39,111,662	14,740,569	80,729,850	24,135,699	56,594,151	0.32%	617
2025	40,932,036	36,434,339	14,213,229	91,579,604	22,046,629	69,532,975	0.39%	751

Source: City of Bloomington Finance Department

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

^(a) See Table 5 for estimated market value data.

^(b) See Table 14 for population data.

CITY OF BLOOMINGTON, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2025

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^(a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
School Districts:			
ISD No. 271	\$171,120,000	99.99%	\$171,102,888
ISD No. 272	101,235,000	0.36%	364,446
ISD No. 273	162,540,000	0.85%	1,381,590
Other debt:			
Hennepin County	1,222,750,000	7.03%	85,959,325
Hennepin County Park District	58,630,000	9.45%	5,540,535
Hennepin Regional RR Authority	71,980,000	7.03%	5,060,194
Metropolitan Council	12,100,000	3.14%	379,940
Metro Transit	223,650,000	3.72%	8,319,780
Subtotal - overlapping debt			278,108,698
City direct debt ^(b)	225,028,110	100.00%	225,028,110
Total direct and overlapping debt			<u>\$503,136,808</u>

Source: Hennepin County

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

^(a) The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

^(b) Excludes business-type debt.

CITY OF BLOOMINGTON, MINNESOTA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$343,919,310	\$362,404,188	\$384,067,920	\$404,168,178
Total net debt applicable to limit	<u>3,884,062</u>	<u>4,114,836</u>	<u>4,895,008</u>	<u>5,720,003</u>
Legal debt margin	<u>\$340,035,248</u>	<u>\$358,289,352</u>	<u>\$379,172,912</u>	<u>\$398,448,175</u>
Total net debt applicable to the limit as a percentage of debt limit	1.13%	1.14%	1.27%	1.42%

Source: City of Bloomington Finance Department

Note: Under State finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

For example, in 2025 the debt limit was \$534,886,164, the total net debt applicable to the limit was \$35,432,384, and the City could issue up to an additional \$499,453,780 of general obligation debt and still be in compliance with the above statute.

Table 12

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$430,464,750	\$440,869,329	\$450,319,371	\$513,300,933	\$530,539,842	\$534,886,164
<u>4,129,028</u>	<u>5,796,236</u>	<u>16,943,503</u>	<u>15,958,179</u>	<u>22,979,444</u>	<u>35,432,384</u>
<u>\$426,335,722</u>	<u>\$435,073,093</u>	<u>\$433,375,868</u>	<u>\$497,342,754</u>	<u>\$507,560,398</u>	<u>\$499,453,780</u>
0.96%	1.31%	3.76%	3.11%	4.33%	6.62%

Legal Debt Margin Calculation for Fiscal Year 2025

Market value	<u>\$17,829,538,800</u>
Debt limit (3% of market value)	<u>534,886,164</u>
Debt applicable to limit:	
General obligation bonds	38,225,000
Less: Amount set aside for repayment of general obligation debt	<u>(2,792,616)</u>
Total net debt applicable to limit	<u>35,432,384</u>
Legal debt margin	<u>\$499,453,780</u>

CITY OF BLOOMINGTON, MINNESOTA

PLEGDED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Enterprise Revenue Bonds ^(a)						Improvement Bonds ^(b)			
	Pledged Service Charges	Less Operating Expenses ^(c)	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2016	\$ -	\$ -	\$ -	\$ -	\$ -	0.00	\$3,752,488	\$5,940,000	\$1,320,498	0.52
2017	25,149,599	22,781,314	2,368,285	-	23,746	99.73	3,617,854	6,330,000	1,355,018	0.47
2018	34,227,654	25,444,879	8,782,775	110,000	43,073	57.38	3,978,335	11,420,000	1,360,135	0.31
2019	33,727,328	26,553,698	7,173,630	105,000	341,918	16.05	3,457,212	6,340,000	1,331,524	0.45
2020	34,617,565	27,581,704	7,035,861	575,000	553,253	6.24	3,780,307	6,510,000	1,414,097	0.48
2021	38,811,024	26,769,228	12,041,796	805,000	512,483	9.14	3,450,022	6,670,000	1,370,876	0.43
2022	39,737,879	29,700,445	10,037,434	835,000	475,108	7.66	3,494,919	6,560,000	1,435,219	0.44
2023	44,036,214	30,559,288	13,476,926	875,000	434,933	10.29	2,828,269	6,605,000	2,368,532	0.32
2024	43,228,162	32,202,527	11,025,635	910,000	391,833	8.47	3,017,820	6,950,000	2,062,193	0.33
2025	45,555,555	33,209,756	12,345,799	960,000	348,633	9.43	2,537,680	7,375,000	2,186,395	0.27

Source: City of Bloomington Finance Department

^(a) From 2017 to present, the enterprise bonds have pledged revenues from the water utility, storm water utility, and special assessments.

^(b) Both improvement bonds and tax increment bonds are general obligation bonds and have tax levy authority to cover all debt requirements. In 2018 the City had advanced refunding bonds that refunded the original issue.

^(c) Operating expenses do not include depreciation.

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

Table 13

Tax Increment Collections	Tax Increment Bonds ^(b)			Sales Tax Collections	Sales Tax Revenue Bonds		
	Debt Service		Coverage		Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$1,179,405	\$125,000	\$104,090	5.15	\$ -	\$ -	\$ -	0.00
1,486,003	135,000	116,415	5.91	-	-	-	0.00
1,626,230	530,000	119,629	2.50	-	-	-	0.00
1,641,424	545,000	111,859	2.50	-	-	-	0.00
1,696,122	540,000	103,119	2.64	-	-	-	0.00
1,888,380	560,000	108,732	2.82	-	-	-	0.00
2,691,175	570,000	56,089	4.30	-	-	-	0.00
2,811,938	190,000	22,841	13.21	-	-	-	0.00
2,263,905	190,000	20,942	10.73	9,982,343	-	-	0.00
2,648,871	195,000	19,018	12.38	15,706,960	-	1,195,462	13.14

CITY OF BLOOMINGTON, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 14

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	
					Bloomington	Metropolitan Area
2016	85,319	\$4,446,570,323	52,117	9,727	3.4%	3.6%
2017	85,866	\$4,554,590,238	53,043	10,136	2.8	2.9
2018	85,578	\$4,824,374,172	56,374	10,171	2.7	2.8
2019	84,943	\$5,069,653,069	59,683	10,182	2.8	3.0
2020	89,987	\$5,537,799,980	61,540	10,009	4.9	4.5
2021	90,974	\$5,957,523,364	65,486	9,622	2.4	2.4
2022	90,438	\$6,150,688,380	68,010	9,805	2.9	2.8
2023	91,537	\$6,578,398,042	71,866	9,802	2.5	2.4
2024	91,769	\$6,877,444,167	74,943	9,775	2.4	2.5
2025	92,613	\$7,273,639,794	78,538	9,727	3.8	4.0

Sources: (1) U.S. Census estimates were used for 2016 through 2020.
 Metropolitan Council estimates were used from the 2021 report and going forward.
 (2) Minnesota per capita income, as published by Bureau of Economic Analysis
 (3) Bloomington School District #271
 (4) Minnesota Department of Employment and Economic Development, based on December rates

CITY OF BLOOMINGTON, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 15

Employer	2025			2016		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Mall of America Tenants	11,000	1	12%	13,000	1	14%
HealthPartners	3,282	2	4%	3,234	2	4%
Bloomington School District #271	1,880	3	2%	1,940	3	2%
Evernorth Health Svs (fka Express Scripts)	1,309	4	1%	638	10	1%
Seagate Technology	1,304	5	1%	1,580	4	2%
Toro Company	1,110	6	1%	990	6	1%
Donaldson Company	1,095	7	1%	1,002	5	1%
Normandale Community College	787	8	1%	-	-	-
General Dynamics	728	9	1%	678	9	1%
Josten's Inc.	694	10	1%	-	-	-
Pearson	-	-	-	959	7	1%
Barr Engineering	-	-	-	727	8	1%
Total	23,189		26%	24,748		28%
Total City Employment	89,144			89,959		

Sources: (1) City of Bloomington Finance Department

CITY OF BLOOMINGTON, MINNESOTA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31			
	2016	2017	2018	2019
Governmental activities:				
General services	82	84	82	74
Development services	69	71	71	84
Public works	118	121	122	121
Public safety	165	165	165	167
Community services	59	55	52	52
Total governmental activities	<u>493</u>	<u>496</u>	<u>492</u>	<u>498</u>
Business-type activities:				
Water/wastewater	54	54	54	53
Storm water	12	12	12	12
Recreational facilities	18	18	18	15
Solid waste management	1	1	1	1
Contractual police	-	-	-	-
Motor vehicle	6	6	6	6
Total business-type activities	<u>91</u>	<u>91</u>	<u>91</u>	<u>87</u>
Total	<u><u>584</u></u>	<u><u>587</u></u>	<u><u>583</u></u>	<u><u>585</u></u>

Source: City of Bloomington Finance Department

^(a) In 2023, the City transitioned from a part-time paid-on-call fire department to a hybrid model incorporating both part-time and full-time firefighters. This included the addition of 25 full-time firefighters, with 18 of these positions funded for three years by a SAFER (Staffing for Adequate Fire and Emergency Response) grant administered by the Federal Emergency Management Agency (FEMA). In 2025, the City received an additional SAFER grant to hire 18 more firefighters.

^(b) In 2024, the City transitioned 28 Park Maintenance Employees from Public Works to Community Services.

Table 16

Full-Time Equivalent Employees as of December 31						
2020	2021	2022	2023	2024	2025	
74	73	76	83	84	90	
84	76	79	82	84	87	
121	118	119	119	92 ^(b)	96	
167	167	170	200 ^(a)	210	237 ^(a)	
52	53	54	58	90 ^(b)	100	
<u>498</u>	<u>487</u>	<u>498</u>	<u>542</u>	<u>560</u>	<u>610</u>	
53	52	52	53	53	53	
12	11	11	11	11	11	
15	11	12	11	11	14	
1	1	1	2	2	2	
-	-	-	-	-	-	
6	-	-	-	-	-	
<u>87</u>	<u>75</u>	<u>76</u>	<u>77</u>	<u>77</u>	<u>80</u>	
<u>585</u>	<u>562</u>	<u>574</u>	<u>619</u>	<u>637</u>	<u>690</u>	

CITY OF BLOOMINGTON, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
General services:				
New full-time employees hired	46	40	40	48
Criminal case scheduled appearances	22,000	20,000	20,876	20,750
Purchase orders issued	995	878	767	779
Development services:				
Permits issued	11,856	10,859	10,568	10,600
Estimated value of permits	\$185,368,384	\$304,605,776	\$391,619,950	\$411,122,855
Public works:				
Street resurfacing (miles)	38	41	40	41
Street sweeping (tons of material)	2,850	3,475	2,950	3,150
Public safety:				
Bookings	2,320	2,256	2,112	2,454
DWI's	363	423	371	474
Part 1 crimes ^(c)	3,035	2,812	2,775	3,115
Group A crimes ^(d)	-	-	-	-
Fire department emergency responses	1,769	1,802	1,692	2,451 ^(e)
Fires extinguished	166	175	209	255
Fire inspections	2,219	3,024	2,955	3,274
Fire investigations	115	62	47	67
Community services:				
City website pageviews	1,629,355	1,846,618	1,965,802	2,841,638
Number of E-Subscribers	21,464	23,750	25,515	28,583
Influenza immunizations	2,795	2,666	2,808	2,803
Business-type activities:				
Water/wastewater utility:				
Average daily consumption (gallons)	10,360,000	9,990,000	10,100,000	9,436,000
Average daily sewage treatment (gallons)	8,100,000	7,520,000	7,879,000	7,360,000
Storm water utility:				
Storm mains inspected (miles)	12	8	8	8
Recreational facilities:				
Golf course rounds played	57,599	53,373	55,885	53,675
Ice garden hours	9,752	9,838	9,103	9,722
Solid waste management:				
Biennial bulky trash clean-up (tons)	1,949	1,807	1,425	1,536
Annual bulky recycling/reuse pick-up (tons)	-	-	-	-
Contractual police:				
Overtime hours billed	25,666 ⁽ⁱ⁾	10,284	14,924	10,033

Sources: Various City of Bloomington departments.

^(a) The large increase in hiring was due to a combination of post-pandemic market competitiveness and resulting employee turnover. Additionally, the City added a number of new positions to its budget to better meet the changing needs of the City.

^(b) Due to pandemic impacts, several City areas experienced significant closures and service reductions.

^(c) Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, theft, auto theft, and arson - serious offenses, as classified by the FBI using the Summary Reporting System (SRS).

^(d) In September 2020, the City changed to the National Incident-Based Reporting System (NIBRS). Group A crimes include an expanded classification of serious offenses.

Table 17

Fiscal Year						
2020	2021	2022	2023	2024	2025	
31	49	103 ^(a)	101	97	81	
18,177	18,441	21,943	26,303	31,050	30,955	
577	553	603	610	703	756	
9,880	10,502	11,925	11,941	16,352	16,266	
\$420,614,800	\$389,171,071	\$549,375,264	\$345,891,877	\$500,044,779	\$540,667,281	
13 ^(b)	43	34	33	39	33	
3,525	3,675	3,250	3,590	3,120	3,250	
1,829 ^(b)	1,673	1,654	1,934	1,849	1,806	
212	187	228	219	268	187	
1,590 ^(c)	-	-	-	-	-	
2,328 ^(d)	6,303	6,239	6,640	5,756	5,230	
3,195	4,781	5,131	7,962 ^(f)	10,477	11,771	
229	206	194	177	185	147	
2,323	1,846	2,422	2,237	2,322	1,995	
69	54	76	85	81	78	
3,492,462	3,620,912	5,700,654	5,517,225	2,211,447 ^(g)	4,412,818	
29,200	32,118	33,408	35,985	37,518	39,689	
2,348	1,762	1,612	1,329	933	951	
9,246,000	10,300,000	9,400,000	9,940,000	8,722,000	9,528,970	
7,410,000	7,036,000	7,240,000	7,280,000	7,307,000	6,570,445	
8	8	8	10	9	14	
45,027 ^(b)	50,501	49,089	51,357	53,356	53,674	
4,967 ^(b)	9,148	10,191	10,848	10,923	5,136 ^(h)	
1,894	1,538	954	- ⁽ⁱ⁾	1,532	-	
-	-	-	124.5 ⁽ⁱ⁾	309.4	128.5	
6,587 ^(b)	7,717	12,535	20,018 ⁽ⁱ⁾	16,454	18,488	

^(f) Fulltime firefighters were added to the paid on-call Fire Department in 2023, allowing for quicker responses. With the addition of upgraded equipment, the new "combination" department became the primary responder to most medical emergencies.

^(g) Google Analytics changed how page views are counted in mid-2023.

^(h) In 2025, the Ice Garden was closed for 4 months to complete a major renovation.

⁽ⁱ⁾ In 2023, the City moved to a biennial curbside bulky trash and appliance pickup day and added monthly curbside pickup for reusable and recyclable bulky items, as well as an annual bulky drop-off recycling event open to all residents. Annual tonnage may vary significantly between even and odd years and may increase in years when all services are offered.

CITY OF BLOOMINGTON, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Public works:				
Streets (miles)	342	342	342	342
Streetlights	4,361	4,380	4,456	4,456
Traffic signals	143	143	143	143
Emergency vehicle pre-emption systems	122	122	122	122
Emergency outdoor warning sirens	22	22	22	22
Public safety:				
Police stations	1	1	1	1
Patrol units - marked and unmarked	37	37	38	38
Police admin and investigative vehicles	27	29	30	30
Fire stations	6	6	6	6
Community services:				
Community center	1	1	1	1
Skate park	1	1	1	1
Bike skills park	-	-	-	-
Playgrounds/playlots	54	53	53	53
Baseball/softball diamonds	61	61	60	60
Soccer/football fields	22	22	22	22
Tennis courts	50	50	50	50
Picnic shelters/gazebos	22	22	23	23
Business-type activities:				
Water/wastewater utility:				
Water mains (miles)	498	501	503	505
Fire hydrants	4,676	4,677	4,712	4,737
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	385	385	384	385
Storm water utility:				
Storm sewers (miles)	252	237	241	262
Recreational facilities:				
Swimming beaches	1	1	1	1
Swimming pools	1	1	1	1
Golf courses	2	2	2	2
Indoor ice rinks	3	3	3	3

Sources: Various City of Bloomington departments.

Note: No capital asset indicators are available for the general services, development services, solid waste, or contractual police functions.

Table 18

Fiscal Year					
2020	2021	2022	2023	2024	2025
342	342	340	340	340	340
4,456	4,138	4,115	4,117	4,120	4,125
143	143	143	143	142	140
122	122	122	122	121	120
22	22	22	22	22	22
1	1	1	1	1	1
38	38	50	51	51	55
30	30	30	32	33	36
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	2
-	-	-	-	-	1
53	53	53	53	53	53
60	60	58	58	58	58
22	22	22	22	22	22
50	50	48	48	48	48
23	23	23	23	23	23
505	508	509	514	516	516
4,773	4,787	4,811	4,860	4,876	4,876
44,000,000	44,000,000	30,000,000	30,000,000	30,000,000	30,000,000
385	385	385	397	397	397
235	226	228	233	241	241
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	1	1
3	3	3	3	3	3



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