City of Fridley, Minnesota

Annual Comprehensive Financial Report

For the year ended December 31, 2025

FridleyMN.gov/233/City-Financials

City of Fridley
Friendly, Responsive & Driven

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CITY OF FRIDLEY, MINNESOTA

Annual Comprehensive Financial Report

For The Year Ended December 31, 2025

Prepared by:
Finance Department

Joseph Starks
Finance Director

City of Fridley

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I. INTRODUCTORY SECTION

City of Fridley
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Fridley Civic Campus
7071 University Ave N.E. Fridley, MN 55432
763-571-3450 | FAX: 763-571-1287 | FridleyMN.gov

June 1, 2026

To the Citizens of the City of Fridley,
Mayor and Council Members

The Annual Comprehensive Financial Report (ACFR) of the City of Fridley, Minnesota (City), for the fiscal year ended December 31, 2025, is submitted herewith:

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City believes that the data, as presented, is accurate in all material aspects. The data is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity 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's MD&A may be found immediately following the report of the independent auditors.

All City funds, departments, commissions, and other organizations for which the City is financially accountable are presented within the ACFR. The City provides a full range of services to its citizens, including police and fire protection; water and sanitary sewer utilities; the construction and maintenance of streets and sidewalks; recreational facilities; commercial and residential real estate development coordination; and general administrative services. The Housing and Redevelopment Authority (HRA) is included in the reporting entity as a component unit of the City as the governing board is appointed by the City Council and because of the City's financial relationship with the HRA.

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, the City Charter, the Fridley City Code and other applicable actions of the City Council.

PROFILE OF THE CITY

The City is a first–ring suburban community with a population of 30,679, according to the current census estimate. The City is located 10 minutes north of downtown Minneapolis and 25 minutes northwest of downtown St. Paul. Incorporated in July of 1949, the City covers about 11 square miles and is home to some of the most important industries in the world. An "industrial spine" around the rail corridor has served the City well and has provided the community with nearly as many jobs as the number of residents. The City is home to the largest number of employees in Anoka County.

LOCAL ECONOMY

The local economy in 2025 reflects a diversified suburban employment base anchored by manufacturing, healthcare, and retail sectors. With roughly 24,000 workers, the city's largest industries include manufacturing, health care and social assistance, and retail trade, illustrating a balanced mix of industrial and service-oriented employment.

Major employers such as Medtronic, Cummins, and Unity Medical Center continue to play a central role in sustaining the city's economic stability, while a Target distribution center reinforces Fridley's importance in regional logistics and warehousing. The presence of these large employers contributes to Fridley having a high jobs-to-residents ratio, with many workers commuting into the city even as residents often work elsewhere in the Minneapolis–Saint Paul metropolitan area.

In 2025, local economic development efforts focused on infrastructure investment, business retention, and housing improvements. The city reported over $50 million in infrastructure upgrades and several multi-million-dollar development projects, including commercial expansions and new housing construction, signaling continued growth and reinvestment. Additionally, business outreach programs indicated that several local firms were expanding, and workforce challenges had eased compared to prior years, suggesting a gradual stabilization of the labor market.

Household economic indicators further reflect moderate prosperity, with a median household income of approximately $77,680 and a labor force participation rate near 70%. Retail activity remains strong, generating over $780 million in annual sales, while healthcare and transportation sectors also contribute significantly to the local economy.

Overall, Fridley's 2025 economy is characterized by steady growth, strong institutional employers, and ongoing public and private investment, positioning the city as an important economic hub within the northern Twin Cities region.

LONG-TERM FINANCIAL PLANNING

As a fully developed community, the City continues to experience certain financial challenges. In order to maintain affordable housing and the corresponding tax base, the City must help protect its aging housing stock. The City also works diligently, through the budget process, to develop financial plans that emphasize reasonable tax rates, consistent service delivery, infrastructure investments, and good standing within the broader financial and local government community.

The City continues to focus on quality-of-life improvements throughout the community. These initiatives include revitalizing parks and public areas, maintaining and improving current City services, and increasing communication between City representatives and the public.

The City also continues to work closely with every level of government and other interested parties to improve transportation throughout the community, including major investment in area highways, roads and streets. Funding for these improvements comes largely from the State and certain federal agencies with additional monies levied through special assessment against benefiting properties and other applicable funds controlled by the City.

Annually, the City develops a five-year financial plan for all budgeted funds. The plans help the organization better understand the effects of certain public policy decisions and allow the City to make more proactive decisions regarding its financial position.

MAJOR INITIATIVES

In 2025, the City continued a number of projects in partnership with various public and private entities related to several infrastructure and redevelopment projects. The following non-exhaustive list outlines many of the more significant projects.

1. The City completed the 2025 Street Rehabilitation Project that included the Black Forest, North Innsbruck and South Innsbruck neighborhoods.

2. Improvements along University Avenue Corridor, funded by Federal funds through Minnesota Department of Transportation.

3. The City completed construction on Oak Hill Park, Jubilee Park, and Sylvan Hills Park. These were all funded through the City's Park System Improvement Plan (PSIP).

4. It was a solid year for development as the value for all building permits was approximately $48 million.

Moving into 2026, the City continues its effort to enhance and expand various programs and services while ensuring a fiscally responsible organization sensitive to the needs of the community. The 2026 Budget reflects these goals while also responding to various cost pressures and guidance from the City Council.

In 2026, construction and development began very strong. As of March 31, 2026, the value of new construction totaled approximately $31.8 million. The City has several large projects anticipated for 2026, including, but not limited to the following:

1. Following the design work for the 57th Avenue bridge, which was near completion in 2024, staff will be working with the legislature to secure a State match for our Federal funding award ($16 mil.) for bridge construction. In addition, acquisition of the right-of-way (3 small properties) to make way for the bridge will be necessary.

2. Coordination between the City of Fridley and the Metropolitan Council continues plans for the development of the former Girl Scout Camp for the Metropolitan Council Sanitary Pump Station.

3. Platting efforts and parcel consolidation are underway to prepare the property at the southeast quadrant of Central Avenue and Mississippi Street for development of additional housing. Planning and Housing and Redevelopment Authority staff continue to evaluate housing type and development layout.

4. The City plans to complete the 2026 Street Rehabilitation Project that includes approximately 2.1 miles of streets located in the Melody Manor Neighborhood.

5. The City plans to start design and/or construction at multiple City parks, including finishing construction on the largest park project: Commons, as well as Flanery part of the approved PSIP.

RELEVANT FINANCIAL POLICIES

In developing and improving the accounting system of the City, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from the same. The evaluation of costs and benefits are based on the reasonable estimates and judgments of City management.

All internal control evaluations occur within the above framework. The internal accounting controls of the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgets for the General, Special Revenue and Capital Projects Funds are adopted on an annual basis. Budgetary control is maintained in compliance with the City Charter. The City Charter provides that it is the duty of the City Manager to strictly enforce the provisions of the budget. The management policy of the City is such that the existence of a particular item or appropriation in the approved budget does not mean that it will or must be expended.

Budget adjustments between City departments are made upon the approval of a resolution by the City Council. The City Charter provides that the City Council shall not have power to increase the total amount of the budget, whether by insertion of new items or otherwise, beyond the estimated revenue unless the actual revenue exceeds such revenue estimates, and in that event not beyond such actual revenue. There is a monthly process to review actual revenues and expenditures. The City Council also adopts a revised budget annually to reflect on any material changes consistent with the City Charter.

Expenditures are not approved until it has been determined that the expenditure 1) meets a public purpose, 2) is necessary, 3) adequate funds have been appropriated; 4) funds are available; and 5) the authorization of the appropriation expenditure by the appropriate parties. As required by the City Charter, budgetary control is maintained within each department at the department level per the annually adopted budget resolution. This is the level of control at which expenditures may not legally exceed appropriations.

The purpose of the Fund Balance Policy is to establish appropriate fund balance levels for each fund that is primarily supported by property tax revenues or user fees. These policies will ensure that adequate resources are available to meet cash flow needs for carrying out the regular operations of the City. The funds addressed in this policy include the General Fund, Solid Waste Abatement Fund, Springbrook Nature Center Fund, Cable Television Fund, and all Enterprise Funds. In 2025, all the funds addressed by this policy, with the exception of the Springbrook Nature Center, met their fund balance guidelines.

The purpose of the Investment Policy is to develop an overall program and philosophy for cash investments, designed and managed with a high degree of professionalism and worthy of public trust. It establishes that elected and appointed officials as well as certain employees are custodians of a portfolio. It also establishes cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments and broker representations.

Section 7.13 of the City Charter requires an annual audit to be made of the books of account, financial records and transactions of all administrative departments of the City by a certified public accountant or the Office of the State Auditor. The accounting firm Redpath and Company was engaged by the City to render an opinion on the financial statements of the City. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2024. 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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City continues to strive to meet the requirements of the Certificate of Achievement Program and will continue submitting it to the GFOA to determine the eligibility for future certificates.

The preparation of this report could not have been accomplished without the dedicated services of all members of the Finance Department, with special recognition to Shannon Veeraboina, Assistant Finance Director, and the staff of the Accounting Division. Staff are also grateful for the professional guidance from the City auditors, Redpath and Company. Staff would also like to express appreciation to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and thoughtful manner.

Respectfully submitted,

Walter T. Wysopal
City Manager

Joe Starks
Finance Director/City Treasurer

City of Fridley

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fridley
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

City of Fridley
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CITY OF FRIDLEY, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
December 31, 2025

ELECTED OFFICIALS

		Term of Office Expires December
Mayor	David Ostwald	2028
Councilmember At Large	Patrick Vescio	2028
Councilmember, Ward I	Luke Cardona	2026
Councilmember, Ward II	Ryan Evanson	2026
Councilmember, Ward III	Ann R. Bolkcom	2026

APPOINTED OFFICIALS

City Manager	Walter T. Wysopal
City Attorney	Sarah J. Sonsalla
Prosecuting Attorney	City of Coon Rapids
Assistant City Manager/City Clerk	Melissa M. Moore

Department Heads:

Director of Finance and City Treasurer	Joseph A. Starks
Director of Public Safety	Ryan N. George
Director of Public Works	James P. Kosluchar
Director of Community Development	Paul A. Bolin
Director of Community Services	Michael W. Maher
Director of Employee Resources	Rebecca A. Hellegers

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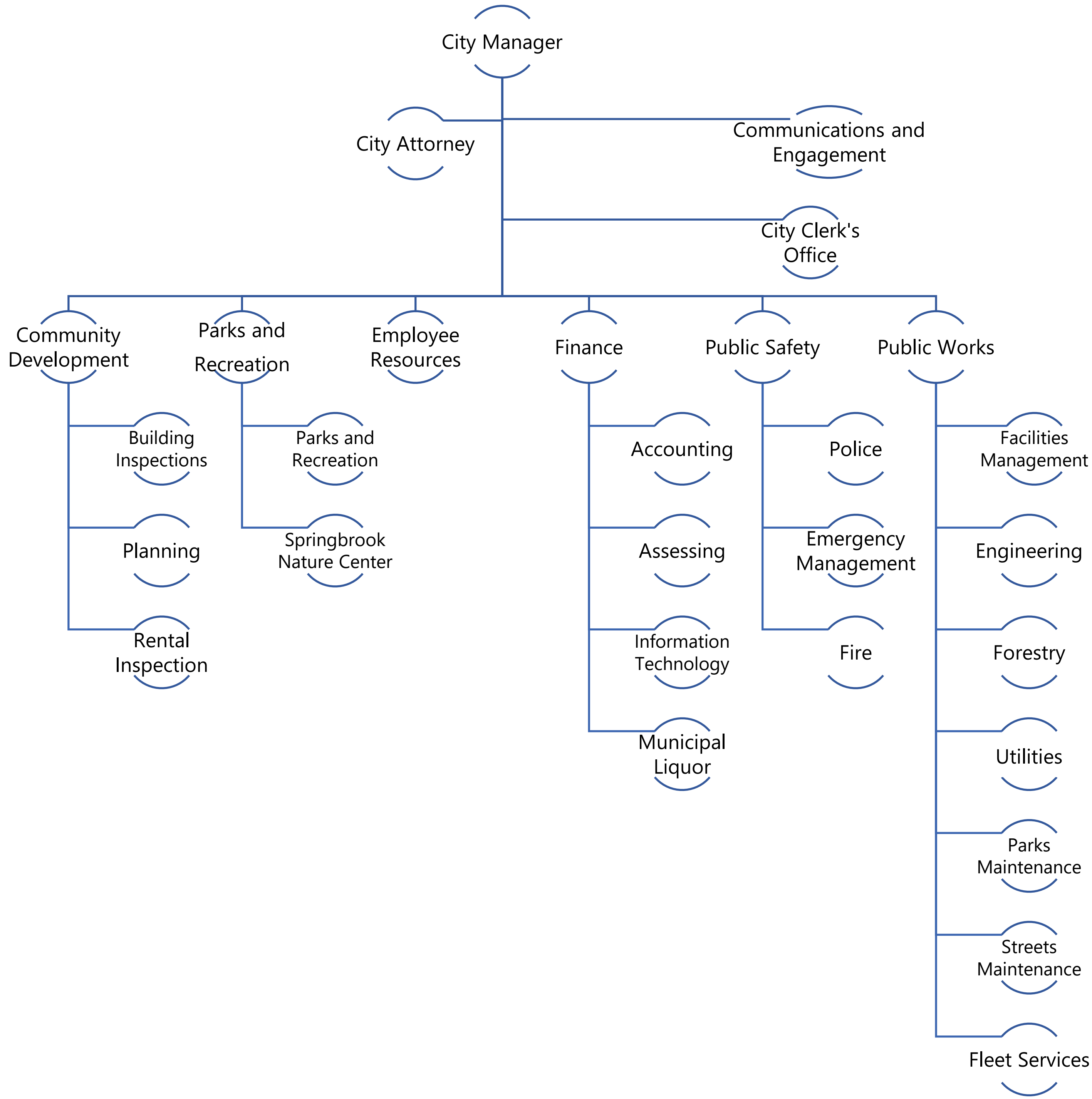
City Manager
City Attorney
Communications and Engagement
City Clerk's Office
Community Development
Building Inspections
Planning
Rental Inspection
Parks and Recreation
Parks and Recreation
Springbrook Nature Center
Employee Resources
Finance
Accounting
Assessing
Information Technology
Municipal Liquor
Public Safety
Police
Emergency Management
Fire
Public Works
Facilities Management
Engineering
Forestry
Utilities
Parks Maintenance
Streets Maintenance
Fleet Services

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II. FINANCIAL SECTION

City of Fridley

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Fridley, 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 unit, each major fund, and the aggregate remaining fund information of the City of Fridley, 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 Fridley, 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 unit, each major fund, and the aggregate remaining fund information of the City of Fridley, 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 Fridley, 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 Fridley, 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 Fridley, 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 Fridley, 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 schedule, 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 Fridley, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual 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 1, 2026 on our consideration of the City of Fridley, 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 Fridley, 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 Fridley, Minnesota's internal control over financial reporting and compliance.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 1, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fridley (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. The City encourages readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found in the table of contents within this report.

Financial Highlights

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $117,333,883 (net position). Of this amount, $42,454,590 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies. $66,916,564 is the City's net investment in capital assets, $5,566,172 is restricted for debt service, $1,076,320 is restricted for public safety aid, $292,211 is restricted for donations and special revenue funds.

During 2025, the City's total net position increased by $13,555,929. Of this amount, $13,147,727 is attributed to the capital investment through the City's Park System Improvement Plan, with the largest project being Commons Park. Another factor was that the City received $5,344,437 in grant revenues which was higher than anticipated. Investment earnings also continue to increase as interest rates remained high in addition to a positive net change in the book value versus the fair value.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $45,656,422. This is a decrease of $8,662,818 which is mainly due to Capital expenditures from the approved Park System Improvement Plan, which were funded with General Obligation Tax Abatement bond proceeds issued, received and recognized in 2022. Of this total amount, $7,724,976, or 17% is restricted through legal restrictions or third–party agreements mainly for grants, debt service and capital projects.

At the end of the current fiscal year, the General Fund balance of $14,500,535 included $164,359 in nonspendable for inventory and prepaids, $1,136,789 in restricted donations and aid, and $13,199,387 in unassigned fund balance.

The City's total debt decreased by $4,648,478 during the current fiscal year. Total debt outstanding at December 31, 2025, is $75,312,580. No new debt was issued in 2025. Subscription-based IT arrangements decreased by $130,814 and lease liabilities decreased by $263,027. In addition, compensated absences had a slight increase while all other debt decreased due to payments made during the year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government–wide financial statements; 2) fund financial statements; and 3) notes to the 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 a private sector business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resource, with the remainder reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government–wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e., governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., business–type activities). The governmental activities of the City include general government, public safety, public works, community development, and parks and recreation. The business–type activities of the City include Liquor, Water, Sewer and Storm Water.

The government–wide financial statements can be found on Exhibits A-1 and A-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 compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government–wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government–wide financial statement. By doing so, readers may better understand the long–term impact of the City's near term financial decisions. Both the expenditures and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual major 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, Debt Service, Street Improvements, Community Investment, and Park Improvements, 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 non–major governmental funds is provided in the form of combining statements as referred to in the table of contents of this report.

The City adopts an annual appropriated budget for its General Fund and four Special Revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits A-3 and A-4 of this report.

Proprietary funds. The City maintains four enterprise funds and two internal service funds as a part of its proprietary fund type. 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 Liquor, Water, Sewer, and Storm Water operations. The City uses internal service funds to account for its Employee Benefits and Self Insurance. Because these services predominately benefit governmental rather than business–type functions, they have been included within governmental activities in the government–wide financial statements.
Proprietary funds provide the same type of information as the government–wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Liquor, Water, Sewer, Storm Water and operations, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on Exhibits A-6 through A-8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government–wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits A-9 and A-10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government–wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents within this report.

Other information. The combining statements referred to earlier in connection with the non–major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found in the table of contents within this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $117,333,883 at the close of the most recent fiscal year.

A significant portion of the City's net position ($66,916,564 or 57%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Fridley's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$55,382,990	$64,133,603	$27,240,758	$23,498,677	$82,623,748	$87,632,280
Capital assets	99,532,427	88,070,181	30,931,842	29,353,648	130,464,269	117,423,829
Total assets	$154,915,417	$152,203,784	$58,172,600	$52,852,325	$213,088,017	$205,056,109
Total deferred outflows of resources	8,308,382	10,528,292	92,458	118,971	8,400,840	10,647,263
Long-term liabilities outstanding	$83,013,668	$88,078,299	$2,717,398	$3,193,830	$85,731,066	$91,272,129
Other liabilities	4,307,746	4,437,264	1,437,492	1,743,627	5,745,238	6,180,891
Total liabilities	$87,321,414	$92,515,563	$4,154,890	$4,937,457	$91,476,304	$97,453,020
Total deferred inflows of resources	12,635,356	14,437,234	43,314	35,164	12,678,670	14,472,398
Net position:						
Net investment in capital assets	$38,552,943	$33,000,597	$28,363,621	$26,254,840	$66,916,564	$59,255,437
Restricted	6,934,703	6,937,227	1,028,026	-	7,962,729	6,937,227
Unrestricted	17,779,383	15,841,455	24,675,207	21,743,835	42,454,590	37,585,290
Total net position	$63,267,029	$55,779,279	$54,066,854	$47,998,675	$117,333,883	$103,777,954

Net position was negatively impacted by $10,994,920 at December 31, 2025 due to pension–related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	7,128,634
Deferred inflows of resources	(10,253,213)
Noncurrent liabilities	(7,870,341)
Total	($10,994,920)

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of $42,454,590 in unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

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

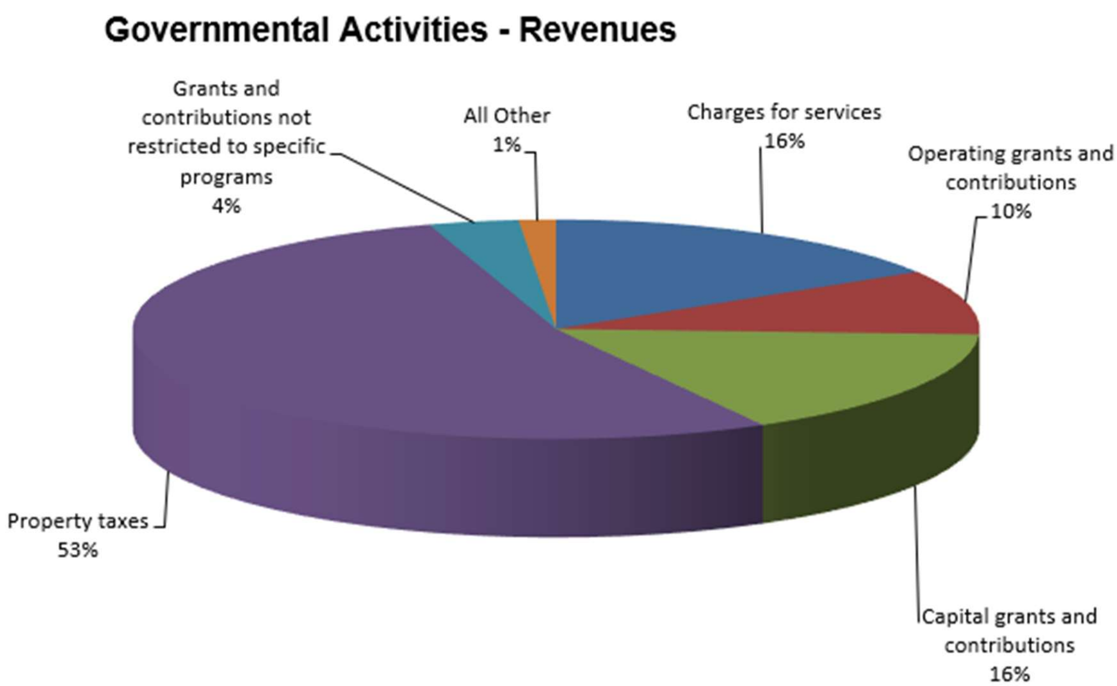
Governmental Activities

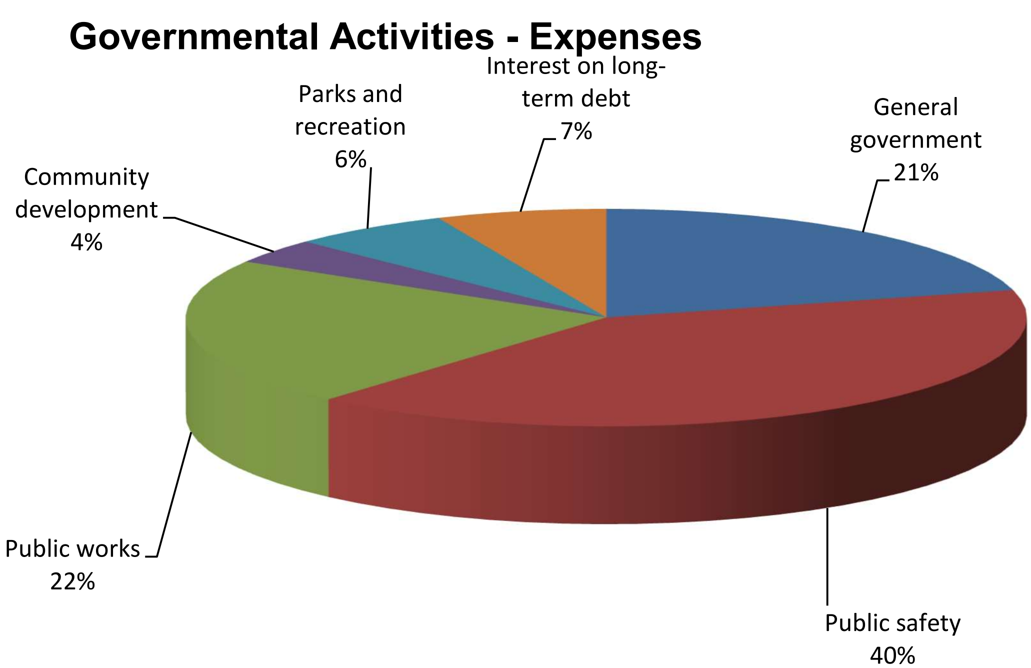
Governmental activities increased the City's net position by $7,487,750 Some of the largest factors contributing to this increase are a gain on investment earnings of $2,475,234 and an increase in net investments in capital assets in the amount of $5,552,346.

City of Fridley's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$6,452,947	$6,396,123	$20,777,656	$20,357,807	$27,230,603	$26,753,930
Operating grants and contributions	3,771,794	3,033,088	207,643	17,916	3,979,437	3,051,004
Capital grants and contributions	6,389,239	3,599,409	2,395,565	646,612	8,784,804	4,246,021
General revenues:						
Property taxes	21,106,661	20,385,478	-	-	21,106,661	20,385,478
Grants and contributions not restricted to specific programs	1,365,000	1,265,000	-	1,624,087	1,365,000	2,889,087
Unrestricted investment earnings	2,475,234	2,500,077	1,234,383	841,001	3,709,617	3,341,078
Gain on sale of property	68,967	231,673	34,024	37,583	102,991	269,256
Other	495,248	575,455	-	51	495,248	575,506
Total revenues	42,125,090	37,986,303	24,649,271	23,525,057	66,774,361	61,511,360
Expenses:						
General government	7,343,125	7,096,229	-	-	7,343,125	7,096,229
Public safety	14,207,428	12,764,224	-	-	14,207,428	12,764,224
Public works	7,757,884	7,099,559	-	-	7,757,884	7,099,559
Community development	1,301,120	1,391,923	-	-	1,301,120	1,391,923
Parks and recreation	2,155,626	2,031,169	-	-	2,155,626	2,031,169
Interest on long-term debt	2,300,657	2,458,238	-	-	2,300,657	2,458,238
Liquor	-	-	5,545,133	5,846,748	5,545,133	5,846,748
Water	-	-	3,543,556	3,516,145	3,543,556	3,516,145
Sewer	-	-	7,502,783	7,096,221	7,502,783	7,096,221
Storm water	-	-	1,561,120	1,562,427	1,561,120	1,562,427
Total expenses	35,065,840	32,841,342	18,152,592	18,021,541	53,218,432	50,862,883
Increase (decrease) in net position before transfers	7,059,250	5,144,961	6,496,679	5,503,516	13,555,929	10,648,477
Transfers	428,500	157,189	(428,500)	(157,189)	-	-
Increase in net position	7,487,750	5,302,150	6,068,179	5,346,327	13,555,929	10,648,477
Net position - January 1	55,779,279	50,477,129	47,998,675	42,652,348	103,777,954	93,129,477
Net position - December 31	$63,267,029	$55,779,279	$54,066,854	$47,998,675	$117,333,883	$103,777,954

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:

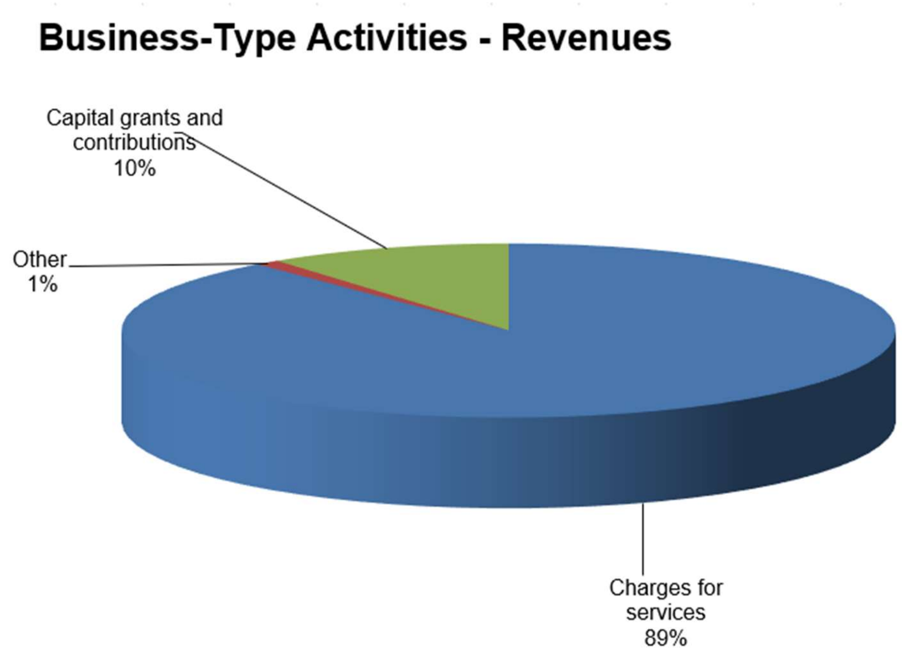


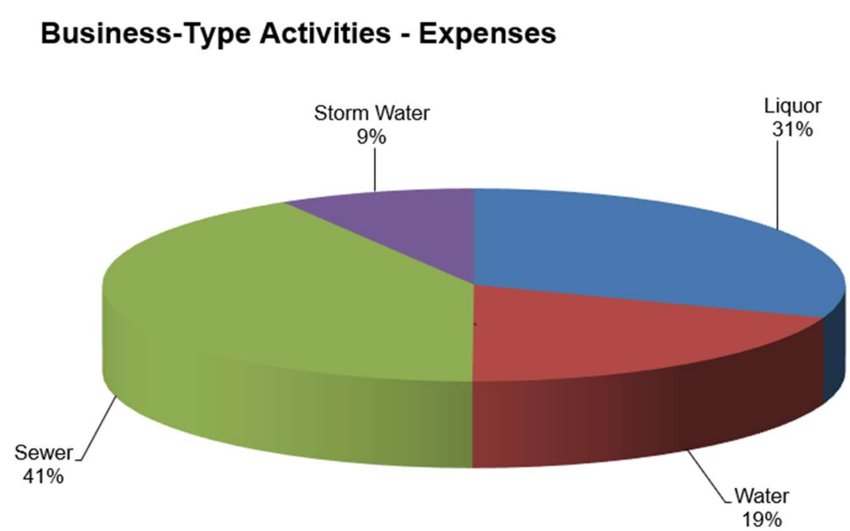


Business–Type Activities

Business-type activities increased net position by $6,068,179 This increase is primarily due to positive cash flow in all four of the City's Enterprise funds. In addition, federal grants being used for utility infrastructure equated to $1,234,383 with another $1,161,182 coming from State and Watershed grants.

Business–Type Activities – Program Revenues vs Operating Expenses





Financial Analysis of the Government's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near–term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $45,656,422.

The General Fund's fund balance increased by $725,587 in 2025. This was more than the $321,900, decrease anticipated fund balance with the 2025 amended budget. Revenue exceeded the amended budget by $201,844 largely due to investment income, which came in $538,495 over budget attributable to a continued high-rate environment which also led to an unrealized gain.

The Debt Service Fund balance increased by $1,470 in 2025. No additional debt was issued and paydowns continued as expected.

The Street Improvements Fund has an assigned fund balance of $1,109,053 and is identified as a major fund. The fund balance decreased by $406,101 in 2025. This fund has declined in balance due to the increasing cost of street projects. The need to raise additional revenue in this fund is a concern and the City is looking at various scenarios.

The Community Investment Fund has a committed fund balance of $15,765,769 and is identified as a major fund. The fund balance increased $838,152. The increase in fund balance is primarily due to a $773,015 in investment earnings. A portion of this fund balance will be used beginning in 2026 to continue a City-wide parks improvement project once all of the bond proceeds dedicated to this have been spent.

The Park Improvement Fund has a total Fund balance of $4,816,352. This is a decrease of $8,677,022 over the prior year. The main reason for this decrease is the spending down of the restricted balance for the General Obligation Tax Abatement bond proceeds for the approved Park System Improvement Plan which were issued received, received and recognized in 2022. The balance is now at $850,185, a decrease of $9,113,813 from 2024. The assigned fund balance of $3,931,281 is an increase of $401,905 over 2024. The majority of this increase came from investment earnings of $452,573.

Non–major special revenue funds increased by $38,627 in 2025. The majority of this increase took place in the Springbrook Nature Center fund. Increased program revenue and a payment from Centerpoint for a land easement are reasons for the increase.

Non–major capital project funds decreased by $1,183,531 in 2025. This decrease is primarily due to the Capital Equipment fund and the increasing costs associated with leasing vehicles and capital equipment purchases.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government–wide financial statements, but in more detail. The unrestricted net position in the respective proprietary funds is: Liquor, $1,786,270; Water, $9,151,667; Sewer, $7,910,756; and Storm Water, $5,751,518. The Liquor fund decreased in net position by $83,328. The decrease was primarily due to a shift in consumer behavior and reduction from pandemic levels.. The Water, Sewer, and Storm Water funds increased respectively in net position by $2,862,972, $973,215, and $2,112,921. The Water fund increase was due primarily to PFAS settlements received as well as increased investment income and 5% increase in utility rates. Sanitary and Storm Water increases were primarily due to rates increases respectively of 5.0% and 10%. The City is building up fund balance reserves due to increased infrastructure costs in the upcoming years.

Budgetary Highlights

General Fund

The original revenue and expenditure budgets were both amended. The majority of these adjustments made were due to unanticipated revenues that helped to offset increased expenditures. Two significant adjustments were made. An amendment was made for both expenditure and revenues for tree removal grants in the amount of $345,000. Another budget amendment for $301,500 both expenditures and revenues was made related to additional local affordable housing aid which was received by the City and transferred to the HRA housing program fund for applicable programming.

Operating expenditures in total were less than the final budgetary estimates by $508,143. This is largely due to vacancies in the City Manager's, Public Safety and Community Development departments.

Total revenues were greater than the final budgetary estimates by $201,844. This is largely due to investment income coming in over budget due to a continued positive interest rate environment.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2025, amounts to $130,464,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements other than buildings, machinery and equipment, infrastructure, construction in progress, lease building, and lease vehicles.

City of Fridley's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$5,692,954	$5,692,954	$699,047	$699,047	$6,392,001	$6,392,001
Buildings and structures	42,773,404	44,448,373	4,440,707	4,895,413	47,214,111	49,343,786
Improvements other than buildings	6,364,891	5,611,613	-	-	6,364,891	5,611,613
Machinery and equipment	7,803,862	7,352,913	1,586,252	1,370,816	9,390,114	8,723,729
Infrastructure	19,539,410	20,535,339	22,329,640	21,215,503	41,869,050	41,750,842
Construction in progress	16,155,247	3,007,520	1,335,454	486,791	17,490,701	3,494,311
Subscription-based IT arrangements	248,034	418,895	-	-	248,034	418,895
Lease building	-	-	381,299	170,203	381,299	170,203
Lease vehicles	954,625	1,002,574	159,443	515,875	1,114,068	1,518,449
Total Capital Assets	$99,532,427	$88,070,181	$30,931,842	$29,353,648	$130,464,269	$117,423,829

Additional information on the City's capital assets can be found in Note 6.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $69,615,000. This is a decrease of $3,740,000 from 2024. $38,630,000 is for General Obligation Improvement Debt, which is supported by special assessments and property tax levies. $10,370,000 is General Obligation Tax Increment Debt which is supported by tax increments. $18,750,000 is General Obligation Tax Abatement Bonds and $1,865,000 is General Obligation Utility Revenue Debt, which is financed by the respective Utility Fund. In addition, there is long–term debt in the amount of $1,519,520 for compensated absences, $2,588,738 of bond issuance premium/discount and $1,589,022 for lease liabilities and subscription-based IT arrangements.

Additional information on the City's long–term debt can be found in Note 7.

City of Fridley's Outstanding Debt

General Obligation Improvement Bonds, General Obligation Equipment Certificates, General Obligation Revenue Bonds, the related premiums or discounts, and Compensated Absences are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General Obligation Improvement Bonds	$38,630,000	$40,245,000	$ -	$ -	$38,630,000	$40,245,000
General Obligation Tax Increment Bonds	10,370,000	11,190,000	-	-	10,370,000	11,190,000
General Obligation Tax Abatement Bonds	18,750,000	19,765,000	-	-	18,750,000	19,765,000
General Obligation Revenue Bonds	-	-	1,865,000	2,155,000	1,865,000	2,155,000
Bond issuance premium/discount	2,527,580	2,826,693	61,158	72,995	2,588,738	2,899,688
Lease Liability	853,535	935,438	605,289	753,386	1,458,824	1,688,824
Subscription-based IT arrangements liability	130,198	261,012	-	-	130,198	261,012
Compensated Absences	1,519,820	1,359,242	-	-	1,519,820	1,359,242
Total	$72,781,133	$76,582,385	$2,531,447	$2,981,381	$75,312,580	$79,563,766

The City of Fridley has an Aa2 bond rating.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is $131,738,796. Only $38,630,000 of the City's outstanding debt is counted within the statutory limitation because all other debt is either wholly or partially repaid by revenues other than general property tax levies.

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 requests for additional financial information should be addressed to the Finance Director, 7071 University Avenue NE, Fridley, Minnesota 55432.

City of Fridley
Friendly, Responsive & Driven

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BASIC FINANCIAL STATEMENTS

City of Fridley
Friendly, Responsive & Driven

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Exhibit A-1

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
Assets:				
Cash and investments	$45,016,191	$21,585,127	$66,601,318	$28,481,221
Receivables:				
Accounts	292,697	4,648,880	4,941,577	747,786
Taxes	395,640	-	395,640	27,189
Special assessments	1,613,692	2,054	1,615,746	-
Mortgage	-	-	-	5,261,889
Notes	-	-	-	400,000
Interest	319,694	-	319,694	108,404
Due from component unit	553,077	-	553,077	-
Due from other governments	3,424,041	1,273,377	4,697,418	-
Internal balances	1,733,729	(1,733,729)	-	-
Prepaid items	137,766	556,859	694,625	-
Inventories - at cost	64,539	908,190	972,729	-
Lease receivable	1,831,924	-	1,831,924	-
Land held for resale	-	-	-	704,780
Capital assets (net of accumulated depreciation and amortization):				
Land	5,692,954	699,047	6,392,001	1,011,755
Buildings and structures	42,773,404	4,440,707	47,214,111	-
Improvements other than buildings	6,364,891	-	6,364,891	-
Machinery and equipment	7,803,862	1,586,252	9,390,114	-
Infrastructure	19,539,410	22,329,640	41,869,050	-
Construction in progress	16,155,247	1,335,454	17,490,701	-
Lease building	-	381,299	381,299	-
Lease vehicles	954,625	159,443	1,114,068	-
Subscription-based IT arrangements	248,034	-	248,034	-
Total assets	154,915,417	58,172,600	213,088,017	36,743,024
Deferred outflows of resources:				
Related to other post employment benefits	1,179,748	92,458	1,272,206	-
Related to pensions	7,128,634	-	7,128,634	-
Total deferred outflows of resources	8,308,382	92,458	8,400,840	-
Liabilities:				
Due to primary government	-	-	-	552,364
Accounts payable	634,840	622,652	1,257,492	1,137,735
Deposits payable	106,670	73	106,743	-
Contracts payable	1,252,669	36,774	1,289,443	-
Due to other governments	160,648	586,383	747,031	295,768
Salaries payable	1,055,922	124,817	1,180,739	-
Accrued interest payable	1,038,063	15,880	1,053,943	-
Unearned revenue	58,934	50,913	109,847	-
Compensated absences payable:				
Due within one year	997,411	-	997,411	-
Due in more than one year	522,409	-	522,409	-
Other post employment benefits payable:				
Due within one year	79,499	-	79,499	-
Due in more than one year	2,282,695	185,951	2,468,646	-
Lease liability:				
Due within one year	302,011	196,436	498,447	-
Due in more than one year	551,524	408,853	960,377	-
Subscription-based IT arrangements liability:				
Due within one year	130,198	-	130,198	-
Bonds payable:				
Due within one year	3,620,000	295,000	3,915,000	-
Due in more than one year	66,657,580	1,631,158	68,288,738	-
Net pension liability:				
Due in more than one year	7,870,341	-	7,870,341	-
Total liabilities	87,321,414	4,154,890	91,476,304	1,985,867
Deferred inflows of resources:				
Related to leases	1,831,924	-	1,831,924	-
Related to other post employment benefits	550,219	43,314	593,533	-
Related to pensions	10,253,213	-	10,253,213	-
Total deferred inflows of resources	12,635,356	43,314	12,678,670	-
Net position:				
Net investment in capital assets	38,552,943	28,363,621	66,916,564	1,011,755
Restricted for:				
Debt service	5,566,172	-	5,566,172	-
Tax increment purposes	-	-	-	12,020,920
Police forfeitures	84,440	-	84,440	-
Public safety	1,076,320	-	1,076,320	-
Cable television equipment	147,302	-	147,302	-
Donations	60,469	-	60,469	-
Capital improvements - water quality	-	1,028,026	1,028,026	-
Housing and redevelopment	-	-	-	336,094
Unrestricted	17,779,383	24,675,207	42,454,590	21,388,388
Total net position	$63,267,029	$54,066,854	$117,333,883	$34,757,157

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

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025

		Program Revenues
Functions/Programs	Expenses	Charges For Services
Primary government:		
Governmental activities:		
General government	$7,343,125	$2,334,517
Public safety	14,207,428	1,009,098
Public works	7,757,884	504,223
Community development	1,301,120	2,133,859
Parks and recreation	2,155,626	471,250
Interest on long-term debt	2,300,657	-
Total governmental activities	35,065,840	6,452,947
Business-type activities:		
Liquor	5,545,133	5,839,998
Water	3,543,556	4,647,249
Sewer	7,502,783	7,941,954
Storm water	1,561,120	2,348,455
Total business-type activities	18,152,592	20,777,656
Total primary government	$53,218,432	$27,230,603
Component unit:		
Housing and Redevelopment Authority	$4,778,990	$404,951
Total component unit	$4,778,990	$404,951

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

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
			Primary Government			
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
	$491,370	$ -	($4,517,238)	$ -	($4,517,238)	$ -
	2,375,553	-	(10,822,777)	-	(10,822,777)	-
	386,974	6,039,239	(827,448)	-	(827,448)	-
	462,361	-	1,295,100	-	1,295,100	-
	55,536	350,000	(1,278,840)	-	(1,278,840)	-
	-	-	(2,300,657)	-	(2,300,657)	-
	3,771,794	6,389,239	(18,451,860)	-	(18,451,860)	-
	-	-	-	294,865	294,865	-
	-	1,282,365	-	2,386,058	2,386,058	-
	207,643	-	-	646,814	646,814	-
	-	1,113,200	-	1,900,535	1,900,535	-
	207,643	2,395,565	-	5,228,272	5,228,272	-
	$3,979,437	$8,784,804	(18,451,860)	5,228,272	(13,223,588)	$ -
	$512,361	$ -				($3,861,678)
	$512,361	$ -				(3,861,678)
General revenues:						
Property taxes			21,106,661	-	21,106,661	787,302
Tax increment collections			-	-	-	7,490,832
Grants and contributions not restricted to specific programs			1,365,000	-	1,365,000	-
Investment income (loss)			2,475,234	1,234,383	3,709,617	1,256,846
Gain on sale of property			68,967	34,024	102,991	177,470
Other			495,248	-	495,248	22,923
Transfers			428,500	(428,500)	-	-
Total general revenues and transfers			25,939,610	839,907	26,779,517	9,735,373
Change in net position			7,487,750	6,068,179	13,555,929	5,873,695
Net position - January 1			55,779,279	47,998,675	103,777,954	28,883,462
Net position - December 31			$63,267,029	$54,066,854	$117,333,883	$34,757,157

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

CITY OF FRIDLEY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service
Assets:		
Cash and investments	$14,259,774	$5,327,704
Receivables:		
Accounts	223,485	-
Taxes	282,826	93,049
Special assessments	156,671	-
Interest	319,694	-
Due from component unit	2,010	145,894
Due from other governments	578,442	-
Due from other funds	81,693	-
Prepaids	99,820	-
Lease receivable	1,831,924	-
Inventories, at cost	64,539	-
Total assets	$17,900,878	$5,566,647
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	$246,830	$475
Due to other funds	-	-
Deposits payable	84,720	-
Contracts payable	9,331	-
Due to other governments	14,772	-
Salaries payable	864,841	-
Unearned revenue	-	-
Total liabilities	1,220,494	475
Deferred inflows of resources:		
Related to leases	1,831,924	-
Unavailable revenue	347,925	59,912
Total deferred inflows of resources	2,179,849	59,912
Fund balance:		
Nonspendable	164,359	-
Restricted	1,136,789	5,506,260
Committed	-	-
Assigned	-	-
Unassigned	13,199,387	-
Total fund balance	14,500,535	5,506,260
Total liabilities, deferred inflows of resources, and fund balance	$17,900,878	$5,566,647

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

Street Improvements	Community Investment	Park Improvements	Other Governmental Funds	Intra-Activity Eliminations	Totals Governmental Funds
$119,653	$13,957,018	$4,903,754	$3,469,486	$ -	$42,037,389
-	-	-	69,212	-	292,697
-	160	133	19,472	-	395,640
1,359,983	104	-	96,934	-	1,613,692
-	-	-	-	-	319,694
-	-	-	405,173	-	553,077
1,572,781	-	980,535	292,283	-	3,424,041
-	1,808,725	-	-	(81,693)	1,808,725
-	-	34,886	3,060	-	137,766
-	-	-	-	-	1,831,924
-	-	-	-	-	64,539
$3,052,417	$15,766,007	$5,919,308	$4,355,620	($81,693)	$52,479,184
$35,928	$ -	$188,907	$160,801	$ -	$632,941
-	-	-	81,693	(81,693)	-
11,300	-	10,000	650	-	106,670
334,006	-	903,870	5,462	-	1,252,669
144,824	-	46	1,006	-	160,648
-	-	-	42,297	-	907,138
58,934	-	-	-	-	58,934
584,992	-	1,102,823	291,909	(81,693)	3,119,000
-	-	-	-	-	1,831,924
1,358,372	238	133	105,258	-	1,871,838
1,358,372	238	133	105,258	-	3,703,762
-	-	34,886	3,060	-	202,305
-	-	850,185	231,742	-	7,724,976
-	15,765,769	-	1,814,911	-	17,580,680
1,109,053	-	3,931,281	1,931,149	-	6,971,483
-	-	-	(22,409)	-	13,176,978
1,109,053	15,765,769	4,816,352	3,958,453	-	45,656,422
$3,052,417	$15,766,007	$5,919,308	$4,355,620	($81,693)	$52,479,184

Fund balance reported above	$45,656,422
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	99,532,427
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,871,838
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(72,299,376)
Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,732,665)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities are included in the governmental statement of net position.	(9,761,617)
Net position of governmental activities	$63,267,029

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

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

	General	Debt Service	Street Improvements
Revenues:			
Taxes	$15,670,877	$4,765,286	$ -
Special assessments	37,797	-	508,200
Licenses and permits	1,170,655	-	-
Intergovernmental revenue	3,638,333	-	4,039,524
Charges for services	2,834,411	-	-
Reimbursements	-	-	-
Fines and forfeits	149,546	-	-
Investment income (loss)	763,495	135,909	(11,606)
Contributions and donations	21,560	-	-
Payment from component unit	-	1,132,288	-
Interest on loan	-	-	-
Miscellaneous:			
Other	367,070	-	-
Total revenues	24,653,744	6,033,483	4,536,118
Expenditures:			
Current:			
General government	5,145,654	-	-
Public safety	12,254,082	-	-
Public works	4,459,100	-	27,595
Community development	1,354,374	-	-
Parks and recreation	944,943	-	-
Capital outlay	-	-	4,959,624
Debt service:			
Principal	98,010	3,450,000	-
Interest and other charges	9,494	2,582,013	-
Total expenditures	24,265,657	6,032,013	4,987,219
Excess (deficiency) of revenues over (under) expenditures	388,087	1,470	(451,101)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Lease issuance	-	-	-
Transfers in	582,500	-	245,000
Transfers out	(245,000)	-	(200,000)
Total other financing sources (uses)	337,500	-	45,000
Net change in fund balance	725,587	1,470	(406,101)
Fund balance - January 1	13,774,948	5,504,790	1,515,154
Fund balance - December 31	$14,500,535	$5,506,260	$1,109,053

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

Community Investment	Park Improvements	Other Governmental Funds	Intra-Activity Eliminations	Totals Governmental Funds
$139	$ -	$655,797	$ -	$21,092,099
310	-	83,713	-	630,020
-	-	134,268	-	1,304,923
-	1,468,618	1,533,915	-	10,680,390
-	-	712,399	-	3,546,810
-	-	219,327	-	219,327
-	-	32,570	-	182,116
773,015	452,573	197,852	-	2,311,238
-	-	47,036	-	68,596
-	-	-	-	1,132,288
67,483	-	-	-	67,483
-	-	128,178	-	495,248
840,947	1,921,191	3,745,055	-	41,730,538
2,795	-	1,367,582	-	6,516,031
-	-	276,391	-	12,530,473
-	-	43,621	-	4,530,316
-	-	7,212	-	1,361,586
-	61,549	790,205	-	1,796,697
-	10,382,664	2,479,080	-	17,821,368
-	-	318,384	-	3,866,394
-	-	80,138	-	2,671,645
2,795	10,444,213	5,362,613	-	51,094,510
838,152	(8,523,022)	(1,617,558)	-	(9,363,972)
-	-	68,967	-	68,967
-	-	203,687	-	203,687
-	-	200,000	(599,000)	428,500
-	(154,000)	-	599,000	-
0	(154,000)	472,654	-	701,154
838,152	(8,677,022)	(1,144,904)	-	(8,662,818)
14,927,617	13,493,374	5,103,357	-	54,319,240
$15,765,769	$4,816,352	$3,958,453	$ -	$45,656,422

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

City of Fridley
Friendly, Responsive & Driven

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CITY OF FRIDLEY, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different because:	
Net changes in fund balances - total governmental funds (Exhibit A-4)	($8,662,818)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	11,442,825
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers, and donations) is to increase net position.	19,421
Deferred revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	59,432
The issuance of long-term debt (e.g., bonds, leases) provides current resources to governmental funds, while the repayment of the principal of financial long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,961,830
Internal service funds are used by management to charge the cost of certain activities to individual funds. This amount is net expenditures attributable to governmental activities.	798,176
Other post employment benefits in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(202,991)
Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	71,875
Change in net position of governmental activities (Exhibit A-2)	$7,487,750

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

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-Type Activities - Enterprise Funds	
Assets:	Liquor	Water
Current assets:		
Cash and investments	$1,440,094	$10,302,096
Accounts receivable	-	2,025,646
Special assessments receivable	-	2,054
Due from other governments	-	66,843
Prepaid items	-	10,821
Inventories - at cost	866,972	41,218
Total current assets	2,307,066	12,448,678
Noncurrent assets:		
Capital assets:		
Land	151,946	147,485
Buildings and structures	518,944	8,318,586
Machinery and equipment	388,692	3,523,206
Infrastructure	-	24,679,190
Construction in process	-	433,889
Lease building	919,604	-
Lease vehicles	-	144,606
Total capital assets	1,979,186	37,246,962
Less: Allowance for depreciation and amortization	(1,214,334)	(22,973,561)
Net capital assets	764,852	14,273,401
Total assets	3,071,918	26,722,079
Deferred outflows of resources:		
Related to pensions	-	-
Related to other post employment benefits	20,714	32,717
Total deferred outflows of resources	20,714	32,717
Liabilities:		
Current liabilities:		
Accounts payable	332,803	240,140
Deposits payable	73	-
Accrued interest payable	-	15,880
Contracts payable	-	-
Due to other governments	66,388	194,205
Due to other funds	-	1,733,725
Salaries payable	39,968	36,619
Payroll deductions payable	-	-
Compensated absences - current	-	-
Lease liability - current	147,230	27,424
Bonds payable - current	-	295,000
Unearned revenue	50,913	-
Total current liabilities	637,375	2,542,993
Noncurrent liabilities:		
Other post employment benefits	41,661	65,805
Compensated absences - noncurrent	-	-
Lease liability - noncurrent	291,829	74,887
Bonds payable - noncurrent	-	1,631,158
Net pension liability	-	-
Total noncurrent liabilities	333,490	1,771,850
Total liabilities	970,865	4,314,843
Deferred inflows of resources:		
Related to pensions	-	-
Related to other post employment benefits	9,704	15,328
Total deferred inflows of resources	9,704	15,328
Net position:		
Net investment in capital assets	325,793	12,244,932
Restricted	-	1,028,026
Unrestricted	1,786,270	9,151,667
Total net position	$2,112,063	$22,424,625

Net position reported above
Adjustment to report the cumulative internal balance for the net effect
activity between the internal service fund and the enterprise funds over time

Net position of business-type activities (Exhibit A-1)

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

Exhibit A-6

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
$5,691,420	$4,151,517	$21,585,127	$2,978,802
2,098,118	525,116	4,648,880	-
-	-	2,054	-
22,228	1,184,306	1,273,377	-
546,038	-	556,859	-
-	-	908,190	-
8,357,804	5,860,939	28,974,487	2,978,802
22,800	376,816	699,047	-
903,244	-	9,740,774	-
1,291,541	690,097	5,893,536	-
12,879,680	17,320,822	54,879,692	-
901,565	-	1,335,454	-
-	-	919,604	-
108,342	-	252,948	-
16,107,172	18,387,735	73,721,055	-
(10,239,484)	(8,361,834)	(42,789,213)	-
5,867,688	10,025,901	30,931,842	-
14,225,492	15,886,840	59,906,329	2,978,802
-	-	-	7,128,634
16,376	22,651	92,458	-
16,376	22,651	92,458	7,128,634
39,069	10,640	622,652	1,899
-	-	73	-
-	-	15,880	-
36,774	-	36,774	-
319,602	6,188	586,383	-
45,000	30,000	1,808,725	-
19,146	29,084	124,817	-
-	-	-	148,784
-	-	-	997,411
21,782	-	196,436	-
-	-	295,000	-
-	-	50,913	-
481,373	75,912	3,737,653	1,148,094
32,935	45,550	185,951	-
-	-	-	522,409
42,137	-	408,853	-
-	-	1,631,158	-
-	-	-	7,870,341
75,072	45,550	2,225,962	8,392,750
556,445	121,462	5,963,615	9,540,844
-	-	-	10,253,213
7,672	10,610	43,314	-
7,672	10,610	43,314	10,253,213
5,766,995	10,025,901	28,363,621	-
-	-	1,028,026	-
7,910,756	5,751,518	24,600,211	(9,686,621)
$13,677,751	$15,777,419	$53,991,858	($9,686,621)
		$53,991,858	
		74,996	
		$54,066,854	

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

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds	
	Liquor	Water
Sales	$5,839,593	$ -
Cost of sales	(4,149,416)	-
Gross profit	1,690,177	-
Operating revenues:		
Customer billings	-	4,647,249
Charges for services	-	-
Other revenues	405	
Total operating revenues	405	4,647,249
Total gross profit and operating revenues	1,690,582	4,647,249
Operating expenses:		
Personnel services	754,288	907,753
Supplies and other charges:		
Disposal charges	-	-
Other	480,810	1,518,127
Depreciation and amortization	187,973	1,082,608
Total operating expenses	1,423,071	3,508,488
Operating income (loss)	267,511	1,138,761
Nonoperating revenues (expenses):		
Intergovernmental revenue	-	-
Investment income (loss)	65,996	566,232
Settlement proceeds	-	1,028,026
Insurance reimbursement	-	-
Interest and fiscal charges	(28,335)	(98,460)
Gain (loss) on sale of capital assets	-	14,074
Total nonoperating revenues (expenses)	37,661	1,509,872
Income (loss) before transfers and capital contributions	305,172	2,648,633
Transfers and capital contributions:		
Transfers out	(388,500)	(40,000)
Capital contributions	-	254,339
Total transfers and contributions	(388,500)	214,339
Change in net position	(83,328)	2,862,972
Net position - January 1	2,195,391	19,561,653
Net position - December 31	$2,112,063	$22,424,625

Changes in net position reported above
Adjustment to report the cumulative internal balance for the net effect of activity between the internal service funds and the enterprise funds over time.

Changes in net position of business-type activities (Exhibit A-2)

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

Exhibit A-7

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
$ -	$ -	$5,839,593	$ -
-	-	(4,149,416)	-
-	-	1,690,177	-
7,941,954	2,348,455	14,937,658	-
-	-	-	2,278,666
-	-	405	-
7,941,954	2,348,455	14,938,063	2,278,666
7,941,954	2,348,455	16,628,240	2,278,666
514,458	711,784	2,888,283	1,161,763
5,827,809	-	5,827,809	-
698,492	438,673	3,136,102	370,937
488,174	458,847	2,217,602	-
7,528,933	1,609,304	14,069,796	1,532,700
413,021	739,151	2,558,444	745,966
207,643	-	207,643	102,157
340,285	261,870	1,234,383	163,996
-	-	1,028,026	-
-	-	-	32,818
(7,684)	(1,300)	(135,779)	-
19,950	-	34,024	(44,362)
560,194	260,570	2,368,297	254,609
973,215	999,721	4,926,741	1,000,575
-	-	(428,500)	-
-	1,113,200	1,367,539	-
-	1,113,200	939,039	-
973,215	2,112,921	5,865,780	1,000,575
12,704,536	13,664,498	48,126,078	(10,687,196)
$13,677,751	$15,777,419	$53,991,858	($9,686,621)
		$5,865,780	
		202,399	
		$6,068,179	

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

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds	
	Liquor	Water
Cash flows from operating activities:		
Receipts from customers and users	$5,850,299	$4,691,499
Receipts from interfund services provided	-	-
Payment to suppliers	(4,651,391)	(1,425,794)
Payment to employees	(747,634)	(903,438)
Net cash flows from operating activities	451,274	2,362,267
Cash flows from noncapital financing activities:		
Intergovernmental revenue	-	-
Transfers out	(388,500)	(40,000)
Net cash flows from noncapital financing activities	(388,500)	(40,000)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(76,988)	(999,399)
Proceeds from sale of capital assets	-	14,074
Proceeds from settlement	-	724,340
Capital grants and contributions	-	367,165
Principal received on special assessments	-	19,445
Insurance reimbursement	-	-
Principal paid on revenue bonds	-	(290,000)
Principal paid on leases	(139,369)	(21,599)
Repayment on interfund loan	-	(519,047)
Interest and paying agent fees on long-term liabilities	(28,335)	(112,714)
Net cash flows from capital and related financing activities	(244,692)	(817,735)
Cash flows from investing activities:		
Investment income (loss)	65,996	566,232
Net increase (decrease) in cash and cash equivalents	(115,922)	2,070,764
Cash and cash equivalents - January 1	1,556,016	8,231,332
Cash and cash equivalents - December 31	$1,440,094	$10,302,096
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$267,511	$1,138,761
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation and amortization	187,973	1,082,608
Changes in assets and liabilities:		
Decrease (increase) in receivables	-	44,250
Decrease (increase) in prepaid items	-	(10,821)
Decrease (increase) in inventories	61,493	29,843
Decrease (increase) in deferred outflows of resources	5,965	9,132
Increase (decrease) in payables	(83,788)	65,536
Increase (decrease) in unearned revenue	10,301	-
Increase (decrease) in deferred inflows of resources	1,819	2,958
Total adjustments	183,763	1,223,506
Net cash provided (used) by operating activities	$451,274	$2,362,267
Noncash investing and financing activities		
Capital assets acquired through contracts payable	$0	$0
Capital assets acquired through lease liability	$0	$34,635

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

Exhibit A-8

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
$7,857,942	$2,595,069	$20,994,809	$ -
-	-	-	2,279,406
(6,596,032)	(436,724)	(13,109,941)	(370,390)
(512,404)	(707,707)	(2,871,183)	(1,883,230)
749,506	1,450,638	5,013,685	25,786
-	-	-	102,157
-	-	(428,500)	-
-	-	(428,500)	102,157
(1,000,235)	(1,766,801)	(3,843,423)	(44,362)
19,950	-	34,024	-
-	-	724,340	
9,851	341,198	718,214	-
-	-	19,445	-
-	-	-	32,818
-	-	(290,000)	-
(20,155)	-	(181,123)	-
(45,000)	(35,000)	(599,047)	-
(7,684)	(1,300)	(150,033)	-
(1,043,273)	(1,461,903)	(3,567,603)	(11,544)
340,285	261,870	1,234,383	163,996
46,518	250,605	2,251,965	280,395
5,644,902	3,900,912	19,333,162	2,698,407
$5,691,420	$4,151,517	$21,585,127	$2,978,802
$413,021	$739,151	$2,558,444	$745,966
488,174	458,847	2,217,602	-
(84,012)	246,614	206,852	740
(62,293)	-	(73,114)	-
-	-	91,336	-
4,652	6,764	26,513	1,976,239
(11,492)	(2,655)	(32,399)	(924,132)
-	-	10,301	-
1,456	1,917	8,150	(1,773,027)
336,485	711,487	2,455,241	(720,180)
$749,506	$1,450,638	$5,013,685	$25,786
$36,774	$0	$36,774	$0
$0	$0	$34,635	$0

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

Exhibit A-9

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
December 31, 2025

	Total
Assets:	
Cash and investments	$7,334
Accounts receivable	7,244
Total assets	$14,578
Liabilities:	
Accounts payable	14,578
Net Position:	
Restricted for economic development	$ -

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

Exhibit A-10

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For The Year Ended December 31, 2025

	Total
Additions:	
Tax collections from other governments	$115,274
Total additions	115,274
Deductions:	
Payments of tax to other governments	109,510
Administrative fee	5,764
Total deductions	115,274
Net increase in fiduciary net position	-
Net position - beginning	-
Net position - ending	$ -

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

City of Fridley
Friendly, Responsive & Driven

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THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies

The City of Fridley, Minnesota was incorporated July 1, 1949, under Chapter 410.03 of the Statutes of the State of Minnesota providing for a council-manager form of government under the "Home Rule Charter City" concept. The City provides the following services as authorized by its charter: general administrative services, public safety (police and fire), public improvements, planning and zoning, and culture and recreation.

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

A. Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Fridley, Minnesota (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units
In conformity with generally accepted accounting principles, the financial statements of the component units have been included in the financial reporting entity as discretely presented component units.

Discretely Presented Component Unit - The Fridley Housing and Redevelopment Authority (HRA) is governed by commissioners appointed by the Fridley City Council. The HRA is responsible for providing housing and redevelopment assistance to the City and its residents. Funding for the various programs administered by the HRA is provided through the issuance of tax increment revenue bonds and general obligation tax increment bonds guaranteed by the City. Separate financial statements are not prepared for the HRA.

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

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

The *Debt Service Fund* services debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to have benefited from such improvements.

The *Street Improvements Fund* is used to account for repairs and replacements of city streets and street related equipment such as signs and street lights.

The *Community Investment Fund* is used to account for capital costs associated with the parks and public utilities maintained by the City.

The *Park Improvements Fund* is used to account for repairs and replacements of city park equipment or park related improvements.

The City reports the following major proprietary funds:

The *Liquor Fund* accounts for operations of the municipal liquor stores.

The *Water Fund* accounts for the water service charges which are used to finance the water system operating expenses.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operating expenses.

The *Storm Water Fund* accounts for storm sewer charges which are used to finance the storm sewer operating expenses.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for employee fringe benefits, pension benefits, and insurance deductibles that are provided on a cost reimbursement or fee basis to departments or agencies within the City. These funds are essential for segregating costs for determining the total cost of providing a service and for assuring that the goods and services provided are properly utilized.

Fiduciary Funds - Custodial Funds are used to account for monies on behalf of the North Metro Convention and Tourism Bureau.

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

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

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

D. Budgets

The City Charter grants the City Council full authority over the financial affairs of the City. The City Manager is charged with the responsibility of preparing the estimates of the annual budget and the enforcement of the provisions of the budget as specified in the City Charter. Upon adoption of the annual budget resolution by the Council, it becomes the formal appropriation budget for City operations. All budget adjustments must be approved by the Council. Budgets for the General and select Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted expenditure appropriations lapse at year end.

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

E. Legal Compliance - Budgets

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

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

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution.

4. The City Council may authorize transfer of budgeted amounts between departments within any fund.

5. Reported budget amounts are as originally adopted or as amended by Council approved transfers. The City Charter limits appropriations to the total estimated revenues and fund balances. If actual revenues exceed the original estimates, appropriations may be increased by the Council up to the amount of revenue increases.

6. All budget amounts lapse at the end of the year to the extent they have not been expended or encumbered. Encumbrances are reappropriated into the following year's budget.

7. Annual budgets are legally adopted for the General Fund and for the following Special Revenue Funds: Cable TV Fund, Solid Waste Abatement Fund, Police Activity Fund, and Springbrook Nature Center Fund. Formal budgeting integration is employed as a management control device during the year for each of these fund. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is achieved through the bond indenture provisions. Budgetary control for other Capital Projects Funds is accomplished through the use of project controls.

8. As required by the City Charter, budgetary control is maintained within department at the departmental level. This is the level of control at which expenditures may not legally exceed appropriations.

9. The General Fund budget includes prior year encumbrances which were reappropriated to the current year. Expenditures for the items encumbered are included in the current year's expenditures.

The following is a listing of funds whose expenditures exceeded budgeted appropriations:

	Final Budget	Actual	Amount Over Budget
General Fund:			
Public works	$4,417,500	$4,459,100	$41,600
Nonmajor Funds:			
Solid Waste Abatement Fund	575,200	581,950	6,750

F. Cash and Investments

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less. Therefore the entire balance in the proprietary funds is considered cash equivalents.

G. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due from/to other funds." All short-term interfund receivables and payables at December 31, 2025 are planned to be eliminated in the subsequent year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible property taxes and special assessments are not material and therefore have not been reported. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. Property Tax Revenue Recognition

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

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

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

I. Special Assessment Revenue Recognition

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

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

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

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

J. Inventories

Governmental Funds

Inventories of the general fund are stated at cost, which approximates market, using the first-in, first-out (FIFO) method. The primary government does not maintain material amounts of inventory within the other governmental funds. Inventories of the other governmental funds are recorded as expenditures at the time of purchase.

Proprietary Funds

Liquor fund inventories are valued on the average cost basis. Other proprietary funds inventory items are expensed at the time they are sold or used (consumption method).

K. Prepaid Items

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

L. 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.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

M. Capital Assets

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

Capitalization Threshold	
Land	$1
Buildings and structures	$25,000
Improvements other than buildings	$25,000
Machinery and equipment	$10,000
Infrastructure	$50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost of the infrastructure to be capitalized to the acquisition year or estimated acquisition year).

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

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

Assets	
Buildings and structures	10 – 40 years
Improvements other than buildings	10 – 20 years
Machinery and equipment	3 – 25 years
Infrastructure	15 – 50 years

The right-to-use assets (lease buildings and equipment) and right-to-use subscription-based IT arrangements are measured at an amount equal to the initial measurement of the related lease/subscription-based IT arrangement liability plus any payments made prior to the agreement term, less incentives, plus any ancillary charges necessary to place the lease or arrangement into service. The right-to-use lease and right-to-use subscription-based IT arrangements assets are amortized on a straight-line basis over the life of the related lease/arrangement.

N. Compensated Absences

All liabilities for compensated absences, both current and long-term, for annual leave, severance and separation pay are accounted for in the Employee Benefits Fund, an Internal Service Fund. Each year compensated absence expenditures and expenses are recorded in the Governmental and Proprietary Funds respectively, equivalent to the full amount accrued by fund employees during the year. These charges are offset by a corresponding transfer of assets from the home department funds to the Employee Benefits Fund to fund the liability. This liability represents all leave benefits which are attributable to services already rendered, accumulated and is more likely than not to be used for time off or otherwise paid. The personnel ordinance limits the annual accumulation of benefits that can be accumulated from year-to-year.

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Issuance costs are immaterial and are expensed in the year of bond issuance.

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.

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. These constraints are established by Resolution of the City Council.

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

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

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

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

R. Use of Estimates

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

S. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are the pension and OPEB related deferred outflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension and OPEB related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position and lease related deferred inflows reported in the government-wide Statements of Net Position and the governmental funds Balance Sheet. The City also has a type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from property taxes and special assessments.

T. Defined Benefit Pension Plans

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

U. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds". The details of this difference are as follows:

Bonds payable	($67,750,000)
Premium on bonds payable	(2,527,580)
Lease liability	(853,535)
Subscription-based IT arrangements liability:	(130,198)
Accrued interest payable	(1,038,063)
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	($72,299,376)

2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this difference are as follows:

Capital outlay	$17,821,368
Depreciation expense	(6,378,543)
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$11,442,825

Another element of that reconciliation states that “revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this difference are as follows:

Unavailable revenue - general property taxes:	
At December 31, 2024	($244,498)
At December 31, 2025	259,060
Unavailable revenue - special assessments:	
At December 31, 2024	(1,567,908)
At December 31, 2025	1,612,778
Net adjustments to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$59,432

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds”. Neither transaction, however, has any effect on net position. The details of this difference are as follows:

Principal repayments	$3,450,000
Amortization of premium on bonds issuance	299,113
Lease issuance	(203,687)
Lease repayment	285,590
Subscription-based IT arrangements repayment	130,814
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$3,961,830

2. Deposits and Investments

A. Deposits

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

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market 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 Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2025, the bank balance of the City's and HRA's deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City or HRA's name.

B. Investments

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2025, the City's investment balances were as follows:

			Investment Maturities (in Years)		
Investment Type	Rating	Fair Value	Less Than 1	1-5	6-10
Federal Farm Credit Bank	AA+	$1,246,228	$ -	$1,246,228	$ -
Federal National Mortgage Association	AA+	15,674,468	-	12,770,217	$2,904,251
Federal Home Loan Mortgage Corporation	AA+	28,660,880	771,393	11,548,206	16,341,281
Local Government Bonds	A+-AAA, Aaa-Aa2	10,953,804	4,497,252	3,800,243	2,656,309
US Treasury Notes	AA+	396,140	-	396,140	-
US Treasury Bills	AA+	1,526,667	1,526,667	-	-
State & Local Government Series Securities	AA+	907,203	907,203	-	-
Brokered Certificates of Deposits	N/R	2,739,124	983,465	1,755,659	-
Money market	N/R, AAAm	3,801,874	3,801,874	-	-
Total investments		$65,906,388	$12,487,854	$31,516,693	$21,901,841
Deposits		697,664			
Petty cash		4,600			
Total cash and investments		$66,608,652			

As of December 31, 2025, the HRA's investment balances were as follows:

			Investment Maturities (in Years)		
Investment Type	Rating	Fair Value	Less Than 1	1-5	6-10
Federal National Mortgage Association	AA+	$10,975,784	$ -	$7,248,033	$3,727,751
Federal Home Loan Mortgage Corp	AA+	12,520,343	-	5,950,658	6,569,685
Local Government Bonds	AA1, AA2, AAA, AA+, AA	1,148,851	824,266	324,585	-
Brokered Certificates of Deposits	N/R	1,476,235	976,112	500,123	-
Money Market	N/R	2,101,029	2,101,029	-	-
Total investments		$28,222,242	$3,901,407	$14,023,399	10,297,436
Deposits		258,979			
Total cash and investments		$28,481,221			

THE CITY OF FRIDLEY, MINNESOTA
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December 31, 2025

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:

Investment Type	Fair Value	Fair Value Measurement Using Level 1	Level 2	Level 3
Investments at fair value:				
Federal Farm Credit Bank	$1,246,228	$ -	$1,246,228	$ -
Federal National Mortgage Association	16,698,476	-	16,698,476	-
Federal Home Loan Mortgage Corporation	28,660,880	-	28,660,880	-
Local Government Bonds	10,953,804	-	10,953,804	-
US Treasury Notes	396,140	396,140	-	-
US Treasury Bills	1,526,667	1,526,667	-	-
State & Local Government Series Securities	907,203	-	907,203	-
Brokered Certificates of Deposits	2,739,124	-	2,739,124	-
	$63,128,522	$1,922,807	$61,205,715	$ -
Investments not categorized:				
Money market	2,777,866			
Total	$65,906,388			

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

Investment Type	Fair Value	Fair Value Measurement Using Level 1	Level 2	Level 3
Investments at fair value:				
Federal National Mortgage Association	$10,975,784	$ -	$10,975,784	$ -
Federal Home Loan Mortgage Corp	12,520,343	-	12,520,343	-
Local Government Bonds	1,148,851	-	1,148,851	-
Brokered Certificates of Deposits	1,476,235	-	1,476,235	-
Subtotal	$26,121,213	$ -	$26,121,213	$ -
Investments not categorized:				
Money market	2,101,029			
Total	$28,222,242			

C. Investment Risks

Custodial credit risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City policy is to limit its exposure by holding investments in securities with a major bank's corporate trust department. Investments are delivered to the City's trust account and then payment is released to the broker-dealer.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy 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.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to only those investment instruments authorized by Minnesota Statutes. The City's investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City and HRA places no limit on the amount the City or HRA may invest in any one issuer.

Investments in a single issuer exceeding 5% of the City's overall investment portfolio are in various holdings as follows:

Federal National Mortgage Association	25.34%
Federal Home Loan Mortgage Corporation	43.49%

Investments in a single issuer exceeding 5% of the HRA's overall investment portfolio are in various holdings as follows:

Federal National Mortgage Association	38.89%
Federal Home Loan Mortgage Corp	44.36%

3. Receivables

Significant receivables balances not expected to be collected within one year of December 31, 2025 are as follows:

	Primary Government						
	Major Funds						
	General	Debt Service	Street Improvements	Community Investment	Park Improvements	Nonmajor Funds	Total
Special assessments receivable	$112,398	$ -	$975,207	$67	$ -	$70,180	$1,157,852
Delinquent property taxes	106,200	33,300	-	100	100	4,200	143,900
Lease Receivable	1,673,153	-	-	-	-	-	1,673,153
	$1,891,751	$33,300	$975,207	$167	$100	$74,380	$2,974,905

	HRA Component Unit			
	Major Funds			
	General Fund	Housing Loan	BAE Northern Stacks	Total
Mortgage receivable	$ -	$5,261,889	$ -	$5,261,889

4. Lease Receivable

The City leases a portion of city owned sites for antenna rentals as follows:

Tower Leases	Estimated Ending Term *	Estimated Range of Monthly Payments During Lease Term	Annual Adjustment Escalator
Dish Wireless - Commons Tower #1	5/1/2033	$2,000 - $3,103	5% every 5 years
AT&T - Marion Hills	7/1/2025**	$3,374 - $3,906	Greater of 5% or CPI-U
AT&T - Public Works Garage	11/30/2028	$3,759 - $5,037	Greater of 5% or CPI-U
T-Mobile - Marion Hills	6/17/2032	$3,039 - $3,705	Greater of 2% or CPI-U up to 5%
T-Mobile - Commons Tower #1	7/17/2045	$3,098 - $4,697	Greater of 2% or CPI-U up to 5%
Verizon - Commons Tower #1	6/30/2033	$3,610 - $5,147	Greater of 5% or CPI-U
Verizon - TH65 Tower #2	2/13/2034	$3,610 - $5,147	Greater of 5% or CPI-U

* This is the period covered in which the lessor believes it is reasonably certain that the lease will be extended through.
** Lease terminated in 2025 as expected.

The leases are measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5.50% which is based on the rate available to finance acquisitions over the same period.

At December 31, 2025, the City recorded $1,831,924 in leases receivables and deferred inflows of resources for these arrangements.

Total revenue recognized in relation to these leases is as follows:

Amortization of lease-related deferred inflows:	
Antenna site leases	$163,600
Interest Revenue	105,562
Total revenue recognized in relation to lease assets	$269,162

5. Unavailable Revenues

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

	Property Taxes	Special Assessments	Total
Major funds:			
General	$191,366	$156,559	$347,925
Debt Service	59,912	-	59,912
Street Improvements	-	1,358,372	1,358,372
Community Investment	145	93	238
Park Improvements	133	-	133
Nonmajor	7,504	97,754	105,258
Total unavailable revenue - Primary Government	$259,060	$1,612,778	$1,871,838

	Property Taxes	Notes Receivable	Land held for Resale	Total
Major funds:				
General	$9,522	$400,000	$621,120	$1,030,642
BAE Northern Stacks	64	-	-	64
Holly Center	17	-	-	17
Nonmajor	9,184	-	83,660	92,844
Total unavailable revenue - HRA Component Unit	$18,787	$400,000	$704,780	$1,123,567

6. Capital and Right-to-Use Lease Assets

Capital asset, right-to-use lease asset, and right-to-use subscription-based IT arrangements activity for the year ended December 31, 2025 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	$5,692,954	$ -	$ -	$5,692,954
Construction in progress	3,007,520	13,950,396	(802,669)	16,155,247
Total capital assets, not being depreciated or amortized	8,700,474	13,950,396	(802,669)	21,848,201
Capital assets, being depreciated and amortized:				
Buildings and structures	58,834,616	653,153	(130,930)	59,356,839
Machinery and equipment	17,843,930	2,078,023	(715,025)	19,206,928
Improvements	8,594,000	1,185,543	(269,895)	9,509,648
Infrastructure	44,814,503	500,141	(288,065)	45,026,579
Lease vehicles	1,315,352	295,093	-	1,610,445
Subscription-based IT arrangements	558,971	-	-	558,971
Total capital assets, being depreciated and amortized	131,961,372	4,711,953	(1,403,915)	135,269,410
Less accumulated depreciation and amortization for:				
Buildings and structures	14,386,243	2,328,122	(130,930)	16,583,435
Machinery and equipment	10,491,017	1,608,183	(696,134)	11,403,066
Improvements	2,982,387	432,265	(269,895)	3,144,757
Infrastructure	24,279,164	1,496,070	(288,065)	25,487,169
Lease vehicles	312,778	343,042	-	655,820
Subscription-based IT arrangements	140,076	170,861	-	310,937
Total accumulated depreciation and amortization	52,591,665	6,378,543	(1,385,024)	57,585,184
Total capital assets being depreciated and amortized - net	79,369,707	(1,666,590)	(18,891)	77,684,226
Governmental activities capital assets - net	$88,070,181	$12,283,806	($821,560)	$99,532,427

THE CITY OF FRIDLEY, MINNESOTA
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December 31, 2025

Primary Government	Ending Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	$699,047	$ -	$ -	$699,047
Construction in progress	486,791	1,037,463	(188,800)	1,335,454
Total capital assets, not being depreciated or amortized	1,185,838	1,037,463	(188,800)	2,034,501
Capital assets, being depreciated and amortized:				
Buildings and structures	9,784,339	-	(43,565)	9,740,774
Machinery and equipment	5,524,230	530,084	(160,778)	5,893,536
Infrastructure	52,703,011	2,382,414	(205,733)	54,879,692
Lease buildings	919,604	-	-	919,604
Lease vehicles	218,313	34,635	-	252,948
Total capital assets, being depreciated and amortized	69,149,497	2,947,133	(410,076)	71,686,554
Less accumulated depreciation and amortization for:				
Buildings and structures	4,888,926	454,706	(43,565)	5,300,067
Machinery and equipment	4,153,414	314,648	(160,778)	4,307,284
Infrastructure	31,487,508	1,268,277	(205,733)	32,550,052
Lease buildings	403,729	134,576	-	538,305
Lease vehicles	48,110	45,395	-	93,505
Total accumulated depreciation and amortization	40,981,687	2,217,602	(410,076)	42,789,213
Total capital assets being depreciated and amortized - net	28,167,810	729,531	0	28,897,341
Business-type activities capital assets - net	$29,353,648	$1,766,994	($188,800)	$30,931,842

Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$1,011,755	$ -	$ -	$1,011,755

The City has recorded right-to-use lease assets for building space and vehicle leases. The City has recorded right-to-use subscription-based IT arrangement assets. The related leases and arrangements are discussed in the long-term liabilities footnote disclosure.

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

Governmental activities:	
General government	$1,037,974
Public safety	1,506,481
Public works, including depreciation of general infrastructure assets	3,398,652
Community development	3,929
Parks and recreation	431,507
Total - governmental activities	$6,378,543
Business-type activities:	
Liquor	$187,973
Water	1,082,608
Sewer	488,174
Storm water	458,847
Total - business-type activities	$2,217,602

7. Long-Term Liabilities

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

As of December 31, 2025, the long-term bonded debt of the City consisted of the following:

Governmental Activities:	
$49,130,000 General Obligation Improvement Bonds, Series 2017A due in varying annual installments of $1,060,000 - $2,925,000 through February 1, 2042; interest at 3.00% - 5.00%	$38,630,000
$9,510,000 General Obligation Tax Increment Bonds, Series 2019A due in varying annual installments of $930,000- $1,150,000 beginning February 1, 2027 through February 1, 2035; interest at 2.125% - 5.00%	9,510,000
$4,540,000 General Obligation Tax Increment Bonds, Series 2020A due in varying annual installments of $630,000- $860,000 beginning February 1, 2021 through February 1, 2026; interest at 5.00%	860,000
$20,730,000 General Obligation Tax Abatement bonds, Series 2022A due in varying installments of $965,000 - $1,855,000, beginning February 1, 2024 through February 1, 2038; interest at 4.00% - 5.00%	18,750,000
Unamortized premium	2,527,580
Subtotal governmental activities	70,277,580
Business-Type Activities:	
$5,995,000 General Obligation Water Revenue Bonds of 2016A due in varying annual installments of $275,000 - $575,000 through February 1, 2031; interest at 2.00% - 2.25%	1,865,000
Unamortized premium	61,158
Subtotal business-type activities	1,926,158
Total primary government	$72,203,738

On October 3, 2025, the City entered into a project loan agreement with the Minnesota Public Facilities Authority – the G.O. Water Revenue Note of 2025A. The agreement provides for a loan up to $2,938,350 to fund water treatment capital improvements. The loan will be disbursed to the City only when disbursement requests are submitted to the Authority and disbursement requests must be for eligible costs. The City has until June 30, 2029 to request loan disbursements and is not obligated to draw the full amount of the loan. As of December 31, 2025, no loan proceeds had been requested by or disbursed to the City.

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

	Primary Government							
	Governmental Activities						Business-Type Activities	
Year Ending	G.O. Improvement		G.O. Tax Increment		G.O. Tax Abatement		Revenue Bonds	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$1,695,000	$1,289,738	$860,000	$270,288	$1,065,000	$840,825	$295,000	$35,163
2027	1,780,000	1,211,763	930,000	225,538	1,120,000	786,200	300,000	29,212
2028	1,850,000	1,139,163	975,000	177,912	1,175,000	728,825	310,000	23,113
2029	1,925,000	1,073,288	1,025,000	143,287	1,230,000	668,700	315,000	16,862
2030	1,985,000	1,014,637	1,045,000	122,587	1,295,000	605,575	320,000	10,512
2031	2,040,000	954,263	1,065,000	101,487	1,360,000	539,200	325,000	3,656
2032	2,105,000	890,771	1,085,000	79,987	1,425,000	469,575	-	-
2033	2,170,000	822,619	1,105,000	58,087	1,500,000	396,450	-	-
2034	2,240,000	750,956	1,130,000	35,737	1,575,000	319,575	-	-
2035	2,315,000	676,937	1,150,000	12,219	1,650,000	247,200	-	-
2036	2,390,000	600,481	-	-	1,715,000	179,900	-	-
2037	2,465,000	520,047	-	-	1,785,000	109,900	-	-
2038	2,550,000	433,825	-	-	1,855,000	37,100	-	-
2039	2,640,000	343,000	-	-	-	-	-	-
2040	2,730,000	249,025	-	-	-	-	-	-
2041	2,825,000	151,812	-	-	-	-	-	-
2042	2,925,000	51,188	-	-	-	-	-	-
Total	$38,630,000	$12,173,513	$10,370,000	$1,227,129	$18,750,000	$5,929,025	$1,865,000	$118,518

Lease agreements that qualify as other than short-term leases under GASB 87 have been recorded at the present value of the future minimum lease payments as of the date of lease commencement.

The City has entered into an agreement to lease building space. The lease requires 82 monthly lease payments that range from $12,153 - $13,975. The lease liability is measured at a discount rate of 5.50%, which was the City's incremental borrowing rate at the time of issuance. The lease requires the City to pay a portion of the operating costs of the building. As a result of the lease, the City has recorded a right-to-use lease asset with a net book value of $381,299 and lease liability of $439,059 on December 31, 2025.

The City has entered into 44 agreements to lease vehicles with terms up to 72 months. The leases require monthly payments ranging from $395-$1,594. The lease liabilities are measured at discount rates implicit in the lease ranging from 7.08% - 8.37%. As a result of these agreements, the City has recorded right-to-use lease assets with a net book value totaling $1,114,068 with a lease liability of $1,019,765 at December 31, 2025.

Total expense related to the lease vehicles and buildings for the year ended December 31, 2025 is as follows:

Amortization expense by asset class:	
Buildings	$134,576
Vehicles	388,437
Total amortization expense	523,013
Variable lease expense	169,342
Interest on lease liabilities	113,115
Total expense recognized in relation to lease vehicles and buildings	$805,470

The net present value of the minimum lease payments as of December 31, 2025 was as follows:

Business-Type Activities

Year Ending	Lease Building			Lease Vehicles		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2026	$147,230	$20,474	$167,704	$49,206	$11,136	$60,342
2027	155,535	12,169	167,704	53,147	7,195	60,342
2028	136,294	3,459	139,753	41,219	3,254	44,473
2029	-	-	-	16,965	871	17,836
2030	-	-	-	5,693	169	5,862
Total	$439,059	$36,102	$475,161	$166,230	$22,625	$188,855

Governmental Activities

Year Ending	Lease Vehicles		
December 31,	Principal	Interest	Total
2026	$302,011	$55,853	$357,864
2027	282,759	32,530	315,289
2028	175,150	13,396	188,546
2029	63,536	4,720	68,256
2030	30,079	768	30,847
Total	$853,535	$107,267	$960,802

The City has four right-to-use subscription-based IT arrangements. The terms of the agreements range between 36 – 60 months. The agreements require annual payments ranging from $12,880 - $107,504. The subscription-based IT arrangement liabilities are measured at a discount rate of 7.50%, which was the City’s incremental borrowing rate at the time of issuance. As a result of these agreements, the City has recorded a right-to-use subscription-based IT arrangement asset with a net book value totaling $248,034 and a lease liability of $130,199. There were no variable payments associated with the agreement.

Amortization expense by asset class:	
Subscription-based IT arrangement	$170,861
Total amortization expense	170,861
Interest on subscription-based IT arrangement liabilities	17,571
Total expense recognized in relation to subscription-based IT arrangement assets	$188,432

THE CITY OF FRIDLEY, MINNESOTA
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December 31, 2025

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	$40,245,000	$ -	($1,615,000)	$38,630,000	$1,695,000
G.O. tax increment bonds	11,190,000	-	(820,000)	10,370,000	860,000
G.O. tax abatement bonds	19,765,000	-	(1,015,000)	18,750,000	1,065,000
Total bonds payable	71,200,000	0	(3,450,000)	67,750,000	3,620,000
Bond issuance premium/discount	2,826,693	-	(299,113)	2,527,580	-
Lease liability - vehicles	935,438	203,687	(285,590)	853,535	302,011
Subscription-based IT arrangements liability	261,012	-	(130,814)	130,198	130,198
Compensated absences**	1,371,242	148,578	-	1,519,820	997,411
Total governmental activities long-term debt	$76,594,385	$352,265	($4,165,517)	$72,781,133	$5,049,620
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	$2,155,000	$ -	($290,000)	$1,865,000	$295,000
Bond issuance premium/discount	72,995	-	(11,837)	61,158	-
Lease liability - building	578,429	-	(139,370)	439,059	147,230
Lease liability - vehicles	174,957	33,027	(41,754)	166,230	49,206
Total business-type activities long-term debt	$2,981,381	$33,027	($482,961)	$2,531,447	$491,436

**The change in compensated absences is presented at the net amount.

All long-term bonded indebtedness outstanding at December 31, 2025 is backed by the full faith and credit of the City, including improvement and revenue bond issues. Delinquent assessments receivable at December 31, 2025 totaled $20,256.

Revenues Pledged

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

		Revenue Pledged					Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Debt Service as a % of Net Revenues	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2022A	Park Improvements	Property Taxes	100%	-	2020-2038	$24,679,025	$1,907,825	$1,888,673
2020A	Housing Redevelopment	Tax Increment	100%	100.0%	2020-2026	881,500	883,500	883,500
2019A	Housing Redevelopment	Tax Increment	100%	100.0%	2020-2035	10,715,629	248,788	248,788
2017A	Building Improvements	Property Taxes	100%	95.06%	2017-2042	50,803,513	2,987,488	2,876,613
2016A Water Revenue Bonds	Infrastructure Improvements	Water Customer Net Revenue	100%	12.88%	2016-2031	1,983,518	331,012	5,675,275

8. Defined Benefit Pension Plans

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). 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 Plan (General Plan)

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

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

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

B. Benefits Provided

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

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 postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2012, are vested after three years of service. Members hired on or after July 1, 2012, 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 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 postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

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

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City’s contributions to the General Employees Fund for the year ended December 31, 2025 were $662,138. 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 $1,114,968. The City’s contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of $3,207,492 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $77,375.

City's proportionate share of the net pension liability	$3,207,492
State of Minnesota's proportionate share of the net pension liability associated with the City	77,375
Total	$3,284,867

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0968% at the end of the measurement period and 0.1010% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of ($172,022) for its proportionate share of the General Plan's pension expense. In addition, the City recognized an additional ($11,868) 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 General Employees Fund 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	$304,628	$ -
Changes in actuarial assumptions	77,284	727,288
Net difference between projected and actual earnings on pension plan investments	-	1,302,341
Changes in proportion	90,697	198,607
Employer contributions subsequent to the measurement date	329,140	-
Total	$801,749	$2,228,236

The $329,140 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2026	($360,407)
2027	(675,221)
2028	(492,003)
2029	(227,996)
2030	-
Thereafter	-
	($1,755,627)

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of $4,662,849 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3980% at the end of the measurement period and 0.3964% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $161,637.

City's proportionate share of the net pension liability	$4,662,849
State of Minneosta's proportionate share of the net pension liability associated with the City	161,637
Total	$4,824,486

For the year ended December 31, 2025, the City recognized pension expense of $1,108,305 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional $78,208 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid, because this contribution was not considered to meet the definition of a special funding situation. The City recognized $35,817 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 Police and Fire Fund 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	$2,155,481	$ -
Changes in actuarial assumptions	3,539,021	5,848,620
Net difference between projected and actual earnings on pension plan investments	-	2,079,007
Changes in proportion	70,478	97,350
Employer contributions subsequent to the measurement date	561,905	-
Total	$6,326,885	$8,024,977

The $561,905 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2026	$1,072,805
2027	(1,028,945)
2028	(2,301,355)
2029	(128,908)
2030	126,406
Thereafter	-
	($2,259,997)

The net pension liability will be liquidated by the general, water, sewer, storm and liquor funds.

E. 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 become effective with the July 1, 2025 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions:

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

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.

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%	

F. 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.

G. 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	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the General Plan net pension liability	$7,790,494	$3,207,492	($510,355)
Proportionate share of the Police and Fire Plan net pension liability	$12,217,652	$4,662,849	($1,540,837)

H. Pension Plan Fiduciary Net Position

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

I. Pension Expense

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

General Plan	($183,890)
Police and Fire Plan	1,186,513
Total	$1,002,623

9. Defined Contribution Plan

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

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

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

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer (Pension Expense)	Employee	Employer	Rate
$2,159	$2,159	5%	5%	5%

10. Defined Contribution Pension Plan - Fridley Volunteer Firefighters Relief Association

Plan Description

The Fridley Volunteer Firefighters Relief Association (Association), is a single employer public employee retirement system that acts as a common investment administrator for all of the City's firefighters. Pursuant to a 1987 amendment to its by-laws, the pension plan is a defined contribution plan, prior to 1987 the pension plan was a defined benefit pension plan.

Benefits and contribution requirements are established by the Association's by-laws and can be amended by the Association's Board of Trustees with approval from the City of Fridley, Minnesota. All provisions are within limitations established by Minnesota Statutes.

Type of Benefit
The exclusive pension provided by the Association is a "Defined Contribution Lump Sum Service Pension," as defined in Minnesota Statutes §424A.02, Subdivision 4.

Contribution Made
The City received on-behalf payments of $291,001 and $255,339 in State Aid to the Association for December 31, 2025 and 2024, respectively. This transaction is recorded as revenue and expenditures in the City's financial statements.

During 2025 and as of December 31, 2025, the Association held no securities issued by the City or other related parties.

As of December 31, 2024, the Fridley Firefighters Relief Association joined the Statewide Volunteer Firefighter (SVF) plan.

11. Post-Employment Benefits Other Than Pensions (OPEB)

A. Plan Description

In addition to providing the pension benefits described in Notes 8 and 9, the City provides post employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee. During 2025, benefits were provided to five officers disabled in the line of duty.

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

C. Participants

As of the January 1, 2025 actuarial valuation date, participants of the plan consisted of:

Active employees	149
Inactive employees or beneficiaries currently receiving benefits	5
Total	154

D. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of $2,548,145 was measured as of January 1, 2025 and was determined by an actuarial valuation as of January 1, 2025. Changes in the total OPEB liability during 2025 were:

Balance - beginning of year	$2,746,170
Changes for the year:	
Service cost	41,168
Interest cost	101,728
Changes of benefit terms	-
Differences between expected and actual experience	(139,714)
Changes in assumptions	(124,523)
Benefit payments	(76,684)
Net changes	(198,025)
Balance - end of year	$2,548,145

There were no plan changes since the measurement date of January 1, 2025.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Service graded increases ranging from 3% - 11.75%
Discount rate	4.20%
20-year municipal bond yield	4.20%
Healthcare cost trend rates	6.50% as of January 1, 2025 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Retirees' share of benefit-related costs	100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on 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 Pub-2010 Public Retirement Plans Headcount – Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
The actuarial assumptions (retirement withdrawal) used in the January 1, 2025 valuation are similar to those used to value pension liabilities for Minnesota public employees. The rates are based on the most recent four-year experience study for the Public Employees Retirement Associated of Minnesota General Employees Plan completed in 2023 and a review of the inflation assumption.

F. Sensitivity of the Total OPEB Liability to Changes in The Discount Rate

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% lower or 1% higher than the current discount rate 4.20%:

	1% Decrease (3.20%)	Discount Rate (4.20%)	1% Increase (5.20%)
Total OPEB liability	$2,883,601	$2,548,145	$2,267,678

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates of 6.50% grading to 5.00% over 6 years and then to 4.00% over the next 48 years:

	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Total OPEB liability	$2,260,464	$2,548,145	$2,889,541

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

For the year ended December 31, 2025, the City recognized $291,035 of OPEB expense. At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$1,025,056	$224,531
Changes in actuarial assumptions	167,651	369,002
Contributions subsequent to the measurement date	79,499	-
Total	$1,272,206	$593,533

$79,499 reported as deferred outflows of resources related to OPEB resulting from City contributions after the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2026	$148,142
2027	112,616
2028	93,946
2029	110,200
2030	110,196
Thereafter	24,074

The OPEB liability will be liquidated by the General, Water, Sewer, Storm Water and Liquor funds.

12. Interfund Receivables, Payables and Transfers

Interfund payables and receivables are representative of lending/borrowing arrangements to cover deficit cash balances (unless otherwise indicated below) at the end of the fiscal year.

Interfund receivables and payables of the City are as follows:

	Interfund Receivables	Interfund Payables
Due From/Due To:		
Major Funds:		
General Fund	$81,693	$ -
Community Investment (1) (2)	1,808,725	-
Water (1) (2)	-	1,733,725
Sewer (2)	-	45,000
Storm Water (2)	-	30,000
Nonmajor Fund:		
Police Activity	-	29,476
Special Assessment Construction Capital Projects	-	52,217
Total	$1,890,418	$1,890,418

(1) Interfund loan from Community Investment Fund to Water Fund to support capital costs related to the Locke Park Water Treatment Improvement Project Balance was $1,568,726 at December 31, 2025.

(2) Interfund loan from Community Investment Fund to Water, Sewer, and Storm Water Funds to pay off the 2010A revenue bond to save on interest expense. Balance is $240,000 at December 31, 2025.

Interfund receivables and payables of the HRA component unit at December 31, 2025 are as follows:

	Interfund Receivables	Interfund Payables
Due From/Due To:		
Major Funds:		
General Fund	$6,440,891	$ -
Gateway Northeast	-	444,692
BAE Hazardous Sub District	-	1,939,104
Locke Point Park	-	3,995,124
Nonmajor Governmental Funds:		
Gateway West	-	55,607
Moon Plaza	-	6,364
Total	$6,440,891	$6,440,891

The above balances are not expected to be eliminated within one year of December 31, 2025.

Interfund Transfers:

	Transfer In	Transfer Out
Governmental Funds:		
Major Funds:		
General Fund (1) (2) (3) (4) (5)	$582,500	$245,000
Street Improvements (1) (2)	245,000	200,000
Park Improvements (3)	-	154,000
Nonmajor Governmental Funds:		
Capital Equipment (6)	200,000	-
Total governmental funds	1,027,500	599,000
Proprietary Funds:		
Liquor (5) (6)	-	388,500
Water (4)	-	40,000
Total proprietary funds	0	428,500
Total	$1,027,500	$1,027,500

(1) Transfer of $245,000 from General Fund to Street Improvements Fund to finance capital projects.
(2) Transfer of $200,000 from Street Improvements Fund to General Fund to finance General Fund street expenses.
(3) Transfer of $154,000 from the Park Improvements Fund to the General Fund to cover employee time spent on park improvements
(4) Transfer of $40,000 from Water Fund to General Fund to cover employee time from utility projects.
(5) Budgeted transfer of $188,500 from Liquor Fund to General Fund.
(6) Budgeted transfer of $200,000 from Liquor Fund to capital equipment purchases.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

13. Fund Balance

A. Fund Balance Classifications

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

	General	Debt Service	Street Improvements	Community Investment	Park Improvements	Other Governmental	Total City	Component Unit
Nonspendable:								
Inventory	$64,539	$ -	$ -	$ -	$ -	$ -	$64,539	$ -
Prepaid items	99,820	-	-	-	34,886	3,060	137,766	-
Mortgage loan receivable	-	-	-	-	-	-	-	5,261,889
Total nonspendable	164,359	-	-	-	34,886	3,060	202,305	5,261,889
Restricted for:								
Donations	60,469	-	-	-	-	-	60,469	-
Public safety	1,076,320	-	-	-	-	-	1,076,320	-
Debt service	-	5,506,260	-	-	-	-	5,506,260	-
Tax increment	-	-	-	-	-	-	-	-
Police forfeitures	-	-	-	-	-	84,440	84,440	-
Cable television equipment	-	-	-	-	-	147,302	147,302	-
Unspent bond proceeds	-	-	-	-	850,185	-	850,185	-
Housing and redevelopment	-	-	-	-	-	-	-	12,266,699
Total restricted	1,136,789	5,506,260	0	0	850,185	231,742	7,724,976	12,266,699
Committed to:								
Cable television programming	-	-	-	-	-	694,517	694,517	-
Recycling programs	-	-	-	-	-	153,398	153,398	-
Nature Center activities	-	-	-	-	-	369,049	369,049	-
Community investment	-	-	-	15,765,769	-	-	15,765,769	-
Police activity	-	-	-	-	-	16,349	16,349	-
Capital equipment	-	-	-	-	-	581,598	581,598	-
Housing loan program	-	-	-	-	-	-	-	1,712,255
Total committed	-	-	-	15,765,769	-	1,814,911	17,580,680	1,712,255
Assigned to:								
Capital improvements	-	-	1,109,053	-	3,931,281	1,931,149	6,971,483	-
Unassigned	13,199,387	-	-	-	-	(22,409)	13,176,978	13,380,992
Total	$14,500,535	$5,506,260	$1,109,053	$15,765,769	$4,816,352	$3,958,453	$45,656,422	$32,621,835

B. Minimum Unassigned Fund Balance Policy

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The City's policy for unassigned funds in the General Fund is equal to 35% - 50% of the following year General Fund expenditures.

At December 31, 2025, the unassigned fund balance of the General Fund was $13,199,387 compared to its targeted unassigned fund balance of between $9,084,215 and $12,977,450.

14. Tax Increment Districts

The HRA is the administering authority for the following Tax Increment Districts:

Year Established	District	District Name	Tax Capacity Values Current	Tax Capacity Values Original	Tax Capacity Values Captured	Fiscal Disparity Adjustments	Retained By Authority
2007	18	Gateway West	$61,215	$4,430	$56,785	$ -	$56,785
2013	20	TIF 20 HSS 20A	2,717,961	276,688	2,441,273	-	2,441,273
2009	21	Gateway Northeast	624,866	28,419	596,447	-	596,447
2013	22	Northstar Transit Station	2,029,951	513,177	1,516,774	-	1,516,774
2018	23	Locke Point Park	331,709	60,918	270,791	-	270,791
2018	24	Northern Stacks VIII	235,744	115,566	120,178	-	120,178
2023	25	Holly Center	621,588	70,449	551,139	-	551,139
2023	26	Moon Plaza	342,920	29,569	313,351	-	313,351
2017	HR1/V5	Housing Replacement	3,305	208	3,097	-	3,097
1995	HR1/V6	Housing Replacement	6,697	316	6,381	-	6,381
1995	HR1/V9	Housing Replacement	3,428	286	3,142	-	3,142
1995	HR1/W1	Housing Replacement	3,024	357	2,667	-	2,667
1995	HR1/W2	Housing Replacement	3,005	286	2,719	-	2,719
1995	HR1/W6	Housing Replacement	10,412	516	9,896	-	9,896
1995	HR1/W7	Housing Replacement	3,544	170	3,374	-	3,374
1995	HR1/X8	Housing Replacement	7,265	503	6,762	-	6,762
2017	HR1/X9	Housing Replacement	4,238	164	4,074	-	4,074
1995	HR1/Y1	Housing Replacement	3,475	201	3,274	-	3,274
1995	HR1/Y2	Housing Replacement	3,614	181	3,433	-	3,433
2015	HR1/Y4	Housing Replacement	4,011	328	3,683	-	3,683
2017	HR1/Y5	Housing Replacement	3,813	251	3,562	-	3,562
2020	HR1/AA5	Housing Replacement	3,902	295	3,607	-	3,607
2020	HR1/AA7	Housing Replacement	4,141	299	3,842	-	3,842
2021	HR1/BB3	Housing Replacement	4,585	547	4,038	-	4,038
2021	HR1/BB4	Housing Replacement	4,212	350	3,862	-	3,862
		Totals	$7,042,625	$1,104,474	$5,938,151	$ -	$5,938,151

15. Commitments and Contingencies

A. Risk Managements

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1987, the City established the Self Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss.

Workers compensation coverage is provided through a pooled self-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 Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is subject to a $25,000 deductible.

Property and casualty insurance coverage is provided through a pooled self-insurance program through 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. For property (other than vehicles for which the City is self-insured) and casualty coverage, the City has a $75,000 deductible per occurrence with a $150,000 annual maximum. This deductible gets paid out of the Self-Insurance Fund as necessary.

The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

In 1990, the General Fund contributed $1,000,000 to the Self Insurance Fund in lieu of the Self Insurance Fund charging losses back to each fund.

There is no recorded liability for unpaid claims because the amount of such claims, if any, is considered to be immaterial.

As of December 31, 2025, the Self Insurance Fund has accumulated equity in the amount of $784,787 to cover future claims and losses.

B. Litigation

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

C. Federal and State Funds

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2025.

D. Tax Increment Districts

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

E. 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 are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the HRA. Details of the pay-as-you-go notes are as follows:

TIF District #6, Lake Pointe (Medtronic):

Issued in 2001 in the principal sum of $20,000,000 with an interest rate of 6.75% per annum. Principal and interest shall be paid on August 1, 2001 and each February 1 and August 1 thereafter to and including March 1, 2026. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2026. The current year abatement (TIF note payments) amounted to $798,696. At December 31, 2025, the TIF District had been decertified.

TIF District #19, Main Street:

Issued in 2008 in the principal sum of $1,500,000 with an interest rate of 7.00% per annum. Principal and interest shall be paid on August 1, 2009 and each February 1 and August 1 thereafter to and including February 1, 2025. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for certain public redevelopment costs. The current year abatement (TIF note payments) amounted to $0. At December 31, 2025, the TIF District had been decertified.

TIF District #22, Northstar – Fridley Senior Apartments

Issued in 2021 in the principal sum of $3,204,650 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2022, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to $259,096. At December 31, 2025, the balance outstanding was $2,885,300.

TIF District #22, Fridley Market Apartments

Issued in 2021 in the principal sum of $2,845,250 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2022, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to $241,065. At December 31, 2025, the balance outstanding was $2,502,123.

TIF District #22, Fridley City Apartments

Issued in 2023 in the principal sum of $1,222,750 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2023, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to $38,355. At December 31, 2025, the balance outstanding was $1,164,171.

TIF District #24, Northern Stacks Phase VIII:

Issued in 2018 in the principal sum of $660,000 with an interest rate of 5.75% per annum. Principal and interest shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2042. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2040. Current year abatement (TIF note payments) amounted to $123,829. At December 31, 2025, the principal amount outstanding on the note was $530,980.

TIF District #25, Roers – Holly Center:

Issued in 2023 in the principal sum of $6,489,820 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2049. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2049. Current year abatement (TIF note payments) amounted to $701,172. At December 31, 2025, the principal amount outstanding on the note was $5,763,761.

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

As of December 31, 2025, there are five series outstanding issued after July 1, 1995 with an aggregate principal amount payable of $67,652,685.

17. Deficit Fund Balances

At December 31, 2025, individual funds with a deficit fund balance are as follows:

Primary government:	
Governmental Fund:	
Special Assessment	
Construction Capital Projects	($22,409)
Internal Service Fund:	
Employee Benefits	($10,471,408)
Component unit:	
Gateway Northeast	($423,016)
BAE Hazardous Sub District	(1,936,314)
Locke Point Park	(3,993,832)
Gateway West	(55,117)
Northern Stacks VIII	(2,168)
Moon Plaza	(999)

18. Contingent Receivable

In 1999, the HRA entered into an agreement with Medtronic for the sale of land from the HRA to Medtronic. The original principal amount of the receivable was $5,000,000 and the outstanding balance at December 31, 2025 is $2,504,823. Interest is added quarterly at a rate of 8.25%. Payments on the note receivable are made in an amount equal to 11.11% of tax increment note payments received by Medtronic through 2013, and 22.22% of tax increment note payments receivable from 2013 through 2026.

19. Commitments

At December 31, 2025, the City had project contracts in progress. The commitments related to the remaining contract balances amounted to $7,221,067. Additionally, the City had active contracts to purchase capital assets totaling $2,108,576.

20. Recently Issued Accounting Standards

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

Statement No. 103 *Financial Reporting Model Improvements.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for reporting periods beginning after June 25, 2025.

Statement No. 105 *Subsequent Events.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

	2025			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes and special assessments:				
Current ad valorem taxes	$16,098,300	$16,098,300	$15,899,537	($198,763)
Delinquent ad valorem taxes-net of abatements	-	-	(245,251)	(245,251)
Penalties and interest	20,000	20,000	16,591	(3,409)
Special assessments	60,000	99,000	37,797	(61,203)
Total taxes and special assessments	16,178,300	16,217,300	15,708,674	(508,626)
Licenses and permits:				
Licenses:				
Rental	260,000	260,000	300,860	40,860
Business	69,900	69,900	71,375	1,475
All other	40,000	40,000	40,950	950
Permits	807,700	807,700	757,470	(50,230)
Total licenses and permits	1,177,600	1,177,600	1,170,655	(6,945)
Intergovernmental revenue:				
Federal grants	289,000	289,000	257,903	(31,097)
State maintenance aid	512,500	552,500	560,813	8,313
Local grants	1,097,400	1,398,900	1,300,767	(98,133)
Other state grants	171,600	516,600	599,406	82,806
Police and fire pension	544,000	544,000	919,444	375,444
Total intergovernmental revenue	2,614,500	3,301,000	3,638,333	337,333
Charges for services:				
General government	1,489,100	1,489,100	1,478,334	(10,766)
Public safety	748,600	748,600	646,198	(102,402)
Public works	418,900	418,900	247,100	(171,800)
Community development	223,800	223,800	216,941	(6,859)
Recreation	189,500	189,500	245,838	56,338
Total charges for services	3,069,900	3,069,900	2,834,411	(235,489)
Fines and forfeits	152,000	152,000	149,546	(2,454)
Investment income:				
Interest and dividends	225,000	225,000	616,320	391,320
Net change in the fair value of investments	-	-	147,175	147,175
Total investment income	225,000	225,000	763,495	538,495
Miscellaneous revenue:				
Insurance and other reimbursements	175,600	175,600	235,248	59,648
Gambling tax	30,000	30,000	50,415	20,415
Donations	9,500	9,500	21,560	12,060
Miscellaneous	94,000	94,000	81,407	(12,593)
Total miscellaneous revenue	309,100	309,100	388,630	79,530
Total revenues	23,726,400	24,451,900	24,653,744	201,844

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

	2025			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Expenditures:				
General government:				
City management:				
Mayor and council:				
Current:				
Personnel services	$134,400	$134,400	$111,602	$22,798
Supplies and other charges	74,000	74,000	60,998	13,002
Total mayor and council	208,400	208,400	172,600	35,800
City manager:				
Current:				
Personnel services	387,300	387,300	311,503	75,797
Supplies and other charges	24,100	24,100	12,957	11,143
Total city manager	411,400	411,400	324,460	86,940
Employee resources:				
Current:				
Personnel services	383,700	428,700	430,282	(1,582)
Supplies and other charges	66,000	66,000	66,504	(504)
Total employee resources	449,700	494,700	496,786	(2,086)
Legal:				
Current:				
Supplies and other charges	450,500	450,500	436,729	13,771
Elections:				
Current:				
Personnel services	300	300	-	300
Supplies and other charges	10,900	10,900	3,935	6,965
Total elections	11,200	11,200	3,935	7,265
Communications and engagement				
Current:				
Personnel services	159,000	169,000	171,927	($2,927)
Supplies and other charges	88,100	88,100	80,384	7,716
Total communications and engagement	247,100	257,100	252,311	4,789
City clerk/records:				
Personnel services	271,800	271,800	277,340	(5,540)
Supplies and other charges	40,900	40,900	19,009	21,891
Total city clerk/records	312,700	312,700	296,349	16,351
Total city management	2,091,000	2,146,000	1,983,170	162,830
Finance:				
Accounting:				
Current:				
Personnel services	750,400	750,400	700,701	49,699
Supplies and other charges	106,600	106,600	108,353	(1,753)
Total accounting	857,000	857,000	809,054	47,946
Assessing:				
Current:				
Personnel services	347,900	347,900	336,693	11,207
Supplies and other charges	25,100	25,100	16,659	8,441
Total assessing	373,000	373,000	353,352	19,648
Information Technology:				
Current:				
Personnel services	376,500	376,500	380,309	(3,809)
Supplies and other charges	316,000	316,000	269,392	46,608
Total Information Technology	692,500	692,500	649,701	42,799
Total finance	1,922,500	1,922,500	1,812,107	110,393
Nondepartmental:				
Current:				
Personnel services	65,000	10,000	-	10,000
Supplies and other charges	29,200	494,200	509,503	(15,303)
Total nondepartmental	94,200	504,200	509,503	(5,303)

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

	2025			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Expenditures: (continued)				
General government: (continued)				
Facilities management:				
Current:				
Personnel services	$347,600	$347,600	$344,389	$3,211
Supplies and other charges	513,400	513,400	496,485	16,915
Total facilities management	861,000	861,000	840,874	20,126
Total general government	4,968,700	5,433,700	5,145,654	288,046
Public safety:				
Police:				
Police protection:				
Current:				
Personnel services	8,984,300	8,984,300	8,757,292	227,008
Supplies and other charges	947,900	947,900	1,016,666	(68,766)
Total police protection	9,932,200	9,932,200	9,773,958	158,242
Emergency management:				
Current:				
Supplies and other charges	14,700	14,700	26,823	(12,123)
Total police	9,946,900	9,946,900	9,800,781	146,119
Fire:				
Fire protection:				
Current:				
Personnel services	1,705,200	1,705,200	1,554,042	151,158
Supplies and other charges	309,300	309,300	587,878	(278,578)
Total fire protection	2,014,500	2,014,500	2,141,920	(127,420)
Rental inspections:				
Current:				
Personnel services	272,300	272,300	271,775	525
Supplies and other charges	34,900	34,900	39,606	(4,706)
Total rental inspections	307,200	307,200	311,381	(4,181)
Total public safety	12,268,600	12,268,600	12,254,082	14,518
Public works:				
Engineering:				
Current:				
Personnel services	518,100	518,100	431,499	86,601
Supplies and other charges	65,100	65,100	117,611	(52,511)
Total engineering	583,200	583,200	549,110	34,090
Lighting:				
Current:				
Personnel services	20,000	20,000	20,645	(645)
Supplies and other charges	258,000	258,000	238,099	19,901
Total lighting	278,000	278,000	258,744	19,256

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

	2025			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Expenditures: (continued)				
Park maintenance:				
Current:				
Personnel services	$919,800	$949,800	$975,827	($26,027)
Supplies and other charges	252,200	252,200	251,377	823
Total park maintenance	1,172,000	1,202,000	1,227,204	(25,204)
Street:				
Current:				
Personnel services	1,034,200	1,044,200	1,034,526	9,674
Supplies and other charges	620,800	375,800	420,504	(44,704)
Total street	1,655,000	1,420,000	1,455,030	(35,030)
Fleet services:				
Current:				
Personnel services	446,900	446,900	460,269	(13,369)
Supplies and other charges	57,500	57,500	70,946	(13,446)
Total garage	504,400	504,400	531,215	(26,815)
Forestry:				
Current:				
Supplies and other charges	84,900	429,900	437,797	(7,897)
Total forestry	84,900	429,900	437,797	(7,897)
Total public works	4,277,500	4,417,500	4,459,100	(41,600)
Community development:				
Building inspection:				
Current:				
Personnel services	400,400	400,400	348,773	51,627
Supplies and other charges	181,400	181,400	139,409	41,991
Total building inspection	581,800	581,800	488,182	93,618
Planning:				
Current:				
Personnel services	756,600	756,600	696,204	60,396
Supplies and other charges	160,000	199,000	169,988	29,012
Total planning	916,600	955,600	866,192	89,408
Total community development	1,498,400	1,537,400	1,354,374	183,026
Parks and recreation:				
Current:				
Personnel services	792,000	792,000	751,809	40,191
Supplies and other charges	217,000	217,000	193,134	23,866
Total parks and recreation	1,009,000	1,009,000	944,943	64,057
Debt service:				
Principal	98,100	98,100	98,010	90
Interest and other charges	9,500	9,500	9,494	6
Total debt services	107,600	107,600	107,504	96
Total expenditures	24,129,800	24,773,800	24,265,657	508,143
Excess (deficiency) of revenues over (under) expenditures	(403,400)	(321,900)	388,087	(306,299)
Other financing sources (uses):				
Transfers in	566,900	566,900	582,500	15,600
Transfers out	(163,500)	(245,000)	(245,000)	-
Total other financing sources	403,400	321,900	337,500	15,600
Net change in fund balance	$ -	$ -	725,587	($290,699)
Fund balance - January 1			13,774,948	
Fund balance - December 31			$14,500,535	

See accompanying notes to the required supplementary information.

Exhibit B-2

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service cost	$ 41,168	$ 39,900	$ 37,191	$ 41,774	$ 40,554	$ 29,976	$ 24,817	$ 30,073
Interest cost	101,726	79,336	31,042	30,625	46,853	53,743	36,281	14,035
Addition of disabled police officers	-	-	-	-	-	-	-	659,344
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(139,714)	618,668	828,652	-	(272,762)	-	345,222	-
Changes in assumptions	(124,523)	102,388	(403,871)	-	142,709	149,391	(61,029)	-
Benefit payments	(76,684)	(74,542)	(54,737)	(39,292)	(46,423)	(38,283)	(32,982)	(15,301)
Net change in total OPEB liability	(198,027)	765,750	438,277	33,107	(89,069)	194,827	312,309	688,151
Total OPEB liability - beginning	2,746,170	1,980,420	1,542,143	1,509,036	1,598,105	1,403,278	1,090,969	402,818
Total OPEB liability - ending	$ 2,548,143	$ 2,746,170	$ 1,980,420	$ 1,542,143	$ 1,509,036	$ 1,598,105	$ 1,403,278	$ 1,090,969
Covered-employee payroll	$14,184,492	$12,943,382	$12,650,589	$11,843,778	$11,498,814	$10,759,599	$10,446,213	$10,037,870
Total OPEB liability as a percentage of covered-employee payroll	18.0%	21.2%	15.7%	13.0%	13.1%	14.9%	13.4%	10.9%

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

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
GENERAL EMPLOYEES RETIREMENT FUND
Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.1018%	$8,265,655	$107,922	$8,373,577	$6,281,307	133.3%	68.9%
2017	2017	0.0979%	6,249,871	78,569	6,328,440	6,269,774	100.9%	75.9%
2018	2018	0.0976%	5,414,448	177,601	5,592,049	6,461,494	86.5%	79.5%
2019	2019	0.0919%	5,080,945	157,993	5,238,938	6,505,506	80.5%	80.2%
2020	2020	0.0946%	5,671,702	174,864	5,846,566	6,747,539	86.6%	79.1%
2021	2021	0.0987%	4,214,932	128,697	4,343,629	7,107,615	61.1%	87.0%
2022	2022	0.0982%	7,777,472	228,060	8,005,532	7,353,484	108.9%	76.7%
2023	2023	0.1007%	5,631,031	155,264	5,786,295	8,009,849	72.2%	83.1%
2024	2024	0.1010%	3,735,374	96,589	3,831,963	8,551,540	44.8%	89.1%
2025	2025	0.0968%	3,207,492	77,375	3,284,867	8,763,137	37.5%	90.8%

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2016	$458,639	$458,639	$ -	$6,115,187	7.5%
December 31, 2017	479,410	479,410	-	6,392,134	7.5%
December 31, 2018	480,597	480,597	-	6,407,960	7.5%
December 31, 2019	495,872	495,872	-	6,611,626	7.5%
December 31, 2020	525,081	525,081	-	7,001,082	7.5%
December 31, 2021	541,932	541,932	-	7,225,769	7.5%
December 31, 2022	569,464	569,464	-	7,592,844	7.5%
December 31, 2023	625,623	625,623	-	8,341,627	7.5%
December 31, 2024	650,735	650,735	-	8,676,459	7.5%
December 31, 2025	662,138	662,138	-	8,828,503	7.5%

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.4050%	$16,253,355	$ -	$16,253,355	$3,898,494	416.9%	63.9%
2017	2017	0.3710%	5,008,941	-	5,008,941	3,812,191	131.4%	85.4%
2018	2018	0.4185%	4,460,779	-	4,460,779	4,265,364	104.6%	88.8%
2019	2019	0.4147%	4,414,900	-	4,414,900	4,373,847	100.9%	89.3%
2020	2020	0.4043%	5,329,107	125,537	5,454,644	4,560,658	119.6%	87.2%
2021	2021	0.3895%	3,006,527	135,161	3,141,688	4,603,126	68.3%	93.7%
2022	2022	0.4048%	17,615,297	769,563	18,384,860	4,917,823	373.8%	70.5%
2023	2023	0.3983%	6,878,123	277,026	7,155,149	5,230,355	136.8%	86.5%
2024	2024	0.3964%	5,214,819	198,787	5,413,606	5,488,844	98.6%	90.2%
2025	2025	0.3980%	4,662,849	161,637	4,824,486	6,039,860	79.9%	91.8%

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2016	$606,767	$606,767	$ -	$3,745,475	16.20%
December 31, 2017	653,014	653,014	-	4,030,951	16.20%
December 31, 2018	700,029	700,029	-	4,321,166	16.20%
December 31, 2019	751,753	751,753	-	4,435,121	16.95%
December 31, 2020	807,829	807,829	-	4,564,003	17.70%
December 31, 2021	839,373	839,373	-	4,742,218	17.70%
December 31, 2022	903,357	903,357	-	5,103,712	17.70%
December 31, 2023	946,028	946,028	-	5,344,791	17.70%
December 31, 2024	1,013,765	1,013,765	-	5,727,477	17.70%
December 31, 2025	1,114,968	1,114,968	-	6,299,254	17.70%

See accompanying notes to the required supplementary information.

A. LEGAL COMPLIANCE – BUDGETS

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

B. OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2025 Changes
- No benefit changes.
- The health care trend rates were updated.
- The retirement, withdrawal, and salary increase rates for non-police were updated to reflect the latest experience study.
- The discount rate was changed from 3.70% to 4.20%.

2024 Changes
- No benefit changes.
- The discount rate was changed from 4.00% to 3.70%.

2023 Changes
- No benefit changes.
- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.
- These changes decreased the liability $403,871.

2022 Changes
- No benefit changes.
- No assumptions changes.

2021 Changes
- No benefit changes.
- The discount rate was changed from 2.90% to 2.00%.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale to Pub-2010 Public retirement Plans Headcount – Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.

2020 Changes
- No benefit changes.
- The discount rate was changed from 3.80% to 2.90%.

2019 Changes

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for Police and Fire Personnel were updated.
- The discount rate was changed from 3.30% to 3.80%.

C. PENSION INFORMATION

PERA – General Employees Retirement Fund

2025 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%.

2025 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 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.

2024 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 in Actuarial Assumptions

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

2023 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 in Actuarial Assumptions

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

2021 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 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.

2020 Changes in Plan Provisions

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

2019 Changes in Actuarial Assumptions

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

2019 Changes in Plan Provisions
- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

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

2018 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 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; 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 in Actuarial Assumptions
- The Combined Service Annuity (CSA) loads were changed from 0.8 % for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2017 Changes in Plan Provisions:
- The State's contribution for the Minneapolis Employees Retirement Fund equals $16 million in 2017 and 2018 and $6 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21 million to $31 million in calendar years 2019 to 2031. The State's contribution changed from $16 million to $6 million in calendar years 2019 to 2031.

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

PERA – Public Employees Police and Fire Fund

2025 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.

2025 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 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 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%

2023 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 in Actuarial Assumptions
- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 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 in Actuarial Assumptions
- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions
- The mortality projection scale was changed from MP-2017 to MP-2018

2019 Changes in the Plan Provisions
- There have been no changes since the prior valuation.

2018 Changes in Actuarial Assumptions
- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 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 in Actuarial Assumptions

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 % lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.0% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions

- The assumed annual benefit increase rate was changed from 1.00% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

City of Fridley
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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Fridley

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and/or resolution to finance particular functions, activities or governments.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the resources expended to acquire permanent or long-term assets.

Exhibit C-1

CITY OF FRIDLEY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
Assets			
Cash and investments	$1,378,200	$2,091,286	$3,469,486
Receivables:			
Accounts	52,107	17,105	69,212
Taxes	11,585	7,887	19,472
Special assessments	-	96,934	96,934
Due from other governments	179,828	112,455	292,283
Due from component unit	-	405,173	405,173
Prepaids	3,060	-	3,060
Total assets	$1,624,780	$2,730,840	$4,355,620
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	$53,638	$107,163	$160,801
Due to other funds	52,217	29,476	81,693
Deposits payable	650	-	650
Contracts Payable	-	5,462	5,462
Due to other governments	359	647	1,006
Salaries payable	42,297	-	42,297
Total liabilities	149,161	142,748	291,909
Deferred inflows of resources:			
Unavailable revenue	7,504	97,754	105,258
Fund balance:			
Nonspendable	3,060	-	3,060
Restricted	231,742	-	231,742
Committed	1,233,313	581,598	1,814,911
Assigned	-	1,931,149	1,931,149
Unassigned	-	(22,409)	(22,409)
Total fund balance	1,468,115	2,490,338	3,958,453
Total liabilities, deferred inflows of resources, and fund balance	$1,624,780	$2,730,840	$4,355,620

Exhibit C-2

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$569,497	$86,300	$655,797
Special assessments	-	83,713	83,713
Licenses and permits	134,268	-	134,268
Intergovernmental revenue	153,335	1,380,580	1,533,915
Charges for services	709,899	2,500	712,399
Reimbursements	219,327	-	219,327
Fines and forfeits	32,570	-	32,570
Investment income (loss)	69,634	128,218	197,852
Contributions and donations	47,036	-	47,036
Miscellaneous	54,192	73,986	128,178
Total revenues	1,989,758	1,755,297	3,745,055
Expenditures:			
Current:			
General government	902,588	464,994	1,367,582
Public safety	245,458	30,933	276,391
Public works	-	43,621	43,621
Parks and recreation	790,205	-	790,205
Community development	-	7,212	7,212
Capital outlay	-	2,479,080	2,479,080
Debt service:			
Principal	8,573	309,811	318,384
Interest and other charges	4,307	75,831	80,138
Total expenditures	1,951,131	3,411,482	5,362,613
Excess (deficiency) of revenues over (under) expenditures	38,627	(1,656,185)	(1,617,558)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	68,967	68,967
Lease issuance	-	203,687	203,687
Transfers in	-	200,000	200,000
Total other financing sources (uses)	-	472,654	472,654
Net change in fund balance	38,627	(1,183,531)	(1,144,904)
Fund balance - January 1	1,429,488	3,673,869	5,103,357
Fund balance - December 31	$1,468,115	$2,490,338	$3,958,453

City of Fridley
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NONMAJOR GOVERNMENTAL FUNDS

City of Fridley
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NONMAJOR SPECIAL REVENUE FUNDS

Cable TV Fund - This fund receives revenues from the issuance of a franchise agreement with the cable TV provider. These revenues are used for the operation and maintenance of a government access channel.

Solid Waste Abatement Fund - This fund receives grants, recycling fees and yard waste fees. These revenues finance the City's curbside recycling pickup and operation of the yard waste transfer site.

Drug and Gambling Forfeiture Fund - This fund receives forfeited property in connection with illegal gambling or drug activity. Pursuant to Minnesota Statutes, the proceeds are disbursed between the investigating agency and the prosecuting agency.

Police Activity Fund - This fund is used to track the revenue and expenditures of externally funded police positions.

Springbrook Nature Center Fund - This fund was established in 2005 after a $275,000 referendum supporting the Springbrook Nature Center was approved by the voters in November of 2004. The revenues from the annual levy are used for the on-going operation of the nature center and the capital improvement projects required in the park.

Exhibit C-3

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2025

Assets	Cable TV	Solid Waste Abatement	Drug and Gambling Forfeiture	Police Activity	Springbrook Nature Center	Totals Nonmajor Special Revenue Funds
Cash and investments	$853,355	$50,343	$84,771	$ -	$389,731	$1,378,200
Receivables:						
Accounts	-	44,107	-	-	8,000	52,107
Taxes	-	-	-	-	11,585	11,585
Due from other governments	-	102,541	-	76,699	588	179,828
Prepaids	-	-	-	3,060	-	3,060
Total assets	$853,355	$196,991	$84,771	$79,759	$409,904	$1,624,780
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	$3,780	$41,343	$331	$368	$7,816	$53,638
Due to other funds	-	-	-	52,217	-	52,217
Deposits payable	-	-	-	-	650	650
Due to other governments	-	-	-	-	359	359
Salaries payable	7,756	2,250	-	7,765	24,526	42,297
Total liabilities	11,536	43,593	331	60,350	33,351	149,161
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	7,504	7,504
Fund balance:						
Nonspendable	-	-	-	3,060	-	3,060
Restricted	147,302	-	84,440	-	-	231,742
Committed	694,517	153,398	-	16,349	369,049	1,233,313
Total fund balance	841,819	153,398	84,440	19,409	369,049	1,468,115
Total liabilities, deferred inflows of resources, and fund balance	$853,355	$196,991	$84,771	$79,759	$409,904	$1,624,780

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2025

	Cable TV	Solid Waste Abatement	Drug and Gambling Forfeiture	Police Activity	Springbrook Nature Center	Totals Nonmajor Special Revenue Funds
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$569,497	$569,497
Licenses and permits	134,268	-	-	-	-	134,268
Intergovernmental revenue	-	153,335	-	-	-	153,335
Charges for services	26,854	457,633	-	-	225,412	709,899
Reimbursements	-	-	-	219,327	-	219,327
Fines and forfeits	-	-	32,570	-	-	32,570
Investment income (loss)	51,637	3,766	-	-	14,231	69,634
Contributions and donations	-	-	-	-	47,036	47,036
Miscellaneous	-	1,648	-	-	52,544	54,192
Total revenues	212,759	616,382	32,570	219,327	908,720	1,989,758
Expenditures:						
Current:						
General government	320,638	581,950	-	-	-	902,588
Public safety	-	-	29,005	216,453	-	245,458
Parks and recreation	-	-	-	-	790,205	790,205
Debt service:						
Principal	8,573	-	-	-	-	8,573
Interest and other charges	4,307	-	-	-	-	4,307
Total expenditures	333,518	581,950	29,005	216,453	790,205	1,951,131
Excess (deficiency) of revenues over (under) expenditures	(120,759)	34,432	3,565	2,874	118,515	38,627
Fund balance - January 1	962,578	118,966	80,875	16,535	250,534	1,429,488
Fund balance - December 31	$841,819	$153,398	$84,440	$19,409	$369,049	$1,468,115

City of Fridley

Friendly, Responsive & Driven

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NONMAJOR CAPITAL PROJECT FUNDS

Special Assessment Construction Capital Projects Fund – This fund was established to account for the construction of public improvements, such as residential streets, sidewalks, and storm sewers or for the provision of services that are to be paid primarily by the benefited property owner.

Building Improvements Fund – This fund is used to account for capital improvements and purchases.

Information System Improvement Fund – This fund was established to account for the purchase of new equipment and replacement equipment such as computers, local area and wide area network equipment, printers, peripheral devices, telecommunications improvements, copiers and software.

Capital Equipment Fund – This fund is used to account for the purchase and repair of major capital equipment.

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2025

Assets	Special Assessment Construction Capital Projects	Building Improvements	Information System Improvement	Capital Equipment	Totals Nonmajor Capital Project Funds
Cash and investments	$ -	$1,342,537	$114,251	$634,498	$2,091,286
Receivables:					
Accounts	-	-	17,105	-	17,105
Taxes	7,887	-	-	-	7,887
Special assessments	96,934	-	-	-	96,934
Due from other governments	-	112,455	-	-	112,455
Due from component unit	-	405,173	-	-	405,173
Total assets	$104,821	$1,860,165	$131,356	$634,498	$2,730,840
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	$ -	$42,380	$12,530	$52,253	$107,163
Due to other funds	29,476	-	-	-	29,476
Contracts Payable	-	5,462	-	-	5,462
Due to other governments	-	-	-	647	647
Total liabilities	29,476	47,842	12,530	52,900	142,748
Deferred inflows of resources:					
Unavailable revenue	97,754	-	-	-	97,754
Fund balance:					
Committed	-	-	-	581,598	581,598
Assigned	-	1,812,323	118,826	-	1,931,149
Unassigned	(22,409)	-	-	-	(22,409)
Total fund balance	(22,409)	1,812,323	118,826	581,598	2,490,338
Total liabilities, deferred inflows of resources, and fund balance	$104,821	$1,860,165	$131,356	$634,498	$2,730,840

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

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2025

	Special Assessment Construction Capital Projects	Building Improvements	Information System Improvement	Capital Equipment	Totals Nonmajor Capital Project Funds
Revenues:					
Taxes	$ -	$ -	$86,300	$ -	$86,300
Special assessments	83,713	-	-	-	83,713
Intergovernmental revenue	-	453,710	330,000	596,870	1,380,580
Charges for services	-	-	2,500	-	2,500
Investment income (loss)	-	82,482	(843)	46,579	128,218
Miscellaneous	-	16,815	-	57,171	73,986
Total revenues	83,713	553,007	417,957	700,620	1,755,297
Expenditures:					
Current:					
General government	85,739	144,324	233,406	1,525	464,994
Public safety	-	-	-	30,933	30,933
Public works	-	-	-	43,621	43,621
Community development	-	-	-	7,212	7,212
Debt Service:					
Principal	-	-	24,229	285,582	309,811
Interest and other charges	-	-	3,771	72,060	75,831
Capital outlay	-	493,814	280,465	1,704,801	2,479,080
Total expenditures	85,739	638,138	541,871	2,145,734	3,411,482
Excess (deficiency) of revenues over (under) expenditures	(2,026)	(85,131)	(123,914)	(1,445,114)	(1,656,185)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	68,967	68,967
Lease issuance	-	-	-	203,687	203,687
Transfers in	-	-	-	200,000	200,000
Total other financing sources (uses)	-	-	-	472,654	472,654
Net change in fund balance	(2,026)	(85,131)	(123,914)	(972,460)	(1,183,531)
Fund balance - January 1	(20,383)	1,897,454	242,740	1,554,058	3,673,869
Fund balance - December 31	($22,409)	$1,812,323	$118,826	$581,598	$2,490,338

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

City of Fridley
Friendly, Responsive & Driven

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INDIVIDUAL BUDGET TO ACTUAL STATEMENTS
SPECIAL REVENUE FUNDS

Exhibit D-1

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - CABLE TV FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Licenses - franchise fee	$200,000	$200,000	$134,268
Charges for services	40,000	40,000	26,854
Investment income:			
Interest and dividends	20,000	20,000	40,883
Net change in the fair value of investments	-	-	10,754
Total revenues	260,000	260,000	212,759
Expenditures:			
Current:			
General government:			
Personal services	199,000	199,000	162,223
Supplies and other charges	230,900	230,900	158,415
Debt service:			
Principal	8,600	8,600	8,573
Interest and other charges	4,400	4,400	4,307
Total expenditures	442,900	442,900	333,518
Excess (deficiency) of revenues over (under) expenditures	($182,900)	($182,900)	(120,759)
Fund balance - January 1			962,578
Fund balance - December 31			$841,819

Exhibit D-2

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - SOLID WASTE ABATEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Intergovernmental revenue:			
State	$128,300	$128,300	$153,335
Charges for services	448,300	457,300	457,633
Investment income:			
Interest and dividends	400	400	2,867
Net change in the fair value of investments	-	-	899
Miscellaneous	1,500	1,500	1,648
Total revenues	578,500	587,500	616,382
Expenditures:			
Current:			
General government:			
Personal services	60,600	60,600	61,055
Supplies and other charges	505,600	514,600	520,895
Total expenditures	566,200	575,200	581,950
Excess (deficiency) of revenues over (under) expenditures	$12,300	$12,300	34,432
Fund balance - January 1			118,966
Fund balance - December 31			$153,398

Exhibit D-3

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - POLICE ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Charges for services	$226,000	$226,000	$219,327
Expenditures:			
Public safety:			
Personal services	173,100	173,100	187,238
Supplies and other charges	55,100	55,100	29,215
Total expenditures	228,200	228,200	216,453
Excess (deficiency) of revenues over (under) expenditures	($2,200)	($2,200)	2,874
Fund balance - January 1			16,535
Fund balance - December 31			$19,409

Exhibit D-4

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - SPRINGBROOK NATURE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Taxes	$581,200	$581,200	$569,497
Charges for service	205,400	205,400	225,412
Investment income:			
Interest and dividends	2,400	2,400	10,719
Net change in the fair value of investments	-	-	3,512
Contributions and donations	20,000	20,000	47,036
Miscellaneous	1,500	1,500	52,544
Total revenues	810,500	810,500	908,720
Expenditures:			
Current:			
Parks, recreation and naturalist			
Personal services	656,400	656,400	650,882
Supplies and other charges	137,700	137,700	139,323
Total expenditures	794,100	794,100	790,205
Excess (deficiency) of revenues over (under) expenditures	$16,400	$16,400	118,515
Fund balance - January 1			250,534
Fund balance - December 31			$369,049

City of Fridley
Friendly, Responsive & Driven

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for goods and services that are provided on a cost reimbursement or fee basis to departments or agencies within the City. These funds are essential for segregating costs for determining the total cost of providing a service and for assuring that the goods and services provided are properly utilized. These funds are accounted for on a capital maintenance measurement focus and use the accrual basis of accounting.

Employee Benefits Fund – This fund is used to account for the expenses associated with providing fringe and pension benefits for employees.

Self Insurance Fund – This fund is used to account for all revenues and expenses associated with the $50,000 deductible in the City's general liability policy.

Exhibit E-1

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2025

	Employee Benefits	Self Insurance	Total
Assets:			
Cash and investments	$2,192,454	$786,348	$2,978,802
Deferred outflows of resources:			
Pension related	7,128,634	-	7,128,634
Liabilities:			
Current liabilities:			
Accounts payable	338	1,561	1,899
Payroll deductions payable	148,784	-	148,784
Compensated absences payable - current portion	997,411	-	997,411
Total current liabilities	1,146,533	1,561	1,148,094
Noncurrent liabilities:			
Compensated absences payable - long-term portion	522,409	-	522,409
Net pension liability	7,870,341	-	7,870,341
Total noncurrent liabilities	8,392,750	-	8,392,750
Total liabilities	9,539,283	1,561	9,540,844
Deferred inflows of resources:			
Pension related	10,253,213	-	10,253,213
Net position:			
Unrestricted	(10,471,408)	784,787	(9,686,621)
Total net position	($10,471,408)	$784,787	($9,686,621)

Exhibit E-2

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2025

	Employee Benefits	Self Insurance	Total
Operating revenues:			
Charges for services	$1,941,066	$337,600	$2,278,666
Operating expenses:			
Personal services	1,161,763	-	1,161,763
Supplies and other charges	3,324	367,613	370,937
Total operating expenses	1,165,087	367,613	1,532,700
Operating income (loss)	775,979	(30,013)	745,966
Nonoperating revenues:			
Intergovernmental	102,157	-	102,157
Investment income (loss)	117,442	46,554	163,996
Insurance reimbursement	-	32,818	32,818
Loss on disposal of capital assets	-	(44,362)	(44,362)
Total nonoperating revenues	219,599	35,010	254,609
Change in net position	995,578	4,997	1,000,575
Net position - January 1	(11,466,986)	779,790	(10,687,196)
Net position - December 31	($10,471,408)	$784,787	($9,686,621)

Exhibit E-3

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2025

	Employee Benefits	Self Insurance	Total
Cash flows from operating activities:			
Receipts from interfund services provided	$1,941,066	$338,340	$2,279,406
Payment to suppliers	(2,986)	(367,404)	(370,390)
Payment to employees	(1,883,230)	-	(1,883,230)
Net cash flows from operating activities	54,850	(29,064)	25,786
Cash flows from noncapital financing activities:			
Intergovernmental revenue	102,157	-	102,157
Cash flows from capital and related financing activities:			
Acquisition and disposal costs of capital assets	-	(44,362)	(44,362)
Insurance reimbursement	-	32,818	32,818
Net cash flows - capital and related financing activities	-	(11,544)	(11,544)
Cash flows from investing activities:			
Investment income (loss)	117,442	46,554	163,996
Net increase (decrease) in cash and cash equivalents	274,449	5,946	280,395
Cash and cash equivalents - January 1	1,918,005	780,402	2,698,407
Cash and cash equivalents - December 31	$2,192,454	$786,348	$2,978,802
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$775,979	($30,013)	$745,966
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in receivables	-	740	740
Decrease (increase) in deferred outflows of resources	1,976,239	-	1,976,239
Increase (decrease) in payables	(924,341)	209	(924,132)
Increase (decrease) in deferred inflows of resources	(1,773,027)	-	(1,773,027)
Total adjustments	(721,129)	949	(720,180)
Net cash provided by operating activities	$54,850	($29,064)	$25,786

HOUSING AND REDEVELOPMENT AUTHORITY
COMPONENT UNIT

CITY OF FRIDLEY, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
December 31, 2025

	General	Housing Loan	Gateway Northeast	BAE Northern Stacks
Assets				
Cash and investments	$13,957,192	$1,342,667	$21,676	$5,293,902
Receivables:				
Accounts	747,786	-	-	-
Note	400,000	-	-	-
Taxes	14,966	-	-	64
Mortgage:				
Deferred	-	5,261,889	-	-
Interest	108,404	-	-	-
Due from other funds	6,440,891	-	-	-
Land held for resale	621,120	-	-	-
Total assets	$22,290,359	$6,604,556	$21,676	$5,293,966
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	$17,428	$41,932	$ -	$ -
Due to other governments	295,768	-	-	-
Due to primary government	406,470	-	-	145,894
Due to other funds	-	-	444,692	-
Total liabilities	719,666	41,932	444,692	145,894
Deferred inflows of resources:				
Unavailable revenue	1,030,642	-	-	64
Fund balance (deficit):				
Nonspendable	-	5,261,889	-	-
Restricted	-	336,094	-	5,148,008
Committed	747,614	964,641	-	-
Unassigned	19,792,437	-	(423,016)	-
Total fund balance (deficit)	20,540,051	6,562,624	(423,016)	5,148,008
Total liabilities, deferred inflows of resources, and fund balance	$22,290,359	$6,604,556	$21,676	$5,293,966

BAE Hazardous Sub District	Locke Point Park	Lake Pointe	Northstar Transit Station	Holly Center	Other Governmental Funds	Intra - Activity Eliminations	Totals Governmental Funds
$2,790	$ -	$469,591	$5,870,768	$507,388	$1,015,247	$ -	$28,481,221
-	-	-	-	-	-	-	747,786
-	-	-	-	-	-	-	400,000
-	1,292	-	-	17	10,850	-	27,189
-	-	-	-	-	-	-	5,261,889
-	-	-	-	-	-	-	108,404
-	-	-	-	-	-	(6,440,891)	-
-	-	-	-	-	83,660	-	704,780
$2,790	$1,292	$469,591	$5,870,768	$507,405	$1,109,757	($6,440,891)	$35,731,269
$ -	$ -	$395,079	$273,072	$355,355	$54,869	$ -	$1,137,735
-	-	-	-	-	-	-	295,768
-	-	-	-	-	-	-	552,364
1,939,104	3,995,124	-	-	-	61,971	(6,440,891)	-
1,939,104	3,995,124	395,079	273,072	355,355	116,840	(6,440,891)	1,985,867
-	-	-	-	17	92,844	-	1,123,567
-	-	-	-	-	-	-	5,261,889
-	-	74,512	5,597,696	152,033	958,356	-	12,266,699
-	-	-	-	-	-	-	1,712,255
(1,936,314)	(3,993,832)	-	-	-	(58,283)	-	13,380,992
(1,936,314)	(3,993,832)	74,512	5,597,696	152,033	900,073	-	32,621,835
$2,790	$1,292	$469,591	$5,870,768	$507,405	$1,109,757	($6,440,891)	$35,731,269

Fund balance reported above	$32,621,835
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds	1,011,755
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue	1,123,567
Net position of governmental activities	$34,757,157

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
For The Year Ended December 31, 2025

	General	Housing Loan	Gateway Northeast	BAE Northern Stacks
Revenues:				
Tax increment	$ -	$ -	$700,291	$2,527,772
Property taxes	251,944	534,579	-	-
Intergovernmental revenue	50,000	-	-	-
Investment income (loss)	683,898	40,901	11,826	217,811
Mortgage interest earnings	-	103,966	-	-
Interfund and other loan interest earnings	300,985	-	-	-
Payments from primary government	-	462,361	-	-
Miscellaneous	22,923	-	-	-
Total revenues	1,309,750	1,141,807	712,117	2,745,583
Expenditures:				
Supplies and other charges	869,398	88,094	6,675	6,713
Developer assistance	58,706	80,698	-	-
Interest expense	16,815	-	44,038	-
Payments to primary government	-	-	-	1,132,288
Redevelopment	35,331	-	-	-
Total expenditures	980,250	168,792	50,713	1,139,001
Excess (deficiency of revenues over (under expenditures	329,500	973,015	661,404	1,606,582
Other financing sources (uses):				
Sale of real estate	177,470	-	-	-
Transfers in	-	682,172	-	-
Transfers out	-	-	-	(682,172)
Total other financing sources (uses)	177,470	682,172	-	(682,172)
Net change in fund balance	506,970	1,655,187	661,404	924,410
Fund balance (deficit) - January 1	20,033,081	4,907,437	(1,084,420)	4,223,598
Fund balance (deficit) - December 31	$20,540,051	$6,562,624	($423,016)	$5,148,008

BAE Hazardous Sub District	Locke Point Park	Lake Pointe	Northstar Transit Station	Holly Center	Other Governmental Funds	Totals Governmental Funds
$263,588	$270,746	$887,440	$1,768,594	$768,483	$300,877	$7,487,791
-	-	-	-	-	-	786,523
-	-	-	-	-	-	50,000
4,589	4,836	5,554	255,517	9,980	21,934	1,256,846
-	-	-	-	-	-	103,966
-	-	-	-	-	-	300,985
-	-	-	-	-	-	462,361
-	-	-	-	-	-	22,923
268,177	275,582	892,994	2,024,111	778,463	322,811	10,471,395
57	8,730	1,906	7,266	1,831	9,164	999,834
-	-	798,696	546,144	701,172	120,323	2,305,739
74,535	164,124	-	-	-	6,286	305,798
-	-	-	-	-	-	1,132,288
-	-	-	-	-	-	35,331
74,592	172,854	800,602	553,410	703,003	135,773	4,778,990
193,585	102,728	92,392	1,470,701	75,460	187,038	5,692,405
-	-	-	-	-	-	177,470
-	-	-	-	-	-	682,172
-	-	-	-	-	-	(682,172)
-	-	-	-	-	-	177,470
193,585	102,728	92,392	1,470,701	75,460	187,038	5,869,875
(2,129,899)	(4,096,560)	(17,880)	4,126,995	76,573	713,035	26,751,960
($1,936,314)	($3,993,832)	$74,512	$5,597,696	$152,033	$900,073	$32,621,835

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different because:	
Net changes in fund balances - total above	$5,869,875
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,820
Changes in net position of governmental activities (Exhibit A-2)	$5,873,695

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
December 31, 2025

	Gateway East	Gateway West
Assets		
Cash and investments	$41,407	$490
Taxes receivable	-	-
Land held for resale	-	2,610
Total assets	$41,407	$3,100
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts payable	$ -	$ -
Due to other funds	-	55,607
Total liabilities	0	55,607
Deferred inflows of resources:		
Unavailable revenue	-	2,610
Fund balance (deficit):		
Restricted	41,407	-
Unassigned	-	(55,117)
Total fund balance (deficit)	41,407	(55,117)
Total liabilities, deferred inflows of resources, and fund balance	$41,407	$3,100

Housing Replacement	Satellite Lane Apts.	Main Street	Northern Stacks VIII	Moon Plaza	Total Nonmajor Capital Project Funds
$418,649	$484,559	$15,575	$49,076	$5,491	$1,015,247
10,838	12	-	-	-	10,850
81,050	-	-	-	-	83,660
$510,537	$484,571	$15,575	$49,076	$5,491	$1,109,757
$3,500	$ -	$ -	$51,243	$126	$54,869
-	-	-	-	6,364	61,971
3,500	-	0	51,243	6,490	116,840
90,222	12	-	-	-	92,844
416,815	484,559	15,575	-	-	958,356
-	-	-	(2,167)	(999)	(58,283)
416,815	484,559	15,575	(2,167)	(999)	900,073
$510,537	$484,571	$15,575	$49,076	$5,491	$1,109,757

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
For The Year Ended December 31, 2025

	Gateway East	Gateway West	Housing Replacement
Revenues:			
Tax increment	$61,263	$49,319	$70,193
Investment income (loss)	910	843	19,700
Total revenues	62,173	50,162	89,893
Expenditures:			
Supplies and other charges	1,288	952	3,837
Developer assistance	-	-	-
Interest expense	1,015	5,027	-
Total expenditures	2,303	5,979	3,837
Excess (deficiency of revenues over (under expenditures	59,870	44,183	86,056
Fund balance (deficit) - January 1	(18,463)	(99,300)	330,759
Fund balance (deficit) - December 31	$41,407	($55,117)	$416,815

Exhibit F-4

Satellite Lane Apts.	Main Street	Northern Stacks VIII	Moon Plaza	Totals Nonmajor Capital Project Funds
$ -	$ -	$113,872	$6,230	$300,877
-	-	372	109	21,934
0	0	114,244	6,339	322,811
-	-	652	2,435	9,164
17,838	-	102,485	-	120,323
-	-	-	244	6,286
17,838	0	103,137	2,679	135,773
(17,838)	-	11,107	3,660	187,038
502,397	15,575	(13,274)	(4,659)	713,035
$484,559	$15,575	($2,167)	($999)	$900,073

City of Fridley
Friendly, Responsive & Driven

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CUSTODIAL FUNDS

Custodial Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Exhibit G-1

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF NET POSITION
CUSTODIAL FUND
December 31, 2025

	Hotel/Motel Tax
Assets:	
Cash and investments	$7,334
Accounts receivables	7,244
Total assets	$14,578
Liabilities:	
Accounts payable	14,578
Net Position:	
Restricted for economic development	$ -

Exhibit G-2

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For The Year Ended December 31, 2025

	Hotel/Motel Tax
Additions:	
Tax collections from other government	$115,274
Total additions	115,274
Deductions:	
Payments of tax to other governments	109,510
Administrative fee	5,764
Total deductions	115,274
Net increase (decrease) in Fiduciary net position	-
Net position - beginning	-
Net position - ending	$ -

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III. STATISTICAL SECTION (UNAUDITED)

City of Fridley

Friendly, Responsive & Driven

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Statistical Section (Unaudited)

This part of the City of Fridley's annual comprehensive financial report presents detailed statistical 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.

<u>Contents</u>	<u>Tables</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1 - 4**
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	**5 - 8**
Debt Capacity These schedules 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.	**9 - 12**
Demographic and Economic Information These schedules 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.	**13 - 15**
Operating Information These schedules 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.	**16 - 17**

CITY OF FRIDLEY, MINNESOTA
NET POSITION BY COMPONENT
Last ten fiscal years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$23,932,586	$31,006,344	$30,070,173	$27,349,945
Restricted	2,204,983	2,739,575	2,977,454	3,047,005
Unrestricted	13,175,954	8,889,557	11,049,555	15,961,597
Total governmental activities net position	$39,313,523	$42,635,476	$44,097,182	$46,358,547
Business-type activities:				
Net investment in capital assets	$13,913,434	$13,897,925	$15,068,876	$18,211,710
Restricted	-	-	-	-
Unrestricted	9,567,290	11,077,566	12,674,876	11,837,418
Total business-type activities net position	$23,480,724	$24,975,491	$27,743,752	$30,049,128
Primary government:				
Net investment in capital assets	$37,846,020	$44,904,269	$45,139,049	$45,561,655
Restricted	2,204,983	2,739,575	2,977,454	3,047,005
Unrestricted	22,743,244	19,967,123	23,724,431	27,799,015
Total primary government net position	$62,794,247	$67,610,967	$71,840,934	$76,407,675

Table 1

2020	2021	2022	2023	2024	2025
$31,075,685	$29,987,129	$27,164,052	$30,920,434	$33,000,597	$38,552,943
3,662,136	2,763,121	3,957,778	7,102,089	6,937,227	6,934,703
5,783,139	9,898,422	9,915,345	12,454,606	15,841,455	17,779,383
$40,520,960	$42,648,672	$41,037,175	$50,477,129	$55,779,279	$63,267,029
$21,135,232	$23,043,111	$23,290,271	$24,180,284	$26,254,840	$28,363,621
-	-	-	-	-	1,028,026
11,052,792	12,250,803	15,034,748	18,472,064	21,743,835	24,675,207
$32,188,024	$35,293,914	$38,325,019	$42,652,348	$47,998,675	$54,066,854
$52,210,917	$53,030,240	$50,454,323	$55,100,718	$59,255,437	$66,916,564
3,662,136	2,763,121	3,957,778	7,102,089	6,937,227	7,962,729
16,835,931	22,149,225	24,950,093	30,926,670	37,585,290	42,454,590
$72,708,984	$77,942,586	$79,362,194	$93,129,477	$103,777,954	$117,333,883

CITY OF FRIDLEY, MINNESOTA
CHANGES IN NET POSITION
Last ten fiscal years
(Accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	$4,156,904	$4,398,370	$4,298,149	$3,697,097
Public safety	8,048,655	10,313,163	9,129,111	9,274,465
Public works	5,127,667	4,975,340	5,112,090	4,699,946
Community development	1,107,348	1,126,835	981,433	946,173
Parks and recreation	1,353,320	1,440,232	1,720,811	1,835,082
Interest on long-term debt	144,064	97,684	2,292,957	1,685,039
Total governmental activities expenses	19,937,958	22,351,624	23,534,551	22,137,802
Business-type activities:				
Liquor	4,914,786	5,043,703	5,110,714	5,544,091
Water	3,101,356	3,076,493	3,531,649	3,047,417
Sewer	5,040,861	5,068,146	5,340,062	5,347,742
Storm water	785,626	1,030,467	1,085,780	1,071,446
Total business-type activities expenses	13,842,629	14,218,809	15,068,205	15,010,696
Total primary government expenses	$33,780,587	$36,570,433	$38,602,756	$37,148,498
Program revenues				
Governmental activities:				
Charges for services:				
General government	$1,905,021	$2,031,207	$2,021,012	$2,244,912
Public safety	619,630	742,523	798,510	840,976
Public works	53,589	32,522	34,681	53,360
Community development	1,194,534	1,108,177	895,125	1,206,364
Parks and recreation	336,847	333,766	352,245	319,998
Operating grants and contributions	1,139,385	1,077,559	1,847,380	1,185,939
Capital grants and contributions	2,370,009	6,296,532	5,333,480	520,201
Total governmental activities program revenues	7,619,015	11,622,286	11,282,433	6,371,750
Business-type activities:				
Charges for services:				
Liquor	5,256,840	5,439,423	5,520,161	6,029,627
Water	2,907,123	3,330,350	3,486,965	3,912,727
Sewer	4,809,679	5,298,995	5,640,419	6,095,556
Storm water	1,225,153	1,324,460	1,378,095	1,433,935
Operating grants and contributions	-	67,551	61,476	-
Capital grants and contributions	421,990	186,791	713,655	499,800
Total business-type activities program revenues	14,620,785	15,647,570	16,800,771	17,971,645
Total primary government program revenues	$22,239,800	$27,269,856	$28,083,204	$24,343,395

Table 2

	2019	2020	2021	2022	2023	2024	2025
	$5,504,858	$6,003,817	$5,851,445	$6,389,864	$6,921,931	$7,096,229	$7,343,125
	10,035,219	9,946,434	9,816,095	12,178,884	13,556,667	12,764,224	14,207,428
	5,677,069	5,304,937	5,698,161	6,186,146	6,244,765	7,099,559	7,757,884
	973,708	16,037,288	1,051,339	1,478,757	1,450,922	1,391,923	1,301,120
	1,565,950	1,459,005	1,754,110	1,854,907	661,060	2,031,169	2,155,626
	1,795,560	2,012,685	1,881,282	2,795,304	2,580,922	2,458,238	2,300,657
	25,552,364	40,764,166	26,052,432	30,883,862	31,416,267	32,841,342	35,065,840
	5,698,502	6,115,659	6,552,204	6,098,010	5,858,397	5,846,748	5,545,133
	2,811,051	3,192,159	3,086,716	3,270,302	3,364,844	3,516,145	3,543,556
	5,722,230	5,911,370	5,776,014	6,266,036	6,726,694	7,096,221	7,502,783
	1,208,564	1,243,060	1,288,000	1,496,526	1,566,767	1,562,427	1,561,120
	15,440,347	16,462,248	16,702,934	17,130,874	17,516,702	18,021,541	18,152,592
	$40,992,711	$57,226,414	$42,755,366	$48,014,736	$48,932,969	$50,862,883	$53,218,432
	$2,236,868	$1,490,036	$1,623,061	$2,157,317	$2,229,748	$2,568,143	$2,334,517
	558,695	2,181,463	2,066,986	791,031	903,757	891,432	1,009,098
	31,841	792,658	874,269	553,539	1,997,663	531,651	504,223
	1,502,589	971,674	1,299,234	1,982,209	2,247,338	1,933,679	2,133,859
	317,088	59,289	233,035	320,780	348,186	471,218	471,250
	1,845,628	1,603,520	1,483,495	2,082,891	2,908,752	3,033,088	3,771,794
	1,334,148	6,096,584	1,265,349	2,135,051	4,743,465	3,599,409	6,389,239
	7,826,857	13,195,224	8,845,429	10,022,818	15,378,909	13,028,620	16,613,980
	6,195,797	6,708,539	7,290,355	6,521,618	6,230,594	6,062,097	5,839,998
	3,798,381	4,143,249	4,666,860	4,545,403	4,894,229	4,521,777	4,647,249
	6,075,840	5,937,276	6,325,191	6,639,735	7,491,197	7,597,446	7,941,954
	1,491,252	1,523,085	1,600,201	1,767,347	2,033,430	2,176,487	2,348,455
	251,666	118,410	-	84,590	38,706	17,916	207,643
	-	163,816	275,449	466,483	191,275	646,612	2,395,565
	17,812,936	18,594,375	20,158,056	20,025,176	20,879,431	21,022,335	23,380,864
	$25,639,793	$31,789,599	$29,003,485	$30,047,994	$36,258,340	$34,050,955	$39,994,844

CITY OF FRIDLEY, MINNESOTA
CHANGES IN NET POSITION
Last ten fiscal years
(Accrual basis of accounting)

	2015	2016	2017	2018
Net (expense) revenue:				
Governmental activities	($12,318,943)	($10,729,338)	($12,252,118)	($15,766,052)
Business-type activities	778,156	1,428,761	1,732,566	2,960,949
Total primary government net (expense) revenue	($11,540,787)	($9,300,577)	($10,519,552)	($12,805,103)
General revenues and other changes in net position				
Governmental activities:				
General property taxes	$11,795,707	$12,222,937	$13,884,775	$14,839,034
Grants not restricted to programs	1,325,388	1,763,614	657,546	1,613,020
Investment income (loss)	157,281	254,379	413,165	651,609
Gain (loss) on sale of property	67,581	11,005	-	(335,183)
Other	418,640	354,572	280,085	120,778
Transfers	338,600	338,500	338,500	338,500
Total governmental activities	14,103,197	14,945,007	15,574,071	17,227,758
Business-type activities:				
Grants not restricted to programs	2,413	-	-	8,957
Investment earnings	42,722	95,713	68,805	142,716
Gain (loss) on sale of property	10,672	-	16,000	(7,046)
Other	16,331	1,858	15,896	1,185
Transfers	(338,600)	(338,500)	(338,500)	(338,500)
Total business-type activities	(266,462)	(240,929)	(237,799)	(192,688)
Total primary government	$13,836,735	$14,704,078	$15,336,272	$17,035,070
Change in net position:				
Governmental activities	$1,784,254	$4,215,669	$3,321,953	$1,461,706
Business-type activities	511,694	1,187,832	1,494,767	2,768,261
Total primary government	$2,295,948	$5,403,501	$4,816,720	$4,229,967

2019	2020	2021	2022	2023	2024	2025
($17,725,507)	($27,568,942)	($17,207,003)	($20,861,044)	($16,037,358)	($19,812,722)	($18,451,860)
2,372,589	2,132,127	3,455,122	2,894,302	3,362,729	3,000,794	5,228,272
($15,352,918)	($25,436,815)	($13,751,881)	($17,966,742)	($12,674,629)	($16,811,928)	($13,223,588)
$15,387,457	$16,225,057	$16,932,793	$17,340,718	$19,410,491	$20,385,478	21,106,661
1,670,719	3,948,112	1,848,065	1,839,727	1,875,934	1,265,000	1,365,000
811,009	980,709	(180,488)	(576,946)	2,866,774	2,500,077	2,475,234
(249,165)	21,429	129,604	48,528	188,057	231,673	68,967
2,028,352	298,544	266,241	259,020	797,556	575,455	495,248
338,500	257,504	338,500	338,500	338,500	157,189	428,500
19,986,872	21,731,355	19,334,715	19,249,547	25,477,312	25,114,872	25,939,610
8,957	-	-	794,835	434,500	1,624,087	-
257,520	262,616	(24,062)	(387,377)	828,946	841,001	1,234,383
3,772	-	12,450	17,550	39,551	37,583	34,024
1,038	1,657	880	295	103	51	-
(338,500)	(257,504)	(338,500)	(338,500)	(338,500)	(157,189)	(428,500)
(67,213)	6,769	(349,232)	86,803	964,600	2,345,533	839,907
$19,919,659	$21,738,124	$18,985,483	$19,336,350	$26,441,912	$27,460,405	$26,779,517
$2,261,365	($5,837,587)	$2,127,712	($1,611,497)	$9,439,954	$5,302,150	$7,487,750
2,305,376	2,138,896	3,105,890	2,981,105	4,327,329	5,346,327	6,068,179
$4,566,741	($3,698,691)	$5,233,602	$1,369,608	$13,767,283	$10,648,477	$13,555,929

CITY OF FRIDLEY, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years
(Modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund:				
Nonspendable	$51,305	$55,777	$77,801	$53,334
Restricted	35,903	14,466	20,335	42,180
Unassigned	9,084,228	9,522,843	11,045,978	10,166,947
Total general fund	$9,171,436	$9,593,086	$11,144,114	$10,262,461
All other governmental funds:				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	1,903,290	34,821,855	5,009,553	12,775,223
Committed	2,549,903	2,658,339	6,765,928	11,165,161
Assigned	10,573,287	8,510,134	4,567,369	6,177,195
Unassigned	(27,574)	(9,453)	-	-
Total all other governmental funds	$14,998,906	$45,980,875	$16,342,850	$30,117,579

Table 3

2020	2021	2022	2023	2024	2025
$65,779	$105,578	$225,418	$258,652	$281,232	$164,359
24,513	20,849	58,765	1,381,489	1,163,646	1,136,789
13,603,533	10,598,912	10,563,650	11,245,668	12,330,070	13,199,387
$13,693,825	$10,725,339	$10,847,833	$12,885,809	$13,774,948	$14,500,535
$ -	$ -	$ -	$32,211	$7,641	$37,946
3,566,713	3,720,128	27,174,772	20,691,123	15,679,109	6,588,187
11,550,431	16,180,954	16,523,003	17,955,398	17,699,762	17,580,680
6,362,198	6,811,853	4,799,846	5,255,768	7,178,163	6,971,483
(567)	(52,012)	(66,780)	(52,451)	(20,383)	(22,409)
$21,478,775	$26,660,923	$48,430,841	$43,882,049	$40,544,292	$31,155,887

CITY OF FRIDLEY, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years

	2016	2017	2018	2019
Revenues:				
General property taxes	$12,244,211	$13,878,204	$14,857,454	$15,337,464
Special assessments	865,722	621,621	501,045	467,953
Licenses and permits	1,442,895	1,272,753	1,538,758	1,501,526
Intergovernmental	7,330,338	4,227,709	3,035,084	4,446,430
Charges for services	2,592,665	2,560,831	2,863,220	2,958,748
Fines and forfeits	212,635	267,989	263,632	186,807
Earnings on investments	254,379	413,165	651,609	811,009
Interest on loan	-	-	-	-
Other	887,678	766,059	374,415	2,178,614
Total revenues	25,830,523	24,008,331	24,085,217	27,888,551
Expenditures:				
Current:				
General government	3,924,877	3,953,025	3,659,534	4,677,076
Public safety	7,537,051	8,001,032	8,317,478	8,831,505
Public works	2,824,319	3,468,102	3,316,912	3,535,263
Community development	942,768	934,074	909,481	982,166
Parks and recreation	1,341,444	1,417,611	1,557,052	1,244,351
Debt service:				
Principal	1,230,000	1,730,000	1,390,000	1,495,000
Interest	112,421	931,527	1,761,843	1,721,308
Bond issuance costs	2,700	715,461	2,800	155,218
Capital outlay	8,618,369	22,577,062	31,660,699	2,721,649
Total expenditures	26,533,949	43,727,894	52,575,799	25,363,536
Revenues over (under) expenditures	(703,426)	(19,719,563)	(28,490,582)	2,525,015
Other financing sources (uses):				
Bonds/leases/SBITAs issued	-	49,130,000	-	9,510,000
Premium/(discount) on bonds issue	-	1,584,898	-	504,837
Proceeds from sale of capital assets	43,673	69,784	65,085	14,724
Transfers in	2,047,849	1,361,189	7,795,728	2,819,740
Transfers out	(1,909,349)	(1,022,689)	(7,457,228)	(2,481,240)
Total other financing sources (uses)	182,173	51,123,182	403,585	10,368,061
Net change in fund balance	($521,253)	$31,403,619	($28,086,997)	$12,893,076
Debt service as a percentage of noncapital expenditures	7.5%	13.0%	15.1%	14.3%
Debt service as percentage of total expenditures	5.1%	6.1%	6.0%	12.7%

Table 4

	2020	2021	2022	2023	2024	2025
	$16,133,737	$16,977,698	$17,352,753	$19,423,550	$20,345,502	$21,092,099
	819,347	840,389	657,413	683,922	724,518	630,020
	1,559,003	1,526,246	1,092,843	1,352,838	1,053,292	1,304,923
	8,111,582	3,888,549	5,038,786	9,718,659	6,734,234	10,680,390
	2,795,287	3,230,503	3,039,357	3,246,049	3,750,844	3,546,810
	169,156	151,219	197,517	195,926	165,624	219,327
	898,347	(164,818)	(503,820)	2,713,025	2,376,874	2,311,238
	108,000	98,579	111,276	97,181	82,586	1,132,288
	1,232,731	1,392,806	1,801,529	2,381,751	1,988,830	813,443
	31,827,190	27,941,171	28,787,654	39,812,901	37,222,304	41,730,538
	5,177,833	5,023,569	5,295,200	5,626,716	5,895,139	6,516,031
	8,924,373	9,761,947	10,327,011	11,531,643	11,710,636	12,530,473
	3,222,623	3,451,877	3,636,672	3,928,244	4,069,740	4,530,316
	15,999,027	1,073,651	1,391,086	1,386,145	1,376,375	1,361,586
	1,175,270	1,438,269	1,471,176	1,603,950	1,719,592	1,796,697
	1,540,000	2,070,000	2,105,000	2,285,908	3,793,835	3,866,394
	1,958,725	2,106,674	2,022,014	2,971,536	2,825,684	2,671,645
	62,855	-	558,999	-	-	-
	4,412,516	1,269,626	2,686,883	14,108,440	9,862,668	17,821,368
	42,473,222	26,195,613	29,494,041	43,442,582	41,253,669	51,094,510
	(10,646,032)	1,745,558	(706,387)	(3,629,681)	(4,031,365)	(9,363,972)
	4,540,000	-	20,730,000	592,308	1,193,885	203,687
	619,659	-	1,481,771	-	-	-
	21,429	129,604	48,528	188,057	231,673	68,967
	338,500	338,500	338,500	338,500	157,189	428,500
	(80,996)	-	-	-	-	-
	5,438,592	468,104	22,598,799	1,118,865	1,582,747	701,154
	($5,207,440)	$2,213,662	$21,892,412	($2,510,816)	($2,448,618)	($8,662,818)
	9.2%	16.8%	15.7%	17.9%	21.1%	19.6%
	8.2%	15.9%	14.0%	12.1%	16.0%	12.8%

CITY OF FRIDLEY, MINNESOTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial/ Industrial Property	Public Utility	All Other	Total Tax Capacity	Add: Area-wide Values and Increment
2016	9,488,686	13,688,867	58,699	4,958,693	28,194,945	2,986,838
2017	10,488,279	15,061,056	59,759	5,564,751	31,173,845	2,946,266
2018	11,639,971	15,097,292	62,282	5,961,619	32,761,164	2,918,699
2019	18,645,518	16,935,599	69,652	1,189,818	36,840,587	1,978,916
2020	20,305,713	18,228,064	52,061	1,202,271	39,788,109	1,406,269
2021	22,172,098	18,811,165	62,485	1,415,212	42,460,960	1,279,918
2022	23,326,147	19,746,828	61,735	1,072,472	44,207,182	965,110
2023	23,027,902	22,034,994	62,818	7,306,294	52,432,008	(641,369)
2024	19,650,408	25,764,671	59,997	12,070,585	57,545,661	(1,873,012)
2025	19,176,751	28,012,278	71,245	11,285,288	58,545,562	(895,132)

Source: Continuing Disclosure Document

[1]Property Values are determined on January 2 of the proceeding year.

Table 5

Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value [1]	Tax Capacity as a Percent of EMV
4,681,350	26,500,433	44.960%	2,207,363,400	106.39%
5,225,764	28,894,347	48.218%	2,416,338,500	107.89%
5,571,692	30,108,171	47.907%	2,557,662,900	108.81%
5,830,355	32,989,148	45.382%	2,854,939,900	111.67%
6,520,022	34,674,356	45.253%	3,073,484,500	114.75%
7,139,274	36,601,604	44.928%	3,267,352,600	116.01%
7,707,721	37,464,571	45.242%	3,425,676,400	118.00%
7,634,706	44,155,933	43.017%	4,068,533,300	118.74%
8,632,930	47,039,719	42.541%	4,378,541,100	122.33%
9,848,450	47,801,980	44.395%	4,453,967,100	122.48%

CITY OF FRIDLEY MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES
Last Ten Fiscal Years

Fiscal Year	City	School District No. 11	School District No. 13	School District No. 14	School District No. 16[1]	County
2016	44.960%	20.885%	29.442%	54.252%	39.609%	38.894%
2017	48.218%	18.590%	27.633%	49.408%	40.229%	36.841%
2018	47.907%	18.392%	27.900%	51.006%	39.617%	37.792%
2019	45.382%	16.330%	33.148%	49.055%	37.632%	34.473%
2020	45.253%	16.948%	23.385%	46.213%	35.452%	33.440%
2021	44.941%	16.152%	28.771%	44.306%	33.110%	32.885%
2022	45.242%	16.319%	24.986%	43.699%	33.380%	29.254%
2023	43.017%	13.671%	18.201%	34.656%	27.812%	24.176%
2024	42.541%	13.592%	21.390%	37.135%	26.128%	25.629%
2025	44.395%	13.598%	21.668%	39.402%	26.553%	30.245%

Source: Anoka County Property Records and Taxation Department

Table 6

Special Districts with Coon Creek	Special Districts with Rice Creek	Total School District No. 11[1]	Total School District No. 13[2]	Total School District No. 14[2]	Total School District No. 16[2]
9.688%	9.622%	114.427%	122.918%	147.728%	133.085%
6.758%	7.200%	110.407%	119.892%	141.667%	132.488%
6.892%	7.282%	110.983%	120.881%	143.987%	132.598%
6.265%	6.699%	102.450%	119.702%	135.609%	124.186%
6.120%	6.642%	101.761%	108.720%	131.548%	120.787%
4.354%	4.876%	98.332%	111.473%	127.008%	115.812%
4.224%	4.582%	95.039%	104.064%	122.777%	112.458%
5.073%	5.385%	85.937%	90.779%	107.234%	100.390%
5.878%	6.236%	87.640%	95.796%	111.541%	100.534%
5.552%	4.884%	93.790%	101.192%	118.926%	106.077%

Table 7

CITY OF FRIDLEY, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current year and nine years ago

	2025			2016		
Taxpayer	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Hyde Development	2,602,830	1	4.45%	N/A		
Medtronic, Inc.	2,259,278	2	3.86%	$1,673,434	1	5.94%
John Allen Industrial Equities	1,289,522	3	2.20%	$4,655,316		16.52%
Shamrock Investments	1,067,426	4	1.82%	N/A		
Target Corporation	988,988	5	1.69%	399,802	4	1.42%
Cummins Power (Onan Corp)	955,548	6	1.63%	455,694	3	1.62%
Roers Fridley Apartments	747,110	7	1.28%	N/A		
BNSF Railroad	725,202	8	1.24%	338,536	5	1.20%
Cielo Partners LLC	675,000	9	1.15%	N/A		
Springbrook Investment LLC	619,849	10	1.06%	N/A		
Unity/Fridley Medical Clinic	0		N/A	294,180	6	1.04%
University Avenue Associates	0		N/A	206,791	9	0.73%
Georgetown Apartments	0		N/A	266,475	8	0.95%
BAE / GPT Fridley	0		N/A	657,066	2	2.33%
Wal-Mart/Sam's Club	0		N/A	268,328	7	0.95%
River Pointe Apartments	0		N/A	95,010	10	0.34%
Total	$11,930,753		20.38%	$9,310,632		33.04%
Total All Property	$58,545,562			$28,194,945		

Source: City Assessor

Table 8

CITY OF FRIDLEY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

Fiscal Year Ended Dec. 31	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years[1]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	12,200,835	12,172,555	99.77%	25,468	12,198,023	99.98%
2017	14,122,251	13,990,154	99.06%	129,366	14,119,520	99.98%
2018	14,807,913	14,804,501	99.98%	1,245	14,805,746	99.99%
2019	15,494,419	15,339,721	99.00%	154,348	15,494,069	100.00%
2020	16,109,557	16,030,087	99.51%	71,179	16,101,266	99.95%
2021	16,890,084	16,834,247	99.67%	47,324	16,881,571	99.95%
2022	17,392,070	17,326,104	99.62%	50,690	17,376,794	99.91%
2023	19,620,870	19,458,238	99.17%	104,963	19,563,201	99.71%
2024	20,577,799	20,367,377	98.98%	115,424	20,482,801	99.54%
2025	21,677,595	21,395,324	98.70%	N/A	21,395,324	98.70%

[1]Includes repayment of property taxes abatements
Source: City Finance Department

CITY OF FRIDLEY, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten fiscal years

	Governmental Activities						
Fiscal Year	Improvement Bonds	Tax Increment Bonds	Tax Abatement Bonds	Equipment Certificates	Lease Liability	Subscription Liability	Total
2016	1,980,000	-	-	1,130,000	-	-	3,110,000
2017	51,111,785	-	-	925,000	-	-	52,036,785
2018	49,863,689	-	-	720,000	-	-	50,583,689
2019	49,019,830	9,510,000	-	510,000	-	-	59,039,830
2020	48,125,572	14,050,000	-	295,000	-	-	62,470,572
2021	46,630,244	13,420,000	-	150,000	-	-	60,200,244
2022	44,454,805	13,440,110	22,211,771	-	-	-	80,106,686
2023	42,926,410	12,558,178	22,121,218	-	516,400	-	78,122,206
2024	41,328,014	11,641,246	21,057,434	-	935,438	261,012	75,223,144
2025	39,649,618	10,684,313	19,943,649	-	853,545	130,198	71,261,323

[1] Demographic information can be found on Table 13

[2] In fiscal year 2023, the City implemented GASB Statement No. 87 "Leases" and GASB Statement No. 96 "Subscription-Based Information Technology Arrangements," respectively, which changed the accounting and reporting requirements for lease and subscription-based information technology arrangement activities.

Table 9

Business Type Activities					
Lease Liability	Revenue Bonds	Total	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
-	10,811,935	10,811,935	13,921,935	1.69%	109
-	8,200,461	8,200,461	60,237,246	7.25%	1,815
-	7,273,987	7,273,987	57,857,676	6.74%	1,755
-	6,317,180	6,317,180	65,357,010	7.28%	1,969
-	5,575,343	5,575,343	68,045,915	7.01%	2,088
-	3,688,506	3,688,506	63,888,750	6.51%	2,020
817,471	3,123,506	3,940,977	84,047,663	7.78%	2,674
810,300	2,524,832	3,335,132	81,457,338	7.45%	2,579
753,384	2,227,995	2,981,379	78,204,523	6.64%	2,494
605,289	1,926,158	2,531,447	73,792,770	6.31%	2,323

Table 10

CITY OF FRIDLEY, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
January 1, 2030

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Independent School District No. 11	$223,625,000	1.60%	$3,578,000
Independent School District No. 13	12,961,769	31.46%	4,077,773
Independent School District No. 14	53,365,000	100.00%	53,365,000
Independent School District No. 16	113,980,000	36.80%	41,944,640
Metro Council	1,564,245,118	1.19%	18,614,517
Anoka County	43,690,000	18.04%	7,881,676
Vocational/Technical District No. 916	64,130,000	2.21%	1,417,273
Subtotal - overlapping debt			130,878,878
City of Fridley - Direct debt	$71,261,321	100.00%	71,261,321
Total direct and overlapping debt			$202,140,199

Sources: Continuing Disclosure Document

[1]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.

Table 11

CITY OF FRIDLEY, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years

Market Value		$4,453,967,100	
Debt Limit 3% of Market Value			$133,619,013
Amount of Debt Applicable to Debt Limit:			
Total Debt		$40,495,000	
Deductions:			
Revenue Bonds	1,865,000	1,865,000	
Total Amount of Debt Applicable to Debt Limit			38,630,000
Legal Debt Margin			$94,989,013

Legal Debt Margin Calculation for the last 10 Fiscal Years

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit
2016	66,220,902	1,130,000	65,090,902	1.71%
2017	72,490,155	50,055,000	22,435,155	69.05%
2018	76,729,887	48,790,000	27,939,887	63.59%
2019	85,648,197	56,935,000	28,713,197	66.48%
2020	92,204,535	60,070,000	32,134,535	65.15%
2021	102,827,526	58,065,000	44,762,526	56.47%
2022	102,770,292	76,690,000	26,080,292	74.62%
2023	122,055,999	41,780,000	80,275,999	34.23%
2024	131,356,233	40,245,000	91,111,233	30.64%
2025	133,619,013	38,630,000	94,989,013	28.91%

CITY OF FRIDLEY, MINNESOTA
PLEDGED-REVENUE COVERAGE
Last ten fiscal years

	Improvement Bonds				Equipment Certificates				
	Special Assessment	Debt Service			Tax Increment	Debt Service			Utility Operating
Fiscal Year	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage	Revenues
2016	166,895	1,030,000	92,090	0.15	234,359	200,000	20,330	1.06	9,938,517
2017	105,827	1,525,000	914,322	0.04	225,962	205,000	17,205	1.02	10,499,230
2018	52,979	1,185,000	1,747,988	0.02	232,848	205,000	13,855	1.06	11,437,211
2019	48,680	1,285,000	1,710,938	0.02	231,149	210,000	10,371	1.05	11,364,221
2020	25,154	1,325,000	1,671,788	0.01	157,817	215,000	6,570	0.71	11,600,924
2021	10,336	1,295,000	1,638,638	0.00	160,511	145,000	3,526	1.08	12,589,134
2022	-	1,250,000	1,594,113	0.00	(95)	150,000	1,238	0.00	12,950,686
2023	-	1,465,000	1,526,238	0.00	1,878	-	-	N/A	14,415,704
2024	-	1,535,000	1,451,238	0.00	(173)	-	-	N/A	14,282,618
2025	-	1,615,000	1,372,488	0.00	-	-	-	N/A	14,937,658

Table 12

Utility Revenue Bonds					Tax Abatement Bonds		Tax Increment Bonds	
Utility Operating Expenses	Net Avaliable Revenue	Debt Service			Debt Service		Debt Service	
		Principal	Interest	Coverage	Principal	Interest	Principal	Interest
7,381,382	2,557,135	610,000	181,610	3.23	-	-	-	-
8,374,461	2,124,769	2,600,000	261,888	0.74	-	-	-	-
7,882,418	3,554,793	915,000	180,688	3.24	-	-	-	-
8,141,382	3,222,839	945,000	155,763	2.93	-	-	-	-
8,584,074	3,016,850	730,000	134,838	3.49	-	-	-	280,368
8,362,197	4,226,937	1,875,000	131,838	2.11	-	-	630,000	460,038
9,046,781	3,903,905	565,000	66,763	6.18	-	-	705,000	426,663
9,641,850	4,773,854	575,000	55,363	7.57	-	1,030,880	745,000	390,413
10,171,394	4,111,224	285,000	46,763	12.39	965,000	942,325	780,000	352,288
10,617,096	4,320,562	290,000	41,013	13.05	1,015,000	892,825	820,000	312,288

Table 13

CITY OF FRIDLEY, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last ten fiscal years

Fiscal Year	Population	Unemployment Rate	Total Personal Income	Per Capita Personal Income
2016	28,631	3.9%	810,142,776	28,296
2017	28,667	3.8%	829,622,980	28,940
2018	28,824	3.1%	862,385,256	29,919
2019	28,981	3.3%	897,599,532	30,972
2020	29,924	7.5%	971,033,800	32,450
2021	29,806	5.0%	981,899,058	32,943
2022	29,962	2.6%	1,079,830,480	36,040
2023	30,289	3.4%	1,092,705,964	36,076
2024	30,156	3.5%	1,177,591,800	39,050
2025	30,679	3.9%	1,168,869,900	38,100

Sources: Metropolitan Council (population), Continuing Disclosure Document (unemployment rate)

Table 14

CITY OF FRIDLEY, MINNESOTA
PRINCIPAL EMPLOYERS
Current year and nine years ago

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Medtronic, Inc.	3,000	1	12.10%	3,464	1	15.50%
Cummins Power (Onan)	1,500	2	6.05%	1,210	3	5.42%
Mercy - Unity Medical Center	839	3	3.39%	1,138	2	5.09%
Mid-City Cleaning Contractors Inc.	800	4	3.23%	N/A		N/A
Minco Products	700	5	2.82%	515	7	2.30%
Wal-Mart	608	6	2.45%	312	9	1.40%
BAE Systems	550	7	2.22%	600	5	2.69%
Target	550	8	2.22%	696	4	3.11%
ISD #14 (Fridley Schools)	546	9	2.20%	580	6	2.60%
Rise	170	10	0.69%	N/A		N/A
Taylor Communications	75		0.30%	N/A		N/A
Kurt Manufacturing	150		0.61%	295	10	1.32%
Park Construction	N/A		N/A	300	8	1.34%
Lofthouse Bakery	N/A		N/A	N/A		N/A
Total	9,488		38.28%	9,110		40.77%
Total City Employment	24,784			22,345		

Source: Fridley Community Development Dept, MN Department of Employment and Economic Development

City of Fridley
Friendly, Responsive & Driven

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Table 15

CITY OF FRIDLEY, MINNESOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
City Administration	5.0	5.0	5.0	5.0	4.0	5.0	7.0	7.0	7.0	7.0
Employee Resources	2.0	2.0	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Customer Relations	-	-	0.7	1.0	-	-	-	-	-	-
Finance	15.0	15.0	16.1	16.9	17.9	23.5	20.0	20.0	20.0	20.5
Community Development	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.4	11.7
Public safety:										
Police department	52.4	52.4	52.1	54.1	54.9	56.7	58.7	58.7	59.2	59.2
Fire department	7.0	7.0	7.0	6.0	4.9	6.0	6.0	6.0	6.0	7.0
Public works:										
Administration	1.5	1.8	1.8	2.8	2.8	3.0	3.0	2.9	2.9	2.9
Engineering	1.8	2.1	2.1	2.1	2.1	2.1	2.1	2.8	3.8	4.1
Parks	5.8	5.8	5.8	5.8	5.8	5.8	5.8	7.1	7.1	7.1
Streets	8.5	8.8	8.8	8.8	8.9	8.7	8.7	8.3	8.3	8.3
Mechanic	3.8	3.8	3.8	3.8	4.0	3.6	3.6	3.9	3.9	3.9
Water	7.8	7.9	7.9	7.9	7.9	8.2	8.4	8.1	8.1	8.1
Sewer	3.7	3.7	3.7	3.7	4.6	4.2	4.2	4.6	4.6	4.6
Storm Water	5.1	5.1	5.0	5.0	6.7	5.3	6.1	6.1	6.1	6.1
Parks and Recreation:										
Recreation and Naturalist	9.0	9.8	10.2	9.0	11.7	10.8	11.3	11.5	11.5	11.5
Total	138.4	140.0	142.8	144.9	149.1	155.9	157.8	161.0	162.9	165.0

Source: City Finance Department

CITY OF FRIDLEY, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
Police:				
Physical arrests	752	979	1,043	911
Parking violations	922	553	612	1,741
Traffic violations	2,601	2,250	2,622	1,932
Fire:				
Emergency responses	3,268	3,439	2,415	2,596
Fires occurred	127	126	126	105
Commercial Inspections	789	867	829	1,672
Community Development				
Rental Inspections	1,559	1,434	1,410	1,643
Refuse collection:				
Recyclables collected (tons per day)	5.99	6.62	6.20	6.37
Recyclables collected (pounds per person)	156.54	169.25	158.29	162.28
Building inspection:				
Permits issued:				
Residential	2,227	1,804	2,007	2,093
Commercial	599	612	514	453
Total permit valuation	$73,636,057	$103,663,306	$91,601,072	$98,100,786
Other public works:				
Street resurfacing (miles)	2.2	1.9	0.2	0.6
Recreation				
Recreation Program Participant hours	315,000	300,000	321,927	58,354
Senior Program Participant hours	65,500	65,500	21,615	N/A
Nature Center Education Participants	15,609	16,339	16,872	15,587
Nature Center Special Event Participants	4,751	2,670	4,200	3,700
Nature Center Facility Rental Visitors	N/A	5,364	5,500	4,456
Water:				
Connections	8,374	8,259	8,261	8,305
Storage capacity (gallons)	6,500,000	6,500,000	6,500,000	6,500,000
Average daily production (gallons)	3,560,000	3,390,000	3,233,000	3,056,000
Peak daily production (gallons)	6,392,000	6,379,000	5,900,000	5,720,000
Sewer:				
Connections	8,271	8,235	8,239	8,291

Sources: Various City departments.

Table 16

Fiscal Year					
2020	2021	2022	2023	2024	2025
761	1,247	1,365	1,367	1,303	1,464
671	841	1,289	1,137	1,695	1,521
1,883	1,395	1,258	1,891	814	1,101
3,342	3,003	3,372	3,254	2,984	3,381
123	159	162	126	97	178
862	397	588	722	477	565
1,260	1,374	1,494	1,657	2,107	1,110
6.57	5.79	5.68	5.71	5.38	5.28
163.28	142.72	140.32	137.41	130.32	128.73
2,329	2,278	2,095	2,260	2,112	2,241
378	430	297	353	323	443
$99,191,402	$87,575,510	$32,218,314	$73,578,562	$29,499,198	$45,467,052
3.6	2.2	1.8	4.8	1.3	0.9
6,892	50,765	50,770	51,687	59,872	55,562
N/A	N/A	N/A	N/A	N/A	N/A
3,785	10,581	18,343	17,229	15,515	14,313
145	3,528	6,168	5,769	4,945	4,250
1,059	1,419	3,901	4,632	4,653	5,180
8,343	8,362	8,364	8,356	8,356	8,361
6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
3,370,000	3,480,000	3,490,000	3,390,000	3,038,000	3,040,000
6,458,000	7,345,000	6,443,000	7,802,000	4,704,000	4,851,000
8,326	8,344	8,346	8,338	8,338	8,343

Table 17

CITY OF FRIDLEY, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Squad cars	13	13	12	15	15	15	15	15	16	16	16
Fire stations	3	3	3	3	2	2	2	2	2	2	2
Other public works:											
Streets (miles)	125.5	125.5	125.5	125.8	126.1	126.1	126.1	126.1	126.1	126.0	126.0
Highways (miles)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Streetlights	1,059	1,059	1,059	1,059	1,093	1,123	1,123	1,123	1,123	1,123	1,265
Traffic signals	36	36	36	36	36	36	36	36	36	36	36
Parks, recreation and naturalist:											
Acreage	682	682	682	665	665	666	666	666	742	742	742
Playgrounds	29	29	29	28	28	29	29	29	30	30	30
Baseball/softball diamonds	22	22	21	21	21	21	21	21	21	21	15
Soccer/football fields	2	2	2	2	2	2	2	2	2	2	1
Water:											
Water mains (miles)	113.2	113.2	113.2	116.0	117.5	127.0	127.8	127.8	127.8	127.8	127.8
Fire hydrants	1,013	1,013	1,013	1,020	1,040	1,040	1,070	1,420	1,422	1,422	1,422
Storage capacity (millions of gallons	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Wastewater:											
Sanitary sewers (miles)	103.0	103.0	103.0	106.0	107.5	109.0	109.2	109.2	109.2	109.2	109.2
Storm sewers (miles)	102.2	102.2	102.2	104.5	107.0	115.5	115.5	115.5	89.1	89.1	89.1

Sources: Various City departments.