

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016
CITY OF EDEN PRAIRIE, MINNESOTA

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
of the
CITY OF EDEN PRAIRIE
MINNESOTA**

For The Year Ended December 31, 2016

Rick Getschow, City Manager

Prepared by
THE FINANCE DIVISION

Sue Kotchevar, Chief Financial Officer

City of Eden Prairie, Minnesota

For the Year Ended December 31, 2016

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INTRODUCTORY SECTION



April 28, 2017

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Eden Prairie:

The comprehensive annual financial report of the City of Eden Prairie, Minnesota, for the year ended December 31, 2016, is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the State Auditor's Office.

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

The City's financial statements have been audited by CliftonLarsonAllen LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements, for the year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is present in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section of this report immediately following the report of the independent auditors.

City Profile

Eden Prairie is a suburban community of 63,187 people located in the southwest corner of Hennepin County in a setting of rolling hills and picturesque lakes and creeks. Eden Prairie has a convenient location, a comprehensive system of highways, and is a short distance from downtown Minneapolis and St. Paul and the Minneapolis-St. Paul International Airport.

Incorporated in 1974 as a city, the City of Eden Prairie operates under a Statutory Plan B form of government. Policymaking and legislative authorities are vested in the governing council, which consists of a mayor and a four-member council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the government's manager and attorney. The council is elected on a nonpartisan basis. The mayor and council members are elected to four-year staggered terms. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and to assign appropriate responsibility and authority to City staff for the efficient and effective delivery of City services.

With a staff of around 275 regular, full-time equivalent employees, the City provides its residents and businesses with a full range of municipal services consisting of police and fire protection, street maintenance, recreation programs, park maintenance, community and economic development, building inspections, and a water and sewer utility.

The City is also financially accountable for the Housing and Redevelopment Authority (HRA), which is included in the City's financial statements as a blended component unit. Additional information on the HRA can be found in Note 1 in the notes to the financial statements.

The biennial budget serves as the foundation for the City's financial planning and control. Departments submit budget requests to Finance in May and the City Manager presents the proposed budget to the City Council for review prior to September 30th of each year. Budget workshops are usually held with the City Council in June or July and in August. The City Council holds a public meeting on the proposed budget and adopts the final budget in December each year.

During the first year of the two year budget process, both years' budgets are developed and the first year's budget is adopted by the council. During the second year of the two year budget

process, budget work is minimized. Staff updates the budget for any significant budget developments and the council then reviews and adopts the second year budget.

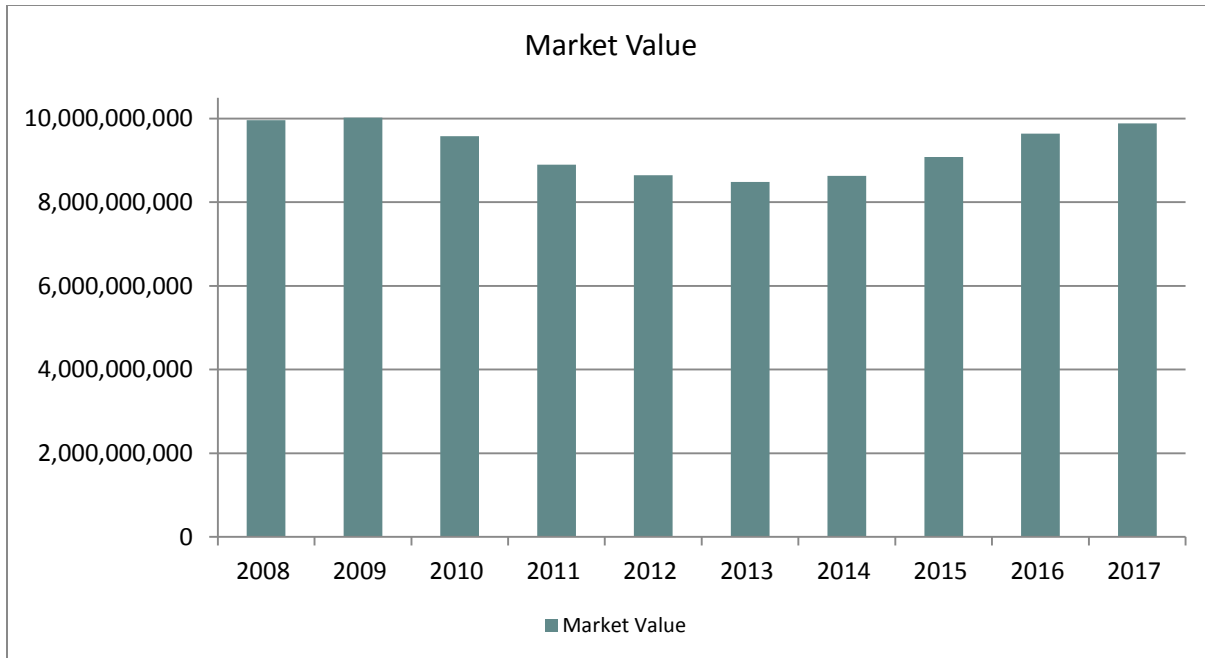
The budget is prepared by department and division. The City’s directors and division managers may make transfers of appropriations within a division. Transfers of appropriations between departments require the approval of the City Manager. Any changes in the total budget must be approved by the City Council.

Economic Conditions and Outlook

The City of Eden Prairie is located in the southwest corner of the Minneapolis/St. Paul Metropolitan area. With the last update of the comprehensive plan and the trend towards condensed multi-family housing in the downtown area, it is expected that Eden Prairie’s population will grow to 82,400 by 2040.

Year	Population Increase	
1960 Census	3,233	134%
1970 Census	6,938	115%
1980 Census	16,263	134%
1990 Census	39,311	142%
2000 Census	54,901	40%
2010 Census	60,797	11%
2016 Estimate	63,187	4%

Below summarizes City market value since 2008.



The City's tax base increased from \$9.1 billion to \$9.6 billion from 2015 to 2016. In 2017, the market value increased to \$9.9 billion.

The business environment in Eden Prairie is good. Eden Prairie's unemployment rate is 2.9% which is less than the State rate of 4.0% and the US rate of 4.8%. Business continues to invest in Eden Prairie including the following this past year:

- Bluestem Brands interior remodel - \$4,990,360 valuation
- Park Nicollet addition - \$4,500,000
- AMC Theatres remodel - \$4,000,000 valuation
- Wooddale Church remodel - \$3,230,000 valuation
- Park Nicollet Clinic remodel- \$2,700,000 valuation
- Climatech tenant finish - \$2,000,000
- AVI remodel-\$1,269,850
- Tesla interior finish-\$1,059,400
- Crave tenant finish - \$800,000
- Wunderlich-Malec interior remodel - \$750,000
- BP Carwash - \$703,951
- Walmart remodel - \$668,000
- MedExpress interior remodel - \$604,000

We expect businesses to continue to invest in Eden Prairie and to remain a favorable location to conduct business.

Eden Prairie serves as the corporate headquarters location for many national and international businesses including CH Robinson World Wide, GE Capital, United Healthcare Services, numerous multi-tenant office building partnerships, Lifetouch Inc., SuperValu Inc, American Family Mutual Insurance, MTS systems Corporation, and others.

Eden Prairie also has key locations for retailing including the City's mall which has approximately 1.5 million square feet of shopping. The mall is part of the City's "Major Center Area" or downtown. Stores include a 160,000 square foot Von Maur Department Store, a Barnes and Noble Bookstore, an 18-screen AMC movie theater, and numerous restaurants.

The Southwest Station is also part of the City's downtown and includes the Southwest metro transit hub and offices, 900 car parking structure, multiple restaurants and a luxury 236 unit condominium complex. As part of the construction of the Southwest Light Rail Transit line, a light rail transit station will be built at this location which will enable the bus service to transport customers to their final destination.

Light Rail Transit (LRT)

The Southwest Light Rail Transit (LRT) line will be a high-frequency train serving Eden Prairie, Minnetonka, Hopkins, St. Louis Park, and Minneapolis. It is part of the Green Line which includes the Central Corridor LRT currently under construction. Therefore, riders of Southwest LRT will be able to continue into St. Paul via the Central Corridor without changing trains.

The Southwest LRT line will also connect to other rail lines (Hiawatha, Northstar, and the future Bottineau) and high-frequency bus routes in downtown Minneapolis, providing access to the University of Minnesota, Minneapolis-St. Paul Airport, Mall of America, the State Capitol, downtown St. Paul, Big Lake, and eventually the northern Twin Cities suburbs. Connections to other rail lines will occur at the Intermodal Station in downtown Minneapolis. At this time, the Southwest LRT is projected to open in 2021.

There will be four Light Rail stations in Eden Prairie. Eden Prairie's LRT projects include planning and development of the stations, park-and-ride facilities, local roadway improvements, sidewalks, trails, streetscape and other infrastructure. The station areas also have great potential for additional housing, employment and shopping opportunities via infill or redevelopment.

United Health Group

The northeast corner of Eden Prairie has been transformed with the construction of the United Health Group (UHG) campus and substantial road improvements along Shady Oak Road. Construction started on the 1.5 million square feet of office space in 2013. Three eight story buildings and a parking ramp have been completed. Another building will be built in the future. The \$240 M redevelopment project has transformed the wooded area just bordering Eden Prairie into a state-of-the-art walkable corporate campus with space for a light rail transit station. A light rail transit station will also be built at this location.

The City's healthy economic base and its sound financial condition have helped maintain the highest bond rating possible from Moody's Investors Services and Standard and Poors.

Long-term Financial Planning

The City has implemented various financial/budget policies to guide the Council and staff when making financial decisions to ensure the long-term stability and flexibility of City finances and operations. These policies include the following:

- The original budget should be balanced with revenues equal to expenditures,
- One-time revenues will be used for one-time expenditures,
- The City will maintain fund balance for working capital in the general fund at 50% of the next year's tax levy,
- The City will also maintain 10% of the next year's budget in fund balance for budget stabilization and 5% of the next year's budget for budget balancing in the general fund,
- The City will confine long-term debt to capital improvements or projects that cannot be financed from current revenues, and
- The City will maintain a ten-year capital improvement plan to provide for capital asset acquisition, maintenance, replacement, and retirement.

The City's healthy economic base and its sound financial condition have helped maintained the highest bond rating possible from Moody's Investors Services and Standard and Poor's.

Major Initiatives

Aspire Eden Prairie 2040

The City of Eden Prairie has started a multi-year planning process to update its Comprehensive Plan called Aspire Eden Prairie 2040. Aspire Eden Prairie 2040 will serve as the City's official guide for planning and development over the next 20 years, helping City leaders make

substantive decisions, determine policy and accomplish long-term objectives for the community. It will include communitywide plans for land use, transportation, housing, parks and trails, water resources, resilience and economic competitiveness, as well as detailed sub-area plans for key locations in the community.

Shady Oak Road

In conjunction with United Health Group's business expansion in Eden Prairie, the City in coordination with Hennepin County, MnDOT, and the City of Minnetonka constructed improvements on Shady Oak Road (County Road 61) between and including the interchanges of Highway 62 and Highway 212. The project was constructed in two phases called North and South. The northern phase of the project was completed in 2013 and cost approximately \$12 million dollars and was 100% assessed. The southern phase of the project was completed in 2016 and cost approximately \$22 million dollars. This phase of the project was funded by State grant funds, municipal state aid, Hennepin County, and special assessment.

Aquatics & Fitness Expansion

Work on the new and improved Aquatics Center and fitness studios which started in May of 2014 at the Community Center is now complete. This was a \$20M project which included the following improvements to the facility:

Pools

- The current pool was replaced with the following pools:
 - An 8-lane competition pool which has water depths from 4.5 to 7 feet.
 - A second competition pool which has water depths of 3.5 to 12 feet. This pool also has two diving boards and a climbing wall.
- A recreational pool with zero-depth entry
- A water slide with plunge pool
- A hot tub
- Spectator seating for 300
- Men's and women's wet locker rooms

Fitness

- Expansion of the fitness floor and cardiovascular equipment
- Additional fitness studio
- Expansion of current fitness studio
- Accessible fitness area restrooms

The expansion improved aquatic and fitness service for the community. The community center had 802,698 visitors in 2016.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eden Prairie for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015.

The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. The City of Eden Prairie has received a Certificate of Achievement every year since 1990. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation award to the City of Eden Prairie for its Two Year Budget for the fiscal years beginning January 1, 2016 and 2017. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and a communications device. The award is valid for a period of two years only. The City of Eden Prairie has received a Distinguished Budget Presentation award for every budget since 1998.

Also, the Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Eden Prairie for its Popular Annual Financial Report for the fiscal year ended December 31, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Eden Prairie has received the award annually since 1998. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Acknowledgements

We would like to thank the Mayor and Council Members for their continued support in planning and conducting the financial operations of the City in a responsible and progressive manner. We would also like to express our appreciation to the employees of the Finance Division for their contribution to the preparation of this report.

Respectfully submitted,



Rick Getschow
City Manager



Sue Kotchevar
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Eden Prairie
Minnesota**

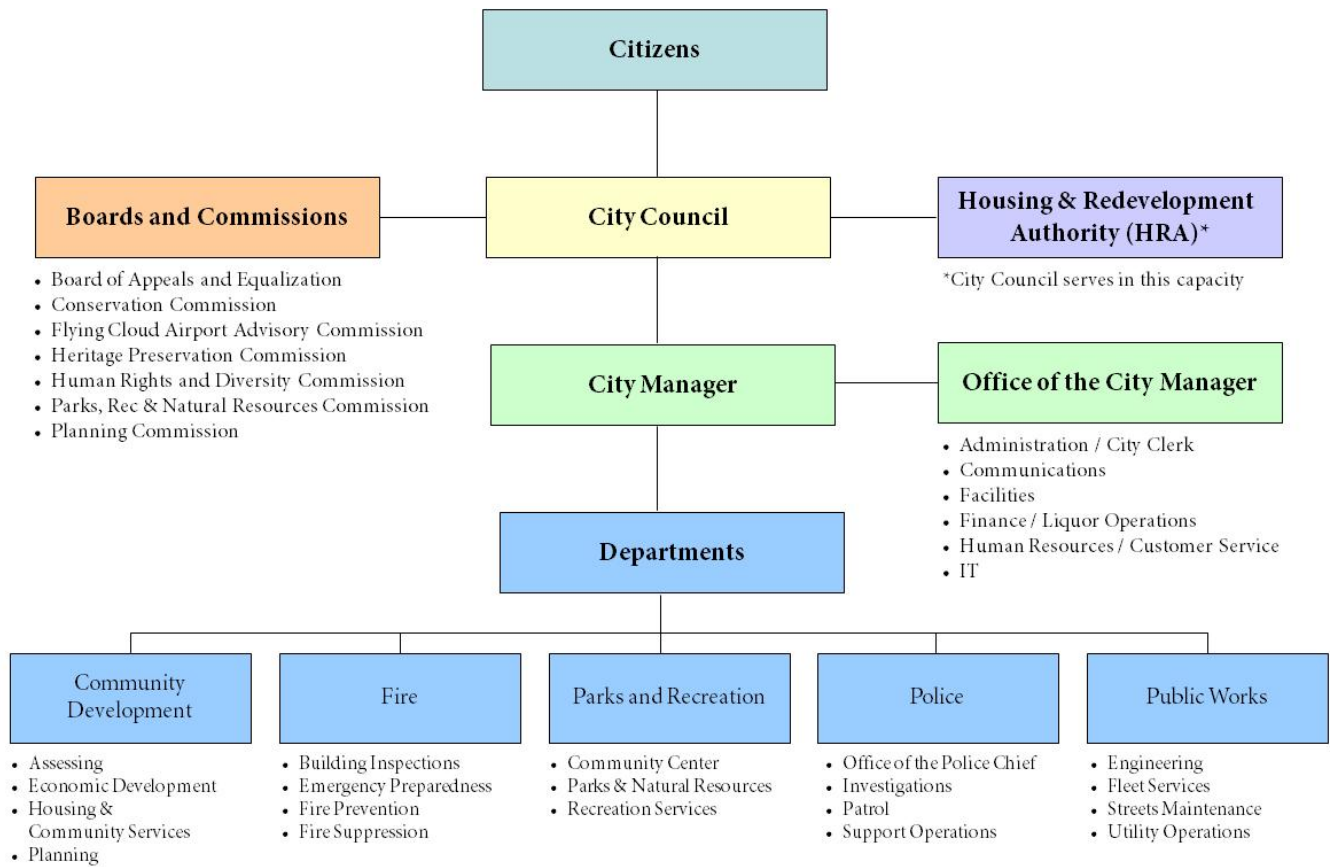
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Eden Prairie, Minnesota

For the Year Ended December 31, 2016



City of Eden Prairie, Minnesota

For the Year Ended December 31, 2016

Principal Officials

Elected Officials:

Mayor	(Term expiration 12/31/18)	Nancy Tyra-Lukens
Council Member	(Term expiration 12/31/16)	Ron Case
Council Member	(Term expiration 12/31/16)	Brad Aho
Council Member	(Term expiration 12/31/18)	Sherry Butcher Wickstrom
Council Member	(Term expiration 12/31/18)	Kathy Nelson

Appointed Officials:

City Manager	Rick Getschow
City Attorney	Richard Rosow

Departments:

Chief of Police	James DeMann
Community Development Director	Janet Jeremiah
Fire Chief	George Esbensen
Parks and Recreation Director	Jay Lotthammer
Public Works Director	Robert Ellis

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor
and Members of the City Council
City of Eden Prairie
Eden Prairie, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eden Prairie (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Honorable Mayor
and Members of the City Council
City of Eden Prairie

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eden Prairie as of December 31, 2016, and the respective changes in financial position, the budgetary comparison for the general fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Eden Prairie's 2015 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified opinions on those financial statements in our report dated April 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December, 31 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eden Prairie's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor
and Members of the City Council
City of Eden Prairie

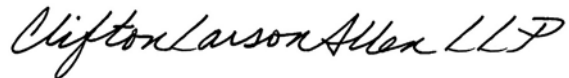
Other Matters (Continued)

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2017, on our consideration of the City of Eden Prairie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 City of Eden Prairie's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 28, 2017

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

As management of the City of Eden Prairie, this section of the City's comprehensive annual financial report presents a discussion and analysis of the City's financial activities during the fiscal year ended December 31, 2016. This discussion and analysis should be read in conjunction with the transmittal letter in the introductory section of this report.

Financial Highlights

The City as a Whole

- The assets and deferred outflow of resources of the City exceeded liabilities and deferred inflows of resources by \$381,410,756. Of this amount, \$37,849,863 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors, \$317,155,272 is invested in capital assets, and \$26,405,621 is restricted.
- The City's total net position decreased by \$5,753,835 or 1.5%. The key factors in this decrease included changes in Pension assumptions. Actuarial assumptions were changed, including the lowering of the assumed investment return and discount rate. These changes contributed to the increase in the net pension liability and the decrease in net position of \$4,924,196 for governmental activities and \$492,541 for business-type activities.
- The City's total long-term liabilities increased by \$29,239,257 or 40% in comparison with the prior year. Contributing to the increase was the increase in the liability for pensions. The City's liability for pensions is \$50,572,467 compared to \$21,914,397 in 2015.

Fund Financial Statements

- The City's governmental funds reported combined ending fund balances of \$50,110,345, a decrease of \$1,964,866 or 3.8% in comparison with the prior year. The changes in fund balance can be contributed to changes to various funds including the following:
 - Decrease in fund balance of \$3,895,689 in the Capital Improvement Maintenance fund, of which details can be found in the "Other Major Funds" section.
 - Increase in fund balance of \$112,759 in the Public Improvement Construction fund due to special assessment and other revenue being greater than expenditures.
 - Increase in fund balance of \$610,291 in the Shady Oak Road North fund due to the collection of special assessment revenue.
 - Increase in fund balance of \$405,560 in the Shady Oak Road South fund due to transfers from the utility funds to cover the utility costs of the project.
 - Decrease in fund balance of \$624,007 in the Aquatics & Fitness Expansion fund due to construction costs.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

- Increase in fund balance of \$441,539 in the Eden Prairie Road fund due to the collection of special assessments to fund construction costs.
- Other governmental funds had an overall increase in fund balance of \$373,386 due mainly to the following increases and decreases:
 - Increase in fund balance of \$1,197,656 in the General Obligation Bonds 2016A for the issuance to debt to refund the 2008B Bonds. The 2008B Bonds will be refunded in 2017.
 - Decrease in fund balance of \$790,389 in the Park Improvement fund due to project costs being greater than current year revenue.
 - Decrease in fund balance of \$1,396,056 in the Project fund due to planned project expenditures.
 - Increase in fund balance of \$1,351,367 in the West 70th Street Extension fund. Bonds were issued to cover construction costs.
- Approximately 72% of the combined fund balances in the governmental funds is unrestricted and therefore available to meet the City's current and future needs.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

These two statements report the City's net position and changes in them. You can think of the City's net position – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including general government, public safety, public works, and parks and recreation. Property taxes, charges for services, and capital grants and contributions finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility system (Water, Sewer and Storm Drainage Funds) and liquor operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation provided after the fund financial statements.

- Proprietary funds – When the City charges customers for the services it provides – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The City of Eden Prairie maintains two different types of proprietary funds.

- Enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.
- Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for activities pertaining to employee benefits, workers compensation, personal time off accruals, property insurance, facilities, fleet services, and information technology.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The City is fiduciary for resources collected and owed to others including developers and governmental agencies. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City as a Whole

The City's combined net position decreased from \$387,164,591 to \$381,410,756 but still maintained its financial position. The key factors in the decrease are the changes in Pension assumptions. Actuarial assumptions were changed for the return on market value of investments and the life expectancies of employees. These two changes resulted in a decrease in net position of \$4,924,196 for governmental activities and a decrease of \$492,541 for business-type activities. By far the largest portion of the City of Eden Prairie's net position, \$317,155,272 (approximately 83%) 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 of Eden Prairie 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

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$26,405,621 (approximately 7%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$37,849,863 (approximately 10%), 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 of the categories of net position reported for the government as a whole.

The following schedule provides a summary of the City's net position as of December 31, 2016 (in thousands):

	Governmental Activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 78,462	\$ 83,803	\$ 20,858	\$ 19,238	\$ 99,320	\$ 103,041
Capital Assets	235,024	233,594	129,111	130,597	364,135	364,191
Total Assets	313,486	317,397	149,969	149,835	463,455	467,232
Deferred Outflows	30,789	4,728	1,764	358	32,553	5,086
Total Assets and Deferred Outflows	344,275	322,125	151,733	150,193	496,008	472,318
Long-Term Liabilities Outstanding	93,564	67,209	8,394	5,510	101,958	72,719
Other Liabilities	5,434	8,078	1,217	1,480	6,651	9,558
Total Liabilities	98,998	75,287	9,611	6,990	108,609	82,277
Deferred Inflows	5,501	2,596	487	281	5,988	2,877
Total Liabilities and Deferred Inflows	104,499	77,883	10,098	7,271	114,597	85,154
Invested in Capital Assets	191,676	189,217	125,480	128,131	317,156	317,348
Restricted	26,406	23,113	-	-	26,406	23,113
Unrestricted	21,694	31,912	16,155	14,792	37,849	46,704
Total Net Position	\$ 239,776	\$ 244,242	\$ 141,635	\$ 142,923	\$ 381,411	\$ 387,165

Key elements of these changes are shown on the following page.

City of Eden Prairie, Minnesota

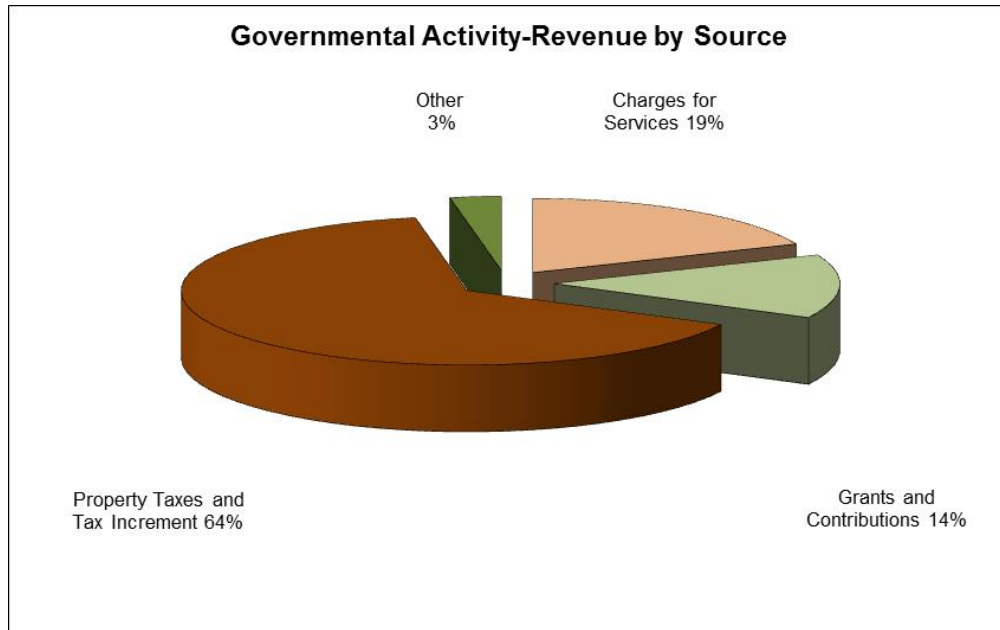
Management's Discussion and Analysis

	Governmental Activities		Business-Type		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Charges for Services	\$ 10,886	\$ 11,066	\$ 26,308	\$ 26,071	\$ 37,194	\$ 37,137
Operating Grants and Contributions	1,614	1,818	155	133	1,769	1,951
Capital Grants and Contributions	6,455	19,028	2,929	1,126	9,384	20,154
General Revenues						
Property Taxes	34,218	33,709	-	-	34,218	33,709
Tax Increment	3,357	3,249	-	-	3,357	3,249
Grants and Contributions	1,268	742	-	-	1,268	742
Investment Income	419	273	101	58	520	331
Total Revenues	58,217	69,885	29,493	27,388	87,710	97,273
Expenses:						
Administration	5,004	5,579	-	-	5,004	5,579
Community Development	5,692	7,730	-	-	5,692	7,730
Police	17,793	14,119	-	-	17,793	14,119
Fire	7,542	6,324	-	-	7,542	6,324
Public Works	11,036	17,652	-	-	11,036	17,652
Parks and Recreation	15,133	12,862	-	-	15,133	12,862
Interest on Long Term Debt	1,094	1,136	-	-	1,094	1,136
Water	-	-	10,526	8,906	10,526	8,906
Wastewater	-	-	7,407	6,566	7,407	6,566
Stormwater	-	-	1,794	2,082	1,794	2,082
Liquor	-	-	10,443	10,370	10,443	10,370
Total Expenses	63,294	65,402	30,170	27,924	93,464	93,326
Changes in Net Position						
Before Transfers	(5,077)	4,483	(677)	(536)	(5,754)	3,947
Internal Transfers	611	(278)	(611)	278	-	-
Change in Net Position	(4,466)	4,205	(1,288)	(258)	(5,754)	3,947
Net Position, January 1	244,242	240,037	142,923	143,181	387,165	383,218
Net Position, December 31	\$ 239,776	\$ 244,242	\$ 141,635	\$ 142,923	\$ 381,411	\$ 387,165

City of Eden Prairie, Minnesota Management's Discussion and Analysis

Governmental Activities

Revenue by Source

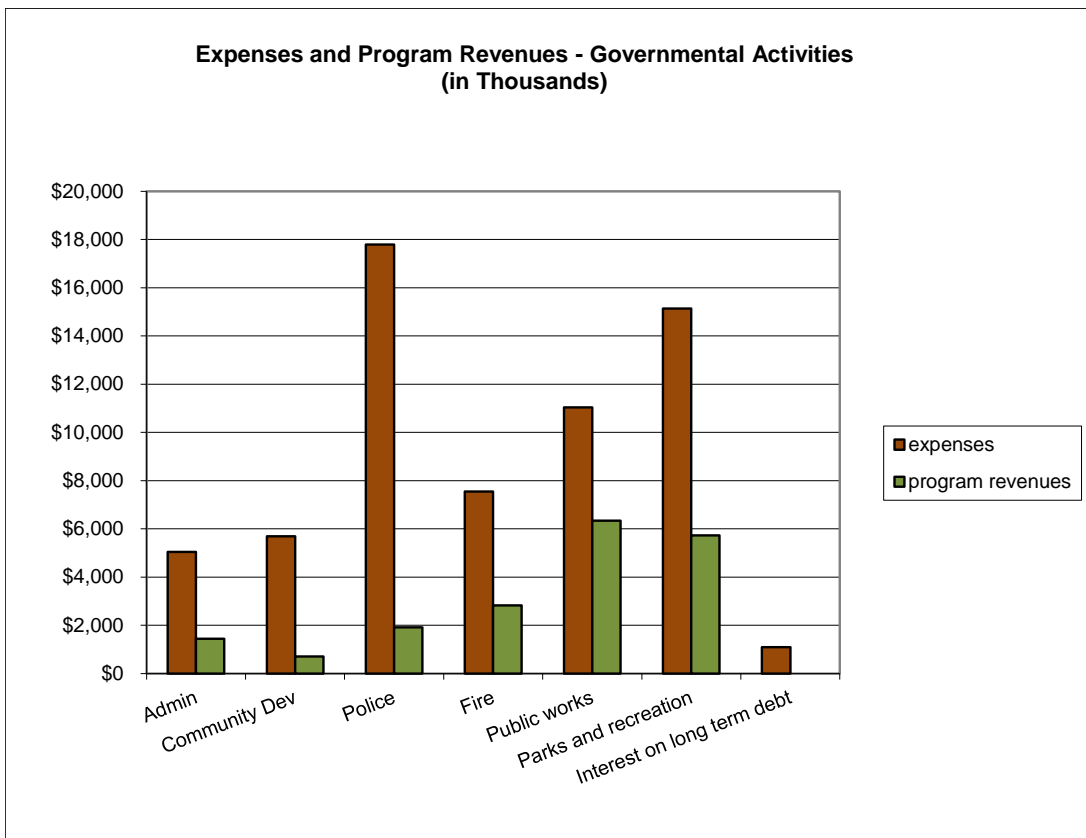
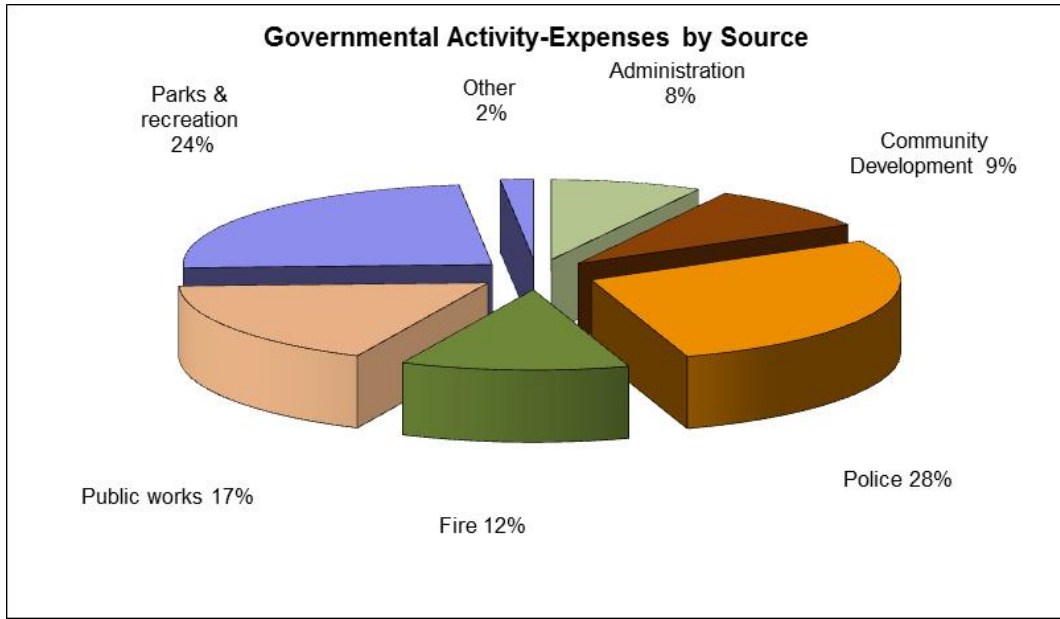


- For the year, property taxes totaled \$34,217,549 which is an increase of \$508,640 or 1.5% from 2015. For 2016, the City budgeted for a 2.9% increase in property taxes. The increase in taxes was less than what was budgeted due to abatements/appeals of taxes. The County is working on decreasing the amount of time for processing tax appeals which reduced the City's delinquent tax collections. The 2016 increase allows the City maintain service levels.
- Charges for services decreased by \$179,478 or 1.6% from 2015. This was due mainly to decreased revenue for Engineering overhead fees and building permits and fees. Offsetting the decrease is the property insurance dividend and parks and recreation fees.
- Operating grants and contributions decreased by \$204,070 or 11% from 2015. This was mainly due a Community Development revolving loan received in 2015.
- Capital grants and contributions decreased by \$12,572,677 or 66% from 2015. This was due mainly to amounts received in 2015 for the Shady Oak Road South project including prepaids on assessments, a grant from the State, and a contribution from the County.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

Expenses by Program

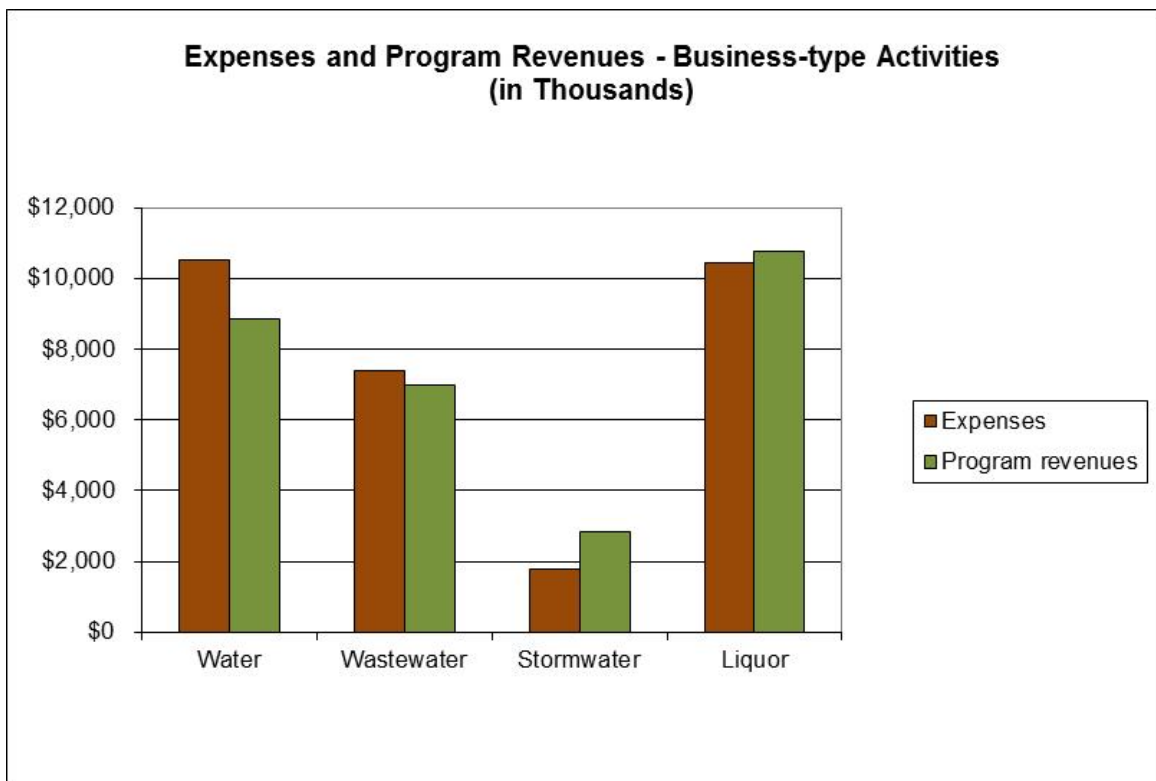


City of Eden Prairie, Minnesota

Management's Discussion and Analysis

Business-type Activities

For the business-type activities, charges for services accounts for 90% of revenues. The Water Fund and Wastewater Fund had a negative change to net position of \$2,666,516 and \$807,394 respectively. The negative changes were primarily due to depreciation. The Stormwater Fund had a positive change to net assets of \$2,603,461 due to the donation of capital assets from governmental activities. The Liquor operations had a negative change in net position of \$381,020. This was primarily due to the replacement of the roof at the Den Road Liquor Store location.



City of Eden Prairie, Minnesota

Management's Discussion and Analysis

The City's Funds

The General fund is the chief operating fund of the City of Eden Prairie. The General fund had positive financial performance and the fund balance increased by \$611,295. The table below reflects the changes to the City's General fund balance.

	2016	2015	Difference
Fund Balance:			
Nonspendable	\$ 35,792	\$ 22,947	\$ 12,845
Restricted	286,942	-	286,942
Unassigned			
Budget Stabilization	6,656,697	6,482,372	174,325
Working Capital	16,479,421	16,276,650	202,771
Unassigned	35,200	100,788	(65,588)
Total Fund Balance	<u>\$ 23,494,052</u>	<u>\$ 22,882,757</u>	<u>\$ 611,295</u>

Nonspendable Balances

The amounts classified as nonspendable consist of amounts that are not in spendable form, such as prepaid assets.

Unassigned Balances

The unassigned fund balance consists of the budget stabilization balance and the working capital balance.

Budget Stabilization

In compliance with City policy, \$4,437,798 or 10% of the 2016 budget was maintained for budget stabilization to be used for emergencies and maintenance of the City's Aaa bond rating. Also, \$2,218,899 or 5% of the 2016 budget was maintained for budget balancing to be used for short term volatility in the City's finances.

Working Capital

In compliance with City policy, 50% of the next year's tax levy or \$16,514,621 is maintained for working capital. This amount represents the amount needed to fund operations for the first six months of the year. The City receives a tax settlement in December that funds operations until the next settlement in June of the next year.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

Other Major Funds

The Capital Improvement Maintenance fund balance decreased by \$3,895,689 in 2016. Revenue of \$1,877,571 was collected which includes the tax levy, special assessments, building rental income, contributions, and investment income. Expenditures for the year include construction of a Cold Storage Building, Staring Lake Playground replacement, Round Lake Phase II construction, Public Safety radio replacement, and Miller Park parking, plaza, and trails. Transfer in include \$700,000 from the Liquor fund. Transfers out includes \$275,000 to the CIP Trails fund for various trail improvement.

The Public Improvement Construction fund balance increased by \$112,759 in 2016. Special assessments of \$176,705 and \$195,654 of other revenue were collected. As of December 31, 2016, the fund had a negative fund balance of \$2,343,148. The deficit will be reduced with the collection of special assessments and state aid.

The Shady Oak Road North fund balance increased by \$610,291 in 2016 and now has a small fund balance. The Shady Oak Road North project reconstructed Shady Oak Road from Rowland Road through the Highway 62 interchange. This project is substantially complete and should be closed out in 2017.

The Shady Oak Road South fund balance increased by \$405,560 in 2016. The Shady Oak Road South project reconstructed Shady Oak Road from Flying Cloud Drive to Rowland Road. This project is substantially complete and should be closed out in 2017.

The Aquatics & Fitness Expansion fund decreased by \$624,007. The pool project upgraded the existing pool and also added a pool to the Community Center. This project was completed with the grand opening in April 2016. Final payment has yet to be made and naming rights revenue will be recognized in the future.

The Eden Prairie Road fund increased by \$441,539. Revenue of \$488,956 was collected which consisted of special assessments. The Eden Prairie Road project reconstructed Eden Prairie Road and also adds a new creek crossing at Riley Creek. This project will be repaid with future special assessments.

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

Water fund sales through December 31, 2016 totaled \$7,649,111 which is an increase of \$479,394 or 6.7% from 2015 due to the following:

- Increase in sales by approximately \$284,000 due to increased tier rates.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

- Increase in sales by approximately \$54,000 due to the increase in the base charge.
- Increase in sales by approximately \$134,000 due to the increase in water use.

Wastewater fund sales through December 31, 2016 totaled \$5,789,584 which is an increase of \$152,904 or 2.7% from 2015 due to the following:

- Increase in sales by approximately \$179,000 due to the rate increase.
- Increase in sales by approximately \$54,000 due to the increase in the base charge.
- Decrease in sales by approximately \$80,000 due to decrease in sewer use.

Stormwater fund sales through December 31, 2016 totaled \$2,118,416 which is an increase of \$230,976 or 12.2% from 2015. The increase is due to the rate increase.

Liquor operations profit of \$700,000 was transferred to the Capital Improvement Maintenance Fund. Sales totaled \$10,469,204 which is a decrease of \$555,515 or 5% over 2015. Increased competition impacted sales growth. The operation continues to provide value to customers and maintain customer loyalty.

Budgetary Highlights

The General fund had positive operating results. Total revenues equaled \$42,834,735 or 100% of the amount budgeted. The budget performance included the following variances:

- A two percent allowance for uncollectible taxes which was needed to cover tax amounts abated,
- Positive performance for development revenue, grants, interest, and other revenue.
- Underperformance in recreation charges for services and fines and forfeits.
- Other items had positive and negative variances.

Even with the fluctuations 100% of budgeted revenue was collected.

Total expenditures equaled \$42,631,526 or 98.8% of the budget. All departments except Police and Fire have spent less than 100% of the amounts budgeted. Police and Fire have spent a small amount over their budgets. Police is primarily due to overtime. The additional overtime was the result of covering extra shifts due to officers on medical leave, retirements and an increase in caseloads. Fire was due to additional hours required to train in new recruits.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

At the end of 2016, the city had \$364 million invested in capital assets. Major capital assets added during the current fiscal year by fund include the following:

Fund	Project Name	2016 Additions
West 70th Street Extension Fund	W.70th St - West Portion	\$ 467,896
Aquatics & Fitness Expansion	CmtyCtr Pool Upgrade/Expansion	948,996
Shady Oak Road - South	Shady Oak Rd / CR 61 - SOUTH	1,679,631
Pavement Management Fund	Waterford Sump Pump System	551,301
Capital Improvement/Maintenance	Starring Lake Playground Replacement	1,190,095
	Round Lake Park - Phase II Renovation	1,606,605
	Cold Storage Building	714,407
	Sub-total	<u>3,511,107</u>
	Total	<u>\$7,158,931</u>

Capital Assets (net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land & Land Improv.	\$ 31,274	\$ 31,814	\$ 837	\$ 884	\$ 32,111	\$ 32,698
Infrastructure	134,583	128,699	-	-	134,583	128,699
Work in Progress	2,786	28,153	41	127	2,827	28,280
Distribution System	-	-	96,349	96,211	96,349	96,211
Buildings	56,892	35,921	27,383	28,466	84,275	64,387
Leasehold Improvements	15	19	321	405	336	424
Machinery & Equipment	1,029	1,169	4,005	4,258	5,034	5,427
Autos	3,858	4,049	175	239	4,033	4,288
Other Assets	4,587	3,770	-	7	4,587	3,777
Total	<u>\$ 235,024</u>	<u>\$ 233,594</u>	<u>\$ 129,111</u>	<u>\$ 130,597</u>	<u>\$ 364,135</u>	<u>\$ 364,191</u>

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

The City has chosen to maintain infrastructure using the modified approach. This means the City does not depreciate the cost of infrastructure but maintains the system at a “good condition” level or higher. Additional information on the modified approach can be found in Note 1 of this report and additional information on the City's capital assets can be found in Note 4 of this report.

The City's policy is to achieve an average rating of 60 (good condition) for all streets and trails. In the summer of 2016, the City conducted a physical condition assessment. This assessment will be performed every three years. As of December 31, 2016, the City's infrastructure system was rated at a Pavement Condition Index (PCI) of 76.9%, which is higher than the City's policy level. The City's infrastructure are constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating, and overlaying. The City expended \$1,957,553 on infrastructure maintenance for the year ending December 31, 2016. These expenditures delayed deterioration; however, the overall condition of the system was not improved through these maintenance expenditures. The City has estimated that the amount of annual expenditures required to maintain the City's infrastructure at the average PCI rating of good is approximately \$1,661,000.

Debt

At year-end, the City had approximately \$102 million in bonds and other long-term liabilities outstanding versus \$73 million last year. The increase in other long-term liabilities is due mainly to the increase of the Pension liability by \$29 million. Refer to Note 11 in the Notes to Financial Statements for a detailed schedule showing the City's long-term debt activity.

Economic Factors and Next Year's Budgets

The City's elected officials consider many factors when adopting the budget and determining fees for service and fees that will be charged for the business-type activities. These factors include service levels, the tax impact on the median value home, commercial/industrial and household growth, and inflation.

Currently, the 2017 general fund budgeted appropriations are \$44,377,983 which is an increase of \$1,061,383 or 2.5% from the 2016 budget. Budgeted revenues less expenditures total (\$220,943). Staff is working on a budget amendment to better align revenue to expenditures and to balance the budget.

City of Eden Prairie, Minnesota

Management's Discussion and Analysis

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for those interested in the government's finances. If you have questions about this report or need additional financial information, contact the Finance Division at City of Eden Prairie, 8080 Mitchell Road, Eden Prairie, MN 55344.

GOVERNMENT-WIDE STATEMENTS

City of Eden Prairie, Minnesota
Statement of Net Position
December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 56,989,280	\$ 16,877,836	\$ 73,867,116
Receivables			
Accounts	1,933,116	2,483,553	4,416,669
Interest	99,518	28,303	127,821
Due From Other Governments	543,576	76,880	620,456
Unremitted Taxes	22,749	-	22,749
Delinquent Taxes	137,531	-	137,531
Unremitted Special Assessments	694	5,217	5,911
Delinquent Special Assessments	6,671	303,852	310,523
Special Assessments	14,180,598	405,585	14,586,183
Unavailable Special Assessments	1,436,664	293,200	1,729,864
Internal Balances	1,257,363	(1,257,363)	-
Inventories	104,436	1,301,113	1,405,549
Net Pension Asset	216,585	-	216,585
Prepaid Items	418,265	340,194	758,459
Land Held for Resale	721,800	-	721,800
Restricted Cash and Cash Equivalents	392,704	-	392,704
Capital Assets			
Nondepreciable			
Land	22,022,728	766,958	22,789,686
Infrastructure	134,583,110	-	134,583,110
Work in Progress	2,785,991	41,431	2,827,422
Depreciable Buildings, Property and Equipment, Net	75,632,219	128,302,662	203,934,881
Total Assets	313,485,598	149,969,421	463,455,019
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding of Debt	185,566	-	185,566
Pensions	30,603,669	1,763,618	32,367,287
Total Deferred Outflows of Resources	30,789,235	1,763,618	32,552,853
 Total Assets and Deferred Outflows of Resources	 344,274,833	 151,733,039	 496,007,872

City of Eden Prairie, Minnesota
Statement of Net Position
December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts and Contracts Payable	3,428,246	1,011,247	4,439,493
Salaries Payable	435,054	69,747	504,801
Investment Interest Payable	13,779	-	13,779
Interest Payable	492,343	4,984	497,327
Due to Other Governments	239,353	125,831	365,184
Unearned Revenue	825,271	5,208	830,479
Net OPEB			
Due in More Than One Year	1,487,423	242,007	1,729,430
Net Pension			
Due in More Than One Year	46,340,420	4,232,047	50,572,467
Bonds Payable			
Due Within One Year	4,500,000	465,000	4,965,000
Due in More Than One Year	39,033,966	3,166,427	42,200,393
Capital lease payable			
Due Within One Year	55,208	-	55,208
Due in More Than One Year	231,734	-	231,734
Compensated Absences			
Due Within One Year	941,101	141,211	1,082,312
Due in More Than One Year	974,457	146,973	1,121,430
Total Liabilities	<u>98,998,355</u>	<u>9,610,682</u>	<u>108,609,037</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	5,500,752	487,327	5,988,079
Total Deferred Inflows of Resources	<u>5,500,752</u>	<u>487,327</u>	<u>5,988,079</u>
Total Liabilities and Deferred Inflows	<u>104,499,107</u>	<u>10,098,009</u>	<u>114,597,116</u>
NET POSITION			
Net Investment in Capital Assets	191,675,648	125,479,624	317,155,272
Restricted for Perpetual Care, Nonexpendable	144,219	-	144,219
Restricted for Debt Service	7,030,882	-	7,030,882
Restricted for Special Assessments	9,754,030	-	9,754,030
Restricted for Tax Increment	1,790,930	-	1,790,930
Restricted for Police	6,190	-	6,190
Restricted for Fire	286,942	-	286,942
Restricted for Public Works	5,077,602	-	5,077,602
Restricted for Parks and Recreation	148,414	-	148,414
Restricted for Historical and Cultural	15,681	-	15,681
Restricted for Net Pension Asset	2,150,731	-	2,150,731
Unrestricted	21,694,457	16,155,406	37,849,863
Total Net Position	<u>\$ 239,775,726</u>	<u>\$ 141,635,030</u>	<u>\$ 381,410,756</u>

City of Eden Prairie, Minnesota
Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental Activities				
Administration	\$ 5,003,957	\$ 1,442,068	\$ -	\$ -
Community Development	5,692,215	152,708	363,395	187,850
Police	17,793,494	1,131,502	629,570	150,137
Fire	7,542,196	2,315,725	489,073	18,400
Public Works	11,035,229	330,709	72,810	5,938,146
Parks and Recreation	15,133,618	5,513,331	59,415	160,858
Interest on Long Term Debt	1,093,720	-	-	-
Total Governmental Activities	63,294,429	10,886,043	1,614,263	6,455,391
Business-Type Activities				
Water	10,526,151	7,675,337	48,242	1,127,354
Wastewater	7,407,149	5,789,584	42,529	1,134,508
Stormwater	1,793,588	2,095,629	58,193	667,307
Liquor	10,443,421	10,747,887	6,077	-
Total Business-Type Activities	30,170,309	26,308,437	155,041	2,929,169
Total Primary Government	\$ 93,464,738	\$ 37,194,480	\$ 1,769,304	\$ 9,384,560

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Tax Increment

Grants and Contributions Not Restricted to Specific Programs

Investment Income

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,561,889)	\$ -	\$ (3,561,889)
(4,988,262)	-	(4,988,262)
(15,882,285)	-	(15,882,285)
(4,718,998)	-	(4,718,998)
(4,693,564)	-	(4,693,564)
(9,400,014)	-	(9,400,014)
(1,093,720)	-	(1,093,720)
(44,338,732)	-	(44,338,732)
-	(1,675,218)	(1,675,218)
-	(440,528)	(440,528)
-	1,027,541	1,027,541
-	310,543	310,543
-	(777,662)	(777,662)
(44,338,732)	(777,662)	(45,116,394)
31,678,327	-	31,678,327
2,539,222	-	2,539,222
3,357,247	-	3,357,247
1,268,257	-	1,268,257
418,849	100,657	519,506
610,969	(610,969)	-
39,872,871	(510,312)	39,362,559
(4,465,861)	(1,287,974)	(5,753,835)
244,241,587	142,923,004	387,164,591
\$ 239,775,726	\$ 141,635,030	\$ 381,410,756

FUND FINANCIAL STATEMENTS

CITY OF EDEN PRAIRIE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Capital Projects				
	General	Capital Improvement Maintenance	Public Improvement Construction	Shady Oak Road North	Shady Oak Road South
ASSETS					
Cash and Investments	\$ 23,890,750	\$ 3,608,246	\$ -	\$ 32,960	\$ 5,973,937
Receivables					
Accounts	390,231	126,779	-	-	-
Interest	30,267	17,097	-	266	8,681
Due From Other Governments	39,616	-	-	-	-
Unremitted Taxes	14,066	260	-	-	-
Delinquent Taxes	137,103	428	-	-	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	1,572	3,997	-	-
Deferred Special Assessments	-	-	664,658	8,052,654	-
Special Deferred Special Assessments	-	97,093	206,254	-	-
Due From Other Funds	-	4,036,149	-	-	-
Advances to Other Funds	-	1,100,193	-	-	-
Prepaid Items	35,792	-	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments With Escrow Agent	286,942	-	-	-	-
Total Assets	<u>\$ 24,824,767</u>	<u>\$ 8,987,817</u>	<u>\$ 874,909</u>	<u>\$ 8,085,880</u>	<u>\$ 5,982,618</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 582,540	\$ 290,523	\$ 15,307	\$ 1,294	\$ 425,857
Salaries Payable	397,140	-	-	-	-
Investment Interest Payable	-	-	4,424	-	-
Due to Other Governments	60,163	-	-	-	-
Due to Other Funds	-	-	2,323,417	-	-
Unearned Revenue	152,624	146,862	-	-	-
Total Liabilities	<u>1,192,467</u>	<u>437,385</u>	<u>2,343,148</u>	<u>1,294</u>	<u>425,857</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Grants	1,145	-	-	-	-
Unavailable Revenue-Property Taxes	137,103	428	-	-	-
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	98,665	874,909	8,052,654	-
Total Deferred Inflows of Resources	<u>138,248</u>	<u>99,093</u>	<u>874,909</u>	<u>8,052,654</u>	<u>-</u>
FUND BALANCES					
Nonspendable	35,792	-	-	-	-
Restricted	286,942	-	-	31,932	4,576,761
Assigned	-	8,451,339	-	-	980,000
Unassigned	23,171,318	-	(2,343,148)	-	-
Total Fund Balance	<u>23,494,052</u>	<u>8,451,339</u>	<u>(2,343,148)</u>	<u>31,932</u>	<u>5,556,761</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 24,824,767</u>	<u>\$ 8,987,817</u>	<u>\$ 874,909</u>	<u>\$ 8,085,880</u>	<u>\$ 5,982,618</u>

**CITY OF EDEN PRAIRIE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Capital Projects			
	Aquatics & Fitness Expansion	Eden Prairie Road	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 784,126	\$ -	\$ 15,227,626	\$ 49,517,645
Receivables				
Accounts	-	-	613,082	1,130,092
Interest	1,526	-	29,670	87,507
Due From Other Governments	-	-	478,932	518,548
Unremitted Taxes	-	-	8,423	22,749
Delinquent Taxes	-	-	-	137,531
Unremitted Special Assessments	-	464	230	694
Delinquent Special Assessments	-	190	912	6,671
Deferred Special Assessments	-	785,751	4,677,535	14,180,598
Special Deferred Special Assessments	-	1,012,555	120,762	1,436,664
Due From Other Funds	-	-	1,045,610	5,081,759
Advances to Other Funds	-	-	-	1,100,193
Prepaid Items	-	-	106,751	142,543
Land Held for Resale	-	-	721,800	721,800
Notes Receivable	-	-	296,273	296,273
Loan Receivable	-	-	169,000	169,000
Cash and Investments With Escrow Agent	-	-	105,762	392,704
Total Assets	\$ 785,652	\$ 1,798,960	\$ 23,602,368	\$ 74,942,971
LIABILITIES				
Accounts and Contracts Payable	\$ 953,242	\$ 3,349	\$ 445,350	\$ 2,717,462
Salaries Payable	-	-	3,270	400,410
Investment Interest Payable	-	3,036	6,319	13,779
Due to Other Governments	-	-	9,624	69,787
Due to Other Funds	-	1,555,562	1,045,610	4,924,589
Unearned Revenue	254,746	-	220,758	774,990
Total Liabilities	1,207,988	1,561,947	1,730,931	8,901,017
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Grants	-	-	-	1,145
Unavailable Revenue-Property Taxes	-	-	-	137,531
Unavailable Revenue-Revolving Loan	-	-	169,000	169,000
Unavailable Revenue-Special Assessments	-	1,798,496	4,799,209	15,623,933
Total Deferred Inflows of Resources	-	1,798,496	4,968,209	15,931,609
FUND BALANCES				
Nonspendable	-	-	250,970	286,762
Restricted	-	-	7,067,853	11,963,488
Assigned	-	-	10,368,095	19,799,434
Unassigned	(422,336)	(1,561,483)	(783,690)	18,060,661
Total Fund Balance	(422,336)	(1,561,483)	16,903,228	50,110,345
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 785,652	\$ 1,798,960	\$ 23,602,368	\$ 74,942,971

City of Eden Prairie, Minnesota
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2016

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance - Governmental Funds	\$ 50,110,345
1. Capital assets used in Governmental Activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of Capital Assets	266,360,147
Less Accumulated Depreciation	(36,526,352)
2. Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
Bond Principal Payable Net	(43,533,966)
Capital Lease	(286,942)
Deferred Loss on Refunding	185,566
Net Pension Liability and Related Deferred Inflows of Resources	(51,841,172)
3. Long term receivables are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term receivables at year end consist of:	
Net Pension Asset and Related Deferred Outflows of Resources	30,820,254
4. Taxes and special assessment receivable will be collected in future years, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
	15,762,609
5. Grants and loan receivable will be collected in future years, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
	169,000
6. Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.	
	(492,343)
7. Internal Service Funds are used by management to charge the costs of employee benefits to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position.	
	9,012,075
8. Internal Service Funds are used by management to charge the costs of employee benefits to individual funds. The assets and liabilities of the Internal Service Fund are included in Business-type Activities in the Statement of Net Position.	
	36,505
Net Position - Governmental Activities	\$ 239,775,726

City of Eden Prairie, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects				
	General	Capital Improvement Maintenance	Public Improvement Construction	Shady Oak Road North	Shady Oak Road South
REVENUES					
General Property Taxes	\$ 31,365,122	\$ 97,852	\$ -	\$ -	\$ -
Special Assessments	-	-	176,705	2,079,200	267,510
Penalties and Interest	18,151	-	-	-	-
Licenses and Permits	3,770,890	-	-	-	-
Intergovernmental Revenue	1,479,880	-	-	-	-
Charges for Services	5,325,932	-	-	-	-
Fines and Forfeits	339,823	-	-	-	-
Investment Income	104,189	181,495	-	1,197	27,885
Rental	-	1,208,954	-	-	-
Other	430,748	389,270	195,654	330,608	-
Total Revenues	42,834,735	1,877,571	372,359	2,411,005	295,395
EXPENDITURES					
Current					
Administration	4,118,176	162,489	-	-	-
Community Development	2,180,541	-	-	-	-
Police	13,775,455	-	-	-	-
Fire	5,699,308	-	-	-	-
Public Works	5,757,839	-	-	-	-
Parks and Recreation	10,983,233	15,321	-	-	-
Interest on Interfund Borrowing	-	-	15,537	-	-
Capital Outlay					
Administration	-	276,500	-	-	-
Police	-	115,918	-	-	-
Fire	-	1,035,321	-	-	-
Public Works	70,430	915,903	325,939	100,714	869,835
Parks and Recreation	-	3,971,445	-	-	-
Debt Service					
Principal	45,369	-	-	-	-
Interest	1,175	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	42,631,526	6,492,897	341,476	100,714	869,835
Excess of Revenues Over (Under) Expenditures	203,209	(4,615,326)	30,883	2,310,291	(574,440)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	286,942	-	-	-	-
Premium	-	-	-	-	-
Transfers In	271,144	994,637	81,876	-	980,000
Transfers Out	(150,000)	(275,000)	-	(1,700,000)	-
Total Other Financing Sources (Uses)	408,086	719,637	81,876	(1,700,000)	980,000
Net Change in Fund Balances	611,295	(3,895,689)	112,759	610,291	405,560
Fund Balance (Deficit) - Beginning	22,882,757	12,347,028	(2,455,907)	(578,359)	5,151,201
Fund Balance (Deficit) - Ending	\$ 23,494,052	\$ 8,451,339	\$ (2,343,148)	\$ 31,932	\$ 5,556,761

City of Eden Prairie, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects			
	Aquatics & Fitness Expansion	Eden Prairie Road	Other Governmental Funds	Total Governmental Funds
REVENUES				
General Property Taxes	\$ -	\$ -	\$ 6,092,386	\$ 37,555,360
Special Assessments	-	488,956	584,009	3,596,380
Penalties and Interest	-	-	-	18,151
Licenses and Permits	-	-	2,246,633	6,017,523
Intergovernmental Revenue	-	-	882,537	2,362,417
Charges for Services	-	-	-	5,325,932
Fines and Forfeits	-	-	7,000	346,823
Investment Income	-	-	103,231	417,997
Rental	-	-	59,303	1,268,257
Other	10,871	-	623,709	1,980,860
Total Revenues	10,871	488,956	10,598,808	58,889,700
EXPENDITURES				
Current				
Administration	-	-	-	4,280,665
Community Development	-	-	3,355,489	5,536,030
Police	-	-	142,222	13,917,677
Fire	-	-	-	5,699,308
Public Works	-	-	171,332	5,929,171
Parks and Recreation	-	-	10,291	11,008,845
Interest on Interfund Borrowing	1,494	9,865	23,058	49,954
Capital Outlay				
Administration	-	-	131,830	408,330
Police	-	-	-	115,918
Fire	-	-	-	1,035,321
Public Works	-	37,552	5,519,351	7,839,724
Parks and Recreation	953,480	-	809,258	5,734,183
Debt Service				
Principal	-	-	3,370,000	3,415,369
Interest	-	-	1,147,369	1,148,544
Fiscal Agent Fees	-	-	66,043	66,043
Total Expenditures	954,974	47,417	14,746,243	66,185,082
Excess of Revenues Over (Under) Expenditures	(944,103)	441,539	(4,147,435)	(7,295,382)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	2,360,000	2,646,942
Premium	-	-	73,836	73,836
Transfers In	320,096	-	2,935,001	5,582,754
Transfers Out	-	-	(848,016)	(2,973,016)
Total Other Financing Sources (Uses)	320,096	-	4,520,821	5,330,516
Net Change in Fund Balances	(624,007)	441,539	373,386	(1,964,866)
Fund Balance (Deficit) - Beginning	201,671	(2,003,022)	16,529,842	52,075,211
Fund Balance (Deficit) - Ending	\$ (422,336)	\$ (1,561,483)	\$ 16,903,228	\$ 50,110,345

City of Eden Prairie, Minnesota
Reconciliation of the Statement of Revenues and Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016

Total net change in fund balances - governmental funds \$ (1,964,866)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

1. Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful life's as depreciation expense.	
Capital Outlays	9,766,897
Depreciation Expense	(2,959,551)
The net effect of the disposal of capital assets	
Contributed to Enterprise funds	(1,998,769)
Disposals	(3,817,916)
Accumulated Depreciation on Disposals	831,659
2. Principal payments of long-term debt consumes the current financial resources of Governmental Funds, However they have no effect on Net Position.	3,415,369
3. Interest on long-term debt in the statement of activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due thus requires use of current financial resources. In the Statement of Activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	29,499
4. The issuance of long-term debt provides current financial resources to Governmental Funds and has no effect on Net Position. These amounts are reported in the Governmental Funds as a source of financing. These amounts are not shown as revenue in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	(2,646,942)
5. Governmental Funds report debt issuance premiums and discounts as another financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the Government-wide financial statements.	
Premiums	(73,836)
Amortization of Premiums/Discounts	114,286
6. Refunding losses are recognized when paid in the governmental funds but amortized over the life of the debt in the Statement of Activities.	(22,918)
7. Taxes and special assessments receivable will be collected in future years, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	(664,885)
8. Grants and loan receivable will be collected in future years, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	(9,728)
9. Some pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures.	
Change in Net Pension Asset/Liability and Related Deferred Outflows/Inflows of Resources	(4,924,196)
10. Internal Service Funds are used by management to charge the costs of employee benefits to individual funds. The net revenue of these activities is reported in Governmental Activities.	423,531
11. Internal Service Funds are used by management to charge the costs of employee benefits to individual funds. The net revenue of these activities is reported in Business Type Activities.	36,505
Change in Net Position - Governmental Activities	<u><u>\$ (4,465,861)</u></u>

City of Eden Prairie, Minnesota
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				2015
	Budget Original	Budget Final	Actual	Variance Over/(Under)	Actual
REVENUES					
Taxes and Special Assessments					
General Property Taxes	\$ 31,396,897	\$ 31,396,897	\$ 31,365,122	\$ (31,775)	\$ 30,667,752
Penalty and Interest	46,000	46,000	18,151	(27,849)	19,615
Total Taxes and Special Assessments	31,442,897	31,442,897	31,383,273	(59,624)	30,687,367
Licenses and Permits					
Liquor, Beer and Wine Licenses	323,725	323,725	320,900	(2,825)	323,592
Business Licenses	38,514	38,514	38,708	194	36,060
Dog Registration Licenses	20,020	20,020	20,853	833	15,957
Building Permits and Fees	2,120,000	2,120,000	2,303,405	183,405	3,059,075
Cable TV	813,000	813,000	876,579	63,579	841,950
Other Permits	190,210	190,210	210,445	20,235	190,560
Total Licenses and Permits	3,505,469	3,505,469	3,770,890	265,421	4,467,194
Intergovernmental Revenue					
Police Pension Aid	500,000	500,000	543,674	43,674	515,091
Fire Relief Association Aid	414,000	414,000	447,848	33,848	435,948
State Street Aid	68,866	68,866	72,810	3,944	68,865
Police Training	20,000	20,000	20,010	10	22,323
Grants	65,000	65,000	227,356	162,356	217,830
PERA Aid	52,384	52,384	52,384	-	52,384
School Liaison	115,798	115,798	115,798	-	115,798
Total Intergovernmental Revenue	1,236,048	1,236,048	1,479,880	243,832	1,428,239
Charges for Services					
Public Safety	102,500	102,500	142,439	39,939	127,491
Recreation					
Community Center	4,522,205	4,522,205	4,117,798	(404,407)	3,648,608
Organized Athletics	277,520	277,520	211,610	(65,910)	231,173
Youth Programs	333,900	333,900	344,338	10,438	339,777
Oak Point Pool	59,500	59,500	93,785	34,285	115,694
Outdoor Center	71,050	71,050	76,564	5,514	63,980
Park Facilities	92,550	92,550	108,038	15,488	108,080
Arts Center	69,700	69,700	65,056	(4,644)	69,122
Senior Center	102,150	102,150	102,671	521	105,777
Arts	24,610	24,610	25,037	427	23,659
Special Events	500	500	-	(500)	-
Therapeutic Recreation	24,000	24,000	38,596	14,596	31,457
Total Recreation	5,577,685	5,577,685	5,183,493	(394,192)	4,737,327
Total Charges for Services	5,680,185	5,680,185	5,325,932	(354,253)	4,864,818
Fines and Forfeits	500,000	500,000	339,823	(160,177)	337,759
Investment Income	50,000	50,000	104,189	54,189	69,284
Other Revenue	254,000	254,000	430,748	176,748	465,066
Total Revenues	\$ 42,668,599	\$ 42,668,599	\$ 42,834,735	\$ 166,136	\$ 42,319,727

City of Eden Prairie, Minnesota
General Fund
Statement of Revenues, Expenditures and
Changed in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts For the Year Ended December 31, 2015

Continued

	2016				2015
	Budget Original	Budget Final	Actual	Variance Over/(Under)	Actual
EXPENDITURES					
Current					
Administration					
Legislative	\$ 277,804	\$ 277,804	\$ 304,512	\$ 26,708	\$ 271,666
Office of the City Manager	426,091	426,091	384,470	(41,621)	365,239
Legal Counsel	510,110	510,110	547,717	37,607	473,612
City Clerk	295,850	295,850	286,791	(9,059)	141,467
Communications	533,510	533,510	530,114	(3,396)	507,396
Finance	832,336	832,336	829,385	(2,951)	817,520
Customer Service	390,660	390,660	364,591	(26,069)	355,511
Human Resources	940,209	940,209	870,596	(69,613)	877,321
Total Administration	4,206,570	4,206,570	4,118,176	(88,394)	3,809,732
Community Development					
Assessing	1,007,173	1,007,173	944,812	(62,361)	974,127
Planning	604,722	697,410	562,924	(134,486)	553,042
Community Development Administration	242,854	242,854	214,726	(28,128)	222,024
Economic Development	118,791	126,891	125,739	(1,152)	122,765
Housing & Community Services	339,381	339,381	332,340	(7,041)	319,104
Total Community Development	2,312,921	2,413,709	2,180,541	(233,168)	2,191,062
Police	13,583,186	13,583,186	13,775,455	192,269	13,474,840
Fire					
Fire	4,346,770	4,346,770	4,489,933	143,163	4,486,962
Inspections	1,120,587	1,120,587	1,104,264	(16,323)	1,120,321
Public Safety Communications	184,919	184,919	105,111	(79,808)	147,464
Total Fire	5,652,276	5,652,276	5,699,308	47,032	5,754,747
Public Works					
Engineering	1,564,916	1,564,916	1,465,073	(99,843)	1,340,326
Street Maintenance	3,667,732	3,667,732	3,519,519	(148,213)	3,505,161
Street Lighting	962,500	962,500	843,677	(118,823)	842,256
Total Public Works	6,195,148	6,195,148	5,828,269	(366,879)	5,687,743

City of Eden Prairie, Minnesota
General Fund
Statement of Revenues, Expenditures and
Changed in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts For the Year Ended December 31, 2015

Continued

	2016			Variance Over/(Under)	2015
	Budget Original	Budget Final	Actual		Actual
EXPENDITURES (Continued)					
Current (Continued)					
Parks and Recreation					
Park Maintenance	3,824,087	3,824,087	3,670,496	(153,591)	3,701,939
Community Center	4,253,858	4,253,858	4,389,682	135,824	4,031,290
Youth Programs	475,499	475,499	452,726	(22,773)	443,878
Senior Center	378,738	378,738	374,465	(4,273)	384,945
Park Administration	414,036	414,036	386,441	(27,595)	382,658
Organized Athletics	299,057	299,057	268,796	(30,261)	252,591
Recreation Administration	310,685	310,685	295,495	(15,190)	283,562
Arts Center	278,517	278,517	283,316	4,799	268,259
Therapeutic Recreation	190,629	190,629	201,152	10,523	192,350
Outdoor Center	202,486	202,486	211,927	9,441	200,606
Oak Point Pool	74,171	74,171	94,441	20,270	126,912
Arts	124,317	124,317	137,935	13,618	124,608
Special Events	109,018	109,018	95,655	(13,363)	100,680
Park Facilities	59,050	59,050	59,261	211	52,511
Beaches	75,018	75,018	61,445	(13,573)	47,670
Total Parks and Recreation	11,069,166	11,069,166	10,983,233	(85,933)	10,594,459
Debt Service					
Principal	45,370	45,370	45,369	(1)	44,224
Interest	1,175	1,175	1,175	-	2,321
Total Debt Service	46,545	46,545	46,544	(1.00)	46,545
Total Expenditures	43,065,812	43,166,600	42,631,526	(535,074)	41,559,128
Excess (Deficiency) of Revenues Over Expenditures	(397,213)	(498,001)	203,209	701,210	760,599
OTHER FINANCING SOURCES / (USES)					
Issuance of Debt	-	-	286,942	286,942	-
Transfers In	270,000	270,000	271,144	1,144	271,865
Transfers Out	(150,000)	(150,000)	(150,000)	-	(486,338)
Proceeds from Disposition of Capital Assets	-	-	-	-	4,600
Total Other Financing Sources / (Uses)	120,000	120,000	408,086	288,086	(209,873)
Net Change in Fund Balance	<u>\$ (277,213)</u>	<u>\$ (378,001)</u>	611,295	<u>\$ 989,296</u>	550,726
Fund Balance, January 1			22,882,757		22,332,031
Fund Balance, December 31			<u>\$ 23,494,052</u>		<u>\$ 22,882,757</u>

CITY OF EDEN PRAIRIE, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2016

	Water Fund	Wastewater Fund	Stormwater Fund	Liquor Fund	Totals	Governmental Activities Internal Service Fund
ASSETS						
Current Assets:						
Cash and Investments	\$ 10,642,350	\$ 4,144,424	\$ 793,218	\$ 1,334,349	\$ 16,914,341	\$ 7,435,130
Receivables:						
Accounts	982,062	1,089,259	411,279	953	2,483,553	337,751
Interest	16,965	8,206	749	2,383	28,303	12,011
Due From Other Governments	13,853	41,989	21,038	-	76,880	25,028
Unremitted Special Assessments	4,765	452	-	-	5,217	-
Delinquent Special Assessments	297,386	6,466	-	-	303,852	-
Deferred Special Assessments	88,687	133,031	183,867	-	405,585	-
Special Deferred Special Assessments	117,280	175,920	-	-	293,200	-
Inventory	-	-	-	1,301,113	1,301,113	104,436
Prepaid Items	1,372	333,142	220	5,460	340,194	275,722
Total Current Assets	12,164,720	5,932,889	1,410,371	2,644,258	22,152,238	8,190,078
Noncurrent Assets						
Capital Assets:						
Property, Plant and Equipment	132,356,333	82,279,347	49,410,487	3,310,168	267,356,335	8,637,136
Less Accumulated Depreciation	(70,549,040)	(44,301,274)	(22,198,074)	(1,196,896)	(138,245,284)	(3,446,883)
Total Noncurrent Assets	61,807,293	37,978,073	27,212,413	2,113,272	129,111,051	5,190,253
Total Assets	73,972,013	43,910,962	28,622,784	4,757,530	151,263,289	13,380,331
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	839,817	419,909	83,982	419,910	1,763,618	-
Total Deferred Outflows of Resources	839,817	419,909	83,982	419,910	1,763,618	-
Total Assets and Deferred Outflows of Resources	74,811,830	44,330,871	28,706,766	5,177,440	153,026,907	13,380,331
LIABILITIES						
Current Liabilities:						
Accounts Payable	265,857	35,967	38,992	670,431	1,011,247	710,784
Salaries Payable	33,163	15,435	2,524	18,625	69,747	34,644
Bond Interest Payable	4,071	913	-	-	4,984	-
Due to Other Governments	3,188	-	1,925	120,718	125,831	169,566
Due to Other Funds	-	-	157,170	-	157,170	-
Unearned Revenue	-	-	-	5,208	5,208	50,281
Current Portion of Bonds Payable	375,000	90,000	-	-	465,000	-
Current Portion of Compensated Absences	86,705	20,299	13,732	20,475	141,211	941,101
Total Current Liabilities	767,984	162,614	214,343	835,457	1,980,398	1,906,376
Noncurrent Liabilities:						
Net OPEB	126,433	68,724	12,157	34,693	242,007	1,487,423
Net Pension	2,015,261	1,007,630	201,526	1,007,630	4,232,047	-
Bonds Payable	2,874,463	291,964	-	-	3,166,427	-
Advances from Other Funds	-	-	1,100,193	-	1,100,193	-
Compensated Absences	90,244	21,127	14,292	21,310	146,973	974,457
Total Noncurrent Liabilities	5,106,401	1,389,445	1,328,168	1,063,633	8,887,647	2,461,880
Total Liabilities	5,874,385	1,552,059	1,542,511	1,899,090	10,868,045	4,368,256
DEFERRED INFLOWS OF RESOURCES						
Pensions	232,061	116,030	23,206	116,030	487,327	-
Total Deferred Inflows of Resources	232,061	116,030	23,206	116,030	487,327	-
Total Liabilities and Deferred Inflows of Resources	6,106,446	1,668,089	1,565,717	2,015,120	11,355,372	4,368,256
NET POSITION						
Net Investment in Capital Assets	58,557,830	37,596,109	27,212,413	2,113,272	125,479,624	5,190,253
Unrestricted	10,147,554	5,066,673	(71,364)	1,049,048	16,191,911	3,821,822
Total Net Position	\$ 68,705,384	\$ 42,662,782	\$ 27,141,049	\$ 3,162,320	141,671,535	\$ 9,012,075
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds					(36,505)	
Total Net Position-Business-Type Activities					\$ 141,635,030	

**CITY OF EDEN PRAIRIE, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Water Fund	Wastewater Fund	Stormwater Fund	Liquor Fund	Total	Governmental Activities - Internal Service Fund
SALES AND COST OF SALES						
Sales	\$ -	\$ -	\$ -	\$ 10,469,204	\$ 10,469,204	\$ -
Cost of Sales	-	-	-	(7,733,328)	(7,733,328)	-
Gross Profit	-	-	-	2,735,876	2,735,876	-
OPERATING REVENUE						
Sales	7,640,401	5,789,584	2,118,416	-	15,548,401	-
Charges for Services	-	-	-	-	-	16,300,698
Rental	-	-	-	232,111	232,111	830,090
Other	8,710	-	-	46,572	55,282	-
Total Operating Revenues	7,649,111	5,789,584	2,118,416	278,683	15,835,794	17,130,788
OPERATING EXPENSE						
Personal Services	2,405,496	1,196,104	229,599	1,134,478	4,965,677	5,464,235
Supplies						
Supplies	134,712	17,205	8,398	29,712	190,027	270,225
Motor Fuel	-	-	-	-	-	297,170
Tires	-	-	-	-	-	44,930
Chemicals	605,036	-	-	-	605,036	-
Merchandise For Sale	60,176	-	-	-	60,176	-
Contractual Services						
Contractual Services	1,886,441	64,560	305,467	494,671	2,751,139	2,090,790
Lime Residual Removal	310,686	-	-	-	310,686	-
Insurance	-	-	-	12,324	12,324	3,532,285
Janitorial Services / Cleaning Supplies	60,746	-	-	38,746	99,492	1,011,197
LOGIS	49,914	49,914	-	-	99,828	524,887
Process Control Services	16,680	60,355	-	-	77,035	-
Building Rent	-	-	-	328,750	328,750	-
Licenses, Permits, Taxes	154,869	3,132	-	83,220	241,221	195,463
Bank and Credit Card Fees	31,626	30,750	-	200,518	262,894	-
Repairs and Maintenance	692,477	196,195	172,696	43,659	1,105,027	1,163,219
Utilities	631,405	3,768,412	1,396	80,774	4,481,987	1,245,424
User Charges	462,769	266,547	95,285	140,348	964,949	-
Total Operating Expenses	7,503,033	5,653,174	812,841	2,587,200	16,556,248	15,839,825
Operating Income (Loss) Before Depreciation	146,078	136,410	1,305,575	427,359	2,015,422	1,290,963
Depreciation	2,934,915	1,724,415	951,751	122,669	5,733,750	1,172,380
Operating Income (Loss) Before Nonoperating Revenue / Expense	(2,788,837)	(1,588,005)	353,824	304,690	(3,718,328)	118,583
NONOPERATING REVENUE (EXPENSE)						
Grants	27,037	41,989	8,253	-	77,279	24,860
Investment Income	61,951	27,140	3,353	8,213	100,657	52,466
Interest	(58,223)	(13,288)	(14,145)	-	(85,656)	-
Bond Issuance Cost	(24,438)	4,241	-	-	(20,197)	-
Fiscal Agent Fees	(4,625)	-	-	-	(4,625)	-
Gain/(Loss) on Disposition of Capital Assets	26,226	-	(22,787)	-	3,439	136,513
Miscellaneous	21,205	42,529	49,940	6,077	119,751	91,109
Total Nonoperating Revenues (Expenses)	49,133	102,611	24,614	14,290	190,648	304,948
Income (Loss) Before Contributions and Transfers	(2,739,704)	(1,485,394)	378,438	318,980	(3,527,680)	423,531
Contributions - from Governmental Activities	185,790	105,480	1,707,499	-	1,998,769	-
Contributions - from Developers	666,534	902,123	666,351	-	2,235,008	-
Transfers In	-	-	-	-	-	300,000
Capital Access Charges	347,170	96,920	-	-	444,090	-
Capital Special Assessments	113,650	93,476	956	-	208,082	-
Transfers Out	(1,239,956)	(519,999)	(149,783)	(700,000)	(2,609,738)	(300,000)
Change in Net Position	(2,666,516)	(807,394)	2,603,461	(381,020)	(1,251,469)	423,531
Net Position - Beginning	71,371,900	43,470,176	24,537,588	3,543,340	142,923,004	8,588,544
Net Position - Ending	\$ 68,705,384	\$ 42,662,782	\$ 27,141,049	\$ 3,162,320	141,671,535	\$ 9,012,075
Adjustment to reflect the consolidation of Internal Service Funds activities related to Enterprise Funds					(36,505)	
Change in Net Position of Business-Type Activities					<u>\$ (1,287,974)</u>	

City of Eden Prairie, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2016

	Water Fund	Wastewater Fund	Stormwater Fund	Liquor Fund	Totals	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts From Customers	\$ 7,692,482	\$ 5,889,141	\$ 2,071,339	\$ 10,748,162	\$ 26,401,124	\$ 16,451,338
Payments to Vendors	(5,102,640)	(4,494,516)	(662,511)	(9,160,497)	(19,420,164)	(10,286,794)
Payments to Employees	(2,209,704)	(993,248)	(205,020)	(1,022,240)	(4,430,212)	(5,257,861)
Other Receipts	8,710	-	-	-	8,710	863,109
Net Cash Provided (Used) By Operating Activities	388,848	401,377	1,203,808	565,425	2,559,458	1,769,792
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	57,448	24,540	2,006	7,896	91,890	49,053
Net Cash Provided (Used) By Investing Activities	57,448	24,540	2,006	7,896	91,890	49,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants	27,037	41,989	8,253	-	77,279	24,860
Transfers in	-	-	-	-	-	300,000
Payments From Other Funds	101,506	-	(157,171)	-	(55,665)	-
Payments to Other Funds	-	-	(101,506)	-	(101,506)	-
Transfers (Out)	(1,239,956)	(519,999)	(149,783)	(700,000)	(2,609,738)	(300,000)
Net Cash Provided (Used) By Noncapital Financing Activities	(1,111,413)	(478,010)	(400,207)	(700,000)	(2,689,630)	24,860
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(44,115)	6,474	23,587	-	(14,054)	(780,530)
Proceeds From Sale of Equipment	26,226	-	(22,787)	-	3,439	136,513
Access Charges	347,170	96,920	-	-	444,090	-
Special Assessments	113,650	93,476	956	-	208,082	-
Proceeds from Debt	1,636,443	-	-	-	1,636,443	-
Principal Paid on Debt	(370,000)	(85,000)	-	-	(455,000)	-
Interest and Fiscal Agent Paid on Debt	(100,143)	(13,500)	(14,145)	-	(127,788)	-
Net Cash Provided (Used) By Capital Financing Activities	1,609,231	98,370	(12,389)	-	1,695,212	(644,017)
Net Increase (Decrease) in Cash and Cash Equivalents	944,114	46,277	793,218	(126,679)	1,656,930	1,199,688
Cash and Cash Equivalents, January 1	9,698,236	4,098,147	-	1,461,028	15,257,411	6,235,442
Cash and Cash Equivalents, December 31	\$ 10,642,350	\$ 4,144,424	\$ 793,218	\$ 1,334,349	\$ 16,914,341	\$ 7,435,130

	Water Fund	Wastewater Fund	Stormwater Fund	Liquor Fund	Totals	Governmental Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (2,788,837)	\$ (1,588,005)	\$ 353,824	\$ 304,690	\$ (3,718,328)	\$ 118,583
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	2,934,915	1,724,415	951,751	122,669	5,733,750	1,172,380
Miscellaneous	21,205	42,529	49,940	6,077	119,751	91,109
(Increase) Decrease in Assets and Deferred Outflows:						
Accounts Receivable	(9,280)	20,942	(53,643)	(345)	(42,326)	101,449
Special Assessments Receivable	61,361	78,615	6,566	-	146,542	-
Taxes Receivable						
Due From Other Governments	(13,853)	(41,989)	27,970	-	(27,872)	(24,873)
Inventory	-	-	-	83,082	83,082	4,779
Prepaid Items	1,179	(21,196)	(160)	26,483	6,306	(26,811)
Pensions (Deferred Outflow)	(660,833)	(346,201)	(66,937)	(331,358)	(1,405,329)	-
Increase (Decrease) in Liabilities and Deferred Inflows:						
Accounts Payable	(3,382)	(16,790)	(157,019)	(79,463)	(256,654)	74,432
Salaries Payable	6,693	3,443	798	4,426	15,360	9,075
Unearned Revenue	-	-	-	620	620	49,191
Due to Other Governments	(10,252)	-	-	(10,626)	(20,878)	3,179
Net Other Post Employment Benefits	12,880	4,197	699	5,748	23,524	157,140
Net Pension	745,973	484,920	80,649	379,650	1,691,192	-
Pensions (Deferred Inflow)	91,861	58,293	9,854	46,666	206,674	-
Compensated Absences	(782)	(1,796)	(484)	7,106	4,044	40,159
Net Cash Provided (Used) by Operating Activities	\$ 388,848	\$ 401,377	\$ 1,203,808	\$ 565,425	\$ 2,559,458	\$ 1,769,792
Noncash Investing, Capital and Financing Activities:						
Contributions of Capital Assets from Governmental Activities	\$ 185,790	\$ 105,480	\$ 1,707,499	\$ -	\$ 1,998,769	\$ -
Contributions of Capital Assets from Developers	666,534	902,123	666,351	-	2,235,008	-
Amortization of Bond Premium	(12,005)	(4,241)	-	-	(16,246)	-

City of Eden Prairie, Minnesota
Agency Funds
Statement of Fiduciary Net Position
December 31, 2016

	<u>Total</u>
ASSETS	
Cash and Investments	\$ 1,839,444
Total Assets	<u>\$ 1,839,444</u>
LIABILITIES	
Accounts Payable	\$ 1,634,492
Due to Other Governments	204,952
Total Liabilities	<u>\$ 1,839,444</u>

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies

Reporting Entity

The City of Eden Prairie is a municipal corporation governed by an elected mayor and four-member council. The accompanying financial statements consist of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the financial statements from being misleading. The criteria used to determine if the primary government is financially accountable for a potential component unit include whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Blended Component Unit

The Housing and Redevelopment Authority (H.R.A.) is a body organized and existing under the laws of the State of Minnesota. The Authority was established in 1980 by the City to carry out certain redevelopment projects within the City and is governed by the City Council and the Mayor. The H.R.A. has a December 31 year-end and does not issue financial statements. This unit is included within the H.R.A., 3rd Rink Lease Revenue Bonds 2007A and Economic Development funds.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Statement Presentation

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 proprietary funds are reported as separate columns in the fund financial statements.

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. The fiduciary fund financial statements include Agency funds, which utilize the accrual basis of accounting, but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, licenses, interest and special assessments are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when payment is received by the City.

The City reports the following major governmental funds:

- The General fund is the City's primary operating fund. It accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects.
- The Capital Improvement Maintenance fund accounts for the accumulation of resources to be used for capital improvements and maintenance of City property.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

- The Public Improvement Construction fund accounts for proceeds of bonds sold and special assessments collected to finance street, drainage, and lateral utility construction within the City.
- The Shady Oak Road North fund accounts for the accumulation of resources to be used for the reconstruction of Shady Oak Road from Rowland Road through the Highway 62 interchange.
- The Shady Oak Road South fund accounts for the accumulation of resources to be used for the reconstruction of Shady Oak Road from Flying Cloud Drive to Rowland Road.
- The Aquatics & Fitness Expansion fund accounts for the accumulation of resources to be used for an upgrade to the Community Center pool.
- The Eden Prairie Road fund accounts for proceeds of bonds sold to finance the construction of Eden Prairie Road.

The City reports the following major proprietary funds:

- The Water fund accounts for the operations of the City water system.
- The Wastewater fund accounts for the operations of the City sewer service.
- The Stormwater Drainage fund accounts for the operations of the City's storm drainage system.
- The Liquor fund accounts for the operations of the City's three retail liquor stores and the operations of the City-owned Den Road building which is leased to City liquor operations and other tenants.

Additionally, the city reports the following fund types:

Internal Service funds:

- The Health & Benefits fund accounts for the activities pertaining to health, dental, life and disability insurance. This fund also accounts for the employer's portion of pension, FICA and medicare contributions.
- The Severance fund accounts for unused vacation and sick leave for governmental fund employees.
- The Workers Compensation fund accounts for insurance payments and cost reimbursement from other departments.
- The Property Insurance fund accounts for insurance payments and cost reimbursement from other departments.
- The Facilities fund accounts for the accumulation of resources to be used for the maintenance of the city's buildings.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

- The Fleet fund accounts for the accumulation of resources to be used for the purchase and maintenance of machinery and equipment for the City.
- The Information Technology funds accounts for planning, designing and implementing information systems and cost reimbursement from other departments.

Fiduciary funds:

- Agency funds account for various deposits, collections and remittances of expenses for accumulating donations and contributions in the Escrow fund, WAFTA and Metropolitan Council Environmental Services funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments in-lieu of taxes and other charges between the City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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.

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

Cash and Investments

Cash and investments, except for small amounts of cash on hand, are deposited in pooled accounts of the City. The City invests cash surpluses in these accounts; and investment earnings, as well as gains and losses on sales of securities, are allocated to the various funds on the basis of average cash balances. Funds with deficit cash balance averages (interfund payable) are charged interest equivalent to the average investment earnings lost if financing the deficits. For purposes of the statement of cash flows, the Proprietary funds consider all unrestricted investments held in the pooled accounts of the City to be cash equivalents because this pool is used essentially as a demand deposit account. Investments are stated at their fair value as determined by quoted market prices, except for money market investments and

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools that meet the criteria of GASB Statement No. 79 are valued at amortized costs. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31.

Cash and Investments with Escrow Agent

Certain resources set aside for repayment of lease revenue bond proceeds are classified as cash and investments with escrow agent on the balance sheet because their use is limited by applicable bond covenants.

Interfund Receivables/Payables

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

Inventories and Prepaid Items

Liquor fund inventories are valued at average cost. The Fleet fund’s inventories are valued at cost. All inventories use the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 initial, individual cost of more than \$25,000 and an estimated useful life in excess of 1 year. Such

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

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

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.

The City has chosen to use the modified approach for its infrastructure assets, which means the following criteria will take place:

- The City will preserve and maintain infrastructure assets at a condition level of 60.
- The Engineering department will be in charge of determining the appropriate condition level at which these assets are to be maintained.
- The City will maintain an inventory of these assets and perform a condition assessment every 3 years to establish that the condition level of 60 is being maintained.
- The City will make annual estimates of the amounts that must be expended to preserve and maintain these assets at the condition level of 60.

Property, plant, and equipment, except for infrastructure, of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings	5-50 years
Land improvements	10-50 years
Leasehold improvements	10-25 years
Equipment	5-30 years
Autos	5-20 years
Other assets	5-30 years
Distribution system	50 years
Intangible assets	3 years

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and the deferred charge for pensions (see Pension section below for explanation). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. It is the deferred charge for pensions (see Pension section below for explanation). The City also has one type of item, which arises 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 funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, loans and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City's requirement to contribute to the Eden Prairie Firefighter Relief Association, information about the Plan's fiduciary net position and additions to/deductions from the Eden Prairie Firefighter Relief Association Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The City compensates employees upon termination for unused PTO. Such pay will be reflected as a liability in the government-wide financial statement and accrued as an expense as it is earned in an internal service fund.

General Property Taxes

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

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to taxing districts in February, June, and December.

In the governmental fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by unavailable revenue because they are not available to finance current expenditures.

Special Assessment Levies

Special assessments represent the financing for public improvements paid for by the benefiting property owner. In the fund financial statements, special assessment revenue and related interest income is generally recognized in the year collected. Hennepin County acts as the billing and collection agent. Amounts collected by the County during the year that have not yet been remitted to the City are considered collections for purposes of revenue recognition.

Deferred special assessments receivable represents principal amounts due in future years. Special deferred assessments receivable includes Green Acres, disability, senior citizen owned property or other qualified hardship properties. These special assessments are deferred until such time the property loses its exempt status. While these taxes remain a valid receivable, the timing of their collection is uncertain. Interest accrues from the year of the deferment.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Delinquent special assessments receivable represents special assessments principal and interest that are past due. In the governmental fund financial statements, deferred and delinquent special assessments receivable are fully offset by deferred inflows of resources because such assessment revenue is not available currently.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 and discounts on debt issuances are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 assets and assets that are legally or contractually required to be maintained intact.
- *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. These constraints are established by the City council and/or management. Pursuant to City Council Resolution, the City's City Manager or Finance Manager is authorized to establish assignments of fund balance.
- *Unassigned*-is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

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

The City's fund balance policy requires the unassigned for working capital fund balance component to equal 50% of the next year's budgeted tax revenue. In recognition that the amount for working capital only covers operating costs for the first six months of the year, the City will maintain an unassigned fund balance component for budget stabilization which is 15% of the next year's budget. If the balance falls below 15%, a plan would be developed and implemented to replenish the fund.

Prior Period Comparative Financial Information/Reclassification

The financial statements include certain prior year partial comparative information but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2015, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2—Stewardship, Compliance and Accountability

Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General fund. The City does not budget for its Special Revenue funds. All annual appropriations lapse at fiscal year end.

The proposed budget is presented to the City Council for review. The Council then holds truth-in-taxation hearings after which a final General Fund annual budget is legally adopted by no later than December 31.

The appropriated budget is prepared by department and division. The City's directors and division managers may make transfers of appropriations within a division. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control is the fund level. Any changes in the total budget of each fund must be approved by a majority vote of the City Council. During the year, adjustments between the original and final General fund amended budget resulted in an increase of \$100,788. Following are changes made to the original budget during the year:

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 2—Stewardship, Compliance and Accountability (Continued)

Economic Development	Business Survey	\$	8,100
Planning	Comprehensive Plan		92,688
			<u>100,788</u>

General fund expenditures equal \$42,631,526 or 98.8% of the annual amount budgeted of \$43,166,600. All departments except Police and Fire have spent less than 100% of the amounts budgeted. Police has spent 101.4% of their budget due primarily to overtime. The additional overtime was the result of covering extra shifts due to officers on medical leave, retirements and an increase in caseloads. Fire has spent 100.8% of their budget due to additional hours required to train in new recruits.

Deficit Fund Equity

The following governmental funds had deficit fund balance/net position at December 31, 2016:

Major Funds:	
Public Improvement Construction	\$ 2,343,148
Aquatics & Fitness Expansion	422,336
Eden Prairie Road	1,561,483
Non-Major Governmental Funds:	
General Obligation Bonds 2016A	1,000
Eden Prairie Rd Connect to Flying Cloud	208,916
Homeowners Improvements Area	48,138
TC Station/NS Road	41,671
General LRT	483,965
Internal Service Funds:	
Health and Benefits	756,994
Severance	602,280

The fund balance deficits of these individual Debt Service and Capital Project funds will be financed by property tax levies and special assessments. The fund balance deficit of the Severance Internal Service fund will be financed by user charges. The fund balance deficit of the Health and Benefits fund is due to the OPEB liability which the City will not fund since it pertains only to the Implicit Rate.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 3—Cash and Investments

Components of Cash and Investments

Cash and investments at year-end consist of the following:

Investments	\$ 76,087,850
Cash on hand	<u>11,414</u>
Total	<u>\$ 76,099,264</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 73,867,116
Restricted cash and cash equivalents	392,704
Statement of Fiduciary Net Position	
Cash and investments	<u>1,839,444</u>
	<u>\$ 76,099,264</u>

Deposits

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 3—Cash and Investments (Continued)

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligation rate “A” or better; revenue obligations rate “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificated of deposit. Minnesota Statues require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. It is the City’s policy to limit collateral to what is authorized by Minnesota Statutes.

At year-end, the carrying amount of the City’s deposits was \$0 while the balance on the bank records was \$0. At December 31, 2016, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

Investments

As of December 31, 2016, the city had the following investments and maturities:

	Investment Maturities (in Years)		
	Fair Value	Less Than 1 Year	1 to 5 Years
U.S. Agencies	\$ 27,195,484	\$ 4,197,416	\$ 22,998,068
Municipal Bonds	3,117,011	-	3,117,011
Commercial Paper	2,193,247	2,193,247	-
Negotiable Certificate of Deposit	10,965,972	8,974,409	1,991,563
Mutual Funds	32,616,136	32,616,136	-
Total	<u>\$ 76,087,850</u>	<u>\$ 47,981,208</u>	<u>\$ 28,106,642</u>

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 3—Cash and Investments (Continued)

	US Agencies	Municipal Bonds	Commercial Paper	Negotiable Certificate of Deposit	Mutual Funds	Total
Moody's						
AAA	\$ 26,197,864	\$ 389,304	\$ -	\$ 500,470	\$ -	\$ 27,087,638
AA2	-	362,923	-	-	-	362,923
AA3	-	887,471	-	-	-	887,471
N/A, N/R	997,620	-	2,193,247	10,465,502	32,616,136	46,272,505
S&P						
A+	-	517,470	-	-	-	517,470
AA+	-	505,530	-	-	-	505,530
AA-	-	454,313	-	-	-	454,313
	<u>\$ 27,195,484</u>	<u>\$ 3,117,011</u>	<u>\$ 2,193,247</u>	<u>\$ 10,965,972</u>	<u>\$ 32,616,136</u>	<u>\$ 76,087,850</u>

Moody's Investors Service was used as the primary agency for the municipal bond ratings, in the case that Moody's did not provide a rating a Standard & Poor's was used.

Investments are subject to various risks, the following of which are considered the most significant.

Interest Rate Risk

Per City policy, the City will match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities will be disclosed to the City Council. Currently, the City does not have any investments maturing more than five years from the date of purchase.

Credit Risk

It is the City's policy to limit its investments to the following types as authorized by Minnesota Statutes:

- Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 3—Cash and Investments (Continued)

- Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described above or in general obligation tax exempt securities, or repurchase or reverse repurchase agreements.
- Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000: a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers, or, a bank qualified as a depositor.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, of the higher quality, and maturing in 270 days or less.
- Banker's acceptance of U.S. banks eligible for purchase by the Federal Reserve System.
- General obligations of a state or local government.
- Money market mutual funds meeting the conditions of rule 2a-7 of the Securities and Exchange Commission. The fair value of the position in the pool is the net asset value per share provided by the pool.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments are held in safe keeping. The City's investment policy does not further address this risk, but the City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Concentration Risk

This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy does not limit the concentration of investments. At year end, the City did not have any investments in securities with a single issuer which exceeded 5%.

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 3—Cash and Investments (Continued)

In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.
- Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured a fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ 25,451,839	\$ 1,743,645	\$ -	\$ 27,195,484
Municipal Bonds	-	3,117,011	-	3,117,011
Negotiable Certificates of Deposit	-	5,989,855	-	5,989,855
	<u>\$ 25,451,839</u>	<u>\$ 10,850,511</u>	<u>\$ -</u>	<u>36,302,350</u>

Investments measured at amortized cost 39,785,500

\$ 76,087,850

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 4—Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	2016 Beginning Balance	Transfers	Increases	Decreases	2016 Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 22,022,728	\$ -	\$ -	\$ -	\$ 22,022,728
Infrastructure	128,699,323	4,329,731	1,554,056	-	134,583,110
Work in Progress	28,152,508	(28,997,788)	6,616,436	2,985,165	2,785,991
Total Capital Assets, Not Being Depreciated	178,874,559	(24,668,057)	8,170,492	2,985,165	159,391,829
Capital Assets, Being Depreciated:					
Buildings	51,282,583	21,219,471	953,242	-	73,455,296
Land Improvements	16,437,911	251,461	28,014	-	16,717,386
Leasehold Improvements	77,318	-	-	-	77,318
Machinery and Equipment	4,612,750	-	312,706	141,054	4,784,402
Autos	11,012,584	-	793,049	701,326	11,104,307
Other Assets	8,127,035	1,198,356	326,610	185,256	9,466,745
Total Capital Assets, Being Depreciated	91,550,181	22,669,288	2,413,621	1,027,636	115,605,454
Total Capital Assets, Cost	270,424,740	(1,998,769)	10,584,113	4,012,801	274,997,283
Less Accumulated Depreciation for:					
Buildings	15,360,833	-	1,201,998	-	16,562,831
Land Improvements	6,647,115	-	818,671	-	7,465,786
Leasehold Improvements	57,741	-	5,068	-	62,809
Machinery and Equipment	3,443,756	-	452,879	141,054	3,755,581
Autos	6,964,249	-	946,361	664,636	7,245,974
Other Assets	4,357,467	-	706,954	184,167	4,880,254
Total Accumulated Depreciation	36,831,161	-	4,131,931	989,857	39,973,235
Total Capital Assets, Being Depreciated, Net	54,719,020	22,669,288	(1,718,310)	37,779	75,632,219
Governmental Activities Capital Assets, Net	\$ 233,593,579	\$ (1,998,769)	\$ 6,452,182	\$ 3,022,944	\$ 235,024,048

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 4—Capital Assets (Continued)

	2016 Beginning Balance	Transfers	Increases	Decreases	2016 Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 809,333	\$ -	\$ -	\$ 42,375	\$ 766,958
Work in Progress	127,456	(104,068)	18,043	-	41,431
Total Capital Assets, Not Being Depreciated	936,789	(104,068)	18,043	42,375	808,389
Capital Assets, Being Depreciated:					
Land Improvements	107,304	-	-	-	107,304
Buildings	58,979,176	255,000	-	-	59,234,176
Distribution System	194,823,768	1,847,837	2,235,212	-	198,906,817
Leasehold Improvements	847,866	-	-	-	847,866
Machinery and Equipment	6,351,713	-	-	80,619	6,271,094
Autos	924,799	-	38,184	19,794	943,189
Other Assets	237,500	-	-	-	237,500
Total Capital Assets, Being Depreciated	262,272,126	2,102,837	2,273,396	100,413	266,547,946
Total Capital Assets, Cost	263,208,915	1,998,769	2,291,439	142,788	267,356,335
Less Accumulated Depreciation for:					
Land Improvements	32,068	-	4,961	-	37,029
Buildings	30,512,984	-	1,337,601	-	31,850,585
Distribution System	98,613,035	-	3,945,248	-	102,558,283
Leasehold Improvements	442,529	-	84,629	-	527,158
Machinery and Equipment	2,094,490	-	252,241	80,619	2,266,112
Autos	685,655	-	102,756	19,794	768,617
Other Assets	231,186	-	6,314	-	237,500
Total Accumulated Depreciation	132,611,947	-	5,733,750	100,413	138,245,284
Total Capital Assets, Being Depreciated, Net	129,660,179	2,102,837	(3,460,354)	-	128,302,662
Business-Type Activities Capital Assets, Net	\$ 130,596,968	\$ 1,998,769	\$ (3,442,311)	\$ 42,375	\$ 129,111,051

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 4—Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 343,936
Community Development	26,150
Police	218,042
Fire	309,570
Public Works	339,601
Parks and Recreation	1,722,252
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	1,172,380
Total Depreciation Expense - Governmental Activities	<u>\$ 4,131,931</u>
 Business-Type Activities:	
Water	\$ 2,934,915
Wastewater	1,724,415
Stormwater	951,751
Liquor	122,669
Total Depreciation Expense - Business-Type Activities	<u>\$ 5,733,750</u>

Note 5—Notes/Loans Receivable

The City has entered into note agreements with Eden Prairie residents to either improve the quality of housing and/or to increase the availability of affordable housing. These note agreements are secured by a secured lien that is placed on the property. The note is interest free and is due either when the home sells or 30 years, whichever occurs first.

The City has also entered into a loan agreement with Edenvale Housing for the repayment of Tax Increment Financing that they have received over the past fifteen years. The Borrower will be obligated to make semiannual payments only to the extent that there is "Available Cash" (which is calculated by a formula in the loan agreement) or in full by March 1, 2039.

City of Eden Prairie, Minnesota
Notes to Financial Statements

Note 5—Notes/Loans Receivable (Continued)

Project	Notes Receivable	Loans Receivable
Home Buyer Assistance Program	\$ 138,548	\$ -
Rehabilitation Assistance Program	157,725	-
Tax Increment Finance Repayment	-	169,000
	<u>\$ 296,273</u>	<u>\$ 169,000</u>

Note 6—Interfund Receivables and Payables

The composition of due to/from balances as of December 31, 2016, is as follows:

	Due From Other Funds	Due To Other Funds	Advances From Other Funds	Advances To Other Funds
Capital Improvement Maintenance	\$ 4,036,149	\$ -	\$ 1,100,193	\$ -
Public Improvements Construction	-	2,323,417	-	-
Eden Prairie Road	-	1,555,562	-	-
Non-Major Governmental Funds	1,045,610	1,045,610	-	-
Stormwater Fund	-	157,170	-	1,100,193
Total	<u>\$ 5,081,759</u>	<u>\$ 5,081,759</u>	<u>\$ 1,100,193</u>	<u>\$ 1,100,193</u>

The funds will be repaid as special assessment revenue, taxes and grants are received.

Interfund payables and receivables are representative of lending/borrowing arrangements to cover deficit cash balances.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 7—Interfund Transfers

The composition of interfund transfers as of December 31, 2016, is as follows:

Transfers In	Transfers Out	Amount
General	Water Fund	\$ 260,000
	Stormwater Fund	10,000
	Non-Major Governmental Funds	1,144
Capital Improvement Maintenance	Water Fund	85,000
	Wastewater Fund	85,000
	Stormwater Fund	85,000
	Liquor Fund	700,000
	Non-Major Governmental Funds	39,637
Public Improvement Construction	Water Fund	49,956
	Stormwater Fund	4,782
	Non-Major Governmental Funds	27,138
Shady Oak Road South	Water Fund	845,000
	Wastewater Fund	135,000
Aquatics & Fitness Expansion	Non-Major Governmental Funds	320,096
Non-Major Governmental Funds	General	150,000
	Capital Improvement Maintenance	275,000
	Shady Oak Road North	1,700,000
	Wastewater Fund	299,999
	Stormwater Fund	50,001
	Non-Major Governmental Funds	460,001
Internal Service Funds	Internal Service Funds	300,000
Total of transfers		\$ 5,882,754

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2016 transfers are considered routine and consistent with previous practices.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan

Defined Benefit Pension Plans

Plan Description

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

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

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

Benefits Provided

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

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

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

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

GERF Benefits

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

PEPFF Benefits

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

Contributions

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

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the year ended December 31, 2016, were \$1,157,735. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2016. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2016. The City's contributions to the PEPFF for the year ended December 31, 2016, were \$1,188,923. The City's contributions were equal to the required contributions as set by state statute.

Pension Costs

GERF Pension Costs

At December 31, 2016, the City reported a liability of \$20,152,608 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer contribution 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 \$263,262. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion share was .2482 % which was a decrease of .0043 % from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$2,566,338 for its proportionate share of the GERF's pension expense. The City also recognized \$78,498 for the year ended December 31, 2016, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contribution to the GERF.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

At December 31, 2016, the City reported its proportionate share of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 1,637,101
Changes in Actuarial Assumptions	3,945,900	-
Difference Between Projected and Actual Investment Earnings	3,825,052	-
Changes in Proportion	-	683,512
Contributions Paid to PERA Subsequent to the Measurement Date	627,219	-
Total	<u>\$ 8,398,171</u>	<u>\$ 2,320,613</u>

\$627,219 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec 31:	Pension Expense Amount
2017	1,414,778
2018	1,414,778
2019	1,892,835
2020	727,948
2021	-
Thereafter	-

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

PEPFF Pension Costs

At December 31, 2016, the City reported a liability of \$30,419,859 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was .7580% which was a decrease of .0190% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$5,234,642 for its proportionate share of the PEPFF's pension expense. The City also recognized \$68,220 for the year ended December 31, 2016, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2016, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 3,489,733
Changes in Actuarial Assumptions	16,741,378	-
Difference Between Projected and Actual Investment Earnings	4,642,282	-
Changes in Proportion	7,200	177,733
Contributions Paid to PERA Subsequent to the Measurement Date	644,110	-
Total	<u>\$ 22,034,970</u>	<u>\$ 3,667,466</u>

\$644,110 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, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Year Ended Dec 31:	Pension Expense Amount
2017	3,815,072
2018	3,815,072
2019	3,815,072
2020	3,439,920
2021	2,838,252
Thereafter	-

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP 2014 tables for the General Employees Plan and RP-2000 tables for the Police and Fire Plan for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: one percent per year for all future years for the General Employees Plan and Police and Fire Plan.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The experience study for Police and Fire Plan was for the period July 1, 2004 through June 30, 2009.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund

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

Police and Fire Fund

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

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:

City of Eden Prairie, Minnesota
Notes to Financial Statements

Note 8—Pension Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	<u>2%</u>	0.50%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.50%, a reduction from the 7.9% used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056 and June 30, 2058 respectively. Beginning in fiscal years ended June 30, 2057 for the Police and Fire Fund, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60% for the Police and Fire Fund was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 2.85% after.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Pension Liability Sensitivity

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

Sensitivity of Net Pension Liability at Current Single Discount Rate				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.5%	\$ 28,622,677	4.6%	\$ 42,583,765
Current discount Rate	7.5%	\$ 20,152,609	5.6%	\$ 30,419,859
1% Higher	8.5%	\$ 13,175,578	6.6%	\$ 20,481,024

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan

Five council members of the City of Eden Prairie are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan 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 five percent of salary which is matched by the elected official's employer. 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 two percent of employer contributions and twenty-five hundredths of one percent (0.0025) of the assets in each member's account annually.

City of Eden Prairie, Minnesota
 Notes to Financial Statements

Note 8—Pension Plan (Continued)

Total contributions made by the City’s during fiscal year 2016 were:

Amount		% of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 2,823	\$ 2,823	5.00%	5.00%	5.00%

Defined Benefit Pension Plans – Volunteer Fire Fighter’s Relief Association

Plan Description

Firefighters of the City of Eden Prairie are members of the Eden Prairie Firefighter Relief Association. The Association is the administrator of the single-employer defined benefit pension plan available to firefighters. The plan is administered pursuant to Minnesota Statutes Chapter 69, Chapter 424A, and the Association’s by-laws. As of December 31, 2015, membership includes 90 active participants, 98 retirees and beneficiaries currently receiving benefits, and 14 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

Benefits Provided

Authority for payment of pension benefits is established in Minnesota Statutes §69.77 and may be amended only by the Minnesota State Legislature. Each member who is at least 50 years of age; has retired from the Eden Prairie Fire Department; has served at least 10 years of active service with such department before retirement; and, has been a member of the Association in good standing for at least 10 years prior to such retirement; shall be entitled to receive a service pension based on the vested amount of service time accrued. Full vesting occurs at 10 years of service, with no provision for partial

investing. Upon retirement, an irrevocable election for one of the following two plan options must be made.

- Monthly Service Pension – Each eligible member electing this plan is entitled to receive a monthly service pension calculated by multiplying \$56 times each year that member has been an active firefighter in the Fire Department and member in good standing of the Relief Association, up to a maximum monthly pension of \$1,792.
- Lump Sum Service Pension – each eligible member electing this plan is entitled to receive a one-time lump sum service pension calculated by multiplying \$10,000 times the years of service which the member would be entitled.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Pursuant to *Minnesota Statutes* §424A.02, Subds. 2 and 4, members who retire with 10 years of service and have reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in *Minnesota Statutes* §424A.02, Subd. 2(c). During the time a member is on early vested pension, they will not be eligible for disability benefits.

A member, who is disabled with a fire service related disability, shall be eligible to collect a disability benefit. The member shall be eligible to receive the disability benefit immediately upon approval of the Board of Trustees. The disability benefit amount shall be equal to the service pension amount in effect on the date of the disability for each year of active service. A member must apply for and meet all the requirements for disability as defined in the bylaws in order to receive such benefits. A member currently receiving a disability benefit shall receive all approved increases in the monthly service pension applicable to that member's number of years of active firefighting service.

In the event of the death of an active or deferred member of the Association, the surviving spouse, if any, shall be paid 100% of the lump sum benefit for each year of service. If such member who has no surviving spouse leaves a surviving child or children, such child or children as a group shall be paid 100% of the lump sum benefit for each year of active service. If such member has no spouse and no surviving children but has a designated beneficiary on file, such beneficiary shall be paid 100% of the lump sum benefit for each year of active service. If such member has no spouse, no surviving children, and no designated beneficiary, the member's estate shall be paid 100% of the lump sum benefit. Such death benefits are payable without regard to minimum or partial vesting requirements.

If an active member dies before completing one year of active service, the Association shall pay a death benefit to his or her surviving spouse, surviving children or designated beneficiary on file in the same order and procedure as describe above of \$10,000.

In the event of the death of a retired member of the Association, the surviving spouse, if any, shall be paid until death or remarriage of the surviving spouse, monthly, two-thirds of the monthly service pension for each year of active service. If such member leave a surviving child or children in the addition to a spouse, such child or children, in the aggregate, shall be paid, monthly, the sum of one-third of the monthly service pension. If such member is survived only by a child or children, such child or children, in the aggregate, shall be paid, monthly, the sum of 100% of the monthly service pension for each year of active service.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

Contributions

Minnesota Statutes Chapter 424A.093 specifies minimum support rates required on an annual basis. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The association is comprised of volunteers; therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). The minimum contribution from the City of Eden Prairie and state aid is determined as follows:

	Normal Cost for the Next Year
+	Amortization of Unfunded Actuarial Liability as Reported in the Latest Actuarial Valuation
+	Administrative Expenses for the Prior Year Multiplied by a Factor of 1.035
-	Anticipated State Aid (Not to Exceed the Fire Aid Received in the Prior Year Multiplied by a Factor of 1.035)
-	Anticipated Contributions Required by the Association Bylaws from Active Members of the Association
<hr/>	
=	Minimum Municipal Obligation
<hr/>	

The Plan is funded in part by fire state aid and, if necessary, City contributions. The State of Minnesota distributed to the City \$435,948 in fire state aid and \$2,000 in supplemental benefit reimbursements paid by the City to the Relief Association for the year ended December 31, 2015. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contribution to the plan for the year ended December 31, 2015 was \$398,395.

The City used December 31, 2015 amounts since December 31, 2016 were not available yet.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Pension Costs

At December 31, 2016, the City reported an asset of \$216,585 for the Association’s net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

As a result of its requirement to contribute to the Relief Association, the City recognized fire expense of \$449,269 for the year ended December 31, 2016. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ -
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,540,152	-
City Contributions Subsequent to the Measurement Date	393,994	-
Total	<u>\$ 1,934,146</u>	<u>\$ -</u>

The City contributions to the Association subsequent to the measurement date of \$393,994, reported as deferred outflows of resources, will be recognized as an addition of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to the Association’s pension will be recognized in pension expense as follows:

Year Ended Dec 31:	Pension Expense Amount
2017	\$ 413,386
2018	413,386
2019	413,386
2020	299,994
Thereafter	-

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/15
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Actuarial Assumptions:	
Discount Rate	6.00%
Investment Rate of Return	6.00%
20-Year Municipal Bond Yield	3.50%
Age of Service Retirement	Later of Age 50 or 10 years of service
Mortality	Assumed life expectancies were based on the RP-2014 Generational mortality table projected with Improvement Scale MP-2014.
Disability	25% of active disabilities are assumed to be in the line of duty or fire service related.
Withdrawal	6% withdrawal assumed at age 20, decreasing 0.24% each year until 0% at age 45, with no withdrawal after age 45.
Percent Married	85.00%
Age Difference	3 years
Form of Payment	80% Annuity (66 2/3% J&S for married), 20% Lump Sum

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Allocation at December 31, 2015	Expected Portfolio Weight	Long-Term Expected Nominal Rate of Return
Equities	51.70%	43.00%	8.00%
International Equity			
Fixed Income	46.44%	42.00%	4.00%
Real Assets	0.00%	5.00%	6.50%
Alternatives	1.86%	10.00%	6.00%
Total Portfolio	100.00%	100.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.00%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Pension Liability Sensitivity

The following presents the City of Eden Prairies proportionate share of the net pension liability of the Association, calculated using the discount rate of 6.00%, as well as what the Association's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate:

	<u>1% Decrease</u>	<u>Selected Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability (Asset)	\$ 2,237,524	\$ (216,585)	\$ (2,224,556)
Discount Rate	5.00%	6.00%	7.00%

Plan's Fiduciary Net Position

Detailed information about the Plan's fiduciary's net position is available in a separately-issued report. That report may be obtained by writing to Eden Prairie Firefighter's Association, 14800 Scenic Heights Rd., Eden Prairie, MN 55344 or by calling (952)949-8367.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 8—Pension Plan (Continued)

Information about the changes in the Plan's net pension liability (asset) is as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 449,426	\$ 413,646
Interest	1,104,701	1,083,202
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Changes of Benefit Terms	-	-
Benefit Payments, Including Member Contribution Refunds	(1,270,544)	(1,027,216)
Other Changes	-	-
Net Change in Total Pension Liability	<u>283,583</u>	<u>469,632</u>
Total Pension Liability - Beginning	<u>19,046,951</u>	<u>18,577,319</u>
Total Pension Liability - Ending (a)	<u>19,330,534</u>	<u>19,046,951</u>
Plan Fiduciary Net Position		
Municipal Contributions	398,395	488,073
State Contributions	437,948	414,343
Net Investment Income	(393,362)	646,363
Benefit Payments	(1,270,544)	(1,027,216)
Administrative Expenses	(26,323)	(37,158)
Other Changes	-	81,893
Net Change in Fiduciary Net Position	<u>(853,886)</u>	<u>566,298</u>
Fiduciary Net Position - Beginning	<u>20,401,005</u>	<u>19,834,707</u>
Fiduciary Net Position - Ending (b)	<u>19,547,119</u>	<u>20,401,005</u>
Association's Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ (216,585)</u>	<u>\$ (1,354,054)</u>

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 9—Other Post-Employment Benefits Plan

Plan Description

The City provides post-employment insurance benefits to certain eligible employees through the City's Other Post-Employment Benefits Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a separate report. As of December 31, 2016, membership included 18 retirees and others currently receiving benefits, 7 spouses receiving payments and 270 active plan members. These benefits are summarized as follows:

Post-Employment Insurance Benefits

All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance.

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

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the City.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the City, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 43 and 45. The City prospectively implemented these statements during 2008. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the plan:

City of Eden Prairie, Minnesota
Notes to Financial Statements

Note 9—Other Post-Employment Benefits Plan (Continued)

Annual required contribution	\$ 358,509
Interest on net OPEB obligation	54,207
Adjustment to annual required contribution	<u>(82,772)</u>
Annual OPEB cost expense	329,944
Contributions made	<u>149,280</u>
Increase in net OPEB obligation	180,664
Net OPEB obligation-beginning of year	<u>1,548,766</u>
Net OPEB obligation-end of year	<u><u>\$ 1,729,430</u></u>

Other post-employment benefits are generally liquidated through the Health and Benefits Internal Service funds. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ 325,343	\$ 121,621	37.4%	\$ 1,370,132
12/31/15	325,076	146,442	45.0%	1,548,766
12/31/16	329,944	149,280	45.2%	1,729,430

Funded Status and Funding Progress

As of January 1, 2016, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,256,823, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,256,823. The covered payroll (annual payroll of active employees covered by the plan) was \$19,872,785, and the ratio of the UAAL to the covered payroll was 16.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to the basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 9—Other Post-Employment Benefits Plan (Continued)

Actuarial Methods and Assumptions

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

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 3.5% percent investment rate of return (net of investment expenses) based on the City’s own investments; an annual healthcare cost trend rate of 6.75% initially, reduced by decrements to an ultimate rate of 5% after seven years for medical insurance. Both rates included a 2.5% inflation assumption. The UAAL is being amortized on a level dollar basis over a closed period. The remaining period at January 1, 2016 is 30 years or less.

Note 10—Leases

As Lessee

The City has entered into lease agreements for two space leases in connection with its liquor store operations. Rental expense, excluding a prorated share of real estate taxes and common area operating costs, for the year ended December 31, 2016, was approximately \$233,000.

The following is an annual schedule of future minimum lease payments under these leases:

Year Ended December 31,	Prairie Village	Prairie View
2017	142,630	94,176
2018	121,800	96,180
2019	-	96,180
	<u>\$ 667,808</u>	<u>\$ 565,056</u>

The City has entered into a lease agreement with the Metropolitan Airports Commission for expanded athletic fields. Rental expense for the year ended December 31, 2016, was \$4,179. The City will continue to pay this amount, escalating 3% per year for the remaining lease term, which expired September 1, 2019.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 10—Leases (Continued)

The City has entered into a lease agreement with CAPREF Eden Prairie LLC for office space used on the lower level of Eden Prairie Center. Rental expense for the year ended December 31, 2016 was \$4,667. The City will continue to pay \$4,667 per year for the remaining lease term, which expires March 31, 2019.

As Lessor

The City occupies approximately one-third of the City Center building. The remaining two-thirds were leased to the Eden Prairie Independent School District and SuperValu during 2016:

The City has a lease agreement with the Eden Prairie Independent School District and received \$359,205 of rental revenue between 1/1/16 and 12/31/16. The City will receive rent annually through 8/31/24. Annual rent will be \$359,205 2017 and 2018; \$362,284 in 2019; \$371,349 in 2020; \$380,415 in 2021; \$390,165 in 2022; \$399,915 in 2023; \$270,943 in 2024. The City also received the School District's portion of Common Area Maintenance (CAM) for maintenance, insurance and taxes.

SuperValu started paying a lump sum gross rent amount on 3/1/15. The City received \$1,024,504 in gross rent between 1/1/16 and 12/31/16. This gross rent amount is intended to cover both base rent and CAM. The City has calculated SuperValu's 2016 CAM (based on the building's CAM budget and SuperValu's square footage) at \$468,890, leaving \$555,613 as Rental Revenue. The City will receive Gross Rent annually through 6/30/2021. Gross rent received will be \$1,311,092 in 2017, \$1,358,870 in 2018, \$1,392,216 in 2019, \$1,425,563 in 2020, and \$716,950 in 2021.

The City has entered into a lease agreement with Pure Grace for the rental of space located at the Smith Douglas More House. Rental income for the year ended December 31, 2016 was \$51,292. This lease will expire on December 31, 2021. The City will receive \$34,000 annually through 2021. The City will also receive additional rent if sales exceed \$450,000.

The City had a lease agreement with Lighthouse for the rental of space located at 8098 Glen Lane. Rental income for the year ended December 31, 2016 was \$59,303. This lease was terminated on November 21, 2016. A new tenant for the space has not yet been established.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 10—Leases (Continued)

The City has entered into a lease agreement with Nguyen Family Inc d/b/a Lotus Nails Spa for 1,402 square feet of rental of space located in the Den Road Liquor store building. Rental income for the year ended December 31, 2016 was \$29,676. The City will receive rent annually through 2024. Annual rent will be \$30,844 in 2017 and 2018, \$31,078 in 2019, \$32,246 from 2020 to 2023, and \$26,872 in 2024.

The City has entered into a lease agreement with Jeneka LLC d/b/a Encore Consignment Boutique 3,662 square feet of rental of space located in the Den Road Liquor store building. Rental income for the year ended December 31, 2016 was \$84,475. The City will receive rent annually through 2018. Annual rent will be \$91,236 in 2017 and 2018.

The City has entered into a lease agreement with a tenant for the rental of space located at 9100 Riley Lake Road (the “Riley House”). Rental income for the year ended December 31, 2016 was \$6,750. This lease expires on June 30, 2017. The City will receive \$3,450 through June 2017.

The City has entered into a lease agreement with True Friends, a Minnesota non-profit corporation, for the use of Camp Eden Wood. Base rent received was \$1 and covers the entire 20 year lease term from January 1, 2015 until December 31, 2034.

The City has entered into a lease agreement with Eden Prairie Historical Society for the use of Cummins-Phipps-Grill House. Base rent received is \$1/year and will continue through March 31, 2020.

The assets acquired for these lease agreements is as follows:

	2016 Governmental Activities	2016 Liquor Fund
Asset:		
Land	\$ 2,628,813	\$ 536,659
Building	12,995,052	1,900,408
Less: Accumulated depreciation	(5,528,201)	(644,503)
Total	<u>\$ 10,095,664</u>	<u>\$ 1,792,564</u>
Depreciation Expense	\$ 252,002	\$ 38,040

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 11—Long Term Debt

Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

The City also issues assessment debt with governmental commitment to provide funds for the construction of streets and utilities. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are received. Assessment debt with governmental commitment has been issued for governmental activities.

The City also issues lease revenue bonds where the government pledges income derived from lease agreements to pay debt service.

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

City of Eden Prairie, Minnesota
Notes to Financial Statements

Note 11—Long Term Debt (Continued)

Bonds currently outstanding (in thousands of dollars) are as follows:

	Maturities	Interest Rates	Original Issue	2016 Amount Outstanding
Governmental Activity				
General Obligation Bonds				
G.O. Equip Notes of 2008A	2018	3.00-4.00%	\$ 3,120	\$ 695
G.O. Equip Notes of 2009B	2018	3.00%	2,455	125
G.O. Refunding Bonds 2011C	2021	1.25-2.10%	4,455	3,090
G.O. Refunding Bonds 2012A	2026	2.00-2.63%	5,110	5,050
G.O. Refunding Bonds 2012B	2027	2.00-2.50%	3,170	2,930
Lease Revenue Bonds				
Public Facility Bonds of 2007A	2028	3.60-4.50%	1,630	1,145
Assess Debt With Govt Commit				
G.O. Revolving Bonds of 2008B	2017	3.50-4.00%	1,845	990
G.O. Revolving Bonds of 2010A	2025	2.00-4.00%	1,190	770
G.O. Revolving Bonds of 2011D	2025	2.00-2.63%	1,805	1,500
G.O. Revolving Bonds of 2012C	2021	2.00%	10,250	6,850
G.O. Bonds of 2016A	2032	2.30-3.00%	2,360	2,360
Tax Abatement Bonds				
G.O. Tax Abatement Bonds 2014A	2035	2.00-3.75%	17,155	17,155
Total Governmental Activity			54,545	42,660
Business Type Activity				
G.O. Water & Sewer Bonds 2011A	2020	.50-3.80%	1,260	540
G.O. Bonds 2011B	2020	2.50-3.00%	3,320	1,390
G.O. Bonds of 2016A	2027	2.30-3.00%	1,580	1,580
Total Business Type Activity			6,160	3,510
Capital Lease	2021	1.93%	287	287
Total			\$ 60,992	\$ 46,457

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 11—Long Term Debt (Continued)

Annual debt service requirements to maturity for governmental activity bonds (in thousands of dollars) are as follows:

Years Ending 12/31	G.O. Bonds		Lease Revenue Bonds		Assessment Debt with Govt Commitment Improv Bonds		Tax Abatement Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,360	\$ 248	\$ 80	\$ 50	\$ 2,710	\$ 228	\$ 350	\$ 545	\$ 4,500	\$ 1,071
2018	1,410	217	80	46	1,900	213	460	537	3,850	1,013
2019	1,005	191	85	42	1,885	172	445	526	3,420	931
2020	1,030	172	85	39	1,710	133	900	506	3,725	850
2021	1,050	152	90	35	1,690	95	910	479	3,740	761
2022	1,100	129	95	31	480	70	925	451	2,600	681
2023	1,135	106	100	26	495	56	920	423	2,650	611
2024	1,150	80	100	22	500	42	930	396	2,680	540
2025	1,165	52	100	17	385	28	815	369	2,465	466
2026	1,205	22	110	12	105	17	850	344	2,270	395
2027	280	4	110	7	105	14	865	319	1,360	344
2028	-	-	110	3	105	12	885	292	1,100	307
2029	-	-	-	-	100	9	1,210	261	1,310	270
2030	-	-	-	-	100	7	1,025	225	1,125	232
2031	-	-	-	-	100	4	1,060	188	1,160	192
2032	-	-	-	-	100	1	1,100	151	1,200	152
2033	-	-	-	-	-	-	1,130	110	1,130	110
2034	-	-	-	-	-	-	1,165	67	1,165	67
2035	-	-	-	-	-	-	1,210	23	1,210	23
Total	\$ 11,890	\$ 1,373	\$ 1,145	\$ 330	\$ 12,470	\$ 1,101	\$ 17,155	\$ 6,212	\$ 42,660	\$ 9,016

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 11—Long Term Debt (Continued)

Annual debt service requirements to maturity for business-type activity bonds (in thousands of dollars) are as follows:

Years Ending 12/31	Revenue Bonds		Total
	Principal	Interest	
2017	\$ 465	\$ 86	\$ 551
2018	610	89	699
2019	630	70	700
2020	650	51	701
2021	150	30	180
2022	155	25	180
2023	160	21	181
2024	165	16	181
2025	170	11	181
2026	175	6	181
2027	180	2	182
Total	<u>\$ 3,510</u>	<u>\$ 407</u>	<u>\$ 3,917</u>

Capital Lease

In December 2016, the City entered into a new lease for financing the purchase of turn out gear for the Fire department. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date. This equipment was not capitalized by the City as the equipment was below the City's capitalization threshold.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

City of Eden Prairie, Minnesota
Notes to Financial Statements

Note 11—Long Term Debt (Continued)

Year Ended	
<u>December 31,</u>	
2017	\$60,766
2018	60,766
2019	60,766
2020	60,766
2021	<u>60,766</u>
Net Minimum Lease Payments	303,830
Less Amount Representing Interest	<u>16,888</u>
Present Value of Net Minimum Lease Payments	<u>\$286,942</u>

Changes in Long Term Debt

Long-term debt activity for the year ended December 31, 2016, (in thousands of dollars) was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activity					
G.O. Bonds	\$ 13,320	\$ -	\$ 1,430	\$ 11,890	\$ 1,360
Lease Revenue Bonds	1,220	-	75	1,145	80
Assess. Debt With Govt Commit					
Improvement Bonds	11,975	2,360	1,865	12,470	2,710
Tax Abatement Bonds	17,155	-	-	17,155	350
Issuance Premium/Discount	914	74	114	874	-
Total Bonds	<u>44,584</u>	<u>2,434</u>	<u>3,484</u>	<u>43,534</u>	<u>4,500</u>
Compensated Absences	1,875	1,818	1,777	1,916	941
Capital Lease	45	287	45	287	55
Total	<u>\$ 46,504</u>	<u>\$ 4,539</u>	<u>\$ 5,306</u>	<u>\$ 45,737</u>	<u>\$ 5,496</u>
Business Type Activity					
Revenue Bonds	\$ 2,385	\$ 1,580	\$ 455	\$ 3,510	\$ 465
Issuance Premium/Discount	81	56	16	121	-
Total Bonds	<u>2,466</u>	<u>1,636</u>	<u>471</u>	<u>3,631</u>	<u>465</u>
Compensated Absences	284	280	276	288	141
Total	<u>\$ 2,750</u>	<u>\$ 1,916</u>	<u>\$ 747</u>	<u>\$ 3,919</u>	<u>\$ 606</u>

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 11—Long Term Debt (Continued)

For the governmental activities, the capital lease is generally paid with unassigned fund balances within the General fund. Compensated absences will be paid out of the Internal Service fund.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. Call provisions are applicable to certain general obligation and special assessment bond issues.

On December 29, 2016, The City issued \$3,940,000 of G.O. Bonds, Series 2016A. The bonds bear interest at rates of 2.7% to 3%, with maturities extending to February 1, 2032. Of the proceeds, \$1,580,000 will be used for the Water Tower Recoating Project, \$1,585,000 will be used for the West 70th Street Project and \$775,000 of the proceeds will provide for the refunding of the G.O. Revolving Bonds, Series 2008B. Future debt service payments will be reduced by \$99,743 with a net present value benefit of \$78,717. Refunding proceeds of the 2016A bonds will be used to redeem the 2008B bonds on January 10, 2017.

Note 12—Risk Financing and Related Insurance Issues

The City is exposed to various risk of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust, a public entity risk pool, for property insurance and workers compensation. This pool currently operates as a common risk management and insurance program for municipal entities. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

During the year ended December 31, 2016, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 13—Contingencies

The City has been named in various legal actions. At the present time, there is no significant litigation pending that would cause a material effect on the financial statements if unfavorable rulings would result. While it is not possible to provide any probability of success or estimate of potential loss in defending any of these legal actions, the City expects to contest the allegations vigorously and does not believe these actions will have a material effect on the financial statements.

A potential claim may be asserted against the City arising out of its membership in the Western Area Firing Training Academy (WAFTA). WAFTA is a joint powers entity consisting of 11 member cities that was formed in 1974 to purchase property to be used and operated as a fire training facility. In the late 1980's, WAFTA became aware that the site was contaminated. Since that time, WAFTA has been working with the Minnesota Pollution Control Agency (MPCA) and other responsible parties to address the contamination issues on the site. At this time, there is not an estimated dollar amount of the cost to remediate the site nor has a claim been asserted against WAFTA or the City.

Note 14—Contract Commitments

At December 31, 2016, the City had commitments on various construction projects. These commitments totaled approximately \$1,387,080.

Note 15—Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue and Housing 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, 2016, there were 7 series of Housing Bonds outstanding, with outstanding balances of \$37,646,530.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 16—Tax Abatements

The City enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various Minnesota Statutes. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.001 to 469.047 and 469.174 to 469.179 (The Tax Increment Act) to create these districts.

For the fiscal year ended December 31, 2016, the City has three agreements established under Minnesota Statute 469.001 to 469.047 which resulted in property taxes totaling \$1,692,704 being abated. These agreements include:

- A pay as you go note to a regional shopping mall for substantial redevelopment. The abatement amount was \$1,236,568.
- A pay as you go note to bring a substandard commercial property up to standards. The abatement amount was \$135,075.
- A pay as you go note to convert substandard property into an office and retail complex. The abatement amounted was 321,060.

For the fiscal year ended December 31, 2016, the City has six agreements established under Minnesota Statute 469.174 to 469.179 (The Tax Increment Act) which resulted in property taxes totaling \$1,664,540 being abated. The following agreements each exceeded 10 percent of the total amount abated, during the year:

- A pay as you go note to finance the cost of a senior rental housing project that provides housing in part for persons or families with low to moderate income. The abatement amount was \$598,210.
- A pay as you go note to finance the cost of a rental apartment project that provides housing in part for persons or families with low to moderate income. The abatement amount was \$385,217.
- A pay as you go note to finance the cost of a senior rental housing project that provides housing in part for persons or families with low to moderate income. The abatement amount was \$254,143.
- A pay as you go note to finance the cost of a rental apartment project that provides housing in part for persons or families with low to moderate income. The abatement amount was \$400,409.

City of Eden Prairie, Minnesota

Notes to Financial Statements

Note 17—Fund Balance Classification

At December 31, 2016, a summary of the governmental fund balance classifications are as follows:

	General	Capital Improvement Maintenance	Public Improvement Construction	Shady Oak Road North	Shady Oak Road South	Aquatics & Fitness Expansion	Eden Prairie Road	Other Govt Funds	Total
Nonspendable:									
Prepaid Items	\$ 35,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,751	\$ 142,543
Cemetery Perpetual Care	-	-	-	-	-	-	-	144,219	144,219
Total Nonspendable	35,792	-	-	-	-	-	-	250,970	286,762
Restricted for:									
Debt Service	-	-	-	-	-	-	-	4,522,473	4,522,473
Special Assessments	-	-	-	31,932	-	-	-	83,324	115,256
Grants	-	-	-	-	4,576,761	-	-	3,300	4,580,061
Franchise Fee	-	-	-	-	-	-	-	483,773	483,773
Cemetery	-	-	-	-	-	-	-	148,414	148,414
Recycling	-	-	-	-	-	-	-	13,768	13,768
Historical and Cultural	-	-	-	-	-	-	-	15,681	15,681
Police Forfeiture	-	-	-	-	-	-	-	6,190	6,190
Fire Equipment	286,942	-	-	-	-	-	-	0	286,942
Tax Increment	-	-	-	-	-	-	-	1,790,930	1,790,930
	286,942	-	-	31,932	4,576,761	-	-	7,067,853	11,963,488
Assigned to:									
Capital Projects	-	8,451,339	-	-	-	-	-	1,072,573	9,523,912
Improvement Projects	-	-	-	-	980,000	-	-	9,295,522	10,275,522
Total Assigned	-	8,451,339	-	-	980,000	-	-	10,368,095	19,799,434
Unassigned:									
Budget Stabilization	6,656,697	-	-	-	-	-	-	-	6,656,697
Working Capital	16,479,421	-	-	-	-	-	-	-	16,479,421
Unassigned	35,200	-	(2,343,148)	-	-	(422,336)	(1,561,483)	(783,690)	(5,075,457)
Total Unassigned	23,171,318	-	(2,343,148)	-	-	(422,336)	(1,561,483)	(783,690)	18,060,661
Total Fund Balance	\$23,494,052	\$ 8,451,339	\$ (2,343,148)	\$ 31,932	\$ 5,556,761	\$ (422,336)	\$ (1,561,483)	\$ 16,903,228	\$ 50,110,345

Note 18—Subsequent Events

On February 14, 2017 Council approved to prepay the remaining balance of \$1,065,000 for the 2007A Public Facility Bonds. As of December 31, 2016 the outstanding balance was \$1,145,000.

REQUIRED SUPPLEMENTARY SECTION

City of Eden Prairie, Minnesota

Required Supplemental Information

Modified Approach for Infrastructure Assets

Condition Rating of the City's Street System:

	Average PCI
2016	76.90%
2013	79.70%
2010	81.10%
2007	81.30%
2004	80.40%
2001	80.50%

Comparison of Needed-to-Actual Maintenance/Preservation:

	2016	2015	2014	2013	2012
Budget	\$ 2,709,000	\$ 2,759,586	\$ 2,769,586	\$ 2,767,000	\$ 2,397,000
Actual	1,957,553	2,451,829	2,234,331	2,263,758	2,172,757
Difference	\$ (751,447)	\$ (307,757)	\$ (535,255)	\$ (503,242)	\$ (224,243)

The condition of road pavement is measured using Good Pointe's Icon pavement management system. Each of the pavements in the City of Eden Prairie was visually inspected using the Paver-based Pavement Condition Index (PCI) methodology. The methodology is based on a numeric rating system ranging from 100 for a newly surfaced pavement to 0 for a failed pavement. The condition index is used to classify roads in excellent condition (85-100), very good condition (70-84), good condition (55-69), fair condition (40-54), poor condition (25-39), very poor condition (10-24) and failed condition (0-9). It is the City's policy to maintain an average PCI of 60 percent.

City of Eden Prairie, Minnesota

Required Supplemental Information

Other Post-Employment Benefits Plan

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a % of Payroll
12/31/08	1/1/08	\$ 1,781,809	\$ -	\$ 1,781,809	0.0%	\$ 16,945,552	10.5%
12/31/09	1/1/08	1,781,809	-	1,781,809	0.0%	16,945,552	10.5%
12/31/10	1/1/10	2,438,910	-	2,438,910	0.0%	17,127,274	14.2%
12/31/11	1/1/10	2,438,910	-	2,438,910	0.0%	17,127,274	14.2%
12/31/12	1/1/12	2,814,481	-	2,814,481	0.0%	17,746,102	15.9%
12/31/13	1/1/12	2,814,481	-	2,814,481	0.0%	17,746,102	15.9%
12/31/14	1/1/14	3,121,974	-	3,121,974	0.0%	18,585,719	16.8%
12/31/15	1/1/14	3,121,974	-	3,121,974	0.0%	18,585,720	16.8%
12/31/16	1/1/16	3,256,823	-	3,256,823	0.0%	19,872,785	16.4%

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Proportionate Share of Net Pension Liability Public Employees General Employees Retirement Fund Last Ten Years*

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll** (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.2525%	\$13,085,860	\$14,836,066	88.20%	78.2%
June 30, 2016	0.2482%	\$20,152,608	\$15,161,268	132.92%	68.9%

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**For purposes of this schedule, covered payroll is defined as "pensionable wages."

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Proportionate Share of Net Pension Liability Public Employees Police and Fire Fund Last Ten Years

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll** (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.7770%	\$8,828,538	\$7,116,963	124.05%	86.6%
June 30, 2016	0.7580%	\$30,419,859	\$7,302,618	416.56%	63.9%

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**For purposes of this schedule, covered payroll is defined as "pensionable wages."

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Proportionate Share of Net Pension Liability Eden Prairie Fire Relief

	2015	2014
Total Pension Liability		
Service Cost	\$ 449,426	\$ 413,646
Interest	1,104,701	1,083,202
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Changes of Benefit Terms	-	-
Benefit Payments, Including Member Contribution Refunds	(1,270,544)	(1,027,216)
Other Changes	-	-
Net Change in Total Pension Liability	283,583	469,632
Total Pension Liability - Beginning	19,046,951	18,577,319
Total Pension Liability - Ending (a)	19,330,534	19,046,951
Plan Fiduciary Net Position		
Municipal Contributions	398,395	488,073
State Contributions	437,948	414,343
Net Investment Income	(393,362)	646,363
Benefit Payments	(1,270,544)	(1,027,216)
Administrative Expenses	(26,323)	(37,158)
Other Changes	-	81,893
Net Change in Fiduciary Net Position	(853,886)	566,298
Fiduciary Net Position - Beginning	20,401,005	19,834,707
Fiduciary Net Position - Ending (b)	19,547,119	20,401,005
Association's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (216,585)	\$ (1,354,054)
Fiduciary Net Position as a Percentage of the Total Pension Liability	101.12%	107.11%
Covered-Employee Payroll	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	N/A	N/A

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Contributions Public Employees General Employees Retirement Fund Last Ten Years*

Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$1,164,110	\$1,164,110	\$0	\$15,528,311	7.50%
December 31, 2016	\$1,157,735	\$1,157,735	\$0	\$15,436,692	7.50%

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**For purposes of this schedule, covered payroll is defined as "pensionable wages."

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Contributions Public Employees Police and Fire Fund Last Ten Years*

Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$1,215,450	\$1,215,450	\$0	\$7,509,128	16.2%
December 31, 2016	\$1,188,923	\$1,188,923	\$0	\$7,339,334	16.2%

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**For purposes of this schedule, covered payroll is defined as "pensionable wages."

City of Eden Prairie, Minnesota

Required Supplemental Information

Schedule of Contributions

Eden Prairie Fire Relief

Last Nine Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily Required Contribution	\$ 388,664	\$ 398,395	\$ 488,073	\$ 582,972	\$ 625,910
Contributions in Relation to the Statutorily Required Contribution	<u>(388,664)</u>	<u>(393,065)</u>	<u>(488,073)</u>	<u>(582,972)</u>	<u>(625,910)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 5,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statutorily Required Contribution	\$ 830,077	\$ 1,129,002	\$ 270,566	\$ 218,982
Contributions in Relation to the Statutorily Required Contribution	<u>(830,077)</u>	<u>(1,129,002)</u>	<u>(462,805)</u>	<u>(411,221)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (192,239)</u>	<u>\$ (192,239)</u>

COMBINING FUND STATEMENTS

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Special Revenue Funds

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

Housing Redevelopment Authority (HRA Grant) - This fund accounts for monies received under Title I of the Housing and Community Development Act of 1974 and other related housing activities.

Pleasant Hills Cemetery - This fund accounts for the current operations of the City cemetery including maintenance costs and lot sales.

Recycling - This fund accounts for monies received from Hennepin County's household waste rebate programs. All dollars received are to be refunded to eligible households within Eden Prairie.

Historical and Cultural - This fund accumulates revenue from the sale of a book on Eden Prairie's 100-year history and the sale of old street signs. The book was donated to the City by the Eden Prairie Historical Society, with revenues earmarked for expenditure on the preservation of the history of Eden Prairie.

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Debt Service Funds

Debt service funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

3rd Rink Lease Revenue Bonds 2007A – This fund is used to account for the accumulation of tax revenues needed to repay bonds issued to pay the construction projects for the 3rd Sheet of Ice at the community center.

Capital Equipment Notes 2008A – This fund is used to account for the accumulation of tax revenues needed to repay certificates issued to finance the 20/40/15 project, regional radio conversion project and two fire trucks.

General Obligation Refunding Bonds 2016A – This fund accounts for the refunding of the G.O. Bonds 2008B which accounted for the accumulation of resources needed to repay bonds issued to finance the construction of streets, lateral utilities, and drainage for the Flying Cloud Drive construction project. The primary sources of repayment on these bonds are special assessments levied on benefited properties.

Capital Equipment Notes 2009B – This fund is used to account for the accumulation of tax revenues needed to repay certificates issued to finance the 20/40/15 project and Police/Fire software upgrade.

General Obligation Improvement Bonds 2010A – This fund is used to account for the accumulation of tax revenues needed to repay bonds issued to pay the construction costs for the Singletree Lane project.

General Obligation Improvement Bonds 2011B – This fund is used to account for the accumulation of tax revenues needed to repay bonds issued to finance the Self Contained Breathing Apparatus Gear for the fire department.

General Obligation Refunding 2011C – This fund accounts for the refunding of the G.O. Park Referendum Bonds which accounted for the accumulation of tax revenues needed to repay bonds issued to finance construction projects for various trails, park improvements and the community center.

General Obligation Refunding 2011D – This fund accounts for the refunding of the G.O. Improvement Revolving Bonds which accounted for the accumulation of tax revenues needed to repay bonds issued to finance the construction at 212 and Charleston Road.

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Debt Service Funds (Continued)

General Obligation Refunding 2012A – This fund accounts for the refunding of the G.O. Bonds 2005C which accounted for the accumulation of tax revenues needed to repay bonds issued to finance construction projects for various trails, park improvements and the community center.

General Obligation Refunding 2012B – This fund accounts for the refunding of the G.O. Bonds 2006B which accounted for the accumulation of tax revenues needed to repay bonds issued to finance construction projects for the new fire station.

General Obligation Improvement Bonds 2012C– This fund is used to account for the accumulation of special assessments needed to repay bonds issued to finance the Shady Oak Road North project.

General Obligation Tax Abatement 2014A – This fund accounts for the accumulation of tax revenues needed to repay bonds issued to finance construction of the Aquatics & Fitness Expansion.

General Obligation Bonds 2016A – This fund is used to account for the accumulation of special assessments needed to repay bonds issued to finance the West 70th project.

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Capital Project Funds

Capital projects funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlay.

Police - This fund accounts for all confiscated money, and / or property obtained through drug-related criminal arrests and compliance fines. The funds are earmarked for expenditures on law enforcement operations.

E-911 - This fund accounts for monies received from the State of Minnesota to be used for the E-911 emergency system.

Senior Board - This fund was established to account for monies received for Senior Awareness Week.

Park Improvement - This fund accounts for the park dedication fees, grants, and other contributions earmarked for expenditure on park acquisition and development.

CIP Trails - This fund accounts for the accumulation of resources to be used for capital improvements and maintenance of City trails.

CIP Pavement Management - This fund accounts for the accumulation of resources to be used for capital improvements and maintenance of City streets.

Economic Development – This fund accounts for money set aside to assist in the redevelopment of the City.

Project – This fund accounts for tax increment revenue set aside to assist in the redevelopment of the City.

HRA – This fund accounts for the accumulation of resources to be used for economic development projects.

Flying Cloud Drive - This fund accounts for proceeds of bonds sold to finance the construction of a three lane road from south of Shady Oak Road to the south end of the Liberty Plaza campus.

Transportation - This fund accounts for proceeds of state aid. This revenue is used to finance street improvements.

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Capital Project Funds (Continued)

Cable PEG (Public, Educational, and Government) – This fund accounts for the revenues collected from Comcast. These funds will be used for the production of PEG Access programming.

Eden Prairie Rd Connect to Flying Cloud – This fund accounts for the accumulation of resources to be used for the construction of road from Frederick Place to north of Riley Creek.

Homeowners Improvements Area – This fund accounts for the accumulation of resources to be used for Housing Improvements to the Fairway Woods II Condominiums.

West 70th Street Extension – This fund accounts for the accumulation of resources to be used for the extension of West 70th from its existing cul-de-sac to Flying Cloud Drive.

TC Station / NS Road – This fund accounts for the accumulation of resources to be used for the completion of the Town Center Station and Urban Grid roadway system.

General LRT – This fund accounts for the accumulation of resources to be used for the upgrade/betterments of amenities within Eden Prairie beyond the base project.

City of Eden Prairie, Minnesota

Nonmajor Governmental Funds

Permanent Funds

Permanent funds are used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs that is, for the benefit of the City or its citizens.

Cemetery Perpetual Care - This fund was established to account for funds dedicated for cemetery maintenance in accordance with state statutes.

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue				
	HRA Grant	Pleasant Hills Cemetery	Recycling	Historical and Cultural	Total
ASSETS					
Cash and Investments	\$ 59,831	\$ 23,906	\$ 17,998	\$ 16,465	\$ 118,200
Receivables					
Accounts	-	1,300	-	-	1,300
Interest	-	38	-	22	60
Due from Other Governments	2,106	-	-	-	2,106
Unremitted Taxes	-	-	-	-	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	-	-	-	-
Deferred Special Assessments	-	-	-	-	-
Special Deferred Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments with Escrow Agent	-	-	-	-	-
Total Assets	<u>\$ 61,937</u>	<u>\$ 25,244</u>	<u>\$ 17,998</u>	<u>\$ 16,487</u>	<u>\$ 121,666</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 61,335	\$ 417	\$ 4,230	\$ 596	\$ 66,578
Salaries Payable	602	-	-	-	602
Investment Interest Payable	-	-	-	-	-
Due to Other Governments	-	-	-	210	210
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>61,937</u>	<u>417</u>	<u>4,230</u>	<u>806</u>	<u>67,390</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	24,827	13,768	15,681	54,276
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>24,827</u>	<u>13,768</u>	<u>15,681</u>	<u>54,276</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 61,937</u>	<u>\$ 25,244</u>	<u>\$ 17,998</u>	<u>\$ 16,487</u>	<u>\$ 121,666</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Debt Service				
	3rd Rink Lease Revenue Bonds 2007A	Capital Equip Notes 2008A	General Obligation Refunding Bonds 2016A	Capital Equip Notes 2009B	General Obligation Improvement Bonds 2010A
ASSETS					
Cash and Investments	\$ -	\$ 125,589	\$ 1,197,468	\$ 64,190	\$ 124,425
Receivables					
Accounts	-	-	-	-	-
Interest	-	132	869	171	246
Due from Other Governments	-	-	-	-	-
Unremitted Taxes	-	1,048	-	141	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	-	-	-	-
Deferred Special Assessments	-	-	770,000	-	679,254
Special Deferred Special Assessments	-	-	-	-	-
Due from Other Funds	-	4,807	-	-	-
Prepaid Items	-	-	-	-	400
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments with Escrow Agent	105,762	-	-	-	-
Total Assets	<u>\$ 105,762</u>	<u>\$ 131,576</u>	<u>\$ 1,968,337</u>	<u>\$ 64,502</u>	<u>\$ 804,325</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Salaries Payable	-	-	-	-	-
Investment Interest Payable	23	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	4,807	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>5,030</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	770,000	-	679,254
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>770,000</u>	<u>-</u>	<u>679,254</u>
FUND BALANCES					
Nonspendable	-	-	-	-	400
Restricted	100,732	131,376	1,198,137	64,302	124,471
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>100,732</u>	<u>131,376</u>	<u>1,198,137</u>	<u>64,302</u>	<u>124,871</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 105,762</u>	<u>\$ 131,576</u>	<u>\$ 1,968,337</u>	<u>\$ 64,502</u>	<u>\$ 804,325</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Debt Service				
	General Obligation Bonds 2011B	General Obligation Refunding Bonds 2011C	General Obligation Refunding Bonds 2011D	General Obligation Refunding Bonds 2012A	General Obligation Refunding Bonds 2012B
ASSETS					
Cash and Investments	\$ -	\$ 958,451	\$ 354,342	\$ 416,294	\$ 441,463
Receivables					
Accounts	-	-	-	-	-
Interest	-	895	605	623	457
Due from Other Governments	-	-	-	-	-
Unremitted Taxes	-	2,723	-	563	970
Unremitted Special Assessments	-	-	230	-	-
Delinquent Special Assessments	-	-	912	-	-
Deferred Special Assessments	-	-	1,429,824	-	-
Special Deferred Special Assessments	-	-	120,762	-	-
Due from Other Funds	-	-	-	-	-
Prepaid Items	-	525	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments with Escrow Agent	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 962,594</u>	<u>\$ 1,906,675</u>	<u>\$ 417,480</u>	<u>\$ 442,890</u>
LIABILITIES					
Accounts and Contracts Payable	\$ -	\$ 200	\$ 200	\$ 200	\$ 200
Salaries Payable	-	-	-	-	-
Investment Interest Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	-	200	200	200	200
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	1,551,498	-	-
Total Deferred Inflows of Resources	-	-	1,551,498	-	-
FUND BALANCES					
Nonspendable	-	525	-	-	-
Restricted	-	961,869	354,977	417,280	442,690
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	-	962,394	354,977	417,280	442,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 962,594</u>	<u>\$ 1,906,675</u>	<u>\$ 417,480</u>	<u>\$ 442,890</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Debt Service			
	General Obligation Improvement Bonds 2012C	General Obligation Tax Abatement Bonds 2014A	General Obligation Bonds 2016A	Total
ASSETS				
Cash and Investments	\$ 51,090	\$ 675,368	\$ -	\$ 4,408,680
Receivables				
Accounts	-	-	-	-
Interest	-	326	-	4,324
Due from Other Governments	-	-	-	-
Unremitted Taxes	-	2,893	-	8,338
Unremitted Special Assessments	-	-	-	230
Delinquent Special Assessments	-	-	-	912
Deferred Special Assessments	-	-	-	2,879,078
Special Deferred Special Assessments	-	-	-	120,762
Due from Other Funds	-	-	-	4,807
Prepaid Items	-	-	-	925
Land Held for Resale	-	-	-	-
Notes Receivable	-	-	-	-
Loan Receivable	-	-	-	-
Cash and Investments with Escrow Agent	-	-	-	105,762
Total Assets	<u>\$ 51,090</u>	<u>\$ 678,587</u>	<u>\$ -</u>	<u>\$ 7,533,818</u>
LIABILITIES				
Accounts and Contracts Payable	\$ 200	\$ 200	\$ 1,000	\$ 3,200
Salaries Payable	-	-	-	-
Investment Interest Payable	2,638	-	-	2,661
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	4,807
Unearned Revenue	-	-	-	-
Total Liabilities	<u>2,838</u>	<u>200</u>	<u>1,000</u>	<u>10,668</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Revolving Loan	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	-	3,000,752
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,752</u>
FUND BALANCES				
Nonspendable	-	-	-	925
Restricted	48,252	678,387	-	4,522,473
Assigned	-	-	-	-
Unassigned	-	-	(1,000)	(1,000)
Total Fund Balance	<u>48,252</u>	<u>678,387</u>	<u>(1,000)</u>	<u>4,522,398</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,090</u>	<u>\$ 678,587</u>	<u>\$ -</u>	<u>\$ 7,533,818</u>

	Capital Projects				
	Police	E-911	Senior Board	Park Improvement	CIP Trails
ASSETS					
Cash and Investments	\$ 63,113	\$ 8,319	\$ 17,991	\$ 1,987,803	\$ 249,700
Receivables					
Accounts	9,657	-	-	-	-
Interest	81	167	29	4,824	35
Due from Other Governments	-	6,826	-	-	-
Unremitted Taxes	-	-	-	-	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	-	-	-	-
Deferred Special Assessments	-	-	-	-	150,000
Special Deferred Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Prepaid Items	-	104,747	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments with Escrow Agent	-	-	-	-	-
Total Assets	<u>\$ 72,851</u>	<u>\$ 120,059</u>	<u>\$ 18,020</u>	<u>\$ 1,992,627</u>	<u>\$ 399,735</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 15,033	\$ 41	\$ 155	\$ 24,269	\$ 180,252
Salaries Payable	-	-	-	-	-
Investment Interest Payable	-	-	-	-	-
Due to Other Governments	21	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	220,758	-
Total Liabilities	<u>15,054</u>	<u>41</u>	<u>155</u>	<u>245,027</u>	<u>180,252</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	-	-	150,000
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
FUND BALANCES					
Nonspendable	-	104,747	-	-	-
Restricted	6,190	-	-	-	-
Assigned	51,607	15,271	17,865	1,747,600	69,483
Unassigned	-	-	-	-	-
Total Fund Balance	<u>57,797</u>	<u>120,018</u>	<u>17,865</u>	<u>1,747,600</u>	<u>69,483</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 72,851</u>	<u>\$ 120,059</u>	<u>\$ 18,020</u>	<u>\$ 1,992,627</u>	<u>\$ 399,735</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Capital Projects				
	CIP Pavement Management	Economic Development Fund	Project Fund	HRA	Flying Cloud Drive
ASSETS					
Cash and Investments	\$ 515,207	\$ 4,622,421	\$ 2,025,727	\$ 267,419	\$ -
Receivables					
Accounts	564,941	-	11,062	-	-
Interest	1,500	8,281	8,324	409	-
Due from Other Governments	-	-	-	-	-
Unremitted Taxes	-	-	-	85	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	-	-	-	-
Deferred Special Assessments	-	-	-	-	-
Special Deferred Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	1,040,803	-	-
Prepaid Items	-	-	-	-	-
Land Held for Resale	-	721,800	-	-	-
Notes Receivable	-	-	296,273	-	-
Loan Receivable	-	-	169,000	-	-
Cash and Investments with Escrow Agent	-	-	-	-	-
Total Assets	<u>\$ 1,081,648</u>	<u>\$ 5,352,502</u>	<u>\$ 3,551,189</u>	<u>\$ 267,913</u>	<u>\$ -</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 11,139	\$ 19,281	\$ 215	\$ -	\$ -
Salaries Payable	-	-	-	2,668	-
Investment Interest Payable	-	-	-	-	-
Due to Other Governments	-	-	9,393	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>11,139</u>	<u>19,281</u>	<u>9,608</u>	<u>2,668</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	169,000	-	-
Unavailable Revenue-Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>169,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	411,389	-	1,790,930	-	-
Assigned	659,120	5,333,221	1,581,651	265,245	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>1,070,509</u>	<u>5,333,221</u>	<u>3,372,581</u>	<u>265,245</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,081,648</u>	<u>\$ 5,352,502</u>	<u>\$ 3,551,189</u>	<u>\$ 267,913</u>	<u>\$ -</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Capital Projects				
	Transportation	Cable PEG	Eden Prairie Rd Connect to Flying Cloud	Homeowners Improvements Area	West 70th Street Extension
ASSETS					
Cash and Investments	\$ 628,733	\$ 46,983	\$ -	\$ -	\$ -
Receivables					
Accounts	-	26,122	-	-	-
Interest	1,096	64	-	-	-
Due from Other Governments	-	-	-	-	470,000
Unremitted Taxes	-	-	-	-	-
Unremitted Special Assessments	-	-	-	-	-
Delinquent Special Assessments	-	-	-	-	-
Deferred Special Assessments	-	-	-	62,337	1,586,120
Special Deferred Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Prepaid Items	-	1,079	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loan Receivable	-	-	-	-	-
Cash and Investments with Escrow Agent	-	-	-	-	-
Total Assets	<u>\$ 629,829</u>	<u>\$ 74,248</u>	<u>\$ -</u>	<u>\$ 62,337</u>	<u>\$ 2,056,120</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 42,818	\$ -	\$ 10,572	\$ -	\$ 67,225
Salaries Payable	-	-	-	-	-
Investment Interest Payable	-	-	205	117	2,726
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	198,139	48,021	274,189
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>42,818</u>	<u>-</u>	<u>208,916</u>	<u>48,138</u>	<u>344,140</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	-	-	-
Unavailable Revenue-Special Assessments	-	-	-	62,337	1,586,120
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,337</u>	<u>1,586,120</u>
FUND BALANCES					
Nonspendable	-	1,079	-	-	-
Restricted	3,300	72,384	-	-	83,324
Assigned	583,711	785	-	-	42,536
Unassigned	-	-	(208,916)	(48,138)	-
Total Fund Balance	<u>587,011</u>	<u>74,248</u>	<u>(208,916)</u>	<u>(48,138)</u>	<u>125,860</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 629,829</u>	<u>\$ 74,248</u>	<u>\$ -</u>	<u>\$ 62,337</u>	<u>\$ 2,056,120</u>

City of Eden Prairie, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Capital Projects			Permanent Fund	
	TC Station / NS Road	General LRT	Total	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and Investments	\$ -	\$ -	\$ 10,433,416	\$ 267,330	\$ 15,227,626
Receivables					
Accounts	-	-	611,782	-	613,082
Interest	-	-	24,810	476	29,670
Due from Other Governments	-	-	476,826	-	478,932
Unremitted Taxes	-	-	85	-	8,423
Unremitted Special Assessments	-	-	-	-	230
Delinquent Special Assessments	-	-	-	-	912
Deferred Special Assessments	-	-	1,798,457	-	4,677,535
Special Deferred Special Assessments	-	-	-	-	120,762
Due from Other Funds	-	-	1,040,803	-	1,045,610
Prepaid Items	-	-	105,826	-	106,751
Land Held for Resale	-	-	721,800	-	721,800
Notes Receivable	-	-	296,273	-	296,273
Loan Receivable	-	-	169,000	-	169,000
Cash and Investments with Escrow Agent	-	-	-	-	105,762
Total Assets	\$ -	\$ -	\$ 15,679,078	\$ 267,806	\$ 23,602,368
LIABILITIES					
Accounts and Contracts Payable	\$ -	\$ 4,572	\$ 375,572	\$ -	\$ 445,350
Salaries Payable	-	-	2,668	-	3,270
Investment Interest Payable	62	548	3,658	-	6,319
Due to Other Governments	-	-	9,414	-	9,624
Due to Other Funds	41,609	478,845	1,040,803	-	1,045,610
Unearned Revenue	-	-	220,758	-	220,758
Total Liabilities	41,671	483,965	1,652,873	-	1,730,931
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Revolving Loan	-	-	169,000	-	169,000
Unavailable Revenue-Special Assessments	-	-	1,798,457	-	4,799,209
Total Deferred Inflows of Resources	-	-	1,967,457	-	4,968,209
FUND BALANCES					
Nonspendable	-	-	105,826	144,219	250,970
Restricted	-	-	2,367,517	123,587	7,067,853
Assigned	-	-	10,368,095	-	10,368,095
Unassigned	(41,671)	(483,965)	(782,690)	-	(783,690)
Total Fund Balance	(41,671)	(483,965)	12,058,748	267,806	16,903,228
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ -	\$ 15,679,078	\$ 267,806	\$ 23,602,368

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue				
	HRA Grant	Pleasant Hills Cemetery	Recycling	Historical and Cultural	Total
REVENUES					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	360,030	-	170,278	-	530,308
Fines and Forfeits	-	-	-	-	-
Investment Income (Loss)	-	139	-	79	218
Rental	-	-	-	-	-
Other					
Fees	-	13,280	-	-	13,280
Contributions and Donations	-	-	-	-	-
Miscellaneous	-	-	135	10,694	10,829
Total Revenues	360,030	13,419	170,413	10,773	554,635
EXPENDITURES					
Current					
Community Development	360,030	-	-	3,506	363,536
Police	-	-	-	-	-
Public Works	-	-	171,332	-	171,332
Parks and Recreation	-	7,877	-	-	7,877
Interest on Interfund Borrowing	-	-	-	-	-
Capital Outlay					
Administration	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	360,030	7,877	171,332	3,506	542,745
Excess of Revenues Over (Under) Expenditures	-	5,542	(919)	7,267	11,890
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Premium	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	5,542	(919)	7,267	11,890
Fund Balances (Deficit) - Beginning	-	19,285	14,687	8,414	42,386
Fund Balances (Deficit) - Ending	\$ -	\$ 24,827	\$ 13,768	\$ 15,681	\$ 54,276

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Debt Service				
	3rd Rink Lease Revenue Bonds 2007A	Capital Equip Notes 2008A	General Obligation Refunding Bonds 2016A	Capital Equip Notes 2009B	General Obligation Improvement Bonds 2010A
REVENUES					
General Property Taxes	\$ -	\$ 331,680	\$ -	\$ 44,554	\$ -
Special Assessments	-	-	165,003	-	115,103
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Investment Income (Loss)	-	470	225	595	870
Rental	-	-	-	-	-
Other					
Fees	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	332,150	165,228	45,149	115,973
EXPENDITURES					
Current					
Community Development	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Interest on Interfund Borrowing	82	-	-	-	-
Capital Outlay					
Administration	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service					
Principal	75,000	330,000	120,000	60,000	75,000
Interest	52,950	33,560	48,035	5,550	29,610
Fiscal Agent Fees	2,350	600	15,961	600	3,700
Total Expenditures	130,382	364,160	183,996	66,150	108,310
Excess of Revenues Over (Under) Expenditures	(130,382)	(32,010)	(18,768)	(21,001)	7,663
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	775,000	-	-
Premium	-	-	34,545	-	-
Transfers In	130,000	-	406,879	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	130,000	-	1,216,424	-	-
Net Change in Fund Balances	(382)	(32,010)	1,197,656	(21,001)	7,663
Fund Balances (Deficit) - Beginning	101,114	163,386	481	85,303	117,208
Fund Balances (Deficit) - Ending	\$ 100,732	\$ 131,376	\$ 1,198,137	\$ 64,302	\$ 124,871

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Debt Service				
	General Obligation Bonds 2011B	General Obligation Refunding Bonds 2011C	General Obligation Refunding Bonds 2011D	General Obligation Refunding Bonds 2012A	General Obligation Refunding Bonds 2012B
REVENUES					
General Property Taxes	\$ 71,287	\$ 720,003	\$ -	\$ 148,936	\$ 306,928
Special Assessments	-	-	252,016	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Investment Income (Loss)	-	3,116	2,176	2,170	1,603
Rental	-	-	-	-	-
Other					
Fees	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>71,287</u>	<u>723,119</u>	<u>254,192</u>	<u>151,106</u>	<u>308,531</u>
EXPENDITURES					
Current					
Community Development	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Interest on Interfund Borrowing	51	-	-	-	-
Capital Outlay					
Administration	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service					
Principal	85,000	685,000	145,000	30,000	240,000
Interest	2,550	55,001	36,638	117,956	64,506
Fiscal Agent Fees	725	725	725	725	725
Total Expenditures	<u>88,326</u>	<u>740,726</u>	<u>182,363</u>	<u>148,681</u>	<u>305,231</u>
Excess of Revenues Over (Under) Expenditures	(17,039)	(17,607)	71,829	2,425	3,300
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Premium	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(21,691)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(21,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(38,730)	(17,607)	71,829	2,425	3,300
Fund Balances (Deficit) - Beginning	38,730	980,001	283,148	414,855	439,390
Fund Balances (Deficit) - Ending	<u>\$ -</u>	<u>\$ 962,394</u>	<u>\$ 354,977</u>	<u>\$ 417,280</u>	<u>\$ 442,690</u>

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Debt Service			
	General Obligation Improvement Bonds 2012C	General Obligation Tax Abatement Bonds 2014A	General Obligation Bonds 2016A	Total
REVENUES				
General Property Taxes	\$ -	\$ 915,834	\$ -	\$ 2,539,222
Special Assessments	-	-	-	532,122
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Fines and Forfeits	-	-	-	-
Investment Income (Loss)	-	1,224	-	12,449
Rental	-	-	-	-
Other				
Fees	-	-	-	-
Contributions and Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	917,058	-	3,083,793
EXPENDITURES				
Current				
Community Development	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Interest on Interfund Borrowing	8,765	-	-	8,898
Capital Outlay				
Administration	-	-	-	-
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Debt Service				
Principal	1,525,000	-	-	3,370,000
Interest	152,250	548,763	-	1,147,369
Fiscal Agent Fees	950	950	1,000	29,736
Total Expenditures	1,686,965	549,713	1,000	4,556,003
Excess of Revenues Over (Under) Expenditures	(1,686,965)	367,345	(1,000)	(1,472,210)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	775,000
Premium	-	-	-	34,545
Transfers In	1,700,000	-	-	2,236,879
Transfers Out	-	-	-	(21,691)
Total Other Financing Sources (Uses)	1,700,000	-	-	3,024,733
Net Change in Fund Balances	13,035	367,345	(1,000)	1,552,523
Fund Balances (Deficit) - Beginning	35,217	311,042	-	2,969,875
Fund Balances (Deficit) - Ending	\$ 48,252	\$ 678,387	\$ (1,000)	\$ 4,522,398

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects				
	Police	E-911	Senior Board	Park Improvement	CIP Trails
REVENUES					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	25,349
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	81,917	-	312	-
Fines and Forfeits	7,000	-	-	-	-
Investment Income (Loss)	258	412	104	16,925	357
Rental	-	-	-	-	-
Other					
Fees	-	-	-	268,370	-
Contributions and Donations	-	-	6,237	32,746	-
Miscellaneous	55,915	-	-	612	-
Total Revenues	<u>63,173</u>	<u>82,329</u>	<u>6,341</u>	<u>318,965</u>	<u>25,706</u>
EXPENDITURES					
Current					
Community Development	-	-	-	-	-
Police	49,725	92,497	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	2,414	-	-
Interest on Interfund Borrowing	-	-	-	-	-
Capital Outlay					
Administration	-	-	-	-	-
Public Works	-	-	-	-	261,831
Parks and Recreation	-	-	-	809,258	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	<u>49,725</u>	<u>92,497</u>	<u>2,414</u>	<u>809,258</u>	<u>261,831</u>
Excess of Revenues Over (Under) Expenditures	13,448	(10,168)	3,927	(490,293)	(236,125)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Premium	-	-	-	-	-
Transfers In	-	-	-	20,000	275,000
Transfers Out	-	-	(1,144)	(320,096)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,144)</u>	<u>(300,096)</u>	<u>275,000</u>
Net Change in Fund Balances	13,448	(10,168)	2,783	(790,389)	38,875
Fund Balances (Deficit) - Beginning	44,349	130,186	15,082	2,537,989	30,608
Fund Balances (Deficit) - Ending	<u>\$ 57,797</u>	<u>\$ 120,018</u>	<u>\$ 17,865</u>	<u>\$ 1,747,600</u>	<u>\$ 69,483</u>

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects				
	CIP Pavement Mgmt	Economic Development Fund	Project Fund	HRA	Flying Cloud Drive
REVENUES					
General Property Taxes	\$ -	\$ -	\$ 3,357,247	\$ 195,917	\$ -
Special Assessments	-	-	-	-	-
Licenses and Permits	2,142,845	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Investment Income (Loss)	5,272	28,917	28,420	1,429	2,712
Rental	-	59,303	-	-	-
Other					
Fees	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
Miscellaneous	-	184,800	-	-	-
Total Revenues	2,148,117	273,020	3,385,667	197,346	2,712
EXPENDITURES					
Current					
Community Development	-	49,032	2,747,747	195,174	-
Police	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Interest on Interfund Borrowing	-	-	-	-	-
Capital Outlay					
Administration	-	-	-	-	-
Public Works	2,133,331	-	2,033,976	-	-
Parks and Recreation	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	2,133,331	49,032	4,781,723	195,174	-
Excess of Revenues Over (Under) Expenditures	14,786	223,988	(1,396,056)	2,172	2,712
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Premium	-	-	-	-	-
Transfers In	350,000	-	-	-	-
Transfers Out	-	(27,138)	-	-	(477,947)
Total Other Financing Sources (Uses)	350,000	(27,138)	-	-	(477,947)
Net Change in Fund Balances	364,786	196,850	(1,396,056)	2,172	(475,235)
Fund Balances (Deficit) - Beginning	705,723	5,136,371	4,768,637	263,073	475,235
Fund Balances (Deficit) - Ending	\$ 1,070,509	\$ 5,333,221	\$ 3,372,581	\$ 265,245	\$ -

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects				
	Transportation	Cable PEG	Eden Prairie Rd Connect to Flying Cloud	Homeowners Improvements Area	West 70th Street Extension
REVENUES					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	26,538	-
Licenses and Permits	-	103,788	-	-	-
Intergovernmental Revenue	-	-	-	-	270,000
Fines and Forfeits	-	-	-	-	-
Investment Income (Loss)	3,888	210	-	-	-
Rental	-	-	-	-	-
Other					
Fees	-	-	-	-	-
Contributions and Donations	48,750	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	52,638	103,998	-	26,538	270,000
EXPENDITURES					
Current					
Community Development	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Interest on Interfund Borrowing	-	-	754	391	10,586
Capital Outlay					
Administration	-	131,830	-	-	-
Public Works	45,450	-	115,871	-	549,153
Parks and Recreation	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	36,307
Total Expenditures	45,450	131,830	116,625	391	596,046
Excess of Revenues Over (Under) Expenditures	7,188	(27,832)	(116,625)	26,147	(326,046)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	1,585,000
Premium	-	-	-	-	39,291
Transfers In	-	-	-	-	53,122
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	1,677,413
Net Change in Fund Balances	7,188	(27,832)	(116,625)	26,147	1,351,367
Fund Balances (Deficit) - Beginning	579,823	102,080	(92,291)	(74,285)	(1,225,507)
Fund Balances (Deficit) - Ending	\$ 587,011	\$ 74,248	\$ (208,916)	\$ (48,138)	\$ 125,860

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
	TC Station / NS Road	General LRT	Total	Cemetery Perpetual Care Fund	
REVENUES					
General Property Taxes	\$ -	\$ -	\$ 3,553,164	\$ -	\$ 6,092,386
Special Assessments	-	-	51,887	-	584,009
Licenses and Permits	-	-	2,246,633	-	2,246,633
Intergovernmental Revenue	-	-	352,229	-	882,537
Fines and Forfeits	-	-	7,000	-	7,000
Investment Income (Loss)	-	-	88,904	1,660	103,231
Rental	-	-	59,303	-	59,303
Other					
Fees	-	-	268,370	2,170	283,820
Contributions and Donations	-	-	87,733	-	87,733
Miscellaneous	-	-	241,327	-	252,156
Total Revenues	-	-	6,956,550	3,830	10,598,808
EXPENDITURES					
Current					
Community Development	-	-	2,991,953	-	3,355,489
Police	-	-	142,222	-	142,222
Public Works	-	-	-	-	171,332
Parks and Recreation	-	-	2,414	-	10,291
Interest on Interfund Borrowing	247	2,182	14,160	-	23,058
Capital Outlay					
Administration	-	-	131,830	-	131,830
Public Works	14,251	365,488	5,519,351	-	5,519,351
Parks and Recreation	-	-	809,258	-	809,258
Debt Service					
Principal	-	-	-	-	3,370,000
Interest	-	-	-	-	1,147,369
Fiscal Agent Fees	-	-	36,307	-	66,043
Total Expenditures	14,498	367,670	9,647,495	-	14,746,243
Excess of Revenues Over (Under) Expenditures	(14,498)	(367,670)	(2,690,945)	3,830	(4,147,435)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	1,585,000	-	2,360,000
Premium	-	-	39,291	-	73,836
Transfers In	-	-	698,122	-	2,935,001
Transfers Out	-	-	(826,325)	-	(848,016)
Total Other Financing Sources (Uses)	-	-	1,496,088	-	4,520,821
Net Change in Fund Balances	(14,498)	(367,670)	(1,194,857)	3,830	373,386
Fund Balances (Deficit) - Beginning	(27,173)	(116,295)	13,253,605	263,976	16,529,842
Fund Balances (Deficit) - Ending	\$ (41,671)	\$ (483,965)	\$ 12,058,748	\$ 267,806	\$ 16,903,228

City of Eden Prairie, Minnesota

Internal Service Funds

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health & Benefits – This fund accounts for the activities pertaining to health, dental, life and disability insurance. This fund also accounts for the employer’s portion of pension, FICA and medicare contributions.

Severance – This fund accounts for the payment of unused personal time off for governmental fund employees.

Workers Compensation – This fund accounts for the costs associated with workers’ compensation. Revenues are primarily charges to other funds, interest earnings and insurance checks. Expenditures will consist of insurance premiums.

Property Insurance – This fund accounts for the costs associated with the City’s property and casualty insurance program. Revenues are primarily charges to other funds and interest earnings. Expenditures will consist of insurance premiums.

Facilities – This fund accounts for the costs associated with maintaining city owned buildings. Revenues are primarily charges to other funds and interest earnings.

Fleet – These funds account for the costs associated with maintaining machinery and equipment for the City. Revenues are primarily charges to other funds and interest earnings.

Information Technology – These funds account for the costs associated with maintaining and upgrading the network, computer infrastructure and communications service technologies that support the City’s mission-critical operations. Revenues are primarily charges to other funds and interest earnings.

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2016

	Health & Benefits	Severance	Workers Compensation	Property Insurance
ASSETS				
Current Assets				
Cash and Investments	\$ 820,518	\$ 1,310,829	\$ 78,038	\$ 31,559
Receivables				
Accounts	4,940	-	-	2,782
Interest	1,452	2,449	360	299
Due From Other Governments	168	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	103,343	80,172
Total Current Assets	<u>827,078</u>	<u>1,313,278</u>	<u>181,741</u>	<u>114,812</u>
Noncurrent Assets:				
Capital Assets				
Property, Plant and Equipment	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 827,078</u>	<u>\$ 1,313,278</u>	<u>\$ 181,741</u>	<u>\$ 114,812</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 42,326	\$ -	\$ 45,135	\$ 10,044
Salaries Payable	-	-	733	733
Due to Other Governments	167,142	-	-	-
Unearned Revenue	-	-	-	-
Current Portion of Compensated Absences	-	941,101	-	-
Total Current Liabilities	<u>209,468</u>	<u>941,101</u>	<u>45,868</u>	<u>10,777</u>
Noncurrent Liabilities:				
Net OPEB	1,374,604	-	3,934	3,934
Compensated Absences	-	974,457	-	-
Total Noncurrent Liabilities	<u>1,374,604</u>	<u>974,457</u>	<u>3,934</u>	<u>3,934</u>
Total Liabilities	1,584,072	1,915,558	49,802	14,711
Net Position				
Net Investment in Capital Assets	-	-	-	-
Unrestricted	(756,994)	(602,280)	131,939	100,101
Total Net Position	<u>(756,994)</u>	<u>(602,280)</u>	<u>131,939</u>	<u>100,101</u>
Total Liabilities and Net Position	<u>\$ 827,078</u>	<u>\$ 1,313,278</u>	<u>\$ 181,741</u>	<u>\$ 114,812</u>

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2016

	Facilities	Fleet	Information Technology	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 1,466,770	\$ 2,944,545	\$ 782,871	\$ 7,435,130
Receivables				
Accounts	323,569	6,460	-	337,751
Interest	2,498	4,208	745	12,011
Due From Other Governments	24,860	-	-	25,028
Inventory	-	104,436	-	104,436
Prepaid Items	-	1,500	90,707	275,722
Total Current Assets	<u>1,817,697</u>	<u>3,061,149</u>	<u>874,323</u>	<u>8,190,078</u>
Noncurrent Assets:				
Capital Assets				
Property, Plant and Equipment	3,323,297	4,829,392	484,447	8,637,136
Less Accumulated Depreciation	<u>(699,608)</u>	<u>(2,533,940)</u>	<u>(213,335)</u>	<u>(3,446,883)</u>
Total Noncurrent Assets	<u>2,623,689</u>	<u>2,295,452</u>	<u>271,112</u>	<u>5,190,253</u>
Total Assets	<u>\$ 4,441,386</u>	<u>\$ 5,356,601</u>	<u>\$ 1,145,435</u>	<u>\$ 13,380,331</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 472,878	\$ 94,195	\$ 46,206	\$ 710,784
Salaries Payable	15,902	8,610	8,666	34,644
Due to Other Governments	-	1,756	668	169,566
Unearned Revenue	50,281	-	-	50,281
Current Portion of Compensated Absences	-	-	-	941,101
Total Current Liabilities	<u>539,061</u>	<u>104,561</u>	<u>55,540</u>	<u>1,906,376</u>
Noncurrent Liabilities:				
Net OPEB	51,396	23,784	29,771	1,487,423
Compensated Absences	-	-	-	974,457
Total Noncurrent Liabilities	<u>51,396</u>	<u>23,784</u>	<u>29,771</u>	<u>2,461,880</u>
Total Liabilities	590,457	128,345	85,311	4,368,256
Net Position				
Net Investment in Capital Assets	2,623,689	2,295,452	271,112	5,190,253
Unrestricted	<u>1,227,240</u>	<u>2,932,804</u>	<u>789,012</u>	<u>3,821,822</u>
Total Net Position	<u>3,850,929</u>	<u>5,228,256</u>	<u>1,060,124</u>	<u>9,012,075</u>
Total Liabilities and Net Position	<u>\$ 4,441,386</u>	<u>\$ 5,356,601</u>	<u>\$ 1,145,435</u>	<u>\$ 13,380,331</u>

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Revenues
Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	Health & Benefits	Severance	Workers Compensation	Property Insurance
OPERATING REVENUE				
Charges for Services	\$ 5,349,532	\$ 116,314	\$ 736,095	\$ 641,454
Rental	-	-	-	-
Total Operating Revenues	5,349,532	116,314	736,095	641,454
OPERATING EXPENSE				
Personal Services	3,162,605	202,936	46,100	46,099
Supplies				
Supplies	-	-	-	-
Motor Fuel	-	-	-	-
Tires	-	-	-	-
Contractual Services				
Contractual Services	31,719	-	-	360
Insurance	2,241,032	-	696,000	595,253
Janitorial Services / Cleaning Supplies	-	-	-	-
LOGIS	-	-	-	-
Licenses, Permits, Taxes	-	-	-	-
Repairs and Maintenance	-	-	-	-
Utilities	-	-	-	-
Total Operating Expenses	5,435,356	202,936	742,100	641,712
Operating Income (Loss) Before Depreciation	(85,824)	(86,622)	(6,005)	(258)
Depreciation	-	-	-	-
Operating Income (Loss) Before Nonoperating Revenue / Expense	(85,824)	(86,622)	(6,005)	(258)
NONOPERATING REVENUE (EXPENSE)				
Grants	-	-	-	-
Investment Income	5,234	8,453	1,373	1,152
Gain/(Loss) on Disposition of Capital Assets	-	-	-	-
Miscellaneous	11,910	-	18,327	2,782
Total Nonoperating Revenues (Expenses)	17,144	8,453	19,700	3,934
Income (Loss) Before Contributions	(68,680)	(78,169)	13,695	3,676
Transfer In	-	-	-	-
Transfer Out	-	-	(155,000)	(145,000)
Change in Net Position	(68,680)	(78,169)	(141,305)	(141,324)
Net Position - Beginning	(688,314)	(524,111)	273,244	241,425
Net Position - Ending	\$ (756,994)	\$ (602,280)	\$ 131,939	\$ 100,101

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Revenues
Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	Facilities	Fleet	Information Technology	Total
OPERATING REVENUE				
Charges for Services	\$ 4,762,682	\$ 2,609,914	\$ 2,084,707	\$ 16,300,698
Rental	830,090	-	-	830,090
Total Operating Revenues	5,592,772	2,609,914	2,084,707	17,130,788
OPERATING EXPENSE				
Personal Services	981,970	462,373	562,152	5,464,235
Supplies				
Supplies	54,863	58,951	156,411	270,225
Motor Fuel	7,742	289,428	-	297,170
Tires	-	44,930	-	44,930
Contractual Services				
Contractual Services	1,878,800	7,592	172,319	2,090,790
Insurance	-	-	-	3,532,285
Janitorial Services / Cleaning Supplies	1,011,197	-	-	1,011,197
LOGIS	-	-	524,887	524,887
Licenses, Permits, Taxes	192,760	2,703	-	195,463
Repairs and Maintenance	262,609	333,409	567,201	1,163,219
Utilities	1,216,218	3,428	25,778	1,245,424
Total Operating Expenses	5,606,159	1,202,814	2,008,748	15,839,825
Operating Income (Loss) Before Depreciation	(13,387)	1,407,100	75,959	1,290,963
Depreciation	140,216	946,218	85,946	1,172,380
Operating Income (Loss) Before Nonoperating Revenue / Expense	(153,603)	460,882	(9,987)	118,583
NONOPERATING REVENUE (EXPENSE)				
Grants	24,860	-	-	24,860
Investment Income	18,811	14,914	2,529	52,466
Gain/(Loss) on Disposition of Capital Assets	-	136,513	-	136,513
Miscellaneous	27,090	30,063	937	91,109
Total Nonoperating Revenues (Expenses)	70,761	181,490	3,466	304,948
Income (Loss) Before Contributions	(82,842)	642,372	(6,521)	423,531
Transfer In	-	-	300,000	300,000
Transfer Out	-	-	-	(300,000)
Change in Net Position	(82,842)	642,372	293,479	423,531
Net Position - Beginning	3,933,771	4,585,884	766,645	8,588,544
Net Position - Ending	\$ 3,850,929	\$ 5,228,256	\$ 1,060,124	\$ 9,012,075

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	Health & Benefits	Severance	Workers Compensation	Property Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 5,346,104	\$ 116,314	\$ 736,095	\$ 638,672
Payments to Vendors	(2,280,056)	-	(645,381)	(605,671)
Payments to Employees	(3,011,666)	(162,777)	(45,829)	(45,828)
Other Receipts	11,910	-	18,327	2,782
Net Cash Provided (Used) By Operating Activities	66,292	(46,463)	63,212	(10,045)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	4,673	8,110	1,110	916
Net Cash Provided (Used) By Investing Activities	4,673	8,110	1,110	916
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	-	-	-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	(155,000)	(145,000)
Net Cash Provided (Used) By Noncapital Financing Activities	-	-	(155,000)	(145,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	-	-	-
Proceeds From Sale of Equipment	-	-	-	-
Net Cash Provided (Used) By Capital and Related Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	70,965	(38,353)	(90,678)	(154,129)
Cash and Cash Equivalents, January 1	749,553	1,349,182	168,716	185,688
Cash and Cash Equivalents, December 31	<u>\$ 820,518</u>	<u>\$ 1,310,829</u>	<u>\$ 78,038</u>	<u>\$ 31,559</u>

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	Facilities	Fleet	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 4,925,811	\$ 2,603,635	\$ 2,084,707	\$ 16,451,338
Payments to Vendors	(4,525,984)	(690,442)	(1,539,260)	(10,286,794)
Payments to Employees	(973,153)	(460,921)	(557,687)	(5,257,861)
Other Receipts	830,090	-	-	863,109
Net Cash Provided (Used) By Operating Activities	256,764	1,452,272	(12,240)	1,769,792
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	18,054	13,695	2,495	49,053
Net Cash Provided (Used) By Investing Activities	18,054	13,695	2,495	49,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	24,860	-	-	24,860
Transfers In	-	-	300,000	300,000
Transfers (Out)	-	-	-	(300,000)
Net Cash Provided (Used) By Noncapital Financing Activities	24,860	-	300,000	24,860
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(107,915)	(672,615)	-	(780,530)
Proceeds From Sale of Equipment	-	136,513	-	136,513
Net Cash Provided (Used) By Capital and Related Financing Activities	(107,915)	(536,102)	-	(644,017)
Net Increase (Decrease) in Cash and Cash Equivalents	191,763	929,865	290,255	1,199,688
Cash and Cash Equivalents, January 1	1,275,007	2,014,680	492,616	6,235,442
Cash and Cash Equivalents, December 31	\$ 1,466,770	\$ 2,944,545	\$ 782,871	\$ 7,435,130

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	Health & Benefits	Severance	Workers Compensation	Property Insurance
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (85,824)	\$ (86,622)	\$ (6,005)	\$ (258)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	-
Miscellaneous	11,910	-	18,327	2,782
(Increase) Decrease in Assets:				
Accounts Receivable	(3,428)	-	-	(2,782)
Due From Other Governments	(13)	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	5,484	4,898
Increase (Decrease) in Liabilities:				
Accounts Payable	(11,410)	-	45,135	(14,956)
Salaries Payable	-	-	180	180
Unearned Revenue	-	-	-	-
Due to Other Governments	4,118	-	-	-
Net Other Post Employment Benefits	150,939	-	91	91
Compensated Absences	-	40,159	-	-
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 66,292</u>	 <u>\$ (46,463)</u>	 <u>\$ 63,212</u>	 <u>\$ (10,045)</u>
 Noncash Investing, Capital and Financing Activities:				
Contribution of Capital Asset to Governmental Funds	\$ -	\$ -	\$ -	\$ -

	Facilities	Fleet	Information Technology	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (153,603)	\$ 460,882	\$ (9,987)	\$ 118,583
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	140,216	946,218	85,946	1,172,380
Miscellaneous	27,090	30,063	937	91,109
(Increase) Decrease in Assets:				
Accounts Receivable	113,938	(6,279)	-	101,449
Due From Other Governments	(24,860)	-	-	(24,873)
Inventory	-	4,779	-	4,779
Prepaid Items	150	-	(37,343)	(26,811)
Increase (Decrease) in Liabilities:				
Accounts Payable	95,825	15,612	(55,774)	74,432
Salaries Payable	3,333	3,158	2,224	9,075
Unearned Revenue	49,191	-	-	49,191
Due to Other Governments	-	(455)	(484)	3,179
Net Other Post Employment Benefits	5,484	(1,706)	2,241	157,140
Compensated Absences	-	-	-	40,159
Net Cash Provided (Used) by Operating Activities	<u>\$ 256,764</u>	<u>\$ 1,452,272</u>	<u>\$ (12,240)</u>	<u>\$ 1,769,792</u>
Noncash Investing, Capital and Financing Activities:				
Contribution of Capital Asset to Governmental Funds	\$ -	\$ -	\$ -	\$ -

City of Eden Prairie, Minnesota

Agency Funds

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, or other funds.

Escrow - This fund is used to account for various deposits (mainly contractor's deposits to guarantee payment of special assessments for water, sewer, streets and other improvements) required by the City. This fund is also used for accumulating donations and other contributions for specific purposes.

WAFTA - This fund accounts for the collection and remittance of expenses pertaining to the fire training facility owned by 11 member cities.

MCES - This fund accounts for the collection and remittance of sewer availability charges to the Metropolitan Council Environmental Services.

City of Eden Prairie, Minnesota
Agency Funds
Combining Statement of Fiduciary Net Position
December 31, 2016

	Escrow Fund	WAFTA	MCES	2016 Total
ASSETS				
Cash and Investments	\$ 1,634,474	\$ 192,545	\$ 12,425	\$ 1,839,444
Total Assets	<u>\$ 1,634,474</u>	<u>\$ 192,545</u>	<u>\$ 12,425</u>	<u>\$ 1,839,444</u>
LIABILITIES				
Accounts Payable	\$ 1,634,474	\$ 18	\$ -	\$ 1,634,492
Due to Other Governments	-	192,527	12,425	204,952
Total Liabilities	<u>\$ 1,634,474</u>	<u>\$ 192,545</u>	<u>\$ 12,425</u>	<u>\$ 1,839,444</u>

City of Eden Prairie, Minnesota
Agency Funds
Combining Statement of Changes in
Assets and Liabilities
For the Year Ended December 31, 2016

	Balance January 1 2016	Additions	Deductions	Balance December 31 2016
Escrow				
Assets				
Cash and Investments	\$ 1,032,405	\$ 1,168,902	\$ 566,833	\$ 1,634,474
Accounts Receivable	-	33,215	33,215	-
Total Assets	<u>\$ 1,032,405</u>	<u>\$ 1,202,117</u>	<u>\$ 600,048</u>	<u>\$ 1,634,474</u>
Liabilities				
Accounts Payable	\$ 1,032,342	\$ 1,685,826	\$ 1,083,694	\$ 1,634,474
Due to Other Governments	63	-	63	-
Total Liabilities	<u>\$ 1,032,405</u>	<u>\$ 1,685,826</u>	<u>\$ 1,083,757</u>	<u>\$ 1,634,474</u>
WAFTA				
Assets				
Cash and Investments	\$ 171,139	\$ 23,440	\$ 2,034	\$ 192,545
Accounts Receivable	-	22,000	22,000	-
Total Assets	<u>\$ 171,139</u>	<u>\$ 45,440</u>	<u>\$ 24,034</u>	<u>\$ 192,545</u>
Liabilities				
Accounts Payable	\$ -	\$ 2,052	\$ 2,034	\$ 18
Due to Other Governments	171,139	23,440	2,052	192,527
Total Liabilities	<u>\$ 171,139</u>	<u>\$ 25,492</u>	<u>\$ 4,086</u>	<u>\$ 192,545</u>
MCES				
Assets				
Cash and Investments	\$ 47,215	\$ 310,625	\$ 345,415	\$ 12,425
Total Assets	<u>\$ 47,215</u>	<u>\$ 310,625</u>	<u>\$ 345,415</u>	<u>\$ 12,425</u>
Liabilities				
Due to Other Governments	\$ 47,215	\$ 693,315	\$ 728,105	\$ 12,425
Total Liabilities	<u>\$ 47,215</u>	<u>\$ 693,315</u>	<u>\$ 728,105</u>	<u>\$ 12,425</u>
Totals-All Agency Funds				
Assets				
Cash and Investments	\$ 1,250,759	\$ 1,502,967	\$ 914,282	\$ 1,839,444
Accounts Receivable	-	33,215	33,215	-
Total Assets	<u>\$ 1,250,759</u>	<u>\$ 1,536,182</u>	<u>\$ 947,497</u>	<u>\$ 1,839,444</u>
Liabilities				
Accounts Payable	\$ 1,032,342	\$ 1,687,878	\$ 1,085,728	\$ 1,634,492
Due to Other Governments	218,417	716,755	730,220	204,952
Total Liabilities	<u>\$ 1,250,759</u>	<u>\$ 2,404,633</u>	<u>\$ 1,815,948</u>	<u>\$ 1,839,444</u>

STATISTICAL SECTION

City of Eden Prairie, Minnesota
Statistical Section
(Unaudited)

This part of the City of Eden Prairie’s comprehensive annual financial report presents detailed information as a context for understanding this year’s financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

Contents	<u>Page</u>
Financial Trends	157-162
These tables contain trend information that may assist the reader in assessing the City’s current financial performance by placing it in historical perspective.	
Revenue Capacity	163-166
These tables contain information that may assist the reader in assessing the viability of the City’s most significant “own-source” revenue, the property tax.	
Debt Capacity	167-170
These tables present information that may assist the reader in analyzing the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	171-179
These tables offer economic and demographic indicators that are commonly used for financial analysis and that can increase one’s understanding of the City’s present and ongoing financial status.	
Operating Information	180-181
These tables contain service and infrastructure indicators that can increase one’s understanding of how the information in the City’s financial statements relates to the services the City provides and the activities it performs.	

Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

City of Eden Prairie, Minnesota

Government-wide Net Position by Category (accrual basis of accounting)

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 155,494,482	\$ 162,522,110	\$ 165,578,857	\$ 169,874,219	\$ 178,022,468	\$ 182,115,707	\$ 177,981,232	\$ 181,975,764	\$ 189,217,647	\$ 191,675,648
Restricted	6,090,520	6,231,872	9,470,494	8,882,954	9,190,791	7,324,699	6,175,774	13,773,554	23,112,719	26,405,621
Unrestricted	53,052,529	56,235,986	49,907,035	50,954,497	48,843,723	55,746,593	57,276,140	60,341,383	31,911,221	21,694,457
Governmental Activities Net Position	214,637,531	224,989,968	224,956,386	229,711,670	236,056,982	245,186,999	241,433,146	256,090,701	244,241,587	239,775,726
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	142,849,627	143,504,412	142,093,191	138,307,152	138,397,769	134,140,863	132,801,426	131,144,305	128,130,738	125,479,624
Unrestricted	9,249,768	7,050,651	6,301,188	5,224,848	9,452,826	12,357,974	15,634,317	14,438,525	14,792,266	16,155,406
Business-Type Activities Net Position	152,099,395	150,555,063	148,394,379	143,532,000	147,850,595	146,498,837	148,435,743	145,582,830	142,923,004	141,635,030
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	298,344,109	306,026,522	307,672,048	308,181,371	316,420,237	316,256,570	310,782,658	313,120,069	317,348,385	317,155,272
Restricted	6,090,520	6,231,872	9,470,494	8,882,954	9,190,791	7,324,699	6,175,774	13,773,554	23,112,719	26,405,621
Unrestricted	62,302,297	63,286,637	56,208,223	56,179,345	58,296,549	68,104,567	72,910,457	74,759,133	46,703,487	37,849,863
Primary Government Net Position	\$ 366,736,926	\$ 375,545,031	\$ 373,350,765	\$ 373,243,670	\$ 383,907,577	\$ 391,685,836	\$ 389,868,889	\$ 401,652,756	\$ 387,164,591	\$ 381,410,756

City of Eden Prairie, Minnesota

Changes in Net Position-Total (accrual basis of accounting)

Last Ten Years

Source	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental Activities	\$ 41,926,473	\$ 45,881,058	\$ 47,397,022	\$ 45,701,477	\$ 45,294,566	\$ 49,206,494	\$ 58,843,210	\$ 57,169,862	\$ 65,402,641	\$ 63,294,429
Business-type Activities	24,768,351	25,265,911	25,599,664	26,739,072	27,530,501	29,553,823	29,692,124	29,820,423	27,924,045	30,170,309
Total Expenses	66,694,824	71,146,969	72,996,686	72,440,549	72,825,067	78,760,317	88,535,334	86,990,285	93,326,686	93,464,738
PROGRAM REVENUES										
Governmental Activities	15,020,071	16,270,317	12,361,210	13,032,144	14,786,027	20,610,978	16,622,065	33,865,654	31,911,922	18,955,697
Business-type Activities	25,894,561	23,669,165	24,115,894	23,654,183	25,863,662	29,336,671	32,870,365	28,335,144	27,330,069	29,392,647
Total Program Revenues	40,914,632	39,939,482	36,477,104	36,686,327	40,649,689	49,947,649	49,492,430	62,200,798	59,241,991	48,348,344
Net (Expense) Revenue	(25,780,192)	(31,207,487)	(36,519,582)	(35,754,222)	(32,175,378)	(28,812,668)	(39,042,904)	(24,789,487)	(34,084,695)	(45,116,394)
GENERAL REVENUES AND TRANSFERS										
Governmental Activities	38,069,768	39,963,178	35,002,230	37,424,617	36,853,851	37,725,533	38,467,292	37,961,763	37,694,597	39,872,871
Business-type Activities	(474,614)	52,414	(676,914)	(1,777,490)	(1,230,687)	(1,134,606)	(1,241,335)	(1,367,634)	336,534	(510,312)
Total General Revenues and Transfers	37,595,154	40,015,592	34,325,316	35,647,127	35,623,164	36,590,927	37,225,957	36,594,129	38,031,131	39,362,559
Change in Net Position	\$ 11,814,962	\$ 8,808,105	\$ (2,194,266)	\$ (107,095)	\$ 3,447,786	\$ 7,778,259	\$ (1,816,947)	\$ 11,804,642	\$ 3,946,436	\$ (5,753,835)

City of Eden Prairie, Minnesota

Changes in Net Position-Governmental Activities (accrual basis of accounting)

Last Ten Years

SOURCES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
General Government	\$ 14,424,872	\$ 15,308,258	\$ 9,506,104	\$ 9,183,334	\$ 9,263,991	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	-	-	-	-	-	4,008,338	5,854,425	4,921,044	5,579,070	5,003,957
Community Development	-	-	-	-	-	6,251,288	5,678,694	5,368,762	7,730,338	5,692,215
Public Safety	13,883,325	15,808,506	19,346,668	17,985,648	17,538,536	-	-	-	-	-
Police	-	-	-	-	-	12,413,470	12,846,206	13,534,150	14,118,565	17,793,494
Fire	-	-	-	-	-	5,646,926	5,724,342	6,093,772	6,324,124	7,542,196
Public Works	5,960,154	7,048,819	8,128,507	7,522,749	7,665,875	8,226,283	16,288,862	13,321,459	17,652,163	11,035,229
Parks and Recreation	6,087,328	6,212,450	8,606,431	9,769,235	9,617,076	10,815,390	11,113,811	12,947,006	12,862,402	15,133,618
Interest on Long Term Debt	1,570,794	1,503,025	1,809,312	1,240,511	1,209,088	1,844,799	1,336,870	983,669	1,135,979	1,093,720
Total Expenses	41,926,473	45,881,058	47,397,022	45,701,477	45,294,566	49,206,494	58,843,210	57,169,862	65,402,641	63,294,429
PROGRAM REVENUES										
Charges for Services										
General Government	2,573,708	2,506,269	948,287	958,005	966,931	-	-	-	-	-
Administration	-	-	-	-	-	1,695,035	1,176,919	1,314,271	1,132,606	1,442,068
Community Development	-	-	-	-	-	154,858	122,263	73,929	93,195	152,708
Public Safety	3,349,520	3,005,158	2,351,256	3,135,082	3,264,191	-	-	-	-	-
Police	-	-	-	-	-	1,338,079	1,223,836	1,130,020	1,063,129	1,131,502
Fire	-	-	-	-	-	3,450,431	4,236,114	3,502,952	2,571,830	2,315,725
Public Works	390,731	443,640	210,606	230,390	322,561	518,365	497,720	411,144	975,701	330,709
Parks and Recreation	3,050,852	3,470,985	3,774,815	4,285,057	4,327,323	4,759,919	5,005,917	5,187,195	5,229,060	5,513,331
Interest on Long Term Debt	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	1,558,981	2,002,207	1,735,599	1,320,014	1,435,321	1,567,265	1,459,859	1,741,945	1,818,333	1,614,263
Capital Grants and Contributions	4,096,279	4,842,058	3,340,647	3,103,596	4,469,700	7,127,026	2,899,437	20,504,198	19,028,068	6,455,391
Total Program Revenues	15,020,071	16,270,317	12,361,210	13,032,144	14,786,027	20,610,978	16,622,065	33,865,654	31,911,922	18,955,697
Net (Expense) Revenue	(26,906,402)	(29,610,741)	(35,035,812)	(32,669,333)	(30,508,539)	(28,595,516)	(42,221,145)	(23,304,208)	(33,490,719)	(44,338,732)
GENERAL REVENUES AND TRANSFERS										
Taxes										
Property Taxes	31,222,834	31,907,308	31,687,277	31,527,570	31,310,140	32,144,443	32,674,010	32,781,740	33,708,909	34,217,549
Tax Increment	2,689,433	3,034,260	3,250,611	3,450,291	3,139,080	3,353,556	3,535,459	3,070,936	3,249,355	3,357,247
Gain (Loss) on Sale of Capital Assets	-	2,883,897	(1,505,613)	-	121,916	33,848	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	225,295	195,478	206,907	229,510	752,907	836,646	862,288	483,914	741,828	1,268,257
Investment Income	3,049,185	1,751,418	672,822	427,377	259,808	186,676	137,890	210,373	272,989	418,849
Transfers	883,021	190,817	690,226	1,789,869	1,270,000	1,170,364	1,257,645	1,414,800	(278,484)	610,969
Total General Revenues and Transfers	38,069,768	39,963,178	35,002,230	37,424,617	36,853,851	37,725,533	38,467,292	37,961,763	37,694,597	39,872,871
Change in Net Position	\$ 11,163,366	\$ 10,352,437	\$ (33,582)	\$ 4,755,284	\$ 6,345,312	\$ 9,130,017	\$ (3,753,853)	\$ 14,657,555	\$ 4,203,878	\$ (4,465,861)

City of Eden Prairie, Minnesota

Changes in Net Position-Business-type Activities (accrual basis of accounting)

Last Ten Years

SOURCE	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Water / Sewer	\$ 13,161,533	\$ 13,418,071	\$ 13,462,844	\$ 14,035,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	-	-	-	-	8,162,292	9,570,579	9,564,793	9,856,001	8,905,768	10,526,151
Wastewater	-	-	-	-	6,671,324	6,685,442	6,532,297	6,403,264	6,565,966	7,407,149
Stormwater	1,986,557	1,725,629	1,523,876	1,983,337	1,915,249	2,051,178	2,420,535	2,545,818	2,082,594	1,793,588
Liquor	9,620,261	10,122,211	10,612,944	10,719,819	10,781,636	11,246,624	11,174,499	11,015,340	10,369,717	10,443,421
Total Expenses	24,768,351	25,265,911	25,599,664	26,739,072	27,530,501	29,553,823	29,692,124	29,820,423	27,924,045	30,170,309
PROGRAM REVENUES										
Charges for Services										
Water / Sewer	11,553,501	11,551,147	11,487,634	11,103,035	-	-	-	-	-	-
Water	-	-	-	-	7,743,061	9,920,853	9,659,385	7,315,328	7,162,740	7,675,337
Wastewater	-	-	-	-	4,926,624	5,654,186	6,265,514	5,566,951	5,661,990	5,789,584
Stormwater	614,590	818,987	910,568	831,731	1,054,077	1,327,159	1,499,405	1,656,817	1,933,572	2,095,629
Liquor	10,741,799	11,299,031	11,717,692	11,687,919	11,724,900	12,381,069	12,404,920	12,216,404	11,312,822	10,747,887
Operating Grants and Contributions	-	-	-	31,498	-	-	-	131,600	133,195	155,041
Capital Grants and Contributions	2,984,671	-	-	-	415,000	53,404	3,041,141	1,448,044	1,125,750	2,929,169
Total Program Revenues	25,894,561	23,669,165	24,115,894	23,654,183	25,863,662	29,336,671	32,870,365	28,335,144	27,330,069	29,392,647
Net (Expense) Revenue	1,126,210	(1,596,746)	(1,483,770)	(3,084,889)	(1,666,839)	(217,152)	3,178,241	(1,485,279)	(593,976)	(777,662)
GENERAL REVENUES AND TRANSFERS										
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	4,016	-	-	-	-	-
Investment Income	408,407	243,231	13,312	12,379	35,297	35,758	16,310	47,166	58,050	100,657
Transfers	(883,021)	(190,817)	(690,226)	(1,789,869)	(1,270,000)	(1,170,364)	(1,257,645)	(1,414,800)	278,484	(610,969)
Total General Revenues and Transfers	(474,614)	52,414	(676,914)	(1,777,490)	(1,230,687)	(1,134,606)	(1,241,335)	(1,367,634)	336,534	(510,312)
Change in Net Position	\$ 651,596	\$ (1,544,332)	\$ (2,160,684)	\$ (4,862,379)	\$ (2,897,526)	\$ (1,351,758)	\$ 1,936,906	\$ (2,852,913)	\$ (257,442)	\$ (1,287,974)

Prior to 2011, Water and Sewer were combined.

City of Eden Prairie, Minnesota

Fund Balances-Governmental Funds

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
Reserved	\$ 253,954	\$ 138,507	\$ 55,864	\$ 66,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,392,450	20,292,813	20,535,345	20,877,251	-	-	-	-	-	-
Nonspendable	-	-	-	-	18,266	52,190	24,702	39,844	22,947	35,792
Restricted	-	-	-	-	-	-	-	-	-	286,942
Unassigned	-	-	-	-	21,162,123	21,069,050	21,509,541	22,292,187	22,859,810	23,171,318
Subtotal General Fund	19,646,404	20,431,320	20,591,209	20,943,489	21,180,389	21,121,240	21,534,243	22,332,031	22,882,757	23,494,052
General Fund % Change	2.4%	4.0%	0.8%	1.7%	1.1%	(0.3%)	2.0%	3.7%	2.5%	2.7%
ALL OTHER GOV'T FUNDS										
Reserved	6,314,553	159,698	141,011	118,186	-	-	-	-	-	-
Unreserved										
Special Revenue	587,431	516,296	556,462	548,831	-	-	-	-	-	-
Debt Service	(1,162)	6,352,188	5,084,425	4,383,750	-	-	-	-	-	-
Capital Projects	18,556,887	18,912,365	18,890,716	19,775,005	-	-	-	-	-	-
Permanent	139,965	142,094	143,045	140,584	-	-	-	-	-	-
Nonspendable	-	-	-	-	812,151	537,530	538,620	542,619	1,938,628	250,970
Restricted	-	-	-	-	15,261,699	22,281,089	20,876,780	23,065,276	10,891,614	11,676,546
Assigned	-	-	-	-	17,951,086	34,326,050	28,275,391	28,510,594	22,935,181	19,799,434
Unassigned	-	-	-	-	(3,687,585)	(4,308,281)	(3,859,192)	(6,295,915)	(6,572,969)	(5,110,657)
Subtotal All Other Govt' Funds	25,597,674	26,082,641	24,815,659	24,966,356	30,337,351	52,836,388	45,831,599	45,822,574	29,192,454	26,616,293
TOTAL GOV'T FUNDS										
Reserved	6,568,507	298,205	196,875	184,424	-	-	-	-	-	-
Unreserved	38,675,571	46,215,756	45,209,993	45,725,421	-	-	-	-	-	-
Nonspendable	-	-	-	-	830,417	589,720	563,322	582,463	1,961,575	286,762
Restricted	-	-	-	-	15,261,699	22,281,089	20,876,780	23,065,276	10,891,614	11,963,488
Assigned	-	-	-	-	17,951,086	34,326,050	28,275,391	28,510,594	22,935,181	19,799,434
Unassigned	-	-	-	-	17,474,538	16,760,769	17,650,349	15,996,272	16,286,841	18,060,661
Total Govt' Funds	\$ 45,244,078	\$ 46,513,961	\$ 45,406,868	\$ 45,909,845	\$ 51,517,740	\$ 73,957,628	\$ 67,365,842	\$ 68,154,605	\$ 52,075,211	\$ 50,110,345
All Govt' Funds % Change	(21.9%)	2.8%	(2.4%)	1.1%	12.2%	43.6%	(8.9%)	1.2%	(23.6%)	(3.8%)

GASB 54 was implemented in 2011

City of Eden Prairie, Minnesota

Changes in Fund Balances-Governmental Funds (modified accrual basis of accounting)

Last Ten Years

SOURCE	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes and Special Assessments	\$ 35,309,781	\$ 36,036,370	\$ 36,547,460	\$ 36,494,481	\$ 35,876,027	\$ 37,518,214	\$ 38,119,497	\$ 37,189,846	\$ 44,259,324	\$ 41,169,891
Licenses and Permits	3,414,545	3,318,249	2,386,956	3,119,449	3,363,293	5,631,529	7,956,114	7,084,975	6,686,477	6,017,523
Intergovernmental Revenue	3,064,142	4,332,864	4,114,295	2,437,441	5,215,943	7,368,558	1,886,954	8,582,993	6,299,840	2,362,417
Charges for Services	2,881,485	4,106,763	3,506,697	3,919,848	4,202,734	4,394,544	4,532,269	4,841,857	4,864,818	5,325,932
Fines and Forfeits	433,369	384,509	444,979	496,449	557,512	603,126	420,552	406,210	344,384	346,823
Investment Income	3,101,558	1,811,199	638,483	406,281	224,379	195,657	140,303	216,895	276,176	417,997
Miscellaneous Revenue	4,597,037	2,386,186	1,556,312	1,609,244	1,488,991	2,469,125	2,265,545	1,647,534	7,098,463	3,249,117
Total Revenues	52,801,917	52,376,140	49,195,182	48,483,193	50,928,879	\$ 58,180,753	55,321,234	59,970,310	69,829,482	58,889,700
EXPENDITURES										
General Government	13,579,878	14,236,199	9,152,896	8,726,894	8,768,528	-	-	-	-	-
Administration	-	-	-	-	-	3,634,743	3,634,004	3,946,531	3,809,732	4,280,665
Community Development	-	-	-	-	-	6,228,446	5,661,300	5,224,034	7,666,282	5,536,030
Public Safety	12,252,120	14,712,895	16,175,725	16,789,050	16,822,991	-	-	-	-	-
Police	-	-	-	-	-	12,362,179	12,696,678	13,079,303	13,704,796	13,917,677
Fire	-	-	-	-	-	5,190,539	5,300,536	5,664,111	5,754,747	5,699,308
Public Works	5,867,387	5,368,645	5,541,838	5,277,652	5,278,935	5,448,793	5,685,295	5,915,849	5,869,727	5,929,171
Parks and Recreation	4,969,495	6,106,885	8,671,355	8,874,758	8,790,806	9,591,618	9,949,401	10,255,620	10,571,858	11,008,845
Capital Outlay	25,478,947	13,517,922	8,188,289	5,919,859	8,696,679	8,558,743	13,946,660	21,000,674	31,265,363	15,133,476
Miscellaneous	275,397	210,039	130,251	42,967	17,256	29,641	7,996	25,547	39,283	49,954
Debt Service										
Principal	3,608,823	3,887,918	4,308,577	3,910,749	4,077,751	4,415,603	3,182,019	3,178,107	3,974,224	3,415,369
Interest	1,486,112	1,448,514	1,588,937	1,361,443	1,250,401	1,194,117	1,480,194	1,127,862	1,304,947	1,148,544
Other	38,908	55,872	118,782	44,075	96,169	249,671	8,937	144,530	22,517	66,043
Total Expenditures	67,557,067	59,544,889	53,876,650	50,947,447	53,799,516	56,904,093	61,553,020	69,562,168	83,983,476	66,185,082
Excess of Revenues Over (Under) Expenditures	(14,755,150)	(7,168,749)	(4,681,468)	(2,464,254)	(2,870,637)	1,276,660	(6,231,786)	(9,591,858)	(14,153,994)	(7,295,382)
Other Financing Sources (Uses)	2,960,721	8,438,632	3,574,375	2,967,231	8,478,532	21,163,228	(360,000)	10,380,621	(1,925,400)	5,330,516
Net Change in Fund Balance	\$ (11,794,429)	\$ 1,269,883	\$ (1,107,093)	\$ 502,977	\$ 5,607,895	\$ 22,439,888	\$ (6,591,786)	\$ 788,763	\$ (16,079,394)	\$ (1,964,866)
Debt Service as a % of Noncapital Expenditures	11.6%	11.2%	12.3%	11.1%	11.5%	11.0%	8.0%	7.5%	7.9%	8.1%

Prior to 2012 General Government included Administration and Community Development; Public Safety included Police and Fire.

City of Eden Prairie, Minnesota

Assessed/Tax Capacity Value and Estimated Market Value of Property

Last Ten Years

Tax Capacity												
Tax Payable Dec. 31	Personal Property	Residential	Apartments	Commercial & Industrial	Farm & Other	Tax Capacity Before Deductions	Less: Fiscal Disparities	Less: Tax Increment	Total Assessed Value	Total Direct Tax Rate	Estimated Market Value	Annual % Change
2007	1,316,149	71,553,209	6,443,883	35,401,780	1,005,179	115,720,200	12,573,128	2,804,557	100,342,515	28.050	9,439,037,100	9.8%
2008	1,282,145	76,169,571	6,657,437	39,973,888	53,761	124,136,802	14,480,546	3,145,493	106,510,763	27.177	9,961,912,400	5.5%
2009	1,262,207	76,242,150	6,418,903	41,524,663	58,691	125,506,614	16,186,185	3,239,713	106,080,716	27.271	10,019,575,800	0.6%
2010	1,250,594	72,344,688	5,912,957	40,911,206	63,679	120,483,124	16,806,832	3,274,193	100,402,099	28.742	9,577,402,500	(4.4%)
2011	1,329,101	67,232,552	5,459,256	37,490,576	59,884	111,571,369	16,432,584	2,863,585	92,275,200	31.239	8,899,287,500	(7.1%)
2012	1,358,537	62,647,985	5,522,804	36,820,370	62,140	106,411,836	15,040,117	2,860,791	88,510,928	33.250	8,647,405,200	(2.8%)
2013	1,480,936	59,466,380	5,959,818	36,840,974	51,531	103,799,639	14,637,037	2,990,202	86,172,400	34.617	8,483,358,400	(1.9%)
2014	1,536,795	59,699,056	6,723,391	37,928,219	75,620	105,963,081	14,732,733	3,137,785	88,092,563	34.709	8,627,122,700	1.7%
2015	1,581,718	63,907,631	7,045,373	38,765,135	49,597	111,349,454	15,719,259	2,933,721	92,696,474	33.954	9,078,339,200	5.2%
2016	1,659,596	68,205,510	7,667,144	40,928,173	45,052	118,505,475	15,104,618	3,126,571	100,274,286	32.327	9,633,243,700	6.1%
Percentages												
2007	1.1%	61.8%	5.6%	30.6%	0.9%		12.5%	2.8%				
2008	1.0%	61.4%	5.4%	32.2%	0.0%		13.6%	3.0%				
2009	1.0%	60.7%	5.1%	33.1%	0.0%		15.3%	3.1%				
2010	1.0%	60.0%	4.9%	34.0%	0.1%		16.7%	3.3%				
2011	1.2%	60.3%	4.9%	33.6%	0.1%		17.8%	3.1%				
2012	1.3%	58.9%	5.2%	34.6%	0.1%		17.0%	3.2%				
2013	1.4%	57.3%	5.7%	35.5%	0.0%		17.0%	3.5%				
2014	1.5%	56.3%	6.3%	35.8%	0.1%		16.7%	3.6%				
2015	1.4%	57.4%	6.3%	34.8%	0.0%		17.0%	3.2%				
2016	1.4%	57.6%	6.5%	34.5%	0.0%		15.1%	3.1%				

Source: City Assessing Department and Hennepin County

City of Eden Prairie, Minnesota

Direct and Overlapping Property Tax Rate

Last Ten Years

Tax Capacity Rates

Year Ended Dec. 31	Direct Rates			Overlapping Rates							
	City Rate	HRA Rate	Total City Rate	Hennepin County	Special Districts (1)	School District #270	School District #272	School District #276	Watershed District #1	Watershed District #2	Watershed District #4
2007	27.861	0.189	28.050	39.110	7.480	19.019	23.727	24.793	1.107	0.291	0.743
2008	26.998	0.179	27.177	38.571	7.397	19.218	23.425	17.980	1.149	0.432	1.302
2009	27.092	0.179	27.271	40.413	7.154	20.080	24.691	17.186	1.246	0.936	1.246
2010	28.553	0.189	28.742	42.640	8.138	23.050	25.959	18.657	1.293	0.520	1.279
2011	31.034	0.205	31.239	45.840	9.172	26.456	28.420	21.274	1.317	0.264	1.352
2012	33.036	0.214	33.250	48.231	9.523	29.270	29.292	23.015	1.388	0.445	1.387
2013	34.397	0.220	34.617	49.461	10.089	29.730	29.067	24.487	1.394	0.634	1.561
2014	34.493	0.216	34.709	49.959	10.561	32.358	27.817	24.374	1.490	0.759	1.880
2015	33.749	0.205	33.954	46.398	9.785	30.340	22.030	25.093	1.315	0.686	1.855
2016	32.137	0.190	32.327	45.356	9.530	28.514	20.948	22.887	1.233	0.598	1.745

Market Value Rates

Year Ended Dec. 31	City Direct Rate	Overlapping Rates		
		School District #270	School District #272	School District #276
2007	0.0183	0.141	0.156	0.165
2008	0.0172	0.138	0.146	0.203
2009	0.0171	0.130	0.145	0.202
2010	0.0173	0.139	0.157	0.202
2011	0.0187	0.148	0.162	0.226
2012	0.0155	0.160	0.158	0.225
2013	0.0146	0.162	0.165	0.246
2014	0.0122	0.197	0.167	0.270
2015	0.0100	0.179	0.244	0.264
2016	0.0091	0.187	0.231	0.301

(1) Special Districts include Metropolitan Council, Regional Transit Board, Metropolitan Mosquito Control, County Park Museum, & Hennepin Suburban Parks

City of Eden Prairie, Minnesota
Principal Property Taxpayers
For the Year Ended December 31, 2016 and 2007

Taxpayer	2016		Taxpayer	2007	
	Tax Capacity	Percentage of Total Tax Capacity		Tax Capacity	Percentage of Total Tax Capacity
United Healthcare Serv Inc	\$ 3,333,400	2.8%	Liberty Property Ltd Partnership	\$ 2,548,370	2.2%
CAPREF Eden Prairie, LLC (Eden Prairie Mall)	2,046,250	1.7%	Eden Prairie Mall, LLC	2,186,660	1.9%
WPT Land 2 LP	1,085,040	0.9%	ADC Telecommunications, Inc	1,066,450	0.9%
Liberty Property Limited Partnership	909,810	0.8%	First Industrial LP	999,245	0.9%
AGNL Health	833,070	0.7%	Lifetouch, Inc.	786,940	0.7%
PRIT core Reality Holdings LLC	826,801	0.7%	United Healthcare Service Inc.	670,109	0.6%
OSWX Property LLC	673,570	0.6%	Kraus-Anderson, Inc	616,540	0.5%
Lifetouch Inc.	621,302	0.5%	Gelco Corp.	567,090	0.5%
Gelco Corp.	555,700	0.5%	IRET Properties	527,446	0.5%
Windsor Plaza LLC	536,298	0.5%	Well-Prop (Multi) LLC	525,420	0.5%
Total Principal Taxpayers	11,421,241	9.6%		10,494,270	9.1%
All Other Taxpayers	107,084,234	90.4%		105,225,930	90.9%
Total	\$ 118,505,475	100.0%		\$ 115,720,200	100.0%

Source: City of Eden Prairie Assessing Department

City of Eden Prairie, Minnesota
 Property Tax Levies and Collections
 Last Ten Years

Year Ended Dec. 31	Taxes Levied	Collected Within the Current Year Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2007	\$ 30,657,304	\$ 30,422,094	99.23%	\$ 235,210	\$ 30,657,304	100.00%
2008	31,514,657	31,263,472	99.20%	251,185	31,514,657	100.00%
2009	31,773,143	31,278,850	98.44%	396,329	31,675,179	99.69%
2010	31,719,631	31,299,275	98.67%	(76,994)	31,222,281	98.43%
2011	31,719,631	31,355,647	98.85%	(12,043)	31,343,604	98.81%
2012	32,458,990	32,193,272	99.18%	(66,890)	32,126,382	98.98%
2013	32,749,320	32,519,542	99.30%	(109,990)	32,409,552	98.96%
2014	33,220,111	32,881,280	98.98%	(106,390)	32,774,890	98.66%
2015	33,992,311	33,675,337	99.07%	(80,547)	33,594,790	98.83%
2016	34,860,874	34,512,035	99.00%	-	34,512,035	99.00%

Source: Hennepin County

City of Eden Prairie, Minnesota

Legal Debt Margin

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Estimated Market Value	\$ 9,439,037,100	\$ 9,961,912,400	\$ 10,019,575,800	\$ 9,577,402,500	\$ 8,899,287,500	\$ 8,647,405,200	\$ 8,483,358,400	\$ 8,627,122,700	\$ 9,078,339,200	\$ 9,633,243,700
Legal Debt Margin:										
Debt Limit: 3% of Market Value (1)	188,780,742	298,857,372	300,587,274	287,322,075	266,978,625	259,422,156	254,500,752	258,813,681	272,350,176	288,997,311
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	21,880,492	23,362,852	25,475,910	23,222,670	25,866,940	31,874,239	29,464,744	17,906,759	13,499,232	12,036,705
Tax Abatement Bonds	-	-	-	-	-	-	-	17,598,269	17,575,537	17,552,806
Deductions:										
Amt Available for Repayment of Bonds (2)	1,585,677	1,825,816	4,998,653	4,819,457	6,013,879	4,207,601	2,650,363	1,715,750	2,032,109	2,303,895
Total Debt Applicable to Limit	20,294,815	21,537,036	20,477,257	18,403,213	19,853,061	27,666,638	26,814,381	33,789,278	29,042,660	27,285,616
Legal Debt Margin	\$ 168,485,927	\$ 277,320,336	\$ 280,110,017	\$ 268,918,862	247,125,564	231,755,518	227,686,371	225,024,403	243,307,516	261,711,695
As a % of Debt Limit	89.2%	92.8%	93.2%	93.6%	92.6%	89.3%	89.5%	86.9%	89.3%	90.6%

1- In 2008 Debt Limit was changed from 2% to 3%

2 - Amt Available for Repayment of Bonds only includes "Restricted Debt" of General Obligation and Tax Abatement Bonds

City of Eden Prairie, Minnesota

Ratios of Outstanding Debt by Type

Last Ten Years

Year Ended Dec. 31	Governmental Activities						Business-Type Activities			Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Tax Abatement Bonds	Total General Bonded Debt	Lease Revenue Bonds	Special Assessments Improvement Bonds	Capital Lease	Total Govt' Bonds	Revenue Bonds	Total		
2007	\$ 21,880,492	\$ -	\$ 21,880,492	\$ 8,790,000	\$ 6,722,485	\$ 115,918	\$ 37,508,895	\$ 2,880,400	\$ 40,389,295	*	619
2008	23,362,852	-	23,362,852	7,695,000	7,528,073	123,076	38,709,001	-	38,709,001	*	618
2009	25,475,910	-	25,475,910	4,885,162	6,362,675	83,500	36,807,247	-	36,807,247	*	581
2010	23,222,670	-	23,222,670	3,815,884	6,981,020	42,751	34,062,325	-	34,062,325	*	543
2011	25,866,940	-	25,866,940	2,686,606	8,143,367	-	36,696,913	4,271,215	40,968,128	*	670
2012	31,874,239	-	31,874,239	1,425,000	18,137,531	174,719	51,611,489	3,829,969	55,441,458	*	894
2013	29,464,744	-	29,464,744	1,360,000	15,658,107	132,700	46,615,551	3,383,723	49,999,274	*	806
2014	17,906,759	17,598,269	35,505,028	1,290,000	14,834,596	89,593	51,719,217	2,927,476	54,646,693	*	871
2015	13,499,232	17,575,537	31,074,769	1,220,000	12,289,647	45,369	44,629,785	2,466,230	47,096,015	*	752
2016	12,036,705	17,552,806	29,589,511	1,145,000	12,799,455	286,942	43,820,908	3,631,427	47,452,335	*	751

(1) See Demographic and Economic Statistics for personal income

(2) See Demographic and Economic Statistics for population

* Information is not available

City of Eden Prairie, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year Ended Dec. 31	General Obligation Debt (1)	Tax Abatement Bonds	Total General Bonded Debt	Less Amounts Available in Debt Service Fund	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Market Value (2)	Per Capita (3)
2007	\$ 21,880,492	\$ -	\$ 21,880,492	\$ 1,585,677	\$ 20,294,815	0.22%	311
2008	23,362,852	-	23,362,852	1,825,816	21,537,036	0.23%	344
2009	25,475,910	-	25,475,910	4,998,653	20,477,257	0.20%	323
2010	23,222,670	-	23,222,670	4,819,457	18,403,213	0.19%	294
2011	25,866,940	-	25,866,940	6,013,879	19,853,061	0.22%	325
2012	31,874,239	-	31,874,239	4,207,601	27,666,638	0.32%	446
2013	29,464,744	-	29,464,744	2,650,363	26,814,381	0.32%	432
2014	17,906,759	17,598,269	35,505,028	1,715,750	33,789,278	0.39%	539
2015	13,499,232	17,575,537	31,074,769	2,032,109	29,042,660	0.32%	464
2016	12,036,705	17,552,806	29,589,511	2,303,895	27,285,616	0.30%	432

- (1) Amount Does not Include Special Assessment Improvement or Revenue Bonds.
(2) See "Taxable Assessed Value and Estimated Actual Value of Property" for Market Value
(3) See Demographic and Economic Statistics for Population

City of Eden Prairie, Minnesota
 Computation of Direct and Overlapping Bonded Debt
 December 31, 2016

Governmental Unit	Debt Outstanding	Percent of Debt Applicable to City (1)	Net Debt Applicable to City
Direct Debt:			
City of Eden Prairie	\$ 47,452,335	100.00%	\$ 47,452,335
Overlapping Debt:			
Hopkins ISD 270	\$ 135,244,990	5.64%	\$ 7,627,817
Eden Prairie ISD 272	53,008,080	97.67%	51,772,992
Mnettonka ISD 276	128,481,542	2.55%	3,276,279
Hennepin County	811,375,883	6.49%	52,658,295
Henn Suburban Park District	47,787,952	9.02%	4,310,473
Henn Regional RR Authority	32,848,204	9.02%	2,962,908
Metropolitan Council	38,874,706	3.29%	1,278,978
Total Overlapping Debt	<u>1,247,621,357</u>		<u>123,887,742</u>
Total Direct and Overlapping Debt	<u>\$ 1,295,073,692</u>		<u>\$ 171,340,077</u>

Notes:

1- The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

City of Eden Prairie, Minnesota
 Demographic and Economic Statistics
 Last Ten Years

Governmental Activities

Year	Population	Household Median Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2007	65,257	*	*	*	9,806	3.4%
2008	62,210 (1)	*	*	*	9,702	4.0%
2009	63,314 (1)	*	*	*	9,689	6.4%
2010	62,683 (1) \$	85,509	*	37.2	9,620	6.1%
2011	61,151 (1)	*	*	*	9,260	5.2%
2012	62,004 (1)	*	*	*	9,129	4.6%
2013	62,004 (1)	*	*	*	9,141	4.0%
2014	62,729 (1)	*	*	*	9,017	2.4%
2015	62,593 (1)	*	*	*	8,857	2.3%
2016	63,187 (1)	*	*	*	*	2.9%

Sources:

City of Eden Prairie Planning Department
 Minnesota Department of Trade and Economic Development "Community Profile"
 Minnesota Local Area Unemployment Statistics File
 Minnesota Workforce Center
 Eden Prairie School District 272 - Enrollment History Website

* Data is not available

1) Using Met Council numbers

City of Eden Prairie, Minnesota
Principal Employers
For the Year Ended December 31, 2016 and 2007

Employer	2016		Employer	2007	
	Employees	Percentage of Total City Employment		Employees	Percentage of Total City Employment
Optum	2,984	5.3%	EP School District #272	1,400	2.5%
Starkey Labs	1,700	3.0%	GE Capital	1,200	2.2%
EP School District #272	1,637	2.9%	Rosemount	1,200	2.2%
Super Valu Stores Inc.	1,000	1.8%	CH Robinson	1,076	2.0%
CH Robinson	913	1.6%	Super Valu Stores Inc.	900	1.6%
Optum360, LLC	900	1.6%	Deli Express	842	1.5%
Lifetouch	800	1.4%	MTS Systems Corp.	791	1.4%
MTS Systems Corp.	800	1.4%	Life Touch	558	1.0%
Eaton Corp.	717	1.3%	Eaton Corp.	500	0.9%
Abbott Laboratories	617	1.1%	Digital River, Inc.	500	0.9%
Total Principal Employer	12,068	21.3%		8,967	16.3%
Other Employers	44,630	78.7%		46,033	83.7%
Total Employers	56,698	100.0%		55,000	100.0%

Source: City Community Development Division

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds:										
Administration										
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Assistant to the City Manager	1	1	-	-	-	-	-	-	-	-
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
City Clerk										
City Clerk	1	1	1	1	1	1	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Communication Services										
Communications Manager	1	1	1	1	1	1	1	1	1	1
Sr. Communications Coordinator	1	1	1	1	1	1	1	1	1	1
Communications Coordinator	1	1	1	1	1	1	1	1	1	1
Assistant Communications Coordinator	-	-	-	-	-	-	0.50	0.50	0.50	0.50
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>
Finance										
Finance Manager	1	1	1	1	1	1	1	1	1	1
Finance Supervisor	1	1	1	1	1	1	1	1	1	1
Accountant	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Accounts Payable Technician I	1	1	1	1	1	1	1	1	1	1
Senior Accounting Clerk	1	1	-	-	-	-	-	-	-	-
Payroll Technician III	1	1	1	-	-	-	-	-	-	-
Technician I	1	1	1	1	1	1	1	1	1	1
	<u>7.50</u>	<u>7.50</u>	<u>6.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds:										
Administration										
Customer Service										
Customer Service / Office	4.05	4.05	4.05	4.05	3.55	3	3	3	3	3
	<u>4.05</u>	<u>4.05</u>	<u>4.05</u>	<u>4.05</u>	<u>3.55</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Human Resources										
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Human Resources Supervisor	1	1	1	1	1	1	1	1	1	1
Human Resources Representative	1	0.60	0.75	0.75	0.75	0.75	1	1.70	1.70	1.70
Organization Development Specialist	0.50	0.60	1	-	-	-	-	-	-	-
Human Resources Tech II	0.75	1	1	1	1	1	1	1	1	1
Payroll Technician III	-	-	-	1	1	1	1	1	1	1
	<u>4.25</u>	<u>4.20</u>	<u>4.75</u>	<u>4.75</u>	<u>4.75</u>	<u>4.75</u>	<u>5</u>	<u>5.70</u>	<u>5.70</u>	<u>5.70</u>
Community Development										
Assessing										
City Assessor	1	1	1	1	1	1	1	1	1	1
Appraiser	5	5	5	5	5	5	5	5	5	5
Technician I	1	1	1	1	1	1	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Planning										
Planning										
City Planner	1	1	1	1	1	1	1	1	1	1
Senior Planner	1	1	1	1	1	1	2	1	1	1
Planner	1.65	2.15	1.50	1.50	1.50	1.50	0.60	1.60	1.70	1.70
Heritage Preservation Specialist	1	0.50	-	-	-	-	-	-	-	-
Administrative Assistant I	1	1	1	1	1	1	1	1	1	1
	<u>5.65</u>	<u>5.65</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.60</u>	<u>4.60</u>	<u>4.70</u>	<u>4.70</u>
Community Development										
Community Development Director	1	1	0.90	0.90	1	1	1	1	1	1
Administrative Assistant I	1	1	-	-	-	0.50	1	1	1	1
	<u>2</u>	<u>2</u>	<u>0.90</u>	<u>0.90</u>	<u>1</u>	<u>1.50</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Economic Development										
Manager of Economic Development	1	1	1	1	1	1	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds:										
Administration										
Housing and Community Services										
Manager of Housing & Community Srv	1	1	1	1	1	1	1	1	1	1
Community Services Coordinator	1	0.50	0.50	0.50	0.50	0.25	0.25	-	-	-
Community Services Technician	1	1	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
	<u>3</u>	<u>2.50</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>
Parks and Recreation										
Park Administration										
Park and Recreation Director	1	1	1	1	1	1	1	1	1	1
Administrative Assistant II	1	1	1	1	1	1	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Park & Natural Resources										
Manager of Parks and Natural Resource	1	1	1	1	1	1	1	1	1	1
Forestry Technician	1	1	1	1	1	1	1	1	1	1
Supervisor of Park Maintenance	1	1	1	1	1	1	1	1	1	1
Supervisor Park Construction/Repair	1	1	1	1	1	1	1	1	1	1
Maintenance Worker Parks	16	16	16	16	16	16	16	16	16	16
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Recreation Programming										
Recreation Manager	1	1	1	1	1	1	1	1	1	1
Recreation Supervisor	4	4	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
Outdoor Center / Nature Programmer	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
	<u>5.60</u>	<u>5.60</u>	<u>5.10</u>	<u>5.10</u>	<u>5.10</u>	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>
Community Center										
Recreation Supervisor	2	2	2	2	2	2	2	2	2	3
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Customer Support/Accounting Tech	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>6.50</u>
Art Center										
Manager - Art Center	-	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
	<u>0</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds:										
Parks and Recreation										
Senior Center										
Recreation Supervisor										
Recreation Coordinator	1	1	1	1	1	1	1	1	1	1
Administrative Assistant I	1	1	1	1	1	1	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Police										
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	1	1	1	1	1	1	1	1	1	1
Lieutenants	3	3	3	3	3	3	3	3	3	3
Sergeants	12	12	12	12	12	12	12	12	12	12
Police Officers	48	49	48	48	48	49	49	49	49	50
Animal Control Officer	2	2	2	2	2	2	2	2	2	2
Telecommunications Supervisor	1	1	1	1	1	1	1	1	1	1
Telecommunicators	9.50	10	10	10	10	10.50	10.50	10.50	10.50	10.50
Records Supervisor	1	1	1	1	1	1	1	1	1	1
Records Tech	6.75	6.75	6.75	6.75	6.75	6	6	6	6	6
Investigative Aide	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Customer Service / Office Assistant	1	1	1	1	1	-	-	-	-	-
Law Enforcement Analyst	1	1	1	1	1	1	1	1	1	1
Projects Coordinator	0.60	0.60	0.60	0.60	0.60	0.60	0.50	0.50	0.50	0.50
Zoning Administrator	1	1	1	1	1	1	1	1	1	1
	<u>90.85</u>	<u>92.35</u>	<u>91.35</u>	<u>91.35</u>	<u>91.35</u>	<u>91.10</u>	<u>91</u>	<u>91</u>	<u>91</u>	<u>92</u>
Fire										
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Assistant Fire Chief	1	1	1	1	2	2	2	2	2	2
Fire Marshal	1	1	0.80	0.80	-	-	-	-	-	-
Fire Prevention Specialist	3	3	3	3	3	3	3	3	3	3
Rental Housing Inspector	1	1	1	1	1	1	1	1	1	1
Electronic Communications Specialist	1	1	1	1	1	1	1	1	1	1
Administrative Assistant II	1	1	1	1	1	1	1	1	1	1
	<u>9</u>	<u>9</u>	<u>8.80</u>	<u>8.80</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds:										
Fire										
Fire Inspections										
Manager of Building Inspections	1	1	1	1	1	1	1	1	1	1
Building Inspectors II	7	7	6	6	6	6	6	6	6	6
Technician I	2	2	2	2	2	2	2	2	2	2
Technician II	1	1	-	-	-	-	-	-	-	-
	<u>11</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Public Works										
Engineering										
Public Works Director	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
City Engineer	1	1	1	1	1	1	1	1	1	1
Assistant City Engineer	1	1	1	1	1	1	1	1	1	1
Engineering Technician I	1	1	1	1	1	1	1	1	1	2
Engineering Technician II	1	1	-	-	-	-	-	-	-	-
Senior Project Engineer	1	1	1	1	1	1	1	1	2	2
Senior Traffic Engineer	1	1	-	-	-	-	-	-	-	-
Engineering Project Coordinator	1	1	1	-	-	-	-	-	-	-
Senior Engineering Tech	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Administrative Assistant II	1	1	-	-	-	-	-	-	-	-
	<u>12.30</u>	<u>12.30</u>	<u>9.30</u>	<u>8.30</u>	<u>8.30</u>	<u>8.30</u>	<u>8.30</u>	<u>8.30</u>	<u>9.30</u>	<u>10.30</u>
Streets & Traffic										
Manager of Street Maintenance	1	1	1	1	1	1	1	1	1	1
Maintenance Workers	14	14	13	13	13	13	13	13	13	13
Administrative Assistant I	1	1	1	1	1	1	1	0.50	0.50	-
	<u>16</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>14.50</u>	<u>14.50</u>	<u>14.00</u>
Total Governmental Funds										
Administration	22.80	22.75	21.30	20.30	19.80	19.25	20.00	20.70	20.70	20.70
Community Development	18.65	18.15	15.40	15.40	15.50	16.00	16.60	16.35	16.45	16.45
Parks & Recreation	35.10	35.60	35.10	35.10	35.10	35.10	35.10	35.10	35.10	36.10
Police	90.85	92.35	91.35	91.35	91.35	91.10	91.00	91.00	91.00	92.00
Fire	20.00	20.00	17.80	17.80	18.00	18.00	18.00	18.00	18.00	18.00
Public Works	28.30	28.30	24.30	23.30	23.30	23.30	23.30	22.80	23.80	24.30
	<u>215.70</u>	<u>217.15</u>	<u>205.25</u>	<u>203.25</u>	<u>203.05</u>	<u>202.75</u>	<u>204.00</u>	<u>203.95</u>	<u>205.05</u>	<u>207.55</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Enterprise Funds:										
Liquor										
Liquor Operations Manager	1	1	1	1	1	1	1	1	1	1
Purchasing / Event Manager	-	-	-	-	-	-	1	1	1	1
Managers	3	3	3	3	3	3	3	3	3	3
Assistant Manager	2	2	2	2	2	3	3	3	3	1
Leads	-	-	-	-	-	-	1	1	1	3
Senior Assistant Manager	1	1	1	1	1	-	-	-	-	-
Inventory Control Clerk	1	1	1	1	1	1	-	-	-	-
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Utilities										
Public Works Director	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Manager of Utilities	1	1	1	1	1	1	1	1	1	1
Water Treatment Supervisor	1	1	1	1	1	1	1	1	1	1
Water Treatment Lead	-	1	1	1	1	1	1	1	1	1
Water Treatment Maintenance Lead	1	1	1	1	1	1	1	1	1	1
Water Treatment Operators	8	8	8	8	9	9	9	9	9	9
Utility Field Operations Supervisor	1	1	1	1	1	1	1	1	1	1
Utility Field Operations Lead	1	1	1	1	1	1	1	1	1	2
Water Treatment Maintenance Techniciar	2	2	2	2	2	2	2	1	1	1
Utility Field Operators	11	11	11	11	11	11	11	11	11	11
Utility Meter Lead	-	-	-	-	-	-	-	1	1	1
Utility Operations Project Manager	1	1	-	-	-	-	-	-	-	-
Project Coordinator	-	-	-	1	1	1	1	1	1	1
Storm Utility Maintenance Operator	1	1	1	1	1	1	1	1	1	1
Storm Utility Maintenance Lead	-	-	-	-	-	-	-	-	-	0
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Technician II	1	1	1	1	1	1	1	1	1	1
Customer Service / Office Assistant	1	1	1	1	1	1	1	1	1	1
Environmental Coordinator	1	1	1	1	1	1	1	1	1	1
Senior Engineering Tech	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	<u>32.70</u>	<u>33.70</u>	<u>32.70</u>	<u>33.70</u>	<u>34.70</u>	<u>34.70</u>	<u>34.70</u>	<u>34.70</u>	<u>34.70</u>	<u>35.70</u>

Source: Human Resource department

City of Eden Prairie, Minnesota

Employees by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Internal Service Funds:										
Workers Compensation										
Risk and Safety Analyst	0.50	0.50	0.50	0.50	0.50	0.50	0.40	0.50	0.50	0.50
	0.50	0.50	0.50	0.50	0.50	0.50	0.40	0.50	0.50	0.50
Property Insurance										
Risk and Safety Analyst	0.50	0.50	0.50	0.50	0.50	0.50	0.40	0.50	0.50	0.50
	0.50	0.50	0.50	0.50	0.50	0.50	0.40	0.50	0.50	0.50
Fleet Services										
Public Works Superintendent	1	1	1	1	1	1	1	1	-	-
Fleet Services Supervisor	-	-	-	-	-	-	1	1	1	1
Administrative Assistant I	-	-	-	-	-	-	-	0.50	0.50	-
Maintenance Worker	6	5	5	5	5	5	4	4	4	4
	7	6	6	6	6	6	6	6.50	5.50	5.00
Facilities										
Facilities Manager	1	1	1	1	1	1	1	1	1	1
Facilities Supervisor	2	2	2	2	2	2	2	2	2	2
Facilities Engineer	2	3	3	3	3	3	3	4	4	4
Facilities Technician	2	2	2	2	2	2	2	2	2	2
Technician I	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.88	0.88	0.88
	7.50	8.50	8.50	8.50	8.50	8.50	8.50	9.88	9.88	9.88
Information Technology										
Information Technology Manager	1	1	1	1	1	1	1	1	1	1
Technology Business Analyst	1	1	1	1	1	1	1	1	1	1
IT Systems Engineer	1	2	2	2	2	2	2	2	2	2
GIS Specialist	-	1	1	1	1	1	1	1	1	1
IT Systems Administrator	2	2	2	2	2	2	2	2	2	2
Technician I	0.50	0.50	0.50	0.50	0.50	-	-	-	-	-
	5.50	7.50	7.50	7.50	7.50	7	7	7	7	7
Grand Total	277.40	281.85	268.95	267.95	268.75	267.95	270.00	272.03	272.13	275.13

Source: Human Resource department

City of Eden Prairie, Minnesota

Operating Indicators

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Bond Rating - Moody's Investor Service	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Bond Rating - Standard & Poors	n/a	n/a	n/a	n/a	n/a	n/a	n/a	AAA	AAA	AAA
Housing and Human Services										
Number of Residents Served	2,500	3,000	3,000	3,100	3,000	3,300	3,300	3,500	3,500	3,500
Assessing:										
Number of Appraisals Completed	5,300	5,643	5,276	5,517	4,827	4,871	5,002	5,291	5,320	5,066
Parks and Recreation										
Avg Monthly Community Center Memberships	n/a	843	1,751	2,100	2,300	2,573	n/a	n/a	n/a	3,624
Program Registrations	15,281	15,844	15,689	16,213	15,010	15,403	17,783	18,269	17,531	15,701
Public Safety										
Fire										
Number of Calls	1,011	1,233	1,247	1,633	1,143	1,169	1,601	1,614	1,617	1,615
Inspection Permits Issued	7,042	6,157	5,225	6,446	6,531	6,043	9,500	7,469	6,405	5,997
Building permit revenue	\$2,583,884	\$2,132,716	\$1,287,258	\$1,936,566	\$2,094,901	\$3,786,592	\$4,410,616	\$3,496,417	\$3,059,075	\$2,303,405
Police										
Number of Calls	52,543	54,483	59,470	52,041	59,544	60,632	53,746	50,380	49,921	50,741
Public Works:										
Patching Materials (Tons)	2,500	1,900	2,500	2,800	2,700	2,000	2,500	2,400	1,555	2,370
Overlays (Tons)	19,900	24,600	31,800	26,300	22,400	23,200	24,000	26,488	29,602	23,070
Crack Filling Materials (Lbs)	200,000	112,000	200,000	200,000	200,000	328,000	200,000	154,944	32,000	68,000
Seal Coating (Sq Yards)	360,535	324,000	427,000	392,000	475,300	389,698	400,000	375,500	411,700	381,600
Water System:										
Number of Connections	18,745	18,794	18,800	18,948	18,971	19,076	19,195	19,269	19,312	19,362
Water Main Repairs	153	35	28	41	56	23	15	9	28	53
Number of Hydrant Flushed	3,998	4,122	4,234	4,224	4,158	4,267	4,217	4,326	4,311	4,515
Average Daily Usage	8.0 MGD	8.0 MGD	9.0 MGD	7.7 MGD	8.1 MGD	8.5 MGD	7.9 MGD	7.25 MGD	6.99 MGD	7.07 MGD
Sewer System:										
Number of Connections	18,445	18,557	18,600	18,355	18,416	18,474	18,525	18,578	18,644	18,707
Miles of Sanitary Sewer Cleaned	65	50	75	80	94	85	65	75	81	81
Storm System:										
Number of Storm Sumps Maintained	63	157	101	93	61	70	61	103	78	91

Sources: Various City Departments
MGD - Million Gallons Daily
N/A - Not Available

City of Eden Prairie, Minnesota

Capital Assets Statistics by Function

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Fire Protection										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Number of Volunteer Firefighters	95	95	95	96	93	89	95	90	92	99
Police Protection										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of City Streets	225	232	231	229	230	231	232	233	234	234
Parks and Recreation										
City Parks	43	43	43	43	43	43	43	43	43	43
Conservation Areas	15	15	15	15	15	15	15	15	15	15
Historic Sites	5	5	5	5	5	5	5	5	5	5
Special Use Areas	5	5	5	5	5	5	5	5	5	5
Miles of Trails	112	112	114	114	120	122	122	128	128	128
Water System										
Number of Wells	14	14	15	15	15	15	15	15	15	15
Total Pumping Capacity	22 MGD	22 MGD	22 MGD	24 MGD	24 MGD	26 MGD	28 MGD	28 MGD	28 MGD	28 MGD
Total Storage Capacity	8.5M gals	8.5M gals	8.5M gals	8.5M gals	8.5M gals	8.5M gals	8.5M gals	8.5 MG	8.5 MG	8.5 MG
Miles of Water Mains	265	265	268	269	317	321	323	326	326	328
Sewer System										
Miles of Sanitary Sewer	242	242	244	244	256	258	258	262	264	264
Miles of Storm Sewer	168	168	171	172	174	179	180	186	189	193

Sources: Various City Departments

Note: No Capital Asset Indicators are Available for the General Government Functions.

MGD - Million Gallons Daily