

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 4, 2021

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a final Official Statement.

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds is included, however, in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The City will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See "TAX CONSIDERATIONS" herein.

New Issue

Rating Applications Made: Moody's Investors Service, Inc.
and S&P Global Ratings

CITY OF EDEN PRAIRIE, MINNESOTA (Hennepin County)

\$19,380,000* GENERAL OBLIGATION WATER REVENUE AND REFUNDING BONDS, SERIES 2021A

PROPOSAL OPENING: November 16, 2021, 11:00 A.M., C.T.

CONSIDERATION: November 16, 2021, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$19,380,000* General Obligation Water Revenue and Refunding Bonds, Series 2021A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 444, 469 and 475, and Sections 469.1814 and 475.67, by the City of Eden Prairie, Minnesota (the "City") to fund water utility equipment and to current refund certain outstanding general obligations of the City as more fully described herein. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota.

DATE OF BONDS: December 8, 2021

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	\$1,415,000	2028	\$1,320,000	2033	\$1,470,000
2024	1,440,000	2029	1,625,000	2034	1,485,000
2025	1,300,000	2030	1,420,000	2035	1,515,000
2026	1,315,000	2031	1,435,000	2036	430,000
2027	1,315,000	2032	1,455,000	2037	440,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2031 and thereafter are subject to call for prior optional redemption on February 1, 2030 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: \$19,186,200.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$387,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: U.S. Bank National Association

BOND COUNSEL: Dorsey & Whitney LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



BUILDING COMMUNITIES. IT'S WHAT WE DO.

info@ehlers-inc.com

1 (800) 552-1171

www.ehlers-inc.com

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT	1	FINANCIAL STATEMENTS	A-1
THE BONDS	1	FORM OF LEGAL OPINION	B-1
GENERAL	1	BOOK-ENTRY-ONLY SYSTEM	C-1
OPTIONAL REDEMPTION	2	FORM OF CONTINUING DISCLOSURE COVENANTS (EXCERPTS FROM SALE RESOLUTION)	D-1
AUTHORITY; PURPOSE	2	TERMS OF PROPOSAL	E-1
ESTIMATED SOURCES AND USES	3		
SECURITY	4		
RATING	4		
CONTINUING DISCLOSURE	4		
LEGAL OPINION	5		
TAX CONSIDERATIONS	5		
MUNICIPAL ADVISOR	8		
MUNICIPAL ADVISOR AFFILIATED COMPANIES ...	8		
INDEPENDENT AUDITORS	8		
RISK FACTORS	9		
VALUATIONS	11		
OVERVIEW	11		
CURRENT PROPERTY VALUATIONS	12		
2020/21 NET TAX CAPACITY BY CLASSIFICATION .	13		
TREND OF VALUATIONS	13		
LARGER TAXPAYING PARCELS	14		
DEBT	15		
DIRECT DEBT	15		
SCHEDULES OF BONDED INDEBTEDNESS	16		
DEBT LIMIT	20		
OVERLAPPING DEBT	21		
DEBT RATIOS	22		
DEBT PAYMENT HISTORY	22		
FUTURE FINANCING	22		
TAX RATES, LEVIES AND COLLECTIONS	23		
TAX LEVIES AND COLLECTIONS	23		
TAX CAPACITY RATES	24		
LEVY LIMITS	24		
THE ISSUER	25		
CITY GOVERNMENT	25		
EMPLOYEES; PENSIONS; UNIONS	25		
POST EMPLOYMENT BENEFITS	25		
LITIGATION	25		
MUNICIPAL BANKRUPTCY	26		
FUNDS ON HAND	26		
ENTERPRISE FUNDS	27		
SUMMARY GENERAL FUND INFORMATION	28		
GENERAL INFORMATION	29		
LOCATION	29		
LARGER EMPLOYERS	29		
BUILDING PERMITS	30		
U.S. CENSUS DATA	31		
EMPLOYMENT/UNEMPLOYMENT DATA	31		

CITY OF EDEN PRAIRIE CITY COUNCIL

		<u>Term Expires</u>
Ron Case	Mayor	January 2023
Mark Freiberg	Council Member	January 2023
PG Narayanan	Council Member	January 2025
Kathy Nelson	Council Member	January 2023
Lisa Toomey	Council Member	January 2025

ADMINISTRATION

Rick Getschow, City Manager
Tammy Wilson, Finance Manager

PROFESSIONAL SERVICES

Dorsey & Whitney LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Eden Prairie, Minnesota (the "City") and the issuance of its \$19,380,000* General Obligation Water Revenue and Refunding Bonds, Series 2021A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on November 16, 2021.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 8, 2021. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected U.S. Bank National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 444, 469 and 475, and Sections 469.1814 and 475.67, by the City to fund water utility equipment (the "Water Revenue Portion") and to current refund the City's \$17,155,000 General Obligation Tax Abatement Bonds, Series 2014A (the "Series 2014A Bonds" or the "Tax Abatement Refunding Portion") as shown on the table below:

Per Minnesota Statutes, Chapter 469, in any year, the total amount of property taxes abated by a political subdivision under this section for the Tax Abatement Refunding Portion of the Bonds may not exceed (i) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (ii) \$200,000, whichever is greater.

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 279518
Series 2014A Bonds	7/15/14	1/15/22	Par	2023	3.00%	\$920,000	EE0
				2024	3.00%	930,000	EF7
				2025	3.00%	815,000	EG5
				2026	3.00%	850,000	EH3
				2027	3.00%	865,000	EJ9
				2028	3.00%	885,000	EK6
				2029	3.00%	1,210,000	EL4
				2030	3.50%	1,025,000	EM2
				2031	3.50%	1,060,000	EN0
				2032	3.50%	1,100,000	EP5
				2033	3.75%	1,130,000	EQ3
				2034	3.75%	1,165,000	ER1
				2035	3.75%	<u>1,210,000</u>	ES9
Total Series 2014A Bonds Being Refunded						<u>\$13,165,000</u>	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The City will pay the principal and interest payment due on January 15, 2022 from the Debt Service Account for the Series 2014A Bonds.

ESTIMATED SOURCES AND USES*

Sources	Water Revenue Portion	Tax Abatement Refunding Portion	Total Bond Issue
Par Amount of Bonds	<u>\$5,990,000</u>	<u>\$13,390,000</u>	<u>\$19,380,000</u>
Total Sources	\$5,990,000	\$13,390,000	\$19,380,000
Uses			
Total Underwriter's Discount (1.000%)	\$59,900	\$133,900	\$193,800
Costs of Issuance	39,562	88,438	128,000
Deposit to Project Construction Fund	5,888,618	-	5,888,618
Deposit to Current Refunding Fund	-	13,165,000	13,165,000
Rounding Amount	<u>1,920</u>	<u>2,662</u>	<u>4,582</u>
Total Uses	\$5,990,000	\$13,390,000	\$19,380,000

Breakdown of Principal Payments*:

Payment Date	Water Revenue Portion	Tax Abatement Refunding Portion	Total Bond Issue
2/01/2023	\$365,000	\$1,050,000	\$1,415,000
2/01/2024	380,000	1,060,000	1,440,000
2/01/2025	380,000	920,000	1,300,000
2/01/2026	380,000	935,000	1,315,000
2/01/2027	385,000	930,000	1,315,000
2/01/2028	390,000	930,000	1,320,000
2/01/2029	390,000	1,235,000	1,625,000
2/01/2030	395,000	1,025,000	1,420,000
2/01/2031	400,000	1,035,000	1,435,000
2/01/2032	405,000	1,050,000	1,455,000
2/01/2033	410,000	1,060,000	1,470,000
2/01/2034	415,000	1,070,000	1,485,000
2/01/2035	425,000	1,090,000	1,515,000
2/01/2036	430,000	-	430,000
2/01/2037	<u>440,000</u>	<u>-</u>	<u>440,000</u>
Total	\$5,990,000	\$13,390,000	\$19,380,000

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service for the Water Revenue Portion of the Bonds will be paid entirely from the net revenues of the water system ("utility revenues") which is owned and operated by the City.

The City anticipates that the debt service for the Tax Abatement Refunding Portion of the Bonds will be paid by tax abatement revenues and ad valorem taxes.

Should the revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy a tax for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Rating ("S&P").

The City has requested a rating on this issue from Moody's and S&P, and bidders will be notified as to the assigned ratings prior to the sale. Such ratings reflect only the views of such organizations and explanations of the significance of such ratings may be obtained from the respective organizations furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgement of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

In the Award Resolution, the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Under certain previous undertakings, the City's annual continuing disclosure requirements included the filing of historic sales assessment ratios. For the fiscal years ended December 31, 2015 through 2016, the City's Comprehensive Annual Financial Report ("CAFR") was referenced as the source for the City's annual operating data; however, the historic sales assessment ratios were not included in the CAFR as referenced. This information was filed with EMMA on October 25, 2019. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance.

LEGAL OPINION

An opinion in substantially the form attached hereto as Appendix B will be furnished by Dorsey & Whitney LLP ("Bond Counsel"), Minneapolis, Minnesota, bond counsel to the City.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Bonds. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies, brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect to the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Tax Exempt Interest

In the opinion of Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes (ii) is not an item of tax preference for federal alternative minimum tax purposes; (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for federal or Minnesota alternative minimum tax purposes. Interest on the Bonds is included, however, in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Bond proceeds and other amounts. The City has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in federal gross income or in Minnesota taxable net income.

Original Issue Discount

Bonds may be issued at a discount from their principal amount (any such Bonds being "Discount Bonds"). The excess of the principal amount payable on Bonds of a given maturity over their issue price constitutes "original issue discount" ("OID"). OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Bonds, even if the Bonds are sold, redeemed or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount

If a Bond is purchased for a cost that is less than the Bond's issue price (plus accrued original issue discount, if any), the purchaser will be treated as having purchased the Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

Bond Premium

A holder that acquires a Bond for an amount in excess of its principal amount generally must, from time to time, reduce the holder's federal and Minnesota tax basis for the Bond. Premium generally is amortized for federal income tax purposes and Minnesota income and franchise tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes or for purposes of the Minnesota income tax applicable to individuals, estates, or trusts.

Related Tax Considerations

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates, and trusts. In the case of a financial institution, generally, no deduction is allowed under Section 265(b) of the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Bonds, unless the obligations are "qualified tax-exempt obligations". Indebtedness may be allocated to the Bonds for this purpose even though not directly traceable to the purchaser of the Bonds. The Bonds are not "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds, may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, increased by any accrued original issue discount with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued original issue discount) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2020 have been audited by BerganKDV, Ltd., Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (utility revenues and tax abatement revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the bond resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and the declaration of a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor extended the peacetime emergency by 30 days. On May 14, 2021, the Governor signed Executive Order 21-23 to end the statewide mask requirement and align with new Centers for Disease Control and Prevention (CDC) guidance on face coverings. The Minnesota Legislature ended the peacetime emergency declaration on July 1, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2018/19	2019/20	2020/21
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,940,000 - 0.50% ² Over \$1,940,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,880,000 - 0.50% ² Over \$1,880,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$139,000 - .75% Over \$139,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$150,000 - .75% Over \$150,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$162,000 - .75% Over \$162,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2020/21 Economic Market Value \$12,008,900,395¹

	2020/21 Assessor's Estimated Market Value	2020/21 Net Tax Capacity
Real Estate	\$11,325,051,600	\$138,701,984
Personal Property	107,755,000	2,051,756
Total Valuation	<u>\$11,432,806,600</u>	<u>\$140,753,740</u>
Less: Captured Tax Increment Tax Capacity ²		(2,669,795)
Fiscal Disparities Contribution ³		<u>(17,487,960)</u>
Taxable Net Tax Capacity		\$120,595,985
Plus: Fiscal Disparities Distribution ³		7,088,599
Adjusted Taxable Net Tax Capacity		<u>\$127,684,584</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 95.46% of the actual selling prices of property most recently sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of \$12,008,900,395.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2020/21 NET TAX CAPACITY BY CLASSIFICATION

	2020/21 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$80,121,016	56.92%
Agricultural	46,876	0.03%
Commercial/industrial	45,053,172	32.01%
Public utility	500,354	0.36%
Railroad operating property	23,060	0.02%
Non-homestead residential	12,786,637	9.08%
Commercial & residential seasonal/rec.	170,869	0.12%
Personal property	2,051,756	1.46%
Total	<u>\$140,753,740</u>	<u>100.00%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent increase/decrease in Estimated Market Value
2016/17	\$9,872,802,500	\$9,690,009,546	\$121,601,594	\$107,314,235	2.49%
2017/18	10,209,614,900	10,040,396,281	125,227,400	112,119,923	3.41%
2018/19	10,663,264,100	10,509,048,316	130,773,043	118,601,324	4.44%
2019/20	11,121,835,000	10,983,795,023	136,214,212	123,047,160	4.30%
2020/21	11,432,806,600	11,297,777,932	140,753,740	127,684,584	2.80%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYING PARCELS¹

Taxpayer	Type of Property	2020/21 Net Tax Capacity	Percent of City's Total Net Tax Capacity
EP Campus I, LLC	Commercial	\$2,799,250	1.99%
Eden Prairie Center, LLC	Commercial	1,859,250	1.32%
Individual	Apartment	813,750	0.58%
Virtus Technology Mob, LLC	Commercial	789,430	0.56%
Xcel Energy	Utility	774,072	0.55%
TP Elevate, LLC	Apartment	691,000	0.49%
WPT Land 2, LP	Commercial	643,210	0.46%
OSWX Ridge, LLC	Commercial	640,090	0.45%
7500 Flying Cloud, LLC	Commercial	639,150	0.45%
FPACP3 Watertower, LLC	Apartment	626,950	0.45%
Total		<u>\$10,276,152</u>	<u>7.30%</u>

City's Total 2020/21 Net Tax Capacity \$140,753,740

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpaying Parcels have been furnished by Hennepin County.

¹ Hennepin County has provided only the ten largest taxpaying parcels which appear on the tax rolls of the County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes	\$2,575,000
Total G.O. debt secured by tax abatement revenues (includes the Tax Abatement Refunding Portion of the Bonds)*	14,315,000
Total G.O. debt secured by taxes	4,891,000
Total G.O. debt secured by utility revenues (includes the Water Revenue Portion of the Bonds)*	<u>11,535,000</u>
Total General Obligation Debt*	<u><u>\$33,316,000</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

City of Eden Prairie, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 12/08/2021)

		G.O. Bonds 1)		PIR Refunding 2)					
		Series 2016A		Series 2020A					
Dated Amount		12/29/2016		10/28/2020					
		\$2,360,000		\$1,336,000					
Maturity		02/01		12/01					
Calendar Year Ending		Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding
2022		220,000	38,160	268,000	9,180	488,000	47,340	535,340	2,087,000
2023		230,000	31,410	268,000	6,902	498,000	38,312	536,312	1,589,000
2024		225,000	24,585	273,000	4,624	498,000	29,209	527,209	1,091,000
2025		105,000	19,635	271,000	2,304	376,000	21,939	397,939	715,000
2026		105,000	16,853			105,000	16,853	121,853	610,000
2027		105,000	14,411			105,000	14,411	119,411	505,000
2028		105,000	11,839			105,000	11,839	116,839	400,000
2029		100,000	9,225			100,000	9,225	109,225	300,000
2030		100,000	6,675			100,000	6,675	106,675	200,000
2031		100,000	4,050			100,000	4,050	104,050	100,000
2032		100,000	1,350			100,000	1,350	101,350	0
		1,495,000	178,193	1,080,000	23,010	2,575,000	201,202	2,776,202	

1) This represents the \$2,360,000 Improvement portion and Refunding portion of the \$3,940,000 General Obligation Bonds, Series 2016A.

2) This represents the \$1,336,000 PIR Refunding portion of the \$7,417,000 General Obligation Refunding Bonds, Series 2020A.

City of Eden Prairie, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 12/08/2021)

		Tax Abatement Bonds Series 2014A		Tax Abatement Refunding Bonds 1) Series 2021A					
Calendar Year Ending	Dated Amount	Maturity	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I
2022			925,000	232,456	0	88,571	925,000	321,027	1,246,027
2023					1,050,000	135,010	1,050,000	135,010	1,185,010
2024					1,060,000	131,053	1,060,000	131,053	1,191,053
2025					920,000	126,633	920,000	126,633	1,046,633
2026					935,000	121,294	935,000	121,294	1,056,294
2027					930,000	114,768	930,000	114,768	1,044,768
2028					930,000	107,560	930,000	107,560	1,037,560
2029					1,235,000	97,974	1,235,000	97,974	1,332,974
2030					1,025,000	86,726	1,025,000	86,726	1,111,726
2031					1,035,000	75,135	1,035,000	75,135	1,110,135
2032					1,050,000	61,575	1,050,000	61,575	1,111,575
2033					1,060,000	45,745	1,060,000	45,745	1,105,745
2034					1,070,000	28,170	1,070,000	28,170	1,098,170
2035					1,090,000	9,538	1,090,000	9,538	1,099,538
			925,000	232,456	13,390,000	1,229,749	14,315,000	1,462,206	15,777,206

* Preliminary, subject to change.

- 1) This represents the \$13,390,000 Tax Abatement Refunding portion of the \$19,380,000 General Obligation Water Revenue and Refunding Bonds, Series 2021A. This portion will refund the 2023 through 2035 maturities of the City's \$17,155,000 General Obligation Tax Abatement Bonds, Series 2014A, dated July 15, 2014.

City of Eden Prairie, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/08/2021)

Refunding Bonds 1)
Series 2020A

Dated Amount	10/28/2020 \$6,081,000	Maturity 12/01					
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid Year Ending
2022	1,218,000	41,574	1,218,000	41,574	1,259,574	3,673,000	24.90%
2023	1,218,000	31,221	1,218,000	31,221	1,249,221	2,455,000	49.81%
2024	1,216,000	20,868	1,216,000	20,868	1,236,868	1,239,000	74.67%
2025	1,239,000	10,532	1,239,000	10,532	1,249,532	0	100.00%
	4,891,000	104,193	4,891,000	104,193	4,995,193		

1) This represents the \$6,081,000 CIP Refunding portion of the \$7,417,000 General Obligation Refunding Bonds, Series 2020A.

City of Eden Prairie, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 12/08/2021)

	Water Revenue Bonds 1) Series 2016A			Water Revenue Bonds Series 2019A			Water Revenue Bonds 2) Series 2021A		
	Dated Amount	12/29/2016 \$1,580,000	02/01	Principal	Interest	12/05/2019 \$4,920,000	12/08/2021 \$5,990,000*	02/01	
Maturity									
Calendar Year Ending	Principal	Interest	Estimated Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2022	155,000	25,430		195,000	117,230	0	44,571	350,000	187,231
2023	160,000	20,705		205,000	111,380	365,000	68,226	730,000	200,311
2024	165,000	15,830		210,000	105,230	380,000	66,828	755,000	187,888
2025	170,000	10,805		215,000	98,930	380,000	65,118	765,000	174,853
2026	175,000	6,243		220,000	92,480	380,000	62,933	775,000	161,655
2027	180,000	2,115		230,000	85,880	385,000	60,254	795,000	148,249
2028				235,000	78,980	390,000	57,250	625,000	136,230
2029				245,000	71,930	390,000	53,838	635,000	125,768
2030				250,000	64,580	395,000	49,911	645,000	114,491
2031				260,000	57,080	400,000	45,438	660,000	102,518
2032				265,000	51,880	405,000	40,203	670,000	92,083
2033				270,000	46,315	410,000	34,088	680,000	80,403
2034				275,000	40,510	415,000	27,280	690,000	67,790
2035				280,000	34,460	425,000	20,034	705,000	54,494
2036				285,000	28,160	430,000	12,338	715,000	40,498
2037				295,000	21,605	440,000	4,180	735,000	25,785
2038				300,000	14,673			300,000	14,673
2039				305,000	7,473			305,000	7,473
	1,005,000	81,128		4,540,000	1,128,775	5,990,000	712,486	11,535,000	1,922,388
									13,457,388

* Preliminary, subject to change.

- 1) This represents the \$1,580,000 Water Revenue portion of the \$3,940,000 General Obligation Bonds, Series 2016A.
- 2) This represents the \$5,990,000 Water Revenue portion of the \$19,380,000 General Obligation Water Revenue and Refunding Bonds, Series 2021A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience (includes the Bonds); (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations issued to pay judgments against the City; and (8) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2020/21 Assessor's Estimated Market Value	\$11,432,806,600
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$ 342,984,198
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	<u>(4,891,000)</u>
Unused Debt Limit	<u><u>\$ 338,093,198</u></u>

OVERLAPPING DEBT¹

Taxing District	2020/21 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
Hennepin County	\$2,112,707,400	6.0436%	\$1,117,430,000 ³	\$67,532,999
I.S.D. No. 270 (Hopkins Public Schools)	145,316,307	4.4843%	156,770,000	7,030,037
I.S.D. No. 272 (Eden Prairie Schools)	121,080,355	97.7415%	98,665,000	96,436,651
I.S.D. No. 276 (Minnetonka)	91,313,434	3.0909%	116,380,000 ⁴	3,597,189
Metropolitan Council	4,884,505,255	2.6141%	193,320,000 ⁵	5,053,578
Three Rivers Park District	1,487,545,247	8.5836%	52,870,000	4,538,149
City's Share of Total Overlapping Debt				<u>\$184,188,604</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does **not** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Hennepin County also has General Obligation Solid Waste Revenue Bonds outstanding which are payable entirely from the County's solid waste enterprise fund; General Obligation Bonds (Century Plaza Debt) which are expected to be paid from building rental fees from County departments and non-County tenants; and General Obligation Ice Arena Revenue Bonds which are expected to be paid from building rental payments from Augsburg College. These issues have not been included in the overlapping debt or debt ratios.

⁴ Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

⁵ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value (\$12,008,900,395)	Debt/ Current Population Estimate (64,198)
Direct G.O. Debt Secured By:			
Special Assessments & Taxes	\$2,575,000		
Tax Abatement Revenues*	14,315,000		
Taxes	4,891,000		
Utility Revenues*	11,535,000		
Total General Obligation Debt (includes the Bonds)*	\$33,316,000		
Less: G.O. Debt Paid Entirely from Revenues ¹	(11,535,000)		
Tax Supported General Obligation Debt*	\$21,781,000	0.18%	\$339.28
City's Share of Total Overlapping Debt	\$184,188,604	1.53%	\$2,869.07
Total*	\$205,969,604	1.71%	\$3,208.35

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has no current plans for additional financing in the next 12 months.

¹ Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2016/17	\$35,567,250	\$35,487,001	\$35,555,892	99.97%
2017/18	37,316,703	37,206,637	37,276,164	99.89%
2018/19	38,167,411	38,004,491	38,109,834	99.85%
2019/20	39,412,715	39,258,075	39,258,075	99.61%
2020/21	41,205,500	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The City cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Collections are through January 1, 2021.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2016/17	2017/18	2018/19	2019/20	2020/21
Hennepin County	44.087%	42.808%	41.861%	41.084%	38.210%
City of Eden Prairie	32.667%	32.526%	31.690%	31.676%	31.589%
I.S.D. No. 270 (Hopkins Public Schools)	25.611%	29.035%	27.022%	27.190%	26.478%
I.S.D. No. 272 (Eden Prairie)	21.865%	20.525%	20.756%	21.555%	21.717%
I.S.D. No. 276 (Minnetonka)	22.770%	23.133%	21.209%	21.167%	20.923%
Metropolitan Mosquito	0.475%	0.456%	0.427%	0.412%	0.381%
Metropolitan Council	0.883%	0.844%	0.659%	0.616%	0.631%
Metropolitan Transit	1.463%	1.383%	1.456%	1.433%	1.256%
Three Rivers Park District	3.365%	3.161%	2.961%	2.859%	2.793%
Park Museum	0.711%	0.710%	0.705%	0.710%	0.707%
HCRRA	1.925%	1.962%	1.807%	1.388%	1.323%
Hennepin HRA	0.497%	0.457%	0.535%	0.801%	0.722%

Referendum Market Value Rates:

City of Eden Prairie	0.00891%	0.00862%	0.00798%	0.00765%	0.00771%
I.S.D. No. 270 (Hopkins Public Schools)	0.18024%	0.15045%	0.14703%	0.16182%	0.14358%
I.S.D. No. 272 (Eden Prairie Schools)	0.22013%	0.22945%	0.22153%	0.20912%	0.20120%
I.S.D. No. 276 (Minnetonka)	0.29966%	0.30308%	0.34013%	0.33905%	0.32485%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1974. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Manager and Finance Manager are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 281 full-time and 406 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
International Union of Operating Engineers -Local 49	December 31, 2022
Law Enforcement Labor Services - LELS	December 31, 2022

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$2,842,148 as of December 31, 2020. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (As of September 30, 2021)

Fund	Total Cash and Investments
General	\$22,563,255
Special Revenue	392,138
Debt Service	1,755,955
Capital Projects	34,871,937
Enterprise Funds	30,674,643
Internal Service Funds	13,663,663
Agency	646,214
Permanent	201,909
Total Funds on Hand	<u><u>\$104,769,714</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2018	2019	2020
Water			
Total Operating Revenues	\$ 8,422,155	\$ 7,699,582	\$8,987,364
Less: Operating Expenses	<u>(7,486,051)</u>	<u>(6,689,305)</u>	<u>(6,442,186)</u>
Operating Income	\$ 936,104	\$ 1,010,277	\$2,545,178
Plus: Depreciation	<u>2,881,198</u>	<u>2,880,971</u>	<u>2,900,056</u>
Revenues Available for Debt Service	<u><u>\$3,817,302</u></u>	<u><u>\$3,891,248</u></u>	<u><u>\$5,445,234</u></u>
Wastewater			
Total Operating Revenues	\$ 6,356,014	\$ 6,726,548	\$6,895,764
Less: Operating Expenses	<u>(5,705,790)</u>	<u>(5,948,396)</u>	<u>(5,823,403)</u>
Operating Income	\$ 650,224	\$ 778,152	\$1,072,361
Plus: Depreciation	<u>1,738,001</u>	<u>1,710,224</u>	<u>1,677,800</u>
Revenues Available for Debt Service	<u><u>\$2,388,225</u></u>	<u><u>\$2,488,376</u></u>	<u><u>\$2,750,161</u></u>
Stormwater			
Total Operating Revenues	\$ 2,726,255	\$ 3,125,251	\$3,376,785
Less: Operating Expenses	<u>(1,254,125)</u>	<u>(1,282,130)</u>	<u>(1,355,863)</u>
Operating Income	\$ 1,472,130	\$ 1,843,121	\$2,020,922
Plus: Depreciation	<u>1,081,097</u>	<u>1,120,096</u>	<u>1,162,430</u>
Revenues Available for Debt Service	<u><u>\$2,553,227</u></u>	<u><u>\$2,963,217</u></u>	<u><u>\$3,183,352</u></u>
Liquor			
Total Operating Revenues	\$ 3,130,094	\$ 3,133,659	\$3,411,561
Less: Operating Expenses	<u>(2,139,777)</u>	<u>(2,271,652)</u>	<u>(2,223,671)</u>
Operating Income	\$ 990,317	\$ 862,007	\$1,187,890
Plus: Depreciation	<u>115,367</u>	<u>107,496</u>	<u>73,389</u>
Revenues Available for Debt Service	<u><u>\$1,105,684</u></u>	<u><u>\$ 969,503</u></u>	<u><u>\$1,261,279</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the City's 2020 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Adopted Budget 1)
Revenues					
Taxes	\$32,361,383	\$34,237,372	\$35,009,667	\$36,263,433	\$37,300,260
Special assessments	2,408	60	386	4,677	0
Penalties and interest	22,716	21,289	19,584	15,264	25,000
Licenses and permits	3,565,161	4,892,559	5,110,672	4,996,872	3,855,780
Intergovernmental revenues	1,504,055	1,439,023	1,768,464	6,238,109	1,299,222
Charges for services	5,744,494	5,976,951	6,132,338	2,464,886	6,468,995
Fines and forfeits	346,835	410,903	364,544	230,341	417,000
Investment income	107,350	307,748	547,778	536,716	150,000
Other	375,633	245,245	305,907	253,315	162,990
Total Revenues	<u>\$44,030,035</u>	<u>\$47,531,150</u>	<u>\$49,259,340</u>	<u>\$51,003,613</u>	<u>\$49,679,247</u>
Expenditures					
Current:					
Administration	\$4,033,588	\$4,467,514	\$4,455,624	\$4,547,110	\$4,719,537
Community development	2,376,934	2,320,363	2,280,391	2,431,612	2,506,395
Police	14,069,709	14,517,004	15,204,092	15,357,194	16,346,761
Fire	6,145,202	6,058,619	5,854,829	6,378,338	6,477,683
Public works	6,025,024	5,872,135	5,891,040	5,991,750	6,566,459
Parks and recreations	11,280,708	12,158,792	12,489,302	11,084,484	13,434,873
Capital outlay	80,118	0	0	0	0
Debt service	60,766	60,766	60,766	60,765	60,766
Total Expenditures	<u>\$44,072,049</u>	<u>\$45,455,193</u>	<u>\$46,236,044</u>	<u>\$45,851,253</u>	<u>\$50,112,474</u>
Excess of revenues over (under) expenditures	(\$42,014)	\$2,075,957	\$3,023,296	\$5,152,360	(\$433,227)
Other Financing Sources (Uses)					
Operating transfers in	\$283,889	\$399,723	\$405,949	\$411,468	\$423,227
Operating transfers out	(1,113,730)	(555,343)	(2,536,296)	(4,696,486)	(20,000)
Total Other Financing Sources (Uses)	<u>(\$829,841)</u>	<u>(\$155,620)</u>	<u>(\$2,130,347)</u>	<u>(\$4,285,018)</u>	<u>\$403,227</u>
Net changes in Fund Balances	(\$871,855)	\$1,920,337	\$892,949	\$867,342	(\$30,000)
General Fund Balance January 1	\$23,494,052	\$22,622,197	\$24,542,534	\$25,435,483	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	<u>\$22,622,197</u>	<u>\$24,542,534</u>	<u>\$25,435,483</u>	<u>\$26,302,825</u>	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$30,037	\$103,845	\$69,611	\$94,824	
Restricted	0	0	11,148	10,572	
Unassigned	22,592,160	24,438,689	25,354,724	26,197,429	
Total	<u>\$22,622,197</u>	<u>\$24,542,534</u>	<u>\$25,435,483</u>	<u>\$26,302,825</u>	

1) The 2021 budget was adopted on December 1, 2020.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 60,797, and a current population estimate of 64,198, and comprising an area of 36 square miles, is located approximately 18 miles southwest of the Minneapolis-St. Paul metropolitan area. The City is the 17th largest city in Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Optum, Inc. & Optum Rx, Inc. ²	Health information technology	3,312
Eden Prairie Mall LLC/Homart Development	Shopping mall	2,329
I.S.D. No. 272 (Eden Prairie Schools)	Elementary and secondary education	2,329
C.H. Robinson Worldwide, Inc.	Transportation logistics	2,200
Super Valu Stores, Inc.	Grocery distributor and corporate headquarters	2,000
Starkey Labs	Hearing foundation	1,500
Emerson Process Management	Automation consultants	1,500
Tennant Co.	Industrial machinery and equipment	1,500
Element Fleet Management	Service to the commercial vehicle market	1,200
MTS Systems Corporation	Testing apparatus - manufacturers	1,000

Source: *Data Axle Reference Solutions, written and telephone survey (October 2021), and the Minnesota Department of Employment and Economic Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

² Includes two locations in the City of Eden Prairie.

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Single Family Homes</u>					
No. of building permits	59	49	14	40	33
Valuation	\$19,318,155	\$16,634,500	\$3,805,000	\$12,152,300	\$9,397,732
<u>New Multiple Family Buildings</u>					
No. of building permits	0	3	5	5	0
Valuation	\$0	\$80,498,520	\$74,823,982	\$27,365,648	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	0	5	12	4	4
Valuation	\$0	\$30,161,258	\$31,579,827	\$9,966,300	\$773,221
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	6,212	6,425	6,437	7,767	7,247
Valuation	\$100,777,696	\$222,044,945	\$233,541,671	\$187,909,951	\$145,748,148

Source: The City.

¹ As of September 30, 2021.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census population	54,901
2010 U.S. Census population	60,797
2020 State Demographer's Estimate	64,198
Percent of Change 2000 - 2010	10.74%

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2019 per capita income	\$58,870	\$45,768	\$37,625	\$34,103
2019 median household income	\$111,981	\$78,167	\$71,306	\$62,843
2019 median family income	\$133,234	\$105,514	\$89,842	\$77,263
2019 median gross rent	\$1,402	\$1,135	\$977	\$1,062
2019 median value owner occupied units	\$368,100	\$276,900	\$223,900	\$217,500
2019 median age	39.4 yrs.	36.5 yrs.	38.0 yrs.	38.1 yrs.

	State of Minnesota	United States
City % of 2019 per capita income	156.47%	172.62%
City % of 2019 median family income	148.30%	172.44%

Housing Statistics

	<u>The City</u>		
	2010	2019	Percent of Change
All Housing Units	21,026	25,075	19.26%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Hennepin County	Hennepin County	State of Minnesota
2017	677,696	3.0%	3.4%
2018	685,853	2.5%	3.0%
2019	691,497	2.8%	3.2%
2020	662,530	6.2%	6.2%
2021, September	674,647	3.2%	2.8%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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

For The Year Ended December 31, 2020

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, 2020

Table of Contents

Introductory Section

Letter of Transmittal.....
GFOA Certificate of Achievement.....
Organizational Chart.....
List of Principal Officials.....

Financial Section

Independent Auditors' Report.....
Management's Discussion and Analysis.....
Basic Financial Statements.....

Government-wide Financial Statements

Statement of Net Position.....
Statement of Activities.....

Fund Financial Statements

Balance Sheet-Governmental Funds.....
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position.....
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds.....
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities.....

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - General Fund.....
Statement of Net Position - Proprietary Funds.....
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....
Statement of Cash Flows - Proprietary Funds.....
Statement of Fiduciary Net Position.....
Statement of Changes in Fiduciary Net Position.....

Notes to Financial Statements

Required Supplemental Information.....
Modified Approach for Infrastructure Assets.....
Schedule of Changes in the City's Total OBEB Liability and Related Ratios.....
Schedule of Proportionate Share of Net Pension Liability.....
Public Employees General Employees Retirement Fund.....
Public Employees Police and Fire Fund.....
Eden Prairie Fire Relief.....
Schedule of Contributions.....
Public Employees General Employees Retirement Fund.....
Public Employees Police and Fire Fund.....
Eden Prairie Fire Relief.....

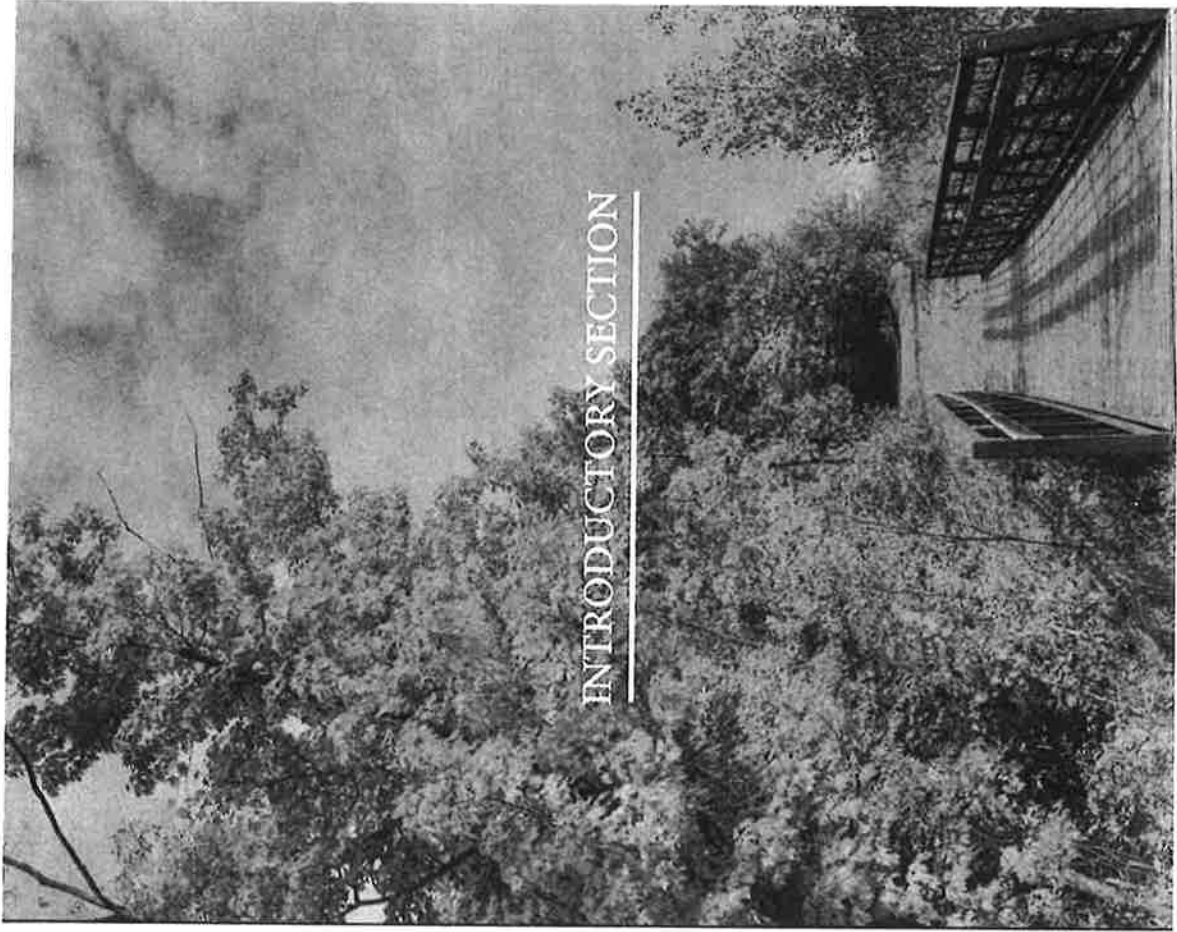
City of Eden Prairie, Minnesota
For the Year Ended December 31, 2020

Notes to Required Supplemental Information

Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios.....
Combining Fund Statements.....
Combining Balance Sheet - Nonmajor Governmental Funds.....
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds.....
Combining Statement of Net Position - Internal Service Funds.....
Combining Statement of Revenues, Expenses and Changes in
Net Position - Internal Service Funds.....
Combining Statement of Cash Flows - Internal Service Funds.....
Combining Statement of Fiduciary Net Position.....
Combining Statement of Changes in Fiduciary Net Position.....

Statistical Section

Government-wide Net Position by Category.....
Changes in Net Position - Total.....
Changes in Net Position - Governmental Activities.....
Changes in Net Position - Business-type Activities.....
Fund Balances - Governmental Funds.....
Changes in Fund Balances - Governmental Funds.....
Assessed/Tax Capacity Value and Estimated Market Value of Property
Direct and Overlapping Property Tax Rates.....
Principal Property Taxpayers.....
Property Tax Levies and Collections.....
Legal Debt Margin.....
Ratios of Outstanding Debt by Type.....
Ratios of General Bonded Debt Outstanding.....
Computation of Direct and Overlapping Bonded Debt.....
Demographic and Economic Statistics.....
Principal Employers.....
Employees by Function.....
Operating Indicators.....
Capital Assets Statistics by Function.....



INTRODUCTORY SECTION

This page is intentionally left blank



April 26, 2021

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, 2020, 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 BerganKDV, Ltd, 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, 2020, 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, 2020, 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 63,726 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 278 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, wastewater and storm water services.

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 is located 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. A budget workshop is usually held with the City Council in June or July. 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 City Council adopts the first year's budget. 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.

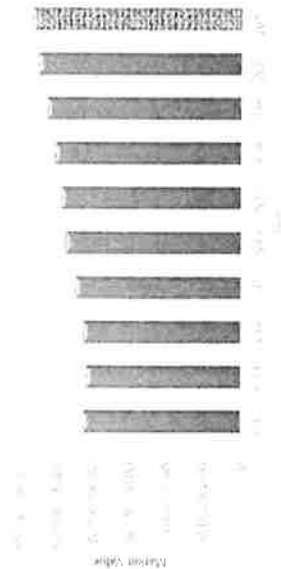
The budget is prepared by department and division. The City's directors and division managers may make transfers of appropriations within a division. Transfers of appropriations between departments require the approval of the City Manager. Any changes in the total budget must be approved by the City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

Economic Conditions and Outlook

Eden Prairie is a suburban community 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 an increase 29% from 2020.

The City experienced significant impact from the Coronavirus Disease (COVID-19) in 2020. Similar to other cities and following the Governor's orders, work from home when you can was in place for 2020. The Council and staff worked together to continue service to citizens in a safe and effective manner. Financially, we felt the impact of increased costs and revenue reductions but we also received federal funding to cover expenditures. We finished the year with positive financial performance.

Below summarizes the City's market value since 2012.



The City's tax base increased from \$10.6 billion to \$11.1 billion from 2019 to 2020. In 2021, the market value increased to \$11.4 billion. Eden Prairie's unemployment rate is 3.4%, which is less than the State rate of 5.1% and the Federal rate of 6.8%.

We are had another strong year in licenses and permits and inspections issued permits with a value of \$187,909,951. The largest projects were Central Middle School with a value of \$28,115,527, Applewood Pointe COOP a multi-family housing project with a value of \$26,340,648, and Opus for a new industrial/warehouse building valued at \$6,741,300. In addition there were many large remodel projects ranging from \$200,000 to \$1,000,000 in value. They issued 7,756 permits versus 6,427 last year.

Eden Prairie serves as the corporate headquarters location for many national and international businesses including CH Robinson World Wide, Tennant Company, Optum, numerous multi-tenant office building partnerships, Lifetouch/Shutterstock, United

Natural Foods Inc. (UNFI), American Family Mutual Insurance, Starkov Labs, 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, Schools, a Barnes and Noble Bookstore, an 18-screen AMC Movie Theater, and numerous restaurants.

Due to its strong and healthy local economy, Moody's Investors Service has assigned a rating of Aaa to the City of Eden Prairie's (MN) bond for every debt issue since 2003, the highest rating from Moody's. Standard & Poor's has also assigned a rating of AAA to the City of Eden Prairie's bonds outstanding, their highest rating as well. This ensures the City receives the most competitive interest rates. The City's bond ratings reflect Eden Prairie's extensive and diversified tax base, low amount of rapidly amortized debt, and capably managed operations.

Long-term Financial Planning

The City has implemented various financial policies to guide the Council and staff when making financial decisions. This helps 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 budgeted tax revenue,
- 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 has consistently followed our financial policies.

Major Initiatives

Light Rail Transit (LRT)

The Southwest Light Rail Transit (LRT) line is 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. 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. Construction began in 2019 with expected completion in 2023.

There are currently four Light Rail stations under construction in Eden Prairie. In 2020, about 75% of the utility and underground work and 100% of the piling on the four bridges in Eden Prairie were completed.

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.

New Water Storage Reservoir

The City identified that additional water storage was necessary to support the expansion of water service for future growth areas and maintaining adequate water supply under emergency situations. Construction of a new four million gallon 140-foot diameter prestressed concrete ground storage reservoir and associated pump station was completed in 2020. The City used \$4,920,000 in bond proceeds and \$4,500,000 in water access revenue to pay for the project.

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 for the fiscal year ended December 31, 2019.

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, 2020 and 2021. 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, 2019. 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

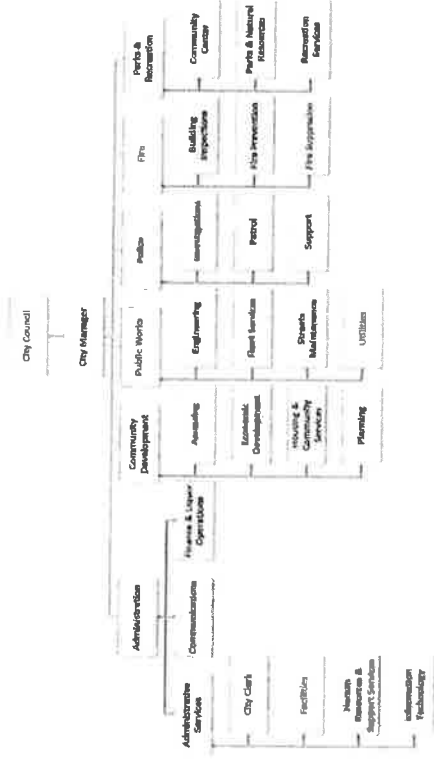
**City of Eden Prairie
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell
Executive Director/CEO

City of Eden Prairie, Minnesota For the Year Ended December 31, 2020



**City of Eden Prairie, Minnesota
For the Year Ended December 31, 2020**

Principal Officials

Elected Officials:

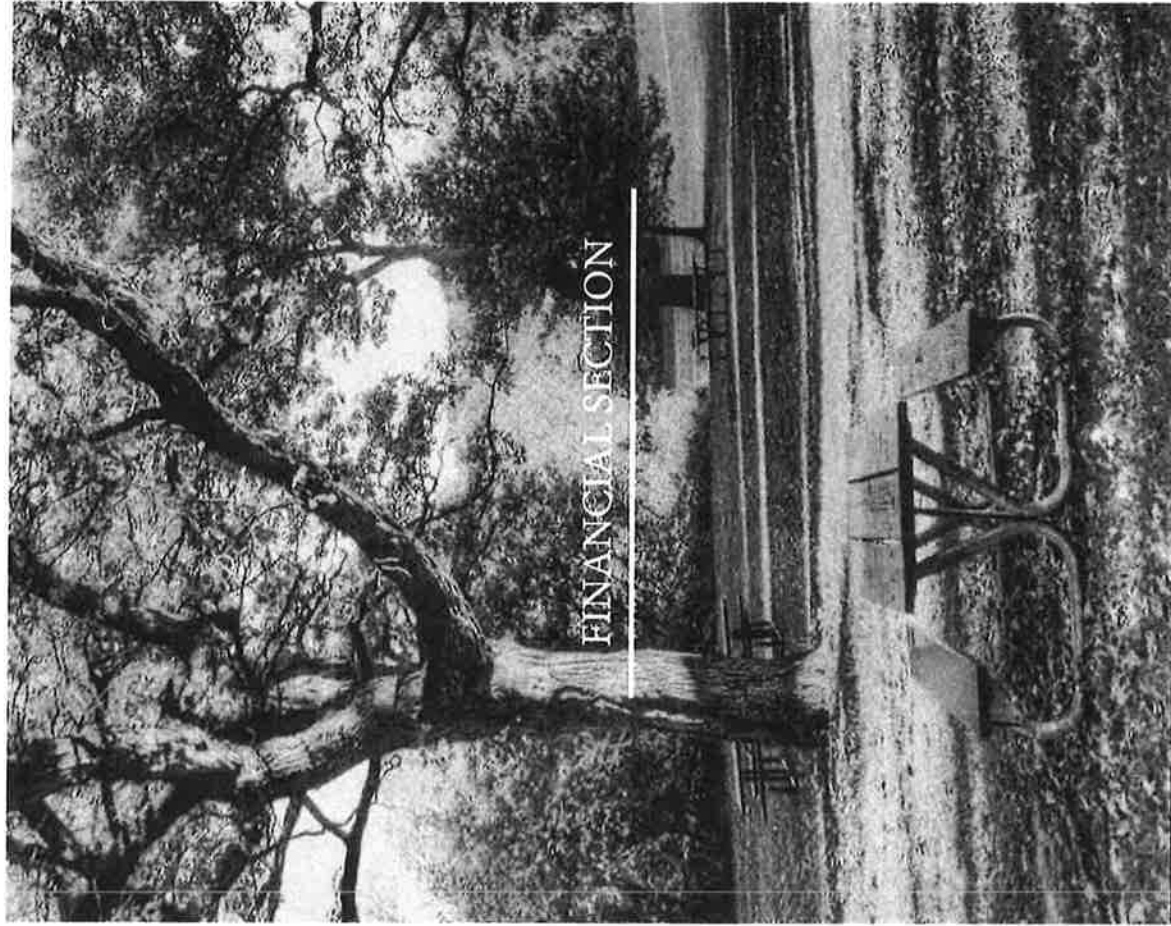
Mayor	(Term expiration 12/31/22)	Ron Case
Council Member	(Term expiration 12/31/20)	Brad Aho
Council Member	(Term expiration 12/31/22)	Mark Freiberg
Council Member	(Term Expiration 12/31/20)	PG Narayanan
Council Member	(Term expiration 12/31/22)	Kathy Nelson

Appointed Officials:

City Manager	Rick Gotschow
City Attorney	Maggie Neuville

Departments:

Chief of Police	Grog Weber
Community Development Director	Janet Jeremiah
Fire Chief	Scott Gerber
Parks and Recreation Director	Jay Lotthammer
Public Works Director	Robert Ellis



Independent Auditor's 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, Minnesota, as of and for the year ended December 31, 2020, and the related notes to 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

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

Auditor's Responsibility

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

BERGANKOV, LLP | BERGANKOV.COM | DO MORE.

Opinions

In our opinion, the financial statements referred to on the previous page 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, Minnesota, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior year partial comparative information has been derived from the City's 2019 financial statements audited by other auditors. In their report dated April 8, 2020, they expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter and the Required Supplementary Information as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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 fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

BERGANKOV, LLP | BERGANKOV.COM | DO MORE.

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, 2020. 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 **\$412,844,057**. Of this amount, **\$66,782,585 (unrestricted net position)** may be used to meet the City's ongoing obligations to citizens and creditors, **\$327,742,021** is invested in capital assets, and **\$18,319,451** is restricted.
- The City's total net position increased by \$14,977,703 or 3.7%. The key factors in this increase were positive general fund results and bond proceeds that were received in December. The City was able to transfer positive General Fund results to the Capital Improvement and Maintenance Fund as one-time revenue to support the Capital Improvement Plan.
- The City's total long-term liabilities increased by \$4,124,933 or 6.4% in comparison with the prior year. Contributing to the increase was the refinancing of bonds in 2020 that were paid off in 2021. In addition the City's pension liability increased. Offsetting the increase was the current year retirements of outstanding debt.

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.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eden Prairie's internal control over financial reporting and compliance.

Bogart & Co., Ltd.

Minneapolis, Minnesota

April 26, 2021

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, Wastewater, and Stormwater 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 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.

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

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 and Statement of Changes in 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 increased from \$397,866,354 to \$412,844,057 and maintained its financial position. A large part of this increase was due to positive general fund performance and \$7,417,000 of bond proceeds that were received in December. The City received federal funds of \$4,821,082 as part of the CARES ACT which was used to reimburse General Fund costs related to the Coronavirus Disease (COVID-19). In addition the General Fund had positive performance in licenses and permits, property tax revenue, and interest income. By far the largest portion of the City of Eden Prairie's net position, \$327,742,021 (approximately 80%) 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 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 \$18,319,451 (approximately 5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$66,782,585 (approximately 15%), 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.

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

The following schedule provides a summary of the City's net position as of December 31, 2020 (in thousands):

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 104,565	\$ 98,814	\$ 34,764	\$ 33,487	\$ 139,329	\$ 122,281
Capital Assets	233,922	235,088	120,560	118,722	354,482	353,810
Total Assets	338,487	333,902	155,324	152,209	493,811	476,091
Deferred Outflows	6,832	10,608	293	254	7,125	10,863
Total Assets and Deferred Outflows	345,319	344,511	155,617	152,463	500,936	486,954
Long-Term Liabilities Outstanding	59,902	54,221	9,869	10,422	69,768	64,643
Other Liabilities	5,951	7,597	2,689	1,813	8,660	9,410
Total Liabilities	64,853	61,818	12,558	12,235	77,428	74,053
Deferred Inflows	10,440	14,368	224	667	10,664	15,035
Total Liabilities and Deferred Inflows	75,303	76,186	12,789	12,902	88,092	91,088
Invested in Capital Assets	207,182	204,564	120,560	114,240	327,742	318,807
Restricted	16,319	20,532	-	-	16,319	20,532
Unrestricted	44,515	33,230	22,269	25,297	66,783	58,527
Total Net Position	\$ 270,015	\$ 255,326	\$ 142,825	\$ 135,540	\$ 412,844	\$ 397,866

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

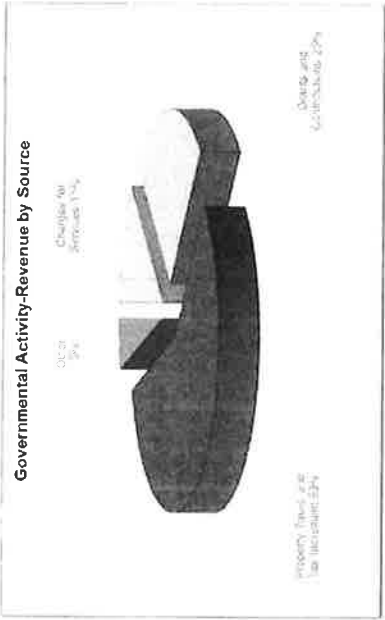
City of Eden Prairie, Minnesota Management's Discussion and Analysis

	Governmental Activities		Business-Type		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues	\$ 8,356	\$ 12,992	\$ 30,971	\$ 28,529	\$ 39,327	\$ 41,521
Charges for Services						
Operating Grants and	7,376	2,462	117	69	7,493	2,531
Contributions						
Capital Grants and	10,282	11,342	2,328	945	12,610	12,287
Contributions						
General Revenues	39,865	38,204	-	-	39,865	38,204
Property Taxes	2,194	1,936	-	-	2,194	1,936
Tax Increment	1,798	1,719	-	-	1,798	1,719
Grants and Contributions	1,551	1,747	730	695	2,381	2,442
Investment Income	71,512	70,402	34,146	30,238	105,658	100,640
Total Revenues	55,555	4,827	-	-	5,555	4,827
Expenses:						
Administration	4,767	15,169	15,022	-	15,189	15,022
Community Development	6,132	7,191	-	-	6,132	7,191
Police	14,982	19,518	-	-	14,982	19,518
Public Works	13,135	15,459	-	-	13,135	15,459
Parks and Recreation	796	835	-	-	796	835
Interest on Long Term Debt	-	-	9,481	9,708	9,481	9,708
Water	-	-	7,496	7,679	7,496	7,679
Wastewater	-	-	2,538	2,414	2,538	2,414
Stormwater	-	-	10,609	10,233	10,609	10,233
Liquor	-	-	-	-	-	-
Total Expenses	60,556	67,624	30,124	30,034	90,680	97,658
Changes in Net Position	10,956	2,778	4,022	204	14,978	2,982
Before Transfers	734	74	(734)	(74)	-	-
Internal Transfers	11,690	2,852	3,288	130	14,978	2,982
Change in Net Position	258,326	255,474	139,540	139,410	397,866	364,894
Net Position, January 1	\$ 270,015	\$ 255,326	\$ 142,825	\$ 135,540	\$ 412,844	\$ 397,866
Net Position, December 31						

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

Governmental Activities

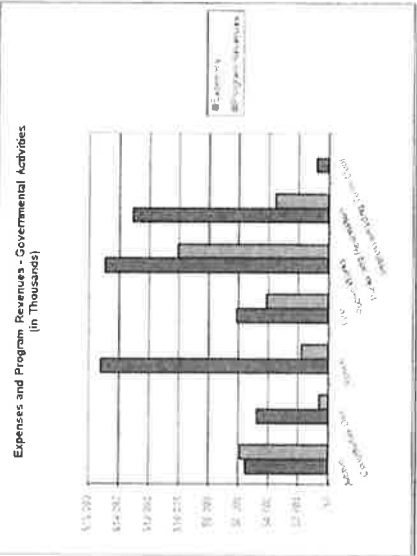
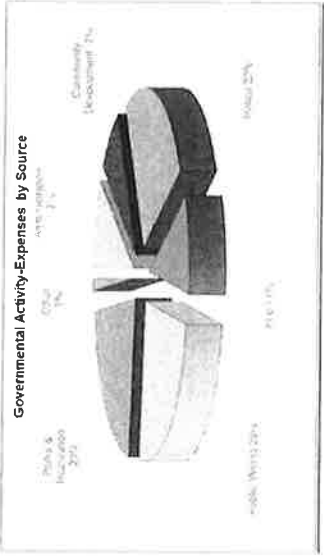
Revenue by Source



- For the year, property taxes totaled \$39,864,882 which is an increase of \$1,660,913 or 4.3% from 2019. For 2020, the City budgeted for a 3.1% increase in property taxes. The increase in taxes was more than what was budgeted due to a higher tax collection rate than anticipated.
- Charges for services decreased by \$4,635,614 or 35.6% from 2019 due mainly to decreased park and recreation fees. This was partially offset by licenses and permit revenue.
- Operating grants and contributions increased due to federal funds of \$4,821,082 received as part of the CARES ACT which was used to respond to the Coronavirus Disease (COVID-19).
- Capital grants and contributions were consistent with 2019.

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

Expenses by Program

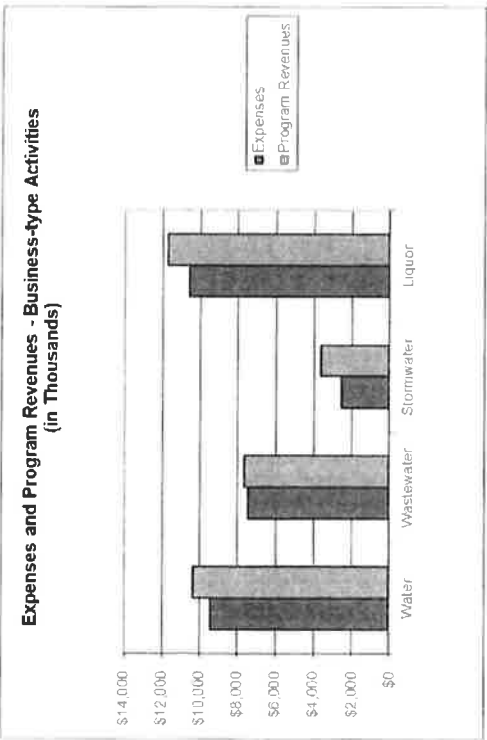


Business-type Activities

For the business-type activities, charges for services accounts for 91% of revenues. The Water Fund, Wastewater Fund and Stormwater Fund had a positive change to net position of \$1,093,153.

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

\$200,726 and \$1,729,923 respectively due to increased rates. The Liquor operations had a positive change in net position of \$328,361.



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. Fund balance increased by \$867,342. The City was able to maintain balances in accordance with its fund balance policy.

	2020	2019	Difference
Fund Balance:			
Nonspendable	\$ 94,824	\$ 69,611	\$ 25,213
Restricted	10,572	11,148	(576)
Unassigned			
Budget Stabilization	7,515,371	7,298,618	216,753
Working Capital	18,662,630	17,979,870	682,760
Unassigned	19,428	76,236	(56,808)
Total Fund Balance	\$ 26,302,825	\$ 25,435,483	\$ 867,342

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, \$5,010,247 or 10% of the 2021 budget was maintained for budget stabilization to be used for emergencies and maintenance of the City's Aaa bond rating. Also, \$2,505,124 or 5% of the 2021 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 budgeted tax revenues or \$18,662,630 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 Public Improvement Construction fund balance increased by \$1,080,566 in 2020. Revenue of \$1,075,943 was collected which consisted of special assessments and grants. Construction costs pertain mainly to Preserve Blvd., and the Railroad Quite Zone. These projects will be repaid with future special assessments, grants and state aid.

The Capital Improvement Maintenance fund balance increased by \$5,775,759 in 2020. Revenue of \$2,540,711 was collected which includes the tax levy, building rental income, assessments and investment income. Expenditures for the year include the MOSS yard waste site, play equipment replacement, and trail maintenance. Transfers in include \$950,000 and \$4,676,486 respectively from the Liquor fund and General fund due to positive operating results. The Transfers out is for the Capital Improvement/Maintenance's Fund share of trail maintenance for the LRT project.

The Shady Oak Road North fund balance increased by \$1,380,120 in 2020. The Shady Oak Road North project reconstructed Shady Oak Road from Rowland Road through the Highway 62 interchange. Revenue of \$1,869,144 was collected from United Health Group for their portion of W 62nd. This project is substantially complete and should be closed out in 2021.

The Eden Prairie Road fund increased by \$107,452. Revenue of \$123,210 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 Eden Prairie Rd Connect to Flying Cloud decreased by \$340,352. Special Assessments of \$17,465 were collected. This project is for the construction of road from Frederick Place to north of Riley Creek. This project will be repaid with future special assessments and transfers from the utility funds.

The General LRT fund decreased by \$722,114. Revenues of \$2,283,696 were collected which consisted of the City's share of a Federal Transit grant managed by the Metropolitan Council. Expenditures of the same amount recognize the expenditures related to the grant. The fund deficit will be covered by future transfers from other funds planned contribution to the project. The SWLRT should be completed in 2023.

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, 2020 totaled \$8,987,364, which is an increase of \$1,287,792 or 16.7% from 2019. Water usage increased from 2 billion gallons to 2.2 billion gallons. The change in sales can be attributed to the increase in consumption and an increase in rates.

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

Wastewater fund sales through December 31, 2020 totaled \$6,895,764, which is an increase of \$169,216 or 2.5% from 2019. Sewer usage decreased from 1.4 billion gallons to 1.3 billion gallons. Offsetting the decrease in consumption was an increase in rates.

Stormwater fund sales through December 31, 2020 totaled \$3,376,785, which is an increase of \$251,534 or 8% from 2019. The increase is due to the rate increase.

Liquor operations profit of \$950,000 was transferred to the Capital Improvement Maintenance Fund. Sales totaled \$11,463,070 which is an increase of \$679,774 or 6.3% over 2019. The operation continues to provide value to customers and maintain customer loyalty.

Budgetary Highlights

The net change in fund balance to the General fund was \$867,342. Revenues of \$51,003,613 were recorded which is \$2,757,625 more than budgeted. Charges for services underperformed due to closures related to COVID-19. Property tax revenue and licenses and permits performed better than expected. Total expenditures equaled \$45,851,253 or 94.1% of the budget. All departments except Fire have spent less than 100% of the amounts budgeted. Fire is over budget by 1%. Due to funds received from the federal government to cover COVID-19 related expenditures, the General Fund had positive performance.

Capital Assets and Debt Administration

Capital Assets

At the end of 2020, the city had \$354 million invested in capital assets. Major capital assets added during the current fiscal year by fund include the following:

Fund	Project Name	2020 Additions
Water Capital	New Ground Storage Reservoir & Pump Station	\$ 6,044,810
Fleet Capital	Vehicle Replacements	1,150,430
Shady Oak North	W 62nd Street Reconstruction	993,907
Capital Improvement	Yard Waste Site	753,862
	Total	<u>\$ 8,943,009</u>

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

Capital Assets (net of depreciation, in thousands)

	Governmental Activities			Business-Type Activities			Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Land & Land Improv Infrastructure	\$ 34,342	\$ 34,210	\$ 1,115	\$ 1,121	\$ 35,457	\$ 35,331		
Work in Progress	137,574	137,057	-	-	137,574	137,057		
Distribution System	4,175	4,449	8,508	2,463	12,683	6,912		
Buildings	49,456	51,706	22,089	23,461	71,555	75,167		
Leasehold Improvements	1	1	-	35	1	36		
Machinery & Equipment	630	943	3,401	3,627	4,031	4,570		
Autos	3,569	3,343	184	138	3,753	3,481		
Other Assets	4,175	3,379	-	-	4,175	3,379		
Total	\$ 233,922	\$ 235,088	\$ 120,560	\$ 118,722	\$ 354,482	\$ 353,810		

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 "very 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 70 (very good condition) for all streets and trails. In the summer of 2019, the City conducted a physical condition assessment. This assessment will be performed every three years. As of December 31, 2019, the City's infrastructure system was rated at a Pavement Condition Index (PCI) of 84.4%, which is higher than the City's policy level. The City's infrastructure is constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating, and overlaying. The City expended \$4,154,944 on infrastructure maintenance for the year ending December 31, 2020. 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 very good is approximately \$3,500,000.

Debt

At year-end, the City had approximately \$69 million in bonds and other long-term liabilities outstanding versus \$65 million last year. Debt increased due to the issuance of \$7M of refunding bonds that were not paid off until 2021. Offsetting the increase was the current year retirements of outstanding bonds. (Refer to Note 11).

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

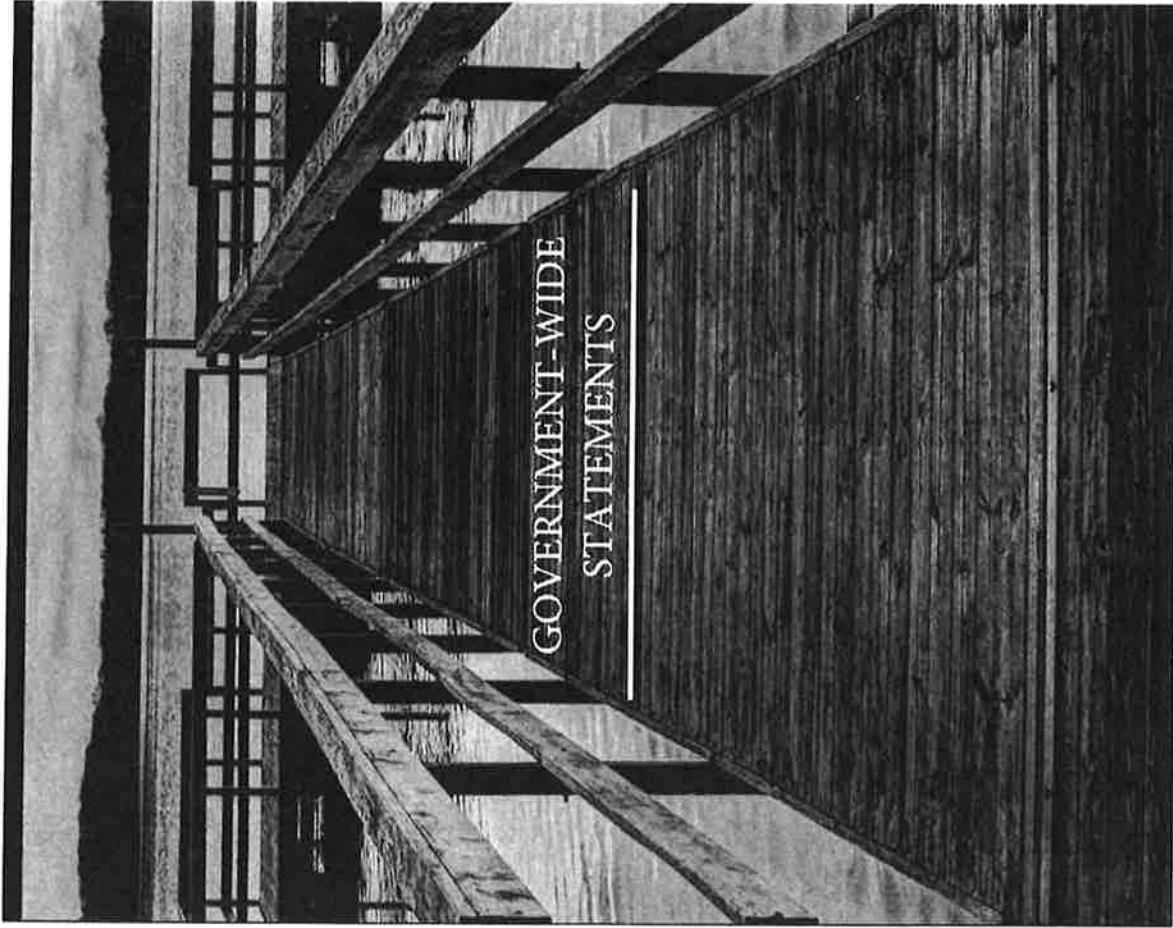
Economic Factors and Next Year's Budgets

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 2021 general fund budgeted appropriations are \$50,102,474 which is an increase of \$1,445,018 or 3% from the 2020 budget. The City has a balanced budget for 2021. We expect some financial challenges due to COVID-19 but we also expect to receive federal funding to help offset the impact. In addition, we expect positive license and permit revenue.

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.



This page is intentionally left blank

**City of Eden Prairie, Minnesota
Statement of Net Position
December 31, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 88,023,384	\$ 28,553,657	\$ 116,577,041
Receivables	2,388,827	3,577,017	5,965,844
Accounts Interest	184,309	75,758	260,067
Due From Other Governments	2,272,082	21,175	2,293,257
Unremitted Taxes	331,710	*	331,710
Delinquent Taxes	772,150	7,487	779,637
Unremitted Special Assessments	3,140	*	3,140
Delinquent Special Assessments	3,200	336,396	339,596
Special Assessments	5,173,896	680,532	5,854,428
Unavailable Special Assessments	1,338,377	289,980	1,628,357
Internal Balances	628,681	(628,681)	*
Inventories	126,775	1,055,194	1,181,969
Net Pension Asset	1,982,261	*	1,982,261
Prepaid Items	553,179	396,338	949,517
Land Held for Resale	784,000	*	784,000
Capital Assets			
Nondepreciable			
Land	22,132,497	1,065,586	23,198,083
Infrastructure	137,574,434	*	137,574,434
Work in Progress	4,175,208	8,508,300	12,683,508
Depreciable Buildings, Property and Equipment, Net	70,039,487	110,986,292	181,025,779
Total Assets	338,487,597	156,324,951	494,812,548
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding of Debt	93,895	*	93,895
Other Post Employment Benefits	257,154	21,942	279,096
Pensions	6,460,882	270,639	6,731,521
Total Deferred Outflows of Resources	6,811,931	292,581	7,104,512
Total Assets and Deferred Outflows of Resources	345,319,528	156,617,532	501,937,060

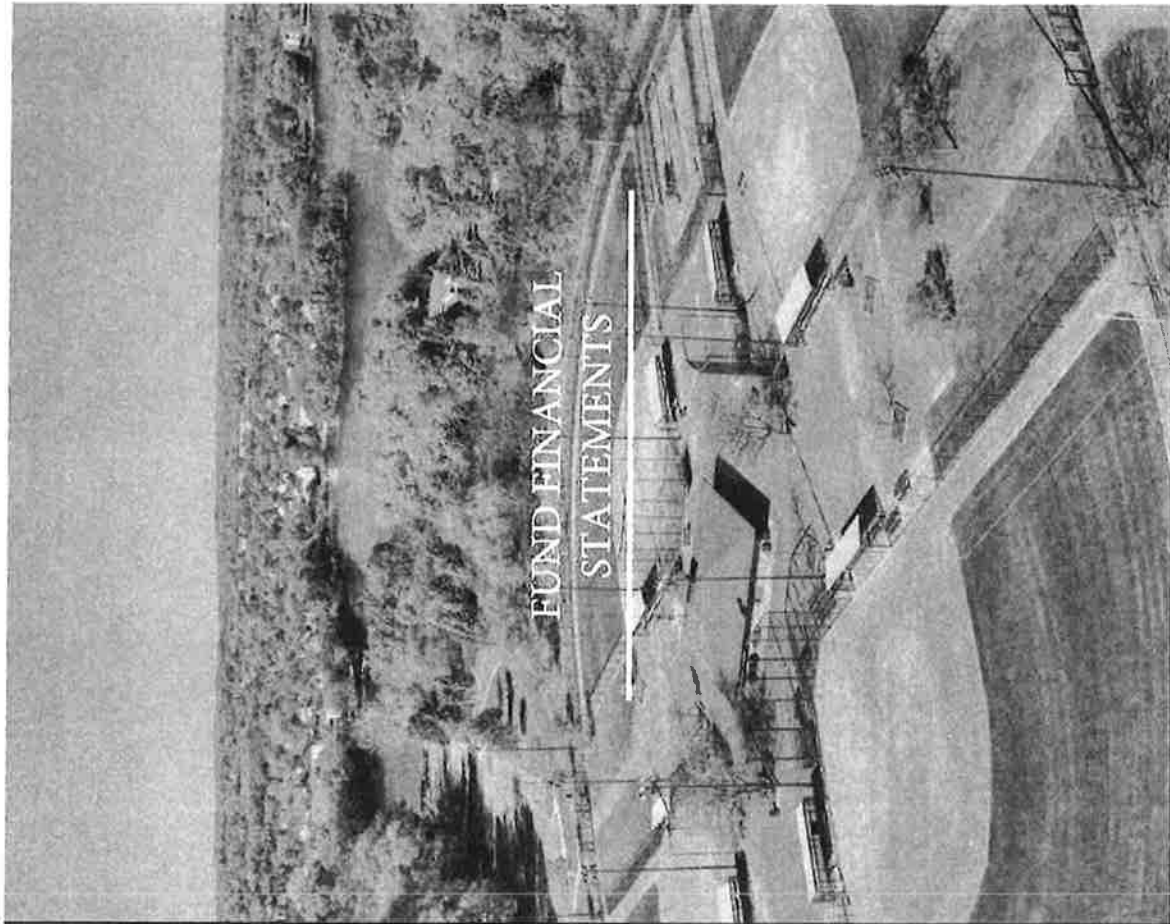
**City of Eden Prairie, Minnesota
Statement of Net Position
December 31, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts and Contracts Payable	3,581,322	2,376,086	5,957,410
Salaries Payable	855,676	149,487	1,005,163
Investment Interest Payable	8,944	*	8,944
Interest Payable	368,946	23,684	392,630
Due to Other Governments	335,125	135,126	470,251
Unearned Revenue	810,708	14,023	824,731
Total OPEB Liability	2,534,324	207,824	2,742,148
Net Pension			
Due in More Than One Year	20,784,677	3,194,619	23,979,296
Bonds Payable			
Due Within One Year	10,886,000	340,000	11,226,000
Due in More Than One Year	21,959,047	5,748,767	27,707,814
Capital lease payable			
Due Within One Year	59,611	*	59,611
Due in More Than One Year	*	*	*
Compensated Absences			
Due Within One Year	1,391,561	202,983	1,594,544
Due in More Than One Year	1,177,353	171,737	1,349,090
Total Liabilities	64,863,294	12,555,338	77,418,632
DEFERRED INFLOWS OF RESOURCES			
OPEB			
Pensions	231,939	20,655	252,594
State Aid for Subsequent Years	9,065,390	203,760	9,269,150
Total Deferred Inflows of Resources	1,142,657	*	1,142,657
Total Liabilities and Deferred Inflows	75,303,280	12,789,753	88,093,033
NET POSITION			
Net Investment in Capital Assets	207,181,863	120,550,158	327,732,021
Restricted for Perpetual Care, Nonexpendable	169,389	*	169,389
Restricted for Debt Service	6,607,690	*	6,607,690
Restricted for Special Assessments	4,122,202	*	4,122,202
Restricted for Tax Increment	3,171,444	*	3,171,444
Restricted for Police	644	*	644
Restricted for Public Works	1,927,597	*	1,927,597
Restricted for Parks and Recreation	2,283,894	*	2,283,894
Restricted for Historical and Cultural	36,591	*	36,591
Unrestricted	44,514,934	22,267,651	66,782,585
Total Net Position	270,016,248	142,827,809	412,844,057

City of Eden Prairie, Minnesota
Statement of Activities
For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS

	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government					
Governmental Activities					
Administration	\$ 5,554,956	\$ 982,079	\$ 4,989,886	\$ -	\$ 316,999
Community Development	4,767,416	142,353	470,029	-	(4,155,034)
Police	15,189,099	847,564	847,479	81,917	(13,412,139)
Fire	6,131,926	3,609,503	538,303	-	(1,984,120)
Public Works	14,981,533	329,277	500,000	9,225,772	(4,926,484)
Parks and Recreation	13,135,532	2,445,386	130,519	973,617	(9,585,810)
Interest on Long Term Debt	795,681	-	-	-	(795,681)
Total Governmental Activities	60,556,153	8,358,162	7,376,216	10,281,505	(34,542,269)
Business-Type Activities					
Water	9,481,491	8,987,364	33,627	1,368,282	907,782
Wastewater	7,496,256	6,895,764	267	773,910	173,685
Stormwater	2,538,257	3,376,785	73,724	185,467	1,097,719
Liquor	10,528,644	11,711,560	9,595	-	1,112,421
Total Business-Type Activities	30,124,648	30,971,473	117,123	2,327,659	3,281,607
Total Primary Government	\$ 90,680,801	\$ 39,327,635	\$ 7,493,339	\$ 12,609,165	\$ (31,250,662)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					37,334,542
Property Taxes, Levied for Debt Service					2,530,340
Tax Increment					2,193,637
Grants and Contributions Not Restricted to Specific Programs					1,788,293
Investment Income					1,651,912
Transfers					729,641
Total General Revenues and Transfers					46,228,365
Change in Net Position					
Net Position - Beginning					11,690,373
Net Position - Ending					3,287,330
					14,977,703
					258,325,875
					135,540,479
					397,866,354
					\$ 270,016,248
					\$ 142,827,859
					\$ 412,844,057



This page is intentionally left blank

City of Eden Prairie, Minnesota
Balance Sheet
Governmental Funds
December 31, 2020

Capital Projects

Assets	Current	Public Improvement Construction	Capital Improvement	Steady Oak Road	Normal
ASSETS					
Cash and Investments	\$ 28,053,442	\$ 2,115,470	\$ 18,058,792	\$ 2,574,538	
Accounts Receivable	275,485	-	18,541	-	
Interest	56,902	2,092	35,293	3,941	
Due from Other Governments	30,207	11,338	31,428,656	-	
Unmatured Taxes	306,942	-	3,335	-	
Deferred Taxes	763,618	-	6,332	-	
Deferred Special Assessments	426	539	-	-	
Deferred Special Assessments	11,831	273,441	247	1,610,531	
Special District Special Assessments	-	178,485	151,739	61,593	
Due from Other Funds	-	-	1,451,691	471,511	
Advances to Other Funds	94,824	-	51,985	-	
Prepaid Items	-	-	-	-	
Land Held for Resale	-	-	-	-	
Notes Receivable	-	-	-	-	
Total Assets	\$ 29,529,192	\$ 2,391,344	\$ 21,439,748	\$ 4,186,070	
LIABILITIES					
Accounts and Contracts Payable	\$ 1,607,775	\$ 297,831	\$ 112,514	\$ 68,468	
Salaries Payable	776,465	-	-	-	
Investment Interest Payable	17,484	-	-	-	
Due to Other Governments	-	-	-	-	
Due to Other Funds	128,181	-	184,178	-	
Unearned Revenue	2,329,983	297,831	297,892	68,536	
Total Liabilities	\$ 4,859,808	\$ 595,662	\$ 593,906	\$ 137,004	
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue/Grants/Revenue	48,808	11,398	6,119	-	
State Aid for Subsequent Years	-	-	1,142,837	-	
Unavailable Revenue/Property Taxes	703,616	-	8,332	-	
Unavailable Revenue/Special Assessments	281	422,055	213,573	1,610,531	
Total Deferred Inflows of Resources	\$ 932,625	\$ 433,453	\$ 1,370,521	\$ 1,610,531	
FUND BALANCES					
Nonspendable	94,824	-	51,985	-	
Restricted	10,572	-	-	2,511,871	
Assigned	-	1,820,360	19,716,091	-	
Unassigned	26,197,429	-	-	-	
Total Fund Balance	\$ 26,302,825	\$ 1,820,360	\$ 19,768,076	\$ 2,511,871	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 79,689,762	\$ 2,331,644	\$ 21,439,748	\$ 4,186,070	

City of Eden Prairie, Minnesota
Balance Sheet
Governmental Funds
December 31, 2020

Capital Projects

Assets	Eden Prairie Road	Eden Prairie Road Connected to Flying Cloud	General	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ -	\$ -	\$ -	\$ 23,894,818	\$ 23,894,818
Accounts Receivable	-	-	-	893,992	893,992
Interest	-	-	-	55,314	55,314
Due from Other Governments	-	-	920,774	93,410	1,914,498
Unmatured Taxes	-	-	-	21,433	21,433
Deferred Taxes	-	-	-	331,710	331,710
Deferred Special Assessments	2,075	-	-	-	2,075
Deferred Special Assessments	2,834	-	-	2,759,783	2,762,617
Deferred Special Assessments	76,774	269,996	-	1,388,177	1,674,947
Special District Special Assessments	820,353	157,185	-	2,242,538	3,220,076
Due from Other Funds	-	-	-	6,322	6,322
Advances to Other Funds	-	-	-	784,000	784,000
Prepaid Items	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Total Assets	\$ 922,230	\$ 427,181	\$ 920,774	\$ 32,506,864	\$ 34,776,949
LIABILITIES					
Accounts and Contracts Payable	\$ -	\$ 29,155	\$ 484,772	\$ 453,056	\$ 966,983
Salaries Payable	1,829	5,533	413	3,169	10,944
Investment Interest Payable	-	-	118,539	8,453	126,992
Due to Other Governments	628,130	1,547,684	688,951	8,453	2,872,218
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	435,985	435,985
Total Liabilities	\$ 629,959	\$ 1,572,372	\$ 1,252,125	\$ 1,555,516	\$ 4,910,372
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue/Grants/Revenue	-	-	438,680	15,720	454,400
State Aid for Subsequent Years	-	-	-	-	-
Unavailable Revenue/Property Taxes	899,961	447,181	-	-	1,347,142
Unavailable Revenue/Special Assessments	899,961	447,181	458,680	3,465,444	5,811,266
Total Deferred Inflows of Resources	\$ 1,799,922	\$ 894,362	\$ 897,360	\$ 3,484,604	\$ 6,976,248
FUND BALANCES					
Nonspendable	-	-	-	175,711	175,711
Restricted	-	-	-	17,726,555	17,726,555
Assigned	-	-	-	20,234,889	20,234,889
Unassigned	150,308,844	1,640,000	1,799,411	-422,534	151,955,721
Total Fund Balance	\$ 150,308,844	\$ 1,640,000	\$ 1,799,411	\$ 20,234,889	\$ 173,983,144
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 151,928,883	\$ 2,511,733	\$ 2,151,896	\$ 32,506,864	\$ 187,003,376

City of Eden Prairie, Minnesota
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Total Fund Balance - Governmental Funds	\$ 74,971,869
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	276,693,730
Less Accumulated Depreciation	(48,354,394)
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	(32,855,047)
Capital Lease	(59,611)
Deferred Loss on Refunding	93,895
3 The City's net pension liability, net pension asset and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position	
Balances at year end are:	
Net Pension Asset	1,982,261
Deferred Outflows of Resources related to pensions	5,480,882
Net Pension Liability	(20,784,677)
Deferred Inflows of Resources related to pensions	(9,065,590)
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	7,287,623
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	540,525
6 Governmental funds do not report a liability for accrued interest on long-term debt until due and payable	(368,946)
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	13,161,589
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	
Net Position - Governmental Activities	291,639
	\$ 270,016,248

This page is intentionally left blank

For more visit www.elsevier.com/locate/bsbs

Excess of Revenues Over (or) Excess of Expenditures

OTHER FINANCING SOURCES (USES)

THEORY AND PRACTICE OF
TEACHING

Journal of Management Inquiry

2019年10月10日

For the year ended December 31, 2020

Highway 101

OTHER CHEMICALS FOR GROWING PLANTS

OTHER FINANCING SOURCES (USES)

YOUNG ON THE MOVE: Solving Issues

No. C100200 - Faint Bazarovs

Dr. David J. Manning, DVM

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, 2020

Total net change in fund balances - governmental funds

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:
 Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over the estimated useful life's as depreciation expense.
 Depreciation expense
 The net effect of the disposal of capital assets
 Contributed to Extrajural funds
 Disposals
 Accumulated Depreciation on Disposals

Principal payments of long-term debt consumes the current financial resources of Governmental Funds. However they have no effect on Net Position.

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.

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.

Governmental Funds report debt insurance premiums and discounts as another financing source or use at the time of issuance. Premiums and discounts are reported as an unrecognized asset or liability in the Government-wide financial statements.

Amortization of Premiums/Discounts
 Debt service bonds were refunded during the year. The amount paid off with the new funding is reported in the governmental funds as a use of financing. However, the payments are not expenditures in the statement of activities, but rather a reduction on long-term liabilities in the statement of net position.

Refunding issues are recognized when paid in the governmental funds but amortized over the life of the debt in the Statement of Activities.

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.

Grants and 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.

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
 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.

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.

Change in Net Position - Governmental Activities

\$ 13,205,335

3,391,539

(3,973,165)

(587,550)

(982,283)

899,069

3,698,479

33,253

(7,417,000)

119,524

1,325,000

(22,919)

(1,357,329)

75,165

1,439,611

1,757,922

64,933

\$ 11,690,373

City of Eden Prairie, Minnesota
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	Budget:	Budget:	2020	2019
	Original	Final	Actual	Actual
REVENUES				
Taxes and Special Assessments				
General Property Taxes and Assessments	\$ 35,934,740	\$ 45,547,740	\$ 35,266,110	\$ 33,370
Permit Fees and Assessments	25,000	25,000	15,754	19,789
Total Taxes and Special Assessments	35,959,740	45,572,740	35,281,864	33,389
License and Permits				
Liquor, Beer and Wine Licenses	216,000	316,000	266,706	281,771
Business Licenses	29,000	29,000	3,445	29,130
Dog Registration Licenses	20,200	20,200	24,307	17,678
Building Permits and Fees	2,381,860	2,381,860	3,578,799	1,188,919
Cable TV	791,000	791,000	771,194	1,19,808
Other Permits	326,750	326,750	324,421	867,473
Total Licenses and Permits	2,854,750	3,654,750	4,968,871	3,167,871
Intergovernmental Revenue				
State Pension Aid	555,570	505,500	609,592	615,276
State of Minnesota Aid	457,742	457,742	480,363	488,216
Schools	120,430	120,430	120,430	120,430
Police Training	65,000	65,000	51,159	63,927
Fire Training	22,552	22,552	22,558	216,024
Grants	59,000	59,000	4,921,968	223,680
PECA Aid	9,000	9,000	6,239	52,384
Total Intergovernmental Revenue	1,297,222	1,297,222	6,239,159	6,884,524
Charges for Services				
Public Safety	156,208	156,208	113,511	195,310
Recreation	4,980,408	4,980,408	2,148,566	(2,631,842)
Community Center	452,502	452,502	51,792	4,759,708
Youth Programs	233,000	233,000	54,633	474,703
Organized Athletics	88,950	88,950	6,437	202,187
Senior Center	89,090	89,090	2,207	85,341
Outdoor Center	97,300	97,300	37,485	73,357
Art Center	80,000	80,000	13,849	11,751
Arch Facilities	43,300	43,300	2,451	77,620
Park Maintenance & Beaches	38,000	38,000	40,547	22,032
Park Maintenance	38,000	38,000	2,451	5,000
Therapeutic Recreation	25,000	25,000	1,769	40,720
ATC	5,600	5,600	1,769	30,721
Spect. Events	6,733,343	6,733,343	2,351,375	18,444
Total Recreation	6,733,343	6,733,343	2,351,375	3,907,029
Total Charges for Services	6,331,556	6,331,556	2,464,856	5,132,338
Fines and Penalties	417,000	417,000	230,341	384,544
Investment Income	200,000	200,000	536,716	547,778
Other	185,690	185,690	253,315	305,207
Total Revenues	\$ 48,245,988	\$ 48,245,988	\$ 51,003,613	\$ 49,297,340

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, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

Continued

EXPENDITURES - Current	2020			2019		
	Budget Original	Budget Final	Actual	Variance Over/Under	Actual	Actual
Administration						
Legislative	\$ 353,747	\$ 353,747	\$ 334,748	\$ (19,000)	\$ 329,099	\$ 329,099
Office of the City Manager	459,514	459,514	379,297	(81,227)	384,324	384,324
Legal Counsel	528,000	528,000	531,216	3,216	661,825	661,825
Communications	398,518	403,968	460,278	56,310	722,020	722,020
Finance	183,447	183,447	184,254	(810)	221,270	221,270
Information Technology	822,275	822,275	822,275	0	853,961	853,961
Community Services	421,084	421,084	396,421	24,663	384,141	384,141
Human Resources	677,613	677,613	669,023	8,590	662,204	662,204
Total Administration	4,754,298	4,754,298	4,547,110	207,188	4,455,654	4,455,654
Community Development						
Planning	1,245,847	1,079,647	1,026,298	(53,350)	1,018,693	1,018,693
Economic Development	811,781	851,250	851,176	(74)	851,176	851,176
Community Development Administration	249,652	249,652	317,854	68,202	484,309	484,309
Economic Development	121,834	181,434	158,452	(23,000)	174,019	174,019
Housing & Community Services	238,781	238,781	241,893	3,112	2,351,364	2,351,364
Total Community Development	2,427,195	2,461,364	2,427,672	(34,131)	2,285,337	2,285,337
Public Works						
Police	15,896,374	15,896,374	15,337,184	(559,190)	15,204,092	15,204,092
Fire						
Fire	4,872,200	4,846,872	4,861,072	15,200	4,488,600	4,488,600
Inspection	1,241,766	1,241,766	1,241,766	0	1,190,813	1,190,813
Public Safety Communications	142,571	142,571	136,420	6,151	139,428	139,428
Total Fire	6,256,537	6,231,209	6,239,258	(20,938)	5,818,841	5,818,841
Public Works						
Engineering	1,337,421	1,347,821	1,188,400	(159,421)	1,259,111	1,259,111
Street Maintenance	1,033,600	1,033,600	1,047,464	13,864	1,073,034	1,073,034
Street Lighting	968,500	968,500	967,826	(674)	975,603	975,603
Total Public Works	3,309,521	3,350,921	3,103,690	(247,231)	3,307,748	3,307,748

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, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

Continued

EXPENDITURES - Current (Continued)	2020			2019		
	Budget Original	Budget Final	Actual	Variance Over/Under	Actual	Actual
Parks and Recreation						
Park Maintenance	4,257,617	4,257,617	4,107,872	149,745	4,146,807	4,146,807
Community Center	5,367,787	5,367,787	5,300,022	67,765	5,104,654	5,104,654
Youth Programs	555,968	555,968	272,261	(283,707)	582,473	582,473
Senior Center	445,885	455,985	383,852	(72,100)	413,573	413,573
Park Administration	115,111	115,111	115,111	0	28,054	28,054
Organized Activities	264,640	264,640	267,331	2,691	31,380	31,380
Recreation Administration	357,369	357,369	357,369	0	35,855	35,855
Arts Center	325,717	325,717	325,717	0	20,201	20,201
Therapeutic Recreation	205,686	205,686	121,226	(84,460)	206,573	206,573
Culinary Center	252,551	252,551	211,853	(40,698)	232,129	232,129
Park Art 150	41,966	41,966	1,554	(40,412)	31,862	31,862
Arts	150,425	150,425	77,298	(73,127)	150,528	150,528
Special Events	136,192	136,192	96,129	(40,063)	117,314	117,314
Park Facilities	82,600	82,600	82,600	0	82,600	82,600
Beaches	27,806	27,806	27,806	0	27,806	27,806
Total Parks and Recreation	13,241,401	13,241,401	11,244,484	(1,996,917)	12,427,302	12,427,302
Other Services						
Principal	58,478	58,478	58,478	0	43,307	43,307
Transfer	2,287	2,287	2,287	0	3,300	3,300
Total Other Services	60,765	60,765	60,765	0	46,607	46,607
Other Expenditures						
Expend of Revenue Over/Under Expenditures	(391,488)	(478,852)	5,152,960	5,651,712	3,023,986	3,023,986
OTHER FINANCING SOURCES (USES)						
Transfer Out	811,468	411,468	411,468	(400,000)	405,849	405,849
Proceeds from Disposition of Capital Assets	(22,000)	(22,000)	(4,086,486)	(4,064,486)	(2,536,796)	(2,536,796)
Total Other Financing Sources / Uses	397,468	397,468	(4,086,486)	(4,483,954)	(2,130,947)	(2,130,947)
Net Change in Fund Balance	5	5	867,342	867,342	954,725	954,725
Fund Balance, January 1			25,35,483		24,542,534	24,542,534
Fund Balance, December 31			26,302,825		25,497,259	25,497,259

City of Eden Prairie, Minnesota
 Financial Statements
 Statement of Net Position
 December 31, 2020

Assets	Liabilities	Net Assets
Current Assets		
Cash and Cash Equivalents	1,400,481	1,400,481
Accounts Receivable	1,301,515	1,301,515
Inventory	1,100,184	1,100,184
Prepaid Expenses	1,100,184	1,100,184
Other Current Assets	1,100,184	1,100,184
Non-Current Assets		
Land	1,100,184	1,100,184
Buildings	1,100,184	1,100,184
Equipment	1,100,184	1,100,184
Intangible Assets	1,100,184	1,100,184
Other Non-Current Assets	1,100,184	1,100,184
Liabilities		
Accounts Payable	1,100,184	1,100,184
Long-Term Debt	1,100,184	1,100,184
Other Liabilities	1,100,184	1,100,184
Net Assets		
Net Assets	1,100,184	1,100,184

City of Eden Prairie, Minnesota
 Financial Statements
 Statement of Net Position
 December 31, 2020

Assets	Liabilities	Net Assets
Current Assets		
Cash and Cash Equivalents	1,400,481	1,400,481
Accounts Receivable	1,301,515	1,301,515
Inventory	1,100,184	1,100,184
Prepaid Expenses	1,100,184	1,100,184
Other Current Assets	1,100,184	1,100,184
Non-Current Assets		
Land	1,100,184	1,100,184
Buildings	1,100,184	1,100,184
Equipment	1,100,184	1,100,184
Intangible Assets	1,100,184	1,100,184
Other Non-Current Assets	1,100,184	1,100,184
Liabilities		
Accounts Payable	1,100,184	1,100,184
Long-Term Debt	1,100,184	1,100,184
Other Liabilities	1,100,184	1,100,184
Net Assets		
Net Assets	1,100,184	1,100,184

Supplemental Information

	Water Fund	Wastewater Fund	Stormwater Fund	Land Fund	Total	Capital Assets
						Financing Activities
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	0,442,860	6,664,316	3,248,879	11,713,898	32,030,053	8,300,028
Payments to Vendors	(3,539,030)	(4,544,500)	(778,441)	(8,790,829)	(17,652,800)	(1,740,000)
Other Income	2,887,871	(833,320)	(850,660)	(1,145,382)	5,448,371	18,330,831
Net Cash Provided (Used) by Operating Activities	2,791,601	1,286,496	1,619,778	2,777,687	8,475,562	877,119
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	408,403	1,062,346	173,725	34,365	2,648,839	296,000
Net Cash Provided (Used) by Investing Activities	408,403	1,062,346	173,725	34,365	2,648,839	296,000
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants	17,080	-	63,387	-	80,467	-
Net Cash Provided (Used) by Noncapital Financing Activities	17,080	-	63,387	-	80,467	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Debt Proceeds from Bonds	(6,126,800)	(368,977)	(60,244)	-	(6,556,021)	(1,140,820)
Debt Proceeds from Other Sources	20,878	27,560	-	-	48,438	(59,881)
Accounts Payable	1,000,793	271,519	-	-	1,272,312	-
Special Assessments	2,683,862	325,558	-	-	3,009,420	-
Interest on Debt	(743,000)	(95,000)	-	-	(838,000)	-
Interest on Capital Assets	(1,247,114)	(200,000)	(17,409)	-	(1,464,523)	(862,791)
Net Cash Provided (Used) by Capital Financing Activities	(2,794,711)	(1,247,914)	(77,653)	-	(4,119,278)	(2,162,492)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,265,530)	5,636,865	3,555,714	2,812,722	2,739,769	10,370,461
Cash and Cash Equivalents, January 1	14,463,568	7,044,394	3,209,432	2,332,722	27,050,116	13,004,415
Cash and Cash Equivalents, December 31	7,198,038	12,681,260	6,765,146	5,145,444	31,790,288	23,374,876

	Water Fund	Wastewater Fund	Stormwater Fund	Land Fund	Total	Capital Assets
						Financing Activities
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income	352,478	(805,438)	808,492	3,314,821	3,610,353	3,146,719
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	2,590,256	1,677,820	1,142,432	73,389	5,483,897	1,060,860
Provision for Doubtful Accounts	16,587	287	4,237	9,125	36,236	105,524
Accounts Receivable	(174,345)	(44,896)	(87,347)	(5,456)	(312,044)	85,111
Accounts Payable	(193,337)	(186,723)	10,848	-	(369,212)	(284,720)
Due from Other Governments	27,341	130,432	1,797	-	159,570	13,020
Prepaid Items	(21,746)	13,589	-	183,005	174,848	(22,084)
Other Post-Employment Benefits (Deferred Outflow)	(4,866)	(1,590)	(441)	(2,359)	(9,256)	279,427
Pension (Deferred Outflow)	(18,044)	(2,366)	(2,422)	(4,813)	(27,645)	(11,636)
Accounts Payable	528,329	201,759	429	(54,534)	675,983	(89,488)
Accounts Payable	18,230	4,789	8,024	6,831	37,874	19,070
Interest Revenue	41,765	-	2,860	9,334	53,959	(39,743)
Due to Other Governments	2,553	885	79	520	3,937	3,929
Other Post-Employment Benefits (Deferred Inflow)	166,791	20,238	23,793	46,111	256,933	1,170
Other Post-Employment Benefits (Deferred Inflow)	9,849	2,238	160	2,105	14,352	-
Pension (Deferred Inflow)	(241,544)	(98,236)	(81,646)	(12,347)	(433,773)	(43,744)
Accounts Payable	(75,266)	6,277	(12,347)	3,643	(78,333)	48,391
Net Cash Provided (Used) by Operating Activities	3,278,673	1,182,444	1,922,366	2,255,841	8,639,324	3,742,305
Net Increase (Decrease) in Cash and Cash Equivalents	37,132	1,048,462	587,550	1	563,145	448,190
Cash and Cash Equivalents, January 1	(2,740)	(1,241)	(77,411)	-	(1,018,151)	(31,961)
Cash and Cash Equivalents, December 31	34,392	1,047,221	610,139	1	1,691,753	416,229

City of Eden Prairie, Minnesota
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2020

ASSETS
Cash and Investments
Due from Other Governments
Prepays
Total Assets

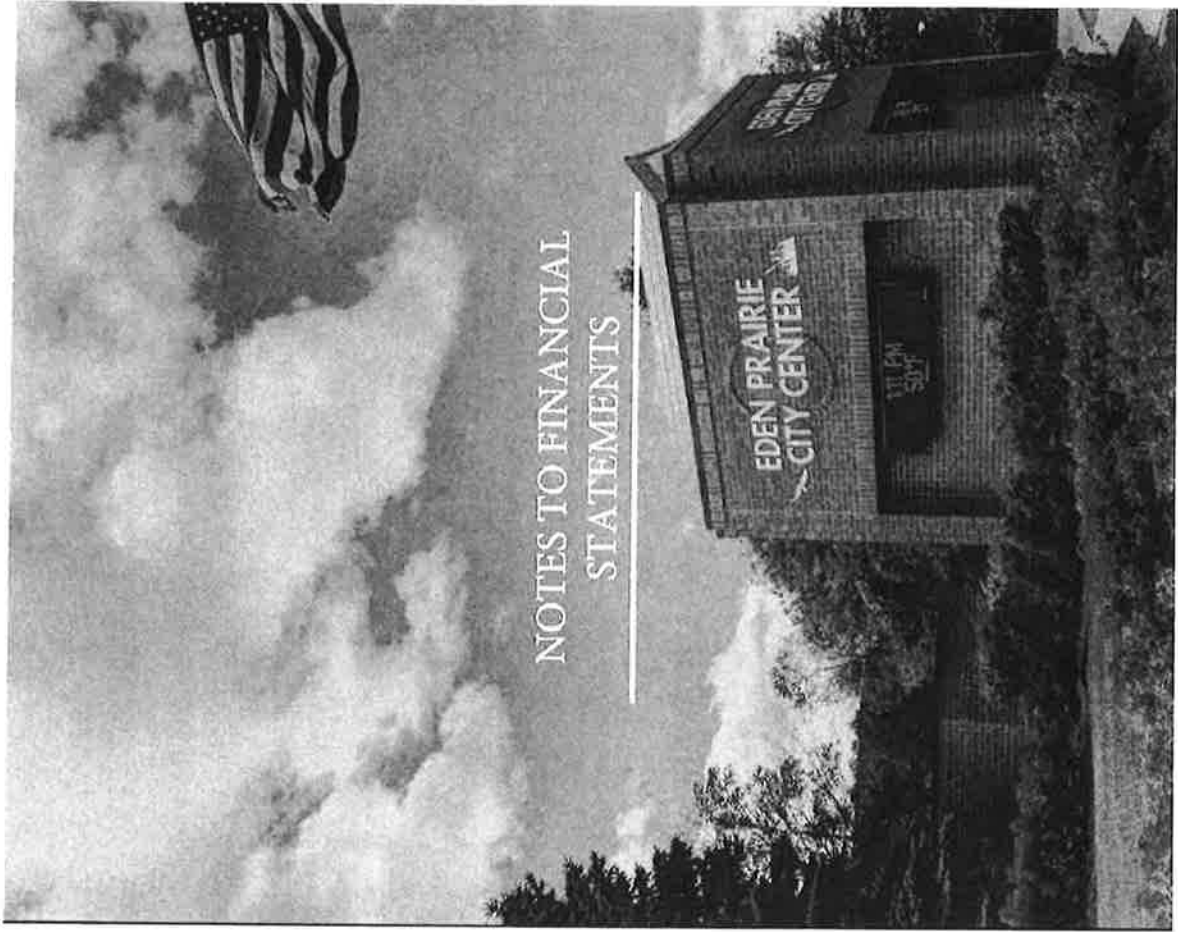
LIABILITIES
Accounts Payable
Due to Other Governments
Unearned Revenue
Total Liabilities

NET POSITION
Restricted

Custodial Funds Total
\$ 428,618
101,513
7,914
<u>\$ 538,045</u>
\$ 6,996
14,910
3,000
<u>\$ 24,906</u>
\$ 513,139
<u>\$ 513,139</u>

City of Eden Prairie, Minnesota
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

ADDITIONS	Custodial Funds Total
Grants	\$ 320,969
Memberships	199,897
Investments Earnings	2,474
Building Permits	680,890
Customers Deposits	230
Other	1,722
Total Additions	<u>1,176,181</u>
DEDUCTIONS	
Personnel Services	338,351
Supplies	30,756
Contractual Services	827,067
Total Deductions	<u>1,196,174</u>
Net Increase (Decrease) in Fiduciary Net Position	(19,993)
Net Position - Beginning	533,132
Net Position - Ending	<u>\$ 513,139</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 dependent 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 City also has an operational responsibility for the H.R.A. 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. 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. The fiduciary funds are only reported in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level. 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.

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.

City of Eden Prairie, Minnesota Notes to 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 Custodial 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 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 Capital Improvement Maintenance fund accounts for the accumulation of resources to be used for capital improvements and maintenance of City property.
- 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 Eden Prairie Road fund accounts for proceeds of bonds sold to finance the construction of Eden Prairie Road.
- The Eden Prairie Rd Connect to Flying Cloud fund accounts for the accumulation of resources to be used for the construction of road from Frederick Place to north of Riley Creek.
- The General LRT fund accounts for the accumulation of resources to be used for the completion of the Town Center Station, Urban Grid roadway system, extension of Eden Road to the station and upgrade/betterments of amenities within Eden Prairie beyond the base product.

City of Eden Prairie, Minnesota Notes to Financial Statements

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 wastewater service.
- The Stormwater fund accounts for the operations of the City's stormwater 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 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. Internal Service funds include Health & Benefits, Severance, Workers Compensation, Property Insurance, Facilities, Fleet and Information Technology.
- Fiduciary funds include Custodial funds that account for evidence held by the Police department in the Escrow fund, WAPTA, Metropolitan Council Environmental Services funds (MCES) and the 494 Corridor Commission.

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, wastewater, and storm water 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 in 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.

City of Eden Prairie, Minnesota Notes to Financial Statements

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and 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.

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 government 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 and prepaids 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 assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition 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.

City of Eden Prairie, Minnesota Notes to Financial Statements

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 70.
- 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 70 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 70.

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	25-50 years
Intangible assets	3 years

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 three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, the deferred charge for pensions (see Pension section below for explanation) and the deferred charge for OPEB (see OPEB 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 three items that qualify for reporting in this category. It is the deferred charge for pensions (see Pension section below for explanation), the deferred charge for OPEB (see OPEB section below for explanation) and the deferred charge for Municipal State Aid that the City is entitled to but has not requested from the State yet.

City of Eden Prairie, Minnesota Notes to Financial Statements

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 five sources: property taxes, special assessments, loans, grants and invoices not collected within 60 days. 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 the governmental activities, the net pension liability will be liquidated through the General fund.

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, the City recognizes benefit payments when due and payable in accordance with the benefit terms. The City's benefit payments consist of the implicit rate subsidy, and subsidized premiums for officers injured in the line of duty. Other post-employment benefits are generally liquidated through the Health and Benefits Internal Service funds.

Compensated Absences

The City compensates employees upon termination for unused paid time off (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.

City of Eden Prairie, Minnesota Notes to Financial Statements

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 delinquent.

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

City of Eden Prairie, Minnesota Notes to Financial Statements

- **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. Only the Council can remove or change the constraints placed on committed fund balances by resolution.
- **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 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. 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, 2019, 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 meeting 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

City of Eden Prairie, Minnesota Notes to Financial Statements

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 \$87,384. Following are changes made to the original budget during the year:

City Clerk	Inspection Scanning & Staffing	\$	7,150
Human Resources	Job Postings		9,150
Planning	Comprehensive Plan, Preservation Plan		34,195
Housing/Community Services	Conference		577
Fire	Uniforms		26,312
Engineering	Scanning		10,000
		\$	<u>87,384</u>

General fund expenditures equal \$45,851,253 or 94.1% of the annual amount budgeted of \$48,724,840. All departments except Fire have spent less than 100% of the amounts budgeted.

Deficit Fund Equity

The following governmental funds had deficit fund balance/net position at December 31, 2020:

Major Funds:	
Eden Prairie Road	\$ 625,864
Eden Prairie Rd Connect to Flying Cloud	1,680,352
General LR1	790,431
Non-Major Governmental Funds:	
Homeowners Improvements Area	12,540
Singletree Lane South	63,044
Duck Lake Rd Reconstruct	569,582
Internal Service Funds:	
Health and Benefits	1,150,799
Severance	1,078,931

The fund balance deficits of these individual Capital Project funds will be financed by municipal state aid, special assessments and other future City planned funding as identified in the City's Capital Improvement Plan. 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	\$ 117,392,568
Cash on hand	23,091
Total	\$ 117,405,659

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

Statement of Net Position	
Cash and cash equivalents	\$ 116,977,041
Statement of Fiduciary Net Position	
Cash and investments	<u>428,618</u>
	\$ 117,405,659

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:

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 fair 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 Statutes 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, 2020, 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.

City of Eden Prairie, Minnesota Notes to Financial Statements

Investments

As of December 31, 2020, the city had the following investments and maturities:

	Investment Maturities (in Years)		
	Total	Less Than 1 Year	1 to 5 Years
U.S. Agencies	\$ 44,076,332	\$ 2,863,003	\$ 41,213,329
Municipal Bonds	24,259,626	10,208,390	14,051,236
Negotiable Certificate of Deposit	1,524,248	1,524,248	-
Bankers Acceptance	7,468,015	7,468,015	-
Mutual Funds	40,054,347	40,054,347	-
Total	\$ 117,382,568	\$ 62,118,003	\$ 55,264,565

Moody's	US Agencies	Municipal Bonds	Negotiable Certificate of Deposit	Bankers Acceptance	Mutual Funds	Total
Aaa	\$ 42,350,213	\$ 2,142,912	\$ -	\$ -	\$ -	\$ 44,503,125
Aa1	-	4,577,032	-	-	-	4,577,032
Aa2	-	2,512,253	-	-	-	2,512,253
Aa3	-	2,621,516	-	-	-	2,621,516
A1	-	1,254,143	-	-	-	1,254,143
MC 1	-	2,568,700	-	-	-	2,568,700
N/A NR	1,716,119	-	1,524,248	7,468,015	40,054,347	50,762,729
S&P						
AA	-	4,884,368	-	-	-	4,884,368
AA+	-	2,649,122	-	-	-	2,649,122
AA-	-	1,049,600	-	-	-	1,049,600
Total	\$ 44,076,332	\$ 24,259,626	\$ 1,524,248	\$ 7,468,015	\$ 40,054,347	\$ 117,382,568

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 seven (7) years from the date of purchase or for mortgage backed securities, the weighted average life must be no more than seven (7) years from the date of purchase. The intent to invest in securities with longer maturities will be disclosed to the City Council. Currently, the City did not have any investments maturing more than seven years from the date of purchase.

City of Eden Prairie, Minnesota Notes to Financial Statements

Credit Risk

It is the City's policy to limit its investments to the following types, which are also 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.
- 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 specifically addresses custodial credit risk by requiring investments to be held at the Federal Reserve Bank or any bank authorized under the laws of the United States.

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 specifically addresses the City's desire to limit risk by avoiding over concentration in securities from a specific issuer and by setting allocation guidelines to diversify the types of securities in the portfolio. At year end, the City did hold the following investments in securities with a single issuer which exceeded 5%.

Issuer	Percentage
FHLMC	5.6%

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

City of Eden Prairie, Minnesota Notes to Financial Statements

disclosures about fair value measurements. 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 at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ 29,829,611	\$ 14,246,721	\$ -	\$ 44,076,332
Municipal Bonds	-	24,259,626	-	24,259,626
Negotiable Certificates of Deposit	-	1,524,248	-	1,524,248
	\$ 29,829,611	\$ 40,030,595	\$ -	\$ 69,860,206

Investments measured at amortized cost

47,522,362

\$ 117,382,568

City of Eden Prairie, Minnesota Notes to Financial Statements Note 4—Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	2020 Beginning Balance	Transfers	Increases	Decreases	2020 Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets, Not Being Depreciated					
Land	\$ 22,132,497	\$ -	\$ -	\$ -	\$ 22,132,497
Infrastructure	137,955,914	178,451	341,069	-	137,574,434
Work in Progress	4,443,956	(12,256,000)	3,027,961	41,743	4,175,208
Total Capital Assets, Not Being Depreciated	163,532,467	(12,077,549)	3,369,030	41,743	163,882,139
Capital Assets, Being Depreciated					
Buildings	74,243,556	-	37,446	-	74,281,002
Land Improvements	22,301,426	1,126,933	115,197	-	23,543,556
Leasehold Improvements	77,318	-	-	-	77,318
Machinery and Equipment	5,072,766	-	-	90,752	4,982,014
Autos	1,889,924	257,796	751,410	460,516	12,458,617
Other Assets	9,355,056	1,106,163	272,867	(518,027)	10,367,017
Total Capital Assets, Being Depreciated	103,341,046	2,490,395	1,176,540	1,077,295	105,771,586
Total Capital Assets, Cost	286,773,453	(589,660)	4,541,970	1,119,038	289,613,725
Less: Accumulated Depreciation for					
Buildings	22,537,725	-	2,287,616	-	24,825,343
Land Improvements	10,224,643	-	1,110,529	-	11,335,172
Leasehold Improvements	75,975	-	294	-	76,269
Machinery and Equipment	4,129,567	-	312,742	98,752	4,343,557
Autos	8,896,795	(21,110)	803,877	460,006	8,889,556
Other Assets	6,356,736	(21,116)	542,010	(476,544)	6,222,297
Total Accumulated Depreciation	\$1,681,441	(21,116)	\$,387,030	1,513,302	\$5,637,999
Total Capital Assets, Being Depreciated, Net	71,449,605	2,512,005	(3,846,130)	41,983	70,039,487
Governmental Activities Capital Assets, Net	\$ 235,088,012	\$ (67,560)	\$ (515,100)	\$ 83,736	\$ 233,921,826

City of Eden Prairie, Minnesota Notes to Financial Statements

	2020 Beginning Balance	Transfers	Increases	Decreases	2020 Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated					
Land	\$ 1,005,556	\$ -	\$ 8,044,810	\$ -	\$ 9,050,366
Work in Progress	2,463,490	-	-	-	2,463,490
Total Capital Assets, Not Being Depreciated	3,469,046	-	8,044,810	-	11,513,856
Capital Assets, Being Depreciated					
Land Improvements	165,679	-	-	-	165,679
Buildings	59,370,999	-	-	-	59,370,999
Distribution System	202,444,283	567,550	902,936	-	203,914,771
Leasehold Improvements	727,394	-	-	-	727,394
Machinery and Equipment	5,616,869	-	54,475	30,521	6,640,823
Airco	997,950	21,110	82,090	77,724	1,072,426
Other Assets	141,300	-	-	-	141,300
Total Capital Assets, Being Depreciated	270,456,474	588,660	1,039,501	108,245	271,976,390
Total Capital Assets, Cost	273,925,530	588,660	7,084,313	108,245	281,550,258
Less Accumulated Depreciation (a)					
Land Improvements	111,401	-	4,670	-	116,071
Buildings	35,903,470	-	1,352,389	-	37,255,859
Distribution System	114,566,585	-	4,095,137	-	118,661,722
Leasehold Improvements	692,130	-	35,264	-	727,394
Machinery and Equipment	2,992,403	-	280,463	30,521	3,292,346
Airco	650,271	21,110	35,743	77,724	825,400
Other Assets	141,300	-	-	-	141,300
Total Accumulated Depreciation	155,253,560	21,110	5,813,675	108,245	161,096,590
Total Capital Assets, Being Depreciated, Net	115,192,914	567,550	(4,774,172)	-	110,986,292
Business-Type Activities Capital Assets, Net	\$ 116,791,470	\$ 567,550	\$ 1,270,638	\$ -	\$ 120,630,158

City of Eden Prairie, Minnesota Notes to Financial Statements

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

Governmental Activities	
Administration	\$ 320,083
Community Development	39,360
Police	200,742
Fire	314,918
Public Works	287,384
Parks and Recreation	2,810,678
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	1,083,905
Total Depreciation Expense - Governmental Activities	\$ 5,057,070
Business-Type Activities	
Water	\$ 2,900,056
Wastewater	1,677,800
Stormwater	1,162,430
Liquor	73,389
Total Depreciation Expense - Business-Type Activities	\$ 5,813,675

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 Rehabilitation Assistance notes have a phased repayment plan. If the loan is within 11 years of the loan date, 100% of the principal amount is due. On the 11th anniversary of the loan origination date, 90% of the loan principal is due and declines 10% a year until it is forgiven after 20 years. The Home Buyer notes are interest free and are due either when the home sells or 30 years, whichever occurs first.

The City has also entered into a note agreement with Climatech to help fund planned renovations through DEED's Minnesota Investment Fund. The program required the City to apply for the grant on behalf of Climatech and act as a conduit between DEED and the business. If Climatech meets the job creation and wage commitments, \$100,000 of the note principal will be forgiven. The remaining \$270,000 will be repaid over 6 years at an interest rate of 2.0%.

The City has entered into a \$500,000 TIF note agreement with the developer Elevate for site improvement costs to redevelop the vacant Ruby Tuesdays and Anchor Bank. The new six-story building will include 222 apartment units over approximately 13,000 square feet of retail and restaurants. The note will bear simple interest at the rate of 1% per annum.

City of Eden Prairie, Minnesota Notes to Financial Statements

The interest and principal shall be paid on the earlier of (a) the end of the term of the HUD Mortgage (40 years) or (b) a sale, refinancing or exchange of the Project by the Developer, at which time all principal plus accrued interest shall be paid in a lump sum.

Project	Notes Receivable
Home Buyer Assistance Program	\$ 198,252
Rehabilitation Assistance Program	397,268
Climatech DEED	95,093
Elevate	500,000
	<u>\$ 1,194,613</u>

Note 6—Interfund Receivables and Payables

The composition of due to/from balances as of December 31, 2020, is as follows:

	Due From Other Funds	Due To Other Funds	Advances To Other Funds	Advances From Other Funds
Capital Improvement Maintenance	\$1,451,651	\$ -	\$ 471,511	\$ -
Eden Prairie Road	-	626,130	-	-
Eden Prairie Rd Connect to Flying Cloud	-	1,647,664	-	-
General LRT	-	668,351	-	-
Non-Major Governmental Funds	2,262,538	614,874	-	-
Stormwater Fund	-	157,170	-	471,511
Total	<u>\$ 3,714,189</u>	<u>\$ 3,714,189</u>	<u>\$ 471,511</u>	<u>\$ 471,511</u>

The funds will be repaid as special assessment revenue, taxes, grants and other future City planned funding as identified in the City's Capital Improvement Plan 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, 2020, is as follows:

Transfers In General	Transfers Out Water Wastewater Stormwater Water Non-Major Governmental Funds Capital Improvement Maintenance General Liquor Fund General Capital Improvement Maintenance Shady Oak Road North	Amount \$
		205,734
		144,014
		61,720
		40,000
		1,680,443
		4,676,486
		850,000
		20,000
		300,000
		1,300,000
Total of transfers		<u>\$ 9,278,397</u>

The transfers from the Water, Wastewater and Stormwater funds to the general fund are for general fund services provided. The transfer from the Water fund and Non-Major funds to the Public Improvement Construction was to assist with capital improvements. The transfers from the General fund and Liquor fund to the Capital Improvement fund is for positive performance. The transfer from the General fund to Non-Major funds was to assist with the organized athletics. The transfer from Capital Improvement fund and Shady Oak Road N fund was to assist with capital improvements.

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 Plan

All full-time and certain part-time employees of the City of Eden Prairie are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

City of Eden Prairie, Minnesota Notes to Financial Statements

Public Employees Police and Fire Plan
The Police and Fire Plan, 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 Police and Fire Plan 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. 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.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years 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.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan 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 Police and Fire Plan 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 Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

City of Eden Prairie, Minnesota Notes to Financial Statements

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase was fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Contributions

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

General Employees Plan Contributions

Coordinated Plan members were required to contribute 6.50%, of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2020, were \$1,290,562. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Plan Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$1,464,610. The City's contributions were equal to the required contributions as set by state statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$14,520,997 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$447,832. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 242.2% at the end of the measurement period and 236.5% for the beginning of the period.

City of Eden Prairie, Minnesota Notes to Financial Statements

City's Proportionate Share of the Net Pension Liability	\$ 14,520,997
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	447,832
Total	\$ 14,968,829

For the year ended December 31, 2020, the City recognized pension expense of \$596,311 for its proportionate share of the General Employees Plan's pension expense. Included in the amount, the City recognized \$38,975 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Plan.

At December 31, 2020, the City reported its proportionate share of the General Employees Plan'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	\$ 129,399	\$ 54,941
Changes in Actuarial Assumptions	-	534,725
Net Collective Difference Between Projected and Actual Investment Earnings	219,141	-
Changes in Proportion	236,355	336,514
Contributions Paid to PERA Subsequent to the Measurement Date	645,281	-
Total	\$ 1,230,176	\$ 926,180

The \$645,281 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec 31:	Pension Expense Amount
2021	\$ (1,036,855)
2022	(9,618)
2023	354,354
2024	350,834
	\$ (341,285)

Police and Fire Plan Pension Costs

At December 31, 2020, the City reported a liability of \$9,458,299 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, 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 share of the net pension liability was based

City of Eden Prairie, Minnesota Notes to Financial Statements

on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportionate share was 7225% at the end of the measurement period and .7299% for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state aid was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020 the City recognized pension expense of \$1,072,599 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$69,031 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$65,024 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Eden Prairie, Minnesota Notes to Financial Statements

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ 425,835	\$ 474,463
Changes in Actuarial Assumptions	3,348,276	6,160,365
Net Collective Difference Between Projected and Actual Investment Earnings	253,012	
Changes in Proportion	732,305	339,733
Contributions Paid to PERA Subsequent to the Measurement Date	\$ 4,761,560	\$ 6,974,561
Total		

The \$732,305 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, 2021. 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
2021	\$ (828,545)
2022	(2,862,011)
2023	351,755
2024	389,920
2025	(5,425)
	\$ (2,946,306)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.5% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.5%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disability rates for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan and 1% per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2020 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 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for Police and Fire

City of Eden Prairie, Minnesota Notes to Financial Statements

Plan was completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuation if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP 2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

City of Eden Prairie, Minnesota Notes to Financial Statements

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were 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.

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 Different Discount Rate (in thousands)				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.5%	\$ 23,272,121	6.5%	\$ 18,916,330
Current discount Rate	7.5%	\$ 14,520,997	7.5%	\$ 9,458,299
1% Higher	8.5%	\$ 7,302,022	8.5%	\$ 1,633,436

City of Eden Prairie, Minnesota Notes to Financial Statements

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.

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *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 (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City's during fiscal year 2020 were:

	Amount		% of Covered Payroll		Required Rates
	Employee	Employer	Employee	Employer	
	\$ 2,998	\$ 2,998	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, 2019, membership includes 94 active participants, 106 retirees and beneficiaries currently receiving benefits, and 20 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

City of Eden Prairie, Minnesota Notes to Financial Statements

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 vesting. 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 \$36 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 \$12,400 times the years of service which the member would be entitled.

A member of the Association who has completed 10 or more years of active service with the Fire Department and has been an active member in the Association for at least 10 years, but has not reached age 50, shall have the right to retire from the Fire Department without forfeiting the right to a service pension. The member shall be entitled to a deferred service pension, and upon attaining the age of 50, the Association shall, upon application thereof, pay the member's pension from the date the application is approved.

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.

City of Eden Prairie, Minnesota Notes to Financial Statements

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.

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 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
= Minimum Municipal Obligation

The Plan is funded in part by fire state aid and, if necessary, City contributions. The State of Minnesota distributed to the City \$493,363 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2020. 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, 2020 was \$184,172.

Pension Costs

At December 31, 2020, the City reported \$1,982,261 for the Association's net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020.

City of Eden Prairie, Minnesota Notes to Financial Statements

As a result of its requirement to contribute to the Relief Association, the City recognized fire expense of \$288,609 for the year ended December 31, 2020. At December 31, 2020, 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	\$ -	\$ 28,466
Changes in Actuarial Assumptions	82,250	43,340
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,296,603
City Contributions Subsequent to the Measurement Date	677,535	-
Total	\$ 759,785	\$ 1,368,409

The City contributions to the Association subsequent to the measurement date of \$677,535, reported as deferred outflows of resources, will be recognized as an addition of the net pension asset in the year ended December 31, 2021. 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
2021	\$ (284,661)
2022	(411,018)
2023	(44,483)
2024	(545,997)
	\$ (1,286,159)

City of Eden Prairie, Minnesota Notes to Financial Statements

Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	1/1/20
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Actuarial Assumptions	Closed
Discount Rate	5.50%
Investment Rate of Return	5.50%
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-2019
Disability	25% of active disabilities are assumed to be in the line of duty or fire service related
Withdrawal	Service 0-4 Years 7% Service 5-9 Years 2% Service 10+ Years 3%
Percent Married	85%
Age Difference	3 years
Form of Payment	50% Annuity (J&S if married), 50% 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 the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

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

City of Eden Prairie, Minnesota Notes to Financial Statements

Asset Class	Expected Portfolio Weight	Long-Term	
		Expected Rate of Return	Rate of Return
Cash	3.00%	2.00%	
Fixed Income	36.00%	3.50%	
Equities	49.00%	7.40%	
Other	12.00%	5.50%	
Total Portfolio	100.00%	5.50%	

Discount Rate

The discount rate used to measure the total pension liability was 5.5%. 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.

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 5.50%, 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 (4.50%) or one percentage point higher (6.50%) than the current rate:

Net Pension Liability (Asset)	Selected		1% Increase
	1% Decrease	Discount Rate	
Net Pension Liability (Asset)	\$ 376,456	\$ (1,982,261)	\$ (3,530,683)
Discount Rate	4.50%	5.50%	6.50%

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

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

	2019	2018
Total Pension Liability		
Service Cost	\$ 485,127	\$ 498,110
Interest	1,159,236	1,147,434
Differences Between Expected and Actual Experience	(27,803)	(29,789)
Changes of Assumptions	(65,011)	246,754
Changes of Benefit Terms	-	338,844
Benefit Payments, Including Member Contribution Refunds	(2,326,728)	(1,449,720)
Net Change in Total Pension Liability	(775,179)	751,629
Total Pension Liability - Beginning	21,759,724	21,008,095
Total Pension Liability - Ending (a)	20,984,545	21,759,724
Plan Fiduciary Net Position		
Municipal Contributions	209,316	523,283
State Contributions	476,219	457,741
Net Investment Income	3,828,516	(1,274,855)
Benefit Payments	(2,326,728)	(1,449,720)
Administrative Expenses	(29,062)	(30,772)
Other Changes	680	254
Net Change in Fiduciary Net Position	2,158,941	(1,774,089)
Fiduciary Net Position - Beginning	20,807,605	22,581,694
Fiduciary Net Position - Ending (b)	22,966,506	20,807,605
Association's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (1,982,261)	\$ 951,859

	General Employees Plan	Police and Fire	Fire Relay	Total
Pension Expense	\$ 595,311	\$ 1,072,599	\$ 1,240,468	\$ 2,909,378
Net Pension Asset	-	-	1,982,261	1,982,261
Net Pension Liability	14,520,997	9,458,299	-	23,979,296
Deferred Outflows	1,230,176	4,761,560	759,785	6,751,521
Deferred Inflows	926,180	6,974,561	1,368,409	9,269,150

City of Eden Prairie, Minnesota Notes to Financial Statements

Note 9—Other Post-Employment Benefits Plan

Plan Description

The City's single-employer defined benefit OPEB plan provides OPEB for all permanent full-time employees of the City. The City's OPEB Plan is administered by the City. The City does not administer a trust and therefore does not issue a separate report.

Benefits Provided

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.

Employees Covered by Benefit Terms

At January 1, 2020, membership included 15 retirees and others currently receiving benefits, 3 spouse receiving payments and 274 active plan members.

Contributions

All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements.

Total OPEB Liability

The City's total OPEB liability was measured as of January 1, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	Service graded table
Healthcare cost trend rates	6.5% as of January 1, 2020 grading to 5% over 5 years

City of Eden Prairie, Minnesota Notes to Financial Statements

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.9%. Since the plan is not funded by a trust, the discount rate is equal to the 20-year Municipal Bond Yield. Since the most recent valuation, the discount rate was changed from 3.8% to 2.9%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 12/31/2019	\$ 2,797,269
Changes for the Year:	
Service Cost	160,108
Interest	109,426
Changes of Assumptions	141,690
Difference between Expected and Actual	(209,383)
Benefit Payments	(156,962)
Net Changes	44,879
Balances at 12/31/20	\$ 2,842,148

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.9%) or 1% point higher (3.9%) than the current discount rate:

	1% Decrease (1.9)%	Discount Rate (2.9)%	1% Increase (3.9)%
Total OPEB Liability	\$ 3,053,487	\$ 2,842,148	\$ 2,644,906

City of Eden Prairie, Minnesota Notes to Financial Statements

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.5% decreasing to 4%) or 1% point higher (7.5% decreasing to 6%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates (6.5%) decreasing to 5%	Healthcare Cost Trend Rates (7.5%) decreasing to 6%
1% Decrease (5.5%) decreasing to 4%	1% Increase (7.5%) decreasing to 6%	
Total OPEB Liability	\$ 2,566,505	\$ 3,165,793

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$249,509. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 155,118	\$ -
Difference Between Expected and Actual Change in Assumptions	123,578	183,210
Total	\$ 278,696	\$ 183,210

The City's contributions subsequent to the measurement date of \$155,118, reported as deferred outflows of resources, will be recognized as a reduction of the total OPEB liability in the City's fiscal year ended December 31, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPEB Expense
Year Ended December 31	
2021	\$ (20,025)
2022	(20,025)
2023	(20,025)
2024	(20,025)
2025	(20,025)
Thereafter	(28,491)
	<u>\$ (128,616)</u>

City of Eden Prairie, Minnesota Notes to Financial Statements

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, 2020 was \$188,196.

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

Year Ended December 31	Prairie Village	Prairie View
2021	\$ 88,008	\$ 102,672
2022	96,012	105,237
2023	96,012	107,882
2024	104,016	110,607
2025	104,016	113,332
thereafter	317,390	514,563
	<u>\$ 805,454</u>	<u>\$ 1,054,293</u>

The lease agreement with Prairie Village also includes a percentage rent to the landlord during the term in the amount equal to five percent (5%) of gross sales in excess of three million, five hundred thousand for years 2020-2022 and five percent (5%) of gross sales in excess of four million for years 2023-2028.

The City has entered into a four month lease agreement with the Metropolitan Airports Commission for athletic fields. Rental expense for the year ended December 31, 2020 was \$1,522.

The City has entered into a one year lease agreement with the Metropolitan Airports Commission for community garden plots. Rental expense for the year ended December 31, 2020 was \$863.

The City has entered into a lease agreement with the Minnesota Department of Natural Resources for the Staring Lake trail right of way. Rental expense for the year ended December 31, 2020 was \$520. The City will continue to pay \$520 annually until the rental term expires on June 30, 2022.

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, 2020 was \$4,667. The City will continue to pay \$4,667 per year for the remaining lease term which expires March 31, 2024.

The City has entered into a five year lease agreement for fire safety equipment. In 2020, the final year of the lease, the City paid \$10,895 for automatic external defibrillators, \$12,800 for thermal imaging cameras, and \$3,428 for gas detectors.

City of Eden Prairie, Minnesota
Notes to Financial Statements

As Lessor

The City occupies approximately half of the City Center building. The remaining half was leased to the Eden Prairie Independent School District and United Natural Foods during 2020.

The City has a lease agreement with the Eden Prairie Independent School District and received \$371,350 of rental revenue for 2020. The City will receive rent annually through May 31, 2024. Annual rent will be \$380,415 in 2021; \$390,165 in 2022; \$399,915 in 2023; \$169,340 in 2024. The City also received the School District's portion of Common Area Maintenance (CAM) for maintenance, insurance and taxes.

United Natural Foods (UNFI), formerly SuperValu, started paying a lump sum gross rent on March 1, 2015. The City received \$1,575,188 in gross rent for 2020. This gross rent amount is intended to cover both base rent and CAM. The City calculated UNFI's 2020 CAM (based on the building's CAM budget and square footage) at \$634,727 leaving \$940,461 as Rental Revenue. The City will receive Gross Rent annually through June 30, 2022. Gross rent received will be \$1,612,034 in 2021, and \$819,835 in 2022.

The City has entered into a lease agreement with Pure Graco LLC for the rental of space located at the Smith Douglas More House. Rental income for the year ended December 31, 2020 was \$17,000. As a result of the Coronavirus pandemic, rent was abated April through June 2020. The tenant resumed rent at fifty percent beginning July 2020 and will continue until dining restrictions are lifted. This lease has been extended beyond the current expiration date of December 31, 2027 for a time equal to the abatement period. The City is expected to receive \$34,000 annually through 2027. The City also receives additional rent if sales exceed \$500,000 through May 2021.

The City has entered into a lease agreement with Eden Prairie Montessori for the rental of space located at 8098 Glen Lane. This lease agreement commenced on July 1, 2017 and continues through September 30, 2022. Rental income for the year ended December 31, 2020 was \$69,614. Due to the Coronavirus pandemic, forty percent of rent for the months of June, July, and August 2020 were forgiven by the City. In addition, the lease was extended beyond the current term date of June 30, 2022 by three months to September 30, 2022. The City will receive \$78,921 in 2021 and \$59,779 in 2022.

The City has entered into a lease agreement with Nguyen Family Inc dba Lotus Nails Spa for 1,402 square feet of rental space located in the Den Road Liquor store building. Rental income for the year ended December 31, 2020 was \$10,749. Rent for the months of March through August 2020 were abated by the City due to the Coronavirus pandemic. Rent resumed at fifty percent beginning September 2020 with the lease extended beyond the current term date for the period of time equal to the abatement. The City will receive rent annually through 2024. Annual rent is expected to be \$32,246 from 2021 to 2023 and \$10,749 in 2024.

The City has entered into a lease agreement with Chuck & Don's Pet Food & Supplies for 3,379 square feet of rental space located in the Den Road Liquor store building. Rental income for the year ended December 31, 2020 was \$84,391. Due to the Coronavirus pandemic, rent for the months of April through June 2020 was reduced by thirty percent with the amount to be paid back in monthly

City of Eden Prairie, Minnesota
Notes to Financial Statements

Installments in 2021. The City will receive rent annually through January 31, 2029. Annual rent will be \$99,061 in 2021; \$93,908 in 2022; \$95,598 in 2023; \$97,287 in 2024; \$98,977 in 2025; and \$315,796 in years 2026-2029.

The City has entered into a one year 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, 2020 was \$7,080.

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, 2025.

The City has entered into a lease with Eden Prairie Schools for the use of the girls hockey locker room located at the Community Center. This lease commenced on October 1, 2018 and ends on September 30, 2021. The City received \$4,356 in rental income for 2020.

The City has entered into communication facilities license agreements with AT&T, New Cingular Wireless, Great River Energy, Sprint, T-Mobile, and Verizon for cell antenna equipment placed on City property such as roofs and water tower tanks. In 2020, the City received \$360,797 in rental income. Annual rent will be \$367,166 in 2021; \$383,329 in 2022; \$385,284 in 2023; \$372,329 in 2024; and \$371,214 in 2025.

The City has entered into small wireless facility collocation agreements with Verizon Wireless for cellular equipment placed on City property such as light poles and traffic signal poles. For 2020, the City received \$4,800 in rental income. These rental agreements will continue until 2026 for which the City will receive \$4,800 annually.

The assets acquired for these lease agreements are as follows:

	2020	2020	
	Governmental	Liquor	
	Activities	Fund	
Asset:			
Land	\$ 2,628,813	\$ 536,659	
Land Improvements	1,445,223	*	
Building	12,750,471	2,653,037	
Less: Accumulated Depreciation	(7,449,533)	(1,549,233)	
Total	\$ 9,374,974	\$ 1,640,463	
Depreciation Expense	\$ 356,197	\$ 73,389	

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 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.

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

City of Eden Prairie, Minnesota
Notes to Financial Statements

	Maturities	Interest Rates	Original Issue	2020 Amount Outstanding
Governmental Activity				
General Obligation Bonds				
G.O. Refunding Bonds 2011C	2021	1.25-2.10%	\$ 4,455	\$ 230
G.O. Refunding Bonds 2012A	2021	2.00%	5,110	4,925
G.O. Refunding Bonds 2012B	2021	2.00%	3,170	1,930
G.O. Refunding Bonds 2020A	2025	0.85%	6,081	6,081
Assess Debt With Govt Commit				
G.O. Revolving Bonds of 2012C	2021	2.00%	10,250	1,225
G.O. Bonds of 2016A	2032	2.30-3.00%	2,360	1,715
G.O. Refunding Bonds 2020A	2025	0.85%	1,336	1,336
Tax Abatement Bonds				
G.O. Tax Abatement Bonds 2014A	2035	2.00-3.75%	17,155	15,000
Total Governmental Activity			49,917	32,442
Business Type Activity				
G.O. Bonds of 2016A	2027	2.30-3.00%	1,580	1,155
G.O. Water Bonds 2019A	2039	2.00-3.00%	4,920	4,730
Total Business Type Activity			6,500	5,885
Capital Lease	2021	1.93%	287	60
Total			\$ 56,704	\$ 38,387

City of Eden Prairie, Minnesota Notes to Financial Statements

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

Years Ending 12/31	G.O. Bonds		Assessment Debt with Govt Commitment		Improv Bonds		Tax Abatement Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 8,275	\$ 137	\$ 1,701	\$ 70	\$ 910	\$ 479	\$ 10,886	\$ 686		
2022	1,218	42	488	47	925	451	2,631	540		
2023	1,218	31	498	38	920	423	2,636	492		
2024	1,216	21	498	29	930	396	2,644	446		
2025	1,239	11	376	22	815	369	2,430	402		
2026	-	-	105	17	850	344	955	361		
2027	-	-	105	14	865	319	970	333		
2028	-	-	105	12	885	292	990	304		
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	\$ 13,166	\$ 242	\$ 4,276	\$ 270	\$ 15,000	\$ 4,098	\$ 32,442	\$ 4,610		

City of Eden Prairie, Minnesota Notes to Financial Statements

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	Principal	Interest
2021	\$ 340	\$ 153	\$ 493	
2022	350	143	493	
2023	365	132	497	
2024	375	121	496	
2025	385	110	495	
2026	395	99	494	
2027	410	88	498	
2028	235	79	314	
2029	245	72	317	
2030	250	65	315	
2031	260	57	317	
2032	265	52	317	
2033	270	46	316	
2034	275	40	315	
2035	280	34	314	
2036	285	28	313	
2037	295	22	317	
2038	300	15	315	
2039	305	7	312	
Total	\$ 5,885	\$ 1,363	\$ 7,248	

City of Eden Prairie, Minnesota Notes to Financial Statements

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. The gross amount of equipment acquired under this is \$286,942.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year Ended December 31, 2021	\$ 60,766
Less Amount Representing Interest	1,155
Present Value of Net Minimum Lease Payments	<u>\$ 59,611</u>

Changes in Long Term Debt

Long-term debt activity for the year ended December 31, 2020, (in thousands of dollars) was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activity					
GO Bonds	\$ 8,115	\$ 6,081	\$ 1,030	\$ 13,166	\$ 8,275
Assess Debt With Govt Commit					
Improvement Bonds	5,975	1,336	3,035	4,276	1,701
Tax Abatement Bonds	15,900	-	900	15,000	910
Issuance Premium/Discount	533	-	120	413	-
Total Bonds	30,523	7,417	5,085	32,855	10,886
Compensated Absences	2,108	2,040	1,579	2,569	1,392
Capital Lease	118	-	58	60	60
Total	<u>\$ 32,749</u>	<u>\$ 9,457</u>	<u>\$ 6,722</u>	<u>\$ 35,484</u>	<u>\$ 12,338</u>

Business Type Activity

Revenue Bonds	\$ 6,725	\$ -	\$ 840	\$ 5,885	\$ 340
Issuance Premium/Discount	236	-	32	204	-
Total Bonds	6,961	-	872	6,089	340
Compensated Absences	339	344	308	375	203
Total	<u>\$ 7,300</u>	<u>\$ 344</u>	<u>\$ 1,180</u>	<u>\$ 6,464</u>	<u>\$ 543</u>

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.

City of Eden Prairie, Minnesota Notes to Financial Statements

On October 28, 2020, the City issued \$7,417,000 of G.O. Refunding Bonds, Series 2020A. The bonds bear interest at a rate of .85%, and with a maturity in 2025. Of the proceeds, \$459,000 provided refunding for the G.O. Revolving Bonds 2010A, \$877,000 for the G.O. Revolving Bonds 2011D, \$4,408,000 for the G.O. Refunding Bonds 2012A and \$1,673,000 for the G.O. Refunding Bonds 2012B. The 2010A and 2011D bonds were refunded in 2020 and the 2012A and 2012B bonds will be refunded in 2021. Future debt service payments will be reduced by \$311,386 with a net present value benefit of \$311,633.

	Issue to be Refunded	Refunding Date	Principal to be Refunded
2012A G.O. Refunding Bonds		1/1/2021	\$ 4,375,000
2012B G.O. Refunding Bonds		1/1/2021	1,660,000

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, 2020, 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.

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 (WAFITA). WAFITA 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, WAFITA became aware that the site was contaminated. Since that time, WAFITA has been working with the Minnesota Pollution Control Agency (MPCA) and other responsible parties

City of Eden Prairie, Minnesota Notes to Financial Statements

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 WAFIA or the City.

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2020, cannot be determined at this time.

Note 14—Contract Commitments

At December 31, 2020, the City had commitments on various construction projects. These commitments totaled approximately \$3,107,497. The breakdown by fund is shown below.

Fund	Total
Public Improvement Construction	\$ 54,840
Capital Improvement Maintenance	196,396
Shady Oak Rd North	554,965
Eden Prairie Rd Connect to Flying Cloud	40,076
General LRT	878,628
Other Governmental Funds	210,324
Water	785,761
Wastewater	84,000
Internal Service	303,107
	<u>\$ 3,107,497</u>

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, 2020, there were 4 series of Housing Bonds outstanding with balances of \$20,408,791.

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

City of Eden Prairie, Minnesota Notes to Financial Statements

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, 2020, the City has two agreements established under Minnesota Statute 469.001 to 469.047 which resulted in property taxes totaling \$377,031 being abated. These agreements include:

- A pay as you go note to bring a substandard commercial property up to standards. The abatement amount was \$99,220.
- A pay as you go note to convert substandard property into an office and retail complex. The abatement amount was \$277,811. For the fiscal year ended December 31, 2020, the City has five agreements established under Minnesota Statute 469.174 to 469.179 (The Tax Increment Act) which resulted in property taxes totaling \$1,484,303 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 \$623,954.
 - 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 \$357,879.
 - 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 \$288,981.
 - A pay as you go note to finance the cost of a rental housing project that provides housing in part for persons or families with low to moderate income. The abatement amount was \$180,504.

City of Eden Prairie, Minnesota
Notes to Financial Statements
Note 17—Fund Balance Classification

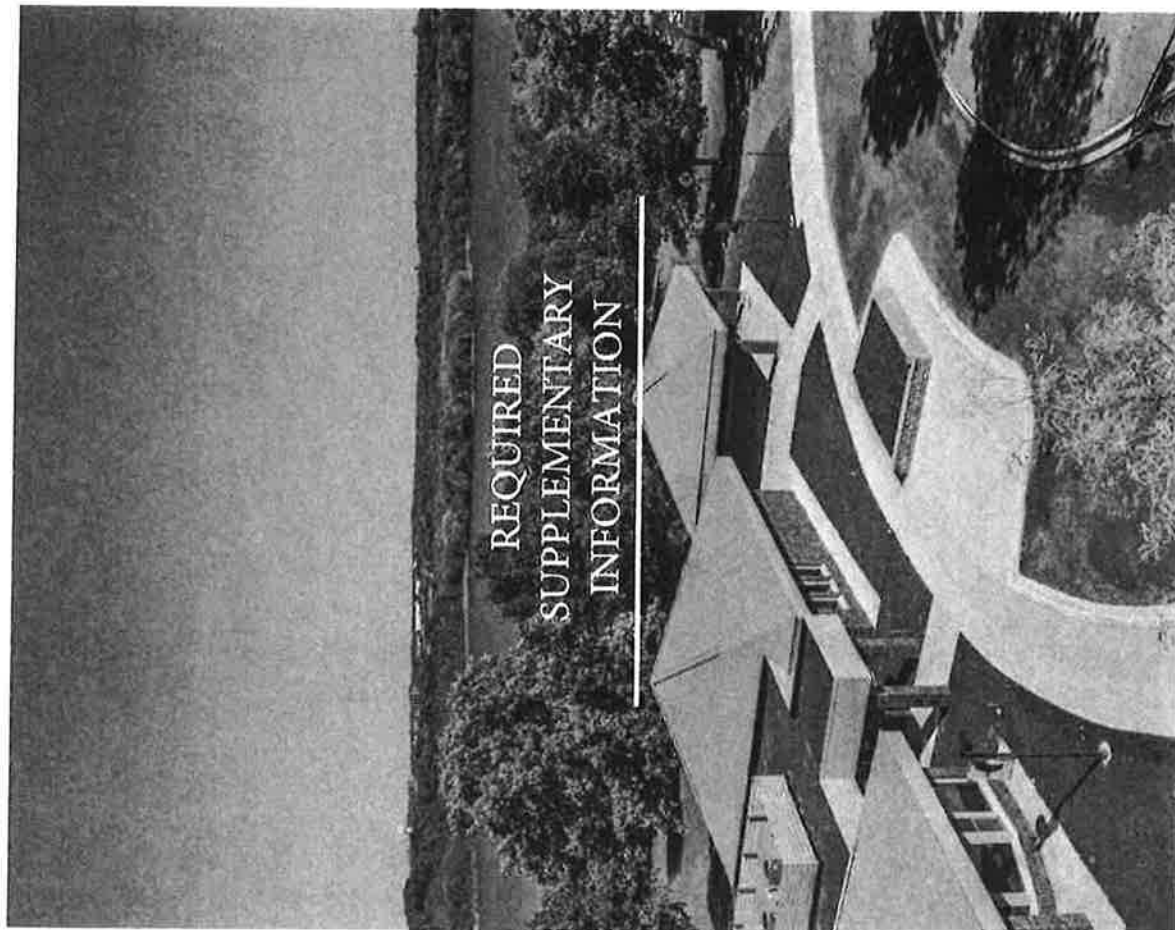
At December 31, 2020, a summary of the governmental fund balance classifications are as follows:

	General Fund	Capital Improvement Fund	State Park Fund	Enterprise Fund	Other Funds	Total
UNREVENUE						
Interest	\$ 44,628	\$ 51,803	\$ -	\$ -	\$ -	\$ 96,431
Grants	24,824	17,876	-	-	-	42,700
Capital Assets						
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other						
Accounts Payable	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-
Deferred Maintenance	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	\$ 69,452	\$ 69,679	\$ -	\$ -	\$ -	\$ 139,131
Reserve for Contingencies						
General Fund	\$ 10,302,087	-	-	-	-	\$ 10,302,087
Capital Improvement Fund	-	2,511,671	-	-	-	2,511,671
State Park Fund	-	2,511,671	-	-	-	2,511,671
Enterprise Fund	-	2,511,671	-	-	-	2,511,671
Other Funds	-	2,511,671	-	-	-	2,511,671
Total	\$ 10,302,087	\$ 7,535,084	\$ -	\$ -	\$ -	\$ 17,837,171
Unassigned						
General Fund	1,000,000	-	-	-	-	1,000,000
Capital Improvement Fund	-	1,000,000	-	-	-	1,000,000
State Park Fund	-	1,000,000	-	-	-	1,000,000
Enterprise Fund	-	1,000,000	-	-	-	1,000,000
Other Funds	-	1,000,000	-	-	-	1,000,000
Total	\$ 1,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Total	\$ 11,302,087	\$ 11,535,084	\$ -	\$ -	\$ -	\$ 22,837,171

Note 18—New Standards Issued But Not Yet Implemented

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

GASB Statement No. 89, Accounting for Interest: Cost Incurred Before the End of a Construction Period enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.



City of Eden Prairie, Minnesota Required Supplemental Information

Modified Approach for Infrastructure Assets

Condition Rating of the City's Street System:

	Average PCI
2019	84.4%
2016	76.9%
2013	79.7%
2010	81.1%
2007	82.3%
2004	80.4%

Comparison of Needed-to-Actual Maintenance/Preservation:

	2020	2019	2018	2017	2016
Budget	\$2,949,500	\$2,954,500	\$3,372,500	\$2,879,533	\$3,037,533
Actual	4,154,944	3,154,439	2,700,544	2,802,882	2,284,255
Difference	\$1,205,444	\$ 199,939	\$ (671,956)	\$ (76,651)	\$ (753,278)

The condition of road pavement is measured using Good Pointe's Icon pavement management system. Pavements in the City of Eden Prairie are 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 76 percent.

City of Eden Prairie, Minnesota Required Supplemental Information

Other Post-Employment Benefits Plan

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	Measurement Date			
	January 1, 2020	January 1, 2019	January 1, 2018	
Total OPEB Liability				
Service Cost	\$ 160,108	\$ 135,751	\$ 143,922	
Interest	109,426	94,001	91,272	
Changes in Plan		7,200	-	
Difference Between Expected and Actual Experience	(209,383)	-	-	
Changes of Assumptions	141,690	(92,512)	-	
Benefit Payments	(156,962)	(118,903)	(169,360)	
Net Change in Total OPEB Liability	44,879	25,537	65,834	
Total OPEB Liability - Beginning	2,797,269	2,771,732	2,705,898	
Total OPEB Liability - Ending	<u>\$ 2,842,148</u>	<u>\$ 2,797,269</u>	<u>\$ 2,771,732</u>	
Total OPEB Liability	\$ 2,842,148	\$ 2,797,269	\$ 2,771,732	
Covered Employee Payroll	\$ 22,916,246	\$ 22,281,528	\$ 21,632,551	
City's Total OPEB Liability as a Percentage of the				
Covered Employee Payroll	12.40%	12.55%	12.81%	

Less than ten years is presented due to information not available. Will add additional years as they become available.

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	State's Proportionate Share (Amount) of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.2125%	\$ 13,085,460	\$ 13,085,460	\$ 13,085,460	\$ 13,085,460	\$ 13,085,460	78.2%
June 30, 2016	0.2465%	20,152,608	20,152,608	20,152,608	20,152,608	20,152,608	68.9%
June 30, 2017	0.2536%	18,189,657	18,189,657	16,393,252	16,393,252	16,393,252	75.9%
June 30, 2018	0.2419%	13,515,620	13,515,620	13,858,922	16,251,609	16,251,609	79.5%
June 30, 2019	0.2365%	13,075,555	13,075,555	13,482,871	16,728,911	16,728,911	80.2%
June 30, 2020	0.2422%	14,520,997	14,520,997	14,868,859	17,272,920	17,272,920	79.1%

*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	State's Proportionate Share (Amount) of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a-b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.2772%	\$ 8,328,523	\$ 8,328,523	N/A	\$ 8,328,523	\$ 8,328,523	65.6%
June 30, 2016	0.2580%	30,419,859	30,419,859	N/A	30,419,859	30,419,859	63.9%
June 30, 2017	0.2510%	10,139,393	10,139,393	N/A	10,139,393	10,139,393	65.4%
June 30, 2018	0.2298%	7,776,785	7,776,785	N/A	7,776,785	7,776,785	101.14%
June 30, 2019	0.2295%	7,770,523	7,770,523	N/A	7,770,523	7,770,523	100.89%
June 30, 2020	0.2225%	9,458,299	9,458,299	224,377	9,682,676	9,682,676	87.2%

*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 Proportionate Share of Net Pension Liability
Eden Prairie Fire Relief
Last Ten Years*

	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability								
Service Cost	\$ 485,927	\$ 488,110	\$ 465,961	\$ 424,617	\$ 417,104	\$ 417,104	\$ 417,104	\$ 417,104
Interest	1,558,228	1,741,724	1,712,468	1,551,848	1,430,250	1,302,076	1,174,846	1,047,646
Changes in Assumptions	(1,015,775)	(1,015,775)	(1,015,775)	(1,015,775)	(1,015,775)	(1,015,775)	(1,015,775)	(1,015,775)
Changes in Experience	598,614	598,614	598,614	598,614	598,614	598,614	598,614	598,614
Net Change in Total Pension Liability	(2,335,275)	(1,445,725)	(1,365,111)	(1,125,264)	(1,215,644)	(1,215,644)	(1,215,644)	(1,215,644)
Net Change in Total Pension Liability	(715,775)	751,022	338,316	1,182,242	231,842	231,842	231,842	231,842
Total Pension Liability - Beginning	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874
Total Pension Liability - Ending (a)	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874	17,318,874
Plan Fiduciary Net Position								
Net Pension Contributions	298,216	347,183	367,169	348,634	348,634	348,634	348,634	348,634
Net Investment Income	475,219	457,141	449,346	448,846	437,846	437,846	437,846	437,846
Net Investment Loss	(1,215,745)	(1,215,745)	(1,215,745)	(1,215,745)	(1,215,745)	(1,215,745)	(1,215,745)	(1,215,745)
Net Change in Plan Fiduciary Net Position	(442,309)	(411,421)	(400,230)	(418,265)	(429,265)	(429,265)	(429,265)	(429,265)
Plan Fiduciary Net Position - Beginning	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836
Plan Fiduciary Net Position - Ending (b)	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836	22,864,836
Available for Net Pension Liability (a) - (b)	(5,545,962)	(5,545,962)	(5,545,962)	(5,545,962)	(5,545,962)	(5,545,962)	(5,545,962)	(5,545,962)
Proportionate Share of Net Pension Liability	138.46%	138.46%	138.46%	138.46%	138.46%	138.46%	138.46%	138.46%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (a) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2014

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	\$ -	\$ 15,528,311	7.50%
December 31, 2016	1,157,735	1,157,735	-	15,436,692	7.50%
December 31, 2017	1,199,292	1,199,292	-	15,990,664	7.50%
December 31, 2018	1,231,656	1,231,656	-	16,470,531	7.48%
December 31, 2019	1,286,909	1,286,909	-	17,163,209	7.50%
December 31, 2020	1,290,562	1,290,562	-	17,207,493	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	Contributions in Relation to the Statutorily Required		Contributions in Relation to the Statutorily Required		Contributions as a Percentage of Covered Payroll
	(a)	(b)	(c)	(d)	
December 31, 2015	\$ 1,215,450	\$ 1,215,450	\$ -	\$ 7,509,128	16.2%
December 31, 2016	1,188,923	1,188,923	-	7,339,334	16.2%
December 31, 2017	1,224,005	1,224,005	-	7,555,723	16.2%
December 31, 2018	1,260,639	1,260,639	-	7,780,987	16.2%
December 31, 2019	1,342,840	1,342,840	-	7,922,043	16.95%
December 31, 2020	1,464,610	1,464,610	-	8,264,270	17.72%

* 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 Ten Years

	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 184,172	\$ 203,985	\$ 517,955	\$ 382,336	\$ 388,664
Contributions in Relation to the Statutorily Required Contribution	(184,172)	(203,985)	(517,955)	(382,336)	(388,664)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -

	2015	2014	2013	2012	2011
Statutorily Required Contribution	\$ 398,395	\$ 488,073	\$ 582,972	\$ 625,910	\$ 830,077
Contributions in Relation to the Statutorily Required Contribution	(398,395)	(488,073)	(582,972)	(625,910)	(830,077)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

Notes to Schedules of Changes in Net Pension Liabilities and Related Ratios

Other Post-Employment Benefits Plan

2020 Changes

Changes in Actuarial Assumptions:

- The health care trend rates, mortality tables, salary increase rates, and subsidy end date of one officer (age 58 as of the valuation date) injured in the line of duty were updated.
- The discount rate was changed from 3.80% to 2.90%.

2019 Changes

Changes in Plan Provisions:

- Per a special agreement, one retiree received City paid medical and dental premiums for six months during 2019.

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.30% to 3.80%.

General Employees Fund

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2.5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the

City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised: the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

- The mortality projection scale was changed from MP-2017 to MP-2018.
- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.

City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
 - The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.
- Changes in Plan Provisions
- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
 - The assumed investment return was changed from 7.90 percent to 7.50 percent.
 - The single discount rate changed from 7.90 percent to 5.60 percent.
 - The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.
- Changes in Plan Provisions
- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.
- The postretirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent

Fire Relief

2019 Changes

- The mortality projection scale was updated from MP-2017 to MP-2019

2018 Changes

- The lump sum benefit level was increased from \$10,000 to \$12,400
- The mortality projection scale was updated from MP-2016 to MP-2017
- The termination decrement scale was updated to reflect a recent experience study
- The lump sum election rate was changed from 20% to 50%

2017 Changes

- No changes since 2016 report

2016 Changes

- The base mortality table was updated from the RP-2014 Blue Collar table to the unadjusted RP-2014 table

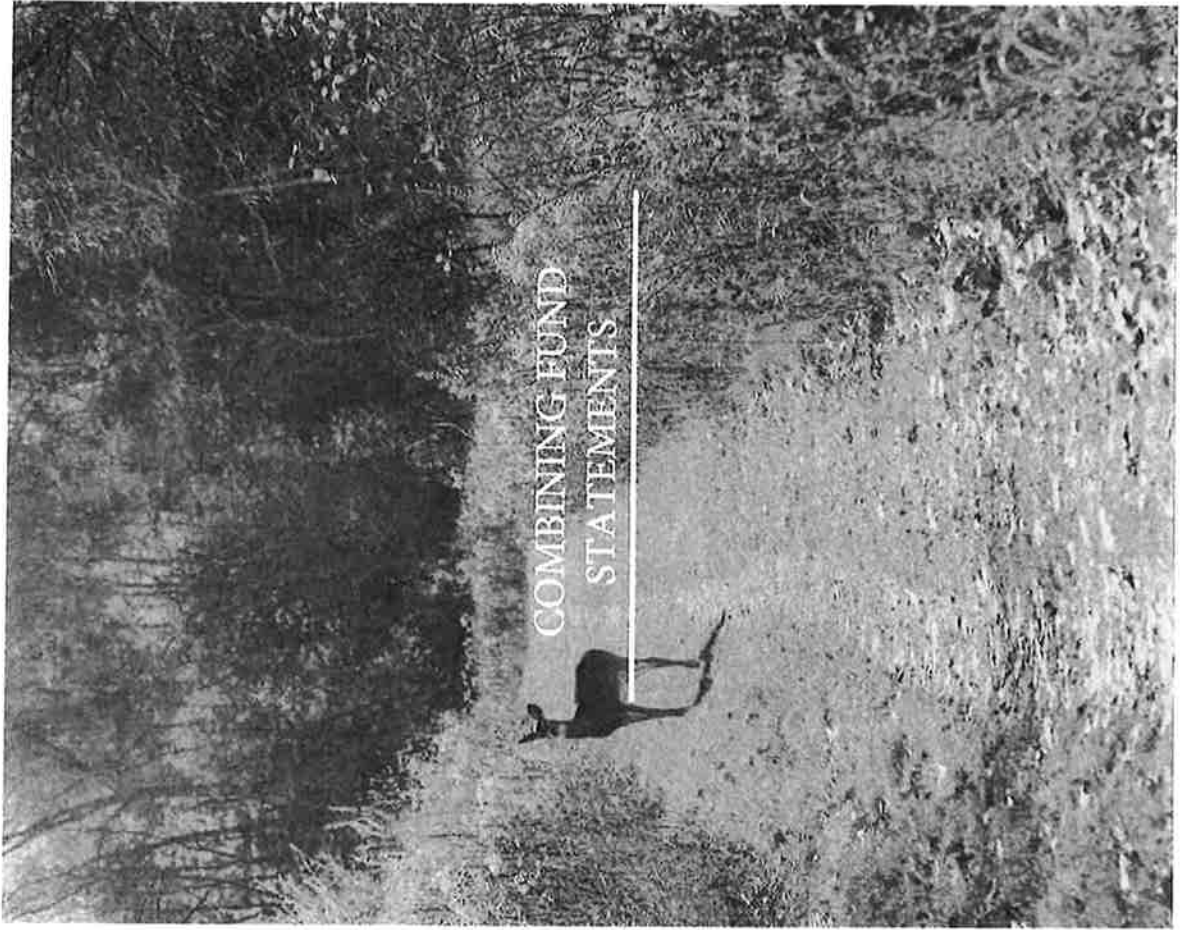
City of Eden Prairie, Minnesota

Notes to Required Supplemental Information

- The mortality projection scale was updated from MP-2014 to MP-2016

2015 Changes

- No changes since 2014 report which was the year of implementation so no further changes to note.



This page is intentionally left blank

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.

Grant - This fund accounts for monies received from the State. The grant will fund an police officer who will dedicate his time to decreasing DWI's.

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.

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.

General Obligation Refunding Bonds 2016A - This fund accounts for the refunding of the G.O. Bonds 20089 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.

General Obligation Improvement Bonds 10A/20A - 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. G.O. Bonds 10A were refunded with G.O. Bonds 20A.

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.

City of Eden Prairie, Minnesota Nonmajor Governmental Funds

Debt Service Funds (Continued)

General Obligation Refunding 11D/20A - 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. G.O. Bonds 11D were refunded with G.O. Bonds 20A.

General Obligation Refunding 12A/20A - 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. G.O. Bonds 12A were refunded with G.O. Bonds 20A.

General Obligation Refunding 12B/20A - 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. G.O. Bonds 12B were refunded with G.O. Bonds 20A.

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.

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.

City of Eden Prairie, Minnesota Nonmajor Governmental Funds

Capital Project Funds (Continued)

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.

Tree Replacement - This fund accounts for tree replacement fees that are collected from permittees who have demonstrated that it is not possible or reasonable to plant all or some of the required replacement trees on site. The revenue will be used for planting of trees and natural enhancements within the City.

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

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.

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

SingleTree Lane South - This fund accounts for the accumulation of resources to be used for the streetscaping, lighting and landscaping improvements for the southern half of Singletree Lane.

Duck Lake Road Construction - This fund accounts for the accumulation of resources to be used to upgrade existing rural roadway to a 2 lane urban roadway.

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.

Special Revenue				
HRA Grant	Proportional Grant	Grant Fund	Revolving Fund	Total
ASSETS				
Cash and Investments	\$ 50,843	\$	\$ 12,707	\$ 38,598
Receivables	272	200		470
Interest		136		229
Due from Other Governments	34,344		96,520	70,854
Due from Other Governments				
Deferred Revenue				
Deferred Revenue - Assessments				
Deferred Revenue - Special Assessments				
Due from Other Funds		18,897		18,897
Prepaid Items				
Long-Term Assets	130			130
Notes Receivable				
Total Assets	\$ 85,189	\$ 200,722	\$ 96,520	\$ 382,431
LIABILITIES				
Accounts and Contracts Payable	\$ 16,051	\$ 339	\$ 2,582	\$ 92
Salaries Payable	1,770	3,295		5,065
Investment Interest Payable		1		1
Due to Other Governments	1,100			1,108
Due to Other Funds	15,913	2,776		8,591
Unearned Revenue		260		260
Total Liabilities	\$ 34,834	\$ 6,674	\$ 2,582	\$ 100
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Land Grants/Revenue				
Unavailable Revenue - Special Assessments				
Total Deferred Inflows of Resources				
FUND BALANCES				
Nonspendable	130	69,352	30,446	10,125
Restricted				36,554
Assigned				
Unassigned	(130)			(130)
Total Fund Balance	\$ 69,352	\$ 30,446	\$ 10,125	\$ 36,591
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,704	\$ 69,773	\$ 30,520	\$ 12,707

Debt Service				
General Obligation Refunding Bonds	General Obligation Refunding Bonds	General Obligation Refunding Bonds	General Obligation Refunding Bonds	General Obligation Refunding Bonds
ASSETS				
Cash and Investments	\$ 430,354	\$ 147,602	\$ 304,513	\$ 539,263
Receivables				
Interest	858	622	632	1,854
Due from Other Governments				
Due from Other Governments			202	
Deferred Revenue	330,000	377,363		763,300
Deferred Revenue - Assessments				120,781
Deferred Revenue - Special Assessments				
Due from Other Funds				
Prepaid Items				
Long-Term Assets				
Notes Receivable				
Total Assets	\$ 761,252	\$ 525,587	\$ 305,347	\$ 1,455,186
LIABILITIES				
Accounts and Contracts Payable	\$ 142	\$ 3,975	\$ 425	\$ 1,500
Salaries Payable				7,075
Investment Interest Payable				
Due to Other Governments				
Due to Other Funds				
Unearned Revenue				
Total Liabilities	\$ 142	\$ 3,975	\$ 425	\$ 1,500
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Land Grants/Revenue				
Unavailable Revenue - Special Assessments				
Total Deferred Inflows of Resources				
FUND BALANCES				
Nonspendable	431,110	144,249	305,922	569,827
Restricted				
Assigned				
Unassigned	431,110	144,249	305,922	569,827
Total Fund Balance	\$ 761,252	\$ 525,587	\$ 305,347	\$ 1,455,186
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 761,252	\$ 525,587	\$ 305,347	\$ 1,455,186

City of Eden Prairie, Minnesota
Combining Balance Sheet
Governmental Funds
December 31, 2020

Page 3 of 3

	General Operating Revenue Bonds	General Obligation Improvement Bonds	General Obligation Tort Liability Bonds	General Bonds	Total
	1,280,000	301,000	22,740	207,600	
ASSETS					
Receivables	2,147,586	5,069	1,712,652	102,598	10,254,438
Accounts receivable	1,463		4,113	46	9,851
Due from Other Governments	2,640		1,113		18,763
Unmatured Taxes				1,163,155	2,033,618
Deferred Special Assessments					120,761
Special Deferred Social Assessments					
Due from Other Funds					
Prepaid Items					
Land Held for Sale					
Notes Receivable					
Total Assets	2,151,510	5,069	1,724,652	1,025,796	13,078,607
LIABILITIES					
Accounts and Contracts Payable	3,300	425	425	142	18,009
Salaries Payable					5,015
Investment Interest Payable		3,076			
Due to Other Governments					
Due to Other Funds					
Unearned Revenue					
Total Liabilities	3,300	3,441	425	142	21,025
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Special Assessments				1,163,155	2,754,579
Total Deferred Inflows of Resources				1,163,155	2,754,579
FUND BALANCES					
Assigned	2,148,219	1,628	1,224,474	102,502	10,303,067
Assigned					
Unassigned	2,148,219	1,628	1,224,474	102,502	10,303,067
Total Fund Balance	2,151,510	3,441	1,224,652	1,025,796	13,078,607

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Eden Prairie, Minnesota
Combining Balance Sheet
Governmental Funds
December 31, 2020

Page 4 of 7

	Paving	Electric	Sanitary Sewer	Park Improvement	Other
	56,485	68,659	17,191	3,062,380	283,860
ASSETS					
Cash and Investments	1,000				
Accounts receivable	138	6,825	44	7,038	427
Due from Other Governments					
Unmatured Taxes					
Deferred Special Assessments					
Special Deferred Social Assessments					
Due from Other Funds					
Prepaid Items					
Land Held for Sale					
Notes Receivable					
Total Assets	1,138	6,825	44	7,038	427
LIABILITIES					
Accounts and Contracts Payable	11,491	43		1,485	754
Salaries Payable					
Investment Interest Payable					
Due to Other Governments					
Due to Other Funds					
Unearned Revenue					
Total Liabilities	11,491	43		1,485	754
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Special Assessments					
Total Deferred Inflows of Resources					
FUND BALANCES					
Assigned	48,222	6,444	17,235	1,965,589	282,531
Assigned					
Unassigned	48,222	6,444	17,235	1,965,589	282,531
Total Fund Balance	96,444	12,888	34,470	3,931,178	565,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	157,427	19,375	51,705	5,907,248	850,546

Capital Projects					
	C.P.P. Project Management	General Fund	Project Fund	HRA	Time Redemption
ASSETS					
Cash and Investments	\$ 1,747,409	\$ 2,977,588	\$ 9,650,775	\$ 292,810	\$ 179,799
Accounts Receivable	869,658				
Due from Other Governments	72,208	7,616	9,507	421	312
Due from Other Funds				1,870	
Special Deferral Assets					
Due from Other Funds	551,214				
Prepaid Items		784,000			
Due from Other Funds		89,200			
Notes Receivable					
Total Assets	\$ 3,160,281	\$ 3,868,404	\$ 1,006,522	\$ 294,901	\$ 179,111
LIABILITIES					
Accounts and Contracts Payable	\$ 279,260	\$ 70,507	\$ -	\$ -	\$ -
Salaries Payable				5,244	
Investment Interest Payable					
Due to Other Governments			7,375		
Due to Other Funds					
Unearned Revenue					
Total Liabilities	\$ 279,260	\$ 70,507	\$ 7,375	\$ 5,244	\$ -
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Special Assessments					
Total Deferred Inflows of Resources					
FUND BALANCES					
Nonspendable	1,717,524		9,171,444		179,171
Restricted	1,167,737	3,397,986	1,657,073	299,657	
Unassigned	2,885,261	3,797,989	5,028,517	309,427	179,111
Total Fund Balances	\$ 5,770,522	\$ 7,287,419	\$ 15,857,034	\$ 918,184	\$ 358,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,229,043	\$ 8,229,043	\$ 8,229,043	\$ 8,229,043	\$ 8,229,043

Capital Projects				
	Transportation	Guido PEG	Highways Parallels Area	Single Tree Lane Spot
ASSETS				
Cash and Investments	\$ 510,102	\$ 158,208	\$ -	\$ -
Accounts Receivable		22,736		
Due from Other Governments	5,839	462		
Due from Other Funds	15,720			
Special Deferral Assets			35,864	
Due from Other Funds	1,712,739			
Prepaid Items		6,192		
Notes Receivable				
Total Assets	\$ 2,244,369	\$ 227,619	\$ 35,864	\$ -
LIABILITIES				
Accounts and Contracts Payable	\$ -	\$ 7,143	\$ -	\$ 10,363
Salaries Payable				43
Investment Interest Payable				
Due to Other Governments				
Due to Other Funds			12,487	
Unearned Revenue				55,572
Total Liabilities		7,143	12,540	65,984
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Land/Grants/Revenue	15,720			
Unavailable Revenue-Special Assessments				35,864
Total Deferred Inflows of Resources	15,720			35,864
FUND BALANCES				
Nonspendable		8,192		
Restricted		159,948		
Assigned	2,228,614	14,336		
Unassigned				
Total Fund Balances	2,228,614	224,476		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,244,369	\$ 227,619	\$ 35,864	\$ 65,984

City of Eden Prairie, Minnesota
 Consolidated Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

Page 7 of 7

	Capital Projects		Permanent Fund	
	Duck Lake Road Reconstruction	Total	Cemetery Permanent Fund Care	Total Nonmajor Governmental Funds
ASSETS				
Capital Assets				
Infrastructure				
Land	\$ 13,304,039	\$ 13,304,039	\$ 98,193	\$ 23,984,816
Construction in Progress				
- Forest	865,372	865,372	50	865,392
- Other	44,724	44,724	480	55,314
Due from Other Governments	22,546	22,546		53,410
Unrealized Taxes	1,670	1,670		21,433
Deferred Special Assessments	125,965	125,965		2,759,763
Deferred General Special Assessments	2,268,917	2,268,917		1,200,761
Due from Other Funds	784,900	784,900		2,262,538
Prepaid Items				1,022,422
Land Held for Resale				784,900
Notes Receivable				1,184,613
Total Assets	\$ 15,627,062	\$ 15,627,062	\$ 146,723	\$ 31,546,964
LIABILITIES				
Accounts Payable	\$ 38,368	\$ 38,368	\$ -	\$ 453,095
Salaries Payable				115,339
Investment Contract Payable				3,169
Due to Other Governments				8,483
Due to Other Funds	531,214	531,214		614,674
Unearned Revenue				435,985
Total Liabilities	569,582	1,460,722		1,525,016
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Grants/Revenues				15,720
Unavailable Revenue-Special Assessments				2,869,544
Total Deferred Inflows of Resources		141,635		2,885,264
FUND BALANCES				
Restricted				
Assigned			103,389	175,711
Assigned			27,334	7,752,535
Assigned			10,422,534	10,422,534
Unassigned	1,008,562	1,008,562	645,100	1,853,720
Total Fund Balance	1,008,562	11,018,262	196,723	27,655,504
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,627,062	\$ 15,627,062	\$ 146,723	\$ 31,546,964

This page is intentionally left blank

City of Eden Prairie, Minnesota
 Comprehensive Annual Financial Report
 Expenditures and Changes in Fund Balances
 Major Governmental Funds
 For the Year Ended December 31, 2020

REVENUES	Special Revenue					Total
	MLA Grant	Pass- Through	Grant Fund	Beginning Balance	Interest and Other	
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	470,847	-	100,858	58,128	-	629,833
Grants and Donations	-	-	-	-	657	657
Investment Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	470,847	0	100,858	58,128	657	629,490
EXPENDITURES						
Community Development	470,847	-	76,196	-	546	647,589
Public Works	-	-	-	-	-	-
Police and Fire	-	-	-	-	-	-
Interest on Refunded Borrowing	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Police and Fire	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	470,847	0	76,196	0	546	547,589
Excess of Revenue Over (Under) Expenditures	-	-	24,662	(370)	1,111	25,303
OTHER FINANCING SOURCES (USES)						
Transfer to Debt	-	-	-	-	-	-
Transfer from Debt	-	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-	-
Transfer from Capital Projects	-	-	-	-	-	-
Total	0	0	0	0	0	0
Net Change in Fund Balances	14,413	0	24,662	(370)	1,111	40,416
Fund Balances (Deficit) - Beginning	54,863	0	14,496	700,143	100,647	1,455,159
Fund Balances (Deficit) - Ending	\$ 69,276	\$ 0	\$ 39,158	\$ 699,773	\$ 101,758	\$ 1,495,575

City of Eden Prairie, Minnesota
 Comprehensive Annual Financial Report
 Expenditures and Changes in Fund Balances
 Major Governmental Funds
 For the Year Ended December 31, 2020

REVENUES	Debt Service					Total
	General Outlay	General Improvement	General Outlay	General Outlay	General Outlay	
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	15,000	-	-	-	-	15,000
Grants and Donations	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	15,000	0	0	0	0	15,000
EXPENDITURES						
Community Development	15,000	-	-	-	-	15,000
Public Works	-	-	-	-	-	-
Police and Fire	-	-	-	-	-	-
Interest on Refunded Borrowing	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Police and Fire	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	15,000	0	0	0	0	15,000
Excess of Revenue Over (Under) Expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfer to Debt	-	-	-	-	-	-
Transfer from Debt	-	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-	-
Transfer from Capital Projects	-	-	-	-	-	-
Total	0	0	0	0	0	0
Net Change in Fund Balances	15,000	0	0	0	0	15,000
Fund Balances (Deficit) - Beginning	4,123	0	0	0	0	4,123
Fund Balances (Deficit) - Ending	\$ 19,123	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,123

City of Eden Prairie, Minnesota
 Combining Statement of Revenues,
 Expenses, and Changes in Fund Balances
 For the Year Ended December 31, 2022

	General Fund	Capital Projects	Community Development	Other	Total
REVENUES					
Grants	179,354	-	-	-	179,354
General Property Taxes	358,666	-	-	-	358,666
Special Assessments	-	1,342,866	-	-	1,342,866
Interest and Dividends	-	-	-	-	-
Investment Income	-	-	-	-	-
Other	-	-	-	-	-
EXPENSES					
Salaries and Benefits	1,250,320	900,320	110,000	-	2,260,640
Utilities	44,706	37,000	35,910	-	117,616
Professional Fees	1,273,840	258,540	148,800	-	1,681,180
Travel	-	-	-	-	-
Supplies	-	-	-	-	-
Depreciation	-	-	-	-	-
Other	-	-	-	-	-
CHANGES IN FUND BALANCES					
Beginning	1,672,000	1,300,000	9,885	-	2,981,885
Revenues	537,960	1,342,866	-	-	1,880,826
Expenses	(1,250,320)	(900,320)	(110,000)	-	(2,260,640)
Other	-	-	-	-	-
ENDING	959,640	742,546	9,885	-	1,712,071

City of Eden Prairie, Minnesota
 Combining Statement of Revenues,
 Expenses, and Changes in Fund Balances
 For the Year Ended December 31, 2022

	General Fund	Capital Projects	Community Development	Other	Total
REVENUES					
Grants	179,354	-	-	-	179,354
General Property Taxes	358,666	-	-	-	358,666
Special Assessments	-	1,342,866	-	-	1,342,866
Interest and Dividends	-	-	-	-	-
Investment Income	-	-	-	-	-
Other	-	-	-	-	-
EXPENSES					
Salaries and Benefits	1,250,320	900,320	110,000	-	2,260,640
Utilities	44,706	37,000	35,910	-	117,616
Professional Fees	1,273,840	258,540	148,800	-	1,681,180
Travel	-	-	-	-	-
Supplies	-	-	-	-	-
Depreciation	-	-	-	-	-
Other	-	-	-	-	-
CHANGES IN FUND BALANCES					
Beginning	1,672,000	1,300,000	9,885	-	2,981,885
Revenues	537,960	1,342,866	-	-	1,880,826
Expenses	(1,250,320)	(900,320)	(110,000)	-	(2,260,640)
Other	-	-	-	-	-
ENDING	959,640	742,546	9,885	-	1,712,071

Eden Prairie					
	City Fund	Enterprise Fund	Project Fund	RFID	Time RFID
REVENUES					
General Property Taxes					
Special Assessments	3,390,000			188,621	\$
Fees and Charges	200,000				
Grants and Contributions	1,985,000				
Interest on Investments		87,279		3,756	4,302
Other		88,978			
TOTAL	5,575,000	2,660	87,279	192,377	65,602
EXPENDITURES					
General					
Community Development			1,000,720	866,689	
Public Works					
Police and Fire					
Public Safety					
Administration	4,270,200		80,073		
Information Technology					183,746
Capital Outlay		43,370			
Debt Service					
Interest					
Principal					
Other					
TOTAL	4,270,200	43,370	80,073	866,689	183,746
Excess of Revenues Over (Under) Expenditures	(337,400)	(41,310)	7,205,916	17,102	(118,144)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt					
Transfer to Enterprise Fund					
Transfer from Enterprise Fund					
TOTAL	1,250,000	1,250,000			
Net Change in Fund Balances	(1,067,400)	(41,310)	7,213,121	17,102	(118,144)
Fund Balances - Beginning	4,247,679	3,911,500	4,885,379	271,808	173,034
Fund Balances - Ending	\$ 3,180,279	\$ 3,870,190	\$ 11,098,499	\$ 288,910	\$ 55,890

Eden Prairie					
	City Fund	Enterprise Fund	Project Fund	RFID	Time RFID
REVENUES					
General Property Taxes					
Special Assessments					
Fees and Charges					
Grants and Contributions					
Interest on Investments					
Other					
TOTAL	5,575,000	2,660	87,279	192,377	65,602
EXPENDITURES					
General					
Community Development			1,000,720	866,689	
Public Works					
Police and Fire					
Public Safety					
Administration	4,270,200		80,073		
Information Technology					183,746
Capital Outlay		43,370			
Debt Service					
Interest					
Principal					
Other					
TOTAL	4,270,200	43,370	80,073	866,689	183,746
Excess of Revenues Over (Under) Expenditures	(337,400)	(41,310)	7,205,916	17,102	(118,144)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt					
Transfer to Enterprise Fund					
Transfer from Enterprise Fund					
TOTAL	1,250,000	1,250,000			
Net Change in Fund Balances	(1,067,400)	(41,310)	7,213,121	17,102	(118,144)
Fund Balances - Beginning	4,247,679	3,911,500	4,885,379	271,808	173,034
Fund Balances - Ending	\$ 3,180,279	\$ 3,870,190	\$ 11,098,499	\$ 288,910	\$ 55,890

City of Eden Prairie, Minnesota
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

References

	DATE	TIME	LOCATION	REMARKS
	08-16-79	08:00	Cemetery	* etc.
			Pumpkin	Mammals
			Gate	Columbian period

[illegible]

59 614	98 512
508 875	928 500
122 435	172 425
	13 000

	7,393,367	17,765	1,189,488
2,072,360			9,540,573
704,415			11,805,613

52 926	3 079	101 303	101 303
79 856		5 116 270	5 116 276
		187 586	182 936

[illegible][illegible]

(563.587)	(8.094.8557)	17.160	5.087.562
(370.443)	(1.565.443)		1.020.443
(437.470)	(7.305.443)		8.131.917

[illegible]

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2020

	Health & Biotech	Swimming	Workers Compensation	Property Insurance
ASSETS				
Current Assets				
Cash and Investments	\$ 1,586,634	\$ 1,946,078	\$ 322,472	\$ 244,817
Receivables	2,334	-	-	-
Accounts Receivable	3,674	3,905	840	-
Due from Other Governments	9,825	-	-	-
Inventory	-	-	-	-
Prepaid Items	56,936	-	56,936	118,342
Total Current Assets	1,654,767	1,949,983	420,248	363,159
Noncurrent Assets				
Capital Assets				
Property, Plant and Equipment	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Total Noncurrent Assets	-	-	-	-
Total Assets	1,654,767	1,949,983	420,248	363,159
DEFERRED OUTFLOWS OF RESOURCES				
Other Post Employment Benefits	249,360	-	32	32
Total Deferred Outflows of Resources	249,360	-	32	32
Total Assets and Deferred Outflows of Resources	1,904,127	1,949,983	420,281	393,191
LIABILITIES				
Current Liabilities				
Accounts Payable	38,951	-	-	-
Salaries Payable	-	-	1,351	1,380
Due to Other Governments	186,959	-	-	-
Unearned Revenue	-	1,391,461	-	-
Current Portion of Compensated Absences	-	1,391,961	1,391	-
Total Current Liabilities	225,910	1,392,812	1,391	-
Noncurrent Liabilities				
Total OPEB Liability	2,598,828	-	568	568
Compensated Absences	1,177,343	-	-	-
Total Noncurrent Liabilities	3,776,171	-	568	568
Total Liabilities	3,999,081	1,392,812	1,959	568
DEFERRED INFLOWS OF RESOURCES				
OPEB	224,789	-	17	17
Total Deferred Inflows of Resources	224,789	-	17	17
Total Liabilities and Deferred Inflows of Resources	4,223,910	1,392,812	1,976	585
NET POSITION				
Net Investment in Capital Assets	1,115,739	(1,018,537)	47,306	381,681
Unrestricted	(1,150,739)	(1,018,537)	418,248	391,887
Total Net Position	(34,999)	(4,483)	425,554	773,568
Total Liabilities and Deferred Inflows of Resources and Net Position	4,188,911	1,388,329	1,976	773,568

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2020

	Facilities	First	Information Technology	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 3,951,104	\$ 4,187,769	\$ 213,544	\$ 8,352,417
Receivables	-	-	-	-
Accounts Receivable	813	21,49	-	22,303
Due from Other Governments	8,329	10,423	2,741	21,493
Inventory	812	126,775	-	127,587
Prepaid Items	-	1,500	183,260	184,760
Total Current Assets	3,960,056	4,326,612	396,804	8,683,472
Noncurrent Assets				
Capital Assets				
Property, Plant and Equipment	3,392,018	8,875,879	652,098	12,919,995
Less Accumulated Depreciation	(1,124,908)	(5,798,556)	(444,140)	(7,367,604)
Total Noncurrent Assets	2,267,110	3,077,323	207,958	5,552,391
Total Assets	6,227,166	7,403,935	604,762	14,235,860
DEFERRED OUTFLOWS OF RESOURCES				
Other Post Employment Benefits	3,029	3,407	1,284	7,720
Total Deferred Outflows of Resources	3,029	3,407	1,284	7,720
Total Assets and Deferred Outflows of Resources	9,230,195	10,811,342	606,046	21,905,926
LIABILITIES				
Current Liabilities				
Accounts Payable	424,546	67,478	13,298	505,322
Salaries Payable	24,832	21,122	20,827	66,781
Due to Other Governments	-	2,101	1,710	3,811
Unearned Revenue	63,284	-	-	63,284
Current Portion of Compensated Absences	-	-	-	-
Total Current Liabilities	512,662	90,701	35,835	639,198
Noncurrent Liabilities				
Total OPEB Liability	31,034	35,288	13,029	79,351
Compensated Absences	-	-	-	-
Total Noncurrent Liabilities	31,034	35,288	13,029	79,667
Total Liabilities	543,696	125,989	48,864	718,555
DEFERRED INFLOWS OF RESOURCES				
OPEB	2,732	3,063	1,331	7,126
Total Deferred Inflows of Resources	2,732	3,063	1,331	7,126
Total Liabilities and Deferred Inflows of Resources	546,428	129,052	50,195	725,676
NET POSITION				
Net Investment in Capital Assets	2,267,109	3,087,322	227,859	5,582,290
Unrestricted	3,477,559	4,200,277	344,200	7,921,036
Total Net Position	5,744,668	7,287,599	572,059	13,503,325
Total Liabilities and Deferred Inflows of Resources and Net Position	11,211,136	13,516,651	1,072,254	27,407,251

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Revenues
Expenses and Changes in Net Position
For the Year Ended December 31, 2020

	Health & Wellness	Severance	Workers' Compensation	Property Insurance
OPERATING REVENUE				
Charges for Services	\$ 6,066,479	\$ 170,832	\$ 642,185	\$ 711,068
Rental				
Total Operating Revenues	6,066,479	170,832	642,185	711,068
OPERATING EXPENSE				
Personnel Services	5,981,212	528,520	45,528	43,626
Supplies				
Cleaning Supplies				
Motor Fuel				
Tires				
Repair and Maintenance Supplies				
Contractual Services				
Software	19,635		557,621	623,681
Janitorial Services				
Licenses, Permits, Taxes				
Repair and Maintenance				
Utilities				
User Charges				
Capital Under \$25,000				
Total Operating Expenses	5,981,212	528,520	557,621	623,681
Operating Income (Loss) Before Depreciation	85,632	(357,688)	938	43,761
Depreciation				
Operating Income (Loss) Before Nonoperating Revenue / Expense	85,632	(357,688)	938	43,761
NONOPERATING REVENUE (EXPENSE)				
Investment Income	39,606	35,227	8,059	6,879
Gain(Loss) on Disposition of Capital Assets	8,436		13,562	
Miscellaneous	(48,002)	(36,227)	24,119	(9,318)
Total Nonoperating Revenues (Expenses)	13,724	(32,700)	21,057	50,740
Change in Net Position	(1,284,522)	(697,770)	397,249	311,151
Net Position - Beginning	\$ 14,150,769	\$ 21,978,937	\$ 418,356	\$ 30,187
Net Position - Ending	\$ 12,866,247	\$ 21,281,167	\$ 715,605	\$ 30,498

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Revenues
Expenses and Changes in Net Position
For the Year Ended December 31, 2020

	Facilities	Fleet	Information Technology	Total
OPERATING REVENUE				
Charges for Services	\$ 9,430,867	\$ 2,893,934	\$ 2,777,859	\$ 15,102,650
Rental				
Total Operating Revenues	9,430,867	2,893,934	2,777,859	15,102,650
OPERATING EXPENSE				
Personnel Services	9,096,375	521,790	708,847	9,326,012
Supplies				
Cleaning Supplies	5,033	51,979	11,723	68,735
Motor Fuel	169,680	288,126		457,806
Tires	7,049	58,734		65,783
Repair and Maintenance Supplies	305,685	275,646		581,331
Contractual Services	1,299,219	7,081		1,306,300
Software			87,808	87,808
Janitorial Services	713,973		1,325,039	2,039,012
Licenses, Permits, Taxes	194,155	3,542		197,697
Repair and Maintenance		195,130		195,130
Utilities	230,558	4,015	168,472	403,045
User Charges	17,420			17,420
Capital Under \$25,000	201,443	27,811	298,116	527,370
Total Operating Expenses	11,448,565	1,537,354	2,562,523	15,548,442
Operating Income (Loss) Before Depreciation	1,152,277	1,146,660	172,843	2,471,780
Depreciation				
Operating Income (Loss) Before Nonoperating Revenue / Expense	1,152,277	1,146,660	172,843	2,471,780
NONOPERATING REVENUE (EXPENSE)				
Investment Income	83,190	86,388	25,059	194,637
Gain(Loss) on Disposition of Capital Assets		184,665		184,665
Miscellaneous	85,545	7,072	8,390	100,924
Total Nonoperating Revenues (Expenses)	168,735	296,125	33,449	498,309
Change in Net Position	1,215,193	542,475	116,404	2,874,072
Net Position - Beginning	4,459,485	6,747,814	1,439,781	12,647,080
Net Position - Ending	\$ 5,674,678	\$ 7,290,289	\$ 1,556,185	\$ 14,521,152

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Health & Behavior	Seniorcare	Workers Compensation	Property Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 6,372,589	\$ 170,632	\$ 642,105	\$ 711,008
Payments to Vendors	(33,640)	-	(662,948)	(623,323)
Payments to Employees	(5,568,063)	(87,259)	(42,561)	(42,587)
Other Receipts	8,495	-	12,060	-
Net Cash Provided (Used) By Operating Activities	439,372	103,373	8,716	45,183
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	33,141	36,866	4,045	4,797
Net Cash Provided (Used) By Investing Activities	33,141	36,866	4,045	4,797
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	439,513	140,239	12,761	51,980
Cash and Cash Equivalents, January 1	1,091,121	405,838	305,872	192,837
Cash and Cash Equivalents, December 31	\$ 1,530,634	\$ 546,078	\$ 318,633	\$ 244,817

City of Eden Prairie, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Fleet	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	\$ 2,736,455	\$ 2,774,696
Payments to Vendors	(1,086,454)	(1,940,421)
Payments to Employees	(816,652)	(702,867)
Other Receipts	252,311	1,022,357
Net Cash Provided (Used) By Operating Activities	1,105,310	1,153,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	60,130	25,656
Net Cash Provided (Used) By Investing Activities	60,130	25,656
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	1,165,440	1,179,521
Cash and Cash Equivalents, January 1	2,620,653	1,047,950
Cash and Cash Equivalents, December 31	\$ 3,785,893	\$ 2,227,471

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Health & Benefits	Navigation	Workers' Compensation	Property Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 85,532	\$ (357,883)	\$ 939	\$ 43,781
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	9,486	-	-	-
(Increase) Decrease in Assets				
Accounts Receivable	6,110	-	12,050	-
Due from Other Governments	(220)	-	-	-
Inventory	308,522	-	-	-
Prepaid Items	(108,719)	-	(5,327)	376
Other Post Employment Benefits	(2,043)	-	-	-
Accounts Payable	-	-	1,045	1,044
Unearned Revenue	-	-	-	-
Due to Other Governments	(31,742)	-	-	-
Other Post Employment Benefits	191,676	-	-	-
Compensated Absences	-	481,361	-	-
Net Cash Provided (Used) by Operating Activities	\$ 456,322	\$ 120,323	\$ 978	\$ 45,123

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Facilities	Fleet	Information Technology	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 1,022,047	\$ 244,342	\$ 82,986	\$ 1,349,375
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	91,510	902,538	88,857	1,082,905
(Increase) Decrease in Assets				
Miscellaneous	69,946	7,072	8,350	105,324
Due from Other Governments	4,480	54,521	-	65,111
Inventory	(912)	(22,024)	-	(22,094)
Prepaid Items	360	1,000	(25,561)	(24,201)
Other Post Employment Benefits	(1,315)	(1,458)	(746)	(3,519)
Increase (Decrease) in Liabilities				
Accounts Payable	13,341	(60,660)	(20,177)	(67,496)
Unearned Revenue	1,543	10,002	5,403	19,037
Due to Other Governments	4,886	564	(3,000)	1,886
Other Post Employment Benefits	2,330	2,552	1,463	(29,715)
Compensated Absences	-	-	1,323	1,323
Net Cash Provided (Used) by Operating Activities	\$ 1,348,376	\$ 1,384,411	\$ 130,938	\$ 3,043,725

City of Eden Prairie, Minnesota Custodial Funds

Custodial Funds

Custodial 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 evidence held by the Police Department

WAFIA - 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.

494 Corridor Commission - This fund accounts for the collection and remittance of expenses pertaining to the policy work and employer and commuter outreach performed by staff of the I-494 Corridor Commission. The Commission is funded by member cities, a federal Congestion Mitigation & Air Quality grant, and a state grant.

City of Eden Prairie, Minnesota
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	Escrow Fund	WAFTA	MCES	494 Corridor	Custodial Funds Total
ADDITIONS					
Grants	\$ -	\$ -	\$ -	\$ 320,969	\$ 320,968
Memberships	-	22,000	-	147,897	169,897
Investments Earnings	-	1,386	-	1,088	2,474
Building Permits	-	-	660,690	-	660,690
Customers Deposits	230	-	-	-	230
Other	-	-	-	1,722	1,722
Total Additions	230	23,386	660,690	471,675	1,176,181
DEDUCTIONS					
Personnel Services	-	-	-	338,351	338,351
Supplies	-	-	-	30,756	30,756
Contractual Services	-	1,037	690,890	145,090	827,067
Total Deductions	-	1,037	690,890	514,197	1,196,174
Net Increase (Decrease) in Fiduciary Net Position	230	22,299	-	(42,522)	(19,893)
Net Position - Beginning	10,934	265,524	-	256,674	533,132
Net Position - Ending	\$ 11,164	\$ 287,823	\$ -	\$ 214,152	\$ 513,139

City of Eden Prairie, Minnesota
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2020

	Escrow Fund	WAFTA	MCES	494 Corridor	Custodial Funds Total
ASSETS					
Cash and Investments	\$ 11,164	\$ 287,047	\$ 14,910	\$ 115,497	\$ 428,618
Due from Other Governments	-	-	-	101,513	101,513
Prepaid Expenses	-	929	-	6,985	7,914
Total Assets	11,164	287,976	14,910	223,995	533,045
LIABILITIES					
Accounts Payable	-	153	-	6,843	6,996
Due to Other Governments	-	-	14,910	-	14,910
Unearned Revenue	-	-	-	3,000	3,000
Total Liabilities	-	153	14,910	9,843	24,909
NET POSITION					
Restricted For:					
Police Evidence Cash	11,164	-	-	-	11,164
Western Area Fire Training Costs	-	287,823	-	-	287,823
I-494 Corridor Commission Costs	-	-	-	214,152	214,152
Total	\$ 11,164	\$ 287,823	\$ -	\$ 214,152	\$ 513,139



This page is intentionally left blank

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

	Page
Financial Trends	159-164
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	165-168
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	169-172
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	173-174
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	175-177
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	2017	2018	2019	2020
GOVERNMENT-WIDE NET POSITION														
Assets	\$ 19,222,849	\$ 19,111,027	\$ 19,000,000	\$ 18,888,889	\$ 18,777,778	\$ 18,666,667	\$ 18,555,556	\$ 18,444,445	\$ 18,333,334	\$ 18,222,223	\$ 18,111,112	\$ 18,000,001	\$ 17,888,890	\$ 17,777,779
Liabilities	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741	\$ 4,192,741
Net Position	\$ 15,030,108	\$ 14,918,286	\$ 14,807,259	\$ 14,696,148	\$ 14,585,037	\$ 14,473,926	\$ 14,362,815	\$ 14,251,704	\$ 14,140,593	\$ 14,029,482	\$ 13,918,371	\$ 13,807,260	\$ 13,696,149	\$ 13,585,038
Capital Assets														
Land	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Buildings	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Equipment	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other Capital Assets	\$ 2,030,108	\$ 1,918,286	\$ 1,807,259	\$ 1,696,148	\$ 1,585,037	\$ 1,473,926	\$ 1,362,815	\$ 1,251,704	\$ 1,140,593	\$ 1,029,482	\$ 918,371	\$ 807,260	\$ 696,149	\$ 585,038
Current Assets														
Accounts Receivable	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Inventory	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Prepaid Expenses	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other Current Assets	\$ 1,030,108	\$ 918,286	\$ 807,259	\$ 696,148	\$ 585,037	\$ 473,926	\$ 362,815	\$ 251,704	\$ 140,593	\$ 29,482	\$ 18,371	\$ 7,260	\$ 1,149	\$ 1,038
Current Liabilities														
Accounts Payable	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Deferred Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other Current Liabilities	\$ 1,030,108	\$ 918,286	\$ 807,259	\$ 696,148	\$ 585,037	\$ 473,926	\$ 362,815	\$ 251,704	\$ 140,593	\$ 29,482	\$ 18,371	\$ 7,260	\$ 1,149	\$ 1,038

City of Eden Prairie, Minnesota
Changes in Net Position-Total (accrual basis of accounting)
Last Ten Years

Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. General Fund	4,284,000	4,230,461	4,346,790	4,113,801	4,024,081	4,024,081	4,024,081	4,024,081	4,024,081	4,024,081
2. Capital Projects	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
3. Debt	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
4. Grants	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
5. Other	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
6. Total	8,584,000	8,530,461	8,646,790	8,413,801	8,324,081	8,324,081	8,324,081	8,324,081	8,324,081	8,324,081

City of Eden Prairie, Minnesota
Changes in Net Position-Governmental Activities (accrual basis of accounting)
Last Ten Years

Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. General Fund	4,284,000	4,230,461	4,346,790	4,113,801	4,024,081	4,024,081	4,024,081	4,024,081	4,024,081	4,024,081
2. Capital Projects	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
3. Debt	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
4. Grants	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
5. Other	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
6. Total	8,584,000	8,530,461	8,646,790	8,413,801	8,324,081	8,324,081	8,324,081	8,324,081	8,324,081	8,324,081

City of Eden Prairie, Minnesota
Changes in Net position-Business-type Activities (accrual basis of accounting)
Last Ten Years

	2014	2013	2012	2011	2010	2009	2008
EXPENSES							
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
PROGRAM REVENUES							
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
GENERAL REVENUES AND TRANSFERS							
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Net Change in Position							
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800

City of Eden Prairie, Minnesota
Fund Balances-Governmental Funds
Last Ten Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL FUND										
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484	1,040,484	1,040,484	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277	1,246,277	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
ALL OTHER GOVT FUNDS										
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484	1,040,484	1,040,484	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277	1,246,277	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
TOTAL GOVT FUNDS										
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484	1,040,484	1,040,484	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277	1,246,277	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Ad Hoc Funds % Change										
Administrative	1,102,264	1,052,462	1,046,453	1,048,224	1,026,784	1,040,593	1,040,484	1,040,484	1,040,484	1,040,484
Capital Outlay	1,252,214	1,257,591	1,252,258	1,251,864	1,247,491	1,246,277	1,246,277	1,246,277	1,246,277	1,246,277
Depreciation	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Interest	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800
Other	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800	1,124,800

City of Eden Prairie, Minnesota
Changes in Fund Balances-Governmental Funds (modified accrual basis of accounting)
Last Ten Years

REVENUES	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Special Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

City of Eden Prairie, Minnesota
Assessed/Tax Capacity Value and Estimated Market Value of Property
Last Ten Years

Year	Assessed Value	Estimated Market Value	Ratio	Change
2011	1,000,000	1,000,000	1.00	0.00%
2012	1,000,000	1,000,000	1.00	0.00%
2013	1,000,000	1,000,000	1.00	0.00%
2014	1,000,000	1,000,000	1.00	0.00%
2015	1,000,000	1,000,000	1.00	0.00%
2016	1,000,000	1,000,000	1.00	0.00%
2017	1,000,000	1,000,000	1.00	0.00%
2018	1,000,000	1,000,000	1.00	0.00%
2019	1,000,000	1,000,000	1.00	0.00%
2020	1,000,000	1,000,000	1.00	0.00%

City of Eden Prairie, Minnesota
Direct and Overlapping Property Tax Rate
Last Ten Years

Tax Capacity Rates											
Year Ended Dec 31	Direct Rates		Total		Overlapping Rates				Watershed		Watershed District #4
	City Rate	HRA Rate	City Rate	City Rate	Special Districts (1)	School District #270	School District #272	School District #276	Watershed District #1	Watershed District #2	
2011	0.1334	0.2015	37.339	43.742	8.472	28,825	28,420	27,212	1,317	0,384	1,322
2012	0.1331	0.214	37,250	44,211	8,422	28,270	27,907	27,012	1,388	0,483	1,367
2013	0.1337	0.220	37,617	44,681	10,049	28,713	28,350	27,455	1,384	0,584	1,381
2014	0.1343	0.218	37,708	44,759	10,551	29,344	28,981	27,877	1,376	0,596	1,374
2015	0.1349	0.205	37,954	44,958	8,785	30,342	29,979	29,033	1,315	0,628	1,300
2016	0.137	0.192	38,327	45,336	8,504	30,514	30,048	29,887	1,233	0,598	1,255
2017	0.1440	0.187	38,687	46,247	8,315	30,611	30,848	29,805	1,257	0,754	1,297
2018	0.1440	0.178	38,540	45,858	8,973	29,824	30,526	29,133	1,204	0,659	1,264
2019	0.1521	0.168	37,850	47,067	8,552	27,022	26,758	27,259	1,164	0,527	1,204
2020	0.1510	0.163	37,578	46,578	8,219	27,140	27,055	27,167	1,111	0,574	1,162

Market Value Rates

Year Ended Dec 31	Overlapping Rates		School		School District #270
	City Rate	School District	City Rate	School District	
2011	0.0183	0.144	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	0.157	0.157	0.272	
2015	0.0120	0.179	0.244	0.264	
2016	0.0094	0.187	0.231	0.301	
2017	0.0085	0.180	0.220	0.300	
2018	0.0085	0.150	0.225	0.303	
2019	0.0080	0.147	0.222	0.340	
2020	0.0077	0.162	0.209	0.339	

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

City of Eden Prairie, Minnesota
Principal Property Taxpayers
For the Year Ended December 31, 2020 and 2011

Taxpayer	2020		Taxpayer	2011	
	Value	% of Total		Value	% of Total
United Healthcare Serv. Inc. (United Healthcare)	2,066,250	2.2%	Eden Prairie Mkt. LLC	2,250,250	2.0%
PRP/RET Eden Prairie LLC (Eden Prairie Mkt. (part of))	2,046,250	1.5%	ADC Telecommunications Inc.	879,250	0.8%
PRP/RET Eden Prairie LLC (Eden Prairie Mkt. (part of))	802,800	0.7%	Liberty Property Mgt Fund (8023 Columbia Rd)	628,650	0.6%
PRP/RET Eden Prairie LLC (Eden Prairie Mkt. (part of))	602,800	0.6%	Liberty Office Exchange	519,510	0.5%
WFT Fund SLP (Kull Direct Capital)	514,250	0.6%	Liberty Office Exchange	462,830	0.5%
ASST. Mkt. LLC (Optim Capital)	788,430	0.6%	Flying Cloud Office Inc.	462,270	0.4%
WFT Fund SLP (Kull Direct Capital)	775,000	0.6%	United Healthcare Serv. Inc.	413,570	0.4%
WFT Fund SLP (Kull Direct Capital)	715,000	0.6%	EP-AM, LLC	411,090	0.4%
WFT Fund SLP (Kull Direct Capital)	642,130	0.5%	Liberty Property Mgt Fund (1005 Flying Cloud Dr)	401,130	0.4%
WFT Fund SLP (Kull Direct Capital)	625,750	0.5%	Liberty Property Mgt Fund (1005 Flying Cloud Dr)	401,130	0.4%
CEVAZ Property LLC (One Southwest Crossing)	11,381,238	8.3%			
Total Principal Taxpayers	124,392,543	8.7%			
All Other Taxpayers	1,258,214,219	100.0%			
Total	1,382,606,762				

Source: City of Eden Prairie Assessing Department

City of Eden Prairie, Minnesota
Legal Debt Margin
Last Ten Years

[illegible]

City of Eden Prairie, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Years

Year Ended Dec 31	Outstanding Debt by Type										Business Tips	
	General Obligation Bonds	Tax Abatement Bonds	Total Bonds	Local Revenue Bonds	Special Assessment Bonds	Capital Lease	Capital Lease	Total Govt Bonds	Revenue Bonds	Percentage of Total Debt	Percentage of Total Debt	Per Capita
2011	\$ 25,866,940	\$ -	\$ 25,866,940	\$ 2,586,940	\$ 18,137,511	\$ 174,718	\$ 174,718	\$ 36,606,813	\$ 2,586,940	7.0%	7.0%	6.0
2012	31,874,239	-	31,874,239	3,187,424	23,686,815	132,720	132,720	45,693,969	3,187,424	7.0%	7.0%	6.6
2013	29,464,744	-	29,464,744	2,946,474	26,518,270	88,939	88,939	43,553,743	2,946,474	6.8%	6.8%	6.1
2014	17,906,759	-	17,906,759	1,790,676	16,116,083	132,720	132,720	34,139,159	1,790,676	5.3%	5.3%	4.7
2015	13,499,232	-	13,499,232	1,349,923	12,149,309	246,844	246,844	25,805,386	1,349,923	5.2%	5.2%	4.6
2016	12,036,705	-	12,036,705	1,203,671	10,833,034	231,734	231,734	23,268,439	1,203,671	5.2%	5.2%	4.5
2017	10,648,354	-	10,648,354	1,064,835	9,583,519	175,497	175,497	20,823,951	1,064,835	5.1%	5.1%	4.4
2018	9,211,190	-	9,211,190	921,119	8,290,071	148,250	148,250	18,659,490	921,119	4.9%	4.9%	4.2
2019	8,151,241	-	8,151,241	815,124	7,336,117	135,871	135,871	16,387,263	815,124	5.0%	5.0%	4.1
2020	13,227,541	-	13,227,541	1,322,754	11,904,787	158,811	158,811	23,186,353	1,322,754	5.7%	5.7%	4.7

(1) See Demographic and Economic Statistics for per capita 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)
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	2,650,353	26,814,391	0.32%	432
2014	17,906,759	17,599,269	35,506,028	1,715,750	33,789,278	0.35%	539
2015	13,499,232	17,575,537	31,074,769	2,032,109	29,042,660	0.32%	464
2016	12,036,705	17,552,936	29,589,511	2,303,895	27,285,616	0.28%	432
2017	10,648,354	17,100,074	27,728,428	2,336,132	25,492,296	0.26%	404
2018	9,211,190	16,697,342	25,908,532	2,296,320	23,612,212	0.23%	371
2019	8,151,241	16,229,510	24,420,851	2,662,004	21,758,847	0.20%	343
2020	13,227,541	15,306,979	28,534,520	8,730,968	19,803,552	0.18%	311

(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, 2020

Governmental Unit	Debt Outstanding	Percent of Debt Applicable to City (1)	Net Debt Applicable to City
Direct Debt:			
City of Eden Prairie	\$ 32,914,658	100.00%	\$ 32,914,658
Overlapping Debt:			
Hopkins ISD 270	\$ 205,705,000	4.60%	\$ 9,462,430
Eden Prairie ISD 272	95,033,468	97.61%	92,762,168
Mnnetonka ISD 276	109,495,305	2.96%	3,241,061
Hennepin County	998,790,298	5.80%	57,929,837
Henn Suburban Park District	42,954,642	8.33%	3,578,122
Henn Regional RR Authority	93,859,422	5.80%	5,443,846
Metropolitan Council	103,225,628	2.94%	3,034,833
Total Overlapping Debt	1,649,063,763		175,452,298
Total Direct and Overlapping Debt	\$ 1,681,978,421		\$ 208,366,956

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 (1)	Household Median Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2011	61,151	*	*	*	9,487	5.2%
2012	62,004	*	*	*	9,162	4.8%
2013	62,004	*	*	*	9,046	4.0%
2014	62,729	*	*	*	9,011	2.4%
2015	62,593	*	*	*	8,941	2.3%
2016	63,197	*	*	*	8,844	2.9%
2017	63,163	*	*	*	8,835	2.4%
2018	63,726	*	*	*	8,760	2.6%
2019	63,456	*	*	*	8,661	2.2%
2020	63,726	*	*	*	8,759	3.4%

Sources -
City of Eden Prairie Planning Department
Minnesota Department of Employment and Economic Development
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 Employees by Function Last Ten Years

City of Eden Prairie, Minnesota Principal Employers For the Year Ended December 31, 2020 and 2011

Employer	2020		2011	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Optum, Inc	3,312	53%	1,800	37%
Eden Prairie Mall	2,310	37%	1,500	30%
C H Robinson Worldwide	2,200	35%	1,462	30%
Starkey Labs	2,000	32%	1,435	29%
Emerson Process Management	1,500	24%	1,280	26%
USD No. 272 (Eden Prairie)	1,477	24%	1,200	24%
Element Financial Management	1,200	19%	1,000	20%
United Natural Foods, Inc	1,100	18%	900	18%
MTS Systems Corporation	1,000	16%	850	17%
Eaton Corp	1,000	16%	708	14%
Total Principal Employer	17,039	273%	12,116	245%
Other Employers	45,507	727%	37,172	754%
Total Employers	62,546	1000%	49,288	1000%

Source: Official Bonds Statement for G O Water Revenue Bonds, Series 2019A

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	2	2	2	2	2	2	2	2	2	2
Chief of City Manager	1	1	1	1	1	1	1	1	1	1
Human Resources	3	3	3	3	3	3	3	3	3	3
Communications	3	3	3	3	3	3	3	3	3	3
Finance	5	5	5	5	5	5	5	5	5	5
Liquid Stores	8	8	8	8	8	8	8	8	8	8
Information Technology	7	7	7	7	7	7	7	7	7	7
Facilities	5	5	5	5	5	5	5	5	5	5
Community Development	5	5	5	5	5	5	5	5	5	5
Administration	1	1	1	1	1	1	1	1	1	1
Planning	4	4	4	4	4	4	4	4	4	4
Economic Development	1	1	1	1	1	1	1	1	1	1
Housing & Community Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	2	2	2	2	2
Park Maintenance	20	20	20	20	20	20	20	20	20	20
Recreation Services	7	7	7	7	7	7	7	7	7	7
Community Center	5	5	5	5	5	5	5	5	5	5
Police	5	5	5	5	5	5	5	5	5	5
Administration	25	25	25	25	25	25	25	25	25	25
Fire	65	65	65	65	65	65	65	65	65	65
Fire Chiefs	3	3	3	3	3	3	3	3	3	3
Administration	3	3	3	3	3	3	3	3	3	3
Building Inspection	3	3	3	3	3	3	3	3	3	3
Public Works	3	3	3	3	3	3	3	3	3	3
Engineering	3	3	3	3	3	3	3	3	3	3
Street Maintenance	15	15	15	15	15	15	15	15	15	15
Utilities	34	34	34	34	34	34	34	34	34	34
Fleet Services	3	3	3	3	3	3	3	3	3	3
Grand Total	253	253	253	253	253	253	253	253	253	253

Source: Human Resource department

City of Eden Prairie, Minnesota
Operating Indicators
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police	1,220	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Fire	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Public Works	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
City Parks	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Conservation Areas	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Historic Sites	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Special Use Areas	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Miles of Trails	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Water System	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Number of Wells	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Total Pumping Capacity	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Water Storage Capacity	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Miles of Water Mains	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Sewer	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Miles of Sanitary Sewer	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Miles of Storm Sewer	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230

Sources: Various City Departments
MCD - Million Gallons Daily

City of Eden Prairie, Minnesota
Capital Assets Statistics by Function
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police	4	4	4	4	4	4	4	4	4	4
Fire	4	4	4	4	4	4	4	4	4	4
Public Works	4	4	4	4	4	4	4	4	4	4
City Parks	4	4	4	4	4	4	4	4	4	4
Conservation Areas	4	4	4	4	4	4	4	4	4	4
Historic Sites	4	4	4	4	4	4	4	4	4	4
Special Use Areas	4	4	4	4	4	4	4	4	4	4
Miles of Trails	4	4	4	4	4	4	4	4	4	4
Water System	4	4	4	4	4	4	4	4	4	4
Number of Wells	4	4	4	4	4	4	4	4	4	4
Total Pumping Capacity	4	4	4	4	4	4	4	4	4	4
Water Storage Capacity	4	4	4	4	4	4	4	4	4	4
Miles of Water Mains	4	4	4	4	4	4	4	4	4	4
Sewer	4	4	4	4	4	4	4	4	4	4
Miles of Sanitary Sewer	4	4	4	4	4	4	4	4	4	4
Miles of Storm Sewer	4	4	4	4	4	4	4	4	4	4

Sources: Various City Departments
Note: No Capital Asset Indicators are Available for the General Government Functions
MGD - Million Gallons Daily

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

City of Eden Prairie
Eden Prairie, Minnesota

[Purchaser]
[City, State]

Re: \$[PAR] General Obligation Water Revenue and Refunding Bonds, Series 2021A
 City of Eden Prairie, Minnesota

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Eden Prairie, Minnesota (the “City”), of the obligations described above, dated, as originally issued as of December [___], 2021 (the “Bonds”). In that capacity, we have reviewed copies of certain proceedings taken by the City Council in the authorization, sale and issuance of the Bonds, including the form of the Bonds and certain other proceedings and documents furnished by the City and others. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from net revenues of the municipal water system, tax abatement revenues to be generated from certain parcels of property pursuant to Minnesota Statutes, Section 469.1813, and ad valorem taxes levied on all taxable property in the City, which water system revenues, tax abatement revenues, and ad valorem taxes are expected to produce amounts sufficient to pay the principal and interest on the Bonds when due; but, if necessary for the payment of such principal and interest, additional ad valorem taxes are required by law to be levied on all taxable property in the City without limitation as to rate or amount.

3. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code.

4. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, estates, and trusts.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors’ rights and the application of equitable principles, whether considered at law or in equity.

City of Eden Prairie, Minnesota
[Purchaser]

The opinions expressed in paragraphs 3 and 4 above are subject to the compliance by the City with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that notwithstanding the opinion expressed in paragraph 4 above, interest on the Bonds is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the City and its officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities financed by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [____] day of December, 2021.

Very truly yours,

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE COVENANTS (EXCERPTS FROM SALE RESOLUTION)

(See following pages)

CONTINUING DISCLOSURE COVENANTS

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2021, the following financial information and operating data in respect of the City (the “Disclosure Information”):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: “Valuations – Current Property Valuations,” “Debt – Direct Debt,” “Tax Levies and

Collections,” “General Information – US Census Data” and
“– Employment/Unemployment Data.”

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”) or to the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a “Material Fact”):
- (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar

- terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
- (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
 - (C) the termination of the obligations of the City under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

APPENDIX E

TERMS OF PROPOSAL

\$19,380,000* GENERAL OBLIGATION WATER REVENUE AND REFUNDING BONDS, SERIES 2021A CITY OF EDEN PRAIRIE, MINNESOTA

Proposals for the purchase of \$19,380,000* General Obligation Water Revenue and Refunding Bonds, Series 2021A (the "Bonds") of the City of Eden Prairie, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M. Central Time, on November 16, 2021, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 444, 469 and 475, and Sections 469.1814 and 475.67, by the City to fund water utility equipment and to current refund certain outstanding general obligations of the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 8, 2021, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$1,415,000	2028	\$1,320,000	2033	\$1,470,000
2024	1,440,000	2029	1,625,000	2034	1,485,000
2025	1,300,000	2030	1,420,000	2035	1,515,000
2026	1,315,000	2031	1,435,000	2036	430,000
2027	1,315,000	2032	1,455,000	2037	440,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 8, 2021, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion in substantially the form attached hereto as Appendix B will be furnished by Dorsey & Whitney LLP ("Bond Counsel"), Minneapolis, Minnesota, bond counsel to the City.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$19,186,200 plus accrued interest on the principal sum of \$19,380,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 11:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$387,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a proposal, each bidder agrees to the following.

If a proposal is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity", and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the City at or prior to closing a certification, in a form reasonably acceptable to bond counsel, as to the reasonably expected initial offering price as of the award date.

If the City advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification as to such matters, in a form reasonably acceptable to bond counsel, together with a copy of the pricing wire.

Any action taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Ehlers & Associates, Inc.

Bidders should prepare their proposals on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule. Any proposal submitted pursuant to the Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, and Bonds submitted will not be subject to cancellation or withdrawal.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of Eden Prairie, Minnesota

PROPOSAL FORM

The City Council
City of Eden Prairie, Minnesota (the "City")

November 16, 2021

RE: \$19,380,000* General Obligation Water Revenue and Refunding Bonds, Series 2021A (the "Bonds")
DATED: December 8, 2021

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$19,186,200) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2023	_____ % due 2028	_____ % due 2033
_____ % due 2024	_____ % due 2029	_____ % due 2034
_____ % due 2025	_____ % due 2030	_____ % due 2035
_____ % due 2026	_____ % due 2031	_____ % due 2036
_____ % due 2027	_____ % due 2032	_____ % due 2037

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$387,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about December 8, 2021.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: _____ NO: _____.

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 8, 2021 of the above proposal is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Eden Prairie, Minnesota, on November 16, 2021.

By: _____ By: _____
Title: _____ Title: _____