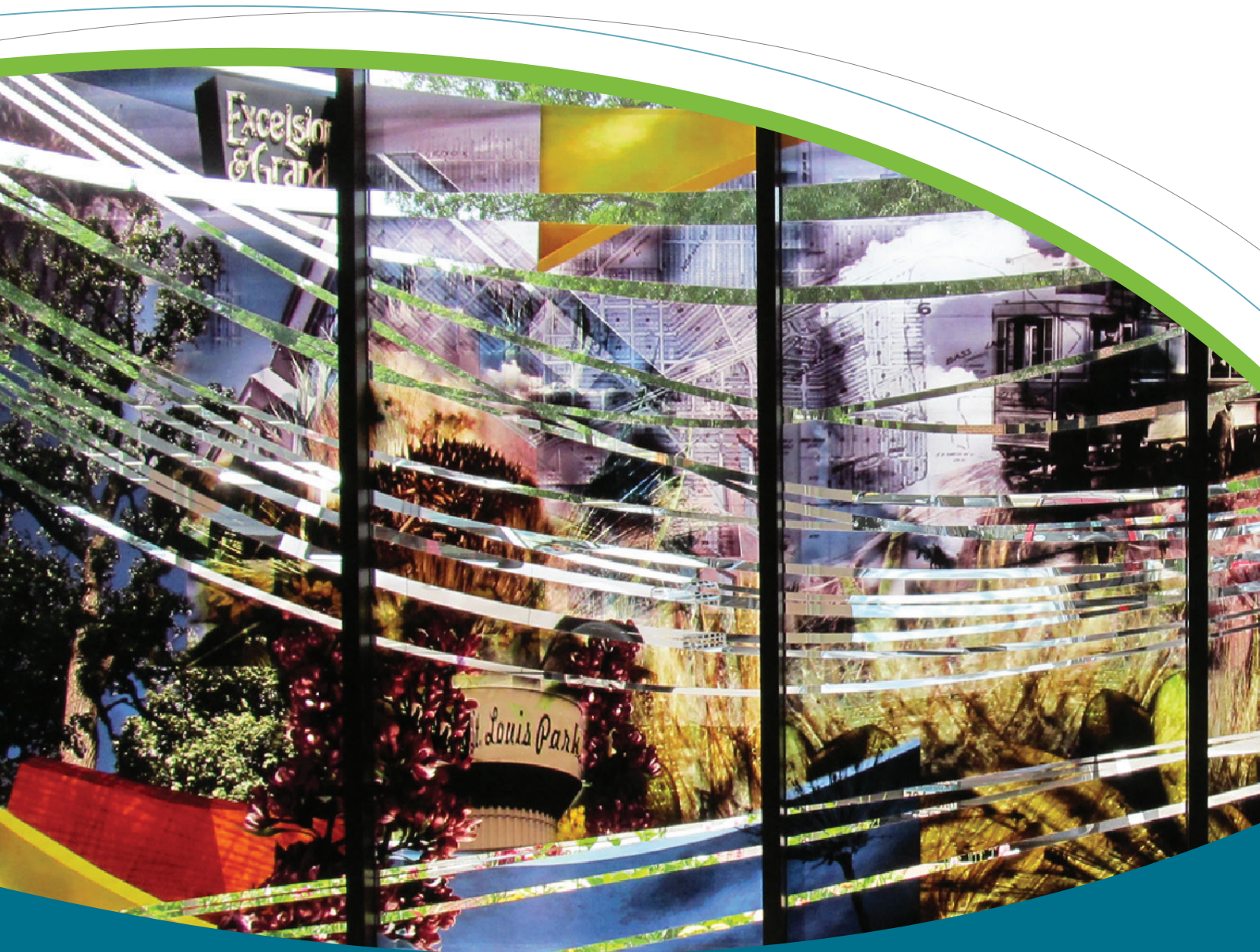




Experience *LIFE* in the Park



## Comprehensive Annual Financial Report

*For the Year Ended December 31, 2016*

*St. Louis Park, MN*

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

**FOR THE FISCAL YEAR ENDED**

**DECEMBER 31, 2016**

**Thomas Harmening – City Manager**

**Prepared by: Finance Division**

**Member of the Government Finance Officers' Association  
Of the United States and Canada**

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## I. INTRODUCTORY SECTION



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June 7, 2017

Honorable Mayor and Members of the City Council  
City of St. Louis Park, Minnesota

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of St. Louis Park for the fiscal year ended December 31, 2016.

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

The City of St. Louis Park's financial statements have been audited by Redpath and Company Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Louis Park for the fiscal year ended December 31, 2016, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Louis Park's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial

statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **Profile of the Government**

The City of St. Louis Park, established in 1886, is a first ring community located immediately west of Minneapolis. Thanks to its convenient location, St. Louis Park combines all the cultural amenities of a large metropolitan area with small town friendliness. The City of St. Louis Park currently occupies a land area of 10.8 square miles and serves a population of 48,354. The City of St. Louis Park is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statutes to extend its corporate limits by annexation, St. Louis Park is a completely developed community and is bordered on all sides by other incorporated communities.

St. Louis Park operates under the council/manager form of government. Policy-making and legislative authority are vested in a City Council consisting of a mayor, two at-large council members, and four ward council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the City government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms.

The City of St. Louis Park provides a full range of services, including police and fire protection; redevelopment, the construction and maintenance of highways, streets, and other infrastructure; water, sewer, storm water, and refuse services, as well as recreational activities and cultural events.

The annual budget serves as the foundation for the City of St. Louis Park's financial planning and control. All departments and agencies of the City of St. Louis Park submit requests for appropriation to the City Manager in June of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to adoption of a preliminary tax levy by September 30. The council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 28.

The appropriated budget is prepared by fund, (e.g. General), function (e.g., public safety), and department (e.g., police). Department directors may make transfers of appropriation within a department, but not between personnel and non-personnel categories. Transfers of appropriations between funds, however, require the approval of the City Council. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. These comparisons are presented starting on page 100 as part of the basic financial statements for the governmental funds.

## **Factors Affecting Financial Condition**

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

### ***Local economy***

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

### ***Redevelopment/Development***

The City of St. Louis Park is committed to evaluating, preserving, and improving the housing stock available within the community. It is important that a wide variety of housing alternatives be available within the community. Redevelopment projects over the past ten years have provided a mix of apartment, co-op, condominium, town-home, and single family units. Many of these housing developments contain a commercial component including both retail and services to support the new housing and create more livable neighborhoods. The City has used its tax increment financing authority in many of these projects in order to meet specific community and economic development objectives.

Some of the larger projects include:

**Central Park West (I-394 and Highway 100):** Five more buildings are planned for construction at The West End at I-394 and Highway 100. The new phases include two six-story multiple-family residential buildings, a six-story limited-service hotel, two 11-story office buildings, a 2,534-stall parking ramp and a central gathering space. At full build-out, the multi-phase development consists of 363 apartment units (with 11 affordable units), 126 hotel rooms, and 706,706 sq. feet of Class A office space.

**The Shoreham (3907 Highway 7):** Bader Development is redeveloping a 2.23-acre block at the southwest corner of County Highway 25 and France Avenue. The \$45-million, mixed-use project includes a five-story building with 148 apartments (including 30 affordable units) and 20,000 sq. feet of commercial office space. The project will result in retaining one local business, attracting a new medical clinic and creating more than 50 new jobs.

**The 4800 Excelsior:** This mixed-use development under construction at 4900 Excelsior Boulevard at the former site of Bally Total Fitness will feature a six-story mixed-use building with 164 apartments (including 18 affordable units) and 28,228 square feet of ground floor commercial space, to be leased to Fresh Thyme grocery, with public art and structured parking.

Parkway 25 (4001 County Road 25 & 4025 Hwy 7): Sela Group is building a five-story 111-unit mixed-use apartment building that will include 8500 sq. ft. of ground floor commercial space on the sites of the former Vescio's restaurant and Valu Stay Inn motel.

Elmwood Sr. Housing (former American Legion site, West 36<sup>th</sup> St. and Hwy. 100): Mixed-use apartments are proposed for the one-acre site, with 85 units and 4,400 sq. ft. of first-floor commercial space in a six-story building. Twenty of the units will be affordable units reserved for tenants with incomes of up to 60% of the metro area median income.

Redevelopment interest continues to remain strong in St. Louis Park and other proposals and inquiries are being considered for multi-family and mixed use projects.

The City also sponsors a comprehensive rehabilitation loan program available to single family and multi-family homeowners. The first programs were started in the mid 1970's and have evolved into a comprehensive set of programs to ensure the preservation and enhancement of the City's housing stock.

Finally, the City has a Convention and Visitors Bureau, which markets the desirability of St. Louis Park for both business and recreational opportunities. This continues to be a very strong partner with the City of St. Louis Park which has brought increased business and activities to the City.

### ***Long-term Financial Planning***

The City maintains a 10 year Long Range Financial Management Plan that incorporates anticipated revenues, expenditures, capital outlay, and tax impacts for all relevant funds. The plan anticipates opportunities or challenges, allows for changes to then be made, with the goal of achieving long-term sustainability. The plan is used in conjunction with the annual budget process and Capital Improvement Plan, which then allows the City Council to evaluate various budget decisions prior to adoption. This plan has proven its value by playing a significant role in maintaining the City's AAA bond rating from Standard & Poor's, which assists in keeping the costs of borrowing for the City of St. Louis Park at a low rate.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Louis Park for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the thirty-third consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

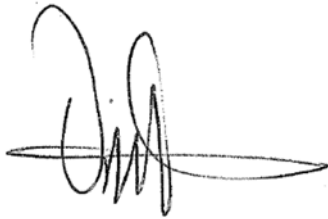
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's

requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division and other key City of St. Louis Park personnel. We would like to express our appreciation to all members of the organization who assisted and contributed to the preparation of the report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of St. Louis Park's finances.

Respectfully submitted,



Thomas Harmening  
City Manager



Timothy Simon  
Chief Financial Officer

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Government Finance Officers Association

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

Presented to

**City of St. Louis Park  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

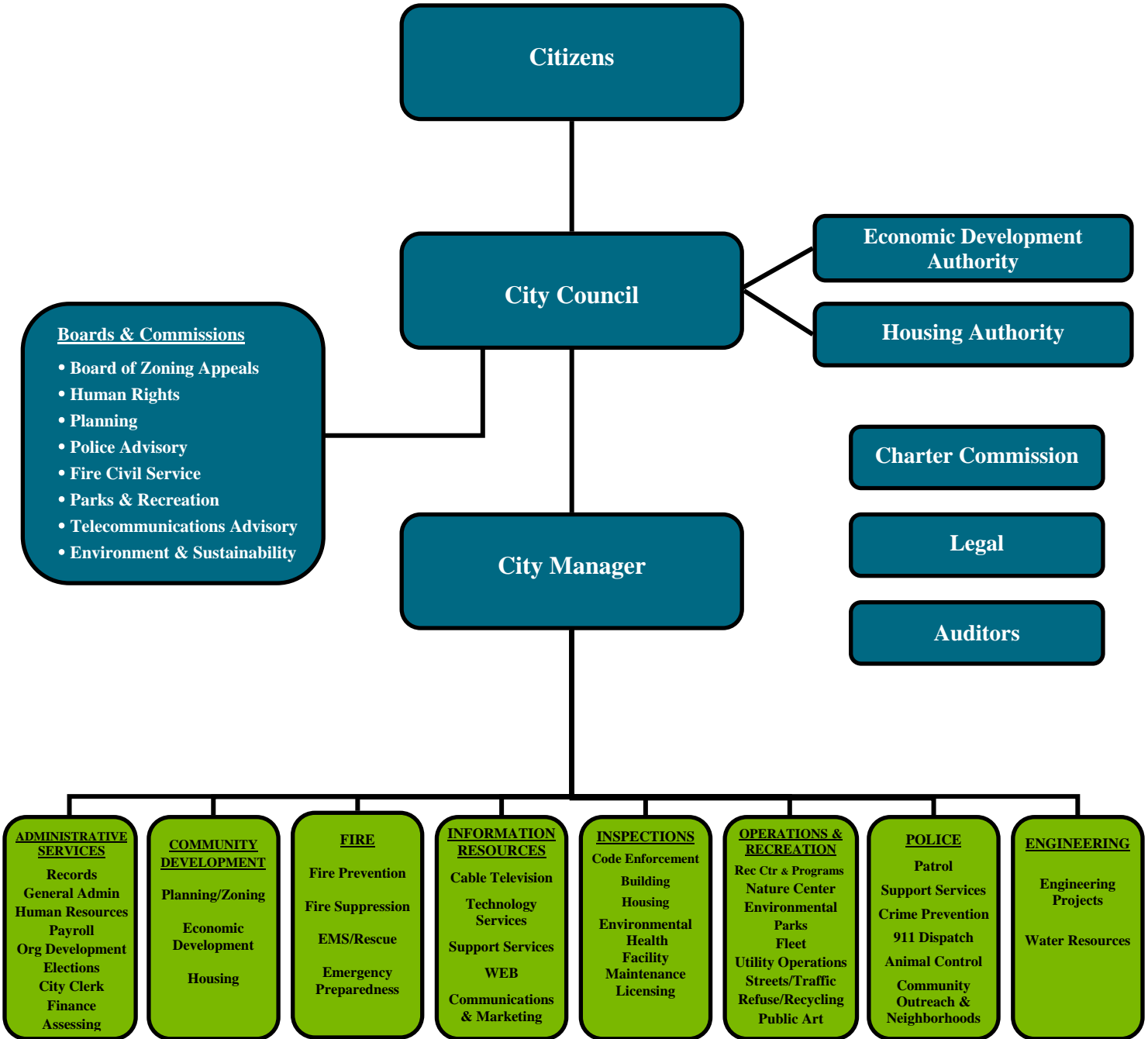
**December 31, 2015**

Executive Director/CEO



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# SERVICES CHART



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# OFFICIALS OF THE CITY OF ST. LOUIS PARK

## Council

**Jake Spano**

Mayor  
EDA Commissioner  
Term Expires 1/2020

**Steve Hallfin**

At-Large A Councilmember  
EDA Vice President  
Term Expires 1/2020

**Thom Miller**

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

**Susan Sanger**

Ward 1 Councilmember  
EDA Commissioner  
Term Expires 1/2018

**Anne Mavity**

Ward 2 Councilmember  
EDA President  
Term Expires 1/2018

**Gregg Lindberg**

Ward 3 Councilmember  
EDA Treasurer  
Term Expires 1/2018

**Tim Brausen**

Ward 4 Councilmember  
EDA Commissioner  
Term Expires 1/2018

## Executive Staff

Thomas Harmening, *City Manager*

Nancy Deno, *Deputy City Manager/Human Resources Director*

John Luse, *Police Chief*

Steve Koering, *Fire Chief*

Kevin Locke, *Community Development Director*

Brian Hoffman, *Inspections Director*

Timothy Simon, *Chief Financial Officer*

Debra Heiser, *Engineering Director*

Clint Pires, *Chief Information Officer*

Cindy Walsh, *Operations & Recreation Director*

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## **II. FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of St. Louis Park, Minnesota

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

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



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

## **Opinions**

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

## **Report on Summarized Comparative Information**

We have previously audited the City of St. Louis Park, Minnesota's 2015 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Louis Park, Minnesota's basic financial statements. The

introductory section, combining fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2017, on our consideration of the City of St. Louis Park, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis Park, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, LTD.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 7, 2017

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

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As management of the City of St. Louis Park, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 3 of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$167,749,406 (*net position*). Of this amount, \$37,601,446 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,813,803 as a result of revenues in excess of expenses. \$1,506,306 was a result of an increase of net position within business-type activities, and \$307,497 from an increase of net position within governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$64,303,271, an increase of \$1,316,873 in comparison with the prior year. Approximately 17 percent of this total amount, \$10,825,676, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$16,193,763 (45 percent) of the total subsequent year budgeted General fund expenditures.
- The City's total bonded debt increased \$5,420,000 during 2016. New debt issued and principal paid during the year was \$10,000,000 and \$4,580,000, respectively.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart on page 22 shows how the various parts of this annual report are arranged and related to one another.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

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

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

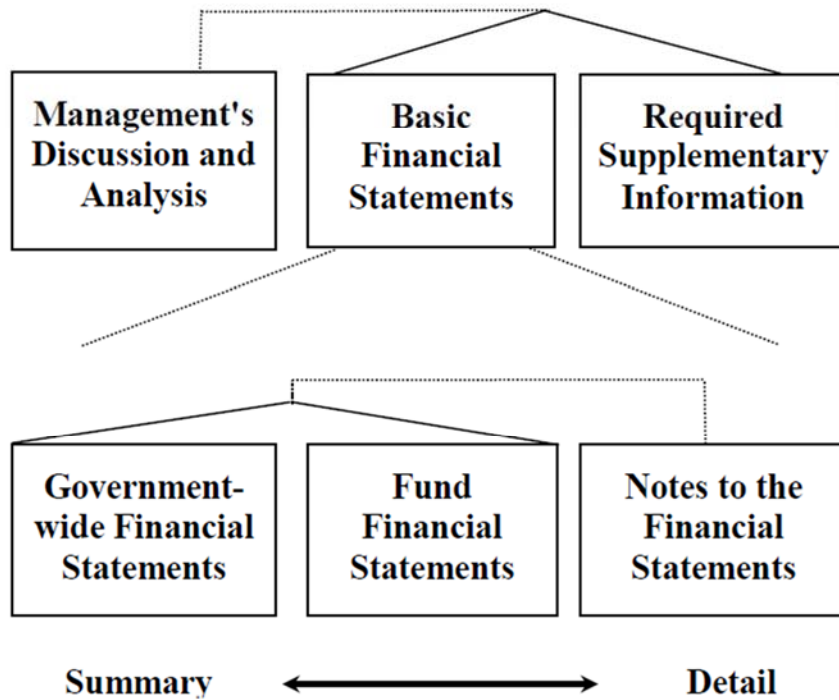


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

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

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

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

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public information, operations and recreation, engineering, housing and rehabilitation, housing maintenance, social and economic development, and interest on long-term debt. The business-type activities of the City include water, sewer, solid waste, and storm water operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 39 of this report.

**Fund financial statements** – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar

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

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information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains nine individual major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Rehabilitation, Debt Service, Permanent Improvement Revolving, Streets Capital Projects, Development EDA, Sidewalks and Trails, Park Improvement, and Redevelopment District, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements start on page 42 of this report.

**Proprietary funds** – The City maintains two different types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, solid waste, and storm water operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, solid waste and storm water operations, all of which are considered to be major funds of the City.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for maintaining its fleet of vehicles, management information systems, replacement of City equipment, employee administration, compensated absences, pension benefit and uninsured losses. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the governmental-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements starts on page 48 of this report.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 57 of this report.

**Other Supplementary Information** - In addition to the basic financial statements and accompanying notes, Required Supplementary Information, presents a detailed budgetary



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

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comparison schedule for the General Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement No. 45, it also includes other post-employment benefit plan schedule of funding progress. In accordance with the requirements of GASB Statement No. 68, also included is defined benefit pension plan information: a) schedules of the City's contributions and b) schedules of the City's proportionate share of net pension liability. These schedules can be found in the Required Supplementary Information section of this report. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information starting on page 118 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$167,749,406 at the close of the most recent fiscal year.

A portion of the City's net position (71 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

### City of St. Louis Park's Net Position

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$87,490,376	\$86,237,071	\$1,253,305	\$7,629,388	\$11,257,020	(\$3,627,632)
Capital assets	127,342,721	116,121,196	11,221,525	33,636,822	31,536,597	2,100,225
Total assets	214,833,097	202,358,267	12,474,830	41,266,210	42,793,617	(1,527,407)
Total deferred outflows of resources	28,302,033	3,743,716	24,558,317	-	-	-
<b>Liabilities</b>						
Other liabilities	7,801,517	14,417,749	(6,616,232)	1,401,159	4,599,063	(3,197,904)
Noncurrent liabilities	91,246,133	50,653,169	40,592,964	10,985,117	10,820,926	164,191
Total liabilities	99,047,650	65,070,918	33,976,732	12,386,276	15,419,989	(3,033,713)
Total deferred inflows of resources	5,218,008	2,469,090	2,748,918	-	-	-
<b>Net position</b>						
Net investment in capital assets	96,458,787	96,286,131	172,656	23,030,284	22,753,326	276,958
Restricted	10,658,889	10,608,709	50,180	-	-	-
Unrestricted	31,751,796	31,667,135	84,661	5,849,650	4,620,302	1,229,348
Total net position	\$138,869,472	\$138,561,975	\$307,497	\$28,879,934	\$27,373,628	\$1,506,306

An additional portion of the City's net position (\$10,658,889) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$37,601,446) may be used to meet the City's ongoing obligations to citizens and creditors.

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

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

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended December 31, 2016. Overall, both the governmental and business-type activities revenue and expenses remained stable. Governmental activities increased the City's net position by \$307,497. Business-type activities increased the City's net position by \$1,506,306.

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

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
<b>Revenues</b>						
Program revenues						
Charges for services	\$8,026,850	\$8,185,586	(\$158,736)	\$17,886,729	\$17,540,325	\$346,404
Operating grants and contributions	2,512,011	3,586,440	(1,074,429)	181,525	128,610	52,915
Capital grants and contributions	3,960,739	3,178,294	782,445	799,894	-	799,894
General revenues						
Property taxes and TIF	37,919,392	34,973,518	2,945,874	-	-	-
Franchise fees	3,079,399	2,915,732	163,667	-	-	-
Grants and contributions not restricted to specific programs	584,639	557,671	26,968	-	-	-
Unrestricted investment earnings	388,647	221,408	167,239	65,391	59,330	6,061
Gain on disposal of capital assets	142,713	577,248	(434,535)	-	-	-
Miscellaneous	3,201,122	2,985,997	215,125	-	-	-
<b>Total revenues</b>	<b>59,815,512</b>	<b>57,181,894</b>	<b>2,633,618</b>	<b>18,933,539</b>	<b>17,728,265</b>	<b>1,205,274</b>
<b>Expenses</b>						
General government	11,182,348	10,712,749	469,599	-	-	-
Public safety	20,091,787	15,336,854	4,754,933	-	-	-
Public information	549,940	3,057,509	(2,507,569)	-	-	-
Operations and recreation	13,352,637	9,996,885	3,355,752	-	-	-
Engineering	5,091,818	10,185,956	(5,094,138)	-	-	-
Housing and rehabilitation	528,467	707,661	(179,194)	-	-	-
Housing maintenance	144,204	84,505	59,699	-	-	-
Social and economic development	8,826,281	8,872,479	(46,198)	-	-	-
Interest on long-term debt	1,620,489	1,233,107	387,382	-	-	-
Water	-	-	-	4,773,624	4,684,190	89,434
Sewer	-	-	-	6,002,088	5,333,887	668,201
Solid waste	-	-	-	3,256,804	2,917,214	339,590
Storm water	-	-	-	1,514,761	1,400,975	113,786
<b>Total expenses</b>	<b>61,387,971</b>	<b>60,187,705</b>	<b>1,200,266</b>	<b>15,547,277</b>	<b>14,336,266</b>	<b>1,211,011</b>
Increase (decrease) in net position before transfers	(1,572,459)	(3,005,811)	1,433,352	3,386,262	3,391,999	(5,737)
Transfers	1,879,956	3,620,449	(1,740,493)	(1,879,956)	(3,620,449)	1,740,493
<b>Change in net position</b>	<b>307,497</b>	<b>614,638</b>	<b>(307,141)</b>	<b>1,506,306</b>	<b>(228,450)</b>	<b>1,734,756</b>
Net position, January 1, as previously reported	138,561,975	155,835,398	(17,273,423)	27,373,628	27,602,078	(228,450)
Prior period adjustments	-	(17,888,061)	17,888,061	-	-	-
Net position, January 1 as restated	138,561,975	137,947,337	614,638	27,373,628	27,602,078	(228,450)
<b>Net position, December 31</b>	<b>\$138,869,472</b>	<b>\$138,561,975</b>	<b>\$307,497</b>	<b>\$28,879,934</b>	<b>\$27,373,628</b>	<b>\$1,506,306</b>

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

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## Governmental Activities

Governmental activities increased the City's net position by \$307,497. Overall the governmental activities in 2016 were stable, with a slight increase in both revenues and expenses. Revenues increased by \$2.6 million, primarily related to property tax and TIF general revenues while expenses increased by \$1.2 million, with the largest increase in public safety expenses related to the police and fire net pension liability. Net transfers decreased by \$1.7 million.

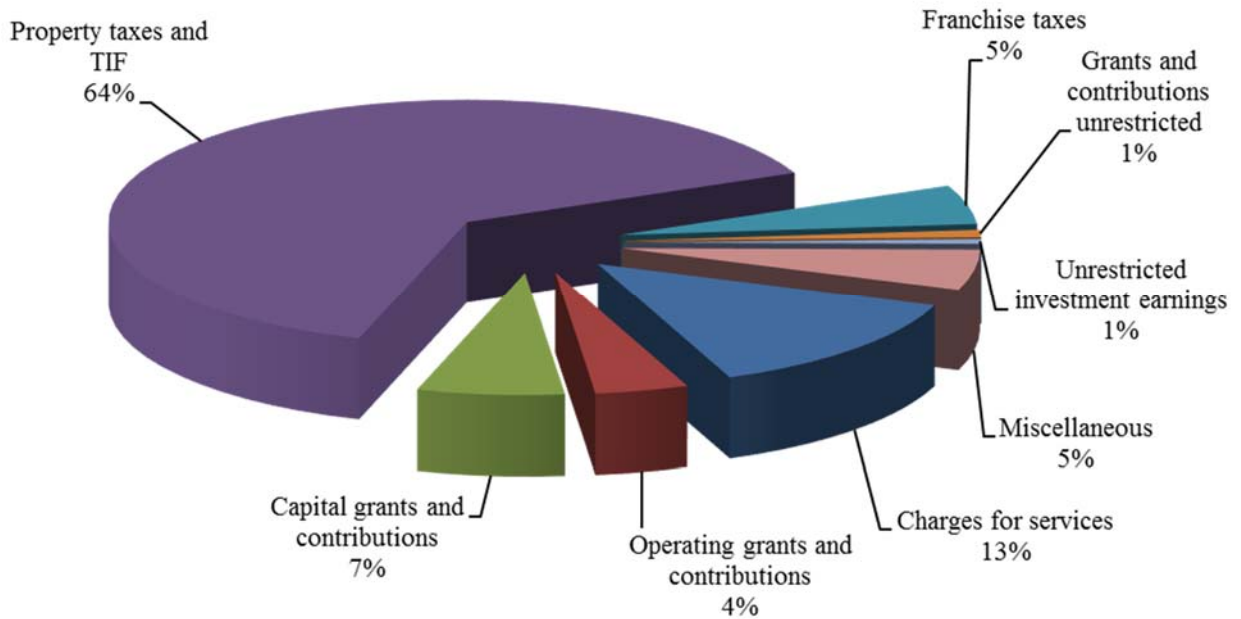
## Business-type Activities

Business-type activities increased the City's net position by \$1,506,306. Both revenues and expenses increased \$1.2 million and net transfers decreased by \$1.7 million. The increase in revenues was the result of increased utility rates and the increase in expenses was a result of increased operating expenses to provide services.

## Governmental Activities

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

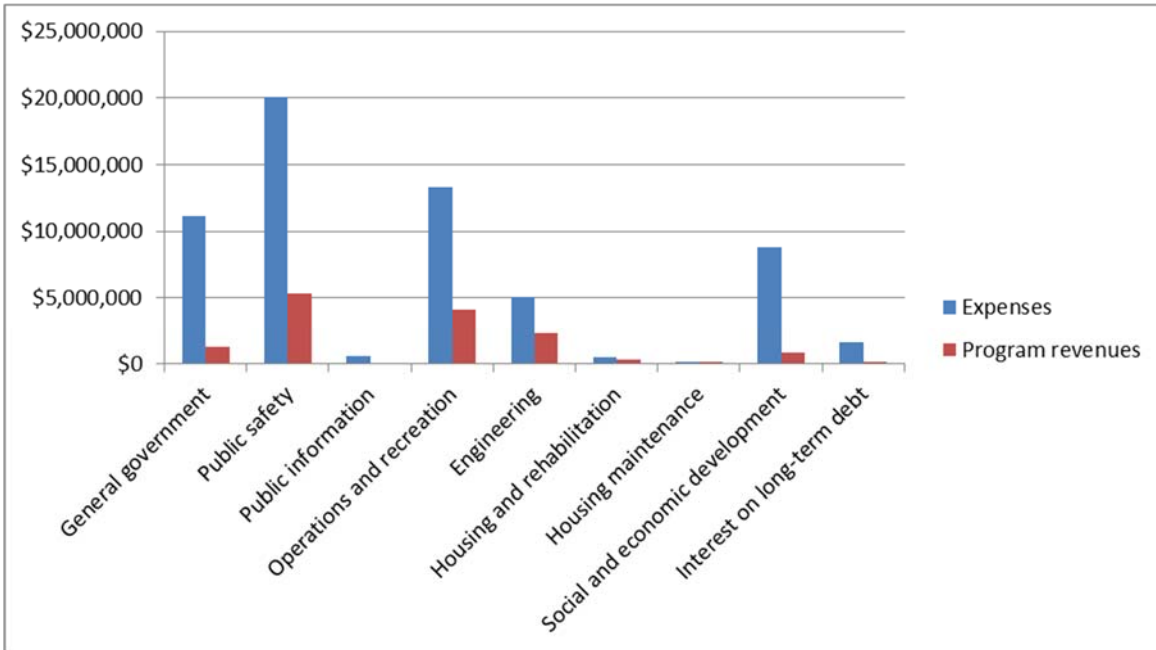
**Revenues by Source - Governmental Activities**



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

*Expenses* - The following chart illustrates the City's expenses and program revenues for its governmental activities:

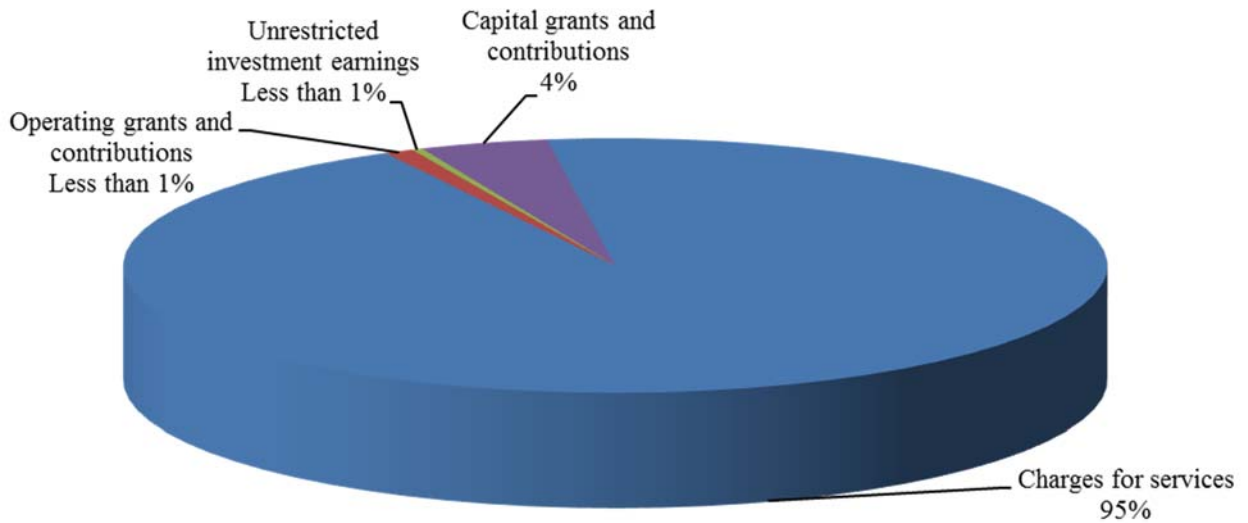
**Expenses and Program Revenues - Governmental Activities**



## ***Business-type Activities***

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

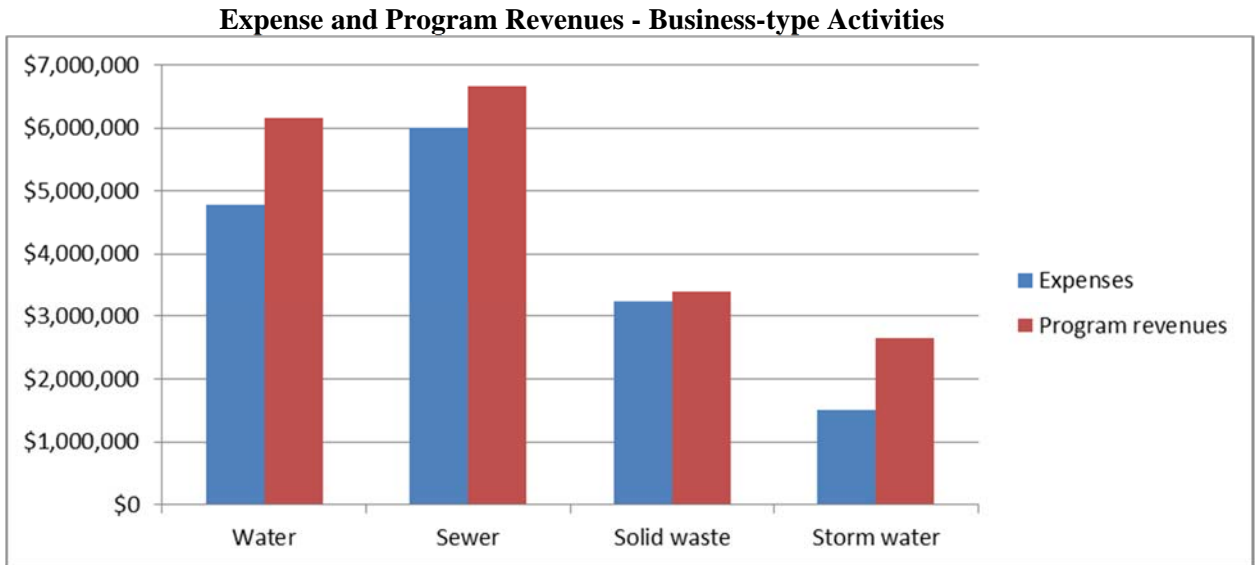
**Revenue Sources - Business-type Activities**



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

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*Expenses* - The following chart illustrates the City's expenses and program revenues for its business-type activities:



### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

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

**Governmental funds** – As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$64,303,271, an increase of \$1,316,873 in comparison with the prior year. Approximately 17.1 percent of this total amount, \$11,006,424, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$53,296,847) is not available for new spending because it is either 1) nonspendable (\$354,046), 2) restricted (\$10,471,630), 3) committed (\$466,287) or 4) assigned (\$42,004,884) for specific purposes.

Major Funds	Fund Balances December 31,		Increase (Decrease)
	2015	2016	
<b>General</b>	\$ 17,031,136	\$ 17,874,696	\$ 843,560
The City's General Fund balance increased \$843,560 during the current fiscal year. A portion of this increase pertains to higher than anticipated license and permit revenue of \$823,901. This is primarily related to increased license and permit revenues from more robust construction within the City. Also, intergovernmental revenue was \$237,055 over budget which pertains to higher than anticipated highway user tax, and police and fire revenues. Operating expenditures were also approximately \$1.1 million under budget for fiscal year 2016.			
<b>Housing Rehabilitation</b>	\$ 2,743,860	\$ 3,448,469	\$ 704,609
The Housing Rehabilitation fund balance increased \$704,609 as a result of special assessment and miscellaneous revenues exceeding expenditures by \$900,000 prior to net transfers out of \$200,000.			
<b>Debt Service</b>	\$ 1,881,243	\$ 2,048,975	\$ 167,732
The fund balance of the Debt Service fund increased \$167,762 due to scheduled bond principal and interest payments.			
<b>Permanent Improvement Revolving</b>	\$ 2,337,942	\$ 2,577,727	\$ 239,785
The Permanent Improvement Revolving fund balance increased slightly from prior year. Special assessments of \$246,000 were received with minimal expenditures.			
<b>Streets Capital Projects</b>	\$ 1,718,137	\$ 1,193,411	\$ (524,726)
The Streets Capital Projects fund balance decreased by \$524,726 as a result of capital outlay in the current year of \$3.6 million, revenue of \$1.5 million, and net transfers in of \$1.5 million.			
<b>Development EDA</b>	\$ 26,416,278	\$ 26,111,150	\$ (305,128)
The Development EDA fund balance decreased \$305,128 as a result of expenditures exceeding revenues. Although the fund has \$26 million in fund balance, approximately \$13.5 million is made up of loans receivable and land held for resale.			
<b>Sidewalks and Trails</b>	\$ 2,581,015	\$ 1,011,967	\$ (1,569,048)
The decrease in fund balance is attributable to the City's Connect the Park initiative. In 2016 the fund recorded \$1.36 million of capital outlay.			
<b>Park Improvement</b>	\$ 3,691,530	\$ 5,030,197	\$ 1,338,667
The Park Improvement fund experienced an increase in fund balance of \$1,338,667. The increase is a result of receipt of bond proceeds and additional contributions related to the ROC construction project and \$11.5 million in capital outlay.			
<b>Redevelopment District</b>	\$ (2,605,197)	\$ (1,289,720)	\$ 1,315,477
The Redevelopment District fund is comprised of all tax increment districts in the City. The increase in fund balance of \$1,315,477 is due to delayed payments on interfund loans.			

**Proprietary funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the Water, Sewer, Solid Waste, and Storm Water funds amounted to \$8,397,450. Total net position increased by \$2,087,858. This increase was primarily a result of a planned increase in fees to cover infrastructure replacement.

# City of St. Louis Park

## Management's Discussion and Analysis

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### General Fund Budgetary Highlights

Actual revenues were \$1,852,907 over budget and expenditures were \$1,109,851 under budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$843,560. Favorable revenue and expenditure variances accounted for the increase in fund balance. The largest favorable revenue variances included property taxes (\$596,078) licenses and permits (\$823,901) as well as charges for services (\$239,731). The largest expenditure variance was in the operation and recreation function, which was \$590,839 under budget.

### Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business type activities as of December 31, 2016 was \$160,979,543 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 8 percent.

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

- Substantial completion of the indoor/outdoor recreation center projects (approx. \$10 million)
- Substantial completion of water meter replacement project
- Street rehab projects
- Connect the park trail, sidewalk and bike improvements
- Land purchases for storm water and future development
- Improvements to park infrastructure and aesthetic aspects of the parks
- Over \$1.8 million of capital asset acquisition within the capital replacement fund.

For the year ending December 31, 2016, the City has elected to use the modified approach as defined in GASB Statement No. 34 for infrastructure reporting for its Pavement Management Program, which includes streets. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- 1) The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (a) an up to-date inventory; (b) perform condition assessments and summarize the results using a measurement scale; and (c) estimate annual amount to maintain and preserve at the established condition assessment level.
- 2) The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City's policy is to achieve an average rating of good (70) for all streets. Over the course of 2014 and 2015, all areas were assessed, providing a new overall condition rating. Going forward, four areas will be assessed every other year. The City increased the number of areas assessed each year in an effort to get more comparative data and more thoroughly analyze the street infrastructure system. As of the last complete assessment, the City's street system was rated at an Overall Condition Index (OCI) of 65, which is slightly below the City's policy level. City staff is



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

working with the City Council to develop a plan to increase this number back to the policy level. This plan includes the planned improvements to commercial and industrial roads that were not a part of the plan in the past. The City's streets are constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating and overlaying. The City expended \$2,731,582 on street maintenance for the year ending December 31, 2016. The physical condition assessment completed in 2012 was the first assessment that reported on the entire system. The City has estimated that the amount of annual expenditures required maintaining the City's street system at the average OCI rating of good is approximately \$3,999,000. The annual expenditures will vary from year to year, depending on the area of the City being targeted that year. The estimate for the year ending December 31, 2016 was \$2,622,000, which is lower than the actual expenditures for the year. This was a result of the planning to increase the annual improvements to get condition back to policy level.

### City of St. Louis Park's Capital Assets (net of accumulated depreciation)

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Land	\$16,991,835	\$15,682,665	\$1,309,170	\$515,083	\$174,844	\$340,239
Permanent easements	1,429,976	1,429,976	-	-	-	-
Buildings and structures	33,543,044	34,630,999	(1,087,955)	805,616	933,747	(128,131)
Improvements other than buildings	13,666,061	9,666,707	3,999,354	3,908,104	4,192,630	(284,526)
Machinery and equipment	4,045,211	4,276,489	(231,278)	6,054,509	2,652,882	3,401,627
Fleet	4,848,540	3,989,448	859,092	-	-	-
Infrastructure - Streets	26,011,544	26,011,544	-	-	-	-
Infrastructure - Other	14,709,476	15,653,698	(944,222)	22,102,350	21,234,335	868,015
Construction in progress	12,097,034	4,779,670	7,317,364	251,160	2,348,159	(2,096,999)
<b>Total</b>	<b>\$127,342,721</b>	<b>\$116,121,196</b>	<b>\$11,221,525</b>	<b>\$33,636,822</b>	<b>\$31,536,597</b>	<b>\$2,100,225</b>

Additional information on the City's capital assets can be found in Note 5 on pages 72-73 of this report.

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

### *Debt administration*

At the end of the current fiscal year, the City had total bonded debt outstanding of \$45,550,000. Of this amount, \$31,230,000 comprises debt issued for improvement and capital projects and will be repaid by ad valorem tax levies. In addition, \$3,805,000 is general obligation tax increment debt which financed redevelopment projects and will be repaid from the tax increments resulting from increased tax capacity of the redevelopment properties. The remaining \$10,515,000 of the City's bonded debt represents general obligation revenue bonds to be repaid by the Water, Sewer, and Storm Water fund user charges. Furthermore, the City has long-term debt of \$2,025,297 for notes payable, \$215,619 for capital leases payable, \$4,026,371 for compensated absences, \$3,187,082 for other post-employment benefits payable and \$46,787,244 for the net pension liability.

### **City of St. Louis Park's Outstanding Debt** General Obligation Bonds, Revenue Bonds, and other Debt

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
G.O. Revenue Bonds	\$ -	\$ -	\$ -	\$10,515,000	\$13,510,000	(\$2,995,000)
G.O. Tax Increment	3,805,000	4,175,000	(370,000)	-	-	-
G.O. Improvement	31,230,000	22,445,000	8,785,000	-	-	-
Notes payable	2,025,297	2,122,173	(96,876)	-	-	-
Capital leases	215,619	24,975	190,644	-	-	-
Compensated absences	3,837,736	3,752,187	85,549	188,635	146,219	42,416
Other postemployment benefits	2,997,138	2,596,202	400,936	189,944	156,399	33,545
Net pension liability	46,787,244	19,874,838	26,912,406	-	-	-
<b>Total</b>	<b>\$90,898,034</b>	<b>\$54,990,375</b>	<b>\$35,907,659</b>	<b>\$10,893,579</b>	<b>\$13,812,618</b>	<b>(\$2,919,039)</b>

Principal payments during 2016 totaled \$4,580,000. The City maintains an "AAA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The current debt limitation for the City is \$176,182,830 which is significantly more than the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 on pages 74 - 80 of this report.

### **Economic Factors, Subsequent Year Budgets, Rates and Changes in Structure**

The City estimates that the demand for City services will continue to grow as the economy improves. The property tax levy is set annually and is adjusted as necessary to fund the cost of providing services to our citizens and customers. Charges for services are evaluated each year and adjusted to support operations and capital outlay. All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

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

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### **Requests for Information**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City of St. Louis Park's finances and to show the City's accountability for the resources it is entrusted. Questions concerning any of the information provided in the report, or requests for additional financial information, contact the City of St. Louis Park Finance Department at 5005 Minnetonka Boulevard, St. Louis Park, Minnesota, 55416, 952-924-2500, or Tim Simon – Chief Financial Officer at [tsimon@stlouispark.org](mailto:tsimon@stlouispark.org).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2016

**Statement 1**

	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and investments	\$ 59,981,647	\$ 5,241,789	\$ 65,223,436
Accrued interest receivable	148,723	19,864	168,587
Due from other governments	1,204,477	66	1,204,543
Accounts receivable	1,245,385	3,455,129	4,700,514
Taxes receivable	666,276	-	666,276
Prepaid items	252,620	355,301	607,921
Inventories	276,414	86,086	362,500
Deposits receivable	31,000	700	31,700
Internal balances	2,547,800	(2,547,800)	-
Special assessments receivable	7,256,779	1,018,253	8,275,032
Loans receivable	7,423,039	-	7,423,039
Pledges receivable	1,450,000	-	1,450,000
Land held for resale	5,006,216	-	5,006,216
Capital assets			
Nondepreciable assets	56,530,389	766,243	57,296,632
Depreciable assets (net of accumulated depreciation)	70,812,332	32,870,579	103,682,911
<b>Total assets</b>	<b>214,833,097</b>	<b>41,266,210</b>	<b>256,099,307</b>
Deferred outflows of resources - pension related	28,302,033	-	28,302,033
<b>Liabilities</b>			
Accounts payable	1,289,404	463,356	1,752,760
Salaries payable	1,682,248	137,414	1,819,662
Due to other governments	489,366	74,607	563,973
Contracts payable	1,871,915	301,204	2,173,119
Accrued interest payable	516,701	83,871	600,572
Deposits payable	1,201,084	18,157	1,219,241
Unearned revenue	750,799	322,550	1,073,349
Noncurrent liabilities			
Due within one year	6,040,857	1,472,911	7,513,768
Due in more than one year	85,205,276	9,512,206	94,717,482
<b>Total liabilities</b>	<b>99,047,650</b>	<b>12,386,276</b>	<b>111,433,926</b>
Deferred inflows of resources - pension related	5,218,008	-	5,218,008
<b>Net position</b>			
Net investment in capital assets	96,458,787	23,030,284	119,489,071
Restricted for			
Economic development	4,227,365	-	4,227,365
E-911 purposes	413,787	-	413,787
Park improvement	43,920	-	43,920
Community development	421,984	-	421,984
Debt service	3,146,018	-	3,146,018
Cable TV equipment	573,567	-	573,567
Police and fire purposes	1,832,248	-	1,832,248
Unrestricted	31,751,796	5,849,650	37,601,446
<b>Total net position</b>	<b>\$ 138,869,472</b>	<b>\$ 28,879,934</b>	<b>\$ 167,749,406</b>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**

**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 11,182,348	\$ 1,184,122	\$ 85,729	\$ -
Public safety	20,091,787	4,354,793	942,323	63,949
Public information	549,940	-	-	-
Operations and recreation	13,352,637	2,122,730	117,788	1,850,000
Engineering	5,091,818	97,688	660,635	1,538,871
Housing and rehabilitation	528,467	7,607	-	332,550
Housing maintenance	144,204	-	143,619	-
Social and economic development	8,826,281	259,910	396,584	175,369
Interest on long-term debt	1,620,489	-	165,333	-
Total governmental activities	<u>61,387,971</u>	<u>8,026,850</u>	<u>2,512,011</u>	<u>3,960,739</u>
Business-Type activities				
Water	4,773,624	5,674,239	7,365	465,203
Sewer	6,002,088	6,663,731	-	-
Solid waste	3,256,804	2,905,899	174,160	334,691
Storm water	1,514,761	2,642,860	-	-
Total business-type activities	<u>15,547,277</u>	<u>17,886,729</u>	<u>181,525</u>	<u>799,894</u>
Total	<u>\$ 76,935,248</u>	<u>\$ 25,913,579</u>	<u>\$ 2,693,536</u>	<u>\$ 4,760,633</u>

General revenues

Taxes

  Property taxes

  Tax increment

  Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

**Statement 2**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (9,912,497)	\$ -	\$ (9,912,497)
(14,730,722)	-	(14,730,722)
(549,940)	-	(549,940)
(9,262,119)	-	(9,262,119)
(2,794,624)	-	(2,794,624)
(188,310)	-	(188,310)
(585)	-	(585)
(7,994,418)	-	(7,994,418)
(1,455,156)	-	(1,455,156)
(46,888,371)	-	(46,888,371)
-	1,373,183	1,373,183
-	661,643	661,643
-	157,946	157,946
-	1,128,099	1,128,099
-	3,320,871	3,320,871
(46,888,371)	3,320,871	(43,567,500)
30,185,703	-	30,185,703
7,733,689	-	7,733,689
3,079,399	-	3,079,399
584,639	-	584,639
388,647	65,391	454,038
142,713	-	142,713
3,201,122	-	3,201,122
1,879,956	(1,879,956)	-
47,195,868	(1,814,565)	45,381,303
307,497	1,506,306	1,813,803
138,561,975	27,373,628	165,935,603
\$ 138,869,472	\$ 28,879,934	\$ 167,749,406

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



CITY OF ST. LOUIS PARK, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016

	Special Revenue Fund		
	General	Housing Rehabilitation	Debt Service
<b>Assets</b>			
Cash and investments	\$ 20,614,023	\$ 960,346	\$ 2,173,306
Accrued interest receivable	47,148	4,558	3,559
Due from other governments	184,908	-	82,464
Accounts receivable	410,981	29,811	-
Taxes receivable - unremitted	324,215	-	-
Taxes receivable - delinquent	266,621	-	-
Prepaid items	54,069	-	-
Inventories	276,414	-	-
Special assessments receivable - delinquent	-	27,699	-
Special assessments receivable - deferred	-	6,316,577	-
Interfund loan receivable	-	-	-
Loans receivable - current	-	254,500	40,000
Loans receivable - noncurrent	-	3,223,460	1,560,000
Pledges receivable - current	-	-	-
Pledges receivable - noncurrent	-	-	-
Land held for resale	-	-	-
<b>Total assets</b>	<b>\$ 22,178,379</b>	<b>\$ 10,816,951</b>	<b>\$ 3,859,329</b>
<b>Liabilities</b>			
Accounts payable	\$ 547,578	\$ 43,087	\$ -
Salaries payable	1,630,762	4,961	-
Due to other governments	117,193	-	-
Contracts payable	-	15,533	-
Interfund loan payable	-	969,416	-
Deposits payable	1,004,474	-	196,610
Unearned revenue	737,055	-	13,744
<b>Total liabilities</b>	<b>4,037,062</b>	<b>1,032,997</b>	<b>210,354</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	266,621	6,335,485	1,600,000
<b>Fund balances</b>			
Nonspendable	330,483	-	-
Restricted	413,787	-	2,048,975
Committed	-	-	-
Assigned	936,663	3,448,469	-
Unassigned	16,193,763	-	-
<b>Total fund balances</b>	<b>17,874,696</b>	<b>3,448,469</b>	<b>2,048,975</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 22,178,379</b>	<b>\$ 10,816,951</b>	<b>\$ 3,859,329</b>

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

Capital Projects Funds								
Permanent Improvement Revolving	Streets Capital Projects	Development EDA	Sidewalks and Trails	Park Improvement	Redevelopment District	Other Governmental Funds	Total Governmental Funds	
\$ 2,570,786	\$ 1,339,917	\$ 12,554,513	\$ 1,005,002	\$ 6,261,031	\$ 4,681,786	\$ 5,179,898	\$ 57,340,608	
6,895	-	31,915	6,965	11,836	6,001	21,073	139,950	
-	899,917	-	-	-	-	37,188	1,204,477	
-	1,575	6,129	-	750	2	776,246	1,225,494	
-	-	-	-	-	65,742	-	389,957	
-	-	-	-	-	9,698	-	276,319	
-	-	17,063	-	-	-	6,500	77,632	
-	-	-	-	-	-	-	276,414	
9,882	-	-	-	-	-	6,963	44,544	
724,974	-	-	-	-	-	170,684	7,212,235	
-	-	7,381,225	-	-	-	-	7,381,225	
-	-	233,001	-	-	-	-	527,501	
-	-	956,419	-	-	718,738	436,921	6,895,538	
-	-	-	-	100,000	-	-	100,000	
-	-	-	-	1,350,000	-	-	1,350,000	
-	-	5,006,216	-	-	-	-	5,006,216	
<u>\$ 3,312,537</u>	<u>\$ 2,241,409</u>	<u>\$ 26,186,481</u>	<u>\$ 1,011,967</u>	<u>\$ 7,723,617</u>	<u>\$ 5,481,967</u>	<u>\$ 6,635,473</u>	<u>\$ 89,448,110</u>	
\$ 202	\$ 188,281	\$ 30,653	\$ -	\$ 250,560	\$ 3,711	\$ 113,356	\$ 1,177,428	
-	-	13,419	-	-	-	18,419	1,667,561	
-	-	31,259	-	-	270,737	2	419,191	
-	859,717	-	-	992,860	-	-	1,868,110	
-	-	-	-	-	6,411,809	-	7,381,225	
-	-	-	-	-	-	-	1,201,084	
-	-	-	-	-	-	-	750,799	
<u>202</u>	<u>1,047,998</u>	<u>75,331</u>	<u>-</u>	<u>1,243,420</u>	<u>6,686,257</u>	<u>131,777</u>	<u>14,465,398</u>	
<u>734,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450,000</u>	<u>85,430</u>	<u>207,297</u>	<u>10,679,441</u>	
-	-	17,063	-	-	-	6,500	354,046	
-	-	329,746	-	953,704	3,897,619	2,827,799	10,471,630	
-	-	-	-	-	-	466,287	466,287	
2,577,727	1,193,411	25,764,341	1,011,967	4,076,493	-	2,995,813	42,004,884	
-	-	-	-	-	(5,187,339)	-	11,006,424	
<u>2,577,727</u>	<u>1,193,411</u>	<u>26,111,150</u>	<u>1,011,967</u>	<u>5,030,197</u>	<u>(1,289,720)</u>	<u>6,296,399</u>	<u>64,303,271</u>	
<u>\$ 3,312,537</u>	<u>\$ 2,241,409</u>	<u>\$ 26,186,481</u>	<u>\$ 1,011,967</u>	<u>\$ 7,723,617</u>	<u>\$ 5,481,967</u>	<u>\$ 6,635,473</u>	<u>\$ 89,448,110</u>	
Total Fund balances reported above							\$ 64,303,271	
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds							109,274,220	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:								
Receivables not available soon enough to pay for the current period's expenditures							10,679,441	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:								
Bonds payable and unamortized bond premium							(35,383,099)	
Note payable							(2,025,297)	
Accrued interest payable							(516,701)	
Internal service funds are used by management to charge the cost of certain services to individual funds.								
The assets and liabilities are included in the governmental statement of net position							(7,462,363)	
Net position of governmental activities							<u>\$ 138,869,472</u>	

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2016

	Special Revenue Fund		
	General	Housing Rehabilitation	Debt Service
<b>Revenues</b>			
Property taxes	\$ 24,193,360	\$ 100,000	\$ 1,517,667
Tax increments	-	-	-
Franchise taxes	-	-	-
License and permits	4,320,078	-	-
Intergovernmental	1,656,072	-	165,333
Charges for services	3,101,720	7,607	-
Fines and forfeits	299,808	-	-
Special assessments	-	771,951	-
Interest income	114,956	14,011	6,590
Miscellaneous	122,178	562,976	121,084
<b>Total revenues</b>	<b>33,808,172</b>	<b>1,456,545</b>	<b>1,810,674</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	8,188,193	-	-
Public safety	14,659,588	-	-
Public information	-	-	-
Operations and recreation	9,688,872	-	-
Engineering	436,233	-	-
Housing and rehabilitation	-	482,313	-
Housing maintenance	-	-	-
Social economic development	-	-	607,081
<b>Capital outlay</b>			
Public safety	-	-	-
Public information	-	-	-
Operations and recreation	-	-	-
Engineering	-	-	-
Social and economic development	-	-	-
<b>Debt service</b>			
Principal	-	-	1,585,000
Interest and other	-	67,592	1,047,222
Bond issuance costs	-	-	-
<b>Total expenditures</b>	<b>32,972,886</b>	<b>549,905</b>	<b>3,239,303</b>
<b>Revenues over (under) expenditures</b>	<b>835,286</b>	<b>906,640</b>	<b>(1,428,629)</b>
<b>Other financing sources (uses)</b>			
Transfers in	1,881,274	144,000	1,488,027
Transfers out	(1,873,000)	(346,031)	(5,304)
Bonds issued	-	-	113,638
Premium on bonds issued	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>8,274</b>	<b>(202,031)</b>	<b>1,596,361</b>
<b>Net change in fund balances</b>	<b>843,560</b>	<b>704,609</b>	<b>167,732</b>
<b>Fund balances - January 1</b>	<b>17,031,136</b>	<b>2,743,860</b>	<b>1,881,243</b>
<b>Fund balances - December 31</b>	<b>\$ 17,874,696</b>	<b>\$ 3,448,469</b>	<b>\$ 2,048,975</b>

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

Capital Projects Funds							
Permanent Improvement Revolving	Streets Capital Projects	Development EDA	Sidewalks and Trails	Park Improvement	Redevelopment District	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 106,653	\$ -	\$ 810,000	\$ 1,006,866	\$ -	\$ 27,734,546
-	-	-	-	-	7,733,689	-	7,733,689
-	-	-	-	-	-	3,079,399	3,079,399
-	-	-	-	-	-	-	4,320,078
-	1,539,171	396,584	-	444,702	-	143,620	4,345,482
-	-	236,732	-	35,604	-	25,301	3,406,964
-	-	-	-	-	-	-	299,808
246,075	-	-	-	-	-	174,602	1,192,628
17,714	7,534	79,108	18,163	30,194	20,913	53,013	362,196
1,683	-	1,191,311	-	1,086,380	-	144,778	3,230,390
<u>265,472</u>	<u>1,546,705</u>	<u>2,010,388</u>	<u>18,163</u>	<u>2,406,880</u>	<u>8,761,468</u>	<u>3,620,713</u>	<u>55,705,180</u>
-	-	-	-	-	-	-	8,188,193
6,994	-	-	-	-	-	2,669	14,669,251
-	-	-	-	-	-	477,721	477,721
-	-	-	-	-	-	-	9,688,872
-	-	-	-	-	-	43,929	480,162
-	-	-	-	-	-	-	482,313
-	-	-	-	-	-	144,204	144,204
-	-	2,365,955	-	-	5,445,558	255,044	8,673,638
-	-	-	-	-	-	521,034	521,034
-	-	-	-	-	-	223,009	223,009
-	-	-	-	11,495,582	-	-	11,495,582
-	3,633,623	-	1,360,860	-	-	2,135,842	7,130,325
-	-	487,978	-	-	36,900	-	524,878
-	-	96,876	-	-	-	-	1,681,876
-	-	83,124	-	-	251,150	-	1,449,088
-	-	-	-	111,922	-	-	111,922
<u>6,994</u>	<u>3,633,623</u>	<u>3,033,933</u>	<u>1,360,860</u>	<u>11,607,504</u>	<u>5,733,608</u>	<u>3,803,452</u>	<u>65,942,068</u>
<u>258,478</u>	<u>(2,086,918)</u>	<u>(1,023,545)</u>	<u>(1,342,697)</u>	<u>(9,200,624)</u>	<u>3,027,860</u>	<u>(182,739)</u>	<u>(10,236,888)</u>
-	2,336,342	715,417	625,591	508,000	-	450,000	8,148,651
(18,693)	(774,150)	-	(851,942)	(251,726)	(1,712,383)	(1,161,316)	(6,994,545)
-	-	-	-	9,886,362	-	-	10,000,000
-	-	-	-	396,655	-	-	396,655
-	-	3,000	-	-	-	-	3,000
<u>(18,693)</u>	<u>1,562,192</u>	<u>718,417</u>	<u>(226,351)</u>	<u>10,539,291</u>	<u>(1,712,383)</u>	<u>(711,316)</u>	<u>11,553,761</u>
<u>239,785</u>	<u>(524,726)</u>	<u>(305,128)</u>	<u>(1,569,048)</u>	<u>1,338,667</u>	<u>1,315,477</u>	<u>(894,055)</u>	<u>1,316,873</u>
<u>2,337,942</u>	<u>1,718,137</u>	<u>26,416,278</u>	<u>2,581,015</u>	<u>3,691,530</u>	<u>(2,605,197)</u>	<u>7,190,454</u>	<u>62,986,398</u>
<u>\$ 2,577,727</u>	<u>\$ 1,193,411</u>	<u>\$ 26,111,150</u>	<u>\$ 1,011,967</u>	<u>\$ 5,030,197</u>	<u>\$ (1,289,720)</u>	<u>\$ 6,296,399</u>	<u>\$ 64,303,271</u>

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

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2016

**Statement 5**

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Net changes in fund balances - total governmental funds (Statement 4)	\$ 1,316,873
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital outlay	19,894,828
Capital outlay not capitalized	(5,956,995)
Depreciation expense	(2,911,856)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position	(11,495)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Proceeds from long term debt	(10,000,000)
Principal repayments on long term debt	1,681,876
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(73,508)
Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the City-wide financial statements.	(377,019)
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Special assessments	(620,760)
Property taxes	5,632
Pledges	1,450,000
Loans	(23,890)
Internal service funds are used by management to charge the costs for equipment, information system, equipment replacement, employee benefits and major losses incurred by individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(4,066,189)</u>
Change in net position of governmental activities (Statement 2)	<u>\$ 307,497</u>

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

CITY OF ST. LOUIS PARK, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2016  
With Comparative Amounts For Enterprise Funds For December 31, 2015

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2016	2015	2016	2015
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 15,523	\$ 880,701	\$ 272,392	\$ 1,253,942
Cash and investments held in escrow	-	1,865,855	-	-
Accrued interest receivable	-	3,553	3,596	4,085
Due from other governments	-	-	66	1,018
Accounts receivable	1,270,238	973,337	1,098,156	947,206
Prepaid items	-	13,667	355,301	361,764
Deposits receivable	700	700	-	-
Due from other funds	-	-	-	-
Inventories	86,086	14,881	-	-
Special assessments receivable - delinquent	102,432	98,930	1,289	946
Special assessments receivable - deferred	737,768	736,011	176,764	179,193
Total current assets	<u>2,212,747</u>	<u>4,587,635</u>	<u>1,907,564</u>	<u>2,748,154</u>
<b>Noncurrent assets</b>				
<b>Capital assets, at cost</b>				
Land	114,844	114,844	60,000	60,000
Buildings and structures	4,761,612	4,761,612	6,111	6,111
Improvements other than buildings	951,045	951,045	22,278	22,278
Infrastructure	15,466,976	14,663,244	20,116,999	19,678,304
Machinery, furniture and equipment	8,677,710	4,953,257	262,039	262,039
Fleet	-	-	-	-
Construction in progress	-	2,348,159	-	-
Total capital assets, at cost	<u>29,972,187</u>	<u>27,792,161</u>	<u>20,467,427</u>	<u>20,028,732</u>
Less: accumulated depreciation	<u>(14,495,903)</u>	<u>(13,788,810)</u>	<u>(16,079,626)</u>	<u>(15,965,331)</u>
Total noncurrent assets	<u>15,476,284</u>	<u>14,003,351</u>	<u>4,387,801</u>	<u>4,063,401</u>
Total assets	<u>17,689,031</u>	<u>18,590,986</u>	<u>6,295,365</u>	<u>6,811,555</u>
Deferred outflows of resources - pension related	-	-	-	-
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	95,132	82,180	111,233	19,482
Salaries payable	61,264	57,664	34,063	16,648
Accrued flex spending	-	-	-	-
Due to other governments	9,948	31,383	4,643	3,002
Contracts payable	301,204	530,335	-	-
Due to other funds	500,000	-	-	-
Deposits payable	18,157	34,767	-	-
Accrued interest payable	73,330	113,282	2,178	2,333
Compensated absences payable - current	72,040	96,289	31,149	73
Capital lease payable - current	-	-	-	-
Bonds payable - current	1,179,800	2,619,500	17,000	16,500
Unearned revenue	322,550	344,459	-	-
Total current liabilities	<u>2,633,425</u>	<u>3,909,859</u>	<u>200,266</u>	<u>58,038</u>
<b>Noncurrent liabilities</b>				
Compensated absences payable	48,477	13,086	20,766	29,451
Capital lease payable	-	-	-	-
Bonds payable	8,214,899	9,409,648	155,706	172,732
Other postemployment benefits payable	127,850	111,876	31,600	23,613
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>8,391,226</u>	<u>9,534,610</u>	<u>208,072</u>	<u>225,796</u>
Total liabilities	<u>11,024,651</u>	<u>13,444,469</u>	<u>408,338</u>	<u>283,834</u>
Deferred inflows of resources - pension related	-	-	-	-
<b>Net position</b>				
Net investment in capital assets	6,081,585	6,807,922	4,215,095	3,874,169
Unrestricted	<u>582,795</u>	<u>(1,661,405)</u>	<u>1,671,932</u>	<u>2,653,552</u>
Total net position	<u>\$ 6,664,380</u>	<u>\$ 5,146,517</u>	<u>\$ 5,887,027</u>	<u>\$ 6,527,721</u>

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

Business-Type Activities Enterprise Funds						Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds
2016	2015	2016	2015	2016	2015	
\$ 1,708,616	\$ 2,161,295	\$ 3,245,258	\$ 2,649,006	\$ 5,241,789	\$ 6,944,944	\$ 2,641,039
-	-	-	9,097	-	1,874,952	-
6,416	4,948	9,852	6,972	19,864	19,558	8,773
-	-	-	-	66	1,018	-
677,548	671,489	409,187	366,239	3,455,129	2,958,271	19,891
-	-	-	18,433	355,301	393,864	174,988
-	-	-	-	700	700	31,000
500,000	-	-	-	500,000	-	-
-	-	-	-	86,086	14,881	-
-	-	-	-	103,721	99,876	-
-	-	-	-	914,532	915,204	-
<u>2,892,580</u>	<u>2,837,732</u>	<u>3,664,297</u>	<u>3,049,747</u>	<u>10,677,188</u>	<u>13,223,268</u>	<u>2,875,691</u>
-	-	340,239	-	515,083	174,844	818,094
-	-	-	-	4,767,723	4,767,723	8,521,883
-	-	6,182,215	6,182,215	7,155,538	7,155,538	1,130,685
-	-	15,865,727	15,588,972	51,449,702	49,930,520	1,313,801
-	-	89,099	89,099	9,028,848	5,304,395	7,038,425
-	-	-	-	-	-	9,076,459
-	-	251,160	-	251,160	2,348,159	460,569
-	-	22,728,440	21,860,286	73,168,054	69,681,179	28,359,916
-	-	(8,955,703)	(8,390,441)	(39,531,232)	(38,144,582)	(10,291,415)
-	-	13,772,737	13,469,845	33,636,822	31,536,597	18,068,501
<u>2,892,580</u>	<u>2,837,732</u>	<u>17,437,034</u>	<u>16,519,592</u>	<u>44,314,010</u>	<u>44,759,865</u>	<u>20,944,192</u>
-	-	-	-	-	-	28,302,033
249,736	181,343	7,255	3,511	463,356	286,516	111,976
17,329	7,633	24,758	8,759	137,414	90,704	-
-	-	-	-	-	-	14,687
50,739	49,144	9,277	3,002	74,607	86,531	70,175
-	-	-	-	301,204	530,335	3,805
-	-	-	-	500,000	-	-
-	-	-	-	18,157	34,767	-
-	-	8,363	11,454	83,871	127,069	-
2,341	-	7,381	7,320	112,911	103,682	2,340,872
-	-	-	-	-	-	49,688
-	-	163,200	359,000	1,360,000	2,995,000	-
-	-	-	-	322,550	344,459	-
<u>320,145</u>	<u>238,120</u>	<u>220,234</u>	<u>393,046</u>	<u>3,374,070</u>	<u>4,599,063</u>	<u>2,591,203</u>
1,561	-	4,920	-	75,724	42,537	1,496,864
-	-	-	-	-	-	165,931
-	-	875,933	1,039,610	9,246,538	10,621,990	-
6,557	1,765	23,937	19,145	189,944	156,399	2,997,138
-	-	-	-	-	-	46,787,244
<u>8,118</u>	<u>1,765</u>	<u>904,790</u>	<u>1,058,755</u>	<u>9,512,206</u>	<u>10,820,926</u>	<u>51,447,177</u>
<u>328,263</u>	<u>239,885</u>	<u>1,125,024</u>	<u>1,451,801</u>	<u>12,886,276</u>	<u>15,419,989</u>	<u>54,038,380</u>
-	-	-	-	-	-	5,218,008
-	-	12,733,604	12,071,235	23,030,284	22,753,326	17,852,882
<u>2,564,317</u>	<u>2,597,847</u>	<u>3,578,406</u>	<u>2,996,556</u>	<u>8,397,450</u>	<u>6,586,550</u>	<u>(27,863,045)</u>
<u>\$ 2,564,317</u>	<u>\$ 2,597,847</u>	<u>\$ 16,312,010</u>	<u>\$ 15,067,791</u>	<u>31,427,734</u>	<u>\$ 29,339,876</u>	<u>\$ (10,010,163)</u>
Adjustment to reflect consolidation of Internal Service fund activities				(2,547,800)		
Net position of business-type activities				<u>\$ 28,879,934</u>		

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



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For The Year Ended December 31, 2016

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2015

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2016	2015	2016	2015
Operating revenues				
Charges for services	\$ 5,268,597	\$ 4,849,826	\$ 6,616,115	\$ 5,991,061
Other	50,607	54,419	47,590	120,937
Rent	340,086	357,774	-	-
Total operating revenues	<u>5,659,290</u>	<u>5,262,019</u>	<u>6,663,705</u>	<u>6,111,998</u>
Operating expenses				
Personal services	1,372,830	1,272,340	778,069	562,701
Supplies	202,193	287,882	36,410	18,363
Professional services	374,665	288,509	89,674	18,648
Insurance	21,429	20,220	66,044	64,526
Utilities	377,267	398,652	41,129	43,459
Repairs and maintenance	1,126,710	662,739	187,484	179,138
Depreciation	707,093	718,198	114,295	129,701
Disposal charges	48,737	63,217	4,177,255	3,692,347
Other	420,359	501,651	205,837	226,671
Total operating expenses	<u>4,651,283</u>	<u>4,213,408</u>	<u>5,696,197</u>	<u>4,935,554</u>
Operating income (loss)	<u>1,008,007</u>	<u>1,048,611</u>	<u>967,508</u>	<u>1,176,444</u>
Nonoperating revenues (expenses)				
Interest income	17,650	27,392	8,144	5,283
Property taxes	-	-	-	-
Intergovernmental revenue	7,365	10,000	-	-
Miscellaneous expense	(12,781)	(15,367)	(5,668)	(9,494)
Amortization of bond premiums	14,949	16,409	26	26
Gain on disposal of capital assets	-	-	-	-
Interest expense	(231,389)	(321,505)	(5,274)	(5,626)
Total nonoperating revenues (expenses)	<u>(204,206)</u>	<u>(283,071)</u>	<u>(2,772)</u>	<u>(9,811)</u>
Income (loss) before contributions and transfers	803,801	765,540	964,736	1,166,633
Capital contributions				
Connection fees and special assessments	465,203	488,173	-	-
Capital assets	-	72,400	-	-
Transfers in	926,986	-	75,254	-
Transfers out	(678,127)	(1,292,652)	(1,680,684)	(1,344,487)
Change in net position	<u>1,517,863</u>	<u>33,461</u>	<u>(640,694)</u>	<u>(177,854)</u>
Net position - January 1	<u>5,146,517</u>	<u>5,113,056</u>	<u>6,527,721</u>	<u>6,705,575</u>
Net position - December 31	<u>\$ 6,664,380</u>	<u>\$ 5,146,517</u>	<u>\$ 5,887,027</u>	<u>\$ 6,527,721</u>

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

Business-Type Activities Enterprise Funds						Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds
2016	2015	2016	2015	2016	2015	
\$ 3,180,075	\$ 3,159,426	\$ 2,642,383	\$ 2,469,056	\$ 17,707,170	\$ 16,469,369	\$ 3,402,900
60,515	30,140	-	-	158,712	205,496	425,011
-	-	-	-	340,086	357,774	-
<u>3,240,590</u>	<u>3,189,566</u>	<u>2,642,383</u>	<u>2,469,056</u>	<u>18,205,968</u>	<u>17,032,639</u>	<u>3,827,911</u>
482,774	386,831	542,193	511,933	3,175,866	2,733,805	8,236,843
180,422	71,424	3,783	3,374	422,808	381,043	680,987
11,783	15,987	49,711	52,008	525,833	375,152	125,405
3,810	3,770	14,923	17,848	106,206	106,364	213,546
-	-	43,275	23,438	461,671	465,549	-
30,884	-	25,728	5,311	1,370,806	847,188	-
-	-	565,262	568,563	1,386,650	1,416,462	1,781,619
2,450,485	2,367,972	-	-	6,676,477	6,123,536	-
81,989	62,391	122,855	126,956	831,040	917,669	1,509,842
<u>3,242,147</u>	<u>2,908,375</u>	<u>1,367,730</u>	<u>1,309,431</u>	<u>14,957,357</u>	<u>13,366,768</u>	<u>12,548,242</u>
<u>(1,557)</u>	<u>281,191</u>	<u>1,274,653</u>	<u>1,159,625</u>	<u>3,248,611</u>	<u>3,665,871</u>	<u>(8,720,331)</u>
14,478	10,601	25,119	16,054	65,391	59,330	21,073
-	-	-	-	-	-	2,445,525
174,160	118,610	-	-	181,525	128,610	690,039
-	-	(55,262)	(77)	(73,711)	(24,938)	-
-	-	477	3,078	15,452	19,513	-
-	-	-	-	-	-	184,215
-	-	(21,190)	(46,551)	(257,853)	(373,682)	(5,607)
<u>188,638</u>	<u>129,211</u>	<u>(50,856)</u>	<u>(27,496)</u>	<u>(69,196)</u>	<u>(191,167)</u>	<u>3,335,245</u>
187,081	410,402	1,223,797	1,132,129	3,179,415	3,474,704	(5,385,086)
-	-	-	-	465,203	488,173	-
-	-	334,691	-	334,691	72,400	-
-	-	-	-	1,002,240	-	828,760
<u>(220,611)</u>	<u>(214,186)</u>	<u>(314,269)</u>	<u>(841,524)</u>	<u>(2,893,691)</u>	<u>(3,692,849)</u>	<u>(91,415)</u>
<u>(33,530)</u>	<u>196,216</u>	<u>1,244,219</u>	<u>290,605</u>	<u>2,087,858</u>	<u>342,428</u>	<u>(4,647,741)</u>
<u>2,597,847</u>	<u>2,401,631</u>	<u>15,067,791</u>	<u>14,777,186</u>	<u>29,339,876</u>	<u>28,997,448</u>	<u>(5,362,422)</u>
<u>\$ 2,564,317</u>	<u>\$ 2,597,847</u>	<u>\$ 16,312,010</u>	<u>\$ 15,067,791</u>	<u>\$ 31,427,734</u>	<u>\$ 29,339,876</u>	<u>\$ (10,010,163)</u>
Adjustment to reflect consolidation of Internal Service fund activities				(581,552)		
Change in net position of business-type activities				<u>\$ 1,506,306</u>		

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

**CITY OF ST. LOUIS PARK, MINNESOTA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

For The Year Ended December 31, 2016

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2015

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2016	2015	2016	2015
Cash flows from operating activities				
Receipts from customers and users	\$ 5,268,004	\$ 5,263,627	\$ 6,468,203	\$ 5,933,931
Receipts from interfund services provided	-	-	-	-
Other operating cash receipts	50,607	54,419	47,590	120,937
Payments to suppliers	(2,866,512)	(1,759,566)	(4,703,978)	(4,289,029)
Payments to employees	(1,342,114)	(1,251,549)	(730,276)	(557,105)
Miscellaneous expense	(12,781)	(15,367)	(5,668)	(9,494)
Net cash flows provided (used) by operating activities	<u>1,097,204</u>	<u>2,291,564</u>	<u>1,075,871</u>	<u>1,199,240</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	-
Transfers out	(536,555)	(1,292,652)	(745,483)	(1,344,487)
Increase in due to other funds	500,000	-	-	-
Increase in due from other funds	-	-	-	-
Property taxes	-	-	-	-
Intergovernmental receipts	7,365	10,000	-	-
Net cash flows provided (used) by noncapital financing activities	<u>(29,190)</u>	<u>(1,282,652)</u>	<u>(745,483)</u>	<u>(1,344,487)</u>
Cash flows from capital and related financing activities				
Transfers in	926,986	-	75,254	-
Transfers out	(141,572)	-	(935,201)	-
Connection fees/special assessments received	465,203	488,173	-	-
Acquisition of capital assets	(2,180,026)	(2,335,774)	(438,695)	-
Proceeds from sale of capital assets	-	-	-	-
Transfer of bond proceeds (to)/from escrow account	1,865,855	1,493,353	-	-
Principal paid				
Bonds	(2,619,500)	(2,083,800)	(16,500)	(16,000)
Capital lease	-	-	-	-
Interest paid				
Bonds	(271,341)	(313,422)	(5,429)	(5,759)
Capital lease	-	-	-	-
Net cash flows provided (used) by capital and related financing activities	<u>(1,954,395)</u>	<u>(2,751,470)</u>	<u>(1,320,571)</u>	<u>(21,759)</u>
Cash flows from investing activities				
Interest received	21,203	24,758	8,633	5,576
Net increase (decrease) in cash and cash equivalents	(865,178)	(1,717,800)	(981,550)	(161,430)
Cash and cash equivalents - January 1	880,701	2,598,501	1,253,942	1,415,372
Cash and cash equivalents - December 31	<u>\$ 15,523</u>	<u>\$ 880,701</u>	<u>\$ 272,392</u>	<u>\$ 1,253,942</u>

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

Business-Type Activities Enterprise Funds						Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds
2016	2015	2016	2015	2016	2015	
\$ 3,174,016	\$ 3,178,450	\$ 2,599,435	\$ 2,436,132	\$ 17,509,658	\$ 16,812,140	\$ -
-	-	-	-	-	-	3,402,900
60,515	30,140	-	-	158,712	205,496	485,087
(2,689,385)	(2,689,843)	(231,823)	(232,781)	(10,491,698)	(8,971,219)	(2,749,184)
(464,384)	(377,433)	(516,421)	(503,262)	(3,053,195)	(2,689,349)	(2,650,001)
-	-	(55,262)	(77)	(73,711)	(24,938)	-
80,762	141,314	1,795,929	1,700,012	4,049,766	5,332,130	(1,511,198)
-	-	-	-	-	-	200,000
(189,737)	(214,186)	(273,115)	(841,524)	(1,744,890)	(3,692,849)	-
-	-	-	-	500,000	-	-
(500,000)	-	-	-	(500,000)	-	-
-	-	-	-	-	-	2,445,525
174,160	118,610	-	-	181,525	128,610	690,039
(515,577)	(95,576)	(273,115)	(841,524)	(1,563,365)	(3,564,239)	3,335,564
-	-	-	-	1,002,240	-	628,760
(30,874)	-	(41,154)	-	(1,148,801)	-	(91,415)
-	-	-	-	465,203	488,173	-
-	-	(533,463)	-	(3,152,184)	(2,335,774)	(1,884,799)
-	-	-	-	-	-	302,501
-	-	9,097	678,934	1,874,952	2,172,287	-
-	-	(359,000)	(1,090,200)	(2,995,000)	(3,190,000)	-
-	-	-	-	-	-	(31,505)
-	-	(24,281)	(62,178)	(301,051)	(381,359)	-
-	-	-	-	-	-	(5,607)
(30,874)	-	(948,801)	(473,444)	(4,254,641)	(3,246,673)	(1,082,065)
13,010	9,719	22,239	14,413	65,085	54,466	18,893
(452,679)	55,457	596,252	399,457	(1,703,155)	(1,424,316)	761,194
2,161,295	2,105,838	2,649,006	2,249,549	6,944,944	8,369,260	1,879,845
\$ 1,708,616	\$ 2,161,295	\$ 3,245,258	\$ 2,649,006	\$ 5,241,789	\$ 6,944,944	\$ 2,641,039

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2016  
With Comparative Totals For The Year Ended December 31, 2015

	Business-Type Activities Enterprise Funds			
	Water		Sewer	
	2016	2015	2016	2015
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 1,008,007	\$ 1,048,611	\$ 967,508	\$ 1,176,444
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous expense	(12,781)	(15,367)	(5,668)	(9,494)
Depreciation	707,093	718,198	114,295	129,701
(Increase) decrease in assets/deferred outflows				
Accounts receivable	(296,901)	(30,305)	(149,998)	(16,664)
Due from other governments	-	-	-	-
Special assessments	(5,259)	29,052	2,086	(40,466)
Prepaid items	13,667	(13,667)	6,463	(54,110)
Inventories	(71,205)	6,135	-	-
Deferred outflows of resources	-	-	-	-
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	(8,483)	(26,339)	93,392	8,233
Due to other governments	-	-	-	-
Contracts payable	(229,131)	497,175	-	-
Deposits payable	(16,610)	(12,355)	-	-
Accrued salaries payable	3,600	10,809	17,415	2,507
Unearned revenue	(21,909)	69,635	-	-
Accrued flex spending	-	-	-	-
Compensated absences payable	11,142	(7,665)	22,391	(440)
Other postemployment benefits	15,974	17,647	7,987	3,529
Net pension liability	-	-	-	-
Deferred inflows of resources	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 1,097,204</u>	<u>\$ 2,291,564</u>	<u>\$ 1,075,871</u>	<u>\$ 1,199,240</u>
Noncash capital and related financing activities				
Amortization of bond premiums	\$ -	\$ 16,409	\$ -	\$ 26
Disposal of capital assets	-	-	-	-
Asset acquired through financing	-	-	-	-

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

Business-Type Activities Enterprise Funds							Governmental Activities
Solid Waste		Storm Water		Totals		Internal Service Funds	
2016	2015	2016	2015	2016	2015		
\$ (1,557)	\$ 281,191	\$ 1,274,653	\$ 1,159,625	\$ 3,248,611	\$ 3,665,871	\$ (8,720,331)	
-	-	(55,262)	(77)	(73,711)	(24,938)	-	
-	-	565,262	568,563	1,386,650	1,416,462	1,781,619	
(6,059)	19,011	(42,948)	(32,924)	(495,906)	(60,882)	5,829	
-	-	-	-	-	-	210	
-	13	-	-	(3,173)	(11,401)	-	
-	-	18,433	751	38,563	(67,026)	25,239	
-	-	-	-	(71,205)	6,135	-	
-	-	-	-	-	-	(24,558,317)	
69,988	(168,299)	10,019	(4,223)	164,916	(190,628)	(244,643)	
-	-	-	-	-	-	54,037	
-	-	-	(374)	(229,131)	496,801	-	
-	-	-	-	(16,610)	(12,355)	-	
9,696	7,633	15,999	424	46,710	21,373	-	
-	-	-	-	(21,909)	69,635	-	
-	-	-	-	-	-	(2,650)	
3,902	-	4,981	4,718	42,416	(3,387)	85,549	
4,792	1,765	4,792	3,529	33,545	26,470	400,936	
-	-	-	-	-	-	26,912,406	
-	-	-	-	-	-	2,748,918	
<u>\$ 80,762</u>	<u>\$ 141,314</u>	<u>\$ 1,795,929</u>	<u>\$ 1,700,012</u>	<u>\$ 4,049,766</u>	<u>\$ 5,332,130</u>	<u>\$ (1,511,198)</u>	
\$ -	\$ -	\$ -	\$ 3,078	\$ -	\$ 19,513	\$ -	
-	-	-	-	-	-	1,229,169	
-	-	-	-	-	-	222,149	

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

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. FINANCIAL REPORTING ENTITY**

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

**BLENDED COMPONENT UNITS**

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

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

**RELATED ORGANIZATION**

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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



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

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

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

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

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

The City reports the following major governmental funds:

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

The *Housing Rehabilitation Fund* is used to account for revenues from revenue bond fees and expenditures related to preventing deterioration of multi-unit housing.

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

The *Permanent Improvement Revolving Fund* accounts for the resources and expenditures required for the acquisition and construction of capital improvements which will provide a direct or significant indirect benefit to individual property owners. Financing of these projects is provided by shared costs with other organizations, land sales, state allotment from highway user tax collections and assessment proceeds.

The *Streets Capital Projects Fund* accounts for street construction projects. Revenues are provided by the General Fund or by the issuance of General Obligation bonds.

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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December 31, 2016

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The *Sidewalks and Trails Fund* accounts for the City's 10 year plan to add additional sidewalks, trails, bike lane and bikeway throughout the community. Financing for this plan will occur by issuing General Obligation bonds over several stages throughout the life of the plan.

The *Park Improvement Fund* accounts for the financing of land acquisition and development for park purposes. Revenues are provided by St. Louis Park School District contributions, interest earnings, rent, sale of property and a property tax levy.

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

The City reports the following major enterprise funds:

The *Water Fund* accounts for the provisions of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

The *Sewer Fund* accounts for the provisions of sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

The *Solid Waste Fund* accounts for the revenue and expense related to collection, disposal, and recycling of residential solid waste. Financing is provided by charging each property owner a predetermined service fee.

The *Storm Water Fund* accounts for the revenue and expenses related to providing storm water to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, construction, maintenance, billing and collection.

Additionally, the government reports the following fund types:

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, solid waste and storm water enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the

cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. BUDGETARY INFORMATION**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund. A budget is not presented for the Housing Rehabilitation Fund since the City does not legally require to adopt a budget for the fund.

Budgeted amounts are reported as originally adopted, or as amended by the City Council. Budgeted expenditure appropriations lapse at year end.

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

#### **E. LEGAL COMPLIANCE - BUDGETS**

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental/divisional basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts in accordance with the provisions of Section 6.05 of the City Charter.
5. After the budget resolution is approved, the City Council can increase the budget only by resolution if actual receipts exceed the estimated, or from accumulated fund balance in the amount of unexpended appropriations from the previous fiscal year. During the year 2016, the budget was not amended.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund.
7. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

9. The legal level of budgetary control is at the fund level. Expenditures may not legally exceed budgeted appropriations at the total fund level. The City Council must approve all expenditures at fund level either by resolution or through the disbursement process.
10. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, and other services and charges, and capital outlay) within each program. Management can exceed appropriations at the department level without City Council approval. Approval must be received for exceeding budgeted appropriations at the fund level.
11. The City Council may authorize transfer of budgeted amounts between City funds.

#### **F. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of average monthly cash balances. The City's investment policy dictates that the General fund is to receive the first three percent of all interest earnings as an administrative fee. The administrative fee does not apply to the Economic Development Authority.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows, the Proprietary Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the Proprietary Fund types have original maturities of 90 days or less. Therefore the entire balance in such fund types is considered cash equivalents.

It is the City's policy to invest in a manner that seeks to ensure preservation of capital in the overall portfolio. Safety of principal is the foremost objective, but liquidity and yield are also important considerations. The objective will be to mitigate credit risk by purchasing only highly rated securities with adequate collateral and interest rate risk by matching maturities to cash flow needs and holding securities to maturity.

#### **G. ACCOUNTS RECEIVABLE**

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (See Note 1 I and J). The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

#### **H. INTERFUND RECEIVABLES AND PAYABLES**

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

**I. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City’s property tax revenue includes payment from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation “shared” is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2016 and 2015 totaled \$2,260,765 and \$2,194,820, respectively. Receipt of property taxes from this “fiscal disparities pool” does not increase or decrease total tax revenue.

**J. SPECIAL ASSESSMENT REVENUE RECOGNITION**

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

**K. INVENTORIES**

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

**L. PREPAID ITEMS**

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

**M. CAPITAL ASSETS**

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

	Capitalization Threshold
Land	\$1
Land improvements	5,000
Buildings and building improvements	5,000
Machinery and equipment	10,000
Office equipment	25,000
Vehicle or fleet	10,000
Infrastructure	250,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City uses the modified approach for reporting street and trail system capital assets.

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2016, no interest was capitalized in connection with construction in progress.

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

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

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

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement No. 51, the retroactive reporting of permanent easements is not required and therefore, the City has elected not to report permanent easements acquired in years prior to 2010. The City had already accounted for computer software at historical cost and therefore retroactive reporting was not necessary.

The City elects to use the modified approach as defined by GASB Statement No. 34 for infrastructure reporting of its streets. The City conducted a physical assessment in the summer of 2015 of the condition of the streets. This condition assessment will be performed every 2 years. Each segment of City owned street was assigned a physical condition based on potential defects. A Overall Condition Index (OCI) was assigned to each segment. The index is expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to those segments that have the characteristic of a new street. The following conditions were defined:

<u>Range</u>	<u>Description</u>
86 - 100	Excellent
71 - 85	Very good
56 - 70	Good
41 - 55	Fair
26 - 40	Poor
11 - 25	Very poor
0 - 10	Failed

The City’s policy relative to maintaining the street and trail assets is to achieve an average rating of “Good” for all segments. This acceptable rating allows minor cracking and patching of the pavement along with minor roughness that could be noticeable to the users of the system.

**N. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay and flex leave benefits. No liability is recorded for unpaid accumulated sick leave, except for that portion that is payable as severance. All liabilities for vacation leave, flex leave and severance, both current and long-term, are recorded in the Employee Benefits Fund, an Internal Service Fund for governmental funds, and in the individual enterprise funds when incurred. The personnel ordinance limits the annual accumulation of benefits that can be accumulated from year-to-year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**O. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**P. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

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

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

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



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

**Q. INTERFUND TRANSACTIONS**

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

**R. COMPARATIVE TOTALS AND RECLASSIFICATIONS**

The basic financial statements and required supplementary information, include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2015, from which the summarized information was derived. In addition, certain prior year amounts have been reclassified to conform to current year presentation.

**S. NET POSITION**

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

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

**T. USE OF ESTIMATES**

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

**U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, bond reimbursement payments not yet due and other miscellaneous unavailable revenue.

## **V. DEFINED BENEFIT PENSION PLANS**

*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.

## **Note 2 DEPOSITS AND INVESTMENTS**

### **A. DEPOSITS**

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

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

1. United States government treasury bills, treasury notes, treasury bonds;
2. Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
3. General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
4. General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
5. Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
6. Time deposits that are fully insured by any federal agency.

Custodial Credit Risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The City has no additional deposit policies addressing custodial credit risk. As of December 31, 2016, the bank balance of the City's

deposits was \$2,221,059 all of which was covered by federal depository insurance or by collateral pledged and held in the City's name.

**B. INVESTMENTS**

The City is authorized by Minnesota Statute Chapter 118A, and the City's investment policy, to invest in the following:

1. Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements, and is rated one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.
3. State and local securities as follows:
  - a) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
  - b) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
  - c) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
4. Bankers acceptance of United States banks.
5. Commercial paper, with a maturity of 270 days or less, issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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At December 31, 2016, the City had the following investments and maturities:

Investment Type	Rating	Investment Maturities (in Years)				
		Fair Value	Less Than 1	1-5	6-10	11-15
4M fund	NR	\$ 23,339,552	\$ 23,339,552	\$ -	\$ -	\$ -
Money market funds	NR	1,154,732	1,154,732	-	-	-
Commercial paper	NR	2,739,183	2,739,183	-	-	-
Brokered Certificates of Deposit	NR	5,487,070	1,644,843	3,842,227	-	-
Municipal Bonds	A - AAA	8,514,385	2,507,335	6,007,050	-	-
US Treasury	AAA	9,214,183	-	9,214,183	-	-
Federal National Mortgage Association	AAA	3,599,074	-	3,599,074	-	-
Federal Home Loan Bank Notes	AAA	9,817,952	-	9,817,952	-	-
Total		<u>\$ 63,866,131</u>	<u>\$ 31,385,645</u>	<u>\$ 32,480,486</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments						\$ 63,866,131
Deposits						1,352,420
Petty cash						4,885
Total cash and investments						<u>\$ 65,223,436</u>

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

The City has the following recurring fair value measurements as of December 31, 2016:

Investment Type	12/31/2016	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Commercial paper	\$ 2,739,183	\$ -	\$ 2,739,183	\$ -
Brokered Certificates of Deposit	5,487,070	-	5,487,070	-
Municipal Bonds	8,514,385	-	8,514,385	-
US Treasury	9,214,183	-	9,214,183	-
Federal National Mortgage Association	3,599,074	-	3,599,074	-
Federal Home Loan Bank Notes	9,817,952	-	9,817,952	-
Total/Subtotal	<u>39,371,847</u>	<u>\$ -</u>	<u>\$ 39,371,847</u>	<u>\$ -</u>
Investments not categorized:				
External investment pool - 4M Fund	23,339,552			
Money market funds	1,154,732			
Total	<u>\$ 63,866,131</u>			

The City's external investment pool investment is with the 4M fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

**C. INVESTMENT RISKS**

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City’s investment policy requires the City’s security broker/dealers to provide its audited financial statements, proof of NASD certification, proof of state registration, and certification of having read, understood and agreed to comply with the City’s investment policy. Investments in securities are held by the City’s broker-dealer of which \$500,000 is insured through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealers accounts.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City’s investment policy states the investment portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements that might be reasonably anticipated. The maximum maturity of investments shall not extend beyond five years, unless related to specific cash flow needs.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City’s investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy states no more than 50% of its investment portfolio can be invested in municipal bonds or MHFA securities. Investments in a single issuer exceeding 5% of the City’s overall cash and investment portfolio are in various holdings as follows:

Federal National Mortgage Assn.	5.52%
Federal Home Loan Bank	15.05%

**Note 3 RECEIVABLES**

**A. LOANS RECEIVABLE**

The City has made loans to local businesses and individuals that qualify for various loan programs. The businesses and individuals pay varying installments on the loans. Depending on the loan program, some of the loans are secured by an interest in the property.

Also, some of the loans are forgivable after 30 years if certain criteria are met. As of December 31, 2016, any forgiveness of loans would not occur for another 20 – 30 years. At this time, information is not available to develop an

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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estimate for any loans which may be forgiven. Therefore, no allowance has been recorded. As loan maturity dates approach, the City will evaluate whether an allowance for forgivable loans should be recorded in the financial statements.

As of December 31, 2016, the loans receivable balance was \$8,873,039.

Significant receivable balances not expected to be collected within one year of December 31, 2016 are as follows:

	Loans Receivable	Special Assessments Receivable	Property Taxes	Interfund Loans Receivable	Pledges Receivable	Total
Major Funds:						
General Fund	\$ -	\$ -	\$ 266,621	\$ -	\$ -	\$ 266,621
Housing Rehabilitation Fund	3,223,460	19,491	9,698	-	-	3,252,649
Debt Service Funds	1,560,000	-	-	-	-	1,560,000
Permanent Improvement Revolving Fund	-	7,404	-	-	-	7,404
Development EDA Fund	956,419	-	-	-	-	956,419
Redevelopment District Fund	718,738	-	-	5,981,225	-	6,699,963
Park Improvement Fund	-	-	-	-	1,350,000	1,350,000
Water Fund	-	53,542	-	-	-	53,542
Sewer Fund	-	903	-	-	-	903
Nonmajor Governmental Funds	436,921	4,870	-	-	-	441,791
Total	\$ 6,895,538	\$ 86,210	\$ 276,319	\$ 5,981,225	\$ 1,350,000	\$ 14,589,292

**Note 4 UNAVAILABLE REVENUE**

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

	Unavailable
Delinquent property taxes receivable (General Fund)	\$ 266,621
Delinquent property taxes receivable (Redevelopment District)	9,698
Special assessments not yet due (Permanent Improvement Revolving)	734,608
Special assessments not yet due (Housing Rehabilitation)	6,335,485
Special assessments not yet due (Nonmajor Funds)	175,029
Bond reimbursement payments not yet due (Debt Service Funds)	1,600,000
Other miscellaneous (Redevelopment District)	75,732
Other miscellaneous (Park Improvement Fund)	1,450,000
Other miscellaneous (Nonmajor Funds)	32,268
Total unavailable revenue for governmental funds	\$ 10,679,441

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**Note 5 CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the government-wide statement of net assets. The City has elected to use the modified approach as defined by GASB Statement No. 34 for reporting of street infrastructure. As a result, no accumulated depreciation or depreciation expense has been recorded for street infrastructure. Additional information of the modified approach is presented in the Notes to Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded. Modified approach adjustments represent the changes due to implementation of the modified approach for infrastructure reporting. Capital asset activity for the year ended December 31, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 15,682,665	\$ 1,309,170	\$ -	\$ -	\$ 16,991,835
Infrastructure - streets	26,011,544	-	-	-	26,011,544
Permanent easements	1,429,976	-	-	-	1,429,976
Construction in progress	4,779,670	12,535,203	4,883,148	(334,691)	12,097,034
Total capital assets, not being depreciated	<u>47,903,855</u>	<u>13,844,373</u>	<u>4,883,148</u>	<u>(334,691)</u>	<u>56,530,389</u>
Capital assets, being depreciated:					
Buildings and structures	47,572,475	16,901	-	-	47,589,376
Improvements other than buildings	22,035,586	4,642,438	-	323,196	27,001,220
Infrastructure	31,912,725	-	-	-	31,912,725
Machinery, furniture and equipment	9,622,774	853,695	699,419	-	9,777,050
Fleet	8,111,041	1,693,286	529,750	-	9,274,577
Total capital assets, being depreciated	<u>119,254,601</u>	<u>7,206,320</u>	<u>1,229,169</u>	<u>323,196</u>	<u>125,554,948</u>
Less accumulated depreciation for:					
Buildings and structures	12,941,476	1,104,856	-	-	14,046,332
Improvements other than buildings	12,368,879	966,280	-	-	13,335,159
Infrastructure	16,259,027	944,222	-	-	17,203,249
Machinery, furniture and equipment	5,346,285	914,841	529,287	-	5,731,839
Fleet	4,121,593	763,276	458,832	-	4,426,037
Total accumulated depreciation	<u>51,037,260</u>	<u>4,693,475</u>	<u>988,119</u>	<u>-</u>	<u>54,742,616</u>
Total capital assets being depreciated - net	<u>68,217,341</u>	<u>2,512,845</u>	<u>241,050</u>	<u>323,196</u>	<u>70,812,332</u>
Governmental activities capital assets - net	<u>\$ 116,121,196</u>	<u>\$ 16,357,218</u>	<u>\$ 5,124,198</u>	<u>\$ (11,495)</u>	<u>\$ 127,342,721</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 174,844	\$ 162,249	\$ -	\$ 177,990	\$ 515,083
Construction in progress	2,348,159	1,795,827	3,726,331	(166,495)	251,160
Total capital assets, not being depreciated	<u>2,523,003</u>	<u>1,958,076</u>	<u>3,726,331</u>	<u>11,495</u>	<u>766,243</u>
Capital assets, being depreciated:					
Buildings and structures	4,767,723	-	-	-	4,767,723
Improvements other than buildings	7,155,538	-	-	-	7,155,538
Infrastructure	49,930,520	1,519,182	-	-	51,449,702
Machinery, furniture and equipment	5,304,395	3,724,453	-	-	9,028,848
Total capital assets, being depreciated	<u>67,158,176</u>	<u>5,243,635</u>	<u>-</u>	<u>-</u>	<u>72,401,811</u>
Less accumulated depreciation for:					
Buildings and structures	3,833,976	128,131	-	-	3,962,107
Improvements other than buildings	2,962,908	284,526	-	-	3,247,434
Infrastructure	28,696,185	651,167	-	-	29,347,352
Machinery, furniture and equipment	2,651,513	322,826	-	-	2,974,339
Total accumulated depreciation	<u>38,144,582</u>	<u>1,386,650</u>	<u>-</u>	<u>-</u>	<u>39,531,232</u>
Total capital assets being depreciated - net	<u>29,013,594</u>	<u>3,856,985</u>	<u>-</u>	<u>-</u>	<u>32,870,579</u>
Business-type activities capital assets - net	<u>\$ 31,536,597</u>	<u>\$ 5,815,061</u>	<u>\$ 3,726,331</u>	<u>\$ 11,495</u>	<u>\$ 33,636,822</u>

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

<b>Governmental activities:</b>	
General government	\$ 77,697
Public safety	482,746
Engineering	8,416
Operations and recreation	2,181,967
Public information	31,021
Social and economic development	130,009
Internal service	1,781,619
Total depreciation expense - governmental activities	<u>\$ 4,693,475</u>
<b>Business-type activities:</b>	
Water	\$ 707,093
Sewer	114,295
Storm water	565,262
Total depreciation expense - business-type activities	<u>\$ 1,386,650</u>



**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**Note 6 CITY INDEBTEDNESS**

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

As of December 31, 2016, long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rates	Authorized And Issued	Outstanding 12/31/16
<u>Governmental Activities:</u>					
General Long-Term Debt:					
General Improvement Bonds:					
G.O. Improvement Bonds Series 2010A	5/7/2010	2/1/2031	1.25-5.7%	\$ 3,105,000	\$ 2,535,000
G.O. Improvement Refunding Bonds Series 2010C	12/29/2010	2/1/2040	3.0-5.65%	1,770,000	1,600,000
G.O. Improvement Bonds Series 2010D (BABS)	12/29/2010	2/1/2032	1.25-5.15%	13,025,000	10,890,000
G.O. Improvement Bonds Series 2012A HIA	10/17/2012	2/1/2033	0.75 - 3.90%	1,290,000	1,135,000
G.O. Improvement Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	5,070,000	5,070,000
G.O. Improvement Bonds Series 2016A	7/14/2016	2/1/2027	1.375 - 2.375%	10,000,000	10,000,000
Total General Improvement Bonds				<u>34,260,000</u>	<u>31,230,000</u>
Tax Increment Bonds:					
Tax Increment Refunding Bonds Series 2008B	12/11/2008	2/1/2024	3.25-4.63%	5,490,000	3,805,000
Note payable on contract for deed	2/2/2015	3/1/2017	4.00%	2,200,000	2,025,297
Capital lease payable - copier	2/14/2014	1/14/2019	0.00%	40,500	16,875
Capital lease payable - vehicles	5/1/2016	5/1/2021	4.53%	222,149	198,744
Compensated absences payable	N/A	N/A	N/A	N/A	3,837,736
Total governmental activities				<u>42,212,649</u>	<u>41,113,652</u>
<u>Business-Type Activities:</u>					
General Obligation Revenue Bonds:					
Utility Refunding Revenue Bonds Series 2010B	5/7/2010	2/1/2025	2.0-3.5%	4,090,000	1,725,000
Utility Crossover Refunding Bonds Series 2013A	7/1/2013	8/1/2023	1.0-1.9%	4,170,000	3,860,000
Utility Revenue Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	4,930,000	4,930,000
Total General Obligation Revenue Bonds				<u>13,190,000</u>	<u>10,515,000</u>
Compensated absences payable	N/A	N/A	N/A	N/A	188,635
Total business-type activities				<u>13,190,000</u>	<u>10,703,635</u>
Total City				<u>\$ 55,402,649</u>	<u>\$ 51,817,287</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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GOVERNMENTAL ACTIVITIES

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

Year Ending December 31	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Note Payable	
	Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,230,000	\$ 1,048,568	\$ 395,000	\$ 157,813	\$ 2,025,297	\$ 20,253
2018	1,640,000	1,000,579	415,000	141,613	-	-
2019	2,255,000	947,650	435,000	124,613	-	-
2020	2,315,000	883,919	460,000	105,563	-	-
2021	2,375,000	816,600	485,000	84,300	-	-
2022	2,430,000	746,392	510,000	61,913	-	-
2023	2,490,000	673,108	535,000	38,400	-	-
2024	2,560,000	594,464	570,000	13,181	-	-
2025	2,630,000	516,195	-	-	-	-
2026	2,695,000	440,194	-	-	-	-
2027	2,200,000	365,516	-	-	-	-
2028	1,075,000	302,564	-	-	-	-
2029	1,120,000	246,608	-	-	-	-
2030	1,165,000	187,819	-	-	-	-
2031	1,210,000	126,481	-	-	-	-
2032	1,015,000	69,578	-	-	-	-
2033	160,000	40,290	-	-	-	-
2034	80,000	34,505	-	-	-	-
2035	85,000	30,070	-	-	-	-
2036	90,000	25,323	-	-	-	-
2037	95,000	20,258	-	-	-	-
2038	100,000	14,870	-	-	-	-
2039	105,000	9,155	-	-	-	-
2040	110,000	3,108	-	-	-	-
Total	<u>\$ 31,230,000</u>	<u>\$ 9,143,814</u>	<u>\$ 3,805,000</u>	<u>\$ 727,396</u>	<u>\$ 2,025,297</u>	<u>\$ 20,253</u>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**BUSINESS-TYPE ACTIVITIES**

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

<u>Year Ending</u> <u>December 31</u>	<u>G.O. Revenue Bonds</u>	
	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,360,000	\$ 194,668
2018	1,385,000	173,855
2019	1,410,000	152,393
2020	1,440,000	128,143
2021	945,000	101,630
2022	970,000	81,491
2023	995,000	59,951
2024	725,000	37,540
2025	745,000	19,863
2026	540,000	5,400
Total	<u>\$ 10,515,000</u>	<u>\$ 954,934</u>

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
G.O. improvement bonds	\$ 22,445,000	\$ 10,000,000	\$ 1,215,000	\$ 31,230,000	\$ 1,230,000
G.O. tax increment bonds	4,175,000	-	370,000	3,805,000	395,000
Add:					
Premiums on bonds	90,063	396,655	27,173	459,545	-
Discounts on bonds	(118,983)	-	(7,537)	(111,446)	-
Total bonds payable	26,591,080	10,396,655	1,604,636	35,383,099	1,625,000
Note Payable	2,122,173	-	96,876	2,025,297	2,025,297
Capital lease payable	24,975	222,149	31,505	215,619	49,688
Compensated absences	3,752,187	2,266,376	2,180,827	3,837,736	2,340,872
Total government activity long-term debt	<u>\$ 32,490,415</u>	<u>\$ 12,885,180</u>	<u>\$ 3,913,844</u>	<u>\$ 41,461,751</u>	<u>\$ 6,040,857</u>
<b>Business-type activities:</b>					
Bonds payable:					
G.O. revenue bonds	\$ 13,510,000	\$ -	\$ 2,995,000	\$ 10,515,000	\$ 1,360,000
Add:					
Premiums on bonds	106,990	-	15,452	91,538	-
Total bonds payable	13,616,990	-	3,010,452	10,606,538	1,360,000
Compensated absences	146,219	153,113	110,697	188,635	112,911
Total business-type activity long-term debt	<u>\$ 13,763,209</u>	<u>\$ 153,113</u>	<u>\$ 3,121,149</u>	<u>\$ 10,795,173</u>	<u>\$ 1,472,911</u>

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

**ADVANCE CROSSOVER REFUNDING**

On July 10, 2013, the City issued \$4,170,000 in General Obligation Refunding Bonds, Series 2013A with an average interest rate of 1.373% to advance refund \$2,145,000 of outstanding Series 2007A Bonds with an average interest rate of 4.00% and \$1,840,000 of outstanding Series 2008A Bonds with an average interest rate of 4.12%. The net proceeds of \$4,106,498 were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the interest on the refunding bonds before the crossover date and called principal on the refunded bonds on August 1, 2015 for Series 2007A Bonds and August 1, 2016 for the Series 2008A Bonds.

The City advance refunded the 2007A General Obligation Utility Revenue Bonds and 2008A General Obligation Utility Revenue Bonds to reduce its total debt service payments from 2014 to 2023 by \$234,091 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$215,954.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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CAPITAL LEASE PAYABLE

**A. COPY MACHINE**

In 2014, the City entered into a lease purchase agreement for a copier. The agreement calls for monthly payments of \$675 maturing on January 14, 2019. Depreciation in the amount of \$8,100 has been recorded as depreciation expense during 2016.

The net book value of assets under the capital lease at December 31, 2016 is as follows:

Equipment	\$ 40,500
Accumulated depreciation	(22,990)
Net book value	<u>\$ 17,510</u>

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

<u>Year Ending December 31,</u>	<u>Payment</u>
2017	\$ 8,100
2018	8,100
2019	675
Total	<u>\$ 16,875</u>

**B. VEHICLES**

In 2016, the City entered into a lease agreement for ten vehicles. The agreement calls for total monthly payments of \$4,145 maturing on May 1, 2021, with an interest rate of 4.53 percent. Depreciation in the amount of \$29,776 has been recorded as depreciation expense during 2016.

The net book value of assets under the capital lease at December 31, 2016 is as follows:

Equipment	\$ 222,149
Accumulated depreciation	(29,776)
Net book value	<u>\$ 192,373</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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The following is a schedule of future minimum lease payments under the capital lease:

	<u>Year Ending December 31,</u>	<u>Payment</u>
	2017	\$ 49,735
	2018	49,735
	2019	49,735
	2020	49,735
	2021	<u>20,707</u>
Total minimum lease payments		219,647
Less: amount representing interest		<u>(20,903)</u>
Present value of minimum lease payments		<u>\$ 198,744</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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**REVENUE PLEDGED**

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

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal and Interest	Current Year	
		Type	Percent of total debt service	Debt service as a % of net revenues	Pledged Through		Principal and Interest paid	Pledged Revenue received
G.O. Improvement Bonds Series 2012A HIA	Housing Improvement Area	Fee	100.0%	54.1%	2033	\$ 1,485,870.00	\$ 89,221.00	\$ 165,070.00
G.O. Improvement Bonds Series 2010A	Housing Improvement Area	Fee	100.0%	53.4%	2031	3,663,245	248,625	465,672
Tax Increment Refunding Bonds Series 2008B	Street Improvements	TIF	100.0%	100.0%	2024	4,532,394	543,100	543,100
G.O. Improvement Refunding Bonds Series 2010C	Louisiana Court Project	Operating revenues of Louisiana Court	100.0%	99.9%	2040	2,837,890	120,954	121,084
Utility Refunding Revenue Bonds Series 2010B	Utility Infrastructure Projects	Utility charges/Special Assessments	100.0%	100.0%	2025	1,985,238	488,096	488,096
Utility Crossover Refunding Bonds Series 2013A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2023	4,045,595	362,221	362,221
Utility Revenue Bonds Series 2014A	Utility Infrastructure Projects	Utility charges	100.0%	100.0%	2026	5,439,100	98,600	98,600

**Note 7 DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

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

**B. BENEFITS PROVIDED**

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

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

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

1. GERF Benefits

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

2. PEPFF Benefits

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

**C. CONTRIBUTIONS**

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

1. GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the year ended December 31, 2016, were \$1,076,319. The City's contributions were equal to the required contributions as set by state statute.



2. PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2016. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2016. The City's contributions to the PEPFF for the year ended December 31, 2016, were \$1,127,487. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

1. GERS Pension Costs

At December 31, 2016, the City reported a liability of \$18,333,840 for its proportionate share of the GERS's net pension liability. The City's net pension liability reflected a recution due to the State of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer 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 \$ 239,395. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was .2258% which was a decrease of .0005% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$2,429,540 for its proportionate share of the GERS's pension expense. In addition, the City recognized an additional \$71,381 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,489,353
Changes in actuarial assumptions	3,589,782	-
Difference between projected and actual investment earnings	3,479,841	-
Changes in proportion	-	389,677
Contributions paid to PERA subsequent to the measurement date	547,374	-
Total	<u>\$ 7,616,997</u>	<u>\$ 1,879,030</u>

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\$547,374 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2017	\$ 1,382,045
2018	1,382,044
2019	1,764,255
2020	662,249
2021	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2016, the City reported a liability of \$28,453,404 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was .7090% which was a decrease of .0080% from its proportion measured as of June 30, 2015. The City also recognized \$63,810 for the year ended December 31, 2016, as revenue (and an offsetting reduction of net pension liability) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$4,941,083 for its proportionate share of the PEPFF's pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 3,264,143
Changes in actuarial assumptions	15,659,151	-
Difference between projected and actual investment earnings	4,342,189	-
Changes in proportion	115,204	74,835
Contributions paid to PERA subsequent to the measurement date	568,492	-
Total	<u>\$ 20,685,036</u>	<u>\$ 3,338,978</u>

\$568,492 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2017	\$ 3,613,851
2018	3,613,851
2019	3,613,854
2020	3,362,951
2021	2,673,059
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

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

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for the GERP and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% per year for all future years for the GERP and the PEPFF.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The experience study for Police and Fire Plan was for the period July 1, 2004 through June 30, 2009. The most recent fire year experience study for the Police and Fire Plan was completed in 2016, but the results were not adopted at the time of valuation.

The following changes in actuarial assumptions occurred in 2016:

**General Employees Fund**

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

**Police and Fire Fund**

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The long-term expected rate of return on pension plan investments is 7.5%. 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	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%
Total	100%	

**F. DISCOUNT RATE**

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

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

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
City's proportionate share of the GERF net pension liability	\$ 26,039,486	\$ 18,333,840	\$ 11,986,485
	<u>1% Decrease in Discount Rate (4.6%)</u>	<u>Discount Rate (5.6%)</u>	<u>1% Increase in Discount Rate (6.6%)</u>
City's proportionate share of the PEPFF net pension liability	\$ 39,830,989	\$ 28,453,404	\$ 19,157,052

**H. PENSION PLAN FIDUCIARY NET POSITION**

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

**I. PENSION EXPENSE**

Pension expense recognized by the City for the fiscal year ended December 31, 2016 is as follows:

GERF	\$ 2,500,921
PEPFF	<u>4,941,083</u>
Total	<u><u>\$7,442,004</u></u>

**Note 8 DEFINED CONTRIBUTION PLAN**

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

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

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

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer (Pension Expense)	Employee	Employer	Rate
\$ 2,294	\$ 2,294	5%	5%	5%

**Note 9 OTHER POST-EMPLOYMENT BENEFITS**

**A. PLAN DESCRIPTION**

In addition to providing the pension benefits described in Note 7, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees through a single-employer defined benefit plan. The City’s OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report.

**B. BENEFITS PROVIDED**

Retirees

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Police officers, firefighters, sergeants, and dispatchers age 50 and over with 3 years of service, or age 65 with 1 year of service may continue medical and dental coverage at their own expense. Non-union and 49ers union employees age 55 with 3 years of service, age 65 with 1 year of service, any age with 30 years of service, or those whose age plus service is at least 90 may continue medical and dental coverage at their own expense. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee’s death.

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

**C. PARTICIPANTS**

As of the actuarial valuation dated January 1, 2015, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	17
Active employees	<u>272</u>
Total	<u>289</u>
Participating employers	<u>1</u>

**D. FUNDING POLICY**

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. Contribution requirements are negotiated between the City and union representatives and established by Council for nonunion groups.

**E. ANNUAL OPEB COSTS AND NET OPEB OBLIGATION**

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2016, was calculated as follows:

Annual required contribution (ARC)	\$ 740,426
Interest on net OPEB obligation	110,104
Adjustment to ARC	<u>(159,183)</u>
Annual OPEB cost	691,347
Contributions made during the year	<u>(256,866)</u>
Increase (decrease) in net OPEB obligation	434,481
Net OPEB obligation - beginning of year	<u>2,752,601</u>
Net OPEB obligation - end of year	<u>\$ 3,187,082</u>

For governmental activities, the net OPEB obligation has been and is anticipated to be liquidated by the Employee Administrative internal service fund.

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the previous three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$ 583,268	\$ 253,808	43.5%	\$ 2,274,367
December 31, 2015	675,521	197,287	29.2%	2,752,601
December 31, 2016	691,347	256,866	37.2%	3,187,082

**F. FUNDED STATUS AND FUNDING PROGRESS**

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits, therefore, the actuarial value of assets is zero. The funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2015	\$ -	\$ 5,257,905	\$ 5,257,905	0.0%	\$ 21,324,812	24.7%

\*Using the Projected Unit Credit cost method.

**G. ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2015 actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 8% reduced by .5% each year to arrive at an ultimate health care cost trend rate of 5.0%, which includes a 2.75% inflation assumption.

The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level dollar over 30 years on an open basis. The remaining amortization period at December 31, 2016 was 30 years.



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**Note 10 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

*Interfund Loans*

The City has established interfund loans to finance infrastructure improvements, project reimbursements, housing rehabilitation loans and to provide initial financing for TIF districts. A summary at December 31, 2016 is as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Major Funds:		
Housing Rehabilitation	\$ -	\$ 969,416
Development EDA	7,381,225	-
Redevelopment District	-	6,411,809
Water Utility	-	500,000
Solid Waste	<u>500,000</u>	<u>-</u>
Total	<u>\$ 7,881,225</u>	<u>\$ 7,881,225</u>

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***Interfund Transfers***

Interfund transfers at December 31, 2016 are as follows:

Fund	Transfers in					
	General	Housing Rehabilitation	Debt Service	Streets Capital Projects	Development EDA	Sidewalks and Trails
Transfers out						
General	\$ -	\$ -	\$ -	\$ -	\$ 715,000	\$ -
Housing Rehabilitation	8,185	-	337,846	-	-	-
Debt Service	-	-	-	-	-	-
Permanent Improvement Revolving	18,693	-	-	-	-	-
Streets Capital Projects	-	-	-	-	-	625,591
Sidewalks and Trails	-	-	-	851,942	-	-
Park Improvement	-	-	-	251,726	-	-
Redevelopment District	-	144,000	1,150,181	417,785	417	-
Nonmajor Governmental	109,506	-	-	551,810	-	-
Water	536,555	-	-	110,698	-	-
Sewer	745,483	-	-	50,646	-	-
Solid Waste	189,737	-	-	-	-	-
Storm Water	273,115	-	-	10,320	-	-
Internal Service Funds	-	-	-	91,415	-	-
Total transfers in	<u>\$ 1,881,274</u>	<u>\$ 144,000</u>	<u>\$ 1,488,027</u>	<u>\$ 2,336,342</u>	<u>\$ 715,417</u>	<u>\$ 625,591</u>

Fund	Transfers in					
	Park Improvement	Nonmajor Governmental	Water	Sewer	Internal Service Funds	Total
Transfers out						
General	\$ 508,000	\$ 450,000	\$ -	\$ -	\$ 200,000	\$ 1,873,000
Housing Rehabilitation	-	-	-	-	-	346,031
Debt Service	-	-	-	-	5,304	5,304
Permanent Improvement Revolving	-	-	-	-	-	18,693
Streets Capital Projects	-	-	73,305	75,254	-	774,150
Sidewalks and Trails	-	-	-	-	-	851,942
Park Improvement	-	-	-	-	-	251,726
Redevelopment District	-	-	-	-	-	1,712,383
Nonmajor Governmental	-	-	-	-	500,000	1,161,316
Water	-	-	-	-	30,874	678,127
Sewer	-	-	853,681	-	30,874	1,680,684
Solid Waste	-	-	-	-	30,874	220,611
Storm Water	-	-	-	-	30,834	314,269
Internal Service Funds	-	-	-	-	-	91,415
Total transfers in	<u>\$ 508,000</u>	<u>\$ 450,000</u>	<u>\$ 926,986</u>	<u>\$ 75,254</u>	<u>\$ 828,760</u>	<u>\$ 9,979,651</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to a debt service fund in accordance with bond documents, (3) move funds in accordance with the City's adopted capital improvement plan to support project costs, and (4) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with City policy.

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**Note 11 FUND BALANCE**

**A. CLASSIFICATIONS**

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

Fund/Description	Nonspendable	Restricted	Committed	Assigned
General Fund				
Prepaid items	\$ 54,069	\$ -	\$ -	\$ -
Inventories	276,414	-	-	-
E-911 purposes	-	413,787	-	-
Inspections	-	-	-	550,000
DWI enforcement	-	-	-	173,743
Fire expenditures	-	-	-	43,920
Council programs	-	-	-	109,000
Community development	-	-	-	60,000
Housing Rehabilitation	-	-	-	3,448,469
Debt service	-	2,048,975	-	-
Permanent improvement revolving	-	-	-	2,577,727
Streets capital projects	-	-	-	1,193,411
Development EDA				
Prepaid items	17,063	-	-	-
Economic development	-	329,746	-	-
Redevelopment efforts	-	-	-	25,764,341
Sidewalks and Trails	-	-	-	1,011,967
Park Improvement				
Capital improvements	-	909,784	-	-
Park improvements	-	43,920	-	-
Development of parks	-	-	-	4,076,493
Redevelopment districts	-	3,897,619	-	-
Other governmental funds				
Prepaid items	6,500	-	-	-
Community development	-	421,984	-	-
Cable TV equipment purchases	-	573,567	466,287	607,826
Police and fire purposes	-	1,832,248	-	-
Special service districts	-	-	-	223,102
Street rehabilitation	-	-	-	2,164,885
Total	\$ 354,046	\$ 10,471,630	\$ 466,287	\$ 42,004,884

Unless separately displayed, constraints are not more specific than the purpose of the fund.

**B. MINIMUM FUND BALANCE POLICY**

The City Council has formally adopted a fund balance policy for the General Fund.

The policy establishes a year-end target of unassigned fund balance amount for cash flow timing needs in the range of 40-50% of the subsequent years budget expenditures. At December 31, 2016, the unassigned fund balance for the General Fund was 45% of the subsequent year’s budgeted expenditures.

**Note 12 DEFICIT FUND BALANCE/NET POSITION**

At December 31, 2016, individual funds with deficit fund balance/net position are as follows:

	<u>Amount</u>	<u>Future Financing Source</u>
Redevelopment District:		
HRA Levy	\$ 3,057,388	General property tax levy
Elmwood Village	1,982,711	Future tax increment
Hard Coat TIF District	113,310	Future tax increment
Shoreham TIF District	18,242	Future tax increment
Excelsior Blvd TIF District	15,688	Future tax increment
Internal Service Funds:		
Employee Administrative	<u>29,526,162</u>	Future transfers
 Total	 <u>\$ 34,713,501</u>	

**Note 13 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to carry commercial insurance for risks of loss, including workers compensation, property and general liability and employee health and accident insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**PROPERTY AND CASUALTY INSURANCE**

Property and casualty insurance coverage is provided through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities: general liability, excess liability property, automobile, marine, crime, employee dishonesty, boiler and open meeting law.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions of the insurance policies. The deductible amounts are \$50,000 for each occurrence and a \$150,000 annual aggregate.

Current State Statute (Minnesota Statute subd. 466.04) provides limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence.

**B. LITIGATION**

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

**C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2016.

**D. TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT**

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
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December 31, 2016

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

District Name / Note Description	Issue Date	Original Principal	Interest Rate	First Note Pymt	Final Note Pymt	% TIF Available	2016 Payments	12/31/2016 Balance
<b>Zarthan/16th Ave TIF District</b>								
Rottlund Company	11/06/2000	\$ 1,395,547	8.00%	08/01/2003	02/01/2023	89.75%	\$ 206,919	\$ 846,670
CSM - Town Place Suites	10/25/2000	1,101,362	8.00%	08/01/2002	02/01/2022	89.75%	84,360	1,218,476
CSM - Spring Hill Suites	10/25/2000	1,448,088	8.00%	08/01/2003	02/01/2022	89.75%	102,097	1,750,836
<b>Mill City TIF District</b>								
MSP SLP Apartments	11/20/2000	3,431,137	8.75%	08/1/2002	02/01/2023	94.75%	426,962	3,880,869
<b>Park Commons TIF District</b>								
Excelsior & Grand Phase I	07/01/2003	3,500,000	8.50%	08/05/2005	02/01/2024	97.00%	737,329	4,314,641
Excelsior & Grand Phase NE	06/05/2006	4,668,633	8.50%	08/01/2006	02/01/2028	97.00%	442,759	4,782,566
Excelsior & Grand Phase NW	06/05/2006	4,079,105	8.50%	08/01/2007	02/01/2028	97.00%	427,443	4,685,254
Excelsior & Grand Phase E	06/05/2006	3,300,715	8.50%	08/01/2006	02/01/2028	97.00%	270,127	3,932,974
<b>Edgewood TIF District</b>								
Real Estate Recycling / Edgewood Investors	02/01/2004	600,000	1.70%	08/01/2006	02/01/2023	95.00%	47,350	163,671
<b>Wolfe Lake TIF District</b>								
Belt Line Industrial Park	01/20/2006	996,000	7.50%	08/01/2006	02/01/2023	95.00%	120,721	354,926
<b>Aquila Commons TIF District</b>								
Stonebridge Development	05/26/2006	1,050,000	5.75%	08/01/2008	02/01/2020	95.00%	154,793	271,579
<b>Elmwood Village TIF District</b>								
Webster LLC / Adagio	07/29/2013	820,000	4.00%	08/01/2014	02/01/2021	95.00%	207,080	577,723
Medley Row	07/29/2013	200,000	4.00%	08/01/2014	02/01/2023	95.00%	39,397	155,336
Grecco / Towerlight	08/01/2013	490,000	6.50%	02/01/2015	02/01/2021	95.00%	251,915	20,366
Hoigaard Village 2010A TIF Revenue Bonds	10/21/2010	3,495,000	1.5-5%	02/01/2011	02/01/2023	95.00%	346,363	2,150,000
Hoigaard Village 2010B TIF Revenue Note	10/21/2010	935,000	3.99%	02/01/2011	02/01/2018	95.00%	260,169	339,786
<b>Highway 7 Corporate Center TIF District</b>								
Highway 7 Business Center Note A	07/24/2008	2,100,000	1.00%	08/01/2008	02/01/2034	95.00%	110,531	1,152,852
Highway 7 Business Center Note B	07/24/2008	360,000	1.00%	08/01/2008	02/01/2034	95.00%	18,948	197,632
<b>West End TIF District</b>								
Duke Realty Limited Partnership	11/01/2010	21,100,000	6.75%	02/01/2012	02/01/2031	95.00%	676,867	20,909,528
<b>Ellipse on Excelsior TIF District</b>								
Ellipse on Excelsior Note A	08/01/2011	1,230,000	6.00%	08/01/2011	02/01/2025	95.00%	258,410	592,336
Ellipse on Excelsior Note B	08/01/2011	220,000	6.00%	08/01/2011	02/01/2025	95.00%	42,067	123,038
E2	08/01/2015	686,195	5.60%	08/01/2015	02/01/2023	95.00%	121,820	539,272
<b>Eliot Park TIF District</b>								
Cedar Lake Road Apartments LLC	05/18/2016	1,100,000	5.50%	08/01/2016	02/01/2021	95.00%	30,424	1,082,180

**E. LOUISIANA COURT PROJECT**

The City of St. Louis Park has entered into an agreement with Project for Pride in Living Louisiana Court Limited Partnership to issue \$4,505,000 in General Obligation Bonds – Series 2000A for the purpose of acquiring and renovating certain rental housing facilities within the City of St. Louis Park intended primarily for low and moderate income persons and their families. During 2010, the 2000A bonds were refunded by the \$1,770,000 General Obligation Refunding Bonds, Series 2010C. The City of St. Louis Park will receive monthly principal and interest payments from Project for Pride in Living Louisiana Court Limited Partnership to cover all debt service obligations of the City of St.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016

Louis Park on a semi-annual basis. In the event that the City of St. Louis Park does not receive payment from Project for Pride in Living, the City of St. Louis Park is still under obligation to make all debt service payments. At such time, the City of St. Louis Park would pursue collection of above referenced principal and interest payments per the agreement dated May 1, 2000. As of December 31, 2016, the outstanding principal on the bonds is \$1,600,000.

**F. CONSTRUCTION COMMITMENTS**

The City has active construction projects as of December 31, 2016. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and the construction of additional storm sewer and utility improvements. At year end the City’s commitments with contractors are as follows:

Project	Remaining Commitment
2013 Local Street Rehab (contract 35-13)	\$ 73,781
2014 Local Street Rehab - Area #2 (contract 48-14)	110,565
Louisiana Ave Bridge (contract 87-13)	64,667
2015 Local Street Rehab (contract 34-15)	100,469
2015 Connect the Park	26,898
Replace Ice System in Rec Center	108,684
2015 Concrete Replacement (contract 143-15)	23,809
MSA Project (contract 92-16)	32,151
Watermain Replacement (contract 65-16)	192,391
Mechanical & Electrical Improvements (contract 148-15)	123,332
Mainline Rehab (contract 79-16)	20,033
Tensile Membrane Structures (contract 146-16)	1,039,343
Electrical Systems (contract 61-16)	58,050
Miscellaneous Construction (contract 46-16)	23,676
Bleachers (contract 128-16)	12,724
Roofing Systems	12,370
Landscaping	74,598
Concrete	33,500
Structural & Miscellaneous Steel Install (contract 77-16)	34,192
Glue Laminated Construction (contract 171-16)	1,758,320
General Contractor (contract 38-16)	<u>137,683</u>
Total commitments	<u>\$ 4,061,236</u>

**Note 14 CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued industrial, hospital or housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial or housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2016, there were 13 revenue bonds issued. The aggregate principal amount payable as of December 31, 2016 is \$141,581,908.

**Note 15 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 74** *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

**Statement No. 75** *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

**Statement No. 80** *Blending Requirements for Certain Component Units.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

**Statement No. 81** *Irrevocable Split – Interest Agreements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

**Statement No. 82** *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

**Statement No. 83** *Certain Asset Retirement Obligations.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 84** *Fiduciary Activities.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

**Statement No. 85** *Omnibus 2017.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 75 will have a material impact.



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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 23,597,282	\$ 23,597,282	\$ 24,193,360	\$ 596,078
Licenses and permits				
Business regulatory licenses	635,698	635,698	706,684	70,986
Non-business licenses and permits	2,860,479	2,860,479	3,613,394	752,915
Total licenses and permits	3,496,177	3,496,177	4,320,078	823,901
Intergovernmental				
Federal	1,500	1,500	20,895	19,395
State shared taxes				
Highway user tax	525,000	525,000	660,636	135,636
Insurance premium tax	630,075	630,075	677,985	47,910
State of Minnesota				
Other	115,337	115,337	147,387	32,050
PERA	45,205	45,205	45,205	-
Police training reimbursement	20,000	20,000	15,633	(4,367)
School district	58,700	58,700	58,197	(503)
Other local governments	23,200	23,200	30,134	6,934
Total intergovernmental	1,419,017	1,419,017	1,656,072	237,055
Charges for services				
General government	758,802	758,802	776,739	17,937
Public safety	96,381	96,381	136,956	40,575
Public works - signals/lighting	17,250	17,250	17,250	-
Culture and rec	1,087,660	1,087,660	1,149,924	62,264
Rent of City property	847,896	847,896	1,020,851	172,955
Total charges for services	2,807,989	2,807,989	3,101,720	293,731
Fines and forfeits				
Municipal court	312,000	312,000	245,229	(66,771)
Liquor violations	12,000	12,000	12,000	-
Property forfeits	15,000	15,000	37,579	22,579
Miscellaneous violations	2,200	2,200	5,000	2,800
Total fines and forfeits	341,200	341,200	299,808	(41,392)
Interest income	140,000	140,000	114,956	(25,044)
Miscellaneous	153,600	153,600	122,178	(31,422)
Total revenues	31,955,265	31,955,265	33,808,172	1,852,907

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2016

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government				
Administration				
Current				
Personal services	\$ 621,307	\$ 621,307	\$ 640,591	\$ (19,284)
Supplies	3,500	3,500	6,783	(3,283)
Other services and charges	442,779	442,779	527,149	(84,370)
Total administration	<u>1,067,586</u>	<u>1,067,586</u>	<u>1,174,523</u>	<u>(106,937)</u>
General services				
Supplies	15,000	15,000	53,787	(38,787)
Other services and charges	307,610	307,610	176,058	131,552
Total general services	<u>322,610</u>	<u>322,610</u>	<u>229,845</u>	<u>92,765</u>
Human resources				
Current				
Personal services	575,618	575,618	574,037	1,581
Supplies	3,800	3,800	1,773	2,027
Other services and charges	169,300	169,300	226,150	(56,850)
Total human resources	<u>748,718</u>	<u>748,718</u>	<u>801,960</u>	<u>(53,242)</u>
Communications, marketing and community outreach				
Current				
Personal services	331,930	331,930	336,111	(4,181)
Materials and supplies	27,600	27,600	18,745	8,855
Other services and charges	274,285	274,285	325,681	(51,396)
Total communications, etc.	<u>633,815</u>	<u>633,815</u>	<u>680,537</u>	<u>(46,722)</u>
Technology and support services				
Current				
Personal services	896,993	896,993	800,375	96,618
Materials and supplies	7,500	7,500	31,722	(24,222)
Other services and charges	659,635	659,635	660,640	(1,005)
Total technology and support services	<u>1,564,128</u>	<u>1,564,128</u>	<u>1,492,737</u>	<u>71,391</u>
Accounting				
Current				
Personal services	552,448	552,448	487,625	64,823
Materials and supplies	3,000	3,000	3,045	(45)
Other services and charges	329,871	329,871	329,505	366
Total accounting	<u>885,319</u>	<u>885,319</u>	<u>820,175</u>	<u>65,144</u>
Assessing				
Current				
Personal services	626,313	626,313	596,915	29,398
Materials and supplies	1,500	1,500	1,444	56
Other services and charges	13,225	13,225	9,084	4,141
Total assessing	<u>641,038</u>	<u>641,038</u>	<u>607,443</u>	<u>33,595</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2016

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government (continued)				
Facilities maintenance				
Current				
Personal services	\$ 437,585	\$ 437,585	\$ 434,498	\$ 3,087
Materials and supplies	89,000	89,000	99,904	(10,904)
Other services and charges	589,292	589,292	565,571	23,721
Total facilities maintenance	1,115,877	1,115,877	1,099,973	15,904
Community development				
Current				
Personal services	1,322,986	1,322,986	1,211,531	111,455
Materials and supplies	1,050	1,050	636	414
Other services and charges	61,000	61,000	68,833	(7,833)
Total community development	1,385,036	1,385,036	1,281,000	104,036
Total general government	8,364,127	8,364,127	8,188,193	175,934
Public safety				
Police				
Current				
Personal services	7,953,458	7,953,458	7,975,266	(21,808)
Materials and supplies	142,055	142,055	163,509	(21,454)
Other services and charges	547,907	547,907	503,025	44,882
Total police	8,643,420	8,643,420	8,641,800	1,620
Fire protection				
Current				
Personal services	3,566,769	3,566,769	3,416,520	150,249
Materials and supplies	107,174	107,174	111,156	(3,982)
Other services and charges	349,950	349,950	405,663	(55,713)
Total fire protection	4,023,893	4,023,893	3,933,339	90,554
Inspection services				
Current				
Personal services	2,108,945	2,108,945	1,971,545	137,400
Materials and supplies	12,000	12,000	6,774	5,226
Other services and charges	101,390	101,390	106,130	(4,740)
Total inspection services	2,222,335	2,222,335	2,084,449	137,886
Total public safety	14,889,648	14,889,648	14,659,588	230,060

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2016

**Statement 9**  
**Page 4 of 4**

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operations and recreation				
Public works administration				
Current				
Personal services	\$ 216,304	\$ 216,304	\$ 229,140	\$ (12,836)
Materials and supplies	6,000	6,000	2,762	3,238
Other services and charges	18,350	18,350	7,559	10,791
Total public works administration	240,654	240,654	239,461	1,193
Public works operations				
Current				
Personal services	1,457,057	1,457,057	1,367,799	89,258
Materials and supplies	532,500	532,500	461,075	71,425
Other services and charges	918,224	918,224	870,460	47,764
Total public works operations	2,907,781	2,907,781	2,699,334	208,447
Culture and recreation				
Current				
Personal services	4,194,122	4,194,122	4,247,140	(53,018)
Materials and supplies	995,499	995,499	815,033	180,466
Other services and charges	1,941,655	1,941,655	1,687,904	253,751
Total culture and recreation	7,131,276	7,131,276	6,750,077	381,199
Total operations and recreation	10,279,711	10,279,711	9,688,872	590,839
Engineering				
Current				
Personal services	387,362	387,362	302,861	84,501
Materials and supplies	10,450	10,450	3,298	7,152
Other services and charges	151,439	151,439	130,074	21,365
Total engineering	549,251	549,251	436,233	113,018
Total expenditures	34,082,737	34,082,737	32,972,886	1,109,851
Revenues over (under) expenditures	(2,127,472)	(2,127,472)	835,286	2,962,758
Other financing sources (uses)				
Transfers in	1,872,581	1,872,581	1,881,274	8,693
Transfers out	-	-	(1,873,000)	(1,873,000)
Total other financing sources (uses)	1,872,581	1,872,581	8,274	(1,864,307)
Net change in fund balances	\$ (254,891)	\$ (254,891)	843,560	\$ 1,098,451
Fund balances - January 1			17,031,136	
Fund balances - December 31			\$ 17,874,696	

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS - POST EMPLOYMENT BENEFIT PLAN**  
For The Year Ended December 31, 2016

**Statement 10**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2009	\$ -	\$ 3,260,061	\$ 3,260,061	0.0%	\$ 16,906,064	19.3%
January 1, 2011	\$ -	\$ 3,081,141	\$ 3,081,141	0.0%	\$ 16,962,171	18.2%
January 1, 2013	\$ -	\$ 5,140,716	\$ 5,140,716	0.0%	\$ 17,338,372	29.6%
January 1, 2015	\$ -	\$ 5,257,905	\$ 5,257,905	0.0%	\$ 21,324,812	24.7%

\*Using the projected unit credit actuarial pay cost method.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 GENERAL EMPLOYEES RETIREMENT FUND  
 For The Year Ended December 31, 2016

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>City's Proportionate Share (Percentage) of the Net Pension Liability</u>	<u>City's Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)</u>	<u>City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)</u>	<u>Covered Payroll (c)</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	December 31, 2015	0.2263%	\$ 11,728,040	\$ -	\$ 11,728,040	\$13,317,871	88.1%	78.2%
June 30, 2016	December 31, 2016	0.2258%	18,333,840	239,395	18,573,235	14,027,206	132.4%	68.9%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**  
For The Year Ended December 31, 2016

**Statement 12**

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Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 1,026,806	\$ 1,026,806	\$ -	\$ 13,690,747	7.5%
December 31, 2016	1,076,319	1,076,319	-	14,350,435	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 PUBLIC EMPLOYEES POLICE AND FIRE FUND  
 For The Year Ended December 31, 2016

**Statement 13**

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<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Covered Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	December 31, 2015	0.7170%	\$ 8,146,798	\$ 6,568,763	124.0%	86.6%
June 30, 2016	December 31, 2016	0.7090%	28,453,404	6,826,711	416.8%	63.9%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**  
For The Year Ended December 31, 2016

**Statement 14**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 1,087,225	\$ 1,087,225	\$ -	\$ 6,711,265	16.2%
December 31, 2016	1,127,487	1,127,487	-	6,959,796	16.2%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF ST. LOUIS PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2016

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**Note A LEGAL COMPLIANCE – BUDGETS**

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

**Note B MODIFIED APPROACH FOR CITY STREETS AND TRAILS INFRASTRUCTURE CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets including the street and trail system; water treatment and distribution system; wastewater collection system; park and recreation lands and improvement system; storm water conveyance system; and building combined with site amenities such as parking and landscape areas used by the City in the conduct of its business. Each major infrastructure can be divided into subsystems. For example, the street and trail system can be divided into pavement widths, curb type and sidewalk. City owned streets could further be classified as collector or local. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City elects to use the modified approach as defined in GASB Statement No. 34 for infrastructure reporting for its Pavement Management Program. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- 1) The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- 2) The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City's policy relative to maintaining the street and trail assets is to achieve an average rating of "Good" for all segments. This acceptable rating allows minor cracking and patching of the pavement along with minor roughness that could be noticeable to the users of the system.

**CITY OF ST. LOUIS PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2016

In the summer of 2015, the City conducted a physical condition assessment of five of eight areas of the City. This assessment will be performed every two years. Each street segment was assigned a physical condition based on potential defects. An Overall Condition Index (OCI) was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. The following conditions were defined:

<u>Range</u>	<u>Description</u>
86 - 100	Excellent
71 - 85	Very good
56 - 70	Good
41 - 55	Fair
26 - 40	Poor
11 - 25	Very poor
0 - 10	Failed

As of December 31, 2016, the City's street and trail system was rated at an OCI index of 65 on the average with detail condition as follows:

<u>Condition</u>	<u>% of Streets and Trails</u>
Excellent to Good	58.3%
Fair	15.1%
Poor to Substandard	26.7%

The City's streets are constantly deteriorating resulting from the following factors: (1) traffic using the system; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development trenching operations; (4) water damage from natural precipitation; and (5) frost heave. The City is continuously taking actions to prolong the life of the system through short-term maintenance activities such as pothole patching, crack sealing, seal coating and overlaying. The City expended \$2,731,582 on street maintenance for the year ending December 31, 2016. These expenditures delayed deterioration; however, the overall condition of the system was not improved through these maintenance expenditures. The City has estimated that the amount of annual expenditures through 2026 required to maintain the City's street system at the average OCI rating of "good" is approximately \$3,999,000.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>	<u>OCI Rating</u>
2014	\$ 2,300,000	\$ 2,118,883	70%
2015	2,622,000	2,050,904	65%
2016	3,999,000	2,731,582	64%

**Note C PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

*2016 Changes*

Changes in Actuarial Assumptions:

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

**PERA – Public Employees Police and Fire Fund**

*2016 Changes*

Changes in Actuarial Assumptions:

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

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**COMBINING FUND STATEMENTS AND SCHEDULES**



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**NONMAJOR GOVERNMENTAL FUNDS**

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### SPECIAL REVENUE FUNDS

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

### CAPITAL PROJECTS FUNDS

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 December 31, 2016

**Statement 15**

	Special Revenue	Capital Projects	Total
<b>Assets</b>			
Cash and investments	\$ 1,726,137	\$ 3,453,761	\$ 5,179,898
Accrued interest receivable	4,980	16,093	21,073
Due from other governments	37,188	-	37,188
Accounts receivable	179,795	596,451	776,246
Prepaid items	-	6,500	6,500
Special assessments receivable - delinquent	6,963	-	6,963
Special assessments receivable - deferred	170,684	-	170,684
Loans receivable - noncurrent	436,921	-	436,921
	<u>2,562,668</u>	<u>4,072,805</u>	<u>6,635,473</u>
<b>Total assets</b>	<b>\$ 2,562,668</b>	<b>\$ 4,072,805</b>	<b>\$ 6,635,473</b>
<b>Liabilities</b>			
Accounts payable	\$ 44,184	\$ 69,172	\$ 113,356
Salaries payable	18,419	-	18,419
Due to other governments	2	-	2
	<u>62,605</u>	<u>69,172</u>	<u>131,777</u>
<b>Total liabilities</b>	<b>62,605</b>	<b>69,172</b>	<b>131,777</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	207,297	-	207,297
	<u>207,297</u>	<u>-</u>	<u>207,297</u>
<b>Fund balances</b>			
Nonspendable	-	6,500	6,500
Restricted	995,551	1,832,248	2,827,799
Committed	466,287	-	466,287
Assigned	830,928	2,164,885	2,995,813
	<u>2,292,766</u>	<u>4,003,633</u>	<u>6,296,399</u>
<b>Total fund balances</b>	<b>2,292,766</b>	<b>4,003,633</b>	<b>6,296,399</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,562,668</b>	<b>\$ 4,072,805</b>	<b>\$ 6,635,473</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2016

**Statement 16**

	Special Revenue	Capital Projects	Total
<b>Revenues</b>			
Taxes			
Franchise taxes	\$ 686,289	\$ 2,393,110	\$ 3,079,399
Intergovernmental	143,620	-	143,620
Charges for services	25,301	-	25,301
Special assessments	174,602	-	174,602
Interest income	14,044	38,969	53,013
Miscellaneous	144,778	-	144,778
<b>Total revenues</b>	<b>1,188,634</b>	<b>2,432,079</b>	<b>3,620,713</b>
<b>Expenditures</b>			
Current			
Public safety	-	2,669	2,669
Public information	477,721	-	477,721
Engineering	-	43,929	43,929
Housing and maintenance	144,204	-	144,204
Social and economic development	255,044	-	255,044
Capital outlay			
Public safety	-	521,034	521,034
Engineering	-	2,135,842	2,135,842
Public information	223,009	-	223,009
<b>Total expenditures</b>	<b>1,099,978</b>	<b>2,703,474</b>	<b>3,803,452</b>
Revenues over (under) expenditures	88,656	(271,395)	(182,739)
<b>Other financing sources (uses)</b>			
Transfers in	-	450,000	450,000
Transfers out	(109,506)	(1,051,810)	(1,161,316)
<b>Total other financing sources (uses)</b>	<b>(109,506)</b>	<b>(601,810)</b>	<b>(711,316)</b>
Net change in fund balances	(20,850)	(873,205)	(894,055)
Fund balances - January 1	2,313,616	4,876,838	7,190,454
Fund balances - December 31	\$ 2,292,766	\$ 4,003,633	\$ 6,296,399

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## NONMAJOR SPECIAL REVENUE FUNDS

Cable Television Fund – used to account for revenues received from franchise fees and expenditures related to regulation of the privately owned cable television company.

Community Development Fund – used to account for funds received under Title I of the Housing and Community Development Act of 1974.

Special Service Districts Fund – used to account for the operations of Special Service Districts. Revenues are received from each district's property owners and are used to provide additional services, primarily snow removal, within each District.



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2016

**Statement 17**

	<u>Cable Television</u>	<u>Community Development</u>	<u>Special Service Districts</u>	<u>Interfund Eliminations</u>	<u>Total</u>
<b>Assets</b>					
Cash and investments	\$ 1,482,925	\$ 16,520	\$ 226,692	\$ -	\$ 1,726,137
Accrued interest receivable	4,224	161	595	-	4,980
Due from other governments	-	37,188	-	-	37,188
Accounts receivable	179,795	-	-	-	179,795
Due from other funds	-	-	3,521	(3,521)	-
Special assessments receivable - delinquent	-	-	6,963	-	6,963
Special assessments receivable - deferred	-	-	170,684	-	170,684
Loans receivable - noncurrent	-	436,921	-	-	436,921
<b>Total assets</b>	<b>\$ 1,666,944</b>	<b>\$ 490,790</b>	<b>\$ 408,455</b>	<b>\$ (3,521)</b>	<b>\$ 2,562,668</b>
<b>Liabilities</b>					
Accounts payable	\$ 843	\$ 36,538	\$ 6,803	\$ -	\$ 44,184
Salaries payable	18,419	-	-	-	18,419
Due to other governments	2	-	-	-	2
Due to other funds	-	-	3,521	(3,521)	-
<b>Total liabilities</b>	<b>19,264</b>	<b>36,538</b>	<b>10,324</b>	<b>(3,521)</b>	<b>62,605</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	32,268	175,029	-	207,297
<b>Fund balances</b>					
Restricted	573,567	421,984	-	-	995,551
Committed	466,287	-	-	-	466,287
Assigned	607,826	-	223,102	-	830,928
<b>Total fund balances</b>	<b>1,647,680</b>	<b>421,984</b>	<b>223,102</b>	<b>-</b>	<b>2,292,766</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,666,944</b>	<b>\$ 490,790</b>	<b>\$ 408,455</b>	<b>\$ (3,521)</b>	<b>\$ 2,562,668</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For The Year Ended December 31, 2016

**Statement 18**

	<u>Cable Television</u>	<u>Community Development</u>	<u>Special Service Districts</u>	<u>Total</u>
Revenues				
Taxes				
Franchise taxes	\$ 686,289	\$ -	\$ -	\$ 686,289
Intergovernmental	-	143,620	-	143,620
Charges for services	-	-	25,301	25,301
Special assessments	-	-	174,602	174,602
Interest income	11,799	471	1,774	14,044
Miscellaneous	141,990	-	2,788	144,778
Total revenues	<u>840,078</u>	<u>144,091</u>	<u>204,465</u>	<u>1,188,634</u>
Expenditures				
Current				
Public information				
Personal services	410,511	-	-	410,511
Supplies	16,589	-	-	16,589
Other services and charges	50,621	-	-	50,621
Housing and maintenance				
Personal services	-	7,667	-	7,667
Other services and charges	-	136,537	-	136,537
Social and economic development				
Supplies	-	-	22,479	22,479
Other services and charges	-	-	232,565	232,565
Capital outlay				
Public information	223,009	-	-	223,009
Total expenditures	<u>700,730</u>	<u>144,204</u>	<u>255,044</u>	<u>1,099,978</u>
Revenues over (under) expenditures	139,348	(113)	(50,579)	88,656
Other financing uses				
Transfers out	(109,506)	-	-	(109,506)
Net change in fund balances	\$29,842	(113)	(50,579)	(20,850)
Fund balances - January 1	<u>1,617,838</u>	<u>422,097</u>	<u>273,681</u>	<u>2,313,616</u>
Fund balances - December 31	<u>\$ 1,647,680</u>	<u>\$ 421,984</u>	<u>\$ 223,102</u>	<u>\$ 2,292,766</u>

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## NONMAJOR CAPITAL PROJECTS FUNDS

Pavement Management Fund – used to account for the financing of street rehabilitation. Revenues are provided by a franchise fee and transfers from the Sanitary Sewer Utility and Water Utility Funds.

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
December 31, 2016

**Statement 19**

	Pavement Management	Police and Fire Pensions	Total
<b>Assets</b>			
Cash and investments	\$ 1,557,682	\$ 1,896,079	\$ 3,453,761
Accrued interest receivable	10,752	5,341	16,093
Accounts receivable	596,451	-	596,451
Prepaid items	6,500	-	6,500
<b>Total assets</b>	<b>\$ 2,171,385</b>	<b>\$ 1,901,420</b>	<b>\$ 4,072,805</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 69,172	\$ 69,172
<b>Fund balances</b>			
Nonspendable	6,500	-	6,500
Restricted	-	1,832,248	1,832,248
Assigned	2,164,885	-	2,164,885
<b>Total fund balances</b>	<b>2,171,385</b>	<b>1,832,248</b>	<b>4,003,633</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,171,385</b>	<b>\$ 1,901,420</b>	<b>\$ 4,072,805</b>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
For The Year Ended December 31, 2016

**Statement 20**

	Pavement Management	Police and Fire Pensions	Total
Revenues			
Taxes			
Franchise taxes	\$ 2,393,110	\$ -	\$ 2,393,110
Interest income	20,678	18,291	38,969
Total revenues	<u>2,413,788</u>	<u>18,291</u>	<u>2,432,079</u>
Expenditures			
Current			
Public safety	-	2,669	2,669
Engineering	43,929	-	43,929
Capital outlay			
Public safety	-	521,034	521,034
Engineering	2,135,842	-	2,135,842
Total expenditures	<u>2,179,771</u>	<u>523,703</u>	<u>2,703,474</u>
Revenues over (under) expenditures	<u>234,017</u>	<u>(505,412)</u>	<u>(271,395)</u>
Other financing sources (uses)			
Transfers in	450,000	-	450,000
Transfers out	(551,810)	(500,000)	(1,051,810)
Total other financing sources (uses)	<u>(101,810)</u>	<u>(500,000)</u>	<u>(601,810)</u>
Net change in fund balances	132,207	(1,005,412)	(873,205)
Fund balances - January 1	<u>2,039,178</u>	<u>2,837,660</u>	<u>4,876,838</u>
Fund balances - December 31	<u>\$ 2,171,385</u>	<u>\$ 1,832,248</u>	<u>\$ 4,003,633</u>

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MAJOR DEBT SERVICE FUNDS

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



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR DEBT SERVICE FUNDS**  
December 31, 2016

	2010D General Obligation Fire Station Bond	2014A General Obligation Bonds	2016A General Obligation Bonds
<b>Assets</b>			
Cash and investments	\$ 884,579	\$ 541,768	\$ 113,578
Accrued interest receivable	1,478	1,071	323
Due from other governments	82,464	-	-
Loans receivable - current	-	-	-
Loans receivable - noncurrent	-	-	-
<b>Total assets</b>	<b>\$ 968,521</b>	<b>\$ 542,839</b>	<b>\$ 113,901</b>
<b>Liabilities</b>			
Deposits payable	\$ -	\$ -	\$ -
Unearned revenue	13,744	-	-
<b>Total liabilities</b>	<b>13,744</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	-	-
<b>Fund balances</b>			
Restricted	954,777	542,839	113,901
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 968,521</b>	<b>\$ 542,839</b>	<b>\$ 113,901</b>

2000 General Obligation Bond Reserve	2010C General Obligation Bond	2010C General Obligation Bond Reserve	2005A General Obligation Bond	Total
\$ 121,105	\$ 70,799	\$ 197,456	\$ 244,021	\$ 2,173,306
-	-	-	687	3,559
-	-	-	-	82,464
-	40,000	-	-	40,000
-	1,560,000	-	-	1,560,000
<u>\$ 121,105</u>	<u>\$ 1,670,799</u>	<u>\$ 197,456</u>	<u>\$ 244,708</u>	<u>\$ 3,859,329</u>
\$ -	\$ -	\$ 196,610	\$ -	\$ 196,610
-	-	-	-	13,744
-	-	196,610	-	210,354
-	1,600,000	-	-	1,600,000
<u>121,105</u>	<u>70,799</u>	<u>846</u>	<u>244,708</u>	<u>2,048,975</u>
<u>\$ 121,105</u>	<u>\$ 1,670,799</u>	<u>\$ 197,456</u>	<u>\$ 244,708</u>	<u>\$ 3,859,329</u>

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR DEBT SERVICE FUNDS**  
For The Year Ended December 31, 2016

	2010A General Obligation Bond	2012A General Obligation HIA Bonds	2010B General Obligation Bond	2010D General Obligation Fire Station Bond
<b>Revenues</b>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ 922,947
Intergovernmental	-	-	-	165,333
Interest income	-	-	43	2,030
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>1,090,310</b>
<b>Expenditures</b>				
Social and economic development				
Developer assistance	-	-	-	-
Debt service				
Principal	120,000	55,000	-	545,000
Interest and other	128,625	34,221	144	516,088
<b>Total expenditures</b>	<b>248,625</b>	<b>89,221</b>	<b>144</b>	<b>1,061,088</b>
Revenues over (under) expenditures	(248,625)	(89,221)	(101)	29,222
<b>Other financing sources (uses)</b>				
Transfers in	248,625	89,221	-	-
Transfers out	-	-	(5,304)	-
Bonds issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>248,625</b>	<b>89,221</b>	<b>(5,304)</b>	<b>-</b>
Net change in fund balances	-	-	(5,405)	29,222
Fund balances - January 1	-	-	5,405	925,555
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 954,777</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR DEBT SERVICE FUNDS**  
For The Year Ended December 31, 2016

	2014A General Obligation Bonds	2016A General Obligation Bonds	2000 General Obligation Bond Reserve	2010C General Obligation Bond
Revenues				
Taxes				
Property taxes	\$ 594,720	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	1,360	395	378	141
Miscellaneous	-	-	-	121,084
Total revenues	<u>596,080</u>	<u>395</u>	<u>378</u>	<u>121,225</u>
Expenditures				
Social and economic development				
Developer assistance	-	-	-	-
Debt service				
Principal	-	-	-	40,000
Interest and other	103,810	132	-	80,954
Total expenditures	<u>103,810</u>	<u>132</u>	<u>-</u>	<u>120,954</u>
Revenues over (under) expenditures	<u>492,270</u>	<u>263</u>	<u>378</u>	<u>271</u>
Other financing sources (uses)				
Transfers in	-	-	-	378
Transfers out	-	-	(378)	-
Bonds issued	-	113,638	-	-
Total other financing sources (uses)	<u>-</u>	<u>113,638</u>	<u>(378)</u>	<u>378</u>
Net change in fund balances	492,270	113,901	-	649
Fund balances - January 1	<u>50,569</u>	<u>-</u>	<u>121,105</u>	<u>70,150</u>
Fund balances - December 31	<u>\$ 542,839</u>	<u>\$ 113,901</u>	<u>\$ 121,105</u>	<u>\$ 70,799</u>

2010C General Obligation Bond Reserve	2005A General Obligation Bond	Hoigaard's 2010 A & B TIF Notes	2008B General Obligation Tax Increment Bond	Interfund Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,517,667
-	-	-	-	-	165,333
551	1,692	-	-	-	6,590
-	-	-	-	-	121,084
551	1,692	-	-	-	1,810,674
-	-	607,081	-	-	607,081
-	455,000	-	370,000	-	1,585,000
-	10,148	-	173,100	-	1,047,222
-	465,148	607,081	543,100	-	3,239,303
551	(463,456)	(607,081)	(543,100)	-	(1,428,629)
-	-	607,081	543,100	(378)	1,488,027
-	-	-	-	378	(5,304)
-	-	-	-	-	113,638
-	-	607,081	543,100	-	1,596,361
551	(463,456)	-	-	-	167,732
295	708,164	-	-	-	1,881,243
\$ 846	\$ 244,708	\$ -	\$ -	\$ -	\$ 2,048,975

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MAJOR REDEVELOPMENT DISTRICT FUNDS

Duke West End TIF  
Eliot Park TIF  
Ellipse TIF District  
HRA Levy  
HSTI  
Victoria Ponds  
Park Center Housing  
CSM TIF District  
Mill City TIF District  
Park Commons TIF District  
Edgewood TIF District  
Elmwood Village  
Wolfe Lake TIF District  
Aquila Commons  
Highway 7 Business Center  
Hard Coat TIF District  
Shoreham TIF District  
Excelsior Blvd TIF District



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
December 31, 2016

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
<b>Assets</b>				
Cash and investments	\$ 857,172	\$ 24,360	\$ 230,191	\$ 6,499
Accrued interest receivable	1,110	-	303	264
Accounts receivable	-	-	-	-
Taxes receivable - unremitted	7,187	-	-	11,277
Taxes receivable - delinquent	-	-	-	9,698
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
<b>Total assets</b>	<b>\$ 865,469</b>	<b>\$ 24,360</b>	<b>\$ 230,494</b>	<b>\$ 27,738</b>
<b>Liabilities</b>				
Accounts payable	\$ 519	\$ 134	\$ 134	\$ -
Due to other governments	2,796	616	1,185	-
Interfund loan payable	440,198	19,632	161,919	3,075,428
<b>Total liabilities</b>	<b>443,513</b>	<b>20,382</b>	<b>163,238</b>	<b>3,075,428</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	9,698
<b>Fund balances</b>				
Restricted	421,956	3,978	67,256	-
Unassigned	-	-	-	(3,057,388)
<b>Total fund balances</b>	<b>421,956</b>	<b>3,978</b>	<b>67,256</b>	<b>(3,057,388)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 865,469</b>	<b>\$ 24,360</b>	<b>\$ 230,494</b>	<b>\$ 27,738</b>

Victoria Ponds	Park Center Housing	CSM TIF District	Mill City TIF District	Park Commons TIF District
\$ 518,480	\$ 198,372	\$ 629,636	\$ 334,357	\$ 906,250
1,446	698	1,371	515	-
-	2	-	-	-
-	-	8,096	-	27,638
-	-	-	-	-
115,200	-	-	-	-
-	718,738	-	-	-
<u>\$ 635,126</u>	<u>\$ 917,810</u>	<u>\$ 639,103</u>	<u>\$ 334,872</u>	<u>\$ 933,888</u>
\$ -	\$ -	\$ 134	\$ 134	\$ 1,255
248,100	719	1,456	1,166	6,066
-	-	-	-	-
<u>248,100</u>	<u>719</u>	<u>1,590</u>	<u>1,300</u>	<u>7,321</u>
-	75,732	-	-	-
387,026	841,359	637,513	333,572	926,567
-	-	-	-	-
<u>387,026</u>	<u>841,359</u>	<u>637,513</u>	<u>333,572</u>	<u>926,567</u>
<u>\$ 635,126</u>	<u>\$ 917,810</u>	<u>\$ 639,103</u>	<u>\$ 334,872</u>	<u>\$ 933,888</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
December 31, 2016

	Edgewood TIF District	Elmwood Village	Wolfe Lake TIF District	Aquila Commons
<b>Assets</b>				
Cash and investments	\$ 12,215	\$ 692,266	\$ 90,540	\$ 101,579
Accrued interest receivable	-	-	136	136
Accounts receivable	-	-	-	-
Taxes receivable - unremitted	-	11,544	-	-
Taxes receivable - delinquent	-	-	-	-
Interfund loan receivable	-	-	-	-
Loans receivable - noncurrent	-	-	-	-
<b>Total assets</b>	<b>\$ 12,215</b>	<b>\$ 703,810</b>	<b>\$ 90,676</b>	<b>\$ 101,715</b>
<b>Liabilities</b>				
Accounts payable	\$ 134	\$ 865	\$ 134	\$ 134
Due to other governments	605	4,954	703	1,087
Interfund loan payable	-	2,680,702	-	-
<b>Total liabilities</b>	<b>739</b>	<b>2,686,521</b>	<b>837</b>	<b>1,221</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Restricted	11,476	-	89,839	100,494
Unassigned	-	(1,982,711)	-	-
<b>Total fund balances</b>	<b>11,476</b>	<b>(1,982,711)</b>	<b>89,839</b>	<b>100,494</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,215</b>	<b>\$ 703,810</b>	<b>\$ 90,676</b>	<b>\$ 101,715</b>

Highway 7 Business Center	Hard Coat TIF District	Shoreham TIF District	Excelsior Blvd TIF District	Interfund Eliminations	Total
\$ 77,455	\$ 2,414	\$ -	\$ -	\$ -	\$ 4,681,786
-	22	-	-	-	6,001
-	-	-	-	-	2
-	-	-	-	-	65,742
-	-	-	-	-	9,698
-	-	-	-	(115,200)	-
-	-	-	-	-	718,738
<u>\$ 77,455</u>	<u>\$ 2,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (115,200)</u>	<u>\$ 5,481,967</u>
\$ 134	\$ -	\$ -	\$ -	\$ -	\$ 3,711
738	546	-	-	-	270,737
-	115,200	18,242	15,688	(115,200)	6,411,809
<u>872</u>	<u>115,746</u>	<u>18,242</u>	<u>15,688</u>	<u>(115,200)</u>	<u>6,686,257</u>
-	-	-	-	-	85,430
76,583	-	-	-	-	3,897,619
-	(113,310)	(18,242)	(15,688)	-	(5,187,339)
<u>76,583</u>	<u>(113,310)</u>	<u>(18,242)</u>	<u>(15,688)</u>	<u>-</u>	<u>(1,289,720)</u>
<u>\$ 77,455</u>	<u>\$ 2,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (115,200)</u>	<u>\$ 5,481,967</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
For The Year Ended December 31, 2016

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	HRA Levy
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ 1,006,866
Tax increments	1,609,013	65,244	477,093	-
Interest income	1,660	-	138	4,797
Total revenues	<u>1,610,673</u>	<u>65,244</u>	<u>477,231</u>	<u>1,011,663</u>
Expenditures				
Current				
Social and economic development	697,067	41,132	430,004	15,473
Capital outlay				
Social and economic development	36,900	-	-	-
Debt service				
Interest and other	19,086	734	8,830	118,707
Total expenditures	<u>753,053</u>	<u>41,866</u>	<u>438,834</u>	<u>134,180</u>
Revenues over (under) expenditures	857,620	23,378	38,397	877,483
Other financing uses				
Transfers out	(543,100)	-	-	(277,196)
Net change in fund balances	314,520	23,378	38,397	600,287
Fund balances - January 1	107,436	(19,400)	28,859	(3,657,675)
Fund balances - December 31	<u>\$ 421,956</u>	<u>\$ 3,978</u>	<u>\$ 67,256</u>	<u>\$ (3,057,388)</u>

<u>HSTI</u>	<u>Victoria Ponds</u>	<u>Park Center Housing</u>	<u>CSM TIF District</u>	<u>Mill City TIF District</u>	<u>Park Commons TIF District</u>	<u>Edgewood TIF District</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	146,882	465,522	464,132	2,226,110	65,288
-	8,555	1,683	3,061	694	-	-
-	8,555	148,565	468,583	464,826	2,226,110	65,288
-	248,555	5,620	401,552	434,315	2,173,480	54,023
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	248,555	5,620	401,552	434,315	2,173,480	54,023
-	(240,000)	142,945	67,031	30,511	52,630	11,265
(417)	-	(144,000)	-	-	-	-
(417)	(240,000)	(1,055)	67,031	30,511	52,630	11,265
417	627,026	842,414	570,482	303,061	873,937	211
<u>\$ -</u>	<u>\$ 387,026</u>	<u>\$ 841,359</u>	<u>\$ 637,513</u>	<u>\$ 333,572</u>	<u>\$ 926,567</u>	<u>\$ 11,476</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MAJOR REDEVELOPMENT DISTRICT FUNDS**  
For The Year Ended December 31, 2016

	<u>Elmwood Village</u>	<u>Wolfe Lake TIF District</u>	<u>Aquila Commons</u>
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Tax increments	1,735,088	133,411	167,035
Interest income	<u>-</u>	<u>181</u>	<u>125</u>
Total revenues	<u>1,735,088</u>	<u>133,592</u>	<u>167,160</u>
Expenditures			
Current			
Social and economic development	512,329	127,524	161,978
Capital outlay			
Social and economic development	-	-	-
Debt service			
Interest and other	<u>97,697</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>610,026</u>	<u>127,524</u>	<u>161,978</u>
Revenues over (under) expenditures	1,125,062	6,068	5,182
Other financing uses			
Transfers out	<u>(747,670)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	377,392	6,068	5,182
Fund balances - January 1	<u>(2,360,103)</u>	<u>83,771</u>	<u>95,312</u>
Fund balances - December 31	<u>\$ (1,982,711)</u>	<u>\$ 89,839</u>	<u>\$ 100,494</u>

Highway 7 Business Center	Hard Coat TIF District	Shoreham TIF District	Excelsior Blvd TIF District	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,006,866
158,123	20,748	-	-	7,733,689
-	19	-	-	20,913
158,123	20,767	-	-	8,761,468
136,284	1,746	3,121	1,355	5,445,558
-	-	-	-	36,900
-	4,963	582	551	251,150
136,284	6,709	3,703	1,906	5,733,608
21,839	14,058	(3,703)	(1,906)	3,027,860
-	-	-	-	(1,712,383)
21,839	14,058	(3,703)	(1,906)	1,315,477
54,744	(127,368)	(14,539)	(13,782)	(2,605,197)
\$ 76,583	\$ (113,310)	\$ (18,242)	\$ (15,688)	\$ (1,289,720)



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### INTERNAL SERVICE FUNDS

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

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2016

**Statement 25**

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
<b>Assets</b>				
Current assets				
Cash and investments	\$ 952,469	\$ 677,468	\$ 1,011,102	\$ 2,641,039
Accrued interest receivable	4,229	1,628	2,916	8,773
Accounts receivable	-	21,271	(1,380)	19,891
Prepaid items	79,207	74,814	20,967	174,988
Deposits receivable	31,000	-	-	31,000
Total current assets	<u>1,066,905</u>	<u>775,181</u>	<u>1,033,605</u>	<u>2,875,691</u>
Noncurrent assets				
Capital assets, at cost				
Land	-	-	818,094	818,094
Building and structures	-	-	8,521,883	8,521,883
Improvements other than buildings	-	-	1,130,685	1,130,685
Infrastructure	-	-	1,313,801	1,313,801
Machinery, furniture and equipment	-	-	7,038,425	7,038,425
Fleet	-	-	9,076,459	9,076,459
Construction in progress	-	-	460,569	460,569
Total capital assets, at cost	-	-	<u>28,359,916</u>	<u>28,359,916</u>
Less: accumulated depreciation	-	-	<u>(10,291,415)</u>	<u>(10,291,415)</u>
Total noncurrent assets	-	-	<u>18,068,501</u>	<u>18,068,501</u>
Total assets	<u>1,066,905</u>	<u>775,181</u>	<u>19,102,106</u>	<u>20,944,192</u>
Deferred outflows of resources - pension related	<u>28,302,033</u>	-	-	<u>28,302,033</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	27,910	32,370	51,696	111,976
Accrued flex spending	14,687	-	-	14,687
Due to other governments	12,377	-	57,798	70,175
Contracts payable	-	-	3,805	3,805
Compensated absences payable - current	2,340,872	-	-	2,340,872
Capital lease payable - current	-	-	49,688	49,688
Total current liabilities	<u>2,395,846</u>	<u>32,370</u>	<u>162,987</u>	<u>2,591,203</u>
Noncurrent liabilities				
Compensated absences payable	1,496,864	-	-	1,496,864
Capital lease payable	-	-	165,931	165,931
Other postemployment benefits payable	2,997,138	-	-	2,997,138
Net pension liability	46,787,244	-	-	46,787,244
Total noncurrent liabilities	<u>51,281,246</u>	-	<u>165,931</u>	<u>51,447,177</u>
Total liabilities	<u>53,677,092</u>	<u>32,370</u>	<u>328,918</u>	<u>54,038,380</u>
Deferred inflows of resources - pension related	<u>5,218,008</u>	-	-	<u>5,218,008</u>
<b>Net position</b>				
Net investment in capital assets	-	-	17,852,882	17,852,882
Unrestricted	<u>(29,526,162)</u>	<u>742,811</u>	<u>920,306</u>	<u>(27,863,045)</u>
Total net position	<u>\$ (29,526,162)</u>	<u>\$ 742,811</u>	<u>\$ 18,773,188</u>	<u>\$ (10,010,163)</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2016

**Statement 26**

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
Operating revenues				
Charges for services	\$ 2,203,806	\$ -	\$ 1,199,094	\$ 3,402,900
Other	169,321	243,690	12,000	425,011
<b>Total operating revenues</b>	<b>2,373,127</b>	<b>243,690</b>	<b>1,211,094</b>	<b>3,827,911</b>
Operating expenses				
Personal services	8,207,059	29,784	-	8,236,843
Supplies	-	-	680,987	680,987
Professional services	25,026	-	100,379	125,405
Insurance	-	213,546	-	213,546
Depreciation	-	-	1,781,619	1,781,619
Other	85,805	911	1,423,126	1,509,842
<b>Total operating expenses</b>	<b>8,317,890</b>	<b>244,241</b>	<b>3,986,111</b>	<b>12,548,242</b>
Operating income (loss)	(5,944,763)	(551)	(2,775,017)	(8,720,331)
Nonoperating revenues (expenses)				
Interest income	14,803	4,688	1,582	21,073
Property taxes	200,000	-	2,245,525	2,445,525
Intergovernmental revenue	150,605	-	539,434	690,039
Gain on disposal of capital assets	-	-	184,215	184,215
Interest expense	-	-	(5,607)	(5,607)
<b>Total nonoperating revenues (expenses)</b>	<b>365,408</b>	<b>4,688</b>	<b>2,965,149</b>	<b>3,335,245</b>
Income (loss) before transfers	(5,579,355)	4,137	190,132	(5,385,086)
Transfers in	200,000	-	628,760	828,760
Transfers out	-	-	(91,415)	(91,415)
Change in net position	(5,379,355)	4,137	727,477	(4,647,741)
Net position - January 1	(24,146,807)	738,674	18,045,711	(5,362,422)
Net position - December 31	<u>\$ (29,526,162)</u>	<u>\$ 742,811</u>	<u>\$ 18,773,188</u>	<u>\$ (10,010,163)</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2016

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ 2,203,806	\$ -	\$ 1,199,094	\$ 3,402,900
Other operating cash receipts	175,559	222,419	87,109	485,087
Payments to suppliers	(215,695)	(195,656)	(2,337,833)	(2,749,184)
Payments to employees	(2,620,217)	(29,784)	-	(2,650,001)
Net cash flows provided (used) by operating activities	<u>(456,547)</u>	<u>(3,021)</u>	<u>(1,051,630)</u>	<u>(1,511,198)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	200,000	-	-	200,000
Property taxes	200,000	-	2,245,525	2,445,525
Intergovernmental receipts	150,605	-	539,434	690,039
Net cash flows provided (used) by noncapital financing activities	<u>550,605</u>	<u>-</u>	<u>2,784,959</u>	<u>3,335,564</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers in	-	-	628,760	628,760
Transfers out	-	-	(91,415)	(91,415)
Acquisition of capital assets	-	-	(1,884,799)	(1,884,799)
Proceeds from sale of capital assets	-	-	302,501	302,501
Principal paid on capital lease	-	-	(31,505)	(31,505)
Interest paid on capital lease	-	-	(5,607)	(5,607)
Net cash flows provided (used) by and related financing activities	<u>-</u>	<u>-</u>	<u>(1,082,065)</u>	<u>(1,082,065)</u>
<b>Cash flows from investing activities</b>				
Interest received	14,081	4,701	111	18,893
Net increase in cash and cash equivalents	108,139	1,680	651,375	761,194
Cash and cash equivalents - January 1	844,330	675,788	359,727	1,879,845
Cash and cash equivalents - December 31	<u>\$ 952,469</u>	<u>\$ 677,468</u>	<u>\$ 1,011,102</u>	<u>\$ 2,641,039</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2016

	Employee Administrative	Uninsured Loss	Capital Replacement	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (5,944,763)	\$ (551)	\$ (2,775,017)	\$ (8,720,331)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	-	-	1,781,619	1,781,619
(Increase) decrease in assets/deferred outflows				
Accounts receivable	-	(21,271)	27,100	5,829
Due from other governments	-	-	210	210
Prepaid items	(1,542)	1,057	25,724	25,239
Deferred outflows of resources	(24,558,317)	-	-	(24,558,317)
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	(103,322)	17,744	(159,065)	(244,643)
Due to other governments	6,238	-	47,799	54,037
Accrued flex spending	(2,650)	-	-	(2,650)
Compensated absences payable	85,549	-	-	85,549
Other postemployment benefits	400,936	-	-	400,936
Net pension liability	26,912,406	-	-	26,912,406
Deferred inflows of resources	2,748,918	-	-	2,748,918
Net cash provided (used) by operating activities	<u>\$ (456,547)</u>	<u>\$ (3,021)</u>	<u>\$ (1,051,630)</u>	<u>\$ (1,511,198)</u>
Noncash capital and related financing activities				
Disposal of capital assets	-	-	1,229,169	1,229,169
Capital assets acquired through financing	\$ -	\$ -	\$ 222,149	\$ 222,149

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### **III. STATISTICAL SECTION (UNAUDITED)**



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2007	2008	2009	2010
<b>Governmental activities</b>				
Net investment in capital assets	\$ 74,883,912	\$ 76,600,774	\$ 89,252,994	\$ 94,326,512
Restricted	13,098,282	-	20,075,976	21,692,426
Unrestricted	<u>46,155,656</u>	<u>65,908,328</u>	<u>40,508,755</u>	<u>40,581,189</u>
Total governmental activities net position	<u>\$ 134,137,850</u>	<u>\$ 142,509,102</u>	<u>\$ 149,837,725</u>	<u>\$ 156,600,127</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 25,644,428	\$ 27,559,942	\$ 23,977,469	\$ 21,717,923
Unrestricted	<u>7,499,935</u>	<u>6,414,768</u>	<u>6,903,776</u>	<u>8,433,915</u>
Total business-type activities net position	<u>\$ 33,144,363</u>	<u>\$ 33,974,710</u>	<u>\$ 30,881,245</u>	<u>\$ 30,151,838</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 100,528,340	\$ 104,160,716	\$ 113,230,463	\$ 116,044,435
Restricted	13,098,282	-	20,075,976	21,692,426
Unrestricted	<u>53,655,591</u>	<u>72,323,096</u>	<u>47,412,531</u>	<u>49,015,104</u>
Total primary government	<u>\$ 167,282,213</u>	<u>\$ 176,483,812</u>	<u>\$ 180,718,970</u>	<u>\$ 186,751,965</u>

Note:

GASB 65 was implemented in 2013. Net position was restated for 2012 to reflect the expenses of bond issuance costs in the year of issuance. Net position for years prior to 2012 was not restated.

GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net position for years prior to 2014 was not restated.

**Table 1**

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 99,835,484	\$ 95,020,700	\$ 96,480,493	\$ 94,891,625	\$ 96,286,131	\$ 96,458,787
17,695,996	18,941,172	13,560,965	10,971,995	10,608,709	10,658,889
<u>43,929,086</u>	<u>46,413,200</u>	<u>45,688,600</u>	<u>49,971,778</u>	<u>31,667,135</u>	<u>31,751,796</u>
<u>\$ 161,460,566</u>	<u>\$ 160,375,072</u>	<u>\$ 155,730,058</u>	<u>\$ 155,835,398</u>	<u>\$ 138,561,975</u>	<u>\$ 138,869,472</u>
\$ 22,347,266	\$ 22,906,086	\$ 19,127,309	\$ 22,818,382	\$ 22,753,326	\$ 23,030,284
8,524,086	9,829,024	11,540,303	4,783,696	4,620,302	5,849,650
<u>\$ 30,871,352</u>	<u>\$ 32,735,110</u>	<u>\$ 30,667,612</u>	<u>\$ 27,602,078</u>	<u>\$ 27,373,628</u>	<u>\$ 28,879,934</u>
\$ 122,182,750	\$ 117,926,786	\$ 115,607,802	\$ 117,710,007	\$ 119,039,457	\$ 119,489,071
17,695,996	18,941,172	13,560,965	10,971,995	10,608,709	10,658,889
<u>52,453,172</u>	<u>56,242,224</u>	<u>57,228,903</u>	<u>54,755,474</u>	<u>36,287,437</u>	<u>37,601,446</u>
<u>\$ 192,331,918</u>	<u>\$ 193,110,182</u>	<u>\$ 186,397,670</u>	<u>\$ 183,437,476</u>	<u>\$ 165,935,603</u>	<u>\$ 167,749,406</u>

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Expenses</b>				
Governmental activities				
General government	\$ 8,251,341	\$ 8,216,816	\$ 8,167,355	\$ 7,192,652
Public safety	10,721,803	11,867,403	12,138,185	12,256,272
Public works	5,979,789	6,904,217	6,915,541	19,446,758
Public information	404,074	425,829	457,872	435,050
Culture and recreation	6,916,001	7,352,406	7,456,215	7,792,614
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Housing and rehabilitation	1,079,211	1,615,010	1,544,175	4,150,595
Housing maintenance	121,118	199,757	128,099	241,345
Social and economic development	5,910,149	5,494,634	6,321,623	4,861,518
General services	6,830	2,653	7,662	-
Interest on long-term debt	1,301,266	1,329,767	1,543,879	1,453,555
Total governmental activities expenses	<u>40,691,582</u>	<u>43,408,492</u>	<u>44,680,606</u>	<u>57,830,359</u>
Business-type activities				
Water	3,285,107	3,391,992	4,089,837	3,904,801
Sewer	4,199,659	4,485,386	4,228,680	4,193,191
Solid Waste	-	-	-	2,116,949
Refuse	2,019,595	2,135,677	2,125,540	-
Storm Water	1,088,170	1,172,199	1,287,202	1,325,803
Wireless	1,151,751	315,664	151,708	-
Total business-type activities expenses	<u>11,744,282</u>	<u>11,500,918</u>	<u>11,882,967</u>	<u>11,540,744</u>
Total expenses	<u>\$ 52,435,864</u>	<u>\$ 54,909,410</u>	<u>\$ 56,563,573</u>	<u>\$ 69,371,103</u>
<b>Program revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 978,058	\$ 955,811	\$ 888,246	\$ 1,065,209
Public safety	2,977,475	4,282,699	2,958,383	2,898,634
Public works	1,483,824	380,452	2,292,287	601,890
Public information	-	-	-	-
Culture and recreation	2,409,625	2,121,505	2,083,015	1,959,556
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Housing and rehabilitation	527,536	507,163	562,930	8,833
Housing maintenance	-	-	-	-
Social and economic development	202,110	173,960	184,236	588,757
Interest on long-term debt	-	-	318,134	-
Operating grants and contributions	3,908,485	3,581,092	2,664,563	1,735,926
Capital grants and contributions	2,113,560	2,822,683	2,131,755	14,908,522
Total governmental activities program revenue	<u>14,600,673</u>	<u>14,825,365</u>	<u>14,083,549</u>	<u>23,767,327</u>
Business-type activities				
Charges for services				
Water	3,461,301	3,584,384	4,294,962	4,148,394
Sewer	4,820,732	4,506,339	5,153,171	5,277,473
Solid Waste	-	-	-	2,719,376
Refuse	2,395,469	2,348,133	2,458,555	-
Storm Water	1,473,746	1,529,180	1,699,557	1,829,792
Wireless	68,959	51,322	16,140	-
Operating grants and contributions	208,814	966,053	167,604	103,342
Capital grants and contributions	-	1,040,384	-	2,890
Total business-type activities program revenue	<u>12,429,021</u>	<u>14,025,795</u>	<u>13,789,989</u>	<u>14,081,267</u>
Total program revenues	<u>\$ 27,029,694</u>	<u>\$ 28,851,160</u>	<u>\$ 27,873,538</u>	<u>\$ 37,848,594</u>

**Table 2**  
**Page 1 of 2**

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 7,247,716	\$ 7,387,354	\$ 10,085,905	\$ 9,161,922	\$ 10,712,749	\$ 11,182,348
12,535,793	13,264,220	13,365,297	13,954,604	15,336,854	20,091,787
7,513,833	-	-	-	-	-
803,885	524,012	466,043	507,928	3,057,509	549,940
7,882,789	-	-	-	-	-
-	15,209,548	13,487,238	13,318,552	9,996,885	13,352,637
-	5,253,969	16,046,665	21,045,392	10,185,956	5,091,818
794,935	3,914,261	1,774,657	909,051	707,661	528,467
79,786	116,949	141,250	130,534	84,505	144,204
6,171,527	7,810,635	9,040,280	8,058,914	8,872,479	8,826,281
-	-	-	-	-	-
1,695,758	1,245,294	1,295,298	1,185,975	1,233,107	1,620,489
<u>44,726,022</u>	<u>54,726,242</u>	<u>65,702,633</u>	<u>68,272,872</u>	<u>60,187,705</u>	<u>61,387,971</u>
3,839,592	3,890,860	5,747,116	4,609,579	4,684,190	4,773,624
4,572,869	4,593,166	5,272,646	4,885,748	5,333,887	6,002,088
2,319,099	2,562,985	3,614,118	2,813,587	2,917,214	3,256,804
-	-	-	-	-	-
1,373,546	1,485,390	1,390,235	1,422,645	1,400,975	1,514,761
-	-	-	-	-	-
<u>12,105,106</u>	<u>12,532,401</u>	<u>16,024,115</u>	<u>13,731,559</u>	<u>14,336,266</u>	<u>15,547,277</u>
<u>\$ 56,831,128</u>	<u>\$ 67,258,643</u>	<u>\$ 81,726,748</u>	<u>\$ 82,004,431</u>	<u>\$ 74,523,971</u>	<u>\$ 76,935,248</u>
\$ 1,059,527	\$ 1,060,679	\$ 1,024,253	\$ 1,142,294	\$ 1,185,881	\$ 1,184,122
2,917,525	3,344,449	3,109,813	3,477,244	4,237,819	4,354,793
315,163	-	-	-	-	-
200,000	-	-	-	10,000	-
2,111,348	2,438,841	-	-	-	-
-	-	2,035,715	2,089,052	2,344,863	2,122,730
-	-	1,032	318,873	144,151	97,688
62,191	8,162	8,606	7,537	6,315	7,607
-	-	-	241	-	-
316,935	281,002	250,015	224,252	256,557	259,910
-	-	-	-	-	-
2,065,312	2,360,465	2,709,644	2,024,171	3,586,440	2,512,011
1,878,697	6,290,076	11,881,109	12,066,132	3,178,294	3,960,739
<u>10,926,698</u>	<u>15,783,674</u>	<u>21,020,187</u>	<u>21,349,796</u>	<u>14,950,320</u>	<u>14,499,600</u>
4,475,068	5,109,446	5,037,067	5,188,065	5,766,601	5,674,239
5,768,266	5,959,931	5,822,085	5,841,377	6,112,024	6,663,731
2,894,726	2,858,930	2,912,415	3,179,732	3,189,566	2,905,899
-	-	-	-	-	-
1,904,587	1,977,663	2,054,915	2,246,201	2,472,134	2,642,860
-	-	-	-	-	-
103,166	105,976	135,642	127,742	128,610	181,525
-	-	-	-	-	799,894
<u>15,145,813</u>	<u>16,011,946</u>	<u>15,962,124</u>	<u>16,583,117</u>	<u>17,668,935</u>	<u>18,868,148</u>
<u>\$ 26,072,511</u>	<u>\$ 31,795,620</u>	<u>\$ 36,982,311</u>	<u>\$ 37,932,913</u>	<u>\$ 32,619,255</u>	<u>\$ 33,367,748</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Net (expenses) revenues				
Governmental activities	\$ (26,090,909)	\$ (28,583,127)	\$ (30,597,057)	\$ (34,063,032)
Business-type activities	684,739	2,524,877	1,907,022	2,540,523
Total primary government	<u>\$ (25,406,170)</u>	<u>\$ (26,058,250)</u>	<u>\$ (28,690,035)</u>	<u>\$ (31,522,509)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 26,163,519	\$ 28,523,119	\$ 29,512,631	\$ 29,642,090
Tax increment	-	-	-	-
Franchise taxes	1,440,034	1,507,994	1,503,075	1,497,178
Grants and contributions not restricted to specific programs	825,327	519,850	153,108	151,624
Unrestricted investment earnings	4,139,689	2,133,858	1,452,176	629,094
Gain on sale of capital assets	378,075	1,842,601	91,149	34,453
Miscellaneous	341,335	470,230	11,229	950,231
Transfers	1,996,291	1,956,727	5,202,312	3,358,921
Total governmental activities expenses	<u>35,284,270</u>	<u>36,954,379</u>	<u>37,925,680</u>	<u>36,263,591</u>
Business-type activities				
Unrestricted investment earnings	466,923	243,724	201,825	88,991
Miscellaneous	-	18,473	-	-
Transfers	(1,996,291)	(1,956,727)	(5,202,312)	(3,358,921)
Total business-type activities expenses	<u>(1,529,368)</u>	<u>(1,694,530)</u>	<u>(5,000,487)</u>	<u>(3,269,930)</u>
Total primary government	<u>\$ 33,754,902</u>	<u>\$ 35,259,849</u>	<u>\$ 32,925,193</u>	<u>\$ 32,993,661</u>
Change in net position				
Governmental activities	\$ 9,193,361	\$ 8,371,252	\$ 7,328,623	\$ 2,200,559
Business-type activities	(844,629)	830,347	(3,093,465)	(729,407)
Prior period adjustment	143,969	-	-	-
Total primary government	<u>\$ 8,492,701</u>	<u>\$ 9,201,599</u>	<u>\$ 4,235,158</u>	<u>\$ 1,471,152</u>

Note:

GASB 65 was implemented in 2013. Governmental and business-type activities expenses were restated for 2012 to reflect the expensing of bond issuance costs in the year of issuance. Expenses for years prior to 2012 were not restated.

GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (33,799,324)	\$ (38,942,568)	\$ (44,682,446)	\$ (46,923,076)	\$ (45,237,385)	\$ (46,888,371)
3,040,707	3,479,545	(61,991)	2,851,558	3,332,669	3,320,871
<u>\$ (30,758,617)</u>	<u>\$ (35,463,023)</u>	<u>\$ (44,744,437)</u>	<u>\$ (44,071,518)</u>	<u>\$ (41,904,716)</u>	<u>\$ (43,567,500)</u>
\$ 23,527,322	\$ 24,625,789	\$ 26,963,176	\$ 27,398,157	\$ 28,209,567	\$ 30,185,703
7,222,976	6,446,389	6,647,729	7,380,995	6,763,951	7,733,689
1,894,714	1,954,557	2,211,569	2,268,213	2,915,732	3,079,399
156,325	46,422	45,266	504,035	557,671	584,639
1,048,395	663,978	138,899	407,753	221,408	388,647
51,686	60,416	69,237	464,629	577,248	142,713
2,300,478	2,183,685	2,199,629	2,609,539	2,985,997	3,201,122
2,457,867	1,660,035	1,761,927	5,995,095	3,620,449	1,879,956
<u>38,659,763</u>	<u>37,641,271</u>	<u>40,037,432</u>	<u>47,028,416</u>	<u>45,852,023</u>	<u>47,195,868</u>
136,674	113,260	(3,348)	78,003	59,330	65,391
-	-	-	-	-	-
<u>(2,457,867)</u>	<u>(1,660,035)</u>	<u>(1,761,927)</u>	<u>(5,995,095)</u>	<u>(3,620,449)</u>	<u>(1,879,956)</u>
<u>(2,321,193)</u>	<u>(1,546,775)</u>	<u>(1,765,275)</u>	<u>(5,917,092)</u>	<u>(3,561,119)</u>	<u>(1,814,565)</u>
<u>\$ 36,338,570</u>	<u>\$ 36,094,496</u>	<u>\$ 38,272,157</u>	<u>\$ 41,111,324</u>	<u>\$ 42,290,904</u>	<u>\$ 45,381,303</u>
\$ 4,860,439	\$ (1,301,297)	\$ (4,645,014)	\$ 105,340	\$ 614,638	\$ 307,497
719,514	1,932,770	(1,827,266)	(3,065,534)	(228,450)	1,506,306
-	-	-	-	-	-
<u>\$ 5,579,953</u>	<u>\$ 631,473</u>	<u>\$ (6,472,280)</u>	<u>\$ (2,960,194)</u>	<u>\$ 386,188</u>	<u>\$ 1,813,803</u>

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

**Table 3**

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Fiscal Year	Property Tax	Franchise Tax	Total
2007	\$ 26,163,519	\$ 1,440,034	\$ 27,603,553
2008	28,523,119	1,507,993	30,031,112
2009	28,523,119	1,503,075	30,026,194
2010	29,316,753	1,497,178	30,813,931
2011	30,853,927	1,894,714	32,748,641
2012	31,220,365	1,954,557	33,174,922
2013	33,610,905	2,211,569	35,822,474
2014	34,779,152	2,268,213	37,047,365
2015	34,973,518	2,915,732	37,889,250
2016	37,919,392	3,079,399	40,998,791



**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
General fund				
Reserved	\$ 13,719	\$ 29,368	\$ 572,206	\$ -
Unreserved	10,100,187	11,697,232	7,326,638	-
Nonspendable	-	-	-	80,664
Restricted	-	-	-	425,967
Assigned	-	-	-	124,503
Unassigned	-	-	-	10,399,401
Total General fund	<u>\$ 10,113,906</u>	<u>\$ 11,726,600</u>	<u>\$ 7,898,844</u>	<u>\$ 11,030,535</u>
All other governmental funds				
Reserved	\$ 10,229,125	\$ 10,610,175	\$ 7,540,696	\$ -
Unreserved, reported in				
Special revenue funds	9,450,210	7,134,284	7,568,944	-
Capital projects funds	38,889,030	43,134,211	40,680,331	-
Nonspendable	-	-	-	250,008
Restricted	-	-	-	35,515,318
Committed	-	-	-	466,792
Assigned	-	-	-	33,253,313
Unassigned	-	-	-	(7,872,234)
Total all other governmental funds	<u>\$ 58,568,365</u>	<u>\$ 60,878,670</u>	<u>\$ 55,789,971</u>	<u>\$ 61,613,197</u>

Note:

The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2010, resulting in significant reclassification of the components of fund balance.

**Table 4**

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
71,192	70,450	256,251	397,873	566,574	330,483
427,718	458,448	498,922	492,223	464,469	413,787
139,483	690,242	691,171	696,293	758,084	936,663
10,799,829	10,757,776	14,342,422	14,576,348	15,242,009	16,193,763
<u>\$ 11,438,222</u>	<u>\$ 11,976,916</u>	<u>\$ 15,788,766</u>	<u>\$ 16,162,737</u>	<u>\$ 17,031,136</u>	<u>\$ 17,874,696</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
306,058	426,736	-	-	-	23,563
21,476,374	20,464,874	15,102,011	12,663,957	12,457,701	10,057,843
511,610	459,160	467,682	483,590	481,009	466,287
34,425,344	35,947,479	33,481,454	38,701,128	39,567,878	41,068,221
(5,042,828)	(7,567,117)	(7,020,483)	(8,819,377)	(6,551,326)	(5,187,339)
<u>\$ 51,676,558</u>	<u>\$ 49,731,132</u>	<u>\$ 42,030,664</u>	<u>\$ 43,029,298</u>	<u>\$ 45,955,262</u>	<u>\$ 46,428,575</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 20,951,991	\$ 21,563,302	\$ 21,700,329	\$ 22,667,190
Tax increments	6,597,092	8,371,424	7,846,204	6,649,563
Franchise taxes	-	-	1,503,075	1,497,178
Licenses and permits	2,946,749	4,072,753	2,786,032	2,359,716
Intergovernmental	3,737,619	2,424,119	3,867,795	11,879,601
Charges for services	276,693	324,512	4,228,179	4,051,971
Fines and forfeits	4,482,834	3,894,839	332,694	401,610
Special assessments	840,965	703,484	800,054	1,550,110
Investment earnings	3,851,542	1,990,854	1,358,170	612,098
Miscellaneous	3,038,836	3,591,212	2,615,062	3,050,231
<b>Total revenues</b>	<b>46,724,321</b>	<b>46,936,499</b>	<b>47,037,594</b>	<b>54,719,268</b>
<b>Expenditures</b>				
General government	6,642,231	6,642,295	6,472,022	6,219,751
Public safety	10,851,256	11,744,656	11,949,612	11,771,246
Public works	4,089,223	4,671,631	4,637,289	15,624,494
Operations and recreation	-	-	-	-
Engineering	-	-	-	-
Public information	393,863	415,609	445,146	387,459
Culture and recreation	7,274,375	6,213,945	6,027,059	6,234,938
Housing and rehabilitation	688,062	1,621,099	1,550,264	4,144,378
Housing maintenance	121,118	199,757	128,099	241,170
Social and economic development	5,822,842	5,162,698	6,241,123	4,720,638
General services	6,830	2,653	7,662	-
Debt service				
Principal	4,065,000	4,485,000	4,709,000	2,170,000
Interest	1,304,565	1,365,484	1,322,477	1,170,286
Other charges	-	-	-	453,288
Bond issuance costs	-	-	-	-
Capital outlay	5,804,342	9,998,748	10,314,002	6,306,083
<b>Total expenditures</b>	<b>47,063,707</b>	<b>52,523,575</b>	<b>53,803,755</b>	<b>59,443,731</b>
<b>Revenues over (under) expenditures</b>	<b>(339,386)</b>	<b>(5,587,076)</b>	<b>(6,766,161)</b>	<b>(4,724,463)</b>
<b>Other financing sources (uses)</b>				
Transfers in	8,383,989	11,129,934	9,939,299	11,809,353
Transfers out	(7,008,202)	(9,233,136)	(10,579,081)	(14,974,391)
Refunding bonds issued	-	-	-	3,615,000
Bonds issued	-	5,490,000	2,000,000	20,560,000
Proceeds from long term debt	-	-	-	-
Premium on bonds issued	-	-	10,202	2,792
Redemption of refunded bonds	-	-	-	(1,825,000)
Payments to refunded bond escrow agent	-	-	(6,244,425)	(4,164,000)
Costs paid to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	278,662	2,123,277	-	27,412
<b>Total other financing sources (uses)</b>	<b>1,654,449</b>	<b>9,510,075</b>	<b>(4,874,005)</b>	<b>15,051,166</b>
<b>Net change in fund balances</b>	<b>\$ 1,315,063</b>	<b>\$ 3,922,999</b>	<b>\$ (11,640,166)</b>	<b>\$ 10,326,703</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.01%</b>	<b>13.76%</b>	<b>13.87%</b>	<b>6.29%</b>

Table 5

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 23,336,537	\$ 24,259,861	\$ 25,658,762	\$ 24,361,524	\$ 26,598,373	\$ 27,734,546
7,222,976	6,446,389	6,647,729	7,380,995	6,763,951	7,733,689
1,894,714	1,954,557	2,211,569	2,268,213	2,915,732	3,079,399
2,797,700	3,241,813	3,069,090	3,413,683	4,312,702	4,320,078
3,105,500	2,983,191	13,887,247	13,216,055	6,017,025	4,345,482
3,897,710	3,547,900	3,052,789	3,476,264	3,608,933	3,406,964
281,047	341,356	311,882	369,546	263,951	299,808
985,912	2,233,715	1,505,568	1,268,539	1,238,873	1,192,628
949,510	622,450	123,306	386,263	199,747	362,196
2,285,608	2,188,262	2,216,820	2,577,300	3,051,946	3,230,390
<u>46,757,214</u>	<u>47,819,494</u>	<u>58,684,762</u>	<u>58,718,382</u>	<u>54,971,233</u>	<u>55,705,180</u>
6,415,318	6,503,965	7,162,588	7,376,380	7,813,046	8,188,193
11,885,577	12,571,356	12,435,341	13,239,729	14,025,463	14,669,251
4,437,939	-	-	-	-	-
-	13,955,142	10,083,541	10,450,789	9,710,604	9,688,872
-	939,416	15,998,842	21,013,383	10,068,447	480,162
383,586	470,280	408,683	462,341	561,252	477,721
6,546,054	-	-	-	-	-
790,918	3,881,500	1,715,540	875,225	538,411	482,313
79,786	116,949	141,250	130,534	84,505	144,204
6,426,013	7,681,176	8,910,821	7,928,905	8,872,479	8,673,638
-	-	-	-	-	-
5,420,000	1,285,000	3,275,000	1,970,000	1,612,827	1,681,876
1,170,549	1,235,118	1,298,016	1,138,100	1,210,971	1,446,371
1,040	46,435	3,895	54,433	2,640	2,717
-	-	-	-	-	111,922
14,295,009	3,930,528	2,089,798	2,271,988	3,486,864	19,894,828
<u>57,851,789</u>	<u>52,616,865</u>	<u>63,523,315</u>	<u>66,911,807</u>	<u>57,987,509</u>	<u>65,942,068</u>
<u>(11,094,575)</u>	<u>(4,797,371)</u>	<u>(4,838,553)</u>	<u>(8,193,425)</u>	<u>(3,016,276)</u>	<u>(10,236,888)</u>
7,086,529	6,395,355	10,472,534	19,317,129	13,296,241	8,148,651
(5,520,906)	(5,580,044)	(9,531,189)	(15,241,005)	(9,462,850)	(6,994,545)
-	1,290,000	-	-	-	-
-	-	-	5,070,000	-	10,000,000
-	-	-	-	2,200,000	-
-	-	-	98,040	-	396,655
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	885,328	8,590	321,866	777,248	3,000
<u>1,565,623</u>	<u>2,990,639</u>	<u>949,935</u>	<u>9,566,030</u>	<u>6,810,639</u>	<u>11,553,761</u>
<u>\$ (9,528,952)</u>	<u>\$ (1,806,732)</u>	<u>\$ (3,888,618)</u>	<u>\$ 1,372,605</u>	<u>\$ 3,794,363</u>	<u>\$ 1,316,873</u>
<u>15.13%</u>	<u>5.18%</u>	<u>7.44%</u>	<u>4.81%</u>	<u>5.18%</u>	<u>6.79%</u>

**CITY OF ST. LOUIS PARK, MINNESOTA**  
 STATISTICAL SECTION (UNAUDITED)  
 ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE  
 OF ALL TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Population	45,216	47,198	47,221	45,250
<b>Real Property</b>				
Total assessed/tax capacity value	\$ 68,025,921	\$ 68,006,453	\$ 69,704,858	\$ 68,386,268
Less tax increment districts - Area-wide allocation (net)	(7,644,566) (1,498,263)	(7,639,464) (1,498,263)	(8,276,993) (1,635,724)	(6,976,791) (1,231,482)
Net assessed/tax capacity value	<u>\$ 58,883,092</u>	<u>\$ 58,868,726</u>	<u>\$ 59,792,141</u>	<u>\$ 60,177,995</u>
Estimated market value	<u>\$ 5,553,715,600</u>	<u>\$ 5,552,520,000</u>	<u>\$ 5,633,028,200</u>	<u>\$ 5,550,563,700</u>
<b>Personal Property</b>				
Assessed/tax capacity value	<u>\$ 458,627</u>	<u>\$ 458,627</u>	<u>\$ 434,825</u>	<u>\$ 428,760</u>
Estimated market value	<u>\$ 23,263,700</u>	<u>\$ 23,263,700</u>	<u>\$ 22,006,100</u>	<u>\$ 21,712,100</u>
<b>Total Real and Personal Property</b>				
Assessed/tax capacity value	<u>\$ 59,341,719</u>	<u>\$ 59,327,353</u>	<u>\$ 60,226,966</u>	<u>\$ 60,606,755</u>
Estimated market value	<u>\$ 5,576,979,300</u>	<u>\$ 5,575,783,700</u>	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>
Tax Capacity Rate	34.7%	34.8%	36.7%	37.1%

**Table 6**

						Fiscal Year
2011	2012	2013	2014	2015	2016	
44,665	45,505	46,362	47,411	47,502	48,354	
\$ 65,611,006	\$ 62,602,680	\$ 61,348,576	\$ 62,068,742	\$ 65,599,841	\$ 71,118,692	
(6,379,980)	(5,426,995)	(5,587,609)	(6,130,653)	(5,894,025)	(6,798,025)	
(2,775,483)	(3,220,881)	(2,940,678)	(3,670,487)	(3,879,478)	(3,168,815)	
<u>\$ 56,455,543</u>	<u>\$ 53,954,804</u>	<u>\$ 52,820,289</u>	<u>\$ 52,267,602</u>	<u>\$ 55,826,338</u>	<u>\$ 61,151,852</u>	
<u>\$ 5,302,557,500</u>	<u>\$ 5,226,900,300</u>	<u>\$ 5,103,186,900</u>	<u>\$ 5,123,316,900</u>	<u>\$ 5,435,136,500</u>	<u>\$ 5,841,548,800</u>	
<u>\$ 478,864</u>	<u>\$ 490,122</u>	<u>\$ 559,718</u>	<u>\$ 576,427</u>	<u>\$ 607,025</u>	<u>\$ 614,793</u>	
<u>\$ 24,363,800</u>	<u>\$ 24,962,100</u>	<u>\$ 28,487,900</u>	<u>\$ 29,320,000</u>	<u>\$ 30,852,400</u>	<u>\$ 31,212,200</u>	
<u>\$ 56,934,407</u>	<u>\$ 54,444,926</u>	<u>\$ 53,380,007</u>	<u>\$ 52,844,029</u>	<u>\$ 56,433,363</u>	<u>\$ 61,766,645</u>	
<u>\$ 5,326,921,300</u>	<u>\$ 5,251,862,400</u>	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>	
41.5%	43.9%	46.6%	48.6%	47.8%	46.2%	

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

<b>City of St. Louis Park</b>	<b>Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Operating Rate	32.344	32.504	34.402	34.869
Debt Service Rate	2.394	2.255	2.265	2.247
<b>Total City Direct Rates</b>	<b>34.738</b>	<b>34.759</b>	<b>36.667</b>	<b>37.116</b>
<b>Overlapping Rates</b>				
<b>County</b>				
Operating Rate	39.110	38.571	40.413	42.640
<b>School District</b>				
Operating Rate	11.704	8.691	9.080	9.295
Debt Service Rate	11.781	10.889	11.257	11.803
<b>Other Taxing Districts</b>				
St. Louis Park HRA Levy	1.336	1.344	1.759	1.718
Metro Mosquito Control	0.499	0.486	0.489	0.461
Metro Council	0.877	0.812	0.817	0.793
Metro Transit Debt	1.295	1.264	1.273	1.366
Hennepin County HRA	-	-	-	0.241
Hennepin Parks	3.068	3.137	3.334	3.499
Park Museum	0.700	0.719	0.771	0.778
HC Regional Railroad Authority	0.871	0.979	0.470	1.000
Referendum Market Value Based Rate	-	-	-	0.152
Watershed	1.121	1.404	1.489	1.511
<b>Total Overlapping Rates</b>	<b>72.362</b>	<b>68.296</b>	<b>71.152</b>	<b>75.257</b>
<b>Total Direct and Overlapping Rates</b>	<b>107.100</b>	<b>103.055</b>	<b>107.819</b>	<b>112.373</b>

**Table 7**

Year					
2011	2012	2013	2014	2015	2016
39.689	40.303	42.902	45.868	45.234	43.744
1.770	3.563	3.650	2.702	2.520	2.451
41.459	43.866	46.552	48.570	47.754	46.195
45.840	48.231	49.461	49.959	46.398	45.356
12.917	13.324	13.976	16.741	15.642	14.887
13.539	15.946	15.754	15.617	14.698	13.627
1.817	1.806	1.676	1.808	1.679	1.634
0.525	0.537	0.556	0.563	0.507	0.483
0.885	0.940	0.997	1.069	0.976	0.925
1.539	1.607	1.689	1.703	1.523	1.491
0.397	0.403	0.478	0.514	0.471	0.439
3.765	3.943	4.054	4.169	3.789	3.601
0.815	0.799	0.754	0.766	0.702	0.712
1.246	1.294	1.561	1.777	1.817	1.879
0.148	-	-	-	-	-
1.606	1.705	1.769	1.806	1.738	1.724
85.039	90.535	92.725	96.492	89.940	86.758
126.498	134.401	139.277	145.062	137.694	132.953



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

**Table 8**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Interchange Investors	\$ 109,627,000	1	1.87 %	\$ 85,250,000	2	1.53 %
ARC WEMPSMN001, LLC	106,623,000	2	1.82	100,432,000	1	1.80
G & I VII 1600 & Moneygram, LLC	95,755,700	3	1.63			
Excelsior & Grand, LLC	88,702,000	4	1.51	38,150,000	6	0.68
Gateway Knollwood, LLC	80,134,000	5	1.36			
Middleton Park Place Investors, LLC	58,821,000	6	1.00			
PNMC Holdings	57,879,100	7	0.99			
Ellipse On Excelsior, LLC	44,557,000	8	0.76			
WTC No 459 Corp	43,500,000	9	0.74	25,955,000	7	0.47
West End Office MN, LLC	42,953,000	10	0.73			
Park Nicollet				62,429,900	3	1.12
Parkdale Property, LLC				56,121,000	4	1.01
Park Place OPCO, LLC				42,468,000	5	0.76
Park Shore Senior Campus, LLC				23,805,000	8	0.43
Target				23,657,000	9	0.42
General Growth/Knollwood Co.				21,411,000	10	0.38
<b>Total</b>	<b>\$ 728,551,800</b>		<b>12.41 %</b>	<b>\$ 479,678,900</b>		<b>8.60 %</b>
<b>Total taxable assessed value</b>	<b>\$5,872,761,000</b>			<b>\$5,576,979,300</b>		

Source: Hennepin County Assessor's Office

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

**Table 9**

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Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage	Amount	Percentage
			of Levy		of Levy
2007	\$ 20,221,086	\$ 19,965,208	98.73 %	\$ 20,221,086	100.00 %
2008	21,100,651	20,693,403	98.07	21,100,651	100.00
2009	22,204,522	21,796,296	98.16	22,204,522	100.00
2010	22,841,195	22,465,478	98.36	22,841,195	100.00
2011	23,724,816	23,368,028	98.50	23,724,816	100.00
2012	24,746,325	24,435,571	98.74	24,683,758	99.75
2013	25,613,874	25,379,070	99.08	25,593,997	99.92
2014	26,527,267	26,129,048	98.50	26,498,794	99.89
2015	27,938,615	27,590,682	98.75	27,886,958	99.82
2016	29,615,682	29,462,804	99.48	29,462,804	99.48

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Table 10**

Fiscal Year	Governmental Activities				Business Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Tax Increment Bonds	Capital Leases	Notes Payable	Revenue Bonds			
2007	\$ 11,805,000	\$ 13,900,000	\$ -	\$ -	\$ 5,835,000	\$ 31,540,000	2.07 %	697.54
2008	10,715,000	15,995,000	-	-	9,570,000	36,280,000	2.25	768.68
2009	9,590,000	8,405,000	-	-	9,185,000	27,180,000	1.54	575.59
2010	26,335,000	7,410,000	-	-	11,334,924	45,079,924	2.71	996.24
2011	21,420,000	6,905,000	26,220	-	10,555,000	38,906,220	2.32	871.07
2012	21,730,000	6,600,000	-	-	9,600,000	37,930,000	2.17	833.53
2013	20,185,000	4,870,000	-	-	12,785,000	37,840,000	2.07	816.19
2014	23,609,091	4,520,700	33,075	-	16,826,503	44,989,369	2.39	948.92
2015	22,445,000	4,175,000	24,975	2,122,173	13,510,000	42,277,148	2.25	890.01
2016	31,230,000	3,805,000	215,619	2,025,297	10,515,000	47,790,916	2.44	988.35

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

(1) See the Schedule of Demographic Statistics on page 179 for personal income and population data.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

**Table 11**

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2007	\$ 11,805,000	\$ 4,998,282	\$ 6,806,718	0.12 %	150.54
2008	10,715,000	5,436,328	5,278,672	0.09	111.84
2009	9,590,000	2,198,070	7,391,930	0.13	156.54
2010	26,335,000	2,765,611	23,569,389	0.42	520.87
2011	21,420,000	2,792,922	18,627,078	0.35	417.04
2012	21,730,000	3,862,611	17,867,389	0.34	392.65
2013	20,185,000	3,703,071	16,481,929	0.32	355.51
2014	23,609,091	3,152,137	20,456,954	0.40	431.48
2015	22,445,000	3,092,198	19,352,802	0.35	407.41
2016	31,230,000	3,146,018	28,083,982	0.48	580.80

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value on page 166 for property value data.

(2) Population data can be found in the Schedule of Demographic Statistics on page 179.

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**CITY OF ST. LOUIS PARK, MINNESOTA**  
 STATISTICAL SECTION (UNAUDITED)  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2016

**Table 12**

Governmental Unit	Debt Outstanding (1)	Percentage Applicable (2)	Share of Overlapping Debt
<b>Overlapping Debt</b>			
Hennepin County	\$ 811,375,883	3.85 %	\$ 31,237,971
St. Louis Park Independent School District	37,433,271	99.46	37,231,131
Hopkins Independent School District	135,244,990	3.36	4,544,232
Edina Independent School District	171,809,849	0.06	103,086
Hennepin County Suburban Park District	47,787,952	5.35	2,556,655
Hennepin Regional RR Authority	32,848,204	5.35	1,757,379
Metropolitan Council	38,874,706	1.95	758,057
<b>Subtotal of Overlapping Debt</b>	1,275,374,855		78,188,511
<b>Direct Debt</b>			
City of St. Louis Park	28,226,763	100	28,226,763
<b>Total of Direct and Overlapping Debt</b>	<b>\$ 1,303,601,618</b>		<b>\$ 106,415,274</b>

Source: Hennepin County, Minnesota

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of St. Louis Park. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Louis Park. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

- (1) Net debt which excludes revenue and special assessment bonds
- (2) The percentage applicable to the City of St. Louis Park was determined by dividing the portion of tax capacity within the City by the total tax capacity of the of the taxing jurisdiction.

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2007	2008	2009	2010
Debt Limit	\$ 111,539,586	\$ 167,273,511	\$ 169,651,029	\$ 167,168,274
Total Net Debt Applicable to Limit	<u>3,127,988</u>	<u>2,747,414</u>	<u>2,880,000</u>	<u>15,535,000</u>
Legal Debt Margin	<u>\$ 108,411,598</u>	<u>\$ 164,526,097</u>	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	2.80%	1.64%	1.70%	9.29%

**Legal Debt Margin Calculation for Fiscal Year**

Estimated Taxable Market Value	<u>\$ 5,576,979,300</u>	<u>\$ 5,575,783,700</u>	<u>\$ 5,655,034,300</u>	<u>\$ 5,572,275,800</u>
Debt Limit (3% of taxable market value)	<u>\$ 111,539,586</u>	<u>\$ 167,273,511</u>	<u>\$ 169,651,029</u>	<u>\$ 167,168,274</u>
Debt applicable to limit				
Total Bonded Debt	\$ 31,540,000	\$ 36,280,000	\$ 27,180,000	\$ 45,079,924
Less:				
Amount Set Aside for Repayment of G.O.	(452,012)	(487,586)	-	-
G.O. Revenue Bonds	(5,835,000)	(9,570,000)	(9,185,000)	(11,334,924)
G.O. Improvement Bonds	(8,225,000)	(7,480,000)	(6,710,000)	(10,800,000)
G.O. Tax Increment Bonds	(13,900,000)	(15,995,000)	(8,405,000)	(7,410,000)
Notes payable	-	-	-	-
<b>Total Net Debt Applicable to Limit:</b>	<u>3,127,988</u>	<u>2,747,414</u>	<u>2,880,000</u>	<u>15,535,000</u>
<b>Legal Debt Margin:</b>	<u>\$ 108,411,598</u>	<u>\$ 164,526,097</u>	<u>\$ 166,771,029</u>	<u>\$ 151,633,274</u>

Note: Under State of Minnesota law, the City of St. Louis Park's outstanding general obligation debt should not exceed 3 percent of the market value of the taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Table 13

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 159,807,639	\$ 157,555,872	\$ 153,950,244	\$ 154,579,107	\$ 163,979,667	\$ 176,182,830	
<u>15,150,000</u>	<u>14,755,000</u>	<u>13,820,000</u>	<u>17,952,166</u>	<u>16,984,975</u>	<u>23,934,703</u>	
<u>\$ 144,657,639</u>	<u>\$ 142,800,872</u>	<u>\$ 140,130,244</u>	<u>\$ 136,626,941</u>	<u>\$ 146,994,692</u>	<u>\$ 152,248,127</u>	
9.48%	9.36%	8.98%	11.61%	10.36%	13.59%	
<u>\$ 5,326,921,300</u>	<u>\$ 5,251,862,400</u>	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>	
<u>\$ 159,807,639</u>	<u>\$ 157,555,872</u>	<u>\$ 153,950,244</u>	<u>\$ 154,579,107</u>	<u>\$ 163,979,667</u>	<u>\$ 176,182,830</u>	
\$ 38,880,000	\$ 37,930,000	\$ 37,840,000	\$ 44,989,369	\$ 42,277,148	\$ 45,550,000	
-	-	-	-	-	-	
(10,555,000)	(9,600,000)	(12,785,000)	(16,826,503)	(13,510,000)	(10,515,000)	
(6,270,000)	(6,975,000)	(6,365,000)	(5,690,000)	(5,485,000)	(5,270,000)	
(6,905,000)	(6,600,000)	(4,870,000)	(4,520,700)	(4,175,000)	(3,805,000)	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,122,173)</u>	<u>(2,025,297)</u>	
<u>15,150,000</u>	<u>14,755,000</u>	<u>13,820,000</u>	<u>17,952,166</u>	<u>16,984,975</u>	<u>23,934,703</u>	
<u>\$ 144,657,639</u>	<u>\$ 142,800,872</u>	<u>\$ 140,130,244</u>	<u>\$ 136,626,941</u>	<u>\$ 146,994,692</u>	<u>\$ 152,248,127</u>	



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

**Table 14**

Fiscal Year	Revenue Bonds <sup>1</sup>					Coverage
	Gross Revenue <sup>2</sup>	Less: Operating Expenses <sup>3</sup>	Net Revenue Available	Debt Service		
				Principal	Interest	
2007	\$ 5,025,203	\$ (4,115,066)	\$ 910,137	\$ 195,000	\$ 103,898	3.04
2008	5,200,332	(4,300,290)	900,042	340,000	264,902	1.49
2009	5,985,714	(4,982,093)	1,003,621	385,000	374,208	1.32
2010	5,981,074	(3,851,018)	2,130,056	400,000	327,325	2.93
2011	12,186,180	(8,269,813)	3,916,367	525,000	363,435	4.41
2012	13,079,123	(8,387,329)	4,691,794	1,405,000	375,218	2.64
2013	12,659,936	(10,417,099)	2,242,837	985,000	324,393	1.71
2014	13,277,524	(10,514,981)	2,762,543	1,015,000	352,614	2.02
2015	14,379,975	(9,041,931)	5,338,044	1,045,000 <sup>4</sup>	381,359	3.74
2016	15,481,494	(10,328,560)	5,152,934	1,155,000 <sup>5</sup>	301,051	3.54

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

<sup>1</sup> Includes Water Utility, Sewer Utility and Storm Water Utility revenue bonds

<sup>2</sup> Gross revenue includes investment income and excludes intergovernmental and miscellaneous revenues

<sup>3</sup> Expenses exclude depreciation, interest on bonds and miscellaneous expenses.

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

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

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

**Table 15**

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2007	45,216	\$ 1,527,170	\$ 33,775	38.3	4,175	3.7 %
2008	47,198	1,613,039	34,176	35.8	4,258	5.6
2009	47,221	1,761,674	37,307	35.7	4,447	5.9
2010	45,250	1,660,539	36,697	35.5	4,347	3.9
2011	44,665	1,680,297	37,620	35.4	4,365	4.4
2012	45,505	1,744,525	38,337	35.4	4,472	4.6
2013	46,362	1,828,193	39,433	35.4	4,545	4.4
2014	47,411	1,884,398	39,746	35.4	4,590	2.6
2015	47,502	1,876,424	39,502	35.5	4,590	2.3
2016	48,354	1,962,641	40,589	35.2	4,627	2.9

Source: (1) Federal Census Bureau data  
(2) St. Louis Park School District  
(3) Minnesota Department of Employment and Economic Development

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

**Table 16**

Employer	Fiscal Year			Fiscal Year		
	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Park Nicollet Health Services and Methodist Hospital	6,286	1	15.2 %	8,116	1	18.8 %
Wells Fargo Mortgage	1,450	2	3.5			
St. Louis Park Public Schools (I.S.D. No. 283)	950	3	2.3	1,200	2	2.8
Japs-Olson Company	659	4	1.6	750	3	1.7
Sholom Home West	650	5	1.6			
MoneyGram International (formerly Travelers Express)	409	6	1.0	506	5	1.2
Health Partners	400	7	1.0			
Target	377	8	0.9			
St. Louis Park, City of	269	9	0.7	253	7	0.6
Epicor Software Corporation	250	10	0.6			
Nestle Nutrition (formerly Novartis Nutrition)				550	4	1.3
Granite City Brewing				263	6	0.6
Northland Aluminum Products				154	8	0.4
Onvoy				153	9	0.4
Benilde-St. Margret's High School				142	10	0.3
Total	<u>11,700</u>		<u>28.40 %</u>	<u>12,087</u>		<u>28.10 %</u>
Total City employment			41,339			43,137

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General government	123.0	122.5	114.5	105.5
Public safety				
Police				
Officers	51.0	51.0	51.0	51.0
Civilians	19.5	18.5	17.0	20.0
Fire				
Firefighters and officers	25.0	25.0	25.0	25.0
Operations and recreation and Engineering	32.0	32.0	32.0	32.0
Water	10.3	11.4	11.4	9.9
Sewer	3.7	2.7	2.7	3.6
Solid Waste	0.7	1.8	1.8	1.8
Storm Water	2.6	2.6	2.6	3.3
<b>Total Employees</b>	<b>267.8</b>	<b>267.5</b>	<b>258.0</b>	<b>252.0</b>

**Table 17**

Fiscal Year						
2011	2012	2013	2014	2015	2016	
95.4	90.3	88.8	88.4	89.4	91.6	
51.0	52.0	52.0	53.0	55.0	55.0	
23.0	30.0	34.0	35.0	35.0	35.0	
24.0	24.0	24.0	24.0	25.0	26.0	
32.0	33.0	35.0	34.0	35.0	35.0	
11.2	11.2	10.9	11.2	11.5	11.4	
4.9	4.9	4.9	5.5	6.0	6.0	
3.3	3.3	3.3	4.7	5.8	5.8	
4.9	4.8	4.8	6.2	6.7	6.7	
249.7	253.5	257.7	262.0	269.4	272.5	

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

Table 18

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Medical calls	2,881	3,153	3,110	3,188	3,101	3,152	3,296	2,391	3,756	3,623
Traffic stops	1,981	2,724	2,462	4,236	5,362	7,146	6,674	6,907	6,692	6,939
Other	24,996	24,412	22,562	21,355	21,742	24,354	25,014	27,752	29,299	31,462
<b>Fire</b>										
Inspections/Medical/All other calls	4,141	4,357	4,429	3,893	3,078	3,117	3,360	4,747	5,118	6,130
Fire calls - residential/structural	61	61	96	107	153	142	66	116	135	53
Fire calls - other	71	46	68	37	53	64	48	91	115	41
<b>Cable TV</b>										
Hours of new programming	94	294	250	456	535	-	549.5	311	400	400
<b>Inspections</b>										
Permits	8,616	13,687	8,895	8,397	9,220	9,091	10,254	11,111	9,684	10,099
Inspections	17,797	24,022	27,332	20,204	22,818	23,667	26,902	32,543	23,031	23,372
<b>Culture and recreation</b>										
Aquatic park attendance	80,347	76,218	67,617	69,825	67,422	70,270	52,557	51,894	68,355	72,439
Hours of ice time	6,574	6,787	6,354	6,493	4,687	5,444	4,701	4,773	4,626	4,125
<b>Water</b>										
Gallons of water production (billions)	2.3	2.4	2.4	2.1	2.1	2.4	2.2	2.09	2.01	1.78
Average watermain breaks per year	30	30	30	30	30	30	27	40	41	20
<b>Public Works</b>										
Snowplowing hours	1,556	1,672	2,454	3,216	2,543	1,173	6,449	3,752	2,284	3,781

**CITY OF ST. LOUIS PARK, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**Table 19**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function</b>										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	26	26	26	28	26	25	28	28
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	13	13	13	13	14	13	13	10	14
Fire hydrants	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,772
Culture and recreation										
Parks	51	53	53	53	57	57	57	57	52	53
Trails	10	10	10	10	10	10	10	10	10	22
Streets										
Lane miles of streets	290	290	310	311	311	311	311	311	311	311
Miles of streets	117	117	155	156	155	155	155	155	155	155
Water										
Wells	11	11	11	11	11	11	11	11	10	10
Water treatment plants	6	6	6	6	6	6	6	6	6	6
Miles of watermain	148	148	148	149	160	160	160	160	160	175
Sanitary Sewer										
Lift stations	23	23	23	23	23	23	23	23	23	23
Miles of sewermain	138	138	138	139	147	147	147	147	147	143
Storm Sewer										
Lift stations	10	10	10	10	10	10	10	10	10	10
Ponds and lakes	26	26	26	52	52	52	52	52	52	52
Catch basins	2,943	2,943	3,154	3,731	3,731	3,731	3,731	3,731	3,731	3,885



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