

REVISED

WORK SESSION
REVIEW 2017 FINANCIAL AUDIT
6:00 – 7:00 PM



AGENDA
CHASKA CITY COUNCIL
ONE CITY HALL PLAZA, CHASKA CITY HALL
Monday, August 06, 2018
7:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Adopt Agenda
5. Visitor Presentation
6. Approve Previous Meeting Minutes
7. Consent Items
 - 7.A. Adopt Resolution 2018-107, Approving Site Assessment Agreement for Chaska Creek Way Street and Utility Extension Project at Chaska Creek Center
 - 7.B. Human Rights Commission Appointment
 - 7.C. Adopt Resolution 2018-108, Award Bid for West Creek Substation Bus 2 Construction
 - 7.D. Minnesota Municipal Utilities Association MMUA Delegate Appointment
 - 7.E. Adopt Resolution 2018-109, Awarding Bid for the Formacoat Site Demolition Project

8. Action Items

8.A. Financial Reports 2017

9. Bills

9.A. AP Council Roster 8-6-18

10. Other Business

10.A. City Administrator's Report

11. Adjourn

**REQUEST FOR ACTION
CITY OF CHASKA
08/06/2018**

Subject: Approving Site Assessment Agreement for Chaska Creek Way Street and Utility Extension Project at Chaska Creek Center

Prepared By: Matt Clark, City Engineer

On July 16, 2018, City Council accepted the feasibility report for the Chaska Creek Way Street and Utility Extension, along with the box culvert and utilities for the future road extension of Chaska Creek Boulevard for the Chaska Creek Center Development. Attached to the report is the exhibit showing the improvements proposed for the development.

The street extension of Chaska Creek Way and utilities will accommodate the planned Medical Office Building and Daycare building to be constructed that will be located west of the new MSP Medical office building built in 2017. Along with the improvements to Chaska Creek Way, the box culvert and associated utilities for the future roadway extension of Chaska Creek boulevard were included in the Developer's petition for public improvements. The box culvert and utilities were included in the original development report study and are proposed to be installed so as future development occurs, the site can be more straightforwardly graded allowing access across Chaska Creek.

A condition of approval for the Chaska Creek Center 2nd Addition requires the property Owner enter into an assessment agreement with the City for the construction of the new public street and utilities. The attached assessment agreement provides the City the ability to construct the improvements that were included in the feasibility report. Outlined in the agreement are the overall costs to construct the street and utility improvements and the total assessment amounts being levied toward area development property. The total estimated cost to construct is \$1,052,717.00, of which the City participation is estimated at \$324,286 based on the City's utility cost share policy.

The general terms of the agreement would include:

1. Provides the City full access and grants all easements and right of way necessary to construct public improvements over the property.
2. City cost participation for utilities based on the City policy
3. Total assessment amounts levied to adjoining development parcels platted with the Chaska Creek Center
4. Other, City and Developer obligations related to construction of project phases

The above terms will be incorporated into the final assessment agreement.

A site assessment agreement relative to this project has been prepared with the City's legal counsel. A draft of the agreement is attached for your review. Staff requests Council approve and authorize execution of the agreement prior to moving forward with the project.

CITY COUNCIL ACTION REQUESTED

Motion to Adopt a Resolution Approving and Authorizing Staff to fully execute the Site Assessment Agreement related to the Chaska Creek Way Street and Utility Extension Project.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE 08/06/2018 **RESOLUTION NO.** 2018-107

MOTION BY COUNCILMEMBER _____ **SECOND BY COUNCILMEMBER** _____

**A RESOLUTION APPROVING THE SITE ASSESSMENT AGREEMENT
FOR CHASKA CREEK WAY STREET & UTILITY EXTENSION PROJECT**

WHEREAS, on Council Adopted Resolution No. 2018-103, Accepting the Feasibility Study for the Chaska Creek Way Street & Utility Extension Project, dated July 2018;

WHEREAS, the City's legal counsel has prepared a Site Assessment Agreement related to the Project;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chaska, Minnesota, that the Site Assessment Agreement related to the Chaska Creek Way Street & Utility Extension Project is approved; and

FURTHER BE IT RESOLVED, that Staff is authorized to fully execute said agreement.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of August 2018.

Attest: _____
Chaska Deputy Clerk

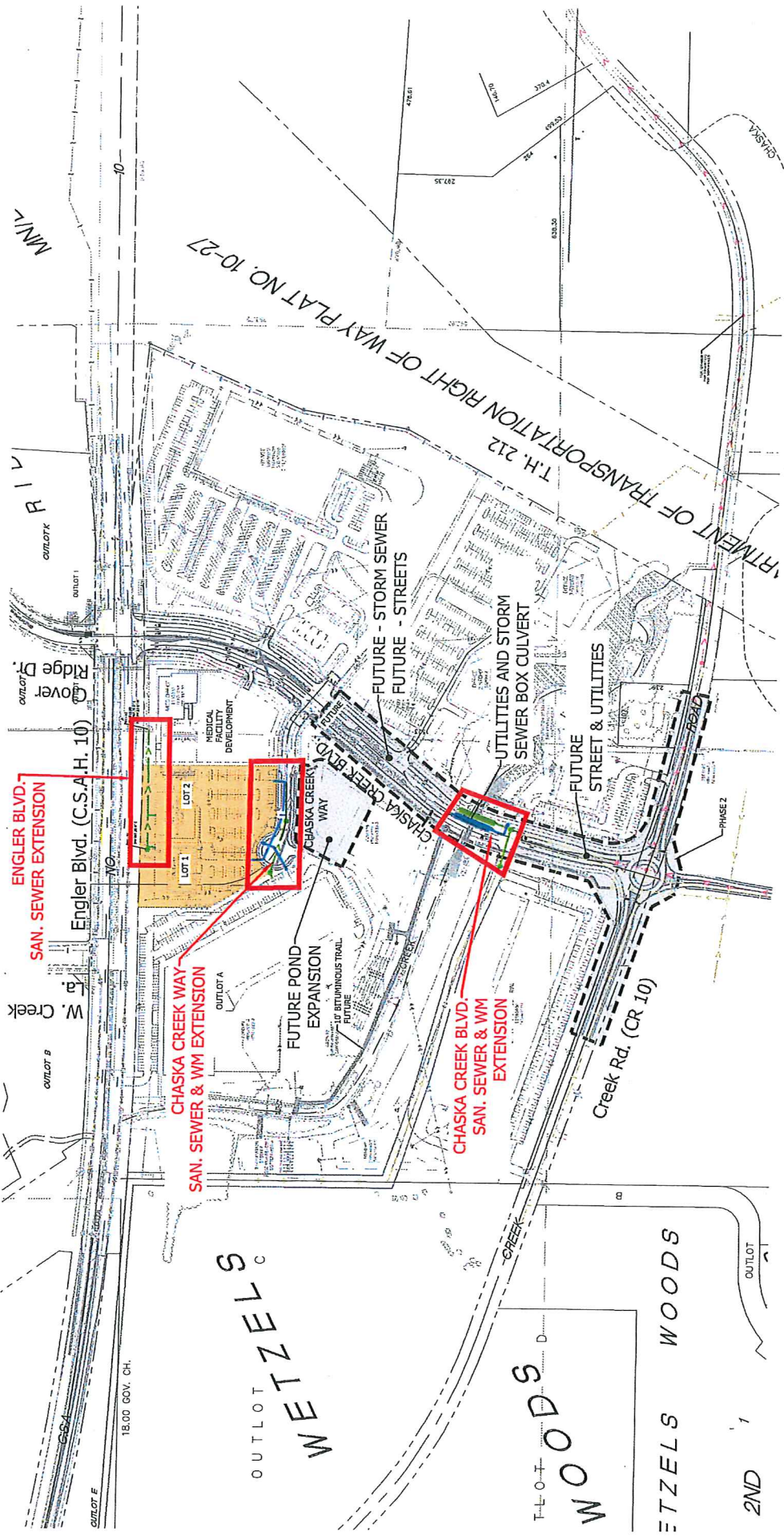


FIGURE 6

PROPOSED SANITARY SEWER AND WATER MAIN - OVERVIEW

CITY OF CHASKA
CHASKA CREEK CENTER PHASE 2

DATE 07/09/2018
PROJ. NO. 193804230

**SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY
STREET AND UTILITY EXTENSION**

THIS SITE ASSESSMENT AGREEMENT (the “Agreement”), is made effective this _____ day of July, 2018, by and between the City of Chaska, a municipal corporation under the laws of the State of Minnesota (the “City”); Wabash Chaska Farms LLC, a limited liability company under the laws of the State of Minnesota; Frey Crow Wing Limited Partnership, a limited partnership under the laws of the State of Minnesota; and Yerf Co. Limited Partnership, a limited partnership under the laws of the State of Minnesota (collectively the “Owner”) and P&F Development, LLC, a limited liability company under the laws of the State of Minnesota (the “Vendee”).

RECITALS

RECITAL NO. 1

Wabash Chaska Farms LLC, Frey Crow Wing Limited Partnership, and Yerf Co. Limited Partnership are the owners of certain land located in the City of Chaska, Carver County, Minnesota, which is legally described as Outlot A, Chaska Creek Center (the “Property”).

RECITAL NO. 2

Owner and Vendee have entered into a Contract for Deed dated July 18, 2017, filed for record on July 19, 2017 in the office of the Carver County Recorder as Document No. A648601, for a portion of the Property legally described as:

That portion of Outlot A, Chaska Creek Center, Carver County, Minnesota, according to the recorded plat thereof, legally described as follows:

Beginning at the northeast corner, said Outlot A; thence on an assumed bearing of due South, along the east line of said Outlot A, a distance of 417.44 feet to the northerly right of way line of Chaska Creek Way as shown on said plat; thence due West, along a common line of said right of way of Chaska Creek Way and said Outlot A and its westerly extension 400.00 feet; thence due North 426.49 feet to the north line of said Outlot A; thence 177.61 feet, along said north line, on a non-tangential curve concave to the south having a radius of 7590.00 feet, a central angle of 01 degree 20 minutes 27 seconds and a chord bearing of South 88 degrees 46 minutes 08 seconds East; thence, continuing along said north line, 222.50 feet on a reverse curve concave to the north having a radius of 11509.16 feet and a central angle of 01 degree 06 minutes 28 seconds to the point of beginning (the "Vendee Parcel").

RECITAL NO. 3

In order for the Property to proceed as usable commercial property, it is necessary to construct: (i) street improvements; (ii) sanitary sewer improvements; (iii) water main improvements; (iv) storm sewer improvements; and (v) grading for (i) to (iv) (collectively, the "Improvements") as identified in the Feasibility Study hereinafter defined as Project Costs, Part One: Chaska Creek Lane.

RECITAL NO. 4

The City, the Owner and the Vendee wish to enter into an agreement defining the terms and conditions for the construction of the Improvements and under which the City will assess certain costs of the construction of the Improvements against the Property.

RECITAL NO. 5

The Owner acknowledges previously petitioning for the construction of the Improvements and, by this Agreement, the Owner and the Vendee petition as the one hundred percent (100%) owner of the Property for the construction of the Improvements, and the City acknowledges the Owner, subject to Vendee's interest in the Vendee Parcel (all three entities), own one hundred percent (100%) of the Property.

NOW, THEREFORE, based upon the mutual covenants and obligations contained herein, the parties hereto agree as follows:

1. **Feasibility Report.** The City has provided to the Owner a copy of a feasibility report dated June __, 2018, prepared by Stantec, the City Engineer (collectively the "Feasibility Study") which Feasibility Study is a review of the engineering aspects and projected costs of constructing the Improvements and related drainage improvements for Chaska Creek 2nd Addition. The Feasibility Study defines the scope of the construction of the Improvements for Part One: Chaska Creek Lane (the "Project") and also addresses other issues relating to Chaska Creek Boulevard which are not part of this Agreement. Included within the Feasibility Study is the City Engineer's estimate of the costs of the Project (the "Project Costs") in the amount of \$589,600.00.

2. **Preliminary Proposed Assessment.** Within the Feasibility Study is a proposed allocation of Project Costs to the Property. The City will pay no portion of the Project Costs. Carver County will pay no portion of the Project Costs. The Feasibility Study, subject to revisions outlined herein, proposes assessing \$589,600.00 of the Project Costs to the Property which includes the amounts from Section 21. Based upon the City Engineer's estimate of Project Costs on **Exhibit A** attached hereto and incorporated herein, the proposed aggregate assessment against the Property for the Project is \$589,600.00, subject to increases identified in Section 4 hereof based on the year of construction (the "Maximum Assessment"). If the City proceeds with the Project, the amount of the Project Costs assessed against the Property will not exceed the Maximum Assessment for such lot, outlot, or the entire Project, as applicable. The means for allocating Project Costs against various parcels which make up the Property is illustrated on **Exhibit B** attached hereto and incorporated herein.

3. **Actual Project Costs.** Although the assessment against the Property for the Project shall not exceed the Maximum Assessment, as indicated on **Exhibit B**, as allocated to a particular parcel, the actual assessment may be a lesser amount if the actual Project Costs are less than the City Engineer's estimate. The actual assessment against each parcel as shown on **Exhibit B** shall be the lesser of: (i) the Maximum Assessment as shown on **Exhibit B**, or (ii) the actual Project Costs (including construction costs, legal, engineering, financing and contingencies).

4. **Maximum Assessments.** The amount of the Maximum Assessment is calculated based on construction commencing in 2018. There are no assurances that construction will occur in the year set forth above. For each year construction of the Improvements is delayed, measured by the City entering into a contract for the construction of a particular phase on or after January 1, in a year or years later than the year set forth above, the Maximum Assessment shall be increased by three percent (3%) for each year of delay.

5. **Deadlines.** Subject to unavoidable delays, the City: (i) shall authorize construction of the Improvements by September 11, 2018; and (ii) will substantially complete the Improvements by December 31, 2019. [MATT: THESE ARE A GUESS; YOUR THOUGHTS?] Notwithstanding the foregoing, the Owner and Vendee are solely responsible for installing, at their cost, small utilities including, but not limited to, electric lines, natural gas lines, fiber optic, telephone and street lights; and the Owner and Vendee are solely responsible for obtaining temporary access to the Property from CSAH #10 as City will not be able to provide access until July, 2019 [MATT?]. The Owner and Vendee agree that should the completion of construction of the Improvements be delayed at no cause of the City, the City shall not be held liable for any damages or losses that may occur to the Owner, Vendee or their respective successors and assigns. The City may, if it so elects, complete the levying of the assessments against the properties to be assessed for the Improvements as identified on **Exhibit B** prior to the execution of construction contracts for the Improvements.

6. **Waiver of Irregularity.** Owner and Vendee, for themselves and their respective successors and assigns, waive any rights and claims they may have under Minnesota Statutes Chapter 429 that any part of the City's approval process for the Project or the assessment process

in relation to the Project Costs is improper or invalid and Owner and Vendee, for themselves and their respective successors and assigns, specifically waive any objection to any assessment imposed by the City against the Property for costs incurred by the City in designing, constructing, financing and assessing the costs of the Project provided that the amount assessed against the Property shall not exceed the Maximum Assessment as adjusted as permitted in this Agreement.

7. **Assessment Appeals.** Owner and Vendee, for themselves and their respective successors and assigns, waive any and all right or claim they may have to object to or appeal the amount of the assessment made by the City for the Project against the Property only for the following claims, to-wit: any claims based upon any irregularities in the assessment proceeding; any claims that the amount assessed exceeds the benefit to the Property provided that the assessment may not exceed the Maximum Assessment; and any claims that the amounts assessed for the Project against the Property were unfairly or inequitably assessed. This waiver of appeal runs with the Property and shall be binding upon any subsequent owner of the Property and shall be binding at and after the time the Property is annexed into the corporate limits of the City and the assessment for the Project is actually imposed.

8. **Imposition of Assessment.** The City shall impose the assessment and certify the assessment to the Carver County Auditor for the portion of the Project Costs attributed to the Property for the Project pursuant to Paragraph 3 and **Exhibit B**. The act of entering into a contract for construction of all or a part of the Project, is authorization for the City to impose the assessment for Project Costs and certify the assessment to the Carver County Auditor, in an amount as set forth herein.

9. **Payment of Assessment.** On or after entering into a contract for construction of all or a part of the Project, the City shall adopt a resolution pursuant to Minnesota Statutes Section 429.061 imposing the assessment against the Property subject to the limitations set forth in this Agreement. The City need not provide published or mailed notice to the owner of the Property, its successors and assigns, of the consideration of such a resolution. Once imposed, the assessment shall bear interest at a fixed rate at the actual bond rate plus 100 basis points, continuing until paid. If such index no longer exists at the time the assessment is imposed, a comparable index reasonably selected by the City shall be utilized to determine the interest rate. The assessment will be spread with the property taxes pursuant to statute and will be payable over a period of fifteen (15) years.

10. **Right of Way.** The scope of the Project is generally defined in the Feasibility Study. A general drawing of the right of way improvements is attached hereto and incorporated herein as **Exhibit C**. The right of way for utilities and Chaska Creek Way shall be dedicated in the plat of Chaska Creek Center 2nd Addition.

11. **Easements.** Construction of the Project will require certain disruptions to areas outside of the right of way during the construction process. In order to facilitate the construction of the Project, the Owner and Vendee grant to the City a temporary blanket easement for construction purposes (the "Construction Easement") on Lot 1, Block 1; Lot 2, Block 1; and Outlot A, Chaska Creek Center 2nd Addition. The form of the Construction Easement is attached hereto and incorporated herein as **Exhibit D**. The scope of the Construction Easement may need to be increased when final project drawings are proposed, and the Owner and Vendee shall cooperate in granting such additional Construction Easement area as the City Engineer determines

reasonably necessary. The Construction Easement shall commence with the execution of the form of the easement and terminate on the earlier of completion of the applicable Improvements, or December 31, 2019.

12. **Approving Resolution Conditions.** This Agreement is not a development agreement for Chaska Creek Center 2nd Addition and development of Chaska Creek Center 2nd Addition is subject to the conditions imposed in the City's approving resolution.

13. **Conveyance of Easements.** Concurrent with the execution of this Agreement, the Owner, any spouse or other individual holding an inchoate interest in the Property, including Vendee, shall execute the Construction Easement to the City in the form attached hereto as **Exhibit D**. If the Property is encumbered by a mortgage, the mortgagee must execute a partial release of its mortgage for the utility easement and execute a consent to this Agreement and a consent to the plat. The Owner and Vendee acknowledge and agree that the development of the Property for commercial purposes cannot occur without the construction of the Project and that the increased value to the remainder of the Property after the conveyance of the Construction Easement is full, fair and adequate consideration for the conveyance of the construction costs; and the Owner and Vendee waive any and all claims for damages of any kind that Owner and Vendee may have against the City that Owner and Vendee have not been fully compensated for the conveyance of the Construction Easement and for any damages to the remainder of the Property.

14. **Material Access.** City shall be provided with a temporary construction easement over Outlot H, Chaska Creek Center, which is included in the easement at **Exhibit D**; and City is, if necessary for the construction of the Improvements, authorized to remove, at no cost, any

granular material, fill, clay, or other soil stockpiled on Outlot H, Chaska Creek Center. If City finds unsuitable material when excavating to construct the Project, such material shall be stockpiled in a location of City's choosing on the northerly portion of Outlot A, Chaska Creek Center 2nd Addition.

15. **Grades and Grading.** The elevations for the Project are based upon: (i) the plan sheet entitled Chaska Creek Center – Phase 2, labeled Sheet No. C4.02 Sambatek Project No. 20637.08 dated February 5, 2018, last revised March 6, 2018, and attached hereto and incorporated herein as **Exhibit E** which does not constitute an approved grading plan for construction purposes; and (ii) Owner's and Vendee's representations that any building constructed will be slab on grade. The City is not responsible for any costs for any modification to the construction of the Improvements because the Owner, or its successors and assigns, change grading profiles or building types. The Owner is solely responsible for all site grading of Lot 1, Block 1; Lot 2, Block 1; and Outlot A, Chaska Creek Center 2nd Addition. Owner and Vendee must coordinate its site grading activities so the equipment used for site grading does not cross Chaska Creek Way or Chaska Creek Boulevard.

16. **Plat.** Concurrent with the execution of this Agreement, Owner and Vendee must satisfy all development approval requirements of the City and other governmental agencies in relation to the plat of Chaska Creek Center 2nd Addition.

17. **City Fees.** Nothing in this Agreement shall limit the right of the City to collect SAC/WAC, connection, storm water, park dedication and transportation fees or any other City fees which may be required to be paid pursuant to the terms of the then applicable City ordinances at the time the Property is annexed into the corporate limits of the City or at such

later time in which a development plan, plat or building permit for the Property is approved by the City.

18. **Other Improvements.** This Agreement only relates to the Project. Nothing herein shall preclude the City in the future from constructing other improvements not covered by this Agreement (the “Future Improvements”) under Minnesota Statutes Chapter 429 and, consistent with statutory requirements, assessing the Property for such Future Improvements; and nothing shall preclude the Owner and Vendee, their respective successors and assigns, from objecting to or appealing the amount of such future assessment for the Future Improvements pursuant to statutory requirements.

19. **Reapportionment.** The City agrees that the Owner of Outlot A, Chaska Creek Center 2nd Addition may agree that some of the assessments for the Improvements against Outlot A, Chaska Creek Center 2nd Addition (the “Outlot”) pursuant to this Agreement be reapportioned and levied against individual lots or newly created outlots when the Property is platted or otherwise subdivided. In the event there is such an agreement among the owners of the parcels created by subdividing the Property, the City does hereby agree to reapportion a portion of the assessments certified for collection pursuant to this Agreement against such Outlots, but said assessment shall be reapportioned only upon the occurrence of the following:

- A. A signed written agreement between the applicable owners agreeing to said reapportionment (the “Reapportionment Agreement”); and
- B. In the Reapportionment Agreement, the property owner(s) must agree that their property is benefited by the Improvements for which the assessments contemplated under this Agreement are based and waive any appeal thereof; and

- C. The City agreeing that the parcels to be assessed are of a value that will support said reapportioned assessments and agreeing in writing to the form of the Reapportionment Agreement.

20. **Development of Property by Owner and Vendee.** The City is only responsible for completing the Improvements identified in the Feasibility Study. By way of example, and not in limitation, for any Outlots the City is not responsible for any structures on the Property, and the City is not responsible for site grading, erosion control, drainage and utility work, installation of small utilities (such as electric, natural gas, fiber optic, and telephone) including the installation of such small utilities within the City right of way and the installation of, and the responsibility for payment for, such activities are all the responsibility of the named Owner and Vendee herein, its successors and assigns.

21. **Reimbursement for City Fees.** The following costs incurred by the City to date: \$_____ for past engineering fees and \$_____ for past legal fees incurred by City shall be included in the amount assessed against the Property only for the Improvements and increase the Maximum Assessment against the Property to \$_____ but do not increase the Project Costs percentage as shown on **Exhibit B** for purposes of any reduction in the Maximum Assessment if the Improvements come in under budget. **[MATT: IS THIS AN ISSUE?]**

22. **Agreement Runs With the Land.** This Agreement shall run with the land, shall be recorded against title to the Property, and is binding on all future individuals or entities who hold any interest in the Property. The Owner and Vendee covenant with the City, its successors and assigns, that the Owner has fee title to all the Property and there are no unrecorded interests

against the Property. Notwithstanding the foregoing, any successor in interest to Owner and Vendee in any platted lot or outlot of the Property shall be liable only for the performance of the obligations of Owner and Vendee applicable only to the platted lot or outlot which such successor in interest then holds title to, and for no other obligations of Owner and Vendee herein as to any other platted lot or outlot to which such successor in interest does not then hold title.

23. **Assignment.** The Owner and Vendee may not assign this Agreement without the written permission of the City, which shall not be unreasonably withheld, conditioned or delayed. No assignment shall be effective unless the assignee assumes in writing all applicable obligations of the Owner and Vendee under this Agreement and the documents related thereto, and evidence of such assumption shall be in a form mutually acceptable to the City and the Owner and Vendee.

24. **Severability.** In the event that any provision of this Agreement shall be held invalid, illegal or unenforceable by any court of competent jurisdiction, such holding shall pertain only to such section and shall not invalidate or render unenforceable any other section or provision of this Agreement.

25. **Non-Waiver.** Each right, power or remedy conferred upon City or the Owner or Vendee by this Agreement is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, or available to the City or the Owner or the Vendee at law or in equity, or under any other agreement. Each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City or the Owner or the Vendee and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy. If any

party waives in writing any default or non-performance by any other party, such waiver shall be deemed to apply only to such event and shall not waive any other prior or subsequent default.

26. **Subsequent Development.** Owner and Vendee may not proceed with any development or improvement of any portion of the Property other than as may be permitted under the terms of the Chaska City Code until such time as that portion of the Property has been subdivided and has final plat approval from the City and the owner of that portion of the Property so desired to be developed has entered into a developer's agreement, which amongst other matters, provides financial security acceptable to the City and has been approved by the City.

27. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be an original and shall constitute one and the same Agreement.

28. **Recitals.** The recitals set forth at the beginning of this Agreement are incorporated into the terms of this Agreement.

29. **Satisfaction or Other Documentation.** Upon completion of all matters contained in this Agreement, or at the appropriate time prior thereto, upon request of any owners of Property affected by this Agreement, and in the event all matters contained herein as same relates to a particular piece of property have been complied with or satisfied, the City shall prepare the appropriate documentation to evidence the same to be filed in the appropriate land records of Carver County.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective on the day
and year first above written.

COUNTERPART SIGNATURE PAGES TO FOLLOW

CITY OF CHASKA

By: _____
Mark Windschitl, Mayor

By: _____
Matt Podhradsky, City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of August, 2018, by Mark Windschitl and Matt Podhradsky, the Mayor and City Administrator, respectively, of the City of Chaska, a municipal corporation under the laws of the State of Minnesota, on behalf of the municipal corporation.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY BETWEEN CITY OF CHASKA; WABASH CHASKA FARMS LLC; FREY CROW
WING LIMITED PARTNERSHIP; AND YERF CO. LIMITED PARTNERSHIP
AND P&F DEVELOPMENT, LLC

OWNER:

WABASH CHASKA FARMS LLC

**By: WABASH CAPITAL MANAGEMENT INC.
Its: Managing Member**

By: _____
Gerald J. Trenda, President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018, by Gerald J. Trenda the President of Wabash Capital Management Inc., a Minnesota corporation, as Managing Member of Wabash Chaska Farms LLC, on behalf of the limited liability company.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY BETWEEN CITY OF CHASKA; WABASH CHASKA FARMS LLC; FREY CROW
WING LIMITED PARTNERSHIP; AND YERF CO. LIMITED PARTNERSHIP
AND P&F DEVELOPMENT, LLC

FREY CROW WING LIMITED PARTNERSHIP

By: _____
Michael J. Frey, General Partner

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of August, 2018, by Michael J. Frey, General Partner, of Frey Crow Wing Limited Partnership, a limited partnership under the laws of the State of Minnesota, on behalf of the limited partnership.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY BETWEEN CITY OF CHASKA; WABASH CHASKA FARMS LLC; FREY CROW
WING LIMITED PARTNERSHIP; AND YERF CO. LIMITED PARTNERSHIP
AND P&F DEVELOPMENT, LLC

YERF CO. LIMITED PARTNERSHIP

By: _____
Mark J. Frey, General Partner

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018, by Mark J. Frey, General Partner of Yerf Co. Limited Partnership, a limited partnership under the laws of the State of Minnesota, on behalf of the limited partnership.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY BETWEEN CITY OF CHASKA; WABASH CHASKA FARMS LLC; FREY CROW
WING LIMITED PARTNERSHIP; AND YERF CO. LIMITED PARTNERSHIP
AND P&F DEVELOPMENT, LLC

P&F DEVELOPMENT, LLC

By: _____
David Pokorney, Managing Member

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018, by David Pokorney, the Managing Member of P&F Development, LLC, a limited liability company under the laws of the State of Minnesota, on behalf of the limited liability company.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE SITE ASSESSMENT AGREEMENT
CHASKA CREEK WAY BETWEEN CITY OF CHASKA; WABASH CHASKA FARMS LLC; FREY CROW
WING LIMITED PARTNERSHIP; AND YERF CO. LIMITED PARTNERSHIP
AND P&F DEVELOPMENT, LLC

THIS INSTRUMENT WAS DRAFTED BY:
Melchert Hubert Sjodin, PLLP
121 West Main Street
Waconia, MN 55387 RLH

[https://mhslaw.sharepoint.com/sites/08000/42897/draftdocs/site assessment agmt chaska creek way 07.03.18.docx](https://mhslaw.sharepoint.com/sites/08000/42897/draftdocs/site%20assessment%20agmt%20chaska%20creek%20way%2007.03.18.docx)

EXHIBIT A

CITY ENGINEER ESTIMATE OF PROJECT COSTS

OPINION OF PROBABLE COST

CHASKA CREEK LANE CUL-DE-SAC

PROJECT NO. 193804283

CHASKA, MINNESOTA

June, 2018

No.	Item	Units	Qty	EE Unit Price	EE Total Price
PART 1 - STREET IMPROVEMENTS					
1	MOBILIZATION	LS	1	\$20,000.00	\$20,000.00
2	TRAFFIC CONTROL	LS	1	\$4,000.00	\$4,000.00
3	STREET SWEEPER WITH PICK UP BROOM WITH OPERATOR	HR	15	\$130.00	\$1,950.00
4	SAWING BITUMINOUS PAVEMENT	LF	30	\$2.50	\$75.00
5	REMOVE BITUMINOUS PAVEMENT	SY	50	\$5.00	\$250.00
6	COMMON EXCAVATION (EV)	CY	1,900	\$10.00	\$19,000.00
7	SUBGRADE EXCAVATION (EV)	CY	350	\$8.00	\$2,800.00
8	SELECT GRANULAR BORROW (CV)	CY	1,600	\$21.00	\$33,600.00
9	TOP SOIL BORROW -SPECIAL (LV)	CY	160	\$30.00	\$4,800.00
10	SUBSOILING	AC	1	\$1,500.00	\$1,500.00
11	GEOTEXTILE FABRIC, TYPE V	SY	1,800	\$2.00	\$3,600.00
12	AGGREGATE BASE, CLASS 5, 100% CRUSHED	TN	850	\$19.00	\$16,150.00
13	AGGREGATE BASE, CLASS 5, 100% CRUSHED - TRAIL/WALK	TN	150	\$19.00	\$2,850.00
14	WATER FOR DUST CONTROL	1000 GAL	10	\$50.00	\$500.00
15	TYPE SP 12.5 WEARING COURSE (3,C)	TN	450	\$75.00	\$33,750.00
16	BITUMINOUS WEDGE FOR PLOW PROTECTION	TN	10	\$200.00	\$2,000.00
17	BITUMINOUS MATERIAL FOR TACK COAT	GAL	100	\$4.00	\$400.00
18	4" PERFORATED POLYETHYLENE PIPE	LF	625	\$8.00	\$5,000.00
19	4" PERFORATED PVC DRAIN TILE, SCHEDULE SDR 26	LF	200	\$14.00	\$2,800.00
20	INSTALL 2" UTILITY CONDUIT	LF	40	\$6.00	\$240.00
21	POTHOLE EXISTING UTILITY	EA	2	\$500.00	\$1,000.00
22	B618 CONCRETE CURB AND GUTTER	LF	700	\$18.00	\$12,600.00
23	CONCRETE PEDESTRIAN CURB RAMP	SF	400	\$10.00	\$4,000.00
24	4" CONCRETE SIDEWALK	SF	4050	\$6.00	\$24,300.00

Opinion of Probable Cost

Page 1

6/20

No.	Item	Units	Qty	EE Unit Price	EE Total Price
25	TRUNCATED DOME PANEL	SF	70	\$50.00	\$3,500.00
26	STREET LIGHTS	LS	1	\$8,000.00	\$8,000.00
27	4" DOUBLE SOLID LINE, YELLOW PAINT	LF	200	\$1.00	\$200.00
28	4" DOUBLE SOLID LINE, YELLOW EPOXY	LF	200	\$1.00	\$200.00
29	HACKBERRY, 3" CAL. B&B	EA	1	\$350.00	\$350.00
30	KENTUCKY COFFEETREE, 3" CAL. B&B	EA	1	\$350.00	\$350.00
31	SWAMP WHITE OAK, 2" CAL. B&B	EA	1	\$350.00	\$350.00
32	RED OAK, 3" CAL. B&B	EA	1	\$350.00	\$350.00
33	AMERICAN SENTRY LINDEN, 3" CAL. B&B	EA	1	\$350.00	\$350.00
34	REDMOND LINDEN, 3" CAL. B&B	EA	1	\$350.00	\$350.00
35	GREENSPIRE LINDEN, 3" CAL. B&B	EA	1	\$350.00	\$350.00
36	SIENNA GLEN MAPLE, 3" CAL. B&B	EA	1	\$350.00	\$350.00
37	AUTUMN BLAZE MAPLE, 3" CAL. B&B	EA	1	\$350.00	\$350.00
38	SUGAR MAPLE, 3" CAL. B&B	EA	1	\$350.00	\$350.00
39	RED MAPLE, 3" CAL. B&B	EA	1	\$350.00	\$350.00
40	SKYLINE HONEYLOCUST, 3" CAL. B&B	EA	1	\$350.00	\$350.00
41	PRINCETON, 3" CAL. B&B	EA	1	\$350.00	\$350.00
42	HERITAGE OAK, 3" CAL. B&B	EA	1	\$350.00	\$350.00
43	REGAL PRINCE ELM, 3" CAL. B&B	EA	1	\$350.00	\$350.00
44	PROTECTION OF CATCH BASIN IN STREET (BEFORE CURB)	EA	6	\$150.00	\$900.00
45	PROTECTION OF CATCH BASIN IN STREET (AFTER CURB)	EA	5	\$150.00	\$750.00
46	SODDING, LAWN TYPE	SY	670	\$5.00	\$3,350.00
47	SILT FENCE, MACHINE SLICED	LF	1,000	\$3.00	\$3,000.00
48	ROCK CONSTRUCTION ENTRANCE	EA	1	\$3,000.00	\$3,000.00
49	SEED MIXTURE TYPE 250	AC	0.5	\$1,800.00	\$900.00
50	MULCH MATERIAL, TYPE 1	TN	1	\$500.00	\$500.00
51	EROSION CONTROL BLANKETS, CATEGORY 1	SY	1,100	\$2.00	\$2,200.00
52	HYDRAULIC SOIL STABILIZER TYPE 6	SY	1,100	\$2.00	\$2,200.00
SUBTOTAL PART 1 - STREET IMPROVEMENTS					\$231,115.00
	5% Contingency				\$11,555.75

No.	Item	Units	Qty	EE Unit Price	EE Total Price
	25% Engineering, Administration, Legal				\$60,667.69
	TOTAL PART 1 - STREET IMPROVEMENTS				\$303,338.44
PART 2 - SANITARY SEWER IMPROVEMENTS					
53	CONNECT TO EXISTING SANITARY STRUCTURE	EA	1	\$10,000.00	\$10,000.00
54	CONNECT TO EXISTING SANITARY PIPE	EA	1	\$2,500.00	\$2,500.00
55	4' DIAMETER SANITARY MH, INCL R-1642-B CSTG AND CONC ADJ RINGS	EA	3	\$5,000.00	\$15,000.00
56	4' DIAMETER SANITARY MANHOLE OVERDEPTH	LF	26	\$300.00	\$7,800.00
57	MANHOLE PROTECTIVE COATING	LF	25	\$350.00	\$8,750.00
58	RISER PIPE FOR OUTSIDE DROP	LF	10	\$200.00	\$2,000.00
59	8" PVC SANITARY SEWER, SDR 26	LF	710	\$70.00	\$49,700.00
60	8" X 6" SANITARY SEWER WYE	EA	2	\$300.00	\$600.00
61	6" PVC SANITARY SEWER, SERVICE	LF	50	\$45.00	\$2,250.00
62	IMPROVED PIPE FOUNDATION, PER 6" INCREMENT	LF	800	\$4.00	\$3,200.00
63	DEWATERING	LS	1	\$10,000.00	\$10,000.00
	TOTAL PART 2 - SANITARY SEWER IMPROVEMENTS				\$111,800.00
	5% Contingency				\$5,590.00
	25% Engineering, Administration, Legal				\$29,347.50
	TOTAL PART 2 - SANITARY SEWER IMPROVEMENTS				\$146,737.50
PART 3 - WATER MAIN IMPROVEMENTS					
64	HYDRANT	EA	1	\$5,000.00	\$5,000.00
65	CONNECT TO EXISTING WATER MAIN	EA	1	\$2,000.00	\$2,000.00
66	6" GATE VALVE AND BOX	EA	1	\$1,600.00	\$1,600.00
67	8" GATE VALVE AND BOX	EA	3	\$2,000.00	\$6,000.00
68	12" GATE VALVE AND BOX	EA	1	\$3,500.00	\$3,500.00
69	6" PVC WATER MAIN, C900	LF	25	\$35.00	\$875.00
70	8" PVC WATER MAIN, C900	LF	225	\$40.00	\$9,000.00
71	12" PVC WATER MAIN, C900	LF	240	\$48.00	\$11,520.00
72	INSULATION, 4" THICK	SY	10	\$45.00	\$450.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
73	DUCTILE IRON FITTINGS	LB	1400	\$7.00	\$9,800.00
74	IMPROVED PIPE FOUNDATION, PER 6" INCREMENT	LF	300	\$3.50	\$1,050.00
TOTAL PART 3 - WATER MAIN IMPROVEMENTS					\$50,795.00
	5% Contingency				\$2,539.75
	25% Engineering, Administration, Legal				\$13,333.69
TOTAL PART 3 - WATER MAIN IMPROVEMENTS					\$66,668.44
 PART 4 - STORM SEWER IMPROVEMENTS					
75	18" RCP STORM SEWER, CLASS 5	LF	175	\$40.00	\$7,000.00
76	21" RCP STORM SEWER, CLASS 5	LF	60	\$46.00	\$2,760.00
77	30" RCP STORM SEWER, CLASS 3	LF	180	\$65.00	\$11,700.00
78	36" RCP STORM SEWER, CLASS 3	LF	80	\$90.00	\$7,200.00
79	4' DIA STORM SEWER CBMH, INC R-3067 CSTG AND CONC ADJ RINGS	EA	2	\$3,000.00	\$6,000.00
80	6' DIA STORM SEWER MH, INC R-3067 CSTG AND CONC ADJ RINGS	EA	1	\$5,500.00	\$5,500.00
81	6' DIA STORM TREATMENT MH, INC R-3067 CSTG AND CONC ADJ RINGS	EA	1	\$8,500.00	\$8,500.00
82	36" RCP PIPE APRON W/ TRASH GUARD	EA	1	\$3,000.00	\$3,000.00
83	CONNECT TO EXISTING STORM PIPE	EA	1	\$2,500.00	\$2,500.00
84	RANDOM RIP RAP CLASS III	CY	15	\$90.00	\$1,350.00
TOTAL PART 4 - STORM SEWER IMPROVEMENTS					\$55,510.00
	5% Contingency				\$2,775.50
	25% Engineering, Administration, Legal				\$14,571.38
TOTAL PART 4 - STORM SEWER IMPROVEMENTS					\$72,856.88

No.	Item	Units	Qty	EE Unit Price	EE Total Price
CHASKA CREEK LANE CUL-DE-SAC PROJECT					
	TOTAL PART 1 - STREET IMPROVEMENTS				\$303,338.44
	TOTAL PART 2 - SANITARY SEWER IMPROVEMENTS				\$146,737.50
	TOTAL PART 3 - WATER MAIN IMPROVEMENTS				\$66,668.44
	TOTAL PART 4 - STORM SEWER IMPROVEMENTS				\$72,856.88
	TOTAL ESTIMATED PROJECT COSTS				\$589,601.25

EXHIBIT B

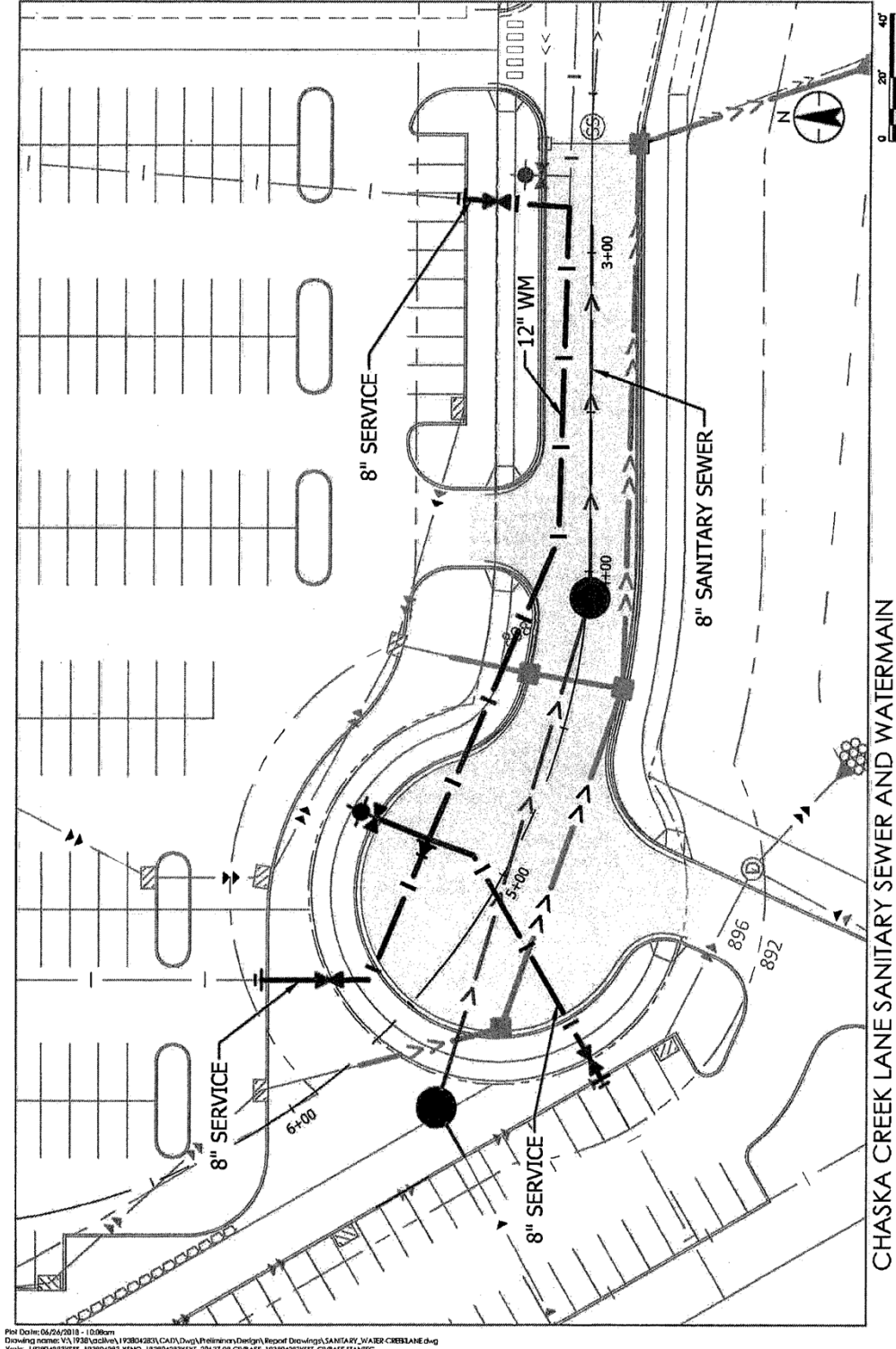
ASSESSMENT ALLOCATIONS

Aggregate maximum assessment of \$589,600.00 is allocated as follows:

PARCEL	MAXIMUM ASSESSMENT	PROJECT COST PERCENTAGE
Outlot A	\$ _____	_____ %
Lot 1, Block 1	\$ _____	_____ %
Lot 2, Block 1	\$ _____	_____ %

DRAWINGS OF THE RIGHT OF WAY IMPROVEMENTS





Plot Date: 06/26/2018 - 10:09am
 Drawing name: V:\19380\active\193804283\CADD\Drawings\Preliminary Design\Report Drawings\SANITARY_WATER_CREEKLANE.dwg
 User: TOSHIYUKI KOBAYASHI

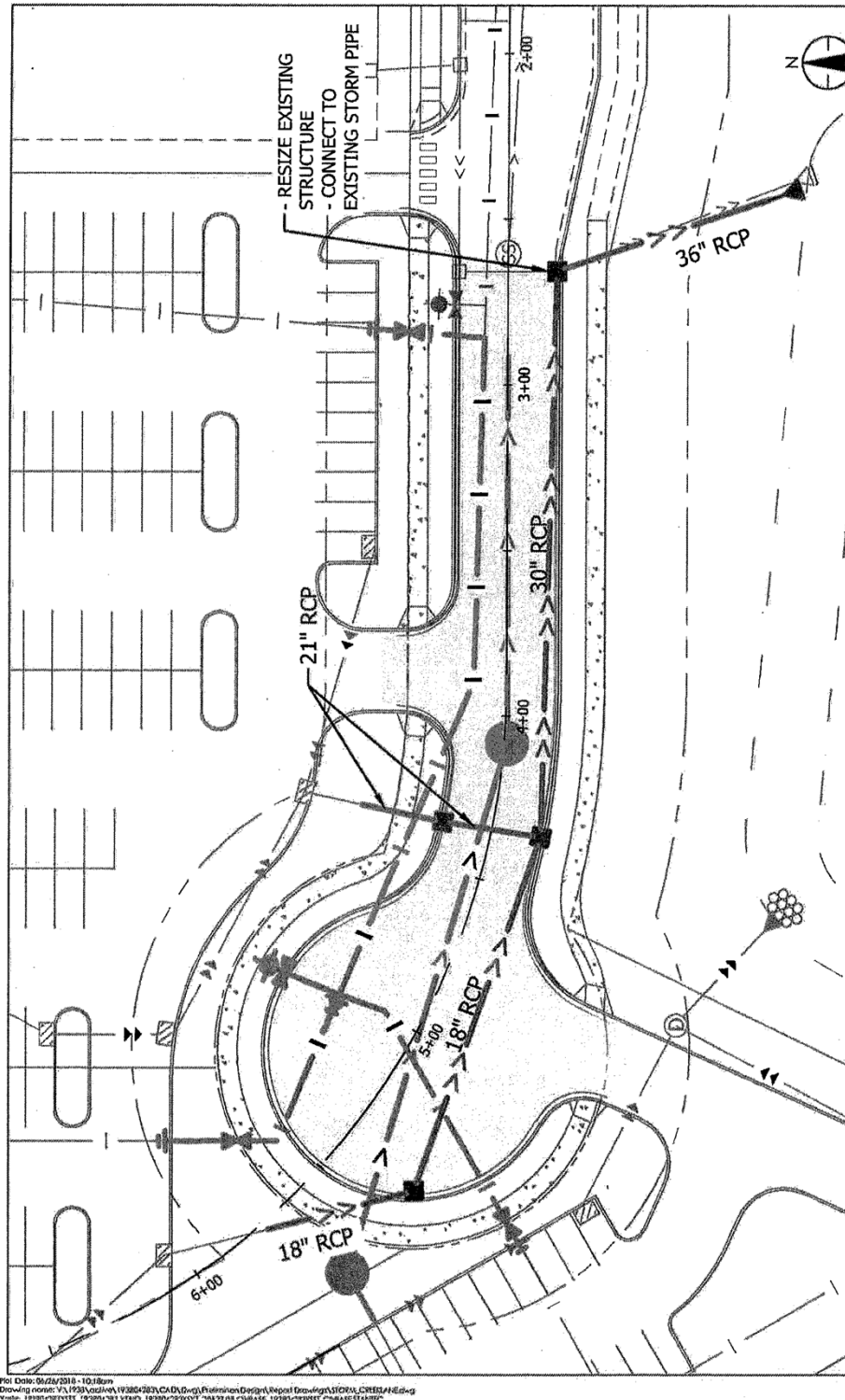
CHASKA CREEK LANE SANITARY SEWER AND WATERMAIN

CITY OF CHASKA
 CHASKA CREEK CENTER PHASE 2

FIGURE 5



DATE 6/8/2018 PROJ. NO. 193804283



CHASKA CREEK LANE STORM SEWER

CITY OF CHASKA

CHASKA CREEK CENTER PHASE 2

FIGURE 6



2035 Highway 36W
St. Paul, MN 55113
www.stantec.com

PROJ. NO. 193804283

DATE 6/8/2018

EXHIBIT D

TEMPORARY CONSTRUCTION EASEMENT

THIS TEMPORARY CONSTRUCTION EASEMENT is made and entered into effective this _____ day of July, 2018, by and between Wabash Chaska Farms LLC, a limited liability company under the laws of the State of Minnesota; Frey Crow Wing Limited Partnership, a limited partnership under the laws of the State of Minnesota; and Yerf Co. Limited Partnership, a limited partnership under the laws of the State of Minnesota; (collectively the "Owner"), P&F Development, LLC, a limited liability company under the laws of the State of Minnesota (the "Vendee") and City of Chaska, a municipal corporation organized under the laws of the State of Minnesota (the "City");

WITNESSETH:

Owner and Vendee, in consideration of the sum of One Dollar and other good and valuable consideration to them in hand paid by City, the receipt and sufficiency of which is hereby acknowledged, do hereby grant, bargain, quit claim and convey unto City a temporary construction easement under, over and across the hereinafter described properties, said properties being situated in the County of Carver, State of Minnesota, described as follows, to-wit:

Lot 1, Block 1; Lot 2, Block 1; and Outlot A, Chaska Creek Center 2nd Addition, Carver County, Minnesota

Outlot H, Chaska Creek Center, Carver County, Minnesota

(collectively the "Temporary Construction Easement").

This Temporary Construction Easement shall automatically terminate on the earlier of: (i) the date City completes construction of the Improvements, as defined in the Site Assessment Agreement; or (ii) December 31, 2019.

City shall not suffer or permit anything to be done which will cause this Temporary Construction Easement to become encumbered by any mechanic's lien or similar lien, charge or claim.

Owner and Vendee shall not be liable for any loss, damage or injury incurred in the development, improvement, maintenance, repair and/or use of this Temporary Construction Easement; and City, to the extent allowed by Minnesota law, shall indemnify and hold harmless

Owner and Vendee against and from all expenses, losses, claims or liabilities including, but not limited to, reasonable attorneys' fees and costs claimed, paid, suffered or incurred as a result of City's or its employee's, agents', contractors' or representatives' use, occupancy and enjoyment of this Temporary Construction Easement.

With respect to claims arising out of occurrences, acts or omissions related to this Temporary Construction Easement, City shall maintain its own policy of public liability insurance.

Notwithstanding anything herein to the contrary, this Temporary Construction Easement shall not be used or dedicated as a public roadway.

This Temporary Construction Easement allows City to enter upon the land subject to this Temporary Construction Easement to construct the Improvements identified in the Site Assessment Agreement between Owner, Vendee, and City dated August ____, 2018, and to allow City to obtain fill from Outlot H, Chaska Creek Center to construct such improvements.

This Temporary Construction Easement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused these presents to be executed effective as of the day and year first above written.

COUNTERPART SIGNATURE PAGES TO FOLLOW

THIS IS A COUNTERPART SIGNATURE PAGE TO THE TEMPORARY CONSTRUCTION EASEMENT
BETWEEN WABASH CHASKA FARMS LLC; FREY CROW WING LIMITED PARTNERSHIP;
YERF CO. LIMITED PARTNERSHIP; P&F DEVELOPMENT, LLC
AND CITY OF CHASKA

OWNER:

WABASH CHASKA FARMS, LLC

By: Wabash Capital Management Inc.,
It: Managing Member

By: Gerald J. Tenda
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018,
by Gerald J. Tenda, the President of Wabash Capital Management Inc., a Minnesota corporation,
as Managing Member of Wabash Chaska Farms LLC, on behalf of the limited liability company.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE TEMPORARY CONSTRUCTION EASEMENT
BETWEEN WABASH CHASKA FARMS LLC; FREY CROW WING LIMITED PARTNERSHIP;
YERF CO. LIMITED PARTNERSHIP; P&F DEVELOPMENT, LLC
AND CITY OF CHASKA

FREY CROW WING LIMITED PARTNERSHIP

By: Michael J. Frey
Its: General Partner

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018,
by Michael J. Frey, General Partner of Frey Crow Wing Limited Partnership, a limited partnership
under the laws of the State of Minnesota, on behalf of the limited partnership.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE TEMPORARY CONSTRUCTION EASEMENT
BETWEEN WABASH CHASKA FARMS LLC; FREY CROW WING LIMITED PARTNERSHIP;
YERF CO. LIMITED PARTNERSHIP; P&F DEVELOPMENT, LLC
AND CITY OF CHASKA

YERF CO. LIMITED PARTNERSHIP

By: Mark J. Frey
Its: General Partner

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018,
by Mark J. Frey, General Partner of Yerf Co. Limited Partnership, a limited partnership under the
laws of the State of Minnesota, on behalf of the limited partnership.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE TEMPORARY CONSTRUCTION EASEMENT
BETWEEN WABASH CHASKA FARMS LLC; FREY CROW WING LIMITED PARTNERSHIP;
YERF CO. LIMITED PARTNERSHIP; P&F DEVELOPMENT, LLC
AND CITY OF CHASKA

P&F DEVELOPMENT, LLC

By: David Pokorney
Its: Managing Member

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2018,
by David Pokorney, the Managing Member of P&F Development, LLC, a limited liability company
under the laws of the State of Minnesota, on behalf of the limited liability company.

Notary Public

THIS IS A COUNTERPART SIGNATURE PAGE TO THE TEMPORARY CONSTRUCTION EASEMENT
BETWEEN WABASH CHASKA FARMS LLC; FREY CROW WING LIMITED PARTNERSHIP;
YERF CO. LIMITED PARTNERSHIP; P&F DEVELOPMENT, LLC
AND CITY OF CHASKA

CITY:

CITY OF CHASKA

By: Matt Podhradsky
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

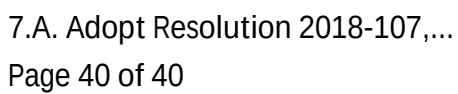
The foregoing instrument was acknowledged before me this _____ day of August, 2018,
by Matt Podhradsky, the City Administrator of City of Chaska, a municipal corporation under the
laws of the State of Minnesota, on behalf of municipal corporation.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Melchert Hubert Sjodin, PLLP (RLH)
121 West Main Street, Suite 200
Waconia, MN 55387

[https://mhslaw.sharepoint.com/sites/08000/42897/draftdocs/site assessment agmt chaska creek way 07.03.18.docx](https://mhslaw.sharepoint.com/sites/08000/42897/draftdocs/site%20assessment%20agmt%20chaska%20creek%20way%2007.03.18.docx)

PLAN SHEET ENTITLED CHASKA CREEK CENTER – PHASE 2, LABELED SHEET NO. C4.02
SAMBATEK PROJECT NO. 20637.08



**REQUEST FOR ACTION
CHASKA CITY COUNCIL
08/06/2018**

Subject: Human Rights Commission Appointment

Prepared By: Nate Kabat, Assistant City Administrator

Ellen Bean has applied for the currently vacant Alternate 2 position on the Human Rights Commission. Ms. Bean was interviewed by the Council on July 30, 2018. Following the interview, Council expressed consensus that Ms. Bean's qualifications are well suited to serve on the Human Rights Commission.

CITY COUNCIL ACTION REQUESTED

Motion to appoint Ellen Bean to the Alternate 2 position on the Human Rights Commission for the term August 6, 2018 to December 31, 2020.

**REQUEST FOR ACTION
CHASKA CITY COUNCIL
8/6/2018**

Subject: Award Bid for West Creek Substation Bus 2 Construction

Prepared By: Andrew Romine, Assistant Electric Director

A public bid opening was held July 30, 2018 for construction for the West Creek Substation Bus 2. Two bids were received:

Contractor	Total Base Bid
1. M.J. Electric	\$694,061.00
2. MP Systems	\$834,863.79

The low bid provided by MJ is acceptable and met all of the requirements included in the RFP and bid specifications.

CITY COUNCIL ACTION REQUESTED

Motion to Adopt Resolution to awarded the bid for the West Creek Substation Bus 2 construction to M.J. Electric for the amount of \$694,061.00.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE: 08/06/2018 **RESOLUTION NO.** 2018-108

MOTION BY COUNCILMEMBER _____ **SECOND BY COUNCILMEMBER** _____

A Resolution Awarding the Bid for the construction of the West Creek Bus 2 for the low bid amount of \$694,061.00

WHEREAS, the City of Chaska held a public bid opening July 12, 2018 for the construction of the West Creek Bus 2; and,

WHEREAS, pursuant to an advertisement for bids for the construction of the West Creek Bus 2, bids were opened and tabulated according to State Statute, and the following bids were received:

Contractor	Price
M.J. Electric	\$694,061.00
MP Systems	\$834,863.79

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Chaska, Minnesota, does hereby award the bid for the construction of the West Creek Substation Bus 2 to the responsible bidder, M.J. Electric in the low bid amount of \$694,061.00.

FURTHER, BE IT RESOLVED, that the Mayor and City Administrator are authorized to execute the contract documents for said improvement project.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of August, 2018.

Mark Windschitl, Mayor

Attest _____
Chaska Deputy Clerk

August 3, 2018

City of Chaska
660 Victoria Drive
Chaska, MN 55318

Subject: West Creek Substation Bus 2 Addition - Construction Contractor Recommendation

To Whom It May Concern:

On July 12, 2018, in response to our request for proposal dated June 14, 2018, proposals to provide labor and material to construct the Bus 2 addition to the West Creek Substation were received. A summary of the proposals received is listed below:

<u>Contractor</u>	<u>Proposal Price</u>
MJ Electric	\$694,061.00
MP Systems	\$834,863.79

As can be seen from the above listing, the proposal from MJ Electric is the lowest cost, with the proposal from MP Systems being the next lowest. The Request for Proposal to do the West Creek Bus 2 Addition was sent to seven prospective bidders. Before the RFPs were sent out each prospective bidder was contacted to discuss the project and determine that they were interested in the work, even so, only two proposals were received.

As part of the process of evaluating the proposals, MJ Electric was contacted and their proposal was discussed in some detail and no technical issues were uncovered. MJ Electric did make comments concerning several of the insurance requirements in the RFP documents. These items will need to be clarified before final contract documents are prepared and signed.

MJ Electric submitted the lowest cost proposal and they have taken no technical exceptions. Therefore, we recommend that the proposal from MJ Electric to do the Bus 2 addition to the West Creek Substation be accepted. Before the final contract documents are signed, the comments concerning the insurance requirements will be clarified to the City's satisfaction.

If this recommendation is approved we will need a copy of the board's resolution stating their acceptance. We will send the resolution to MJ Electric so that they can obtain their contractor's bond for the project. They will then incorporate the contractor's bond and their proposal into the contract documents and send Chaska three copies for signatures on the acceptance page, this will then complete the executed contracts for the construction of the West Creek Substation Bus 2 Addition.

Let us know if there are questions concerning this matter.
Sincerely,



Daniel Stark

**REQUEST FOR ACTION
CHASKA CITY COUNCIL
08/06/2018**

Subject: Minnesota Municipal Utilities Association MMUA Delegate Appointment

Prepared By: Andrew Romine, Assistant Electric Director

Background

Minnesota Municipal Utilities Association (MMUA) represents the interests of Minnesota's municipal electric, gas and water utilities. The mission of MMUA is to unify, support and serve these utilities so they can in turn improve service to their customers and communities. MMUA has requested that the City of Chaska update its delegates. Delegates are authorized to cast a vote on all matters that come MMUA. Currently we have a primary (Toby Saxon, Electric Director) and an alternate (Andrew Romine, Assistant Electric Director). I would like to add Jack Worm (Line Superintendent) as an additional alternate. This will provide additional coverage should the primary and secondary not be able to attend meetings.

Recommendation

Staff recommends granting the proposed change.

CITY COUNCIL ACTION REQUESTED

Motion to appoint Toby Saxon as the primary delegate for MMUA and Andrew Romine and Jack Worm as alternates.

MINNESOTA MUNICIPAL UTILITIES ASSOCIATION

DELEGATE APPOINTMENT

The City of Chaska hereby designates
(Governing body of utility/city)

Toby Saxon as its duly authorized delegated
representative to cast its vote on all matters to come before the membership of the
Minnesota Municipal Utilities Association. This appointment shall be valid until
such time as it may be, from time to time, amended by this body.

The following is/are designated as alternates to the designated representative:

1. Andrew Romine
2. Jack Worm
3. _____
4. _____
5. _____

The above appointment(s) were duly made before me this _____ day of
_____, 20_____.

Attested to: _____
(clerk, secretary, etc.)

Please return completed form to Rita Kelly at rkelly@mmua.org
Or fax to 763-551-0459 or mail to: MMUA, 3025 Harbor Lane N.,
Suite 400, Plymouth, MN 55447

**REQUEST FOR ACTION
CHASKA CITY COUNCIL
08/06/2018**

Subject: Awarding Bid for the Formacoat Site Demolition Project

Prepared By: Matt Clark, City Engineer

Background

Council will recall that public bids were previously received for the site demolition work planned for the new Formacoat site. The low bid was in error and withdrawn by the Contractor and with the second low bid received being higher than the estimated project costs, Council authorized rejection of all bids received and further authorized Staff to rebid the project.

New bids were opened on Monday, August 6, 2018. The low bid of \$ 139,000 received from DRC Inc. represents a good value to the City and is equal to the engineers estimate. DRC Inc. is a reputable Contractor and has performed similar work and staff is recommending Council award the project bid.

CITY COUNCIL ACTION REQUESTED

Motion to Adopt a Resolution Awarding the Bid for the Formacoat Site Demolition Project to DRC Inc. in the low bid amount of \$139,000.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA
RESOLUTION**

DATE 08/06/2018 **RESOLUTION NO.** 2018-109

MOTION BY COUNCILMEMBER _____ **SECOND BY COUNCILMEMBER** _____

A Resolution Awarding Bid for the Formacoat Site Demolition Project to DRC Inc., in the Low Bid Amount of \$139,000.

WHEREAS, on June 18, 2018, the Chaska City Council adopted Resolution No. 2018-80 formally approving the construction documents and authorizing the solicitation of public bids for the Formacoat Site Demolition Project;

WHEREAS, pursuant to an advertisement for bids for the Formacoat Site Demolition Project, a bid opening was held on Friday, July 13, 2018, with bids being opened and tabulated according to State Statute;

WHEREAS, on July 16, 2018, Council adopted Resolution No. 2018-101 rejecting all bids received July 13th and authorizing Staff rebid the project;

WHEREAS, the City of Chaska held a second public bid opening on Monday, August 6, 2018, for said project;

WHEREAS, pursuant to an advertisement for bids for the Formacoat Site Demolition Project, bids were opened and tabulated, according to State Statute, and the following bids were received:

	<i>Contractor</i>	<i>Total Base Bid</i>
Low	DRC, Inc	\$139,000.00
#2	Molnau Trucking, LLC	\$146,658.00
#3	Dahn Construction	\$182,124.00
#4	US Site Work	\$301,155.00
#5	Urban Companies	\$334,884.00

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chaska, Minnesota, does hereby award the bid for the Formacoat Site Demolition Project to the low responsible bidder, DRC, Inc., in the amount of \$139,000.00.

FURTHER BE IT RESOLVED, that the Mayor and City Administrator are authorized to execute the contract documents for said improvement project.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of August 2018.

Mark Windschitl, Mayor

Attest: _____
Chaska Deputy Clerk



Stantec Consulting Services Inc.
2335 Highway 36 West, St. Paul MN 55113

August 6, 2018

Honorable Mayor and City Council
City of Chaska
One City Hall Plaza
Chaska, MN 55318

Re: Formacoat Site Demo
Stantec Project No. 193804316
Rebid Bid Results

Dear Honorable Mayor and City Council:

Bids were opened for the Project stated above on August 6, 2018. Transmitted herewith is a copy of the Bid Tabulation for your information and file. A copy will also be distributed to the Bidders once the Project has been awarded.

Bids were received from 5 Contractors. The following summarizes the results of the Bids received:

	Contractor	Total Base Bid
Low	DRC, Inc.	\$139,000.00
#2	Molnau Trucking, LLC	\$146,658.00
#3	Dahn Construction	\$182,124.00
#4	US Site Work	\$301,155.00
#5	Urban Companies	\$334,884.00

The low Bidder on the Project was DRC, Inc. with a Total Base Bid Amount of 139,000.00. This compares to the Engineer's Opinion of Probable Cost for this project of \$130,000. The Bid has been reviewed and found to be in order.

If the City Council wishes to award the Project to the low Bidder, then **DRC, Inc.** should be awarded the Project on the **Total Base Bid Amount of \$139,00.00.**

Should you have any questions, please feel free to contact me at (651) 604-4796.

Sincerely,

STANTEC CONSULTING SERVICES INC.

Dave Ahrens, P.E.

Enclosure

Project Name: **Formacoat Site Demo - Rebid**I hereby certify that this is an exact
reproduction of bids received.

City Project No.:

Stantec Project No 193804316

Bid Opening: Monday, August 6, 2018, 2018 at 10 A.M., CDT

Owner: **City of Chaska, MN**
David Ahrens, PE

License No. 21711

Bidder No. 1**Bidder No. 2****Bidder No. 3****Bidder No. 4****DRC, Inc.****Molnau Trucking, LLC****Dahn Construction****U.S. SiteWork, Inc.****BID TABULATION**

Item Num	Item	Units	Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
BASE BID:											
1	MOBILIZATION	LS	1	\$6,000.00	\$6,000.00	\$1.00	\$1.00	\$16,853.45	\$16,853.45	\$52,810.00	\$52,810.00
2	BITUMINOUS SURFACING REMOVAL	LS	1	\$15,663.00	\$15,663.00	\$36,250.00	\$36,250.00	\$32,000.00	\$32,000.00	\$46,180.00	\$46,180.00
3	CONCRETE SURFACING REMOVAL	LS	1	\$15,000.00	\$15,000.00	\$79,120.95	\$79,120.95	\$34,000.00	\$34,000.00	\$62,170.00	\$62,170.00
4	CONCRETE LINEAL FOUNDATION REMOVAL	LF	2550	\$10.00	\$25,500.00	\$1.00	\$2,550.00	\$21.00	\$53,550.00	\$22.50	\$57,375.00
5	CONCRETE COLUMN FOUNDATION REMOVAL	EA	50	\$250.00	\$12,500.00	\$1.00	\$50.00	\$240.00	\$12,000.00	\$283.00	\$14,150.00
6	REMOVE CULVERT	LF	100	\$3.00	\$300.00	\$1.00	\$100.00	\$10.00	\$1,000.00	\$15.00	\$1,500.00
7	UNDERGROUND UTILITIES REMOVAL	LF	100	\$300.00	\$30,000.00	\$10.00	\$1,000.00	\$10.00	\$1,000.00	\$16.50	\$1,650.00
8	DITCH GRADING	SY	330	\$6.00	\$1,980.00	\$6.06	\$1,999.80	\$2.65	\$874.50	\$2.60	\$858.00
9	SITE GRADING	CY	1017	\$6.00	\$6,102.00	\$4.00	\$4,068.00	\$3.65	\$3,712.05	\$15.00	\$15,255.00
10	SILT FENCE, MACHINE SLICED	LF	2200	\$2.00	\$4,400.00	\$1.70	\$3,740.00	\$2.10	\$4,620.00	\$1.80	\$3,960.00
11	SEDIMENT CONTROL LOG	LF	3500	\$2.00	\$7,000.00	\$2.65	\$9,275.00	\$1.85	\$6,475.00	\$2.90	\$10,150.00
12	DITCH CHECK	LF	80	\$1.00	\$80.00	\$3.00	\$240.00	\$2.90	\$232.00	\$16.50	\$1,320.00
13	EROSION CONTROL BLANKET, CATEGORY 3	SY	450	\$5.00	\$2,250.00	\$2.00	\$900.00	\$1.75	\$787.50	\$2.20	\$990.00
14	RIP RAP, CLASS 2	CY	10	\$30.00	\$300.00	\$45.00	\$450.00	\$98.00	\$980.00	\$99.00	\$990.00
15	GEOTEXTILE FABRIC, TYPE 3	SY	30	\$5.00	\$150.00	\$3.00	\$90.00	\$2.55	\$76.50	\$11.50	\$345.00
16	TURF REINFORCEMENT MAT, CAT. 1	SY	35	\$5.00	\$175.00	\$4.95	\$173.25	\$5.80	\$203.00	\$7.70	\$269.50
17	TEMPORARY CONSTRUCTION ENTRANCE	EA	2	\$500.00	\$1,000.00	\$100.00	\$200.00	\$1,210.00	\$2,420.00	\$1,690.00	\$3,380.00
18	TOPSOIL BORROW (LV)	CY	475	\$16.00	\$7,600.00	\$7.50	\$3,562.50	\$18.00	\$8,550.00	\$16.50	\$7,837.50
19	SEEDING	AC	3	1000	\$3,000.00	\$962.50	\$2,887.50	\$930.00	\$2,790.00	\$6,655.00	\$19,965.00
TOTAL BASE BID					\$139,000.00		\$146,658.00		\$182,124.00		\$301,155.00

Contractor Name and Address: DRC, Inc.
4880 Clear Spring Road
Minnetonka, MN 55345Phone: 612-280-9999
Email: drettman@gmail.comSigned By: Dave Rettman
Title: President

Signed Responsible Contractor Certificate: Yes

Bid Security: Bid Bond

Addenda Acknowledged: None

Molnau Trucking, LLC
13050 Stewart Avenue
Norwood, MN 55368952-467-2292
molnautruckingllc@yahoo.comAnna Molnau
CEO

Yes

Bid Bond

None

Dahn Construction Co., LLC
13135 Doyle Path East
Rosemount, MN 55068651-480-1911
brent@dahnconstruction.comKeith A. Dahn
President

Yes

Bid Bond

None

U.S. SiteWork, Inc.
11040 183rd Circle NW, Suite B
Elk River, MN 55330763-280-8508
nate@ussitework.comScott Kerzman
CEO/CFO

Yes

Bid Bond

None

Bidder No. 5

6 Urban Companies, Inc.

BID TABULATION

Item Num	Item	Units	Qty	Unit Price	Total
BASE BID:					
1	MOBILIZATION	LS	1	\$13,000.00	\$13,000.00
2	BITUMINOUS SURFACING REMOVAL	LS	1	\$50,000.00	\$50,000.00
3	CONCRETE SURFACING REMOVAL	LS	1	\$130,000.00	\$130,000.00
4	CONCRETE LINEAL FOUNDATION REMOVAL	LF	2550	\$20.00	\$51,000.00
5	CONCRETE COLUMN FOUNDATION REMOVAL	EA	50	\$35.00	\$1,750.00
6	REMOVE CULVERT	LF	100	\$10.00	\$1,000.00
7	UNDERGROUND UTILITIES REMOVAL	LF	100	\$10.00	\$1,000.00
8	DITCH GRADING	SY	330	\$20.00	\$6,600.00
9	SITE GRADING	CY	1017	\$12.00	\$12,204.00
10	SILT FENCE, MACHINE SLICED	LF	2200	\$4.00	\$8,800.00
11	SEDIMENT CONTROL LOG	LF	3500	\$5.00	\$17,500.00
12	DITCH CHECK	LF	80	\$20.00	\$1,600.00
13	EROSION CONTROL BLANKET, CATEGORY 3	SY	450	\$3.00	\$1,350.00
14	RIP RAP, CLASS 2	CY	10	\$100.00	\$1,000.00
15	GEOTEXTILE FABRIC, TYPE 3	SY	30	\$5.00	\$150.00
16	TURF REINFORCEMENT MAT, CAT. 1	SY	35	\$3.00	\$105.00
17	TEMPORARY CONSTRUCTION ENTRANCE	EA	2	\$2,000.00	\$4,000.00
18	TOPSOIL BORROW (LV)	CY	475	\$27.00	\$12,825.00
19	SEEDING	AC	3	\$7,000.00	\$21,000.00
TOTAL BASE BID					\$334,884.00
Contractor Name and Address:				6 Urban Companies, Inc. 3781 Labore Rd. St. Paul, MN 55110	
Phone:				651-248-9830	
Email:				6urban@urbancompaniesusa.com	
Signed By:				Greg Urgan	
Title:				Owner	
Signed Responsible Contractor Certificate:				Yes	
Bid Security:				Bid Bond	
Addenda Acknowledged:				None	

REQUEST FOR ACTION CHASKA CITY COUNCIL 8/6/2018

Subject: Annual 2017 Financial Reports

Prepared By: Noel Graczyk and Jay Tobin

City staff has completed work with the City's independent auditor on annual audits as of and for the fiscal year ended December 31, 2017 for both the City of Chaska and the Chaska Fire Department Relief Association (CFDRA).

The following enclosed reports relate to the City of Chaska audit:

- 1) City of Chaska, 2017 Comprehensive Annual Financial Report (CAFR)
Included in this report starting on page 11 is the Independent Auditor's Report. This report states that the financial statements present fairly, in all material respects, the financial position of the City as of the year ended December 31, 2017, and the results of its operations for that year. This is considered an unqualified "clean" audit opinion.
- 2) Special Purpose Audit Reports
These reports address internal controls over financial reporting and legal compliance. The report on page 1 addresses internal controls over financial reporting. The auditors found no deficiencies in internal controls or material weaknesses to report.

The report on pages 3 addresses compliance with Minnesota State Laws and Regulations. This report found that the City complied with all material terms and conditions of applicable legal provisions.
- 3) Management Report
This report is prepared by the auditor and communicates information relevant to city finances and provides comments generated during the audit process. This report also includes Required Communications that addresses the role of the auditor. Included in this report is a fund overview of each of the budgeted operational funds of the City.

The following enclosed reports relate to the CFDRA audit:

- 1) Chaska Fire Department Relief Association, 2017 Annual Financial Report (AFR).
Included in this report starting on page 3 is the Independent Auditor's Report. This report states that the financial statements present fairly, in all material respects, the financial position of the CFDRA as of the year ended December 31, 2017, and the results of its operations for that year. This is considered an unqualified "clean" audit opinion.

2) Special Purpose Audit Reports on Internal Controls and Compliance with Laws and Regulations

Included in this report are two separate reports issued by the auditor. The first report on Internal Controls relates to financial reporting and begins on page 1. This report includes two material weaknesses as reportable by the Auditor concerning internal control procedures. The first addresses the lack of segregation of duties due to the small size of the relief accounting staff. The second addresses the lack of complete receipt documentation from fund raising activities. These two comments are consistent with comments from prior years.

The second report on Compliance with Minnesota State Laws and Regulations begins on page 2. This report found the CFDRR complied with material terms and conditions of applicable legal provisions with one exception. This one exception addresses the need for two signatures on all checks and disbursements. This issue has been reviewed with the Relief Trustees to implement changes to ensure future compliance.

3) Management Report

This report is prepared by the auditor and communicates information relevant to CFDRR finances and provides comments generated during the audit process. This report also includes Required Communications that addresses the role of the auditor.

Mr. William Lauer, Principal and Jackie Huegel, Principal both with the audit firm Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR) will be at the Council meeting to present auditor's reports and findings for both the City and the CFDRR.

In accordance with Minnesota State Statutes, the 2017 CAFR for the City of Chaska and all associated reports issued by the auditor have been submitted to the Office of the State Auditor. A summary of the 2017 CAFR was also published in the Chaska Herald on Thursday, July 19, 2018 also in accordance with State Statutes.

The 2017 CAFR for the City of Chaska has already been submitted to bond rating agencies, bond insurance companies, bond trustees, various institutions holding City of Chaska bonds, and other entities requesting detailed financial reports from the City. The 2017 CAFR is available to the public on the City Web Site at www.chaskamn.com and is also available for public inspection at both Chaska City Hall and Chaska Library.

CITY COUNCIL ACTION REQUESTED

Motion to accept City of Chaska 2017 Comprehensive Annual Financial Reports and Chaska Fire Department Relief Association 2017 Annual Financial Reports.

CITY OF CHASKA

STATE OF MINNESOTA

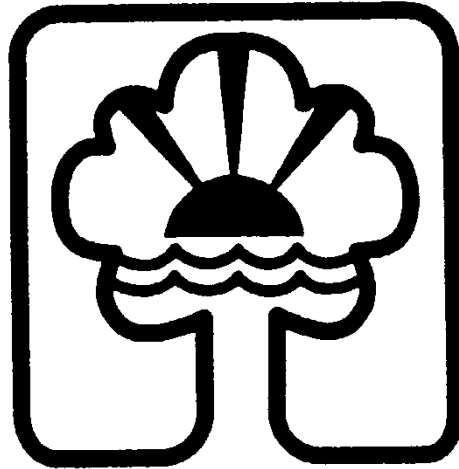
2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

**CITY OF CHASKA
STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017**

Prepared by:
Administrative Services Department

Noel J. Graczyk
Administrative Services Director,
Treasurer

Jason R. Tobin
Finance Manager



CHASKA

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City of Chaska, Minnesota

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City of Chaska

June 26, 2018

**To the Citizens of the City of Chaska,
Honorable Mayor and Council Members,
Mr. Matt Podhradsky, City Administrator**

State law requires that each year all general-purpose local governments publish a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) for the City of Chaska for the fiscal year ended December 31, 2017.

This report consists of management's representations concerning the finances of the City of Chaska. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide reasonable basis for making these representations, management of the City of Chaska has 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 of the City of Chaska's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Chaska'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 Chaska's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., 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 Chaska for the fiscal year ended December 31, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Chaska's financial statements for the fiscal year ended December 31, 2017, 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.

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

City of Chaska, Minnesota**For the Year Ended December 31, 2017**

Profile of the Government

The City of Chaska was founded in 1851, incorporated March 3, 1891, and since 1975 has operated under a Statutory Plan "A" form of government, as modified, in accordance with *Minnesota State Statutes* Chapter 412.023, Subdivision 5. The Chaska City Council consists of a Mayor, with a two (2) year term of office, and four (4) Council Members, each with a staggered four (4) year term of office. Elections are held on the Tuesday after the first Monday in November, of each even-numbered year. No more than two (2) Council Members' terms expire in any one (1) year.

The City Administrator is appointed by the Chaska City Council and also serves as the City Clerk. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Service Director serves as the Treasurer.

The primary mission of the City of Chaska is to enhance and maintain the high quality of life of its "shareholders", the citizens of Chaska, which have been nurtured in the community since its incorporation in 1891. Consistent with its mission, the City will strive to maintain its unique historical small town image and sense of community while supporting well-planned, orderly growth. To achieve its mission, the City has established six (6) ongoing core strategies:

- Enhance Chaska's high quality of life.
- Plan orderly community development.
- Maintain a sense of community and small town values.
- Assure that quality basic municipal services are provided.
- Maintain a commitment to excellence.
- Develop and maintain partnerships.

The City of Chaska provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. The City also operates ten (10) enterprises: electric, water, sewer, and storm water utilities, a community center, two (2) golf courses, curling and event center, a turbine generator and fiber internet service. In addition to these governmental and enterprise activities, the Chaska City Council serves as the board of the Chaska Economic Development Authority (Chaska EDA). The Chaska EDA is included in this report as a blended component unit.

The annual budget serves as the foundation for the City of Chaska's financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. Activities of the General fund and certain special revenue and capital project funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Factors Effecting 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 Chaska operates.

Since the year 2000, the City of Chaska has seen a significant amount of growth in the local economy. In 2000, the population in the City was approximately 17,500. By 2010 the population was 23,770, a 36 percent increase, and is forecast to increase to 27,100 by 2020, 32,000 by 2030 and 36,600 by 2040. This rapid increase in population can be attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial development included both small boutiques and large service centers such as Home Depot, Super Target and Kohl's.

Chaska saw the majority of its industrial development growth in the late 1980's and early 1990's. Nearly 8,000 jobs were created, with over 13,000 jobs in total in the community. The industrial park was at full capacity in the 1990's, with the exception of only a few remaining sites. National and international companies such as Entegris, FSI, Beckman Coulter and Lake Region Manufacturing all offer several hundred jobs at each facility. Housing and commercial development occurring after 2000 resulted directly from both a strong housing market and a significant number of jobs available in Chaska.

As with other communities across the country, the City of Chaska saw a drop in new housing development beginning in 2007. In the City, the most significant drop occurred in the five (5) year period from 2009 to 2013. From 2002 to 2007 annual average market value increased by an average of 10 percent to 12 percent each year. For the period from 2009-2013 annual market value decreases ranged from 1.26 percent to 7.11 percent. Market values since 2014 have seen annual gains in each of the housing, commercial and industrial sectors. Market values continued to increase in 2017 and have surpassed 2008 levels.

In 2017, building permits decreased to 103 new residential single-family homes added in the community compared to 134 in 2016. There were also 678 permits issued for residential additions and alterations. A total of 826 permits were issued in 2017 for properties with a total market value estimated at \$105,409,067.

Other development opportunities within the City of Chaska include each of the following:

Industrial Parks

There are two (2) existing industrial parks located within Chaska with a combined capacity of 679 acres. Currently there are over one hundred (100) enterprises occupying the parks, the largest of which include Lake Region Manufacturing, FSI International Inc., Beckman Coulter, Bailiwick and Lifecore Biomedical. There are a few remaining sites still available within the industrial park.

Southwest Chaska Corporate and Industrial Development

The City has approximately 390 acres of corporate and industrial land that is beginning to be developed along Highway 212. There is room for 5.5 million square feet of office and industrial space which will be marketed towards bioscience and high-tech companies. When completed, it is expected to add between \$300 and \$500 million of taxable market value as well as 4,000 to 6,000 quality jobs.

City of Chaska, Minnesota**For the Year Ended December 31, 2017**

The first (1) project in this new industrial area was United Health Group's 250,000 square foot data center that began operations in 2012. The second (2) project was Stream Data's 115,000 square foot data center that completed construction in late 2014. The third (3) project was for the development of an approximately 100,000 square foot data center facility for US Bank National Association, which was completed in 2017. The City continues to actively recruit other data centers to locate in the remaining vacant parcels in this area.

Southwest Chaska Master Plan

Development of objectives outlined in the Southwest Chaska Master Plan began in 2017. The plan guides development and land use for an undeveloped two (2) square mile area in southwest Chaska along Highway 212. While most of this area was originally determined to be residential, the new master plan allows for more corporate uses and allows the residential development to be more consistent with market conditions.

To support access to the southwest Chaska area, the City received conditional approval in late 2011 for the addition of an interchange off U.S. Highway 212 at Carver County Road 140, which will open up additional land for corporate/industrial development. In 2017 this interchange project was included for funding as part of the State Bonding Bill as approved by the Legislature and as signed by the Governor.

Long-Term Financial Planning

Each year the City develops a five (5) year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. In addition, the forecast is used to establish the City's maximum tax levy, which is required through the Truth in Taxation public hearing process. In preparing the five (5) year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2018 budget and five (5) year forecast were both developed based on the following objectives:

1. Support budget programs that help Chaska strengthen its mission of being "The Best Small Town in Minnesota".
2. Maintain existing high-quality service levels, funding new programs only after our existing, necessary programs are funded.
3. Limit tax levy growth to capture only new growth and inflation.
4. Fully fund scheduled maintenance and replacement of equipment/property.
5. Increase levy additionally only if new service levels or assets are being added.
6. Budget utilizing a plan that avoids draw-down of the City's General fund reserve.
7. Fully levy to support our adopted street reconstruction program.
8. Develop a budget plan that is sustainable from a resource perspective to support the service levels residents expect.

Key factors which impact both the costs of providing services and the City's revenue resources are changes in Chaska's population and households. The current 2017 - 2021 financial forecast strives to balance existing and future service level demands within the forecasted revenues while at the same time maintaining a low property tax rate. In considering property taxes in Chaska, a few points should be highlighted. First, property taxes account for 35 percent of Chaska's General fund operating revenues. Secondly, Chaska has always ranked extremely low amongst other metropolitan cities when it comes to total City property tax levels.

City of Chaska, Minnesota

For the Year Ended December 31, 2017

In the latest Minnesota Citizen's League Survey looking at 2017 City tax data, out of 86 local units of government looked at in the metropolitan area, Chaska ranked 81st lowest in City taxes per capita. In this sense, Chaska has continued to perform very well when comparing our City property tax level compared to all of communities in the metropolitan area. It has allowed the City to keep a competitive edge when it relates to other municipalities in the metropolitan area and Carver County. Results of customer service evaluations indicate that citizens are very happy with the level of services provided by the City.

In 2008, the City updated the comprehensive plan which is part of a mandate from Metropolitan Council to make local plans consistent with its updated Regional Development Framework coupled with Chaska's rapid growth and changing conditions. The next update will be completed in 2018. Chaska's 2030 Comprehensive Plan guides the direction of the City in several major areas: land use, transportation, environment, parks and trails, and public facilities. Each of these areas is examined in a comprehensive manner, in order to take advantage of opportunities, avoid problems and work toward building a stronger community.

Major Initiatives

One of the City's main initiatives has been with the development and implementation of our Downtown Master Plan. Chaska has a historic downtown core with commercial buildings and homes over 100 years old. A major focus of this initiative is to define how the City, businesses and residents reinvest back into this unique area, to make it economically viable into the future.

Downtown redevelopment continues to be a priority in working toward the City's future. In 2017, the historic core of Chaska saw a complete replacement of all street and utilities along Second Street. This renovation has reinvigorated the coordination and planning efforts for the transformation of another downtown block into what will be called City Square West. Through diligent efforts and dialogue, the emerging details continue to embrace the vision of a gathering space that attracts citizens to come downtown to enjoy new and readily accessible services. Construction is estimated to start in late 2018 or early 2019.

Another major initiative for the City is the new capital improvement plan, which adds additional revenue each year to reinvest back into existing assets in our community, keeping them viable into the future. A key piece of this initiative is the addition of \$1 million annually dedicated to the General fund to reinvest into parks, streets and trails. This reinvestment program was fully funded as part of the 2017 budget year.

When the City of Chaska served as host City for the Ryder Cup in 2016 we offered a Curling bonspiel called "Fire & Ice" to showcase the uniqueness of our city. The success of that one-time event has now transformed into a focal point on our community calendar. The Fire & Ice festival attracts thousands of visitors to watch the 48 curling teams from seven (7) different states compete in the bonspiel. Visitors can run in a 5K, enjoy great food and beverages while listening to live music, or stay up late enough to be wowed by the fireworks. Innovative efforts like "Fire & Ice" demonstrate time and again why Chaska is still "the best small town in Minnesota".

City of Chaska, Minnesota

For the Year Ended December 31, 2017

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 Chaska for its comprehensive annual financial report (CAFR) for fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. The City of Chaska has received a Certificate of Achievement for the last twenty-eight (28) consecutive years (fiscal years ended 1989 - 2016). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

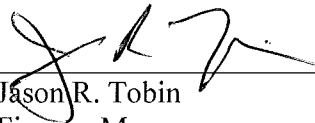
The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Services Department. Special recognition is to Lisa M. Nelson, Finance Analyst and Aaron J. Scharpe, Accounting Supervisor, whose contributions were critical in the preparation and production of this report.

We would like to express appreciation to Matt Podhradsky, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully Submitted,



Noel J. Graczyk
Administrative Services Director,
Treasurer
City of Chaska



Jason R. Tobin
Finance Manager
City of Chaska



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chaska
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrell

Executive Director/CEO

Organization and Administrative Structure

City of Chaska, Minnesota

For the Year December 31, 2017

City of Chaska Residents and Businesses		
Elected Five (5) Member City Council		
Appointed Boards	Council Selected Outside Professional Advisors	Appointed Positions
Planning Commission	Independent Financial Auditing Firm	City Attorney
Parks Recreation and Arts (Cable)	Financial Consulting Firm	City Administrator, City Clerk
Human Rights Commission	Engineering Consulting Firm	

ADMINISTRATIVE STRUCTURE [561 Employees (138-12-0-411)]

City Administrator, City Clerk (1-0-0-0)

Administration (4-2-0-0) (1-0-0-0) Assistant City Administrator, Economic Development Coordinator (1-0-0-0) Human Resources Manager (1-0-0-0) Senior Clerk (1-0-0-0) Communications (0-2-0-0) Cable TV Camera Operator Administrative Services (18-6-0-0) (1-0-0-0) Administrative Services Director, Treasurer (1-0-0-0) Finance Manager (1-0-0-0) Finance Analyst (1-0-0-0) Senior Clerk (1-0-0-0) Accounting Supervisor (1-0-0-0) Senior Accounting Clerk (3-0-0-0) Accounting Clerk (0-1-0-0) Support Staff (1-0-0-0) Utility Billing Coordinator (1-0-0-0) Assist. Utility Billing Coordinator (2-0-0-0) Utility Account Clerk (0-5-0-0) Customer Service Representative (1-0-0-0) Information Systems Manager (1-0-0-0) IS Network Administrator (3-0-0-0) IS Network/Field Support Technicians Community Development and Planning Services (8-0-0-0) (1-0-0-0) Director of Planning and Development (1-0-0-0) City Planner (1-0-0-0) Building Official (3-0-0-0) Building Inspector (1-0-0-0) Utility Inspector (1-0-0-0) Community Development/Permit Technician Engineering Services (2-0-0-0) (1-0-0-0) City Engineer (1-0-0-0) Civil Engineer II Police Services (28-2-0-0) [25 licensed officers] (1-0-0-0) Chief of Police (1-0-0-0) Deputy Chief (3-0-0-0) Lieutenant (3-0-0-0) Sergeant (2-0-0-0) Detective (2-0-0-0) Youth Services/ School Resource Officer (12-0-0-0) Patrol Officer (1-0-0-0) Community Partnership Officer (1-1-0-0) Community Service Officer (2-0-0-0) Secretary/Administrative Assistant (0-1-0-0) Evidence Clerk Public Works Services (22-0-0-17) (1-0-0-0) Public Works Superintendent (1-0-0-0) Assistant Public Works Superintendent (1-0-0-0) Office Manager (1-0-0-0) Accounting/Inventory Clerk (3-0-0-0) Foreman (Street/Park/Mechanic) (2-0-0-0) Leadworker (Street/Park) (2-0-0-0) Mechanic (7-0-0-0) Maintenance III (Street/Park) (2-0-0-0) Maintenance II (Street/Park) (2-0-0-0) Maintenance I (Park) (0-0-0-17) Maintenance-Seasonal Fire Services (2-1-0-0) (1-0-0-0) Fire Chief (1-0-0-0) Fire Marshall (0-1-0-0) Administrative Assistant Chaska Volunteer Fire Department - 42 Active Volunteers	Electric Utility Services (13-0-0-1) (1-0-0-0) Electrical Director (1-0-0-0) Assistant Electrical Director (1-0-0-0) General Manager (1-0-0-0) Foreman (Lineworker) (2-0-0-0) Lead Lineworker (6-0-0-0) Lineworker III (1-0-0-0) Lineworker I (0-0-0-1) Seasonal Laborer Water and Sewer Utility Services (9-0-0-0) (1-0-0-0) Water/Sewer Superintendent (1-0-0-0) Foreman (Water/Sewer) (1-0-0-0) Leadworker (Water/Sewer) (3-0-0-0) Maintenance III (Water/Sewer) (3-0-0-0) Maintenance II (Water/Sewer) Parks Recreation and Arts (23-1-0-318) (Includes Community Center and Curling/Event Center) (1-0-0-0) Parks and Recreation Director Parks, Recreation and Arts (2-0-0-20) (1-0-0-0) Office Manager (1-0-0-0) Recreation Coordinator (0-0-0-12) Rink Attendant, Outdoor (0-0-0-8) Concessions (Parks/Beach) Community Center (16-1-0-253) (1-0-0-0) Recreation Manager (1-0-0-0) Ice Arena Manager (1-0-0-0) Maintenance Supervisor (1-0-0-0) Facilities Supervisor (1-0-0-0) Aquatics Supervisor (1-0-0-0) Front Desk Supervisor (1-0-0-0) Senior Center Coordinator (2-0-0-0) Member Services Supervisor (1-0-0-0) Fitness Coordinator (3-0-0-0) Recreation Coordinator/Programmer (0-1-0-0) Software Operations Specialist (0-0-0-16) Rink Attendant/Monitor/Referee (3-0-0-19) Custodian/Maintenance (0-0-0-78) Pool Staff and Instructors (0-0-0-25) Front Desk/Cashier (0-0-0-27) Day Care/Preschool instructors (0-0-0-23) Fitness Instructor (0-0-0-65) Activities Instructor/Assistant Curling and Event Center (4-0-0-45) (1-0-0-0) Curling Center Manager (1-0-0-0) Head Ice Maker - Curling (1-0-0-0) Event Center Supervisor (1-0-0-5) Custodian/Maintenance (0-0-0-18) Curling Instructors (0-0-0-18) Curling Center Staff (0-0-0-4) Event Center Staff Golf Courses (8-0-0-75) (1-0-0-0) Golf Professional (2-0-0-0) Assistant Golf Professionals Chaska Town Course (4-0-0-64) (1-0-0-0) Golf Superintendent (3-0-0-0) Greenskeeper (0-0-0-44) Course Staff (0-0-0-20) Maintenance-Seasonal Chaska Par 30 (1-0-0-11) (1-0-0-0) Greenskeeper (0-0-0-7) Course Staff (0-0-0-4) Maintenance-Seasonal
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Key to Number of Employees:
 (Regular Full-Time - Regular Part-Time - Seasonal Full-Time - Seasonal Part-Time)

Elected and Administrative Officials

City of Chaska, Minnesota

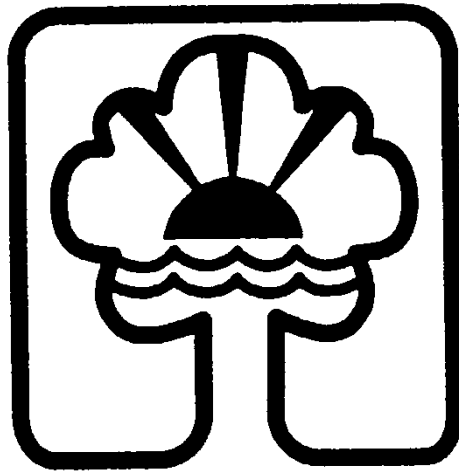
For the Year Ended December 31, 2017

Elected Officials

MAYOR:	Term of Office	
	From	To
Mark Windschitl	January 01, 2017	December 31, 2018
COUNCIL MEMBERS:		
Paula Geisler, First Ward	January 01, 2015	December 31, 2018
Gregory Boe, Second Ward	January 01, 2017	December 31, 2020
Christopher Schulz, Third Ward	January 01, 2015	December 31, 2018
Jay Rohe, Fourth Ward	January 01, 2017	December 31, 2020

Administrative Officials

	NAME
CITY STAFF:	
City Administrator, City Clerk	Matt Podhradsky
Assistant City Administrator	Nate Kabat
Administrative Services Director, Treasurer	Noel Graczyk
Community Development Director	Kevin Ringwald
City Engineer	Matt Clark
Chief of Police	Scott Knight
Fire Chief	Timothy Wiebe
Public Works Superintendent	Brian Jung
Director of Parks and Recreation – Interim	William Monk
Electrical Director	Toby Saxon
Water and Sewer Superintendent	Matt Haefner
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority (EDA)	Matt Podhradsky
INDEPENDENT CONSULTANT:	
City Attorney	Luke Melchert Melchert, Hubert, Sjodin, PLLP.



CHASKA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, 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 Chaska, Minnesota (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), 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 RSI 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's basic financial statements. The introductory section, combining and individual fund statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules 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 and individual fund 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.

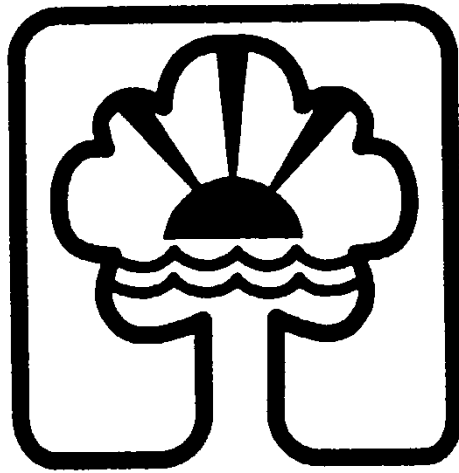
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OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018



CHASKA

This section of the City of Chaska's annual financial report presents management's discussion and analysis (MD & A) of the City's financial performance during the fiscal year that ended December 31, 2017. Please read it in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$195,945,990 (*net position*). Of that amount, \$37,794,419 is restricted for specific purposes (*restricted net position*) and \$167,645,471 represents the net investment in capital assets. The City's total net position increased \$10,508,681 during the year ended December 31, 2017.
- The City's governmental funds reported combined ending fund balances of \$18.8 million. This is an increase of \$5.0 million from the prior year. \$11.7 million of this total is restricted for debt service, bonded improvement projects and economic development.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$1.1 million, or 7.35 percent of total General fund expenditures of \$15.0 million.
- During the year, the City issued new debt of \$22.2 million and recorded \$1.6 million in bond premium. The City continues to pay down debt, reducing bonds payable by \$6.6 million. Overall bonded debt increased \$17.2 million in 2017. At the end of the year, the City reported \$122.9 million in bonds payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements – the basic financial statements, which includes the notes to the financial statements and other supplementary schedules in addition to the basic financial statements themselves.

The Basic Financial Statements

The first two (2) basic financial statements (Statement of Net Position and Statement of Activities) report on the *City as a whole* (government-wide) and provide both long-term and short-term information about the City's overall financial status. (See detailed discussion below in the *Reporting the City as a Whole* section regarding these statements.) The remaining basic financial statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

These fund financial statements can be divided into three (3) categories: (See detailed discussion on the following page in the *Fund Financial Statements* section regarding these fund types.)

1. Governmental funds.
2. Proprietary funds.
3. Fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located immediately following Fiduciary fund financial statements.

Other Information

In addition to the basic financial statements, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules. These statements and schedules are presented immediately following the notes to the financial statements.

Finally, a statistical section has been included to facilitate additional analysis and is the last section of the report.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two (2) government-wide statements report the City's net position and how it has changed. Net position – the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one (1) way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

- Governmental activities – Most of the City's basic services are included here, such as General Government, Economic Development, Public Safety, Public Works and Parks, Recreation and Arts. Property taxes, state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's Electric, Water, Sewer, and Storm Water Utilities, Chaska Community Center, Par 30 Golf Course, Chaska Town Golf Course, Turbine Generator Utility, Internet Service Provider and Chaska Curling Center are included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds (major funds) – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. Others are established by City Council to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three (3) broad categories of fund types:

1. ***Governmental funds*** – Governmental funds are typically used to account for tax-supported (governmental) activities. Most of the City's basic services are included in governmental funds, which focus on (a) how cash and other financial assets that can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for funds determined to be major funds. In 2017, the City's General fund and Public Improvement Projects fund were the major governmental funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements towards the end of this report.
2. ***Proprietary funds*** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Electric Utility, Water Utility, Chaska Community Center, Turbine Generator Utility and Chaska Curling Center, all of which are considered to be major funds. Individual fund data for each of the nonmajor proprietary funds is provided in the form of combining statements towards the end of this report. The City has one (1) Internal Service fund that is reported in a single column in the proprietary fund

financial statements. This fund is used to account for the purchase of property, liability and worker's compensation insurance for all City departments. Costs are then allocated to the departments.

3. **Fiduciary funds** – Fiduciary funds account for assets held on behalf of outside parties, including other governments. The City's only fiduciary fund type is an agency fund. Agency funds, account for assets that the City holds on behalf of others as their agent and are custodial in nature. All the City's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the City's government-wide financial statement because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

City of Chaska - Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 39,997,184	\$ 29,679,201	\$ 53,038,171	\$ 44,942,664	\$ 93,035,355	\$ 74,621,865
Capital Assets	179,899,176	170,627,632	69,468,609	68,367,474	249,367,785	238,995,106
Total Assets	<u>\$ 219,896,360</u>	<u>\$ 200,306,833</u>	<u>\$ 122,506,780</u>	<u>\$ 113,310,138</u>	<u>\$ 342,403,140</u>	<u>\$ 313,616,971</u>
Deferred Outflows of Resources						
Pension Plan Deferments	\$ 6,397,999	\$ 9,631,589	\$ 1,174,718	\$ 2,316,714	\$ 7,572,717	\$ 11,948,303
Total Assets and Deferred Outflows	<u>\$ 226,294,359</u>	<u>\$ 209,938,422</u>	<u>\$ 123,681,498</u>	<u>\$ 115,626,852</u>	<u>\$ 349,975,857</u>	<u>\$ 325,565,274</u>
Liabilities						
Other Liabilities	\$ 3,758,505	\$ 4,133,394	\$ 4,855,039	\$ 4,622,351	\$ 8,613,544	\$ 8,755,745
Noncurrent Liabilities	60,649,578	57,965,078	76,490,959	70,606,648	137,140,537	128,571,726
Total Liabilities	<u>\$ 64,408,083</u>	<u>\$ 62,098,472</u>	<u>\$ 81,345,998</u>	<u>\$ 75,228,999</u>	<u>\$ 145,754,081</u>	<u>\$ 137,327,471</u>
Deferred Inflows of Resources						
Pension Plan and Debt Refunding Deferments	\$ 7,016,880	\$ 1,752,256	\$ 1,258,906	\$ 1,048,238	\$ 8,275,786	\$ 2,800,494
Net Position						
Net Investment in Capital Assets	\$ 137,122,192	\$ 132,552,673	\$ 30,523,279	\$ 31,821,470	\$ 167,645,471	\$ 164,374,143
Restricted	19,807,677	14,175,353	17,986,742	5,609,821	37,794,419	19,785,174
Unrestricted (deficit)	(2,060,473)	(640,332)	(7,433,427)	1,918,324	(9,493,900)	1,277,992
Total Net Position	<u>\$ 154,869,396</u>	<u>\$ 146,087,694</u>	<u>\$ 41,076,594</u>	<u>\$ 39,349,615</u>	<u>\$ 195,945,990</u>	<u>\$ 185,437,309</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 226,294,359</u>	<u>\$ 209,938,422</u>	<u>\$ 123,681,498</u>	<u>\$ 115,626,852</u>	<u>\$ 349,975,857</u>	<u>\$ 325,565,274</u>

The City as a whole – The City's combined net position was \$195.9 million on December 31, 2017.

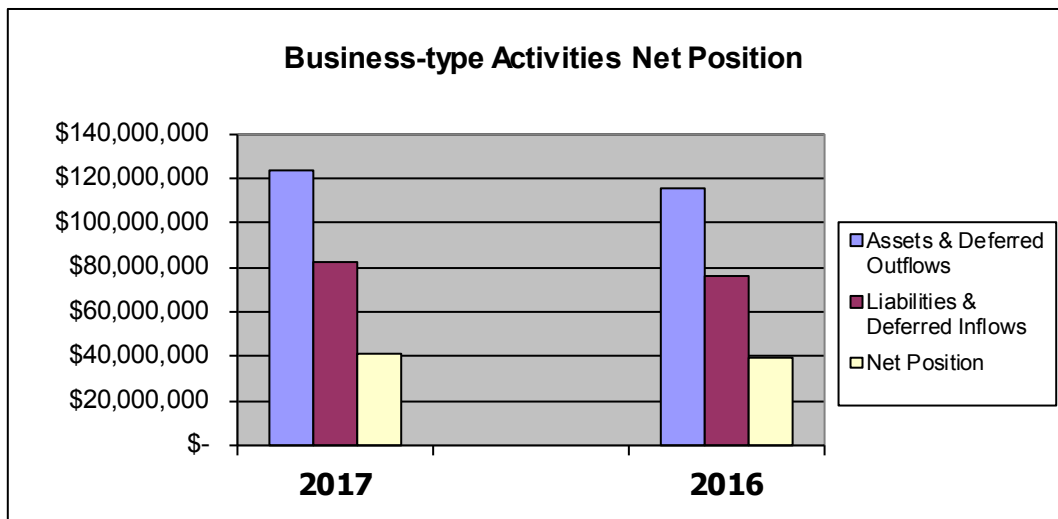
The largest portion of net position (85.6 percent) reflects the City's investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Chaska'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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The amount of restricted net position is \$37,794,419. After restrictions, the City is reporting an unrestricted net position deficit of \$9,493,900 a decrease of \$10.8 million from the prior year.

Governmental activities – Total net position increased \$8.8 million. During 2017, the City gained \$9.3 million in governmental activities capital assets net of depreciation. Most of this increase is related to new projects in construction in progress followed by developer donated land and improvements. The City also recorded significant changes to pension plan deferrals and net pension liability. Deferred outflows of resources decreased \$3.2 million from the prior year while the deferred inflows of resources increased by \$5.3 million. Net pension liability decreased \$7.4 million. Additional detail related to the City's participation in pension plans is discussed later in the Notes to the Financial statements. (Notes 13-16)

Business-type activities – In 2017, net position increased by \$1.7 million as total assets increased by \$9.2 million. This increase is due to the issuance of new bonded debt resulting in more cash with escrow or investments for construction projects. Cash is also much higher due to a shift in interfund borrowing. Total liabilities increased \$6.1 million due to addition of new debt.



Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2017

City of Chaska's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$ 6,120,772	\$ 6,474,075	\$ 53,532,768	\$ 52,710,583	\$ 59,653,540	\$ 59,184,658
Operating Grants & Contributions	1,477,224	628,278	1,626	100,379	1,478,850	728,657
Capital Grants & Contributions	14,086,637	8,226,427	704,759	647,918	14,791,396	8,874,345
General Revenues:						
Property Taxes	9,089,057	8,189,403	-	-	9,089,057	8,189,403
Franchise Taxes	4,300,526	4,224,548	-	-	4,300,526	4,224,548
Grants & Contributions Not Restricted	310,188	585,679	41,184	-	351,372	585,679
Other General Revenues	670,220	758,838	319,934	305,030	990,154	1,063,868
Total Revenues	36,054,624	29,087,248	54,600,271	53,763,910	90,654,895	82,851,158
Program Expenses						
General Government	6,603,240	5,975,566	-	-	6,603,240	5,975,566
Economic Development	2,005,808	1,078,389	-	-	2,005,808	1,078,389
Public Safety	6,063,781	6,878,111	-	-	6,063,781	6,878,111
Public Works	9,042,167	8,566,638	-	-	9,042,167	8,566,638
Parks, Recreation & Arts	1,286,155	1,067,514	-	-	1,286,155	1,067,514
Interest on Long-term Debt	1,264,604	1,424,886	-	-	1,264,604	1,424,886
Electric	-	-	35,744,098	35,236,356	35,744,098	35,236,356
Water	-	-	2,883,350	2,859,401	2,883,350	2,859,401
Sewer	-	-	3,494,259	3,254,994	3,494,259	3,254,994
Community Center	-	-	4,536,723	4,419,881	4,536,723	4,419,881
Par 30 Golf Course	-	-	193,856	240,047	193,856	240,047
Chaska Town Course	-	-	2,512,410	2,433,909	2,512,410	2,433,909
Turbine Generator	-	-	1,019,671	1,057,383	1,019,671	1,057,383
Internet Service Provider	-	-	184,840	168,783	184,840	168,783
Storm Water	-	-	980,334	993,816	980,334	993,816
Chaska Curling Center	-	-	2,330,918	1,516,260	2,330,918	1,516,260
Total Expenses	26,265,755	24,991,104	53,880,459	52,180,830	80,146,214	77,171,934
Excess Before Transfers	9,788,869	4,096,144	719,812	1,583,080	10,508,681	5,679,224
Transfers	(1,007,167)	(221,383)	1,007,167	221,383	-	-
Increase in Net Position	8,781,702	3,874,761	1,726,979	1,804,463	10,508,681	5,679,224
Net Position - Beginning	146,087,694	142,212,933	39,349,615	37,545,152	185,437,309	179,758,085
Net Position - Ending	\$ 154,869,396	\$ 146,087,694	\$ 41,076,594	\$ 39,349,615	\$ 195,945,990	\$ 185,437,309

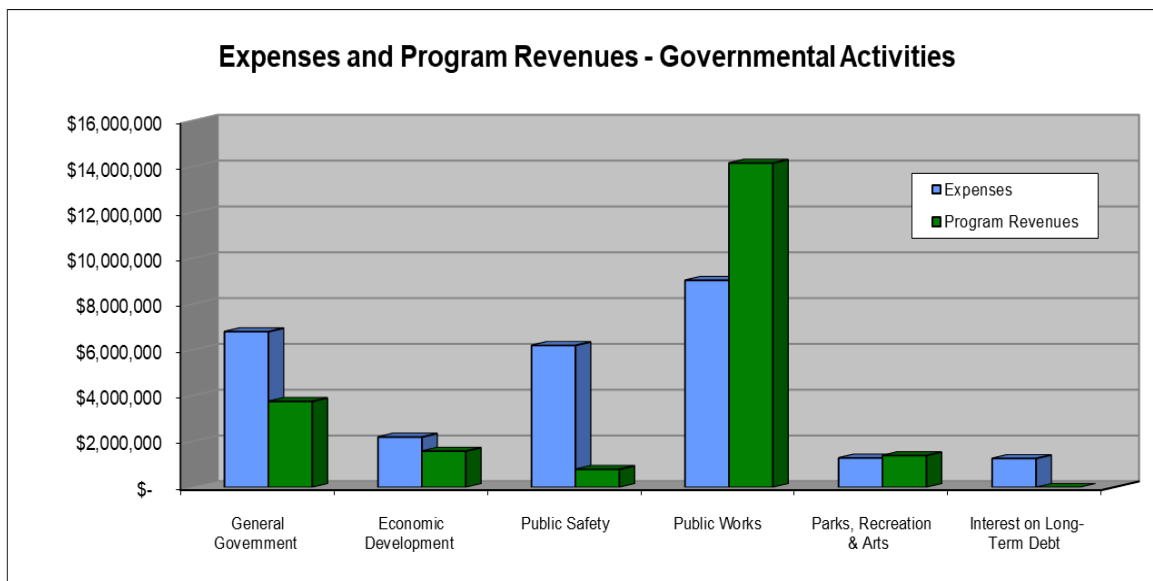
The City as a whole

- As a whole, the City had total revenues of \$90.7 million for the year ended December 31, 2017. This is an increase of \$7.8 million from the prior year.
- The total cost of all programs and services was \$80.1 million, an increase of \$3.0 million from the prior year. The City's expenses are predominantly related to providing services (police, fire, purchasing power for electric service, building inspections, street maintenance, snow removal, etc.) for the citizens of Chaska. The purely administrative activities of the City accounted for 8.2 percent of total costs. This was a 0.5 percent increase from the prior year.

Governmental activities

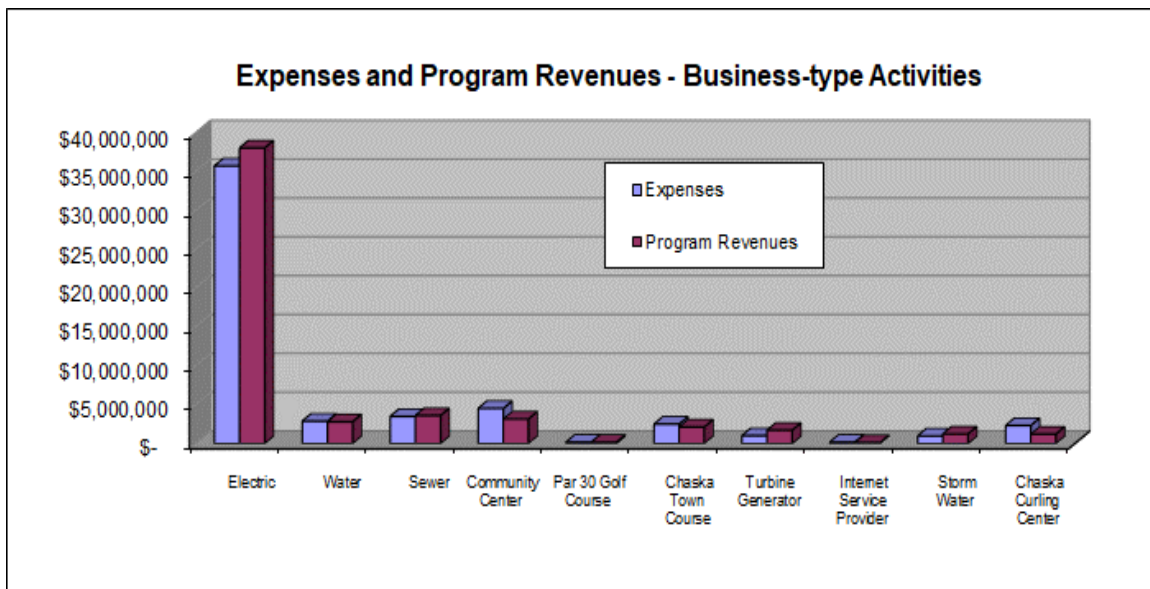
- The largest source of revenue for governmental activities is Capital Grants and Contributions. In 2017, 39.1 percent of all revenues were Capital Grants and Contributions.

- Of the \$14.1 million Capital Grants and Contributions, \$12.2 million is reported in Public Works. This revenue is related to special assessments and state aids for street reconstruction and related improvements.
- Property Taxes were the next major source of revenues at 25.2 percent of the total governmental activities in 2017.
- The total costs of all programs and services were \$26.3 million. The cost of providing general government and street maintenance/construction makes up 59.6 percent of this total.



Business-type activities

- Business-type activities net position increased by 4.39 percent to \$41.1 million.
- Charges for services were very similar to prior years, increasing only 1.5 percent, or \$.82 million from the prior year. The Chaska Community Center, Storm Water and Water operations all saw increases of \$428,539, \$128,096, and \$53,293 respectively.
- Expenses were \$1.7 million higher, or a 3.3 percent increase, compared to 2016. The Electric expenses increased \$.51 million due to higher administration costs, franchise fees and depreciation. The Chaska Curling Center's expenses increased \$.81 million from the prior year, in its second (2) full year of operations. All other operations accounted for the \$.38 million increase.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Chaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Chaska's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Chaska's financing requirements. In particular, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the City completed the year, its governmental funds reported a combined fund balance of \$18.8 million.

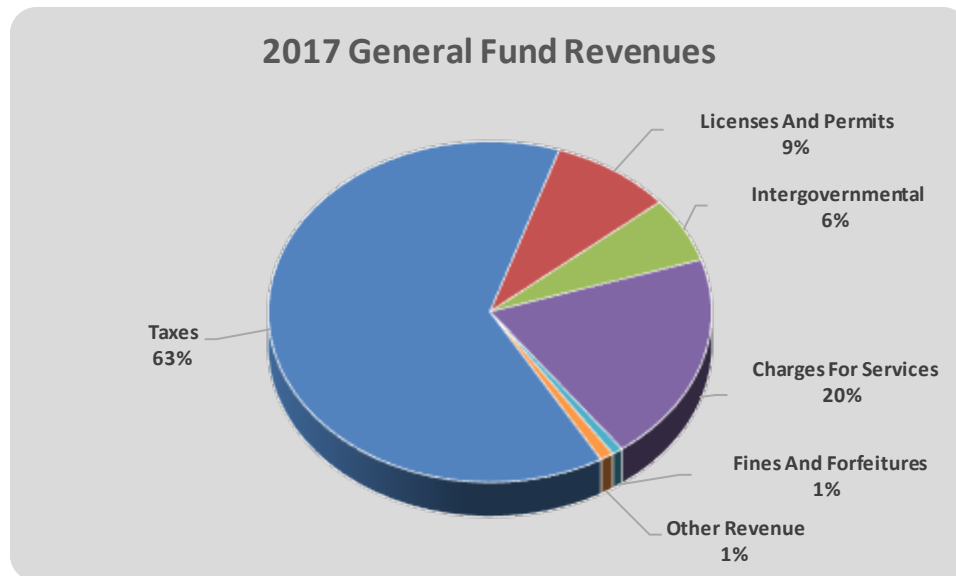
The City completed the year with an increase in governmental fund balances of \$5.0 million. Revenues for the City's governmental funds were \$26.7 million, while total expenditures were \$34.1 million. Property taxes, charges for services and franchise taxes are the most significant sources of revenue (71.7 percent) while capital outlay is the most significant expenditure (28.7 percent).

The **General fund** is the chief operating fund of the City of Chaska. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1.1 million. The fund balance decreased \$527,642 as of December 31, 2017. Key factors in the change are:

- In 2017, total revenues and other financing sources were \$151,517 less than budget, while total expenditures and other financing uses were \$376,125 over budget.
- Differences between budgeted and actual revenue include property taxes \$16,359 lower than budget, and franchise fees \$123,875 lower than budget. Licenses and permits, special assessments, as well as intergovernmental revenues were all higher than budget by \$140,745, \$793 and \$63,477 respectively. An increase in plan checks contributed to an

increase in licenses and permits, while fire and EMT training aid helped increase intergovernmental revenues.

- Differences between budgeted and actual expenditures include general government which was over budget by \$98,740. Public safety was over budget by \$533,756, Public Works was under budget by \$70,741 and Parks and Recreation was under budget by \$199,277. Areas that general government were over budget include Administrative Services, Administration, and the City Attorney. Administrative Services was over budget by \$194,018, Administration was over budget by \$113,146, and the City Attorney was over budget by \$67,634. Professional and contractual services provided on various projects contributed to the bulk of these overages. Public Works snow removal requirements were under budget by \$46,023 accounting for the bulk of their underage of \$70,741. Firemen's Park and beach have not fully staffed all projected positions therefore, personnel costs, supplies and other charges are under budget by \$138,544 for the year.



The **Public Improvement Projects fund** is a capital project fund used to account for the receipts and expenditures for improvement costs, as well as dedicated revenues appropriated for public improvement projects. In 2017, capital outlay was \$5.4 million while bonds issued plus premium were \$5.8 million. Special assessments are the other major revenue reported in this fund. The fund balance decreased \$101,803 as of December 31, 2017.

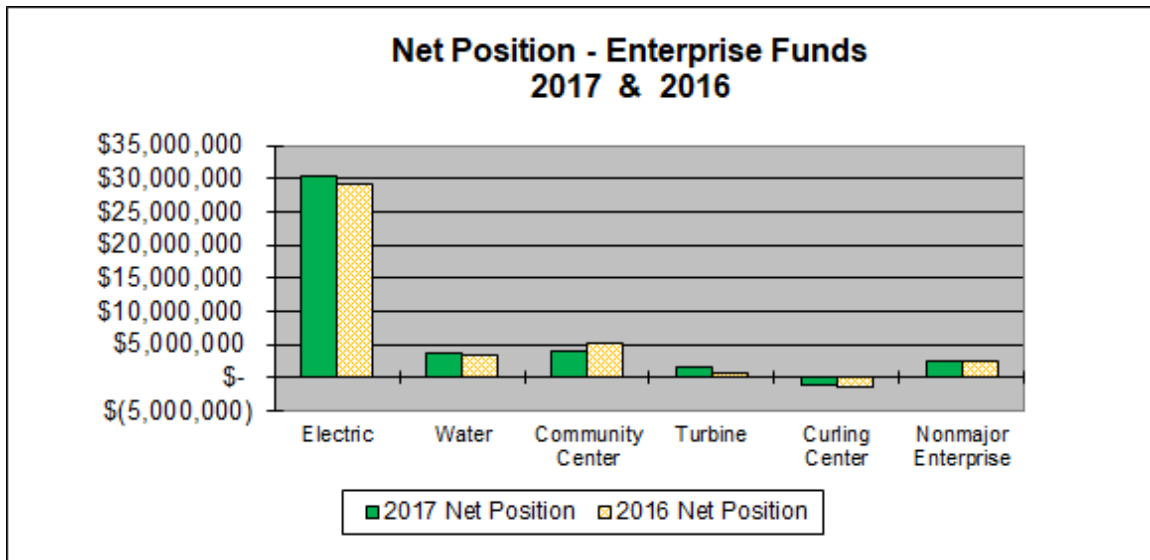
Proprietary Funds. The statements for proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined change of all current year enterprise funds operations increased net position by \$1.7 million.

- The Electric fund's operating income was \$2,148,084. Operating revenue increased \$42,001 from last year. Capital assets (net of depreciation) increased \$2.6 million with the

addition of the Lake Hazeltine Substation, and growth in lines, poles and transformers as the City expands its service to new residential and industrial customers.

- The Water fund had operating income of \$245,830 which was \$26,229 greater than the prior year. Operating revenue increased \$53,293 from the prior year. The Water fund transferred out \$77,082 to other funds to support water system improvement projects.
- The Chaska Community Center had operating revenues of \$3,163,971 and operating expenses (less depreciation) of \$3,570,939. When factoring in depreciation expense (\$710,666), the operating loss was \$1,117,634. When calculating and setting Community Center fees, recouping depreciation expense is not considered.
- The Turbine Generator fund received \$1.7 million in lease revenue. Net position increased \$772,831 and the fund paid down \$1,110,000 in bonded debt.
- The Chaska Curling Center completed its second (2) full year of operations in 2017. The fund reported operating revenue of \$1,221,472 and operating expenses of \$1,805,162 resulting in operating loss of \$583,690. After non-operating revenues, non-operating expenses, and transfers, net position increased \$375,689.



General Fund Budgetary Highlights

The final amended budget for the General fund includes the original adopted budget plus any additional supplemental appropriations that were legislated by the City Council during the year. In 2017, the original budget was not amended; therefore, projecting no change in fund balance.

While the City's original and final budget for the General fund anticipated that revenues would equal expenditures, the City's General fund reported revenues lower than budget and expenditures higher than budget.

- Total revenue and other financing sources were \$151,517 lower than budget.
- Intergovernmental revenue surpassed budget by \$63,477. State aid comprised \$37,164 of that revenue.
- Other revenue was \$190,478 under budget for various reasons. Sources of other revenue include payments, interest earnings, contributions and miscellaneous revenues.
- Public Safety expenditures were \$533,756 more than the final budget. A claim against the Police department that had not been filed at the time the budget was developed makes up \$250,000 of this overage. Another \$183,161 was personnel services expenditures for Police staff, while the remainder of the overage was primarily operating supplies for both Police and Fire.
- Public Works and Park, Recreation and Arts were under budget by \$70,741 and \$199,277 respectively. Public Works underage can be attributed to lower than projected costs to maintain streets. Openings for full-time personnel in Parks, Recreation and Arts resulted in significant underages.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in capital asset table below, at the end of 2017, the City had \$249.4 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, electric, water and sewer lines. More detailed information on the City of Chaska's capital assets can be found in **Note 4** of the basic financial statements.

Capital Assets at Year End - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 51,768,931	\$ 50,362,938	\$ 1,231,421	\$ 1,222,364	\$ 53,000,352	\$ 51,585,302
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	2,598,135	2,912,308	38,300,505	40,313,668	40,898,640	43,225,976
Other Improvements	12,599,631	13,166,296	1,135,327	1,185,043	13,734,958	14,351,339
Furniture & Equipment	3,550,613	3,418,768	4,709,249	4,287,168	8,259,862	7,705,936
Infrastructure	97,355,548	94,046,659	21,095,485	20,468,276	118,451,033	114,514,935
Construction in Progress	11,921,291	6,615,636	2,996,622	890,955	14,917,913	7,506,591
Totals	\$ 179,899,176	\$ 170,627,632	\$ 69,468,609	\$ 68,367,474	\$ 249,367,785	\$ 238,995,106

In 2017, the City caught up on needed improvements deferred as a result of Ryder Cup in 2016, executing \$13,650,634 in street reconstruction and city-wide infrastructure projects.

Long-Term Debt

At year-end, the City had \$116.6 million in bonds and notes outstanding, as shown in the table below. More detailed information about the City's long-term liabilities is presented in **Note 6** to the financial statements.

City of Chaska's Outstanding Debt						
(Does Not Include Premiums, Compensated Absences, Claims and Judgments Payable, Other Post-Employment Benefits or Net Pension Liabilities)						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
G.O. Equipment Certificates (Backed by the City)	\$ 2,605,000	\$ 740,000	\$ -	\$ -	\$ 2,605,000	\$ 740,000
G.O. Bonds (Backed by the City)	1,635,000	1,835,000	15,820,000	15,745,000	17,455,000	17,580,000
G.O. Tax Increment Bonds (Backed by the City)	1,220,000	850,000	-	-	1,220,000	850,000
G.O. Abatement Bonds (Backed by the City)	2,430,000	405,000	-	-	2,430,000	405,000
G.O. Improvement Bonds (Backed by the City)	30,995,000	25,510,000	-	-	30,995,000	25,510,000
Revenue Bonds and Notes (Backed by specific tax and fee revenues)	-	-	29,440,000	23,475,000	29,440,000	23,475,000
EDA Lease Revenue Bonds (Backed by specific tax and fee revenues)	9,815,000	10,085,000	22,575,000	21,960,000	32,390,000	32,045,000
Promissory Note Payable (Backed by the City)	107,998	119,300	-	-	107,998	119,300
Totals	\$ 48,807,998	\$ 39,544,300	\$ 67,835,000	\$ 61,180,000	\$ 116,642,998	\$ 100,724,300

The City continues to pay down its debt, retiring \$6.2 million of outstanding bonds and notes in 2017.

The City of Chaska's General Obligation bonds carry an AA rating by Standard and Poor's Corporation, the City of Chaska Electric Revenue Bonds are rated A2 by Moody's and the Chaska EDA Lease Revenue Bonds carry an AA- rating by Standard and Poor's Corporation, as of last review.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3 percent of market value. At December 31, 2017, the City's legal debt margin was \$73,940,371. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2018 budget. Specifically, six (6) major economic issues were considered:

1. Market values across the community increased by an average of 7.85 percent. This will bring our overall property values in the community to just over \$2.8 billion, the highest level in our community's history. 2.3 percent of this change came from new construction with the rest being increased values on existing properties.
2. Based on State formulas, the City will no longer receive Local Government Aid to help reduce our tax levy, creating a \$257,376 loss in revenue for 2018.
3. Both residential and commercial building permit activity has continued to be stable, becoming more predictable from a budgeting perspective.
4. The City is once again seeing an increase in population, with our population moving to just under 26,500 residents.
5. Electric revenue has continued to increase with continued economic development activity occurring in the last five (5) years, including data center development and additions to existing industrial businesses, driving up this usage. This has had a positive impact on the electric franchise fee coming back to our General fund.
6. The City continues to see a good mix of commercial, industrial and residential growth in the community.

As we look at 2018, we continue to see a positive trend in the market, as both commercial and industrial economic development activities occur and are planned in the community, while residential development continues moving in a positive and measured direction. These activities have a positive impact on our electric franchise fee to the General fund. It also helps increase new market values in the community, which we have provided additional tax resources to support our service levels, without having a negative impact on existing properties in the community.

General fund operating expenditures are forecast to be \$16,012,480 which is an increase of 6.4 percent over the 2017 operating budget. In preparing the 2018 budget the following general assumptions were used for the operating budget:

- Utilize budgeting objectives developed.
- Increase in the tax levy by 5.3 percent due to new growth and inflation, with an additional \$125,000 representing the replacement of half of our lost Local Government Aid in 2018.
- Continue to implement the capital improvement program (CIP) in 2018.
- Continue with the 5 percent gas franchise fee, which will represent approximately \$468,000 in 2018 and be dedicated to the CIP Program.

- Continuation of \$300,000 tax levy annually to the Economic Development Authority fund (EDA) in 2018 and continuing to support the "Community Building Fund".
- Operational costs increase 1 percent in 2018.
- Personnel salaries increase of 3 percent, with employer benefit contribution increases of 6 percent.
- Assume normal continuation of our street reconstruction program.
- Continue contract with City of Carver for shared recreational services, bringing in additional \$51,250 in revenue.
- Assume no draw-down on General fund reserves

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Chaska's Administrative Services Department.

Government-Wide Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 17,628,034	\$ 11,563,105	\$ 29,191,139
Receivables:			
Taxes	145,206	-	145,206
Special Assessments	14,157,759	51,261	14,209,020
Accounts, Net Of Allowance	211,712	6,236,736	6,448,448
Interest	13,275	151,188	164,463
Leases	128,903	19,730,971	19,859,874
Notes	34,261	-	34,261
Internal Balances	4,747,836	(4,747,836)	-
Due From Other Governments	14,257	131,880	146,137
Inventories	-	1,699,472	1,699,472
Net Pension Asset	555,163	-	555,163
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	10,108,000	10,108,000
Cash With Escrow Agent - Debt Service	2,360,778	8,113,394	10,474,172
Capital Assets:			
Not Depreciated	63,795,249	4,228,043	68,023,292
Net Of Depreciation	116,103,927	65,240,566	181,344,493
TOTAL ASSETS	219,896,360	122,506,780	342,403,140
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	6,397,999	1,174,718	7,572,717
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 226,294,359	\$ 123,681,498	\$ 349,975,857
LIABILITIES			
Accounts Payable	\$ 862,134	\$ 576,233	\$ 1,438,367
Salaries Payable	314,171	214,391	528,562
Deposits Payable	47,279	382,791	430,070
Accrued Interest Payable	546,859	643,316	1,190,175
Due To Other Governments	27,691	2,433,709	2,461,400
Unearned Revenue	1,960,371	604,599	2,564,970
Non-Current Liabilities:			
Due Within One Year	3,522,626	6,014,510	9,537,136
Due In More Than One Year	57,126,952	70,476,449	127,603,401
TOTAL LIABILITIES	64,408,083	81,345,998	145,754,081
DEFERRED INFLOWS OF RESOURCES			
Debt Refunding Deferments	-	481,338	481,338
Pension Plan Deferments	7,016,880	777,568	7,794,448
TOTAL DEFERRED INFLOWS OF RESOURCES	7,016,880	1,258,906	8,275,786
NET POSITION			
Net Investment in Capital Assets	137,122,192	30,523,279	167,645,471
Restricted for:			
Special Purposes	62,789	-	62,789
Capital Projects	8,684,584	-	8,684,584
Debt Service	9,776,849	17,986,742	27,763,591
Economic Development	930,081	-	930,081
Fire Relief Pensions	353,374	-	353,374
Unrestricted	(2,060,473)	(7,433,427)	(9,493,900)
TOTAL NET POSITION	154,869,396	41,076,594	195,945,990
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 226,294,359	\$ 123,681,498	\$ 349,975,857

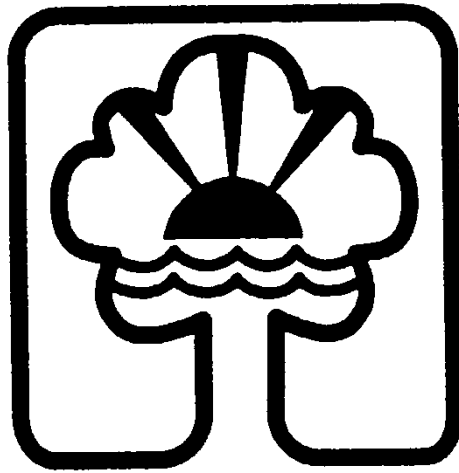
The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 6,603,240	\$ 3,716,746	\$ 39,449	\$ -	\$ (2,847,045)	\$ -	\$ (2,847,045)
Economic Development	2,005,808	76,000	890,832	617,736	(421,240)	-	(421,240)
Public Safety	6,063,781	263,033	507,970	20,738	(5,272,040)	-	(5,272,040)
Public Works	9,042,167	1,882,531	38,673	12,238,082	5,117,119	-	5,117,119
Parks, Recreation And Arts	1,286,155	182,462	300	1,210,081	106,688	-	106,688
Interest On Long-Term Debt	1,264,604	-	-	-	(1,264,604)	-	(1,264,604)
Total Governmental Activities	26,265,755	6,120,772	1,477,224	14,086,637	(4,581,122)	-	(4,581,122)
Business-type Activities:							
Electric	35,744,098	37,542,385	494	511,552	-	2,310,333	2,310,333
Water	2,883,350	2,768,225	153	37,111	-	(77,861)	(77,861)
Sewer	3,494,259	3,601,281	153	8,240	-	115,415	115,415
Community Center	4,536,723	3,163,971	399	-	-	(1,372,353)	(1,372,353)
Par 30 Golf Course	193,856	167,726	31	-	-	(26,099)	(26,099)
Chaska Town Course	2,512,410	2,133,510	215	-	-	(378,685)	(378,685)
Turbine Generator	1,019,671	1,719,136	-	-	-	699,465	699,465
Internet Service Provider	184,840	117,718	-	-	-	(67,122)	(67,122)
Storm Water	980,334	1,097,344	61	147,856	-	264,927	264,927
Chaska Curling Center	2,330,918	1,221,472	120	-	-	(1,109,326)	(1,109,326)
Total Business-type Activities	53,880,459	53,532,768	1,626	704,759	-	358,694	358,694
TOTAL	\$ 80,146,214	\$ 59,653,540	\$ 1,478,850	\$ 14,791,396	(4,581,122)	358,694	(4,222,428)
General Revenues:							
Property Taxes					9,089,057	-	9,089,057
Franchise Taxes					4,300,526	-	4,300,526
Grants & Contributions Not Restricted to Specific Functions					310,188	41,184	351,372
Investment Earnings					253,578	260,708	514,286
Other					416,642	59,226	475,868
Transfers					(1,007,167)	1,007,167	-
Total General Revenues & Transfers					13,362,824	1,368,285	14,731,109
Change in Net Position					8,781,702	1,726,979	10,508,681
Net Position - Beginning					146,087,694	39,349,615	185,437,309
Net Position - Ending					\$ 154,869,396	\$ 41,076,594	\$ 195,945,990

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



CHASKA

Governmental Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 2,230,235	\$ 234,887	\$ 14,663,425	\$ 17,128,547
Cash With Escrow Agent	-	-	2,360,778	2,360,778
Receivables:				
Taxes	103,245	-	41,961	145,206
Special Assessments	252	4,143,453	10,014,054	14,157,759
Accounts, Net of Allowance	206,312	-	5,400	211,712
Interest	2,022	-	6,745	8,767
Lease	-	-	128,903	128,903
Notes	-	-	34,261	34,261
Due From Other Funds	-	-	2,559,564	2,559,564
Due From Other Governments	14,257	-	-	14,257
Interfund Receivable	-	-	745,317	745,317
Advance To Other Funds	-	-	993,349	993,349
TOTAL ASSETS	\$ 2,556,323	\$ 4,378,340	\$ 31,553,757	\$ 38,488,420
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 166,185	\$ 503,965	\$ 191,984	\$ 862,134
Salaries Payable	314,171	-	-	314,171
Deposits Payable	79	-	47,200	47,279
Due To Other Funds	-	-	1,300,271	1,300,271
Due To Other Governments	27,589	102	-	27,691
Interfund Payable	-	-	641,651	641,651
Advance From Other Funds	-	-	2,158,287	2,158,287
Unearned Revenue	-	65,292	1,895,079	1,960,371
TOTAL LIABILITIES	508,024	569,359	6,234,472	7,311,855
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	36,132	-	22,013	58,145
Unavailable Revenue - Special Assessments	252	4,078,161	8,108,583	12,186,996
Unavailable Revenue - Notes Receivable	-	-	34,261	34,261
Unavailable Revenue - Lease Receivable	-	-	128,903	128,903
TOTAL DEFERRED INFLOWS OF RESOURCES	36,384	4,078,161	8,293,760	12,408,305
FUND BALANCES:				
Restricted	-	1,374,942	10,351,500	11,726,442
Committed	908,494	-	2,889,920	3,798,414
Assigned	-	-	8,571,632	8,571,632
Unassigned	1,103,421	(1,644,122)	(4,787,527)	(5,328,228)
TOTAL FUND BALANCES	2,011,915	(269,180)	17,025,525	18,768,260
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,556,323	\$ 4,378,340	\$ 31,553,757	\$ 38,488,420

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balances - governmental funds \$ 18,768,260

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 governmental funds.

Cost of Capital Assets	262,635,085
Less: Accumulated Depreciation	(82,735,909)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Delinquent Taxes	58,145
Special Assessments	12,186,996
Notes Receivable	34,261
Leases Receivable	128,903

Governmental funds do not report long-term amounts related to pensions that are included in governmental activities net position.

Deferred Outflows - Pension Plan Deferments	6,397,999
Deferred Inflows - Pension Plan Deferments	(7,016,880)

Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

5,272,278

Internal balances from business-type activities for internal service fund services.

(218,468)

Governmental funds do not report net pension assets.

555,163

Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.

(546,859)

Long-term liabilities, including bonds payable, notes payable, compensated absences, other post-employment benefits and net pension liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(3,522,626)
Due in more than one year	(57,126,952)

Net position of governmental activities

\$ 154,869,396

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

CITY OF CHASKA, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ 5,138,807	\$ -	\$ 3,981,434	\$ 9,120,241
Franchise	4,300,526	-	-	4,300,526
Licenses And Permits	1,302,593	-	-	1,302,593
Intergovernmental	926,001	-	1,727,944	2,653,945
Charges For Services	2,952,236	-	2,764,920	5,717,156
Fines And Forfeitures	113,158	-	-	113,158
Special Assessments	793	1,150,000	1,684,999	2,835,792
Other Revenue	149,227	9,449	501,185	659,861
TOTAL REVENUES	14,883,341	1,159,449	10,660,482	26,703,272
EXPENDITURES				
CURRENT:				
General Government	5,418,382	118,208	94,014	5,630,604
Economic Development	-	-	1,919,188	1,919,188
Public Safety	5,738,341	-	-	5,738,341
Public Works	3,121,365	1,532,511	559,706	5,213,582
Parks, Recreation And Arts	724,870	22,122	393,937	1,140,929
DEBT SERVICE:				
Principal	-	-	3,061,302	3,061,302
Interest	-	-	1,380,700	1,380,700
Issuance Costs And Fiscal Agent Fees	-	73,323	176,948	250,271
CAPITAL OUTLAY	-	5,386,826	4,421,298	9,808,124
TOTAL EXPENDITURES	15,002,958	7,132,990	12,007,093	34,143,041
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(119,617)	(5,973,541)	(1,346,611)	(7,439,769)
OTHER FINANCING SOURCES (USES)				
Transfers In	14,622	27,475	4,582,548	4,624,645
Transfers Out	(422,647)	-	(5,194,543)	(5,617,190)
Bonds Issued	-	5,205,000	5,665,000	10,870,000
Refunding Bonds Issued	-	-	1,455,000	1,455,000
Premium on Bonds Issued	-	639,263	485,966	1,125,229
Sale Of Capital Assets	-	-	11,741	11,741
TOTAL OTHER FINANCING SOURCES AND (USES)	(408,025)	5,871,738	7,005,712	12,469,425
NET CHANGE IN FUND BALANCES	(527,642)	(101,803)	5,659,101	5,029,656
FUND BALANCES, JANUARY 1	2,539,557	(167,377)	11,366,424	13,738,604
FUND BALANCES, DECEMBER 31	\$ 2,011,915	\$ (269,180)	\$ 17,025,525	\$ 18,768,260

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

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, 2017

Total net change in fund balances - governmental funds \$ 5,029,656

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

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. Further detail on increases and decreases can be found in the note on capital assets. (Increases include donations of capital assets.)

Capital Outlay	16,094,547
Less: Depreciation Expense	(6,813,746)
Net book value of assets sold or disposed	(9,257)

Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period. Under the full accrual basis of accounting, these revenues are recognized when earned.

Delinquent Taxes	(31,184)
Special Assessments	4,741,151
Notes Receivable	(53,117)
Leases Receivable	128,903

Long-term debt and other long-term liabilities provide current financial resources to governmental funds, while the repayment of long-term debt and liabilities consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Further detail on the additions and reductions can be found in the note on long-term liabilities.

Additions to long-term liabilities (increases governmental fund balances)	(16,463,983)
Reductions to long-term liabilities (decreases governmental fund balances)	13,779,483

Net pension activity is not recognized in the governmental funds but recognized as the expense/revenue is incurred in the Statement of Activities.

Net Pension Asset	547,305
Deferred Outflows - Pension Plan Deferments	(3,233,590)
Deferred Inflows - Pension Plan Deferments	(5,264,624)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, 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.

(7,255)

Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

392,525

Internal service fund profit allocated to business-type activities.

(55,112)

Change in net position - governmental activities

\$ 8,781,702

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

CITY OF CHASKA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 5,155,166	\$ 5,138,807	\$ (16,359)
Franchise	4,424,401	4,300,526	(123,875)
Licenses And Permits	1,161,848	1,302,593	140,745
Intergovernmental	862,524	926,001	63,477
Charges For Services	2,988,530	2,952,236	(36,294)
Fines And Forfeitures	117,306	113,158	(4,148)
Special Assessments	-	793	793
Other Revenue	339,705	149,227	(190,478)
TOTAL REVENUES	15,049,480	14,883,341	(166,139)
EXPENDITURES:			
Current:			
General Government	5,319,642	5,418,382	(98,740)
Public Safety	5,204,585	5,738,341	(533,756)
Public Works	3,192,106	3,121,365	70,741
Parks, Recreation And Arts	924,147	724,870	199,277
TOTAL EXPENDITURES	14,640,480	15,002,958	(362,478)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	409,000	(119,617)	(528,617)
OTHER FINANCING SOURCES (USES):			
Transfers In	-	14,622	14,622
Transfers Out	(409,000)	(422,647)	(13,647)
TOTAL OTHER FINANCING SOURCES (USES)	(409,000)	(408,025)	975
NET CHANGE IN FUND BALANCES	-	(527,642)	(527,642)
FUND BALANCES, January 1	2,539,557	2,539,557	-
FUND BALANCES, December 31	\$ 2,539,557	\$ 2,011,915	\$ (527,642)

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

Proprietary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
ASSETS								
Current Assets:								
Cash And Investments	\$ 5,737,190	\$ 3,057,699	\$ -	\$ 496,084	\$ 24,920	\$ 2,247,212	\$ 11,563,105	\$ 499,487
Restricted Assets:								
Cash And Investments For Operating And Maintenance	10,108,000	-	-	-	-	-	10,108,000	-
Cash And Investments For Debt Service	187,019	-	2,178,397	1,225,044	1,721	-	3,592,181	-
Receivables:								
Special Assessments	352	66	-	-	-	50,843	51,261	-
Accounts:								
Current	3,525,063	196,662	202,695	-	68,632	451,708	4,444,760	-
Unbilled	1,629,203	75,402	-	-	-	152,300	1,856,905	-
Allowance For Uncollectible Accounts	(52,876)	(2,950)	(1,330)	-	(1,029)	(6,744)	(64,929)	-
Interest	7,895	1,642	-	140,733	-	918	151,188	4,508
Due From Other Funds	-	-	-	-	-	139,260	139,260	4,768,283
Due From Other Governments	31,467	2,424	60,634	-	-	37,355	131,880	-
Interfund Receivable	-	-	-	48,624	-	-	48,624	-
Lease Receivable	-	-	-	829,422	-	-	829,422	-
Inventories	1,508,145	123,700	-	-	-	67,627	1,699,472	-
Total Current Assets	22,681,458	3,454,645	2,440,396	2,739,907	94,244	3,140,479	34,551,129	5,272,278
Noncurrent Assets:								
Restricted Cash And Investments	742,864	-	271,790	2,083,000	1,423,559	-	4,521,213	-
Lease Receivable	-	-	-	18,901,549	-	-	18,901,549	-
Advance To Other Funds	2,158,287	-	-	871,831	-	-	3,030,118	-
Capital Assets:								
Land	778,843	222,130	90,466	-	-	139,982	1,231,421	-
Buildings	4,774,312	17,255,218	25,271,730	-	17,040,442	8,380,433	72,722,135	-
Other Improvements	-	1,271,864	552,510	-	-	308,985	2,133,359	-
Furniture And Equipment	1,792,640	514,104	2,486,012	-	1,866,701	3,659,103	10,318,560	-
Infrastructure	26,444,607	4,884,779	-	-	-	4,682,580	36,011,966	-
Construction In Progress	2,709,694	198,651	-	-	-	88,277	2,996,622	-
Less: Accumulated Depreciation	(16,355,222)	(11,969,836)	(16,781,771)	-	(753,789)	(10,084,836)	(55,945,454)	-
Total Net Capital Assets	20,144,874	12,376,910	11,618,947	-	18,153,354	7,174,524	69,468,609	-
Total Noncurrent Assets	23,046,025	12,376,910	11,890,737	21,856,380	19,576,913	7,174,524	95,921,489	-
TOTAL ASSETS	45,727,483	15,831,555	14,331,133	24,596,287	19,671,157	10,315,003	130,472,618	5,272,278
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferments	397,075	122,788	304,689	-	-	350,166	1,174,718	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 46,124,558	\$ 15,954,343	\$ 14,635,822	\$ 24,596,287	\$ 19,671,157	\$ 10,665,169	\$ 131,647,336	\$ 5,272,278
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 197,612	\$ 136,916	\$ 55,936	\$ -	\$ 86,492	\$ 99,277	\$ 576,233	\$ -
Salaries Payable	60,465	18,739	67,215	-	20,307	47,665	214,391	-
Deposits Payable	135,439	6,550	85,110	-	22,350	133,342	382,791	-
Compensated Absences	136,067	32,027	69,431	-	7,702	84,283	329,510	-
Accrued Interest Payable	88,232	36,800	14,639	232,938	217,882	52,825	643,316	-
Due To Other Funds	-	-	1,259,293	-	4,768,283	139,260	6,166,836	-
Due To Other Governments	2,324,363	21,485	14,838	63,058	1,694	8,271	2,433,709	-
Interfund Payable	48,624	-	-	-	-	103,666	152,290	-
Revenue Bonds Payable	395,000	529,000	2,465,000	1,140,000	965,000	191,000	5,685,000	-
Unearned Revenue	352	66	175,483	-	270,345	158,353	604,599	-
Total Current Liabilities	3,386,154	781,583	4,206,945	1,435,996	6,360,055	1,017,942	17,188,675	-
Noncurrent Liabilities:								
Compensated Absences	41,609	6,658	54,833	-	18,231	45,643	166,974	-
Advance From Other Funds	871,831	-	-	-	-	993,349	1,865,180	-
Revenue Bonds Payable	9,854,923	10,787,848	4,888,903	21,216,423	14,360,000	4,614,568	65,722,665	-
Other Post Employment Benefits	90,744	18,920	36,170	-	473	71,953	218,260	-
Net Pension Liability	1,387,704	487,019	1,162,184	-	669	1,330,974	4,368,550	-
Total Noncurrent Liabilities	12,246,811	11,300,445	6,142,090	21,216,423	14,379,373	7,056,487	72,341,629	-
TOTAL LIABILITIES	15,632,965	12,082,028	10,349,035	22,652,419	20,739,428	8,074,429	89,530,304	-
DEFERRED INFLOWS OF RESOURCES								
Debt Refunding Deferments	-	-	-	481,338	-	-	481,338	-
Pension Plan Deferments	238,245	78,902	195,669	-	39,891	224,861	777,568	-
TOTAL DEFERRED INFLOWS OF RESOURCES	238,245	78,902	195,669	481,338	39,891	224,861	1,258,906	-
NET POSITION								
Net Investment In Capital Assets	15,119,014	2,096,065	4,265,044	-	2,830,069	6,213,087	30,523,279	-
Restricted For Debt Service	11,037,883	-	2,450,187	3,075,106	1,423,566	-	17,986,742	-
Unrestricted	4,096,451	1,697,348	(2,624,113)	(1,612,576)	(5,361,797)	(3,847,208)	(7,651,895)	5,272,278
TOTAL NET POSITION	30,253,348	3,793,413	4,091,118	1,462,530	(1,108,162)	2,365,879	40,858,126	5,272,278
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 46,124,558	\$ 15,954,343	\$ 14,635,822	\$ 24,596,287	\$ 19,671,157	\$ 10,665,169	131,647,336	\$ 5,272,278
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							218,468	
Net Position of business-type activities							\$ 41,076,594	

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
OPERATING REVENUES:								
Sales	\$ 37,542,385	\$ 2,768,225	\$ 3,163,971	\$ 1,719,136	\$ 1,221,472	\$ 7,117,579	\$ 53,532,768	\$ 797,070
OPERATING EXPENSES:								
Production	26,415,970	550,507	-	-	-	2,258,600	29,225,077	-
Distribution / Collections	2,165,075	638,225	-	-	-	1,099,038	3,902,338	-
Administration	2,278,523	579,904	3,570,939	309,043	1,177,073	3,006,072	10,921,554	649,453
Franchise Fees	3,521,540	-	-	-	-	-	3,521,540	-
Depreciation	1,013,193	753,759	710,666	-	628,089	783,780	3,889,487	-
TOTAL OPERATING EXPENSES	35,394,301	2,522,395	4,281,605	309,043	1,805,162	7,147,490	51,459,996	649,453
OPERATING INCOME (LOSS)	2,148,084	245,830	(1,117,634)	1,410,093	(583,690)	(29,911)	2,072,772	147,617
NON-OPERATING REVENUES:								
Investment Earnings	208,626	19,429	1,253	15,001	2,614	13,785	260,708	53,050
Intergovernmental	41,557	154	399	-	120	580	42,810	-
Payments	-	-	-	58,365	-	-	58,365	-
Gain On Sale Of Capital Assets	861	-	-	-	-	-	861	-
Miscellaneous Refunds	-	-	-	-	-	-	-	206,480
TOTAL NON-OPERATING REVENUES	251,044	19,583	1,652	73,366	2,734	14,365	362,744	259,530
NON-OPERATING EXPENSES:								
Interest	206,111	359,051	204,528	706,128	523,917	142,650	2,142,385	-
Issuance Costs And Fiscal Agent Fees	162,950	6,193	64,815	4,500	3,200	4,611	246,269	-
Loss On Sale Of Capital Assets	-	-	-	-	-	86,921	86,921	-
TOTAL NON-OPERATING EXPENSES	369,061	365,244	269,343	710,628	527,117	234,182	2,475,575	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,030,067	(99,831)	(1,385,325)	772,831	(1,108,073)	(249,728)	(40,059)	407,147
CAPITAL CONTRIBUTIONS	511,552	37,111	-	-	-	156,096	704,759	-
TRANSFERS IN (OUT):								
Transfers In	-	644,611	432,000	-	1,483,762	441,494	3,001,867	-
Transfers Out	(1,455,200)	(77,082)	(50,000)	-	-	(412,418)	(1,994,700)	(14,622)
TOTAL TRANSFERS IN (OUT)	(1,455,200)	567,529	382,000	-	1,483,762	29,076	1,007,167	(14,622)
CHANGE IN NET POSITION	1,086,419	504,809	(1,003,325)	772,831	375,689	(64,556)	1,671,867	392,525
NET POSITION, JANUARY 1	29,166,929	3,288,604	5,094,443	689,699	(1,483,851)	2,430,435	39,186,259	4,879,753
NET POSITION, DECEMBER 31	\$ 30,253,348	\$ 3,793,413	\$ 4,091,118	\$ 1,462,530	\$ (1,108,162)	\$ 2,365,879	\$ 40,858,126	\$ 5,272,278
Change in net position - total Enterprise Funds							\$ 1,671,867	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							55,112	
Change in net position - Business-type Activities							\$ 1,726,979	

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts From Customers And Users	\$ 36,967,953	\$ 2,770,609	\$ 3,077,714	\$ 1,719,136	\$ 1,305,927	\$ 7,071,675	\$ 52,913,014	\$ 797,070
Payments To Suppliers	(32,363,897)	(1,010,407)	(1,508,624)	(308,958)	(972,678)	(4,221,291)	(40,385,855)	(650,856)
Payments To Employees	(1,783,382)	(614,953)	(1,964,558)	-	(524,130)	(2,015,402)	(6,902,425)	206,480
Net Cash Provided (Used) By Operating Activities	2,820,674	1,145,249	(395,468)	1,410,178	(190,881)	834,982	5,624,734	352,694
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	644,611	432,000	-	1,483,762	432,680	2,993,053	-
Transfers To Other Funds	(1,455,200)	(77,082)	-	-	-	(403,604)	(1,935,886)	(14,622)
Due From Other Funds	5,821,578	-	-	-	-	(139,260)	5,682,318	(4,768,283)
Due To Other Funds	-	-	930,014	-	323,708	(237,550)	1,016,172	-
Interfund Loans To Other Funds	603,246	-	-	58,365	-	-	661,611	-
Interest Payments On Interfund Loans	-	-	-	45,854	-	-	45,854	-
Intergovernmental	41,557	154	399	-	120	580	42,810	-
Net Cash Provided (Used) By Non-Capital Financing Activities	5,011,181	567,683	1,362,413	104,219	1,807,590	(347,154)	8,505,932	(4,782,905)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Proceeds From Revenue Bonds	7,593,991	468,997	1,967,441	-	-	322,185	10,352,614	-
Capital Contributions	511,552	37,111	-	-	-	156,096	704,759	-
Principal Paid On Bonds	(145,000)	(482,000)	(325,000)	(1,110,000)	(940,000)	(178,000)	(3,180,000)	-
Interest And Fiscal Charges	(243,820)	(379,959)	(273,185)	(969,550)	(532,120)	(130,845)	(2,529,479)	-
Proceeds From Sale Of Capital Assets	861	-	-	-	-	-	861	-
Construction And Acquisition of Capital Assets	(3,603,437)	(369,771)	(381,918)	-	(121,670)	(600,747)	(5,077,543)	-
Transfers To Other Funds	-	-	(50,000)	-	-	-	(50,000)	-
Lease Payments Received	-	-	-	767,048	-	-	767,048	-
Interfund Loan Payments To Other Funds	(45,854)	-	-	-	-	249,282	203,428	-
Interest Payments On Interfund Loans	(58,365)	-	-	-	-	(20,686)	(79,051)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	4,009,928	(725,622)	937,338	(1,312,502)	(1,593,790)	(202,715)	1,112,637	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest On Investments	214,438	21,141	1,253	16,224	2,614	14,483	270,153	56,943
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,056,221	1,008,451	1,905,536	218,119	25,533	299,596	15,513,456	(4,373,268)
CASH AND CASH EQUIVALENTS, January 1	4,718,852	2,049,248	544,651	3,586,009	1,424,667	1,947,616	14,271,043	4,872,755
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 16,775,073</u>	<u>\$ 3,057,699</u>	<u>\$ 2,450,187</u>	<u>\$ 3,804,128</u>	<u>\$ 1,450,200</u>	<u>\$ 2,247,212</u>	<u>\$ 29,784,499</u>	<u>\$ 499,487</u>
CASH AND CASH EQUIVALENTS:								
Cash And Investments	\$ 5,737,190	\$ 3,057,699	\$ -	\$ 496,084	\$ 24,920	\$ 2,247,212	\$ 11,563,105	\$ 499,487
Restricted Assets-Revenue Bonds:								
Cash And Investments	11,037,883	-	2,450,187	3,308,044	1,425,280	-	18,221,394	-
Total Cash And Cash Equivalents	<u>\$ 16,775,073</u>	<u>\$ 3,057,699</u>	<u>\$ 2,450,187</u>	<u>\$ 3,804,128</u>	<u>\$ 1,450,200</u>	<u>\$ 2,247,212</u>	<u>\$ 29,784,499</u>	<u>\$ 499,487</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ 2,148,084	\$ 245,830	\$ (1,117,634)	\$ 1,410,093	\$ (583,690)	\$ (29,911)	\$ 2,072,772	\$ 147,617
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation Expense	1,013,193	753,759	710,666	-	628,089	783,780	3,889,487	-
Allowance For Uncollectible Accounts	6,129	7	(1,760)	-	(141)	353	4,588	-
Miscellaneous Receipts	-	-	-	-	-	-	-	206,480
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	1,346	454	-	-	-	9,904	11,704	-
Accounts Receivable	(541,147)	(4,130)	11,764	-	9,347	(29,721)	(553,887)	-
Due From Other Governments	(28,215)	(43)	1,209	-	-	(36,756)	(63,805)	-
Inventory	(257,489)	7,706	-	-	-	(3,267)	(253,050)	-
Deferred Outflows	351,213	109,072	283,588	-	70,907	327,216	1,141,996	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	163,706	113,808	1,321	-	(358,463)	34,630	(44,998)	(1,403)
Salaries Payable	943	(57)	6,213	-	5,519	1,095	13,713	-
Deposits Payable	(11,199)	6,550	34,604	-	(650)	19,875	49,180	-
Compensated Absences Payable	(8,931)	(14,337)	7,290	-	8,271	(8,043)	(15,750)	-
Net Pension Liability	(322,342)	(100,106)	(260,276)	-	(78,083)	(300,318)	(1,061,125)	-
Due To Other Governments	226,182	3,156	(1,488)	85	710	1,992	230,637	-
Unearned Revenue	(1,346)	(454)	(132,074)	-	75,899	(9,559)	(67,534)	-
Other Post Employment Benefits	9,609	2,003	3,830	-	50	7,620	23,112	-
Deferred Inflows - Pensions	70,938	22,031	57,279	-	31,354	66,092	247,694	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,820,674</u>	<u>\$ 1,145,249</u>	<u>\$ (395,468)</u>	<u>\$ 1,410,178</u>	<u>\$ (190,881)</u>	<u>\$ 834,982</u>	<u>\$ 5,624,734</u>	<u>\$ 352,694</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Amortization Of Bond Premiums	\$ 1,138	\$ 14,957	\$ 1,117	\$ 213,571	\$ -	\$ 3,757	\$ 234,540	\$ -
Amortization Of Gain On Refunding	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ -	\$ 37,026	\$ -

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

Fiduciary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

CITY OF CHASKA, MINNESOTA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

	AGENCY FUNDS
<u>ASSETS</u>	
Cash And Cash Equivalents	\$ 436,048
Accounts Receivable	12,698
Due From Other Funds	<u>10,430</u>
TOTAL ASSETS	<u>\$ 459,176</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 52,268
Due To Other Funds	10,430
Deposits Payable	336,838
Due To Other Governments	<u>59,640</u>
TOTAL LIABILITIES	<u>\$ 459,176</u>

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

Note 1 Summary of Significant Accounting Policies

The City of Chaska (the City) operates under the Optional Plan A Statutory, as a modified form of government pursuant to applicable Minnesota laws and statutes. The Plan A, prescribes a modified Administrator-Council form of organization. The Council consists of an elected mayor and four (4) council members. The City provides the following services: public safety, highways and streets, culture-recreation, public improvements, planning and zoning and general administration. The City operates utilities in the areas of electric, water, sewer and storm water. The City also operates a community center, two (2) golf courses, internet service, gas turbine generator and a curling and event center.

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

A) The Financial Reporting Entity

These financial statements present the City (primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationship with the City.

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

As a result of applying the component unit definition criteria above, one (1) organization has been defined and is presented in this report as follows:

Blended component unit – The Chaska Economic Development Authority (Chaska EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The Chaska EDA is included in these financial statements by reason of the Chaska EDA Board being comprised of City Council members. Activities of the Chaska EDA are financed by a tax levy of the City for that purpose. There are no other statements for the Chaska EDA other than those presented in this report.

B) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements. "Government-wide financial statements" (i.e. the Statement of Net Position and the Statement of Activities) report information based on the City as a whole and

exclude fiduciary activity. Also, 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 segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance fund. *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, 2) operating grants and contributions that are restricted to meet the operational requirements of a particular function and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other internally directed revenues are reported as *general revenues*.

The accounts of the City, are organized on the basis of funds and separate "Fund Financial Statements" are provided for on three (3) different broad fund categories (Governmental, Proprietary and Fiduciary). Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented in total in one (1) column in the fund financial statements.

Major Funds

The City of Chaska reports the following major governmental funds:

- **General Fund** – This fund is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.
- **Public Improvement Projects Fund** – This fund is used to account for the financing and construction of public improvements projects.

The City of Chaska reports the following major proprietary funds:

- **Electric Fund** – This fund is used to account for revenues and expenses of the City's Electric Utility operations.
- **Water Fund** – This fund is used to account for revenues and expenses of the City's Water Utility operations.

- **Community Center Fund** – This fund is used to account for revenues and expenses of the Chaska Community Center operations.
- **Turbine Generator Fund** – This fund is used to account for the operations of the City's Turbine Generator Utility operations.
- **Curling Center Fund** – This fund is used to account for the operations of the City's Curling and Event Center operations.

Other Funds

Additionally, the City of Chaska reports the following fund types:

- **Internal Service Funds** – Internal service funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City has one (1) Internal Service fund – the Self-Insurance fund. This fund is used to account for the purchase of property, liability and workers' compensation insurance for all City departments. Costs are allocated to individual departments.
- **Fiduciary Funds** – Fiduciary funds account for assets held on behalf of outside parties, including other governments. The City's only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of the City's Fiduciary funds:
 - **Builders' Deposit Fund** – This fund is used to account for assets held in a custodial capacity in the form of deposits from builders that will be refunded upon project completion.
 - **Developers' Fund** – This fund is used to account for assets held in a custodial capacity in the form of billings to developers for contractual services.
 - **Metropolitan Council Environmental Services (MCES) Collections Fund** – This fund is used to account for the collection of assets held in a custodial capacity in the form of sewer availability charges remitted monthly to MCES.
 - **Police Evidence Cash Fund** – This fund is used to account for cash funds held as evidence by the Chaska Police department.

C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Economic resources measurement focus aims to reporting all inflows, outflows and balances affecting or reflecting an entity's net position. 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 in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Fiduciary funds report assets and liabilities only and have no measurement focus, but do use the accrual basis of accounting to recognize receivables and payables.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt and other long-term obligations are recognized as expenditures to the extent they have matured.

Property taxes, franchise taxes, licenses and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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.

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

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, deferred outflows of resources and all liabilities, including long-term liabilities and deferred inflows of resources associated with fund activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for all of the City of Chaska's enterprise funds and internal service fund are cost of sales and services, administrative expense and depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

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

D) Budgetary Accounting

Budgets for the General fund, two (2) Special Revenue funds and one (1) Capital Project fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Non-major Special Revenue funds with budgets are the Mount Pleasant Maintenance & Care fund and the Chaska EDA fund. The budgeted

capital project fund is the Equipment Acquisition fund. (Schedules are included in this financial statement). All annual appropriations lapse at fiscal year-end.

E) Cash and Investments

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota State Statutes. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value based on quoted market prices, except for investments in external investment pools, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three (3) months or less. Interest on escrow investments is allocated specifically to the related fund. Investment income is accrued at the balance sheet date.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 3 for the City's recurring fair value measurements as of year-end.

F) Receivables

- **Property Tax**

Property tax levies are set by the City Council and must be levied on or before five (5) business days after December 20th. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over assessable property. Such taxes become a lien on the first of January and are recorded as receivables by the City on that date. Revenues are accrued in the year collectable net of delinquencies.

Property taxes may be paid by taxpayers in two (2) equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three (3) times a year: on or before June 30, December 1 and before April 15 of the following year.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and have been offset by a deferred inflow of resources, because it is not known when they will be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

- **Special Assessments**

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the governmental fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31 are classified as delinquent receivables and together with deferred assessments are fully offset by deferred inflows because it is not known when they will be available to finance current expenditures. Delinquent special assessment receivable at December 31, 2017 totaled \$33,883.

- **Trade Receivables**

All trade receivables are shown net of an allowance for uncollectibles on the Statement of Net Position. On December 31, 2017, the allowance for uncollectible accounts is \$68,070.

G) Short-Term and Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds”. The current portions of lending/borrowing arrangements (advances) are classified as “interfund receivables/payables”. The long-term portions of interfund receivables are reported as advances.

H) Inventory

Inventories in the enterprise funds are valued at cost, which approximates market, using the first in-first out (FIFO) method. Inventories are recorded as expenses when consumed.

I) Restricted Assets

In the government-wide statement of net position and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Investment earnings on these assets are allocated directly to the appropriate funds.

J) Capital Assets

Capital assets, which include land, buildings and structures, equipment and infrastructure (e.g. roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems)

are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records are available. Donated capital assets are valued at their estimated acquisition value on the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City uses the following capitalization policy:

Description	Capitalization Threshold
Machinery / Equipment and Vehicles	\$5,000
Building and Building Improvements	25,000
Land and Land Improvements	25,000
Public Domain Infrastructure	50,000

Depreciation of assets on the government-wide statements for the primary government (governmental and business-type activities) and in the proprietary funds financial statements is charged as an expense against operations using the straight-line method and the following estimated useful lives:

Description	Life
Buildings and Structures	25 years
Furniture and Equipment	3 - 25 years
Improvements, other than Buildings	25 - 50 years
Public Domain Infrastructure	10 - 50 years

Capital assets not being depreciated include land, because land is believed to have an unlimited useful life; works of art/historical treasures, because assets of that type do not have a determinable useful life; and construction in progress, because construction on the asset has not been fully completed.

K) Compensated Absences

The City permits employees to accumulate earned, but unused personal leave, vacation, sick and compensatory time benefits. Employees are compensated upon termination for unused personal leave, vacation and compensatory time. Grand-fathered union employees, by contract, are entitled to sick leave at the rate of eight (8) hours for each calendar month of full-time service. All personal leave, vacation, and compensatory pay is recorded as an expense and liability as the benefits accrue in the government-wide and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L) 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has one (1) item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions reported in the government-wide and enterprise funds Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, difference between projected and actual earnings on pension plan investments, changes in proportion, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) types of items that qualify for reporting in this category.

The first item, unavailable revenue, arises only under the modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from four (4) sources: taxes, special assessments, notes receivable and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second item, deferred inflows of resources related to debt refundings, is reported in the government-wide and enterprise funds Statement of Net Position. This deferred inflow results from the differences between the resources required to refund debt and the net carrying amount of the refunded issue. These amounts are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The third item, deferred inflows of resources related to pensions, is reported in the government-wide and enterprise funds Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings on pension plan investments, and changes in proportion. These amounts are deferred and amortized as required under pension standards.

M) 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. The recognition of bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

N) Fund Balance Classifications

The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is “fund balance” on the governmental fund statements. In the fund financial statements, fund balance is divided into five (5) classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

- **Nonspendable** – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items or inventory.
- **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 purposes 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 amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended use established by the governing body itself or by an official to which the governing body delegates authority. Pursuant to City Council Resolution, the City’s Administrative Services Director 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 use restricted resources first and then unrestricted as needed. When committed, assigned or unassigned funds are available for expenditure, it is the City’s policy to spend committed funds first, assigned funds second and unassigned funds last.

O) Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations in their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets” are reported as unrestricted.

P) Interfund Transactions

Interfund services provided 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. In the ordinary course of business transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in/out. Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivable or payable between the two (2) types of activities: governmental and business-type.

Q) Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

R) 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 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.

The PERA has a special funding situation created by a direct aid contribution made by the State of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement fund into the PERA on January 1, 2015.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Chaska Fire Department Relief Association (CFDRAPP) and additions to/deductions from CFDRAPP's fiduciary net position have been determined on the same basis as they are reported as of December 31, 2017. Investments are reported at fair value.

Note 2 Compliance and Accountability**A) Budget**

The City follows these procedures in establishing the annual budget:

1. City Administrative Services Director prepares history of actual revenues and expenditures for the prior two (2) years and an estimate for the current year.
2. Department heads review the history and estimate the coming year's revenues and expenditures and then project out five (5) years. Department heads submit their five (5) year budgets to the City Administrative Services Director.
3. Department budgets are reviewed and combined into a five (5) year budget by the City Administrator and City Administrative Services Director.
4. The City Administrator recommends the five (5) year budget to the City Council and revenue and expenditure targets for the new budget year are established.
5. Department heads prepare and submit detail budgets for the new budget year.
6. Department budgets are reviewed by the City Administrator and City Administrative Services Director and submitted to the City Council for approval.
7. Public hearings are conducted to obtain public comment.
8. The City Council may amend the recommended budget and then approves the final budget and required tax levy through passage of a resolution in accordance with Minnesota State Statutes on "Truth in Taxation".
9. Budgetary control is maintained by department heads for all assigned divisions. Department heads may reallocate budget appropriations between assigned intra-fund divisions but may not reallocate between funds; thus, the legal level of control is at the fund level. Additional expenditures not authorized but proposed by department heads are not authorized unless additional revenues or restrictions are identified and available. During the year, expenditures in various category levels (i.e., personal services, operating supplies, other services and charges, capital outlay and other financing uses) in several divisional areas exceeded the level of appropriation. These variances were not significant since additional revenues and restrictions were identified and available to offset the additional expenditures.
10. Unused budgeted expenditure appropriations lapse at year-end.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2017, expenditures exceeded appropriations in the General fund by \$362,478, and the Chaska EDA Special Revenue fund by \$904,887. Variances in the General fund were offset with fund balance. Variances in the Chaska EDA fund were mainly due to a pass-through grant. Grant revenue, special assessment revenue and transfers into the fund offset most of the variance. The remaining difference was offset with fund balance.

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance/net position at December 31, 2017:

Special Revenue Fund	
Chaska EDA	\$ 780,482
Capital Project Funds	
2014 Flood Event	\$ 551,733
TIF Dist #14 - Downtown Redevelopment	1,870,651
TIF Dist #17 - Chaska Preserve	248,988
TIF Dist #18 - Chaska Building Center	639,745
TIF Dist #19 - Chaska Heights	11,906
Enterprise Funds	
Sewer	\$ 1,665
Par 30 Golf	150,457

The deficit in the Chaska EDA fund is due to various economic development projects. Some of these projects have not received final funding. Ongoing activities of the Chaska EDA fund will eliminate this deficit.

The deficits in the Capital Project funds relate to capital projects that have incurred expenditures but have not received final financing. The TIF District deficits are due to the timing of tax increments and project costs for the district. Tax increment revenue collected in future years will eliminate these deficits. All funds are expected to recover their deficits.

The deficits in the Enterprise funds (Sewer and Par 30 Golf) are from ongoing operations. Revenue from future operations is expected to eliminate these deficits.

Note 3 Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide statement of net position as "cash and investments".

Deposits, investments, petty cash and change funds are reported on the City's financial statements as follows:

Statement of Net Position - Government-Wide	
Cash and Investments	\$29,191,139
Restricted Cash and Investments	20,582,172
	<u>49,773,311</u>
Statement of Net Position - Fiduciary Funds	
Cash and Cash Equivalents	436,048
Total Cash and Investments	<u><u>\$50,209,359</u></u>

A) Deposits

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

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

Custodial Credit Risk – Is the risk that in the event of bank failure, the City's deposits may be lost and not recovered.

Minnesota Statutes require that federal deposit insurance, corporate surety bond or collateral protect all deposits. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral includes the legal investments described below under "credit risk", as well as; certain first mortgage notes and certain other state or local government obligations.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. The City's investment policies do not further address limiting exposure to custodial credit risk for deposits.

Deposit balances at December 31, 2017 are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Total Bank Deposits	\$4,160,279	\$3,105,465

At December 31, 2017, all deposits were insured, or collateralized by securities held by the City's agent in the City's name.

City of Chaska, Minnesota

For the Year Ended December 31, 2017

B) Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	More than 5	
U.S. Treasury Securities	AA+	S&P	Level 2	\$ 989,790	\$ -	\$ -	\$ 989,790
U.S. Treasury Securities	Aaa	Moody's	Level 1	2,996	-	-	2,996
U.S. Treasury Securities	N/R	N/R	Level 1	5,101	944,374	-	949,475
U.S. Treasury Securities	N/R	N/R	Level 2	491,410	780,392	-	1,271,802
U.S. Government Agencies	AA+	S&P	Level 2	1,144,123	422,104	-	1,566,227
U.S. Government Agencies	AA-	S&P	Level 2	-	2,696,680	-	2,696,680
State and Local Bonds	AA-	S&P	Level 2	-	501,280	-	501,280
State and Local Bonds	Aa3	Moody's	Level 2	503,600	-	-	503,600
State and Local Bonds	Aa2	Moody's	Level 2	174,834	-	-	174,834
State and Local Bonds	Baa1	Moody's	Level 2	250,548	-	-	250,548
Negotiable CD's	N/R	N/R	Level 2	245,409	-	-	245,409
Commercial Paper	A-1	S&P	Level 2	2,680,900	N/A	N/A	2,680,900
Investments in Mutual Funds & Money Markets							
First American Treasury Obligations	AAA	S&P	Level 2	N/A	N/A	N/A	2,180,111
100% Treasury MM Fund	AAA	S&P	Level 1	N/A	N/A	N/A	3,308,045
Minnesota Municipal MM Fund	N/R	N/R	N/A	N/A	N/A	N/A	29,782,197
Total Investments:				<u>\$ 6,488,711</u>	<u>\$ 5,344,830</u>	<u>\$ -</u>	<u>47,103,894</u>
Total Deposits							3,100,565
Petty Cash and Change Funds							4,900
Total Deposits and Investments							<u>\$ 50,209,359</u>

N/A - Not Applicable

N/R - Not Rated

The Minnesota Municipal Money Market Fund (the 4M Fund) is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management program for Minnesota public funds. It is also, sponsored and governed by the League of Minnesota Cities since 1987. Allowable under Minnesota Statutes, the 4M Fund is comprised of top quality, rated investments.

The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC. The reported value of the pool is the same as the fair value of the pool share. The City's investment in this fund is measured at amortized cost. The fund has no restrictions on withdrawals.

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

Custodial Credit Risk – Is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not address limiting exposure to custodial credit risk.

Credit Risk – Is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or

obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one (1) of the two (2) highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen (13) months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two (2) nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two (2) highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City’s investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered five (5) percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments. At year-end, the City had more than five (5) percent of its investments in the following:

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
Federal National Mortgage Association	5.725%	\$ 2,696,680
U.S. Bank Commercial Paper	5.691%	2,680,900

Interest Rate Risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City’s investment policy does not limit the duration of investments.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Note 4 Capital Assets

Capital asset activity for Governmental and Business-Type activities for the year ended December 31, 2017, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	RECLASS & TRANSFERS	ENDING BALANCE
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 50,362,938	\$ 1,415,250	\$ (9,257)	\$ -	\$ 51,768,931
Works of Art/Treasures	105,027	-	-	-	105,027
Construction In Progress	6,615,636	10,704,048	-	(5,398,393)	11,921,291
Total capital assets, not being depreciated:	57,083,601	12,119,298	(9,257)	(5,398,393)	63,795,249
Capital assets, being depreciated:					
Buildings	9,865,909	-	-	-	9,865,909
Other Improvements	20,612,922	111,587	-	-	20,724,509
Furniture & Equipment	9,688,600	648,807	(161,863)	-	10,175,544
Infrastructure	149,460,626	3,214,855	-	5,398,393	158,073,874
Total capital assets being depreciated:	189,628,057	3,975,249	(161,863)	5,398,393	198,839,836
Less accumulated depreciation for:					
Buildings	(6,953,601)	(314,173)	-	-	(7,267,774)
Other Improvements	(7,446,626)	(678,252)	-	-	(8,124,878)
Furniture & Equipment	(6,269,832)	(516,962)	161,863	-	(6,624,931)
Infrastructure	(55,413,967)	(5,304,359)	-	-	(60,718,326)
Total accumulated depreciation:	(76,084,026)	(6,813,746)	161,863	-	(82,735,909)
Total capital assets, being depreciated, net:	113,544,031	(2,838,497)	-	5,398,393	116,103,927
Governmental activities capital assets, net:	\$ 170,627,632	\$ 9,280,801	\$ (9,257)	\$ -	\$ 179,899,176
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,222,364	\$ 9,057	\$ -	\$ -	\$ 1,231,421
Construction In Progress	890,955	2,650,634	-	(544,967)	2,996,622
Total capital assets, not being depreciated:	2,113,319	2,659,691	-	(544,967)	4,228,043
Capital assets, being depreciated:					
Buildings	72,639,943	82,192	-	-	72,722,135
Other Improvements	2,053,745	79,614	-	-	2,133,359
Furniture & Equipment	9,608,751	1,036,049	(326,240)	-	10,318,560
Infrastructure	34,247,002	1,219,997	-	544,967	36,011,966
Total capital assets, being depreciated:	118,549,441	2,417,852	(326,240)	544,967	121,186,020
Less accumulated depreciation for:					
Buildings	(32,326,275)	(2,095,355)	-	-	(34,421,630)
Other Improvements	(868,702)	(129,330)	-	-	(998,032)
Furniture & Equipment	(5,321,583)	(527,047)	239,319	-	(5,609,311)
Infrastructure	(13,778,726)	(1,137,755)	-	-	(14,916,481)
Total accumulated depreciation:	(52,295,286)	(3,889,487)	239,319	-	(55,945,454)
Total capital assets, being depreciated, net:	66,254,155	(1,471,635)	(86,921)	544,967	65,240,566
Business-type activities capital assets, net:	\$ 68,367,474	\$ 1,188,056	\$ (86,921)	\$ -	\$ 69,468,609

City of Chaska, Minnesota

For the Year Ended December 31, 2017

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

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 319,518	Electric	\$ 1,013,193
Economic Development	7,969	Water	753,759
Public Safety	261,594	Community Center	710,666
Public Works	5,618,492	Chaska Curling Center	628,089
Parks, Recreation and Arts	606,173	Sewer	83,162
Total Depreciation Expense -		Chaska Par 30	12,754
Governmental Activities:	<u>\$ 6,813,746</u>	Chaska Town Course	452,067
		Internet Service Provider	65,378
		Storm Water	170,419
		Total Depreciation Expense -	
		Business-Type Activities:	<u>\$ 3,889,487</u>

Note 5 Lease Receivable Agreements

A) Turbine Generator Lease

The City of Chaska has entered into a Lease Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year (30) period, commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty (30)-year term of the agreement. The total project costs to the City for the constructing of the facility was \$29,144,986. The total lease principal after adjusting for issuance costs and interest earnings is \$28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two (2) parties gives MMPA the annual option to continue this agreement for an additional twenty (20)-year period, commencing May 1, 2031. The agreement calls for annual payments of \$500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty (20) additional years by giving the City ninety (90) days written notice in advance of May 1st of the year the option will not be exercised.

City of Chaska, Minnesota**For the Year Ended December 31, 2017**

Annual lease payments through April 1, 2031 are as follows:

Year Ending December 31,	Lease Receivable	
	Principal	Interest
2018	\$ 829,422	\$ 1,656,762
2019	903,266	1,582,918
2020	983,683	1,502,501
2021	1,071,261	1,414,923
2022	1,166,635	1,319,549
2023-2027	7,588,899	4,842,021
2028-2031	7,187,805	1,099,475
Total:	<u>\$ 19,730,971</u>	<u>\$ 13,418,149</u>

B) Recovery Center Lease

In 2017, the Chaska Economic Development Authority (EDA) entered into a lease agreement with Five Star Recovery Center. The leased property is a historic single-family home, owned by the City/Chaska EDA. The term of the lease is sixty (60) months commencing May 1, 2017. Annual lease payments through 2022 are as follows:

Year Ending December 31,	Lease Receivable
	Principal
2018	\$ 27,048
2019	30,331
2020	31,241
2021	32,179
2022	8,104
Total:	<u>\$ 128,903</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Note 6 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2017 are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable					
General Obligation Bonds:					
Equipment Certificates	\$ 740,000	\$ 1,960,000	\$ (95,000)	\$ 2,605,000	\$ 100,000
General Obligation Bonds	1,835,000	-	(200,000)	1,635,000	200,000
Tax Increment Bonds	850,000	460,000	(90,000)	1,220,000	95,000
Abatement Bonds	405,000	2,035,000	(10,000)	2,430,000	10,000
Improvement Bonds	25,510,000	7,870,000	(2,385,000)	30,995,000	2,215,000
EDA Lease Revenue Bonds	10,085,000	-	(270,000)	9,815,000	270,000
Plus: Premium	1,783,175	1,125,229	(123,351)	2,785,053	-
Total Bonds Payable:	<u>41,208,175</u>	<u>13,450,229</u>	<u>(3,173,351)</u>	<u>51,485,053</u>	<u>2,890,000</u>
Notes Payable					
Promissory Note Payable:	119,300	-	(11,302)	107,998	11,859
Claims and Judgments Payable	250,000	-	(250,000)	-	-
Compensated Absences	924,378	678,004	(693,888)	908,494	620,767
Other Post Employment Benefits	458,415	83,344	(29,048)	512,711	-
Net Pension Liability	<u>15,004,810</u>	<u>2,252,406</u>	<u>(9,621,894)</u>	<u>7,635,322</u>	<u>-</u>
Governmental Activity Long-term Liabilities:	<u>\$57,965,078</u>	<u>\$16,463,983</u>	<u>\$ (13,779,483)</u>	<u>\$60,649,578</u>	<u>\$ 3,522,626</u>
<u>Business-type Activities</u>					
Bonds Payable:					
General Obligation Revenue Bonds	\$ 15,745,000	\$ 735,000	\$ (660,000)	\$ 15,820,000	\$ 720,000
Revenue Bonds	23,475,000	7,220,000	(1,255,000)	29,440,000	1,535,000
EDA Lease Revenue Bonds	21,960,000	1,880,000	(1,265,000)	22,575,000	3,430,000
Plus: Premium	<u>3,289,591</u>	<u>517,614</u>	<u>(234,540)</u>	<u>3,572,665</u>	<u>-</u>
Total Bonds Payable:	<u>64,469,591</u>	<u>10,352,614</u>	<u>(3,414,540)</u>	<u>71,407,665</u>	<u>5,685,000</u>
Compensated absences	512,234	359,554	(375,304)	496,484	329,510
Other Post Employment Benefits	195,148	35,477	(12,365)	218,260	-
Net Pension Liability	<u>5,429,675</u>	<u>825,148</u>	<u>(1,886,273)</u>	<u>4,368,550</u>	<u>-</u>
Business-type Activity Long-term Liabilities:	<u>\$70,606,648</u>	<u>\$11,572,793</u>	<u>\$ (5,688,482)</u>	<u>\$76,490,959</u>	<u>\$ 6,014,510</u>

For the Governmental Activities, compensated absences, claims and judgments, other post-employment benefits and net pension liabilities are generally liquidated by the General fund. In business-type activities, compensated absences, other post-employment benefits and net pension liabilities are liquidated within the respective Enterprise fund.

Bonds Payable:

The City issues general obligation bonds to provide funds for the construction of capital projects and acquisition of equipment. General obligation bonds have been issued for both governmental and business-type activities.

General obligation debt is supported by the “full faith and credit” of the City including tax increment and improvement bond issues. Bonds in the governmental activities will be repaid by

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

future property tax levies, tax increments or special assessments accumulated in the specific debt service funds. In the event that a deficiency exists because of unpaid or delinquent tax increment or special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. Bonds in the business-type activities will be repaid with the net revenues of the utility issuing the bonds. In the event that a deficiency exists at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available.

The City of Chaska and the Chaska Economic Development Authority (EDA) also issue revenue bonds. Revenue bonds are supported by income derived from lease agreements or specific fee revenues to pay for debt service.

Bonds outstanding for the year ended December 31, 2017 are as follows:

Governmental Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2017
Bonds Payable					
General Obligation Bonds					
Equipment Certificates					
G.O. Equipment Certificates, Series 2013C	08/15/13	02/01/23	0.90-3.10%	\$ 915,000	\$ 645,000
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	1,960,000	1,960,000
Total Equipment Certificates				2,875,000	2,605,000
General Obligation Bonds					
G.O. Bonds, Series 2011B	09/15/11	02/01/27	2.00-3.25%	3,455,000	1,635,000
Tax Increment Bonds					
G.O. Taxable TI Bonds, Series 2008E	11/15/08	02/01/19	6.25-7.50%	565,000	460,000
G.O. Taxable TI Cross-over Refunding Bonds, Series 2013B	08/15/13	12/01/21	2.00-2.75%	580,000	300,000
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	460,000
Total Tax Increment Bonds				1,605,000	1,220,000
Taxable Abatement Bonds					
G.O. Taxable Abatement Bonds, Series 2010D	09/15/10	02/01/33	4.00-5.25%	405,000	395,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.70-3.45%	2,035,000	2,035,000
Total Taxable Abatement Bonds				2,440,000	2,430,000
Improvement Bonds					
G.O. Improvement Bonds, Series 2008C	11/15/08	02/01/19	3.00-5.13%	3,645,000	1,440,000
G.O. Improvement Bonds, Series 2010A	07/01/10	02/01/31	2.00-4.00%	3,220,000	1,675,000
G.O. Improvement Bonds, Series 2010C	09/15/10	02/01/33	2.00-3.75%	2,180,000	1,705,000
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	1,825,000
G.O. Improvement Bonds, Series 2013A	08/15/13	02/01/35	2.00-4.00%	3,330,000	2,920,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	5,785,000	4,875,000
G.O. Improvement Bonds, Series 2015B	08/15/15	02/01/31	3.00-5.00%	5,940,000	5,750,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,875,000
G.O. Improvement Refunding, Series 2009B	10/01/09	12/01/20	2.00-3.00%	1,995,000	320,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	4,675,000	2,615,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	995,000
Total Improvement Bonds				41,070,000	30,995,000
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	8,830,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	985,000
Total EDA Lease Revenue Bonds				10,085,000	9,815,000
Premium				3,201,141	2,785,053
Total Bonds Payable - Governmental Activities				\$64,731,141	\$51,485,053

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

<u>Business-type Activities</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2017</u>
Bonds Payable					
General Obligation Revenue Bonds					
G.O. Water Revenue Partial Advance Refunding Bonds, Series 2009A	10/01/09	12/01/22	2.00-3.25%	\$ 1,495,000	\$ 675,000
G.O. Water Revenue Refunding Bonds, Series 2011A	09/15/11	12/01/32	2.00-4.00%	11,435,000	9,440,000
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	5,170,000	4,970,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	735,000
Total General Obligation Revenue Bonds				<u>18,835,000</u>	<u>15,820,000</u>
Revenue Bonds					
Electric Utility Revenue Bonds, Series 2011D	12/22/11	10/01/31	2.00-3.65%	3,535,000	2,640,000
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	19,580,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	7,220,000
Total Revenue Bonds				<u>32,515,000</u>	<u>29,440,000</u>
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2007A	06/01/07	03/01/18	4.00-4.40%	2,900,000	2,140,000
Lease Revenue and Limited Tax Bonds, Series 2013A	07/18/13	12/01/33	2.00-4.00%	3,850,000	3,230,000
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	12,090,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	3,235,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	1,880,000
Total EDA Lease Revenue Bonds				<u>24,895,000</u>	<u>22,575,000</u>
Premium				<u>4,134,703</u>	<u>3,572,665</u>
Total Bonds Payable - Business-type Activities				<u>\$ 80,379,703</u>	<u>\$ 71,407,665</u>

General Obligation Bonds:

The City issues the following types of general obligation bonds:

- Equipment certificates provide funding for the acquisition of equipment and vehicles for various departments.
- G.O. bonds provide financing for various infrastructure improvement projects.
- Tax Increment bonds provide financing for the construction of streets and utilities and the acquisition of property for business development.
- Taxable abatement bonds provide financing for the City's Housing Improvement Areas and Tax Abatement program.
- Improvement bonds provide financing for construction projects such as streets, infrastructure and utilities.

Annual debt service requirements to maturity are as follows:

Year Ending	Governmental Activities									
	G.O. Equipment Certificates		G.O. Bonds		G.O. Tax Increment Bonds		G.O. Abatement Bonds		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31										
2018	\$ 100,000	\$ 80,955	\$ 200,000	\$ 45,437	\$ 95,000	\$ 49,244	\$ 10,000	\$ 54,309	\$ 2,215,000	\$ 924,061
2019	265,000	107,075	205,000	40,375	515,000	36,875	130,000	70,130	3,175,000	933,793
2020	295,000	95,989	215,000	34,587	110,000	18,438	145,000	67,495	2,125,000	840,003
2021	305,000	83,700	215,000	28,138	110,000	15,512	155,000	64,415	2,000,000	771,463
2022	315,000	70,730	215,000	21,688	35,000	12,400	155,000	60,980	1,925,000	706,990
2023 - 2027	1,325,000	158,783	585,000	48,281	185,000	45,263	870,000	239,289	10,700,000	2,457,763
2028 - 2032	-	-	-	-	170,000	12,075	785,000	97,011	7,530,000	756,871
2033 - 2037	-	-	-	-	-	-	150,000	13,342	1,235,000	63,519
2038 - 2039	-	-	-	-	-	-	30,000	1,035	90,000	1,406
Total:	<u>\$ 2,605,000</u>	<u>\$ 597,232</u>	<u>\$ 1,635,000</u>	<u>\$ 218,506</u>	<u>\$ 1,220,000</u>	<u>\$ 189,807</u>	<u>\$ 2,430,000</u>	<u>\$ 668,006</u>	<u>\$ 30,995,000</u>	<u>\$ 7,455,869</u>

City of Chaska, Minnesota**For the Year Ended December 31, 2017**General Obligation Revenue Bonds:

G.O. Revenue bonds are issued by the City to construct or expand utility systems. Bonds will be repaid with the net revenues of the Water, Sewer and Storm Water Utilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	G.O. Revenue Bonds	
	Principal	Interest
2018	\$ 720,000	\$ 503,082
2019	795,000	492,413
2020	830,000	470,137
2021	890,000	446,938
2022	935,000	416,537
2023 - 2027	4,490,000	1,681,306
2028 - 2032	5,590,000	841,588
2033 - 2037	1,520,000	108,800
2038	50,000	781
Total:	<u>\$ 15,820,000</u>	<u>\$ 4,961,582</u>

Revenue Bonds:

Revenue bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. These Electric Revenue Bonds will be repaid with net revenues of the Electric Utility and lease revenue in the Turbine Generator fund.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2018	\$ 1,535,000	\$ 1,267,911
2019	1,615,000	1,195,295
2020	1,650,000	1,157,795
2021	1,720,000	1,082,395
2022	1,805,000	1,003,485
2023 - 2027	10,360,000	3,683,905
2028 - 2032	8,490,000	1,170,288
2033 - 2037	2,265,000	207,900
Total:	<u>\$ 29,440,000</u>	<u>\$ 10,768,974</u>

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

EDA Lease Revenue Bonds:

EDA Lease revenue bonds are supported by income derived from lease agreements.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	EDA Lease Revenue Bonds		EDA Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 270,000	\$ 364,550	\$ 3,430,000	\$ 700,223
2019	275,000	359,100	1,310,000	656,240
2020	280,000	353,050	1,340,000	626,666
2021	290,000	345,400	1,380,000	589,580
2022	300,000	336,550	1,405,000	548,507
2023 - 2027	2,315,000	1,487,725	6,745,000	2,047,622
2028 - 2032	3,575,000	870,700	4,865,000	980,543
2033 - 2035	2,510,000	153,200	2,100,000	134,260
Total:	<u>\$ 9,815,000</u>	<u>\$ 4,270,275</u>	<u>\$ 22,575,000</u>	<u>\$ 6,283,641</u>

Notes Payable:

The Chaska Economic Development Authority (EDA) is liable for a promissory note to KleinBank related to a Chaska EDA owned property. The annual note payments are offset by lease revenue collected from the current tenant. This note is paid by the Chaska EDA fund.

Promissory Note outstanding for the year ended December 31, 2017 is as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2017
<u>Governmental Activities:</u>					
Promissory Note Payable	11/21/16	11/15/21	4.75%	<u>\$ 120,319</u>	<u>\$ 107,998</u>

Promissory note requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2018	\$ 11,859	\$ 4,941
2019	12,443	4,357
2020	13,044	3,756
2021	70,652	2,872
Total:	<u>\$ 107,998</u>	<u>\$ 15,926</u>

2017 Activity:

On September 6, 2017 the City of Chaska issued \$7,220,000 in Electric Utility Revenue Bonds, Series 2017A with a true interest cost of 2.79 percent (2.25 percent – 4.00 percent). The maturity date is October 1, 2037. Proceeds from the bonds will be used to finance the acquisition and installation of the new Lake Hazeltine substation and other electric system improvements. These bonds are payable from net revenue generated from the operation of the Electric Utility.

On November 29, 2017 the City of Chaska issued \$9,570,000 in General Obligation Improvement Bonds, Series 2017B, which includes Improvement Bonds, Utility Bonds, and Equipment Bonds. The true interest cost is 2.53 percent (2.25 percent – 5.00 percent). The maturity date is February 1, 2038. The portion of the bonds (\$6,875,000) issued for improvement projects (Improvement Bonds) will be used to finance certain street improvement projects in the City. The portion of the bonds (\$735,000) issued for Utility Bonds will be used to finance improvements to the municipal water, sanitary sewer and storm water systems. The portion of the bonds (\$1,960,000) issued for Equipment Bonds will be used to finance various capital equipment purchases. The Utility bonds will be repaid with utility revenues. The improvement bonds will be repaid from special assessments on properties receiving improvements. These bonds are backed by the full faith and credit of the City.

On November 29, 2017 the City of Chaska issued \$2,035,000 in Taxable General Obligation Bonds, Series 2017C with a true interest cost of 2.92 percent (1.70 percent to 3.45 percent). The maturity date is February 1, 2039. The proceeds of the bonds will be used to reimburse the City for the funding of various housing improvement projects within the Housing Improvement Area (HIA) and to provide a subsidy for constructing a medical office building in the City (Abatement project). These bonds are payable from special assessments on properties receiving improvements within the HIA area and from property taxes payable from the abatement project (tax abatement revenue) for the length of the bonds. These bonds are backed by the full faith and credit of the City.

On December 27, 2017 the City of Chaska issued \$460,000 in General Obligation Taxable Refunding Bonds, Series 2017D; a cross-over advance refunding of the City's Taxable General Obligation Tax Increment Bonds, Series 2008E. The cross-over date is February 1, 2019. The true interest cost is 3.54 percent (3.00 percent – 3.50 percent). The maturity date is February 1, 2031. The proceeds from the bonds will be used to refund the 2020 through 2031 outstanding maturities. The advance refunding was done to achieve cost savings of \$83,550, a present value savings of \$68,181. These bonds are payable primarily from tax increments generated by TIF District #14 and are backed by the full faith and credit of the City.

On December 27, 2017 the City of Chaska issued \$995,000 in Taxable General Obligation Refunding Bonds, Series 2017E; a cross-over advance refunding of the City's General Obligation Improvement Bonds, Series 2008C. The cross-over date is February 1, 2019. The true interest cost is 2.58 percent (2.01 percent – 2.87 percent). The maturity date is February 1, 2029. The proceeds from the bonds will be used to refund the 2020 through 2029 outstanding maturities. The advance refunding was done to achieve cost savings of \$77,846, a present value savings of \$68,664. These bonds are backed by the full faith and credit of the City.

City of Chaska, Minnesota

For the Year Ended December 31, 2017

On December 27, 2017 the Chaska Economic Development Authority issued \$1,880,000 in EDA Lease Revenue Refunding Bonds, Series 2017A; a current refunding of the Chaska EDA Lease Revenue Bonds, Series 2007A. The call date is March 1, 2018. The true interest cost is 2.52 percent (2.00 percent – 4.00 percent). The proceeds of the bond will be used to refund the December 1, 2018 through December 1, 2027 outstanding maturities. The refunding was done to achieve cost savings of \$181,718, a present value savings of \$189,960. Lease revenues from the City to the EDA for the Lodge addition at the Community Center, as previously pledged, will continue to be pledged to repay the refunding bonds.

Revenue Pledged:

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

Bond Issue - Revenue Bonds	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
<u>GO Water Revenue Bonds:</u>	<u>Water Treatment Plant and Water Systems</u>						\$ 2,768,225
Series 2009A Refunding Bonds	Partial Advance Refund 2003 Bonds	Utility Charges	100%	2009 - 2022	\$ 741,125	\$ 144,275	
Series 2011A Refunding Bonds	Refund 2003 Bonds	Utility Charges	100%	2011 - 2032	12,471,456	673,538	
<u>GO Utility Revenue Bonds:</u>	<u>Water, Sanitary Sewer and Storm Water</u>						7,466,850
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	6,523,525	342,188	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	1,045,476	-	
<u>Electric Revenue Bonds:</u>	<u>Electric Utility Systems and Generating Facilities</u>						
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds-Turbine Generator	Lease Revenue	100%	2015 - 2030	26,986,900	2,075,050	1,719,136
Electric Utility Revenue Bonds							37,542,385
Series 2011D	Substation and System Improvements	Utility Charges	100%	2011 - 2031	3,322,183	225,870	
Series 2017A	Substation and System Improvements	Utility Charges	100%	2017 - 2037	9,899,891	-	
<u>EDA Lease Revenue Bonds:</u>	<u>Community Center Additions and Improvements</u>						3,163,971
Series 2007A	Senior Center Addition	Lease Revenue	100%	2007 - 2018	2,162,894	263,175	
Series 2013A	Ice Arena and Pool Improvements	Lease Revenue	100%	2013 - 2033	4,310,513	270,195	
Series 2017A Refunding Bonds	Refund 2007A Bonds	Lease Revenue	100%	2017 - 2027	2,229,645	-	
Taxable Lease Revenue Bonds 2015	<u>Curling Center, Event Center and Restaurant</u>						1,221,472
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	15,910,870	1,172,760	
Series 2015C	Furniture, Fixtures and Equipment	Lease Revenue	100%	2015 - 2031	4,244,719	296,160	
Lease Revenue Bonds 2015	<u>Firemen's Park Improvements</u>						641,749
Series 2015B	Park Improvements and Construction	Lease Revenue	100%	2015 - 2035	12,930,300	506,700	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	1,154,975	133,250	

Tax Abatements:

The City implemented a Business Incentive Policy (in accordance with Minnesota Statutes, Sections 116J.993 to 116J.995) to assist developers with solutions that increase employment opportunities, improve and develop facilities in the City and increase the availability of essential services. Under this policy, the City provides tax abatements (in accordance with Minnesota Statutes, Section 469.1813, subdivision 8) for up to three (3) times a new developer's total property taxes. The City has six (6) agreements that could be considered tax abatements under GASB #77 as of December 31, 2017.

- In 2013, the City entered into a development agreement with Ridgeview Two Twelve North Addition, LLC to aid with the construction of an expansion to an existing medical building. These improvements would create employment opportunities, increasing resident's access to vital services and increase the tax base of the City. The City assistance will help cover

reimbursable costs, including soil correction, architectural enhancement and fire safety. Maximum assistance will be equal to \$777,926 over 20 years. The City's obligation is terminated the earlier of 20 years of payments or the Developer has been paid \$777,926 in tax abatement payments. The City rebated \$27,438 in 2017.

- In 2014, the City entered into a development agreement with IP Stream Minneapolis, LLC to aid with the construction of a data center. These improvements would ensure the development of an underutilized site, create employment opportunities and increase the tax base of the City. The City assistance will help cover reimbursable costs including site acquisition and site improvements. Maximum assistance will be equal to \$1,228,500 over 20 years. The City's obligation is terminated the earlier of 20 years of payments or the Developer has been paid \$1,228,500 in tax abatement payments. IP Stream Minneapolis, LLC did not meet the terms of the agreement for the City to issue a rebate in 2017.
- In 2014, the City entered into a development agreement with Lucrum Properties, LLC to aid with the expansion of an existing manufacturing facility. These improvements would ensure a high-quality business expands operations, create employment opportunities and increase the tax base of the City. The City assistance will help cover reimbursable costs, including storm water and grading improvements, permit fees, development charges and parking lot improvements. Maximum assistance will be equal to \$144,699 over 20 years. The City's obligation is terminated the earlier of 20 years of payments or the Developer has been paid \$144,699 in tax abatement payments. Lucrum Properties, LLC did not meet the terms of the agreement for the City to issue a rebate in 2017 but has received a rebate in 2018.
- In 2015, the City entered into a development agreement with Lifecore Biomedical, LLC to aid with the expansion of their existing facilities. These improvements would ensure the expansion of an underutilized site, increases the City's tax base and encourages a high-quality business to expand their operations in the City. The City assistance will help cover reimbursable cost, including site preparation and grading. Maximum assistance will be equal to \$144,623 over 20 years. The City's obligation is terminated the earlier of 20 payments or the Developer has been paid \$144,623 in tax abatement payments. Lifecore Biomedical, LLC did not meet the terms of the agreement for the City to issue a rebate in 2017 but has received a rebate in 2018.
- In 2016, the City entered into a development agreement with U.S. Bank National Association, to aid with the construction of a new data center. These improvements would ensure the development of a site that is currently underutilized, creating employment opportunities and increase the tax base generating substantial revenue for the City. The City assistance will help cover reimbursable costs, including a portion of the construction costs. Maximum assistance will be equal to \$548,000 over 20 years. The City's obligation is terminated the earlier of 20 payments or the Developer has been paid \$548,000 in tax abatement payments. The City did not rebate U.S. Bank National Association in 2017. This agreement will commence in 2018.
- In 2017, the City of Chaska entered into a development agreement with MSP/Chaska Medical, LLC to aid with construction of a medical office building. These improvements would increase the City's tax base, create employment opportunities and encourage economic development. The City agrees to reimburse the Developer for eligible construction costs from

proceeds of an advance/loan to the Developer in an amount not to exceed \$280,000 at 3.5 percent per annum. The City's obligation is terminated when it has received tax abatements in excess of an amount sufficient to repay the principal amount of the advance/loan plus accrued interest on or before December 31, 2039. The City is expecting to advance funds to MSP/Chaska Medical, LLC in 2018. Loan repayments will commence in 2019.

Tax Increment Pay-As-You-Go Financing Revenue Notes:

The Chaska Economic Development Authority (EDA) has entered into private development agreements to facilitate the financing of certain projects established by the Chaska Housing and Redevelopment Authority (pursuant to Minnesota Statutes, Sections 469.001 to 469.047). The costs of these projects are financed using tax increment generated from established tax increment financing districts (pursuant to Minnesota Statutes, Sections 469.174 to 469.179). As of December 31, 2017, the Chaska Economic Development Authority has five (5) agreements considered Tax Increment Pay-As-You-Go Financing Revenue Notes under GASB #77. The amounts have not been included in long-term debt because of the nature of the notes in that repayment is required only if sufficient tax increments are received. The note and any outstanding balance is cancelled at the end of the agreement term, whether they have been repaid. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

- In 2002, the Chaska EDA entered into a development agreement with Chaska Place Apartments at 6.5 percent interest with payments due through 2023. The City rebated \$60,204 in 2017. The outstanding balance as of December 31, 2017 is \$1,393,408.
- In 2007, the Chaska EDA entered into a development agreement with Clover Field Sinclair Limited Partnership at 5.65 percent interest with payments due through 2029. The City rebated \$142,205 in 2017. The outstanding balance as of December 31, 2017 is \$4,011,714.
- In 2004, the Chaska EDA entered into a development agreement with City Square, LLC at a simple non-compounding interest rate of 5 percent with payments due through 2031. The City did not rebate in 2017. The outstanding balance as of December 31, 2017 is \$135,243.
- In 2015, the Chaska EDA entered into a development agreement with Chaska Heights Senior Living, LLC at a simple non-compounding interest rate of 3.25 percent with payments due through 2044. The City did not rebate in 2017. Rebate payments will begin in 2018. The outstanding balance as of December 31, 2017 is \$2,874,667.
- In 2016, the Chaska EDA entered into a development agreement with Creek's Run Phase II, LLC at a simple non-compounding interest rate of 4.5 percent with payments due through 2036. The City did not rebate in 2017. Rebate payments will begin in 2018.

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Conduit Debt:

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

As of December 31, 2017, there were six (6) series of IRBs outstanding. The aggregate principal amount payable for the three (3) series issued after July 1, 1995, was \$5,173,985. The aggregate principal amount payable for the three (3) series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$9,625,000.

As of December 31, 2017, there were five (5) series of HRBs outstanding. The aggregate principal amounts payable for the three (3) series issued after July 1, 1995 was \$8,400,000. The aggregate principal amount payable for the two (2) series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,260,000.

The outstanding HRB balance includes one (1) issue that is backed by the full faith and credit of the City. In 2010, the Carver County Housing and Redevelopment Authority issued \$2,850,000 in Housing Development Revenue Bonds. (These bonds refunded the \$2,695,691 Housing Revenue Bonds of 2000). This issue is secured by housing revenues and, if not so paid, by a tax levy. The bonds are secured by a general obligation pledge of the City.

Note 7 Interfund Receivables, Payables and Transfers

The compositions of interfund balances as of December 31, 2017 are as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
Nonmajor Governmental	Nonmajor Governmental	\$ 1,300,271
Nonmajor Governmental	Community Center	1,259,293
Internal Service Fund	Curling Center	4,768,283
Nonmajor Enterprise	Nonmajor Enterprise	139,260
Fiduciary	Fiduciary	10,430
Total:		<u>\$ 7,477,537</u>

The \$7,477,537 in Due To/Due From Other Funds eliminate temporary cash deficits in the respective funds.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Interfund Receivables/Payables And Advances To/From Other Funds:					
Receivable Fund	Payable Fund	Interfund Receivables/ Payables	Advances To/From	Total	Purpose
Electric	Nonmajor Governmental	\$ -	\$ 1,882,054	\$ 1,882,054	1
Electric	Nonmajor Governmental	-	276,233	276,233	2
Turbine Generator	Electric	48,624	871,831	920,455	3
Nonmajor Governmental	Nonmajor Governmental	641,651	-	641,651	4
Nonmajor Governmental	Nonmajor Enterprise	103,666	993,349	1,097,015	5
Total:		<u>\$ 793,941</u>	<u>\$ 4,023,467</u>	<u>\$ 4,817,408</u>	

Explanation of Interfund Receivables/Payables and Advances To/From Other Funds:

- (1) This 2007 loan from the Electric fund provides interim financing for TIF District #14 project costs. Repayment of the outstanding balance of \$1,882,054 will be made from tax increment generated by the district as it becomes available.
- (2) This interfund loan from the Electric fund provides interim financing to TIF District #17 for project costs. Repayment of the outstanding balance of \$276,233 will be made from tax increment generated by the district as it becomes available.
- (3) A long-term interfund loan between the Electric fund and the Turbine Generator fund was made in 2001 to finance a substation. Of the \$920,455 owed at year end, \$871,831 is considered due in more than one (1) year.
- (4) These loans eliminate what would have been negative cash in TIF District funds. Repayment of the outstanding balance of \$641,651 will be made from tax increment generated by the districts as it becomes available.
- (5) These 3 interfund loans from the Equipment Acquisition fund to the Town Course fund and Storm Water fund are comprised of the following: a) \$232,200 for outstanding golf equipment purchases (2013 and 2014) with \$36,000 due in one year; b) \$513,667 for outstanding golf equipment and storm water equipment purchases (2015) with \$67,666 due in one year and c) \$351,148 for outstanding golf equipment purchases (2017), all of which is due in more than one year.

	Transfers In							
	Governmental Activities			Business-Type Activities				
	Public				Community	Curling		
Transfers Out	General Fund	Improvement Projects	Nonmajor	Water	Center	Center	Nonmajor	Total
General Fund	\$ -	\$ -	\$ 422,647	\$ -	\$ -	\$ -	\$ -	\$ 422,647
Nonmajor Governmental	-	13,733	2,619,757	644,611	-	1,483,762	432,680	5,194,543
Electric	-	-	1,023,200	-	432,000	-	-	1,455,200
Water	-	-	77,082	-	-	-	-	77,082
Community Center	-	-	50,000	-	-	-	-	50,000
Nonmajor Enterprise	-	13,742	389,862	-	-	-	8,814	412,418
Internal Service Fund	14,622	-	-	-	-	-	-	14,622
Total:	\$ 14,622	\$ 27,475	\$ 4,582,548	\$ 644,611	\$ 432,000	\$ 1,483,762	\$ 441,494	\$ 7,626,512

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Explanation of Transfers:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 Fund Balance

A summary of the governmental fund balance classifications as of December 31, 2017 are as follows:

	<u>General</u>	<u>Public Improvement Projects</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
<u>Restricted for:</u>				
Mt. Pleasant Cemetary Care	\$ -	\$ -	\$ 7,522	\$ 7,522
Housing Loan Program	-	-	13,183	13,183
Job Creation	-	-	1,737	1,737
Debt Requirements	-	-	8,494,876	8,494,876
Economic Development	-	-	930,081	930,081
Fire Protection Improvements	-	-	3,711	3,711
Unspent Bond Proceeds	-	1,374,942	900,390	2,275,332
Total Restricted Fund Balances	<u>-</u>	<u>1,374,942</u>	<u>10,351,500</u>	<u>11,726,442</u>
<u>Committed to:</u>				
Compensated Absences	908,494	-	-	908,494
Mt. Pleasant Cemetary Care	-	-	234,478	234,478
Economic Development	-	-	65,576	65,576
Capital Equipment	-	-	135,137	135,137
Concerts in the Park	-	-	362	362
Street Improvement Program	-	-	2,454,367	2,454,367
Total Committed Fund Balances	<u>908,494</u>	<u>-</u>	<u>2,889,920</u>	<u>3,798,414</u>
<u>Assigned to:</u>				
Mt. Pleasant Cemetary Care	-	-	11,975	11,975
Concerts in the Park	-	-	239	239
Fire Protection Improvements	-	-	137,813	137,813
Capital Equipment	-	-	1,405,270	1,405,270
Southwest Chaska Improvements	-	-	416,207	416,207
Park Improvements	-	-	2,420,599	2,420,599
Community Fund Projects	-	-	1,166,389	1,166,389
Housing Improvement	-	-	409,721	409,721
Abatement Programs	-	-	429	429
Capital Improvements	-	-	2,602,990	2,602,990
Total Assigned Fund Balances	<u>-</u>	<u>-</u>	<u>8,571,632</u>	<u>8,571,632</u>
<u>Unassigned</u>	<u>1,103,421</u>	<u>(1,644,122)</u>	<u>(4,787,527)</u>	<u>(5,328,228)</u>
Total Fund Balances:	<u>\$ 2,011,915</u>	<u>\$ (269,180)</u>	<u>\$ 17,025,525</u>	<u>\$ 18,768,260</u>

Note 9 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.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT.

The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental and health 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 (3) years.

The Self Insurance fund, an internal service fund which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 10 Committed Contracts

At December 31, 2017, the City had commitments for seven (7) uncompleted construction contracts with a remaining balance of \$1,622,223.

Note 11 Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Chaska, Minnesota**For the Year Ended December 31, 2017**

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

Internal Revenue Service rules require municipalities to “rebate” any bond proceeds that are invested at yields higher than the bond yield (“arbitrage”). However, a municipal issuer does not have to pay arbitrage rebate if it qualifies for certain rebate exceptions. At year-end the amount of arbitrage liability, for the Electric Revenue Refunding Bonds Series 2015A was determined be zero (0).

Note 12 Jointly Governed Organizations

The City, in conjunction with 11 other municipalities that provide distribution of electric services, comprises the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the 12 municipalities that operate electric distribution systems. MMPA’s board of directors is comprised of one (1) member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City’s purchases of power from MMPA for the year ended December 31, 2017 was \$26,415,970. MMPA issues an annual financial report that may be obtained by writing MMPA, 220 S. 6th Street, Suite 1300, Minneapolis, MN 55402, or by calling (612) 349-6868.

Note 13 Defined Benefit Pension Plans

Employees of the City participate in three (3) defined benefit pension plans. Two (2) of the plans are state-wide cost-sharing, multiple employer defined benefit pension plans administered by the PERA of Minnesota: the General Employees Retirement fund and the Public Employees Police and Fire fund. The third is a single-employer defined benefit pension plan administered through the Chaska Fire Department Relief Association (CFDRA). The details of the City’s participation in each of these plans are presented later in these notes. The following table summarizes the impact of these plans on the City’s government-wide financial statements.

	PERA Pension Plans			Chaska Fire Department Relief Association	Total All Plans
	General Employees Retirement Fund	Public Employees Police & Fire Fund	Total		
	\$	\$	\$	\$	\$
Net Pension Asset	-	-	-	555,163	555,163
Deferred Outflows	2,287,941	5,207,793	7,495,734	76,983	7,572,717
Net Pension Liability	8,439,559	3,564,313	12,003,872	-	12,003,872
Deferred Inflows	1,473,769	6,041,907	7,515,676	278,772	7,794,448
Pension Revenue	3,066	23,760	26,826	158,712	185,538
Pension Expense	1,269,619	914,253	2,183,872	298,731	2,482,603

Note 14 Defined Benefit Pension Plans – State-wide**A) Plan Description**

The City of Chaska 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 Plan (General Employees Plan (accounted for in the General Employees fund))

All full-time and certain part-time employees of the City of Chaska are covered by the General Employees Plan. General Employees Plan 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 Plan (Police and Fire Plan (accounted for in the Police and Fire Fund))

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

Benefits Provided

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two (2) consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent 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. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five (5) successive years of allowable service, age, and years of credit at termination of service. Two (2) 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 percent of average salary for each of the first ten

(10) years of service and 2.7 percent 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 (10) years of 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent 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. Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five (5) years up to 100 percent after ten (10) years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten (10) years up to 100 percent after twenty (20) years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

B) Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2017. The City of Chaska was required to contribute 7.5 percent for Coordinated Plan members in calendar year 2017. The City of Chaska's contributions to the General Employees fund for the year ended December 31, 2017, were \$645,781. The City of Chaska's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2017. The City of Chaska was required to contribute 16.2 percent of pay for members in calendar year 2017. The City of Chaska's contributions to the Police and Fire fund for the year ended December 31, 2017 were \$431,127. The City of Chaska's contributions were equal to the required contributions as set by state statute.

C) Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2017, the City of Chaska reported a liability of \$8,439,559 for its proportionate share of the General Employees Fund's net pension liability. The City of Chaska's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. 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 of Chaska totaled \$106,148. The net pension liability was measured

City of Chaska, Minnesota**For the Year Ended December 31, 2017**

as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Chaska's proportion of the net pension liability was based on the City of Chaska's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City of Chaska's proportion share was .1322 percent which was an increase of .0036 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City of Chaska recognized pension expense of \$1,266,553 for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Chaska recognized an additional \$3,066 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, 2017, the City of Chaska reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 278,142	\$ 525,453
Changes in actuarial assumptions	1,362,994	846,067
Differences between projected and actual investment earnings	6,400	-
Changes in proportion	313,727	102,249
Contributions paid to PERA subsequent to the measurement date	326,678	-
Total:	<u>\$ 2,287,941</u>	<u>\$ 1,473,769</u>

\$326,678 reported as deferred outflows of resources related to pensions resulting from City of Chaska contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2018	\$ 372,828
2019	570,211
2020	(97,304)
2021	(358,241)
Total:	<u>\$ 487,494</u>

2. Police and Fire Pension Costs

At December 31, 2017, the City of Chaska reported a liability of \$3,564,313 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of

Notes to the Financial Statements

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Chaska's proportion of the net pension liability was based on the City of Chaska's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City of Chaska's proportion was .264 percent which was an increase of .015 percent from its proportion measured as of June 30, 2016. The City of Chaska also recognized \$23,760 for the year ended December 31, 2017 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 require the State of Minnesota to begin contributing \$9 million to the Police and Fire fund each year, starting in fiscal year 2014.

For the year ended December 31, 2017, the City of Chaska recognized pension expense of \$890,493 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2017, the City of Chaska reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 82,042	\$ 906,478
Changes in actuarial assumptions	4,399,581	5,060,442
Differences between projected and actual investment earnings	-	11,162
Changes in proportion	501,647	63,825
Contributions paid to PERA subsequent to the measurement date	224,523	-
Total:	<u>\$ 5,207,793</u>	<u>\$ 6,041,907</u>

\$224,523 reported as deferred outflows of resources related to pensions resulting from the City of Chaska's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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
2018	\$ 70,248
2019	70,248
2020	(56,453)
2021	(247,327)
2022	(895,353)
Total:	<u>\$ (1,058,637)</u>

D) Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% 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 all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the General Employees through 2044 and Police and Fire Plan through 2064 and then 2.5 percent thereafter for both plans.

Actuarial assumptions used in the June 30, 2017, valuation was based on the results of actuarial experience studies. The most recent four (4)-year experience study in the General Employees Plan was completed in 2015. The most recent five (5)-year experience study for Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2017:

General Employees Fund

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

Police and Fire Fund

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

- Assumed termination rates were decreased to 3.0 percent for the first three (3) years of service. Rates beyond the select period of three (3) years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three (3) years younger) and female members (husbands assumed to be four (4) years older) to the assumption that males are two (2) years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.5 percent thereafter.
- The single discount rate changed from 5.60 percent to 7.50 percent.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total:	<u>100%</u>	

E) Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.5 percent. 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 positions of the General Employees Fund and the Police and Fire 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.

F) Pension Liability Sensitivity

The following presents the City of Chaska's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding

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paragraph, as well as what the City of Chaska'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:

	General Employees Fund		Police and Fire Fund	
1% Increase in Discount Rate	8.50%	\$ 4,632,016	8.50%	\$ 965,195
Current Discount Rate	7.50%	8,439,559	7.50%	3,564,313
1% Decrease in Discount Rate	6.50%	13,090,386	6.50%	6,712,644

G) 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.

Note 15 Defined Contribution Plan

Four (4) council members of the City of Chaska are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five (5) percent of salary which is matched by the elected official's employer. For ambulance services personnel, employer contributions are determined by the employer and for salaried employees contributions 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 (1) or more of the seven (7) accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two (2) percent of employer contributions and twenty-five hundredths of one percent (.0025) of the assets in each member's account annually.

Total contributions made by the City of Chaska during fiscal year 2017 were:

Amount		Percentage of Covered Payroll		Required Rates
Employees	Employer	Employees	Employer	
\$1,540	\$1,540	5.00%	5.00%	5.00%

Note 16 Defined Benefit Pension Plans – Fire Relief Association**A) General Information about the Pension Plan**

Plan Description - All members of the Chaska Fire Department (CFD) are covered by a defined benefit pension plan, Chaska Fire Department Relief Association Pension Plan (CFDRAPP), administered by the Chaska Fire Department Relief Association (CFDRA). CFDRAPP is a single-employer defined benefit pension plan. Minnesota Statutes, Chapter 69 grants the authority to the CFDRA Board to establish and amend benefit terms with consenting approval by the Chaska City Council. CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200.

Benefits Provided - The plan provides retirement and disability benefits to plan members and beneficiaries.

- Monthly Service Pension: \$2.185 per month of service with a maximum of 360 months for members starting prior to November 4, 2013. In lieu of monthly payments, a member may elect a lump sum benefit.
- Lump Sum Service Pension: \$6,486 per year of service for members starting on or after November 4, 2013 based on completed years of service up to 30 years.
- Deferred Service Pensions: with termination prior to age 50 and at least ten (10) years of service, a deferred pension is payable at age 50 and reduced four (4) percent for each year of service less than 20 years.
- Survivor Benefits: spouse, children or estate receive 100 percent of the member's lump sum benefit.
- Disability Benefit: A disabled member will receive the amount of their monthly service pension based on credited service as of the date eligible.

Members covered by benefit terms - At December 31, 2017, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2017:

Inactive Members Currently Receiving Benefits	43
Beneficiaries Currently Receiving Benefits	13
Inactive Members Entitled to But Not Yet Receiving Benefits	6
Active Members	42
Total members	<u>104</u>

Contributions - Minnesota Statutes, Chapter 424 and 424A, authorize pension benefits for volunteer fire relief associations. The CFDRAPP is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary City contributions. The State of Minnesota contributed \$151,712 in fire state aid and \$7,000 in supplemental benefits to the CFDRAPP on behalf of the CFD for the year ended December 31, 2017, which was recorded as revenue. Required City contributions are calculated annually based on statutory provisions. The City made all required contributions and additional voluntary contributions to the plan for the year ended December 31, 2017.

totaling \$285,081. The City's contributions exceed the required contributions as set by State Statutes. Furthermore, members of the CFD have no obligation to contribute to the plan.

B) Net Pension Liability

The CFDRAPP's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2017 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	N/A
Investment rate of return	6.25% net of pension plan investment expense, including inflation
20-year municipal bond yield	3.31%

Mortality rates were based on the following:

- Healthy Pre-retirement - RP-2014 employee generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006.
- Healthy Post-retirement - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.
- Disabled - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

The demographic actuarial assumptions used in the December 31, 2017 valuation were based on the same assumptions used in the June 30, 2017 PERA Police and Fire actuarial valuation, expect that the fire relief uses a separate retirement rate assumption based on a review completed in May 2015. The economic actuarial assumptions are reviewed annually as part of the fire relief's annual valuation.

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	5.39%
International Equity	20%	5.20%
Fixed Income	10%	1.98%
Real Estate and Alternatives	10%	4.25%
Cash and Equivalents	25%	0.79%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 6.25 percent. The projected cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in Minnesota Statutes. Based on those assumptions and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

C) Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2017	\$ 5,144,203	\$ 5,152,061	\$ (7,858)
Changes For The Year:			
Service Cost	76,833	-	76,833
Interest	307,707	-	307,707
Change in Benefits Terms	229,268	-	229,268
Differences Between Expected and Actual Experience	23,511	-	23,511
Changes in Assumptions	68,838	-	68,838
Contributions - State and Local	-	443,793	(443,793)
Net Investment Income	-	819,964	(819,964)
Benefit Payments	(595,443)	(595,443)	-
Administrative Costs	-	(10,295)	10,295
Total Net Changes	110,714	658,019	(547,305)
Ending Balance - December 31, 2017	\$ 5,254,917	\$ 5,810,080	\$ (555,163)

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the CFDRAPP, calculated using the discount rate of 6.25 percent, as well as what the CFDRAPP's net pension asset would be if it were calculated using a discount rate 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current discount rate:

City of Chaska, Minnesota

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	Net Pension Liability (Asset)
1% Decrease in Discount Rate (5.25%)	\$ (8,063)
Current Discount Rate (6.25%)	(555,163)
1% Increase in Discount Rate (7.25%)	(1,014,958)

Pension Plan Fiduciary Net Position - Detailed information about the CFDRAPP pension plan's fiduciary net position is available in the separately issued CFDR financial report.

D) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the CFDRAPP recognized pension expense of \$298,731. At December 31, 2017, the CFDRAPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ 19,599	\$ 17,645
Change of assumptions	57,384	-
Net differences between projected and actual investment earnings	-	261,127
Total:	<u>\$ 76,983</u>	<u>\$ 278,772</u>

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

Year Ended December 31:	Pension Expense Amount
2018	\$ (10,849)
2019	(10,851)
2020	(109,885)
2021	(85,723)
2022	15,366
Thereafter	153
Total:	<u>\$ (201,789)</u>

Note 17 Other Post-Employment Benefits

A) Plan Description

In addition to providing the pension benefits described in Note 13, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees through a single-employer defined benefit plan. The term *plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Section 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, and 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. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100 percent 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 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C) Participants

As of the actuarial valuation dated January 1, 2016 participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	2
Active Employees	129
Total	131
Participating Employers	1

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. The City Council may change the funding policy at any time.

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 annual OPEB cost is accrued in the government-wide and proprietary funds

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2017

financial statements as it is earned. OPEB benefits are recorded on a pay-as-you-go basis in the governmental funds.

The net OPEB obligation as of December 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 130,875
Interest on Net OPEB Obligation	22,875
Adjustment to Annual Required Contribution	<u>(34,929)</u>
Annual OPEB Cost	118,821
Contributions Made During the Year	<u>(41,413)</u>
Increase (Decrease) in Net OPEB Obligation	77,408
Net OPEB Obligation Beginning of Year	<u>653,563</u>
Net OPEB Obligation End of Year	<u><u>\$ 730,971</u></u>

The City had an actuarial valuation performed for the plan as of January 1, 2016 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2017. The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015, 2016 and 2017 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percent Contributed	OPEB Obligation
December 31, 2015	\$ 131,596	18.51%	\$ 554,984
December 31, 2016	120,638	18.29%	653,563
December 31, 2017	118,821	34.85%	730,971

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 (0). The funded status of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)*	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2011	\$ -	\$ 725,699	\$ 725,699	0.00%	\$ 7,816,638	9.30%
January 1, 2014	-	1,174,997	1,174,997	0.00%	8,431,114	14.00%
January 1, 2016	-	1,111,587	1,111,587	0.00%	9,489,688	11.70%

*Using the projected unit credit cost method

G) Actuarial Methods and Assumptions

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption 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 the 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 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 member 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, 2016 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.50 percent investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 6.75 percent reduced by .25 percent each year to arrive at an ultimate health cost trend rate of 5 percent. This rate includes a 2.50 percent inflation assumption. Salary increases have not been included in this calculation. The actuarial value of assets was \$0. The plans unfunded actuarial accrued liability is being amortized using the level dollar amount over 30 years on a closed basis. The remaining amortization period at January 1, 2016, was 30 years.

Required Supplementary Information**City of Chaska, Minnesota****For the Year Ended December 31, 2017****Schedule of Funding Progress - Other Post-Employment Benefit Plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2011	\$ -	\$ 725,699	\$ 725,699	0.00%	\$ 7,816,638	9.30%
January 1, 2014	-	1,174,997	1,174,997	0.00%	8,431,114	14.00%
January 1, 2016	-	1,111,587	1,111,587	0.00%	9,489,688	11.70%

City of Chaska, Minnesota

For the Year Ended December 31, 2017

PERA – General Employees Retirement Fund Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.13%	\$ 6,504,061	\$ -	\$ 6,504,061	\$ 7,374,827	88.19%	78.19%
12/31/2016	06/30/2016	0.13%	10,441,682	136,394	10,578,076	7,962,313	131.14%	68.90%
12/31/2017	06/30/2017	0.13%	8,439,559	106,148	8,545,707	8,515,662	99.11%	75.90%

PERA – General Employees Retirement Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 573,571	\$ 573,571	\$ -	\$ 7,647,695	7.50%
12/31/2016	622,514	622,514	-	8,301,166	7.50%
12/31/2017	645,781	645,781	-	8,613,210	7.50%

Notes to the Schedule:

Changes in Plan Provisions. On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERP, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Changes in Actuarial Assumptions. (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent. The assumed future salary increase, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation. (3) 2017 Changes - The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA loads are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability and 3.00 percent for non-vested deferred member liability. The assumed post-retirement benefit increase was changed from 1.00 percent for all years to 1.00 percent for year thought 2044 and 2.50 percent for all future years.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2017

PERA – Public Employees Police and Fire Fund Schedule of City’s Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.26%	\$ 2,908,759	\$ 2,345,969	123.99%	86.60%
12/31/2016	06/30/2016	0.25%	9,992,803	2,397,786	416.75%	63.90%
12/31/2017	06/30/2017	0.26%	3,564,313	2,707,514	131.65%	85.40%

PERA – Public Employees Police and Fire Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 384,775	\$ 384,775	\$ -	\$ 2,375,153	16.20%
12/31/2016	421,074	421,074	-	2,600,914	16.20%
12/31/2017	431,127	431,127	-	2,665,551	16.20%

Notes to the Schedule:

Changes in Plan Provisions. (1) 2015 Changes - The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed, from inflation up to 2.50 percent, to a fixed rate of 2.50 percent for inflation.

Changes in Actuarial Assumptions. (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.0 percent per year through 2037 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation. (3) 2017 Changes – Assumed salary increase as recommended in the June 30, 2016 study. The net effect is proposed rates that average 0.34 percent lower than the previous year. Assumed rates of retirement were changes, resulting in a fewer retirements. The Combined Service Annuity (CSA) load was 30.00 percent for vested and non-vested deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from RP-2000 disabled mortality to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three (3) years of service. Rates beyond the selected

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2017

period of three (3) years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three (3) years younger) and female members (husbands assumed to be four (4) years older to the assumption that males are two (2) years older than females. The assumed percentage of female members electing Joint and Survivor annuities was increased. The assumed post-retirement benefit increase was change from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate changed from 5.60 percent to 7.50 percent.

**Chaska Fire Department Relief Association Pension Plan (CFDRAPP),
Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Cost	\$ 76,833	\$ 74,777	\$ 76,662
Interest	307,707	318,368	323,774
Changes of Benefits Terms	229,268	-	-
Differences Between Expected & Actual Experience	23,511	-	(42,040)
Changes of Assumptions	68,838	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(595,443)</u>	<u>(451,119)</u>	<u>(517,365)</u>
Net Change in Total Pension Liability	110,714	(57,974)	(158,969)
Total Pension Liability – Beginning	<u>5,144,203</u>	<u>5,202,177</u>	<u>5,361,146</u>
Total Pension Liability - Ending (a)	<u>\$ 5,254,917</u>	<u>\$ 5,144,203</u>	<u>\$ 5,202,177</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 443,793	\$ 427,285	\$ 401,321
Contributions - Member	-	-	-
Net investment Income	819,964	408,073	(220,343)
Benefit payments, Including Refunds of Member Contributions	(595,443)	(451,119)	(517,365)
Administrative Expense	(10,295)	(11,561)	(4,226)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	\$ 658,019	\$ 372,678	\$ (340,613)
Plan Fiduciary Net Position - Beginning	<u>5,152,061</u>	<u>4,779,383</u>	<u>5,119,996</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$5,810,080</u>	<u>\$ 5,152,061</u>	<u>\$ 4,779,383</u>
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (555,163)	\$ (7,858)	\$ 422,794
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.56%	100.15%	91.87%

Required Supplementary Information

For the Year Ended December 31, 2017

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of City Contributions

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution(ADC) ¹	\$ 265,347	\$ 265,347	\$ 267,302	\$ 267,302	\$ 293,799	\$ 293,799	\$ 246,000	\$ 246,000	\$ 221,350	\$ 221,350
Contributions in Relation to the ADC	436,793	427,285	401,321	361,296	364,512	298,250	299,930	271,345	266,139	280,753
Contribution Deficiency (Excess)	<u>\$ (171,446)</u>	<u>\$ (161,938)</u>	<u>\$ (134,019)</u>	<u>\$ (93,994)</u>	<u>\$ (70,713)</u>	<u>\$ (4,451)</u>	<u>\$ (53,930)</u>	<u>\$ (25,345)</u>	<u>\$ (44,789)</u>	<u>\$ (59,403)</u>

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two (2) or three (3) years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determined contribution rates:

Actuarial Cost Method	Entry Age Normal actuarial level dollar cost method
Amortization Method	Actuarial Losses - Amortize loss over ten (10) years per Minnesota Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	Eight (8) years as of December 31, 2017
Asset Valuation Method	Market Value
Inflation	2.75 percent
Salary Increases	0.00 percent, including inflation
Investment Rate of Return	5.00 percent as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 20 years of service
Mortality	RP-2000 Combined Mortality Table, fully generational

Other Information:

In 2009, benefit terms were modified to eliminate funeral benefits. The benefit for surviving child was modified from \$25 per month to 25 percent of the members benefit payable at age 50.

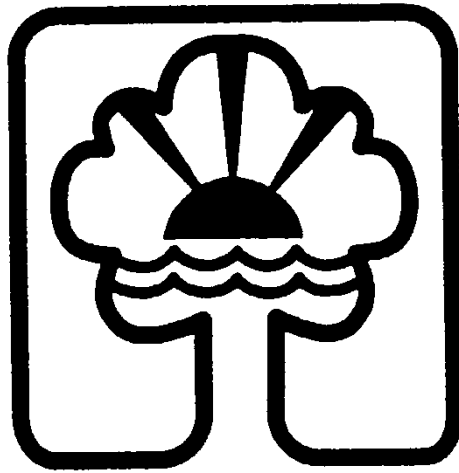
In 2011, benefits terms were modified to change the surviving spouse benefits from 75 percent of the member's monthly benefit for life to 100 percent of the member's monthly benefit for life. The survivor benefit for surviving children was modified to change the benefit from 25 percent to 100 percent of the member's monthly pension.

In 2013, benefit terms were modified to add a \$6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013 are only entitled to a lump sum service pension.

In 2014, benefit terms were modified to increase the monthly benefit from \$1.975 to \$2.085 per month of service and the increase the lump sum benefit from \$6,000 to \$6,255 per year of service effective as of June 1, 2014.

In 2016, benefit terms were modified to increase the monthly benefit from \$2.085 to \$2.185 per month of service and to increase the lump sum benefit from \$6,255 to \$6,486 per year of service as of January 1, 2017.

Notes to Schedule ¹ ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773.



CHASKA

**Combining and Individual Fund Statements and Schedules
Nonmajor Special Revenue, Debt Service and Capital Project Funds**

City of Chaska, Minnesota

For the Year Ended December 31, 2017

CITY OF CHASKA, MINNESOTA

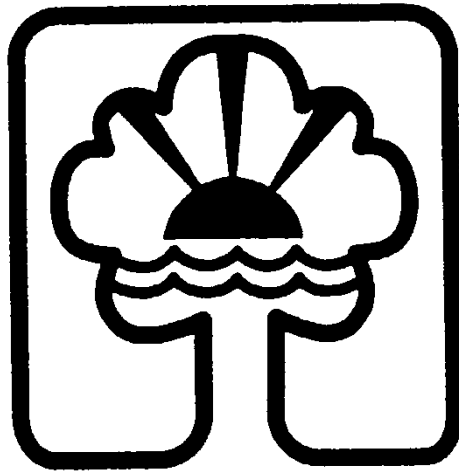
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 318,858	\$ 6,134,576	\$ 8,209,991	\$ 14,663,425
Cash With Escrow Agent	-	2,360,778	-	2,360,778
Receivables:				
Taxes	7,236	1,892	32,833	41,961
Special Assessments	57,758	5,642,433	4,313,863	10,014,054
Accounts	5,400	-	-	5,400
Interest	-	-	6,745	6,745
Lease	128,903	-	-	128,903
Notes	34,261	-	-	34,261
Due From Other Funds	-	-	2,559,564	2,559,564
Interfund Receivable	-	-	745,317	745,317
Advance To Other Funds	-	-	993,349	993,349
TOTAL ASSETS	\$ 552,416	\$ 14,139,679	\$ 16,861,662	\$ 31,553,757
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 10,048	\$ 5,850	\$ 176,086	\$ 191,984
Deposits Payable	22,200	-	25,000	47,200
Due To Other Funds	755,272	-	544,999	1,300,271
Interfund Payable	-	-	641,651	641,651
Advance From Other Funds	-	-	2,158,287	2,158,287
Unearned Revenue	19,978	1,875,101	-	1,895,079
TOTAL LIABILITIES	807,498	1,880,951	3,546,023	6,234,472
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	2,713	1,015	18,285	22,013
Unavailable Revenue - Special Assessments	37,634	3,762,837	4,308,112	8,108,583
Unavailable Revenue - Notes Receivable	34,261	-	-	34,261
Unavailable Revenue - Lease Receivable	128,903	-	-	128,903
TOTAL DEFERRED INFLOWS OF RESOURCES	203,511	3,763,852	4,326,397	8,293,760
FUND BALANCES:				
Restricted	22,442	8,494,876	1,834,182	10,351,500
Committed	300,416	-	2,589,504	2,889,920
Assigned	12,214	-	8,559,418	8,571,632
Unassigned	(793,665)	-	(3,993,862)	(4,787,527)
TOTAL FUND BALANCES	(458,593)	8,494,876	8,989,242	17,025,525
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 552,416	\$ 14,139,679	\$ 16,861,662	\$ 31,553,757

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 456,412	\$ 2,188,167	\$ 612,211	\$ 3,256,790
Tax Increment	-	-	724,644	724,644
Intergovernmental	647,264	-	1,080,680	1,727,944
Charges For Services	78,200	-	2,686,720	2,764,920
Special Assessments	40,858	642,278	1,001,863	1,684,999
Other Revenue	127,790	34,720	338,675	501,185
TOTAL REVENUES	1,350,524	2,865,165	6,444,793	10,660,482
<u>EXPENDITURES</u>				
CURRENT:				
General Government	-	3,100	90,914	94,014
Economic Development	1,136,627	-	782,561	1,919,188
Public Works	9,600	-	550,106	559,706
Parks, Recreation And Arts	-	-	393,937	393,937
DEBT SERVICE:				
Principal	11,302	3,050,000	-	3,061,302
Interest	5,498	1,279,615	95,587	1,380,700
Issuance Costs And Fiscal Agent Fees	-	74,053	102,895	176,948
CAPITAL OUTLAY	67	-	4,421,231	4,421,298
TOTAL EXPENDITURES	1,163,094	4,406,768	6,437,231	12,007,093
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	187,430	(1,541,603)	7,562	(1,346,611)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	60,713	1,222,214	3,299,621	4,582,548
Transfers Out	(331,713)	-	(4,862,830)	(5,194,543)
Bonds Issued	-	8,619	5,656,381	5,665,000
Refunding Bonds Issued	-	1,455,000	-	1,455,000
Premium on Bonds Issued	-	-	485,966	485,966
Sale Of Capital Assets	-	-	11,741	11,741
TOTAL OTHER FINANCING SOURCES (USES)	(271,000)	2,685,833	4,590,879	7,005,712
NET CHANGE IN FUND BALANCES	(83,570)	1,144,230	4,598,441	5,659,101
FUND BALANCES, JANUARY 1	(375,023)	7,350,646	4,390,801	11,366,424
FUND BALANCES, DECEMBER 31	\$ (458,593)	\$ 8,494,876	\$ 8,989,242	\$ 17,025,525



CHASKA

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Special Revenue funds are used to account for specific revenue sources that are legally restricted or committed to expenditures for particular purposes.

- **Mount Pleasant Maintenance & Care Fund:**
This fund is used to account for property tax levies and lot sales that are legally restricted or committed for the maintenance of the cemetery and principal amounts received and related interest income for the care of Mount Pleasant Cemetery.
- **Chaska EDA Fund:**
This fund is used to report administrative activities associated with the Chaska Economic Development Authority. The authority is authorized and levies ad valorem taxes to provide funds for its operations.
- **Commercial Revolving Loan Fund:**
This fund is used to accumulate commercial grant and loan payment proceeds.
- **Industrial Revolving Loan Fund:**
This fund is used to accumulate industrial grant and loan payment proceeds.
- **Grace Gibson Fund:**
This fund is used to account for assets received and related revenues and expenditures associated with Grace Gibson activities.

CITY OF CHASKA, MINNESOTA

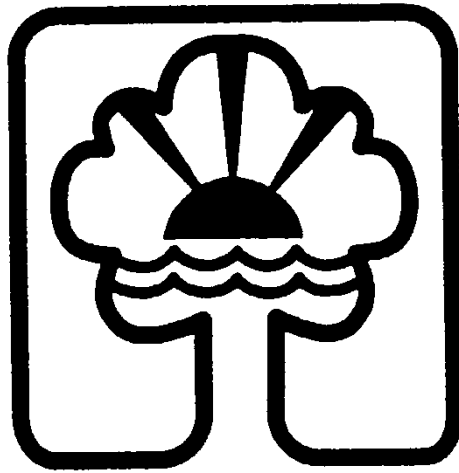
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
ASSETS						
Cash And Investments	\$ 253,944	\$ -	\$ 62,576	\$ 1,737	\$ 601	\$ 318,858
Receivables:						
Taxes:						
Unremitted	31	4,492	-	-	-	4,523
Delinquent	79	2,634	-	-	-	2,713
Special Assessments:						
Current	-	57,612	-	-	-	57,612
Unremitted	-	146	-	-	-	146
Accounts	-	2,400	3,000	-	-	5,400
Lease	-	128,903	-	-	-	128,903
Notes	-	-	34,261	-	-	34,261
TOTAL ASSETS	\$ 254,054	\$ 196,187	\$ 99,837	\$ 1,737	\$ 601	\$ 552,416
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ -	\$ 10,048	\$ -	\$ -	\$ -	\$ 10,048
Deposits Payable	-	22,200	-	-	-	22,200
Due To Other Funds	-	755,272	-	-	-	755,272
Unearned Revenue	-	19,978	-	-	-	19,978
TOTAL LIABILITIES	-	807,498	-	-	-	807,498
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Taxes	79	2,634	-	-	-	2,713
Unavailable Revenue - Special Assessments	-	37,634	-	-	-	37,634
Unavailable Revenue - Notes Receivable	-	-	34,261	-	-	34,261
Unavailable Revenue - Lease Receivable	-	128,903	-	-	-	128,903
TOTAL DEFERRED INFLOWS OF RESOURCES	79	169,171	34,261	-	-	203,511
FUND BALANCES:						
Restricted	7,522	13,183	-	1,737	-	22,442
Committed	234,478	-	65,576	-	362	300,416
Assigned	11,975	-	-	-	239	12,214
Unassigned	-	(793,665)	-	-	-	(793,665)
TOTAL FUND BALANCES	253,975	(780,482)	65,576	1,737	601	(458,593)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 254,054	\$ 196,187	\$ 99,837	\$ 1,737	\$ 601	\$ 552,416

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
REVENUES:						
Taxes	\$ 5,983	\$ 450,429	\$ -	\$ -	\$ -	\$ 456,412
Intergovernmental:						
State:						
Market Value Credit	1	95	-	-	-	96
Economic Development Grant	-	647,168	-	-	-	647,168
Charges For Services	2,200	76,000	-	-	-	78,200
Special Assessments	-	40,858	-	-	-	40,858
Other Revenues:						
Investment Earnings	2,670	-	639	18	6	3,333
Rents	-	30,400	-	-	-	30,400
Contributions And Donations	-	-	3,000	-	-	3,000
Payments	-	82,775	8,282	-	-	91,057
TOTAL REVENUES	10,854	1,327,725	11,921	18	6	1,350,524
EXPENDITURES:						
Current:						
Economic Development	-	1,133,514	3,113	-	-	1,136,627
Public Works	9,600	-	-	-	-	9,600
Debt Service:						
Principal	-	11,302	-	-	-	11,302
Interest	-	5,498	-	-	-	5,498
Capital Outlay	67	-	-	-	-	67
TOTAL EXPENDITURES	9,667	1,150,314	3,113	-	-	1,163,094
EXCESS OF REVENUES OVER EXPENDITURES	1,187	177,411	8,808	18	6	187,430
OTHER FINANCING SOURCES (USES):						
Transfers In	-	60,713	-	-	-	60,713
Transfers Out	-	(330,000)	(1,713)	-	-	(331,713)
TOTAL OTHER FINANCING SOURCES (USES)	-	(269,287)	(1,713)	-	-	(271,000)
NET CHANGE IN FUND BALANCES	1,187	(91,876)	7,095	18	6	(83,570)
FUND BALANCES, JANUARY 1	252,788	(688,606)	58,481	1,719	595	(375,023)
FUND BALANCES, DECEMBER 31	\$ 253,975	\$ (780,482)	\$ 65,576	\$ 1,737	\$ 601	\$ (458,593)



CHASKA

Nonmajor Debt Service Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Debt Service funds are used to accumulate resources and to record payment of bonded debt principal and interest.

- **Improvement Bond Funds:**
These funds service debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to be benefited from such improvements.
- **Tax Increment Bond Funds:**
These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.
- **Equipment Certificate Funds:**
These funds service debt on the general obligation equipment certificates that were used to fund equipment purchases.
- **General Obligation Bond Fund:**
This fund services debt on general obligation bonds that were issued to finance construction of public improvements and also to refund existing bonds.
- **EDA Lease Revenue Bond Fund:**
This fund services debt on lease revenue bonds that were issued to finance the Firemen's Park redevelopment project.
- **Tax Abatement Bond Fund:**
This fund services debt from the City's housing improvement areas and tax abatement programs.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2017

	IMPROVEMENT		TAX		GO TAXABLE		\$3,455,000		\$915,000		\$9,000,000		\$2,035,000		TOTALS
	BONDS		INCREMENTS	BONDS	ABATEMENT	BONDS	GO BONDS	2011	CERTIFICATES	2013	REVENUE BONDS	2015	GO TAXABLE	BONDS	
ASSETS					2010				2013		2015		2017		
Cash And Investments	\$ 4,267,548		\$ 63,340		\$ 285,056		\$ 915,384		\$ 128,112		\$ 466,510		\$ 8,626	\$ 6,134,576	
Cash With Escrow Agent	949,476		425,758		-		-		-		985,544		-	2,360,778	
Receivables:															
Taxes:															
Unremitted	877		-		-		-		-		-		-	877	
Delinquent	5		-		1,010		-		-		-		-	1,015	
Special Assessments:															
Unremitted	3,679		-		-		816		-		-		-	4,495	
Delinquent	9,277		-		-		8,519		-		-		-	17,796	
Deferred:															
Certified To County	3,976,716		-		-		136,117		-		-		-	4,112,833	
City Owned	1,207,406		-		-		299,903		-		-		-	1,507,309	
TOTAL ASSETS	\$ 10,414,984		\$ 489,098		\$ 286,066		\$ 1,360,739		\$ 128,112		\$ 1,452,054		\$ 8,626	\$ 14,139,679	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES,															
AND FUND BALANCES															
LIABILITIES:															
Accounts Payable	\$ 1,500		\$ 1,250		\$ -		\$ 3,100		\$ -		\$ -		\$ -	\$ 5,850	
Unearned Revenue	1,575,198		-		-		299,903		-		-		-	1,875,101	
TOTAL LIABILITIES	1,576,698		1,250		-		303,003		-		-		-	1,880,951	
DEFERRED INFLOWS OF RESOURCES:															
Unavailable Revenue - Taxes	5		-		1,010		-		-		-		-	1,015	
Unavailable Revenue - Special Assessments	3,618,201		-		-		144,636		-		-		-	3,762,837	
TOTAL DEFERRED INFLOWS OF RESOURCES	3,618,206		-		1,010		144,636		-		-		-	3,763,852	
FUND BALANCES:															
Restricted	5,220,080		487,848		285,056		913,100		128,112		1,452,054		8,626	8,494,876	
TOTAL LIABILITIES, DEFERRED INFLOWS															
OF RESOURCES AND FUND BALANCES	\$ 10,414,984		\$ 489,098		\$ 286,066		\$ 1,360,739		\$ 128,112		\$ 1,452,054		\$ 8,626	\$ 14,139,679	

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	IMPROVEMENT BONDS	TAX INCREMENT BONDS	\$405,000 GO TAXABLE ABATEMENT BONDS 2010	\$3,455,000 GO BONDS 2011	\$915,000 GO EQUIPMENT CERTIFICATES 2013	\$9,000,000 & \$1,085,000 EDA LEASE REVENUE BONDS 2015	\$2,035,000 GO TAXABLE ABATEMENT BONDS 2017	TOTALS
REVENUES:								
Taxes:								
Property	\$ 1,911,727	\$ -	\$ 30,440	\$ 124,000	\$ 122,000	\$ -	\$ -	\$ 2,188,167
Special Assessments	586,201	-	-	56,077	-	-	-	642,278
Other Revenue:								
Investment Earnings (Charges)	25,817	(4,773)	2,831	8,459	580	1,799	7	34,720
TOTAL REVENUES	2,523,745	(4,773)	33,271	188,536	122,580	1,799	7	2,865,165
EXPENDITURES:								
Current:								
General Government	-	-	-	3,100	-	-	-	3,100
Debt Service:								
Principal	2,385,000	90,000	10,000	200,000	95,000	270,000	-	3,050,000
Interest	780,400	43,037	19,350	50,188	16,690	369,950	-	1,279,615
Issuance Costs And Fiscal Agent Fees	43,644	26,484	375	350	-	3,200	-	74,053
TOTAL EXPENDITURES	3,209,044	159,521	29,725	253,638	111,690	643,150	-	4,406,768
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(685,299)	(164,294)	3,546	(65,102)	10,890	(641,351)	7	(1,541,603)
OTHER FINANCING SOURCES:								
Transfers In	450,522	131,742	-	-	-	639,950	-	1,222,214
Bonds Issued	-	-	-	-	-	-	8,619	8,619
Refunding Bonds Issued	995,000	460,000	-	-	-	-	-	1,455,000
TOTAL OTHER FINANCING SOURCES	1,445,522	591,742	-	-	-	639,950	8,619	2,685,833
NET CHANGE IN FUND BALANCES	760,223	427,448	3,546	(65,102)	10,890	(1,401)	8,626	1,144,230
FUND BALANCES, JANUARY 1	4,459,857	60,400	281,510	978,202	117,222	1,453,455	-	7,350,646
FUND BALANCES, DECEMBER 31	\$ 5,220,080	\$ 487,848	\$ 285,056	\$ 913,100	\$ 128,112	\$ 1,452,054	\$ 8,626	\$ 8,494,876

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS - IMPROVEMENT BONDS

DECEMBER 31, 2017

	\$3,645,000 GO IMPROVEMENT BONDS 2008	\$1,995,000 GO IMPROVEMENT REFUNDING BONDS 2009	\$3,220,000 GO IMPROVEMENT BONDS 2010	\$2,190,000 GO IMPROVEMENT BONDS 2010	\$2,430,000 GO IMPROVEMENT BONDS 2012	\$4,675,000 GO X-OVER ADV. RPDG BONDS 2012	\$3,330,000 GO IMPROVEMENT BONDS 2013	\$5,785,000 GO IMPROVEMENT BONDS 2014	\$5,940,000 GO IMPROVEMENT BONDS 2015	\$995,000 GO X-OVER ADV. RPDG BONDS 2017	TOTALS
ASSETS											
Cash And Investments	\$ 287,131	\$ 1,569,716	\$ 296,397	\$ 70,701	\$ 222,736	\$ 420,616	\$ 209,732	\$ 453,300	\$ 731,785	\$ 5,434	\$ 4,267,548
Cash With Escrow Agent	940,000	-	-	-	-	-	-	-	-	9,476	949,476
Receivables:											
Taxes:											
Unremitted	-	-	-	877	-	-	-	-	-	-	877
Delinquent	-	-	-	-	-	5	-	-	-	-	5
Special Assessments:											
Unremitted	-	857	623	-	409	943	-	-	847	-	3,679
Delinquent	669	6,376	-	-	-	470	-	-	1,762	-	9,277
Deferred:											
Certified To County	134,845	296,106	1,076,554	382,529	155,316	561,385	799,315	164,223	404,443	-	3,976,716
City Owned	-	-	-	80,395	235,809	16,724	343,693	-	530,785	-	1,207,406
TOTAL ASSETS	\$ 1,362,645	\$ 1,873,055	\$ 1,375,574	\$ 534,502	\$ 614,270	\$ 1,000,143	\$ 1,352,740	\$ 617,523	\$ 1,669,622	\$ 14,910	\$ 10,414,984

LIABILITIES, DEFERRED INFLOWS OF RESOURCES,

AND FUND BALANCES

LIABILITIES:											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500
Unearned Revenue	-	-	-	448,187	235,809	16,724	343,693	-	530,785	-	1,575,198
TOTAL LIABILITIES	-	-	-	448,187	235,809	16,724	343,693	-	530,785	1,500	1,576,698
DEFERRED INFLOWS OF RESOURCES:											
Unavailable Revenue - Taxes	-	-	-	-	-	5	-	-	-	-	5
Unavailable Revenue - Special Assessments	135,514	302,482	1,076,554	14,737	155,316	561,865	799,315	164,223	406,205	-	3,618,201
TOTAL DEFERRED INFLOWS OF RESOURCES	135,514	302,482	1,076,554	14,737	155,316	561,860	799,315	164,223	406,205	-	3,618,206
FUND BALANCES:											
Restricted	1,227,131	1,570,573	297,020	71,578	223,145	421,559	209,732	453,300	732,632	13,410	5,220,080
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,362,645	\$ 1,873,055	\$ 1,375,574	\$ 534,502	\$ 614,270	\$ 1,000,143	\$ 1,352,740	\$ 617,523	\$ 1,669,622	\$ 14,910	\$ 10,414,984

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS - IMPROVEMENT BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	\$3,645,000 GO IMPROVEMENT BONDS 2008	\$1,995,000 GO IMPROVEMENT REFUNDING BONDS 2009	\$3,220,000 GO IMPROVEMENT BONDS 2010	\$2,180,000 GO IMPROVEMENT BONDS 2010	\$2,430,000 GO IMPROVEMENT BONDS 2012	\$4,675,000 GO X-OVER ADV. RFDG BONDS 2012	\$3,330,000 GO IMPROVEMENT BONDS 2013	\$5,785,000 GO IMPROVEMENT BONDS 2014	\$5,940,000 GO IMPROVEMENT BONDS 2015	\$995,000 GO X-OVER ADV. RFDG BONDS 2017	TOTALS
REVENUES:											
Taxes:											
Property	\$ 116,000	\$ -	\$ 75,000	\$ 83,727	\$ 194,000	\$ 250,000	\$ 223,000	\$ 478,000	\$ 492,000	\$ -	\$ 1,911,727
Special Assessments	109,786	54,902	216,630	28,345	27,562	49,900	22,228	34,044	42,804	-	586,201
Other Revenue:											
Investment Earnings	609	17,115	1,116	-	790	810	480	545	4,348	4	25,817
TOTAL REVENUES	226,395	72,017	292,746	112,072	222,352	300,710	245,708	512,589	539,152	4	2,523,745
EXPENDITURES:											
Debt Service:											
Principal	240,000	100,000	245,000	140,000	165,000	695,000	155,000	455,000	190,000	-	2,385,000
Interest	74,525	12,350	60,775	50,236	40,080	61,085	100,538	142,917	237,894	-	780,400
Issuance Costs And Fiscal Agent Fees	350	-	375	375	525	-	425	-	-	41,594	43,844
TOTAL EXPENDITURES	314,875	112,350	306,150	190,611	205,605	756,085	255,963	597,917	427,894	41,594	3,209,044
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(88,480)	(40,333)	(13,404)	(78,539)	16,747	(455,375)	(10,255)	(85,328)	111,258	(41,590)	(685,299)
OTHER FINANCING SOURCES:											
Transfers In	95,000	-	-	96,678	-	160,000	16,500	82,344	-	-	450,522
Refunding Bonds Issued	940,000	-	-	-	-	-	-	-	-	55,000	995,000
TOTAL OTHER FINANCING SOURCES	1,035,000	-	-	96,678	-	160,000	16,500	82,344	-	55,000	1,445,522
NET CHANGE IN FUND BALANCES	946,520	(40,333)	(13,404)	18,139	16,747	(295,375)	6,245	(2,984)	111,258	13,410	760,223
FUND BALANCES, JANUARY 1	280,611	1,610,906	310,424	53,439	206,398	716,934	203,487	456,284	621,374	-	4,459,867
FUND BALANCES, DECEMBER 31	\$ 1,227,131	\$ 1,570,573	\$ 297,020	\$ 71,578	\$ 223,145	\$ 421,559	\$ 209,732	\$ 453,300	\$ 732,632	\$ 13,410	\$ 5,220,080

CITY OF CHASKA, MINNESOTA**COMBINING BALANCE SHEET
DEBT SERVICE FUNDS - TAX INCREMENT BONDS
DECEMBER 31, 2017**

	\$565,000 GO TAXABLE TI BONDS 2008	\$580,000 GO TAXABLE TI REFUNDING BONDS 2013	\$460,000 GO TAXABLE X-OVER ADV REFUNDING 2017	TOTALS
<u>ASSETS</u>				
Cash And Investments	\$ 54,947	\$ 4,033	\$ 4,360	\$ 63,340
Cash With Escrow Agent	414,999	-	10,759	425,758
TOTAL ASSETS	\$ 469,946	\$ 4,033	\$ 15,119	\$ 489,098
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ 1,250	\$ 1,250
FUND BALANCES:				
Restricted	469,946	4,033	13,869	487,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 469,946	\$ 4,033	\$ 15,119	\$ 489,098

CITY OF CHASKA, MINNESOTA**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS - TAX INCREMENT BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	\$565,000 GO TAXABLE TI BONDS 2008	\$580,000 GO TAXABLE TI REFUNDING BONDS 2013	\$460,000 GO TAXABLE X-OVER ADV REFUNDING 2017	TOTALS
<u>REVENUES:</u>				
Other:				
Investment Earnings (Charges)	\$ (4,814)	\$ 38	\$ 3	\$ (4,773)
<u>EXPENDITURES:</u>				
Debt Service:				
Principal	20,000	70,000	-	90,000
Interest	34,550	8,487	-	43,037
Issuance Costs And Fiscal Agent Fees	350	-	26,134	26,484
TOTAL EXPENDITURES	54,900	78,487	26,134	159,521
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(59,714)	(78,449)	(26,131)	(164,294)
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	55,242	76,500	-	131,742
Refunding Bonds Issued	420,000	-	40,000	460,000
TOTAL OTHER FINANCING SOURCES	475,242	76,500	40,000	591,742
NET CHANGE IN FUND BALANCES	415,528	(1,949)	13,869	427,448
FUND BALANCES, JANUARY 1	54,418	5,982	-	60,400
FUND BALANCES, DECEMBER 31	\$ 469,946	\$ 4,033	\$ 13,869	\$ 487,848

Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

- **Tax Increment Funds:**
These funds receive revenue from general property taxes in the form of tax increment. These revenues are used by the Chaska Economic Development Authority (EDA) to promote industrial development via providing financing aids to developers.
- **Special Assessment Funds:**
These funds are used for the construction of improvements and assessment collections from properties benefiting from the improvements.
- **Major Road Construction Fund:**
This fund is used to account for the City's allocation of the State collected highway user tax for Minnesota State Aid (MSA) designated road construction.
- **Permanent Improvement Revolving Funds:**
These funds are used to collect the building permit revenues charged for the purpose of construction of the City's water, sewer and storm water systems. Three (3) separate funds are shown; a Water fund, a Sewer fund and a Storm Water fund.
- **Highway 312 Metropolitan Council Right-of-Way Acquisition Loan Fund:**
This fund is used to account for the land acquisitions for the new Highway 312 funded by R.A.L.F.
- **Public Facilities Capital Improvement Fund:**
This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.
- **Fire Protection Systems Fund:**
This fund is used to account for receipts and expenditures for the fire protection systems.
- **Improvement Revolving Fund:**
This fund is used to fund un-bonded improvement projects.
- **Equipment Acquisition Fund:**
This fund is used to account for property tax levies appropriated by budget for capital equipment acquisition.
- **Park Development Fund:**
This fund is used for the construction of improvements and assessment collection for the City parks system.
- **Southwest Chaska Transportation Fund:**
This fund is used to account for fees charged to developers for the expansion of transportation projects in the southwest Chaska area.
- **Community Fund:**
This fund is used to account for the sources and uses that support the Firemen's Park project.
- **Housing Improvement Area Projects Fund:**
This fund is used to account for the financing of private housing improvements administered through the City's HIA policy. Property owners are assessed 100 percent of the improvements.

- **Abatement Program Fund:**
This fund is used to account for the City and EDA's Tax Abatement program.
- **Annual Street Replacement Fund:**
These funds are used for the construction of improvements and assessment collections from properties benefiting from the improvements of the City's streets.
- **2014 Flood Event Fund:**
This fund is used to account for the receipts and expenditures associated with the June 2014 flooding.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2017

	TAX INCREMENT	SPECIAL ASSESSMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT
ASSETS								
Cash And Investments	\$ 977,006	\$ -	\$ 342,141	\$ 73,203	\$ 260,492	\$ 57,480	\$ 269,369	\$ 14,253
Receivables:								
Taxes:								
Unremitted	1,344	-	-	-	-	-	-	-
Delinquent	1,818	-	-	-	-	-	-	-
Special Assessments:								
Unremitted	-	-	-	-	-	-	-	-
Delinquent	-	-	-	1,884	637	-	-	-
Deferred:								
Certified To County	10,432	84,036	-	92,056	64,815	142,825	-	-
Interest	379	-	1,011	449	-	349	225	-
Due From Other Funds	-	-	755,272	244,999	-	300,000	-	-
Interfund Receivable	-	-	-	-	-	-	-	-
Advance To Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 990,979	\$ 84,036	\$ 1,098,424	\$ 412,591	\$ 325,944	\$ 500,654	\$ 269,594	\$ 14,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$ -	\$ -	\$ -	\$ 168	\$ 4,163	\$ 168	\$ -	\$ -
Deposits Payable	20,000	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-	-
Interfund Payable	641,651	-	-	-	-	-	-	-
Advance From Other Funds	2,158,287	-	-	-	-	-	-	-
TOTAL LIABILITIES	2,819,938	-	-	168	4,163	168	-	-
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Taxes	1,818	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	10,432	84,036	-	93,940	65,452	142,825	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	12,250	84,036	-	93,940	65,452	142,825	-	-
FUND BALANCES:								
Restricted	930,081	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	1,098,424	318,483	256,329	357,661	269,594	14,253
Unassigned	(2,771,290)	-	-	-	-	-	-	-
TOTAL FUND BALANCES	(1,841,209)	-	1,098,424	318,483	256,329	357,661	269,594	14,253
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 990,979	\$ 84,036	\$ 1,098,424	\$ 412,591	\$ 325,944	\$ 500,654	\$ 269,594	\$ 14,253

FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	2014 FLOOD EVENT	TOTALS
\$ 141,524	\$ 287,910	\$ 1,102,406	\$ 569,064	\$ 415,970	\$ 1,164,665	\$ 403,970	\$ 281,744	\$ 1,848,794	\$ -	\$ 8,209,991
-	-	13,204	-	-	-	-	-	-	-	14,548
-	-	16,467	-	-	-	-	-	-	-	18,285
-	-	-	-	-	-	5,751	-	-	-	5,751
-	4,070	-	-	-	-	9,482	-	-	-	16,073
-	1,287,883	-	664,095	23,373	-	1,575,139	-	347,385	-	4,292,039
-	336	-	1,214	237	1,724	-	-	821	-	6,745
-	-	-	1,259,293	-	-	-	-	-	-	2,559,564
-	-	103,666	641,651	-	-	-	-	-	-	745,317
-	-	993,349	-	-	-	-	-	-	-	993,349
<u>\$ 141,524</u>	<u>\$ 1,580,199</u>	<u>\$ 2,229,092</u>	<u>\$ 3,135,317</u>	<u>\$ 439,580</u>	<u>\$ 1,166,389</u>	<u>\$ 1,994,342</u>	<u>\$ 281,744</u>	<u>\$ 2,197,000</u>	<u>\$ -</u>	<u>\$ 16,861,662</u>
\$ -	\$ -	\$ 48,143	\$ 50,623	\$ -	\$ -	\$ -	\$ -	\$ 66,087	\$ 6,734	\$ 176,086
-	-	-	-	-	-	-	5,000	-	-	25,000
-	-	-	-	-	-	-	-	-	544,999	544,999
-	-	-	-	-	-	-	-	-	-	641,651
-	-	-	-	-	-	-	-	-	-	2,158,287
-	-	48,143	50,623	-	-	-	5,000	66,087	551,733	3,546,023
-	-	16,467	-	-	-	-	-	-	-	18,285
-	1,291,953	-	664,095	23,373	-	1,584,621	-	347,385	-	4,308,112
-	1,291,953	16,467	664,095	23,373	-	1,584,621	-	347,385	-	4,326,397
3,711	-	624,075	-	-	-	-	276,315	-	-	1,834,182
-	-	135,137	-	-	-	-	-	2,454,367	-	2,589,504
137,813	288,246	1,405,270	2,420,599	416,207	1,166,389	409,721	429	-	-	8,559,418
-	-	-	-	-	-	-	-	(670,839)	(551,733)	(3,993,862)
141,524	288,246	2,164,482	2,420,599	416,207	1,166,389	409,721	276,744	1,783,528	(551,733)	8,989,242
<u>\$ 141,524</u>	<u>\$ 1,580,199</u>	<u>\$ 2,229,092</u>	<u>\$ 3,135,317</u>	<u>\$ 439,580</u>	<u>\$ 1,166,389</u>	<u>\$ 1,994,342</u>	<u>\$ 281,744</u>	<u>\$ 2,197,000</u>	<u>\$ -</u>	<u>\$ 16,861,662</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	TAX INCREMENT	SPECIAL ASSESSMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT
REVENUES:								
Taxes:								
General Property	\$ -	\$ -	\$ -	\$ 885	\$ 584	\$ 12,671	\$ -	\$ -
Tax Increment	724,644	-	-	-	-	-	-	-
Intergovernmental:								
State	-	46,529	1,033,640	-	-	-	-	-
Charges For Services	-	28,065	-	-	-	-	-	-
Acreage And Connection Charges	-	-	-	867,922	756,875	188,614	-	-
Special Assessments	11,057	88,310	-	33,090	27,251	13,192	-	-
Other Revenues:								
Investment Earnings	7,522	-	11,669	6,123	2,422	3,796	2,610	-
Miscellaneous	-	-	-	-	5,889	-	-	44,696
TOTAL REVENUES	743,223	162,904	1,045,309	908,020	793,021	218,273	2,610	44,696
EXPENDITURES:								
Current:								
General Government:								
Administrative Fees	24,679	-	-	842	1,129	2,027	-	66
Economic Development:								
Professional Services	10,280	-	-	-	-	-	-	-
Other Services And Charges	223,931	-	-	-	-	-	-	-
Public Works:								
Professional Services	-	136,263	-	29,222	26,676	22,681	-	-
Parks, Recreation And Arts:								
Professional Services	-	-	-	-	-	-	-	-
Other Services And Charges	-	-	-	-	-	-	-	-
Debt Service:								
Interest	95,587	-	-	-	-	-	-	-
Issuance Costs And Fiscal Agent Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Land	-	-	-	-	-	-	-	-
System Improvements:								
Water	-	-	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	238,250	-	-	-
Streets	-	-	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-	-	-
Other Improvements	-	-	-	-	-	-	-	-
Furniture And Equipment	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	354,477	136,263	-	30,064	266,055	24,708	-	66
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	388,746	26,641	1,045,309	877,956	526,966	193,565	2,610	44,630
OTHER FINANCING SOURCES (USES):								
Transfers In	63,000	88,363	-	-	49,039	-	-	-
Transfers Out	(194,742)	(49,039)	(520,924)	(763,874)	(274,231)	(270,107)	-	-
Bonds Issued	-	-	-	-	-	-	-	-
Premium On Bonds Issued	-	-	-	-	-	-	-	-
Sale Of Capital Assets	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(131,742)	39,324	(520,924)	(763,874)	(225,192)	(270,107)	-	-
NET CHANGE IN FUND BALANCES	257,004	65,965	524,385	114,082	301,774	(76,542)	2,610	44,630
FUND BALANCES, JANUARY 1	(2,098,213)	(65,965)	574,039	204,401	(45,445)	434,203	266,984	(30,377)
FUND BALANCES, DECEMBER 31	\$ (1,841,209)	\$ -	\$ 1,098,424	\$ 318,483	\$ 256,329	\$ 357,661	\$ 269,594	\$ 14,253

FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	2014 FLOOD EVENT	TOTALS
\$ -	\$ -	\$ 505,885	\$ 3,473	\$ -	\$ -	\$ -	\$ 88,713	\$ -	\$ -	\$ 612,211
-	-	-	-	-	-	-	-	-	-	724,644
-	-	511	-	-	-	-	-	-	-	1,080,680
-	-	4,000	-	-	-	-	-	-	-	32,065
-	-	-	602,045	239,199	-	-	-	-	-	2,654,655
-	34,320	-	136,650	35,059	-	505,515	-	117,419	-	1,001,863
1,492	4,574	24,302	37,271	3,230	19,739	1,505	429	8,242	-	134,926
-	-	148,411	4,753	-	-	-	-	-	-	203,749
1,492	38,894	683,109	784,192	277,488	19,739	507,020	89,142	125,661	-	6,444,793
-	-	18,020	8,912	877	-	22,571	-	6,967	4,824	90,914
-	-	-	-	-	-	13,260	15,109	-	-	38,649
-	-	-	-	-	-	492,543	27,438	-	-	743,912
-	-	-	-	-	-	-	-	52,551	282,713	550,106
-	-	-	393,863	-	-	-	-	-	-	393,863
-	-	-	74	-	-	-	-	-	-	74
-	-	-	-	-	-	-	-	-	-	95,587
-	-	27,610	-	-	-	45,527	6,232	23,526	-	102,895
-	-	-	4,320	-	-	-	-	-	-	4,320
-	-	-	-	-	-	-	-	146,560	-	146,560
-	-	-	-	-	-	-	-	80,063	-	318,313
-	-	-	-	-	-	-	-	2,072,720	-	2,072,720
-	-	-	-	-	-	-	-	55,345	-	55,345
-	-	-	268,742	-	-	-	-	3,962	-	272,704
-	-	1,518,787	32,482	-	-	-	-	-	-	1,551,269
-	-	1,564,417	708,393	877	-	573,901	48,779	2,441,694	287,537	6,437,231
1,492	38,894	(881,308)	75,799	276,611	19,739	(66,881)	40,363	(2,316,033)	(287,537)	7,562
-	-	114,637	409,000	-	1,855,000	-	-	714,075	6,507	3,299,621
-	(41,190)	(623,844)	-	-	(2,123,712)	-	-	-	(1,167)	(4,862,830)
-	-	1,960,000	-	-	-	1,790,000	236,381	1,670,000	-	5,656,381
-	-	335,372	-	-	-	-	-	150,594	-	485,966
-	-	11,741	-	-	-	-	-	-	-	11,741
-	(41,190)	1,797,906	409,000	-	(268,712)	1,790,000	236,381	2,534,669	5,340	4,590,879
1,492	(2,296)	916,598	484,799	276,611	(248,973)	1,723,119	276,744	218,636	(282,197)	4,598,441
140,032	290,542	1,247,884	1,935,800	139,596	1,415,362	(1,313,398)	-	1,564,892	(269,536)	4,390,801
\$ 141,524	\$ 288,246	\$ 2,164,482	\$ 2,420,599	\$ 416,207	\$ 1,166,389	\$ 409,721	\$ 276,744	\$ 1,783,528	\$ (551,733)	\$ 8,989,242

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - TAX INCREMENT
DECEMBER 31, 2017

	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST # 14 DOWNTOWN REDEVELOPMENT	DIST # 15 CHAMBER REDEVELOPMENT	DIST # 17 CHASKA PRESERVE	DIST # 18 CHASKA BUILDING CENTER	DIST # 19 CHASKA HEIGHTS	TOTALS
ASSETS								
Cash And Investments	\$ 645,294	\$ 147,821	\$ 11,403	\$ 135,243	\$ 37,245	\$ -	\$ -	\$ 977,006
Receivables:								
Taxes:								
Unremitted	1,344	-	-	-	-	-	-	1,344
Delinquent	1,818	-	-	-	-	-	-	1,818
Special Assessments:								
Deferred:								
Certified To County	-	-	10,432	-	-	-	-	10,432
Interest	379	-	-	-	-	-	-	379
TOTAL ASSETS	\$ 648,835	\$ 147,821	\$ 21,835	\$ 135,243	\$ 37,245	\$ -	\$ -	\$ 990,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES:								
Deposits Payable	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 20,000
Interfund Payable	-	-	-	-	-	639,745	1,906	641,651
Advance From Other Funds	-	-	1,882,054	-	276,233	-	-	2,158,287
TOTAL LIABILITIES	-	-	1,882,054	-	286,233	639,745	11,906	2,819,938
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Taxes	1,818	-	-	-	-	-	-	1,818
Unavailable Revenue - Special Assessments	-	-	10,432	-	-	-	-	10,432
TOTAL DEFERRED INFLOWS OF RESOURCES	1,818	-	10,432	-	-	-	-	12,250
FUND BALANCES:								
Restricted	647,017	147,821	-	135,243	-	-	-	930,081
Unassigned	-	-	(1,870,651)	-	(248,988)	(639,745)	(11,906)	(2,771,290)
TOTAL FUND BALANCES	647,017	147,821	(1,870,651)	135,243	(248,988)	(639,745)	(11,906)	(1,841,209)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 648,835	\$ 147,821	\$ 21,835	\$ 135,243	\$ 37,245	\$ -	\$ -	\$ 990,979

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - TAX INCREMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES:	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST # 14 DOWNTOWN REDEVELOPMENT	DIST # 15 CHAMBER REDEVELOPMENT	DIST # 17 CHASKA PRESERVE	DIST # 18 CHASKA BUILDING CENTER	DIST # 19 CHASKA HEIGHTS	TOTALS
Taxes:								
Tax Increment	\$ 345,020	\$ 209,017	\$ 115,484	\$ 11,942	\$ 43,181	\$ -	\$ -	\$ 724,644
Special Assessments	-	-	11,057	-	-	-	-	11,057
Other Revenues:								
Investment Earnings	5,169	658	375	1,320	-	-	-	7,522
TOTAL REVENUES	350,189	209,675	126,916	13,262	43,181	-	-	743,223
EXPENDITURES:								
Current:								
General Government:								
Administrative Fees	-	-	-	-	-	24,606	73	24,679
Economic Development:								
Professional Services	7,170	290	570	1,140	410	370	330	10,280
Other Services And Charges	142,205	60,204	2,333	-	-	19,189	-	223,931
Debt Service:								
Interest	-	-	83,629	-	11,958	-	-	95,587
TOTAL EXPENDITURES	149,375	60,494	86,532	1,140	12,368	44,165	403	354,477
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200,814	149,181	40,384	12,122	30,813	(44,165)	(403)	388,746
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	63,000	-	-	-	-	63,000
Transfers Out	-	(63,000)	(131,742)	-	-	-	-	(194,742)
TOTAL OTHER FINANCING SOURCES (USES)	-	(63,000)	(68,742)	-	-	-	-	(131,742)
NET CHANGE IN FUND BALANCES	200,814	86,181	(28,358)	12,122	30,813	(44,165)	(403)	257,004
FUND BALANCES, JANUARY 1	446,203	61,640	(1,842,293)	123,121	(279,801)	(595,580)	(11,503)	(2,098,213)
FUND BALANCES, DECEMBER 31	\$ 647,017	\$ 147,821	\$ (1,870,651)	\$ 135,243	\$ (248,988)	\$ (639,745)	\$ (11,906)	\$ (1,841,209)

CITY OF CHASKA, MINNESOTA

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT
DECEMBER 31, 2017**

	<u>2010 IMPROVEMENT PROJECTS</u>	<u>2013 IMPROVEMENT PROJECTS</u>	<u>2015 IMPROVEMENT PROJECTS</u>	<u>TOTALS</u>
<u>ASSETS</u>				
Receivables:				
Special Assessments:				
Deferred:				
Certified To County	<u>\$ -</u>	<u>\$ 25,590</u>	<u>\$ 58,446</u>	<u>\$ 84,036</u>
 <u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Special Assessments	<u>\$ -</u>	<u>\$ 25,590</u>	<u>\$ 58,446</u>	<u>\$ 84,036</u>
 FUND BALANCES:				
Unassigned	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 25,590</u>	<u>\$ 58,446</u>	<u>\$ 84,036</u>

CITY OF CHASKA, MINNESOTA**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2010 IMPROVEMENT PROJECTS	2013 IMPROVEMENT PROJECTS	2015 IMPROVEMENT PROJECTS	TOTALS
<u>REVENUES:</u>				
Intergovernmental:				
State	\$ -	\$ 46,529	\$ -	\$ 46,529
Charges For Services	-	-	28,065	28,065
Special Assessments	28,877	4,039	55,394	88,310
TOTAL REVENUES	28,877	50,568	83,459	162,904
<u>EXPENDITURES:</u>				
Current:				
Public Works:				
Professional Services	68,041	35,463	32,759	136,263
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(39,164)	15,105	50,700	26,641
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	41,190	30,096	17,077	88,363
Transfers Out	-	-	(49,039)	(49,039)
TOTAL OTHER FINANCING SOURCES (USES)	41,190	30,096	(31,962)	39,324
NET CHANGE IN FUND BALANCES	2,026	45,201	18,738	65,965
FUND BALANCES, JANUARY 1	(2,026)	(45,201)	(18,738)	(65,965)
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

The City adopts budgets for the following two (2) nonmajor special revenue funds and one (1) nonmajor capital project fund:

- **Mount Pleasant Maintenance & Care Fund – Special Revenue**
- **Chaska EDA Fund – Special Revenue**
- **Equipment Acquisition Fund – Capital Project**

CITY OF CHASKA, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

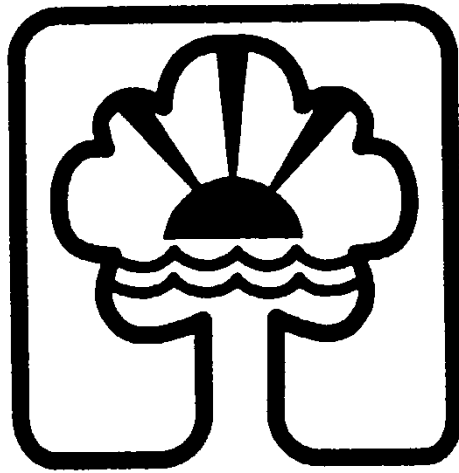
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 6,000	\$ 5,983	\$ (17)
Intergovernmental:			
State:			
Market Value Credit	-	1	1
Charges For Services	2,400	2,200	(200)
Other:			
Investment Earnings	100	2,670	2,570
TOTAL REVENUES	8,500	10,854	2,354
<u>EXPENDITURES:</u>			
Current:			
Public Works:			
Other Services And Charges	8,500	9,600	(1,100)
Capital Outlay	5,000	67	4,933
TOTAL EXPENDITURES	13,500	9,667	3,833
NET CHANGE IN FUND BALANCES	(5,000)	1,187	6,187
FUND BALANCES, JANUARY 1	252,788	252,788	-
FUND BALANCES, DECEMBER 31	\$ 247,788	\$ 253,975	\$ 6,187

CITY OF CHASKA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHASKA EDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 451,796	\$ 450,429	\$ (1,367)
Intergovernmental:			
State:			
Market Value Credit	-	95	95
Economic Development Grant	-	647,168	647,168
Charges For Services	75,231	76,000	769
Special Assessments	22,000	40,858	18,858
Other:			
Rents	26,400	30,400	4,000
Payments	-	82,775	82,775
TOTAL REVENUES	575,427	1,327,725	752,298
<u>EXPENDITURES:</u>			
Current:			
Economic Development:			
Other Services And Charges	228,627	1,133,514	(904,887)
Debt Service:			
Principal	8,400	11,302	(2,902)
Interest	8,400	5,498	2,902
TOTAL EXPENDITURES	245,427	1,150,314	(904,887)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	330,000	177,411	(152,589)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers In	-	60,713	60,713
Transfers Out	(330,000)	(330,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(330,000)	(269,287)	60,713
NET CHANGE IN FUND BALANCES	-	(91,876)	(91,876)
FUND BALANCES, JANUARY 1	(688,606)	(688,606)	-
FUND BALANCES, DECEMBER 31	\$ (688,606)	\$ (780,482)	\$ (91,876)

CITY OF CHASKA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EQUIPMENT ACQUISITION CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 2,618,919	\$ 505,885	\$ (2,113,034)
Intergovernmental:			
State:			
Market Value Credit	-	511	511
Charges For Services	4,000	4,000	-
Other:			
Investment Earnings	-	24,302	24,302
Miscellaneous	100,000	148,411	48,411
TOTAL REVENUES	2,722,919	683,109	(2,039,810)
EXPENDITURES:			
Current:			
General Government	-	18,020	(18,020)
Debt Service:			
Issuance Costs And Fiscal Agent Fees	50,000	27,610	22,390
Capital Outlay:			
Furniture And Equipment			
Communications	4,000	-	4,000
Administrative Services	20,000	245,260	(225,260)
Data Processing	200,500	286,429	(85,929)
Community Development	32,000	-	32,000
Public Works	459,500	347,808	111,692
Police	139,000	57,948	81,052
Fire	635,000	581,342	53,658
Buildings and Structures	100,000	-	100,000
TOTAL EXPENDITURES	1,640,000	1,564,417	75,583
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,082,919	(881,308)	(1,964,227)
OTHER FINANCING SOURCES (USES):			
Transfers In	98,400	114,637	16,237
Transfers Out	(2,628,000)	(623,844)	2,004,156
Bonds Issued	989,500	1,960,000	970,500
Premium On Bonds Issued	-	335,372	335,372
Sale of Capital Assets	-	11,741	11,741
TOTAL OTHER FINANCING SOURCES (USES)	(1,540,100)	1,797,906	3,338,006
NET CHANGE IN FUND BALANCES	(457,181)	916,598	1,373,779
FUND BALANCES, JANUARY 1	1,247,884	1,247,884	-
FUND BALANCES, DECEMBER 31	\$ 790,703	\$ 2,164,482	\$ 1,373,779



CHASKA

Nonmajor Enterprise Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise. It is the intent of the City Council that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has five (5) nonmajor enterprise funds.

- **Sewer Fund:**
This fund is used to account for the operation of the City's Sewer Utility.
- **Par 30 Golf Fund:**
This fund is used to account for the operation of the City's nine (9)-hole public golf course.
- **Chaska Town Course Fund:**
This fund is used to account for the operation of the City's 18-hole public golf course.
- **Internet Service Provider Fund:**
This fund is used to account for the operation of the City's Chaska.net direct fiber internet services.
- **Storm Water Fund:**
This fund is used to account for the operation of the City's Storm Water Utility.

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
ASSETS						
Current Assets:						
Cash And Investments	\$ 1,774,333	\$ -	\$ 138,111	\$ -	\$ 334,768	\$ 2,247,212
Receivables:						
Special Assessments	80	-	-	-	50,763	50,843
Accounts						
Current	341,602	-	-	2,100	108,006	451,708
Unbilled	152,300	-	-	-	-	152,300
Allowance For Uncollectible Accounts	(5,124)	-	-	-	(1,620)	(6,744)
Interest	918	-	-	-	-	918
Due From Other Funds	-	-	139,260	-	-	139,260
Due From Other Governments	45	-	-	37,310	-	37,355
Inventories	8,267	689	58,671	-	-	67,627
Total Current Assets	<u>2,272,421</u>	<u>689</u>	<u>336,042</u>	<u>39,410</u>	<u>491,917</u>	<u>3,140,479</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	-	-	-	139,982	139,982
Buildings	255,000	111,537	8,013,896	-	-	8,380,433
Other Improvements	-	27,970	281,015	-	-	308,985
Furniture And Equipment	773,221	70,375	2,168,046	232,273	415,188	3,659,103
Infrastructure	1,453,375	-	-	656,642	2,572,563	4,682,580
Construction In Progress	-	-	-	-	88,277	88,277
Less: Accumulated Depreciation	(1,280,803)	(183,436)	(7,876,891)	(417,820)	(325,886)	(10,084,836)
Total Net Capital Assets	<u>1,200,793</u>	<u>26,446</u>	<u>2,586,066</u>	<u>471,095</u>	<u>2,890,124</u>	<u>7,174,524</u>
TOTAL ASSETS	<u>3,473,214</u>	<u>27,135</u>	<u>2,922,108</u>	<u>510,505</u>	<u>3,382,041</u>	<u>10,315,003</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension Plan Deferments	122,788	22,739	159,164	-	45,475	350,166
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,596,002</u>	<u>\$ 49,874</u>	<u>\$ 3,081,272</u>	<u>\$ 510,505</u>	<u>\$ 3,427,516</u>	<u>\$ 10,665,169</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 66,099	\$ 311	\$ 15,341	\$ -	\$ 17,526	\$ 99,277
Salaries Payable	19,221	2,108	19,567	-	6,769	47,665
Deposits Payable	-	-	133,342	-	-	133,342
Compensated Absences	32,027	4,553	44,453	-	3,250	84,283
Accrued Interest Payable	31,738	-	-	-	21,087	52,825
Due To Other Funds	-	75,949	-	63,311	-	139,260
Due To Other Governments	2,130	224	1,817	-	4,100	8,271
Interfund Payable	-	-	51,333	-	52,333	103,666
Revenue Bonds Payable	116,000	-	-	-	75,000	191,000
Unearned Revenue	80	-	-	5,034	153,239	158,353
Total Current Liabilities	<u>267,295</u>	<u>83,145</u>	<u>265,853</u>	<u>68,345</u>	<u>333,304</u>	<u>1,017,942</u>
Noncurrent Liabilities:						
Compensated Absences	6,658	3,122	33,441	-	2,422	45,643
Advance From Other Funds	-	-	649,348	-	344,001	993,349
Revenue Bonds Payable	2,738,873	-	-	-	1,875,695	4,614,568
Other Post Employment Benefits	18,920	15,073	34,994	-	2,966	71,953
Net Pension Liability	487,019	84,396	590,768	-	168,791	1,330,974
Total Noncurrent Liabilities	<u>3,251,470</u>	<u>102,591</u>	<u>1,308,551</u>	<u>-</u>	<u>2,393,875</u>	<u>7,056,487</u>
TOTAL LIABILITIES	<u>3,518,765</u>	<u>185,736</u>	<u>1,574,404</u>	<u>68,345</u>	<u>2,727,179</u>	<u>8,074,429</u>
DEFERRED INFLOWS OF RESOURCES						
Pension Plan Deferments	78,902	14,595	102,172	-	29,192	224,861
NET POSITION						
Net Investment In Capital Assets	1,200,793	26,446	2,586,066	471,095	1,928,687	6,213,087
Unrestricted	(1,202,458)	(176,903)	(1,181,370)	(28,935)	(1,257,542)	(3,847,208)
TOTAL NET POSITION	<u>(1,665)</u>	<u>(150,457)</u>	<u>1,404,696</u>	<u>442,160</u>	<u>671,145</u>	<u>2,365,879</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 3,596,002</u>	<u>\$ 49,874</u>	<u>\$ 3,081,272</u>	<u>\$ 510,505</u>	<u>\$ 3,427,516</u>	<u>\$ 10,665,169</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
OPERATING REVENUES:						
Sales	\$ 3,601,281	\$ 167,726	\$ 2,133,510	\$ 117,718	\$ 1,097,344	\$ 7,117,579
OPERATING EXPENSES:						
Production	2,199,176	-	-	59,424	-	2,258,600
Distribution / Collections	577,102	-	-	59,249	462,687	1,099,038
Administration	564,304	181,352	1,969,804	789	289,823	3,006,072
Depreciation	83,162	12,754	452,067	65,378	170,419	783,780
TOTAL OPERATING EXPENSES	3,423,744	194,106	2,421,871	184,840	922,929	7,147,490
OPERATING INCOME (LOSS)	177,537	(26,380)	(288,361)	(67,122)	174,415	(29,911)
NON-OPERATING REVENUES:						
Investment Earnings	11,015	-	971	-	1,799	13,785
Intergovernmental	273	31	215	-	61	580
TOTAL NON-OPERATING REVENUES	11,288	31	1,186	-	1,860	14,365
NON-OPERATING EXPENSES:						
Interest	73,473	-	9,411	-	59,766	142,650
Issuance Costs And Fiscal Agent Fees	2,237	-	-	-	2,374	4,611
Loss On Sale of Capital Assets	-	-	86,921	-	-	86,921
	75,710	-	96,332	-	62,140	234,182
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	113,115	(26,349)	(383,507)	(67,122)	114,135	(249,728)
CAPITAL CONTRIBUTIONS	8,240	-	-	-	147,856	156,096
TRANSFERS IN (OUT)						
Transfers In	201,201	8,814	-	-	231,479	441,494
Transfers Out	(122,600)	-	(69,569)	-	(220,249)	(412,418)
TOTAL TRANSFERS IN (OUT)	78,601	8,814	(69,569)	-	11,230	29,076
CHANGE IN NET POSITION	199,956	(17,535)	(453,076)	(67,122)	273,221	(64,556)
NET POSITION - JANUARY 1	(201,621)	(132,922)	1,857,772	509,282	397,924	2,430,435
NET POSITION, DECEMBER 31	\$ (1,665)	\$ (150,457)	\$ 1,404,696	\$ 442,160	\$ 671,145	\$ 2,365,879

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts From Customers and Users	\$ 3,572,723	\$ 167,834	\$ 2,153,568	\$ 78,907	\$ 1,098,643	\$ 7,071,675
Payments to Suppliers	(2,643,357)	(63,382)	(893,951)	(119,462)	(501,139)	(4,221,291)
Payments to Employees	(619,411)	(115,365)	(1,020,606)	-	(260,020)	(2,015,402)
Net Cash Provided (Used) By Operating Activities	309,955	(10,913)	239,011	(40,555)	337,484	834,982
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfers From Other Funds	201,201	-	-	-	231,479	432,680
Transfers To Other Funds	(122,600)	-	(60,755)	-	(220,249)	(403,604)
Due From Other Funds	-	-	(139,260)	-	-	(139,260)
Due To Other Funds	-	10,882	-	40,555	(288,987)	(237,550)
Intergovernmental	273	31	215	-	61	580
Net Cash Provided (Used) By Non-Capital Financing Activities	78,874	10,913	(199,800)	40,555	(277,696)	(347,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds From Revenue Bonds	143,762	-	-	-	178,423	322,185
Capital Contributions	8,240	-	-	-	147,856	156,096
Principal Paid On Bonds	(104,000)	-	-	-	(74,000)	(178,000)
Interest And Fiscal Charges	(78,415)	-	-	-	(52,430)	(130,845)
Construction And Acquisition of Capital Assets	(171,598)	-	(301,439)	-	(127,710)	(600,747)
Interfund Loan Payments To Other Funds	-	-	301,615	-	(52,333)	249,282
Interest Payments On Interfund Loans	-	-	(9,411)	-	(11,275)	(20,686)
Net Cash Provided (Used) By Capital And Related Financing Activities	(202,011)	-	(9,235)	-	8,531	(202,715)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest On Investments	11,713	-	971	-	1,799	14,483
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	198,531	-	30,947	-	70,118	299,596
CASH AND CASH EQUIVALENTS, January 1	1,575,802	-	107,164	-	264,650	1,947,616
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 1,774,333</u>	<u>\$ -</u>	<u>\$ 138,111</u>	<u>\$ -</u>	<u>\$ 334,768</u>	<u>\$ 2,247,212</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 177,537	\$ (26,380)	\$ (288,361)	\$ (67,122)	\$ 174,415	\$ (29,911)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:						
Depreciation Expense	83,162	12,754	452,067	65,378	170,419	783,780
Allowance For Uncollectible Accounts	368	-	-	-	(15)	353
(Increase) Decrease In Assets And Deferred Outflows:						
Special Assessments	606	-	-	-	9,298	9,904
Accounts Receivable	(28,881)	108	183	(2,100)	969	(29,721)
Due From Other Governments	(45)	-	-	(36,711)	-	(36,756)
Inventory	178	(211)	(3,234)	-	-	(3,267)
Deferred Outflows	109,072	21,814	152,701	-	43,629	327,216
Increase (Decrease) In Liabilities And Deferred Inflows:						
Accounts Payable	56,522	(13)	1,171	-	(23,050)	34,630
Salaries Payable	321	62	646	-	66	1,095
Deposits Payable	-	-	19,875	-	-	19,875
Compensated Absences Payable	(14,337)	(5,037)	10,659	-	672	(8,043)
Net Pension Liability	(100,106)	(20,021)	(140,149)	-	(40,042)	(300,318)
Due To Other Governments	2,130	8	(1,096)	-	950	1,992
Unearned Revenue	(606)	-	-	-	(8,953)	(9,559)
Other Post Employment Benefits	2,003	1,597	3,706	-	314	7,620
Deferred Inflows	22,031	4,406	30,843	-	8,812	66,092
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 309,955</u>	<u>\$ (10,913)</u>	<u>\$ 239,011</u>	<u>\$ (40,555)</u>	<u>\$ 337,484</u>	<u>\$ 834,982</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Transfers Of Capital Assets	\$ -	\$ 8,814	\$ (8,814)	\$ -	\$ -	\$ -
Amortization Of Bond Premiums	\$ 2,269	\$ -	\$ -	\$ -	\$ 1,488	\$ 3,757

Agency Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2017

Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of City's Agency funds.

- **Builders' Deposit Fund:**
This agency fund is used to account for the collection of assets in the form of deposits from builders.
- **Developers' Fund:**
This agency fund is used to account for assets held in a custodial capacity in the form of billings to developers for contractual services.
- **Metropolitan Council Environmental Services Collections Fund:**
This agency fund is used to account for the collection of assets in the form of sewer availability charges and remittance to (MCES).
- **Police Evidence Cash Fund:**
This agency fund is used to account for the collection of cash held as evidence by the Chaska Police department.

CITY OF CHASKA, MINNESOTA

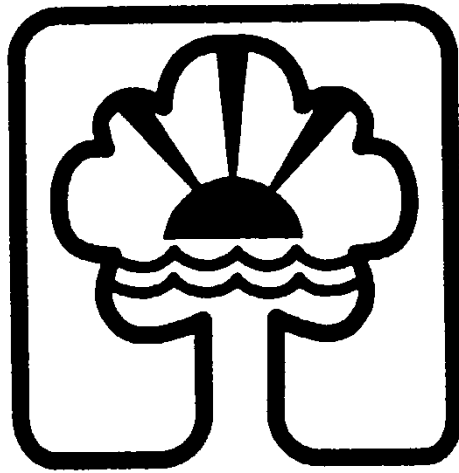
**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2017**

	BUILDERS' DEPOSIT FUND	DEVELOPERS' FUND	MCES COLLECTIONS FUND	POLICE EVIDENCE CASH FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>					
Cash And Cash Equivalents	\$ 365,263	\$ -	\$ 59,640	\$ 11,145	\$ 436,048
Accounts Receivable	-	12,698	-	-	12,698
Due From Other Funds	10,430	-	-	-	10,430
TOTAL ASSETS	\$ 375,693	\$ 12,698	\$ 59,640	\$ 11,145	\$ 459,176
<u>LIABILITIES</u>					
Accounts Payable	\$ 50,000	\$ 2,268	\$ -	\$ -	\$ 52,268
Due To Other Funds	-	10,430	-	-	10,430
Deposits Payable	325,693	-	-	11,145	336,838
Due To Other Governments	-	-	59,640	-	59,640
TOTAL LIABILITIES	\$ 375,693	\$ 12,698	\$ 59,640	\$ 11,145	\$ 459,176

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	BALANCE JANUARY 1, 2017	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2017
BUILDERS' DEPOSIT FUND				
<u>ASSETS</u>				
Cash And Cash Equivalents	\$ 157,624	\$ 798,285	\$ 590,646	\$ 365,263
Due From Other Funds	3,645	10,430	3,645	10,430
TOTAL ASSETS	\$ 161,269	\$ 808,715	\$ 594,291	\$ 375,693
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 630,216	\$ 580,216	\$ 50,000
Deposits Payable	161,269	790,140	625,716	325,693
TOTAL LIABILITIES	\$ 161,269	\$ 1,420,356	\$ 1,205,932	\$ 375,693
DEVELOPERS' FUND				
<u>ASSETS</u>				
Cash And Cash Equivalents	\$ -	\$ 30,985	\$ 30,985	\$ -
Receivables:				
Accounts	8,567	24,921	20,790	12,698
Other	-	25,869	25,869	-
TOTAL ASSETS	\$ 8,567	\$ 81,775	\$ 77,644	\$ 12,698
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,922	\$ 24,686	\$ 27,340	\$ 2,268
Due To Other Funds	3,645	10,430	3,645	10,430
TOTAL LIABILITIES	\$ 8,567	\$ 35,116	\$ 30,985	\$ 12,698
MCES COLLECTIONS				
<u>ASSETS</u>				
Cash And Cash Equivalents	\$ 109,340	\$ 500,535	\$ 550,235	\$ 59,640
<u>LIABILITIES</u>				
Due To Other Governments	\$ 109,340	\$ 669,465	\$ 719,165	\$ 59,640
POLICE EVIDENCE CASH FUND				
<u>ASSETS</u>				
Cash And Cash Equivalents	\$ 14,465	\$ 1,460	\$ 4,780	\$ 11,145
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 918	\$ 918	\$ -
Deposits Payable	14,465	-	3,320	11,145
TOTAL LIABILITIES	\$ 14,465	\$ 918	\$ 4,238	\$ 11,145
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash And Cash Equivalents	\$ 281,429	\$ 1,331,265	\$ 1,176,646	\$ 436,048
Receivables:				
Accounts	8,567	24,921	20,790	12,698
Other	-	25,869	25,869	-
Due From Other Funds	3,645	10,430	3,645	10,430
TOTAL ASSETS	\$ 293,641	\$ 1,392,485	\$ 1,226,950	\$ 459,176
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,922	\$ 655,820	\$ 608,474	\$ 52,268
Due To Other Funds	3,645	10,430	3,645	10,430
Deposits Payable	175,734	790,140	629,036	336,838
Due To Other Governments	109,340	669,465	719,165	59,640
TOTAL LIABILITIES	\$ 293,641	\$ 2,125,855	\$ 1,960,320	\$ 459,176



CHASKA

This part of the City of Chaska's comprehensive annual financial report (CAFR) represents detailed information as a context for understanding what the information is in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Content

- **Financial Trends:**
These schedules contain trend information to help the reader understand how the City of Chaska's financial performance and well-being have changed over-time.
- **Revenue Capacity:**
These schedules contain information to help the reader assess the City of Chaska's most significant local revenue source, the property tax.
- **Debt Capacity:**
These schedules contain information to help the reader assess the affordability of the City of Chaska's current levels of outstanding debt and the City's ability to issue debt in the future.
- **Demographic and Economic Information:**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activity takes place.
- **Operating Information:**
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Chaska's financial report related to the services the City provides and the activities that it performs.
- **Sources:**
Unless otherwise noted, the information in these schedules derives from the comprehensive annual financial report (CAFR) for the relevant year(s).

CITY OF CHASKA, MINNESOTA**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2008	2009	2010	2011
Governmental Activities				
Net Investment In Capital Assets	\$ 118,121,033	\$ 120,015,168	\$ 123,268,713	\$ 121,056,422
Restricted	15,244,405	13,994,323	14,860,130	20,932,146
Unrestricted	(11,431,120)	(6,271,409)	(5,999,214)	(6,614,940)
Total Governmental Activities Net Position:	\$ 121,934,318	\$ 127,738,082	\$ 132,129,629	\$ 135,373,628
Business-Type Activities				
Net Investment In Capital Assets	\$ 29,998,553	\$ 27,181,315	\$ 25,788,072	\$ 24,905,043
Restricted	4,282,440	4,441,294	3,013,936	3,271,085
Unrestricted	6,878,517	9,075,649	11,459,338	12,961,398
Total Business-Type Activities Net Position:	\$ 41,159,510	\$ 40,698,258	\$ 40,261,346	\$ 41,137,526
Primary Government				
Net Investment In Capital Assets	\$ 148,119,586	\$ 147,196,483	\$ 149,056,785	\$ 145,961,465
Restricted	19,526,845	18,435,617	17,874,066	24,203,231
Unrestricted	(4,552,603)	2,804,240	5,460,124	6,346,458
Total Primary Government Net Position:	\$ 163,093,828	\$ 168,436,340	\$ 172,390,975	\$ 176,511,154

(1) The City implemented GASB Statement No. 65 in 2013. Net position for 2012 was restated for the effects of implementing this standard. Net position for previous years have not been restated.

(2) The City implemented GASB Statement No. 68 in 2015. Net position for previous years have not been restated.

FISCAL YEAR					
2012 (Restated) (1)	2013	2014	2015 (2)	2016	2017
\$ 120,219,510	\$ 118,818,535	\$ 125,511,881	\$ 127,278,758	\$ 132,552,673	\$ 137,122,192
24,295,547	25,069,356	24,001,479	14,955,015	14,175,353	19,807,677
(6,014,472)	(2,173,764)	(3,712,091)	(20,840)	(640,332)	(2,060,473)
<u>\$ 138,500,585</u>	<u>\$ 141,714,127</u>	<u>\$ 145,801,269</u>	<u>\$ 142,212,933</u>	<u>\$ 146,087,694</u>	<u>\$ 154,869,396</u>
\$ 25,075,383	\$ 25,818,904	\$ 27,939,635	\$ 33,274,260	\$ 31,821,470	\$ 30,523,279
3,396,858	4,451,868	4,030,287	5,190,437	5,609,821	17,986,742
13,265,298	13,378,058	13,818,352	(919,545)	1,918,324	(7,433,427)
<u>\$ 41,737,539</u>	<u>\$ 43,648,830</u>	<u>\$ 45,788,274</u>	<u>\$ 37,545,152</u>	<u>\$ 39,349,615</u>	<u>\$ 41,076,594</u>
\$ 145,294,893	\$ 144,637,439	\$ 153,451,516	\$ 160,553,018	\$ 164,374,143	\$ 167,645,471
27,692,405	29,521,224	28,031,766	20,145,452	19,785,174	37,794,419
7,250,826	11,204,294	10,106,261	(940,385)	1,277,992	(9,493,900)
<u>\$ 180,238,124</u>	<u>\$ 185,362,957</u>	<u>\$ 191,589,543</u>	<u>\$ 179,758,085</u>	<u>\$ 185,437,309</u>	<u>\$ 195,945,990</u>

CITY OF CHASKA, MINNESOTA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

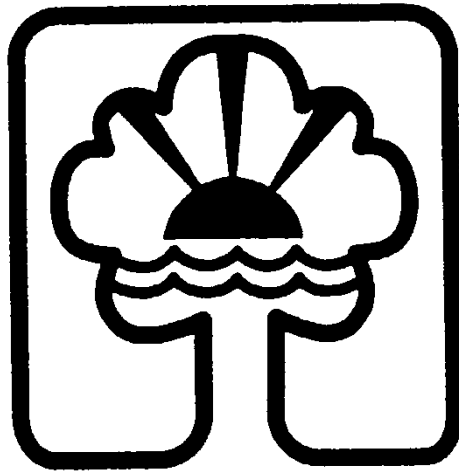
	FISCAL YEAR									
	2008	2009	2010	2011	2012 (Revised) (1)	2013	2014	2015 (2)(3)	2016	2017
EXPENSES										
Governmental Activities										
General Government	\$ 3,490,475	\$ 3,367,631	\$ 3,488,429	\$ 3,982,078	\$ 3,965,035	\$ 4,590,619	\$ 4,960,161	\$ 5,627,642	\$ 5,975,566	\$ 6,603,240
Economic Development	1,559,122	3,087,588	1,064,929	933,265	1,157,730	1,445,963	1,853,189	8,778,959	1,078,389	2,005,808
Public Safety	3,932,635	3,735,496	3,727,256	4,216,669	4,370,823	4,705,235	4,977,668	4,764,269	6,878,111	6,063,781
Public Works	10,449,491	8,743,805	9,064,937	7,029,170	7,789,049	9,798,311	8,850,036	8,486,231	8,586,638	9,042,167
Parks, Recreation And Arts	943,308	736,427	787,377	709,781	727,482	779,705	765,955	1,210,234	1,067,514	1,286,155
Interest On Long-Term Debt	2,245,560	2,213,343	1,696,164	1,551,955	1,419,848	1,361,830	1,037,857	1,330,444	1,424,886	1,264,604
Total Governmental Activities Expenses:	22,620,591	21,884,290	19,819,092	18,422,816	19,425,967	22,641,663	22,444,866	30,199,779	24,991,104	26,265,755
Business-Type Activities										
Electric	26,998,459	22,009,036	24,656,027	26,897,015	29,362,666	31,058,570	32,628,332	33,417,388	35,236,356	35,744,098
Water	2,414,996	2,297,641	2,332,201	2,624,256	2,545,714	2,794,378	2,817,249	2,785,714	2,899,401	2,883,350
Sewer	2,072,459	2,256,105	2,433,882	2,716,380	2,725,405	2,843,831	3,104,992	3,150,447	3,254,994	3,494,259
Chaska Community Center	3,895,120	3,635,074	3,855,291	4,003,228	3,860,960	3,854,763	3,816,200	4,077,426	4,419,881	4,536,723
Par 30 Golf Course	190,392	183,857	186,362	171,720	186,681	151,575	163,112	183,136	240,047	193,856
Chaska Town Course	1,959,330	2,024,269	2,067,297	2,043,373	2,034,790	2,148,077	2,193,635	2,310,651	2,433,909	2,512,410
Turbine Generator	3,473,315	3,443,190	2,948,406	1,612,415	1,534,229	1,505,608	1,623,074	1,730,079	1,057,383	1,019,671
Internet Service Provider	1,123,293	960,237	778,440	639,021	665,909	604,813	488,728	293,951	168,783	184,840
Storm Water	4,385	106,706	190,380	435,892	566,774	541,700	536,364	760,340	993,816	980,334
Chaska Curling Center (3)	-	-	-	-	-	-	3,391	835,012	1,516,260	2,330,918
Total Business-Type Activities Expenses:	42,131,749	37,116,115	39,448,266	41,143,300	43,503,128	45,503,315	47,275,077	49,844,114	52,180,830	53,889,459
Total Primary Government Expenses:	\$ 64,752,340	\$ 59,000,405	\$ 59,267,378	\$ 59,566,118	\$ 62,933,095	\$ 63,144,978	\$ 69,719,943	\$ 79,743,893	\$ 77,171,934	\$ 80,146,214
PROGRAM REVENUES										
Governmental Activities										
Charges For Services										
General Government	\$ 1,390,969	\$ 1,375,858	\$ 1,612,310	\$ 2,297,111	\$ 2,122,998	\$ 2,465,448	\$ 2,548,055	\$ 3,440,547	\$ 3,381,482	\$ 3,716,746
Economic Development	146,939	151,244	154,000	154,000	160,222	163,426	167,000	70,340	77,421	76,000
Public Safety	189,670	149,189	232,360	205,390	257,365	271,613	287,962	219,590	180,603	263,033
Public Works	806,936	451,431	443,436	562,000	863,058	1,290,754	1,328,059	1,876,750	2,516,820	1,882,531
Parks, Recreation And Arts	40,988	44,386	44,601	40,004	37,606	462,884	281,805	132,621	317,749	182,462
Operating Grants And Contributions	1,465,698	6,979,920	487,171	463,082	514,866	1,234,843	854,330	667,025	628,278	1,477,224
Capital Grants And Contributions	6,891,542	6,119,983	8,723,965	3,448,026	4,039,456	5,285,987	4,968,378	6,737,538	8,226,427	14,086,637
Total Governmental Activities Program Revenues:	10,922,542	15,271,011	11,697,843	7,169,613	7,995,561	11,171,304	10,419,240	13,144,411	15,328,780	21,684,633
Business-Type Activities										
Charges for Services										
Electric	27,607,361	22,960,415	25,773,647	28,885,102	31,641,160	33,831,735	34,673,309	35,865,149	37,500,384	37,549,385
Water	1,368,515	1,494,633	1,890,992	2,387,700	2,758,682	2,528,547	2,409,274	2,534,074	2,714,832	2,768,225
Sewer	2,008,834	2,144,500	2,653,297	2,807,185	2,796,625	2,948,150	3,177,511	3,267,600	3,423,610	3,601,281
Chaska Community Center	2,860,603	2,874,387	2,801,498	2,821,081	2,852,501	2,840,092	3,081,500	3,246,108	2,735,432	3,163,971
Par 30 Golf Course	164,492	176,938	186,251	144,726	158,381	155,706	151,454	192,164	170,732	167,726
Chaska Town Course	1,637,174	1,639,215	1,643,670	1,557,948	1,790,342	1,724,149	1,807,559	2,089,861	2,137,035	2,133,510
Turbine Generator	2,342,728	2,307,664	2,269,732	2,156,067	2,112,887	2,065,965	2,014,655	1,942,662	1,781,846	1,719,136
Internet Service Provider	690,872	719,396	747,703	689,673	603,826	489,466	397,692	173,816	103,569	117,718
Storm Water	18,554	517,292	504,988	504,604	756,516	782,202	840,052	912,936	969,248	1,097,344
Chaska Curling Center (3)	-	-	-	-	-	-	-	66,022	1,173,795	1,221,472
Operating Grants And Contributions	74,661	38,943	-	-	-	-	-	-	100,379	1,626
Capital Grants And Contributions	563,028	389,356	150,453	54,092	139,416	351,542	693,238	181,839	647,918	704,759
Total Business-Type Activities Program Revenues:	39,326,822	35,261,730	38,602,231	42,008,178	45,710,336	47,717,454	49,246,244	50,071,231	53,458,880	54,239,153
Total Primary Government Program Revenues:	\$ 50,249,364	\$ 50,532,750	\$ 50,300,074	\$ 49,177,791	\$ 53,705,897	\$ 55,888,758	\$ 59,665,184	\$ 63,215,642	\$ 68,787,660	\$ 75,923,786

(Continued)

	FISCAL YEAR									
	2008	2009	2010	2011	2012 (Restated) (1)	2013	2014	2015 (2)(3)	2016	2017
NET EXPENSE / REVENUE										
Governmental Activities	\$ (11,698,049)	\$ (6,613,279)	\$ (8,121,249)	\$ (11,253,205)	\$ (11,434,406)	\$ (11,470,359)	\$ (12,025,626)	\$ (17,055,368)	\$ (9,662,324)	\$ (4,581,122)
Business-type Activities	(2,804,927)	(1,854,376)	(846,055)	864,878	2,207,208	2,214,139	1,971,167	527,117	1,278,050	358,694
Total Primary Government Net Expense:	<u>\$ (14,502,976)</u>	<u>\$ (8,467,655)</u>	<u>\$ (8,967,304)</u>	<u>\$ (10,388,327)</u>	<u>\$ (9,227,198)</u>	<u>\$ (9,256,220)</u>	<u>\$ (10,054,459)</u>	<u>\$ (16,528,251)</u>	<u>\$ (8,384,274)</u>	<u>\$ (4,222,428)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 9,540,994	\$ 9,783,114	\$ 10,610,785	\$ 10,457,922	\$ 10,507,231	\$ 10,104,762	\$ 10,703,248	\$ 9,063,743	\$ 8,189,403	\$ 9,089,057
Franchise Taxes	2,518,021	2,469,386	2,723,653	2,934,401	3,225,821	3,355,672	3,656,724	4,079,404	4,224,548	4,300,526
Unrestricted Grants and Contributions	227,559	546,889	235,662	247,716	62,608	58,761	491,545	530,868	585,679	310,188
Investment Earnings	740,803	206,347	54,613	82,462	139,907	41,179	428,177	247,978	264,180	253,578
Other	495,360	351,849	356,659	265,898	491,536	267,711	365,919	545,596	510,860	416,642
Gain on Disposal of Capital Assets	-	8,265	-	-	-	-	-	-	-	-
Special Item	2,017,860	-	794,132	-	758,219	855,816	466,155	5,086,416	-	-
Transfers	(310,538)	225,759	14,775,504	508,905	15,185,322	14,683,901	16,112,768	19,570,207	13,537,085	(1,007,167)
Total Governmental Activities:	<u>15,230,079</u>	<u>13,596,609</u>	<u>14,775,504</u>	<u>14,497,204</u>	<u>15,185,322</u>	<u>14,683,901</u>	<u>16,112,768</u>	<u>19,570,207</u>	<u>13,537,085</u>	<u>13,362,824</u>
Business-type Activities										
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-	-	41,184
Investment Earnings	1,764,703	1,621,883	1,203,275	393,721	438,195	419,145	550,131	455,526	241,753	260,708
Other	18,091	-	-	126,386	72,567	133,823	84,301	63,440	63,277	59,226
Transfers	310,538	(226,759)	(794,132)	(508,905)	(758,219)	(855,816)	(466,155)	(5,086,416)	221,383	1,007,167
Total Business-type Activities:	<u>2,083,332</u>	<u>1,395,124</u>	<u>409,143</u>	<u>11,302</u>	<u>(247,457)</u>	<u>(302,848)</u>	<u>168,277</u>	<u>(4,567,450)</u>	<u>526,413</u>	<u>1,388,285</u>
Total Primary Government:	<u>\$ 17,313,411</u>	<u>\$ 14,991,733</u>	<u>\$ 15,184,647</u>	<u>\$ 14,508,506</u>	<u>\$ 14,937,865</u>	<u>\$ 14,381,053</u>	<u>\$ 16,281,045</u>	<u>\$ 15,002,757</u>	<u>\$ 14,063,498</u>	<u>\$ 14,731,109</u>
CHANGE IN NET POSITION										
Governmental Activities										
Governmental Activities	\$ 3,532,030	\$ 6,983,330	\$ 6,654,255	\$ 3,243,999	\$ 3,750,916	\$ 3,213,542	\$ 4,087,142	\$ 2,514,839	\$ 3,874,761	\$ 8,781,702
Business-type Activities	(721,595)	(461,252)	(436,912)	876,180	1,959,751	1,911,291	2,139,444	(4,040,333)	1,804,463	1,726,979
Total Primary Government:	<u>\$ 2,810,435</u>	<u>\$ 6,522,078</u>	<u>\$ 6,217,343</u>	<u>\$ 4,120,179</u>	<u>\$ 5,710,667</u>	<u>\$ 5,124,833</u>	<u>\$ 6,226,586</u>	<u>\$ (1,525,494)</u>	<u>\$ 5,679,224</u>	<u>\$ 10,508,681</u>

Change in Net Position is explained in the Management's Discussion & Analysis.

- (1) The City implemented GASB Statement No. 65 in 2013. Change in Net Position for 2012 was restated for the effects of implementing this standard. Change in Net Position for previous years have not been restated.
- (2) The City implemented GASB Statement No. 68 in 2015. Change in Net Position for previous years have not been restated.
- (3) Chaska Curling Center fund implemented in 2015.



CHASKA

CITY OF CHASKA, MINNESOTA

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>		<u>FRANCHISE TAXES</u>			<u>TOTAL TAXES</u>
	<u>LEVIED</u>	<u>TAX INCREMENT</u>	<u>ELECTRIC</u>	<u>CABLE</u>	<u>GAS (1)</u>	
2008	\$ 4,249,165	\$ 5,291,829	\$ 2,309,000	\$ 209,021	\$ -	\$ 12,059,015
2009	4,448,188	5,334,926	2,256,000	213,386	-	12,252,500
2010	4,781,992	5,828,793	2,501,470	222,183	-	13,334,438
2011	4,755,677	5,702,245	2,702,870	231,531	-	13,392,323
2012	4,936,400	5,570,831	2,988,410	237,411	-	13,733,052
2013	5,001,413	5,103,349	3,101,430	254,242	-	13,460,434
2014 (1)	5,250,479	5,452,769	3,210,070	265,415	181,239	14,359,972
2015	8,501,586	562,157	3,339,440	284,886	455,078	13,143,147
2016	7,559,289	630,114	3,458,900	304,017	461,631	12,413,951
2017	8,367,604	721,453	3,521,540	321,423	457,563	13,389,583

(1) Chaska implemented a Gas Franchise Tax in 2014.

CITY OF CHASKA, MINNESOTA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2008	2009	2010	2011 (1)
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	597,734
Unassigned	-	-	-	2,134,923
Unreserved (2008-2010)	2,512,907	2,496,144	2,566,483	-
Total General Fund:	\$ 2,512,907	\$ 2,496,144	\$ 2,566,483	\$ 2,732,657
General Fund % Change	-9.76%	-0.67%	2.82%	6.47%
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ -	\$ 9,738,589
Committed	-	-	-	279,176
Assigned	-	-	-	3,383,331
Unassigned, Reported In:				
Special Revenue Funds	-	-	-	(194,924)
Capital Project Funds	-	-	-	(7,462,984)
Reserved (2008-2010)	11,551,017	9,555,011	10,613,705	-
Unreserved, Reported In (2008-2010):				
Special Revenue Funds	2,005,488	1,374,450	803,856	-
Capital Project Funds	(10,801,563)	(8,676,406)	(7,237,917)	-
Total All Other Governmental Funds:	\$ 2,754,942	\$ 2,253,055	\$ 4,179,644	\$ 5,743,188
All Other Governmental Funds % Change	449.18%	-18.22%	85.51%	37.41%
Total Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	9,738,589
Committed	-	-	-	876,910
Assigned	-	-	-	3,383,331
Unassigned	-	-	-	(5,522,985)
Reserved (2008-2010)	11,551,017	9,555,011	10,613,705	-
Unreserved (2008-2010)	(6,283,168)	(4,805,812)	(3,867,578)	-
Total Governmental Funds:	\$ 5,267,849	\$ 4,749,199	\$ 6,746,127	\$ 8,475,845
Total Governmental Funds % Change	163.96%	-9.85%	42.05%	25.64%

(1) The City implemented GASB 54 in 2011, resulting in a significant reclassification of the components of fund balance. Fund balance for previous years have not been restated.

FISCAL YEAR					
2012	2013	2014	2015	2016	2017
\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -
620,774	739,540	891,416	852,664	924,378	908,494
2,418,419	1,965,790	1,644,738	2,232,766	1,615,179	1,103,421
-	-	-	-	-	-
<u>\$ 3,039,434</u>	<u>\$ 2,705,330</u>	<u>\$ 2,536,154</u>	<u>\$ 3,085,430</u>	<u>\$ 2,539,557</u>	<u>\$ 2,011,915</u>
11.23%	-10.99%	-6.25%	21.66%	-17.69%	-20.78%
\$ 18,546,504	\$ 15,968,896	\$ 19,114,183	\$ 11,557,173	\$ 8,022,515	\$ 11,726,442
913,595	1,068,969	1,912,764	3,368,508	2,456,381	2,889,920
3,144,950	4,732,649	5,529,159	6,845,131	6,646,255	8,571,632
-	(259,844)	(1,242,278)	(1,451,333)	(701,789)	(793,665)
(8,003,881)	(7,456,476)	(11,708,398)	(6,914,737)	(5,224,315)	(5,637,984)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,601,168</u>	<u>\$ 14,054,194</u>	<u>\$ 13,605,430</u>	<u>\$ 13,404,742</u>	<u>\$ 11,199,047</u>	<u>\$ 16,756,345</u>
154.23%	-3.75%	-3.19%	-1.48%	-16.45%	49.62%
\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -
18,546,504	15,968,896	19,114,183	11,557,173	8,022,515	11,726,442
1,534,369	1,808,509	2,804,180	4,221,172	3,380,759	3,798,414
3,144,950	4,732,649	5,529,159	6,845,131	6,646,255	8,571,632
(5,585,462)	(5,750,530)	(11,305,938)	(6,133,304)	(4,310,925)	(5,328,228)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,640,602</u>	<u>\$ 16,759,524</u>	<u>\$ 16,141,584</u>	<u>\$ 16,490,172</u>	<u>\$ 13,738,604</u>	<u>\$ 18,768,260</u>
108.13%	-4.99%	-3.69%	2.16%	-16.69%	36.61%

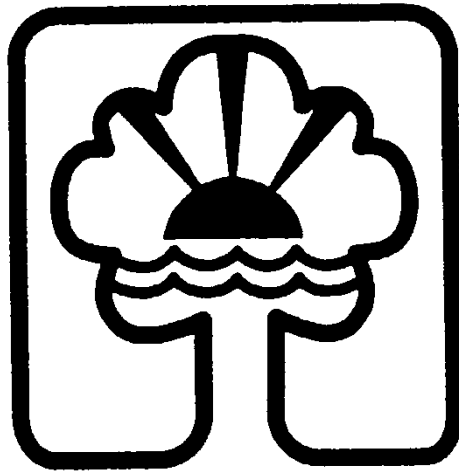
CITY OF CHASKA, MINNESOTA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2008	2009	2010	2011
<u>REVENUES</u>				
Taxes	\$ 11,936,425	\$ 12,148,237	\$ 13,386,635	\$ 13,387,904
Licenses and Permits	673,720	606,720	677,005	1,171,745
Intergovernmental	6,296,541	10,238,975	2,302,128	1,666,505
Charges for Services	1,800,348	1,476,270	1,648,242	1,950,742
Fines and Forfeitures	91,094	120,567	145,979	139,988
Special Assessments	1,959,637	1,351,581	1,576,743	1,531,259
Other Revenue	1,611,358	1,051,891	553,365	585,553
Total Revenue	24,369,123	26,994,241	20,290,097	20,433,696
<u>EXPENDITURES</u>				
General Government	3,100,425	3,012,992	3,086,599	3,392,089
Economic Development	1,111,124	1,907,468	926,307	757,932
Public Safety	3,643,870	3,576,040	3,697,083	3,971,147
Public Works	4,930,664	4,234,707	3,985,799	3,529,127
Parks, Recreation and Arts	583,082	541,969	589,998	532,953
Debt Service:				
Principal	4,460,000	9,260,000	5,200,488	5,396,218
Interest	1,829,366	2,008,394	1,687,636	1,578,987
Issuance Costs & Fiscal Agent Fees	439,857	40,548	168,964	91,276
Capital Outlay	7,989,691	3,245,835	5,650,639	2,591,145
Total Expenditures	28,088,079	27,827,953	24,993,513	21,840,874
Excess of Revenues Over (Under) Expenditures	(3,718,956)	(833,712)	(4,703,416)	(1,407,178)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	17,076,033	6,010,021	7,240,297	7,211,564
Transfers Out	(17,396,110)	(5,751,951)	(6,422,978)	(6,702,759)
Bonds Issued	5,095,000	-	5,805,000	2,375,000
Refunding Bonds Issued	15,255,000	1,995,000	880,000	2,290,000
Premium on Bonds Issued	251,260	41,857	39,071	168,217
Payments to Refunded Bond Escrow Agent	(15,307,968)	(1,995,000)	(849,512)	(2,320,000)
Sale of Capital Assets	-	15,135	8,466	114,874
Total Other Financing Sources (Uses)	4,973,215	315,062	6,700,344	3,136,896
<u>SPECIAL ITEM</u>				
Gain on Sale of Land Held for Resale	2,017,880	-	-	-
NET CHANGE IN FUND BALANCES	\$ 3,272,139	\$ (518,650)	\$ 1,996,928	\$ 1,729,718
Expenditures for Capitalized Assets (1)	5,332,576	3,363,564	8,517,344	3,349,841
Debt Service as a Percentage of Noncapital Expenditures	27.64%	46.06%	41.81%	37.72%

(1) Expenditures for capitalized assets per the Reconciliation of The Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Funds to The Statement of Activities.

FISCAL YEAR						
2012	2013	2014	2015	2016	2017	
\$ 13,888,797	\$ 13,502,612	\$ 14,386,746	\$ 13,150,434	\$ 12,470,764	\$ 13,420,767	
880,815	1,135,211	995,263	1,259,621	1,033,383	1,302,593	
2,955,101	2,919,055	2,568,108	2,678,760	2,772,705	2,653,945	
2,409,242	3,388,069	3,470,471	4,387,691	5,316,461	5,717,156	
123,411	123,687	128,966	95,736	104,226	113,158	
1,911,524	3,918,217	2,867,959	2,076,637	2,121,412	2,835,792	
911,462	1,237,814	794,135	1,103,179	600,089	659,861	
23,080,352	26,224,665	25,211,648	24,752,058	24,419,040	26,703,272	
3,512,005	4,077,218	4,361,531	4,889,132	5,228,459	5,630,604	
809,892	1,460,259	1,899,514	8,766,389	1,070,364	1,919,188	
4,068,057	4,411,566	4,513,886	4,837,862	5,270,617	5,738,341	
4,756,685	6,249,199	7,269,352	6,686,444	4,537,040	5,213,582	
488,078	517,843	837,886	1,086,472	828,065	1,140,929	
4,422,243	5,427,723	4,948,206	5,398,720	3,013,768	3,061,302	
1,421,230	1,396,806	1,109,996	1,115,857	1,429,478	1,380,700	
121,126	112,905	95,788	353,521	4,725	250,271	
3,149,178	4,075,585	7,367,993	13,778,776	5,633,034	9,808,124	
22,748,494	27,729,104	32,404,152	46,913,173	27,015,550	34,143,041	
331,858	(1,504,439)	(7,192,504)	(22,161,115)	(2,596,510)	(7,439,769)	
10,943,484	7,641,975	6,622,433	14,212,528	6,242,220	4,624,645	
(9,551,265)	(6,786,159)	(6,156,278)	(8,968,112)	(6,423,134)	(5,617,190)	
2,430,000	4,245,000	5,785,000	16,025,000	-	10,870,000	
4,675,000	580,000	-	-	-	1,455,000	
195,481	123,513	317,245	1,156,342	-	1,125,229	
-	(5,210,000)	-	-	-	-	
140,199	29,032	6,164	83,945	25,856	11,741	
8,832,899	623,361	6,574,564	22,509,703	(155,058)	12,469,425	
-	-	-	-	-	-	
\$ 9,164,757	\$ (881,078)	\$ (617,940)	\$ 348,588	\$ (2,751,568)	\$ 5,029,656	
3,972,487	5,063,042	12,451,676	19,782,837	12,340,550	16,094,547	
31.12%	30.11%	30.36%	24.01%	30.28%	24.61%	



CHASKA

CITY OF CHASKA, MINNESOTA

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC	CABLE	GAS (1)	
2008	\$ 4,212,641	\$ 5,205,763	\$ 2,309,000	\$ 209,021	\$ -	\$ 11,936,425
2009	4,388,806	5,290,045	2,256,000	213,386	-	12,148,237
2010	4,797,579	5,865,403	2,501,470	222,183	-	13,386,635
2011	4,789,918	5,663,585	2,702,870	231,531	-	13,387,904
2012	4,150,837	6,512,139	2,988,410	237,411	-	13,888,797
2013	5,001,614	5,145,326	3,101,430	254,242	-	13,502,612
2014 (1)	5,276,218	5,453,804	3,210,070	265,415	181,239	14,386,746
2015	8,479,872 (2)	591,158 (3)	3,339,440	284,886	455,078	13,150,434
2016	7,573,635	672,581	3,458,900	304,017	461,631	12,470,764
2017	8,395,597	724,644	3,521,540	321,423	457,563	13,420,767

(1) Chaska implemented a Gas Franchise Tax in 2014.

(2) Includes \$1,532,865 in tax increment that was returned to the General fund after a TIF district decertification and after the City's payment to the County.

(3) There were three (3) TIF districts decertified in 2014.

CITY OF CHASKA, MINNESOTA

**TAX CAPACITY VALUE AND ESTIMATED ACTUAL VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	REAL PROPERTY - TAX CAPACITY VALUE			PERSONAL PROPERTY TAX CAPACITY VALUE	FISCAL DISPARITIES	
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER REAL PROPERTY		CONTRIBUTION	DISTRIBUTION
2008	\$ 19,779,364	\$ 7,194,662	\$ 365,015	\$ 132,768	\$ (2,640,100)	\$ 3,095,999
2009	19,594,612	7,392,322	439,931	147,236	(2,829,823)	3,541,258
2010	19,437,291	7,881,239	464,672	149,536	(2,973,464)	3,718,693
2011	18,160,775	7,441,155	460,948	170,406	(3,080,261)	3,500,494
2012	16,254,417	7,295,461	389,870	166,076	(2,983,712)	3,201,648
2013	14,776,641	7,336,053	358,867	197,498	(2,765,398)	3,001,764
2014	16,020,027	7,116,774	351,263	222,966	(2,756,785)	2,881,368
2015	18,484,795	7,492,534	345,751	242,162	(2,660,168)	2,956,196
2016	20,127,637	7,990,194	340,891	278,734	(3,014,532)	3,061,538
2017	20,776,485	8,161,059	356,694	375,132	(3,226,831)	3,313,011

Source: Carver County Auditor

TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE		ADJUSTED TAX CAPACITY VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL	TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE
\$	(5,463,817)	\$ 22,463,891	19.423	\$ 2,511,455,000	0.89%
	(5,624,915)	22,660,621	20.434	2,476,261,200	0.92%
	(5,793,917)	22,884,050	21.886	2,445,124,600	0.94%
	(5,388,088)	21,265,429	23.484	2,271,392,000	0.94%
	(4,906,333)	19,417,427	25.785	2,162,908,900	0.90%
	(4,543,317)	18,362,108	28.075	2,020,207,000	0.91%
	(4,464,026)	19,371,587	26.586	2,121,003,200	0.91%
	(535,631)	26,325,639	24.928	2,380,806,300	1.11%
	(572,333)	28,212,129	26.118	2,573,342,000	1.10%
	(658,411)	29,097,139	27.564	2,652,305,300	1.10%

CITY OF CHASKA, MINNESOTA

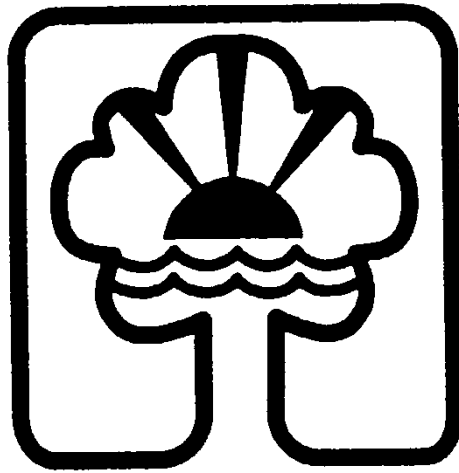
**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	DIRECT RATES				CITY HOUSING DEVELOPMENT AUTHORITY
	CITY URBAN			RURAL (2)	
	OPERATING	DEBT	TOTAL		
	(Per \$100 of Assessed Value)				
2008	19.423	0.000	19.423	9.712	0.311
2009	20.434	0.000	20.434	10.217	0.326
2010	21.778	0.108	21.886	10.997	0.327
2011	23.484	0.000	23.484	11.742	0.357
2012	25.785	0.000	25.785	12.892	0.391
2013	28.075	0.000	28.075	14.038	0.411
2014	26.586	0.000	26.586	13.293	0.391
2015	24.928	0.000	24.928	14.957	1.574
2016	26.118	0.000	26.118	18.283	1.519
2017	27.564	0.000	27.564	22.051	1.557

Source: Carver County Auditor

- (1) Total direct and overlapping rate excludes City Rural rates.
- (2) City Rural is not a direct rate for the City of Chaska - In 2006, as part of the annexation of Chaska Township, a rural rate of 50 percent of the City "urban" rate was established for ten (10) years for the annexed properties. Once the rural area has been developed, it will be subject to taxation at the higher City "urban" rate.
- (3) Overlapping rates are those of other governments that apply to property owners within the City.
Not all overlapping rates apply to all property owners (e.g., the rates for special districts apply only property owners whose property is located within the geographic boundaries of the special district.).
- (4) Special Districts include:
Metropolitan Council, Regional Transit District, Lower Minnesota Watershed #1, Carver County Water Management Organization, Mosquito Control and Carver County Rail Authority.

OVERLAPPING RATES (3)				
COUNTY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (4)	TOTAL DIRECT AND OVERLAPPING RATES (1)
37.563	1.703	35.970	4.395	99.365
38.033	1.683	35.505	5.024	101.005
39.509	1.682	35.840	4.753	103.997
41.752	1.777	40.236	4.883	112.489
43.562	1.887	44.382	4.728	120.735
46.115	1.799	45.319	5.069	126.790
45.211	1.759	44.917	5.088	123.952
40.488	1.589	39.120	4.313	112.013
38.880	1.701	39.245	4.526	111.989
38.851	1.731	37.005	4.534	111.242



CHASKA

CITY OF CHASKA, MINNESOTA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2016 - PAYABLE 2017				ASSESSED 2007 - PAYABLE 2008			
	ESTIMATED ACTUAL VALUE ⁽¹⁾	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE
United Healthcare Services Inc	\$ 22,841,000	\$ 455,320	1	1.55%	*	*		*
Aurora Investments LLC	19,584,100	374,594	2	1.28%	\$ 16,213,100	\$ 300,574	4	1.10%
Hazeltine Natl Golf Club	16,817,200	298,660	3	1.02%	*	*		*
Ameriprise Financial Inc	14,820,700	264,482	4	0.90%	*	*		*
Target Corp	12,569,200	250,634	5	0.86%	15,423,500	307,720	2	1.13%
Via West Inc	12,021,700	239,684	6	0.82%	*	*		*
CenterPoint Energy Minnegasco	11,705,100	233,325	7	0.80%	*	*		*
Aurora-Chaska Medical LLC	26,436,200	231,888	8	0.79%	*	*		*
SB Chaska Partners LLC	15,355,900	191,949	9	0.66%	*	*		*
Northern Star Co	9,162,000	182,490	10	0.62%	*	*		*
ISD Financial Services	*	*		*	19,349,900	360,919	1	1.32%
Entegris Inc (Fluorware Inc.)	*	*		*	15,315,000	303,855	3	1.11%
Chaska Investment LP	*	*		*	21,084,400	284,985	5	1.04%
FSI International Inc.	*	*		*	11,253,100	224,312	6	0.82%
Lake Region MFG Co Inc	*	*		*	9,397,700	185,704	7	0.68%
Lifecore Biomedical Inc	*	*		*	9,322,000	185,690	8	0.68%
Trustee Group Realty PTR VII	*	*		*	8,737,900	174,008	9	0.64%
Home Depot USA Inc	*	*		*	8,628,800	171,826	10	0.63%
	<u>\$ 161,313,100</u>	<u>\$ 2,723,026</u>		<u>9.30%</u>	<u>\$ 134,725,400</u>	<u>\$ 2,499,593</u>		<u>9.14%</u>

Source: Carver County Auditor

(1) Assessed 2017 values are determined as of January 2, 2016

Ranked in order of Estimated Net Tax Capacity.

* Denotes taxpayer was not a principal taxpayer for the year reported.

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION	
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS	COUNTY ADJUSTED TAX LEVY	EXCESS TAX INCREMENT	OTHER
2008	\$ 4,383,200	\$ (151,465)	\$ 4,231,735	\$ -	\$ 975
2009	4,602,360	(166,131)	4,436,229	-	(2,620)
2010	4,955,218	(175,356)	4,779,862	-	(9,520)
2011	4,955,218	(186,714)	4,768,504	-	(35,232)
2012	4,955,218	(8,776) ⁽²⁾	4,946,442	4,611	(38,888)
2013	5,107,919	(767)	5,107,152	-	(33,561)
2014	5,222,224	(802)	5,221,422	15,389	(5,276)
2015	6,951,262	(1,390)	6,949,872	567	(1,590)
2016	7,728,287	(1,462)	7,726,825	1,686	(35,220)
2017	8,396,405	(1,611)	8,394,794	2,616	(20,108)

Source: Carver County Auditor

(1) Collections do not include tax increment or mobile home.

(2) Elimination of Market Value Homestead Credit.

(3) Reporting \$0 due to tax abatements and adjustments resulting in negative delinquent tax collections for 2015 and 2016.

Note: As part of the annexation of Chaska Township, the City established, for annexed properties, a rural rate of 50 percent of the City "urban" rate for a period of ten (10) years. Once a rural area has been developed, it would then be subject to taxation at the higher City "urban" rate.

COUNTY ADJUSTED NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
\$ 4,232,710	\$ 4,143,540	97.89%	\$ 70,417	\$ 4,213,957	99.56%
4,433,609	4,320,905	97.46%	62,507	4,383,412	98.87%
4,770,342	4,690,711	98.33%	65,167	4,755,878	99.70%
4,733,272	4,703,059	99.36%	30,213	4,733,272	100.00%
4,912,165	4,890,432	99.56%	4,620	4,895,052	99.65%
5,073,591	4,989,085	98.33%	84,282	5,073,367	100.00%
5,231,535	5,179,682	99.01%	18,398	5,198,080	99.36%
6,948,849	6,889,114	99.14%	- (3)	6,889,114	99.14%
7,693,291	7,649,218	99.43%	- (3)	7,649,218	99.43%
8,377,302	8,348,564	99.66%	-	8,348,564	99.66%

CITY OF CHASKA, MINNESOTA

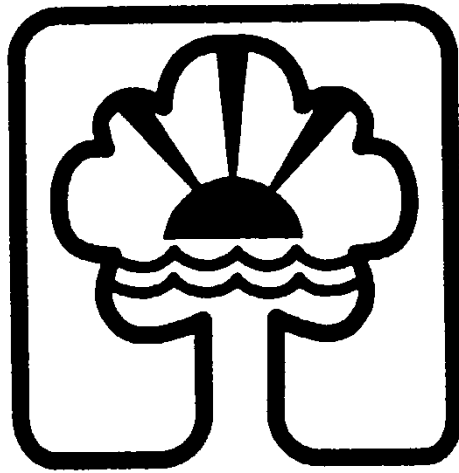
**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

GOVERNMENTAL ACTIVITIES								
FISCAL YEAR	GENERAL OBLIGATION EQUIPMENT CERTIFICATES	OTHER GENERAL OBLIGATION BONDS	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION ABATEMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	REVENUE BONDS	NOTES PAYABLE	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)
2008	\$ 1,745,000	\$ -	\$ 19,595,000	\$ -	\$ 16,505,000	\$ 7,895,000	\$ -	\$ 324,719
2009	1,580,000	-	19,325,000	-	14,580,000	995,000	-	326,090
2010	1,300,000	-	16,180,000	405,000	19,230,000	-	-	320,871
2011	1,000,000	3,455,000	13,050,000	405,000	16,155,000	-	159,960	442,980
2012	690,000	3,455,000	10,500,000	405,000	21,705,000	-	152,717	569,374
2013	1,320,000	3,120,000	7,235,000	405,000	18,870,000	-	144,994	610,991
2014	1,190,000	2,755,000	3,835,000	405,000	23,610,000	-	136,788	842,462
2015	975,000	2,315,000	945,000	405,000	27,705,000	10,085,000	128,068	1,908,544
2016	740,000	1,835,000	850,000	405,000	25,510,000	10,085,000	119,300	1,783,175
2017	2,605,000	1,635,000	1,220,000	2,430,000	30,995,000	9,815,000	107,998	2,785,053

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data.

GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES						
TOTAL GOVERNMENTAL ACTIVITIES DEBT	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL BUSINESS-TYPE ACTIVITIES DEBT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾	
\$ 46,064,719	\$ 12,635,000	\$ 63,750,000	\$ 857,635	\$ 77,242,635	\$ 123,307,354	9.635%	\$ 5,128	
36,806,090	13,425,000	62,905,000	848,602	77,178,602	113,984,692	9.137%	4,715	
37,435,871	12,700,000	33,125,000	806,195	46,631,195	84,067,066	6.534%	3,537	
34,667,940	12,335,000	35,720,000	982,767	49,037,767	83,705,707	6.031%	3,487	
37,477,091	12,020,000	34,575,000	929,875	47,524,875	85,001,966	5.806%	3,511	
31,705,985	11,700,000	37,125,000	894,630	49,719,630	81,425,615	5.288%	3,282	
32,774,250	11,370,000	35,625,000	840,869	47,835,869	80,610,119	5.318%	3,190	
44,466,612	16,170,000	46,970,000	3,524,126	66,664,126	111,130,738	6.857%	4,340	
41,327,475	15,745,000	45,435,000	3,289,591	64,469,591	105,797,066	6.207%	4,002	
51,593,051	15,820,000	52,015,000	3,572,665	71,407,665	123,000,716	7.216%	4,652	



CHASKA

CITY OF CHASKA, MINNESOTA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO ESTIMATED ACTUAL TAXABLE VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		LESS AMOUNT RESTRICTED TO DEBT SERVICE (2)	NET GENERAL OBLIGATION DEBT	PERCENTAGE OF ESTIMATED ACTUAL MARKET VALUE OF PROPERTY (3)	PER CAPITA (4)
	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)				
2008	\$ 37,845,000	\$ 324,719	\$ 12,635,000	\$ 38,598	\$ 1,647,712	\$ 49,195,605	1.96%	\$ 2,046
2009	35,485,000	326,090	13,425,000	66,826	1,396,985	47,905,931	1.93%	1,981
2010	37,115,000	320,871	12,700,000	61,680	1,317,075	48,880,476	2.00%	2,056
2011	34,065,000	442,980	12,335,000	252,752	982,867	46,112,865	2.03%	1,921
2012	36,755,000	569,374	12,020,000	238,260	10,446,019	39,136,615	1.81%	1,616
2013	30,950,000	610,991	11,700,000	223,777	7,675,532	35,809,236	1.77%	1,443
2014	31,795,000	842,462	11,370,000	209,294	8,117,087	36,099,669	1.70%	1,429
2015	32,345,000	1,291,364	16,170,000	283,655	5,994,522	44,095,497	1.85%	1,722
2016	29,340,000	1,199,669	15,745,000	264,948	5,897,191	40,652,426	1.58%	1,538
2017	38,885,000	2,235,225	15,820,000	302,416	7,042,822	50,199,819	1.89%	1,899

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Includes all general obligation bonds, including general obligation equipment certificates, general obligation tax increment bonds, general obligation improvement bonds and general obligation revenue bonds.

(2) Amount restricted for repayment of general obligation bonds.

(3) See the Schedule of Tax Capacity Value and Estimated Actual Market Value of Real and Personal Property for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF CHASKA, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2017
(UNAUDITED)

	DEBT OUTSTANDING	PERCENT OF DEBT APPLICABLE TO CITY	AMOUNT OF DEBT APPLICABLE TO CITY
DIRECT DEBT			
City of Chaska (1)	\$ 51,593,051	100.00%	\$ 51,593,051
OVERLAPPING DEBT			
Carver County	35,256,813	21.89%	7,717,005
Carver County CDA	22,685,000	21.89%	4,965,289
Independent School District 112	170,605,000	38.17%	65,115,673
Metropolitan Council	1,484,038,432	0.61%	9,052,634
Metropolitan Airports Commission	1,496,190,000	0.61%	9,126,759
Mosquito Control District	1,041,883	21.89%	228,047
Total Overlapping Debt	3,209,817,128		96,205,408
Total Direct and Overlapping Debt	\$ 3,261,410,179		\$ 147,798,459

Source: Carver County Auditor

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

(1) Excludes general obligation and revenue bonds reported in the enterprise funds. Includes premium related to governmental activities general obligation bonds and notes payable.

CITY OF CHASKA, MINNESOTA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2017

Assessed 2016, Payable 2017 Market Value		\$ 2,652,305,300
Legal Debt Limit - 3% of Market Value (1)		\$ 79,569,159
Amount of Debt Applicable to Limit:		
Total Bonded Debt	\$ 116,535,000	
Less (2)		
G.O. Tax Increment Bonds	1,220,000	
G.O. Special Assessment Bonds	30,995,000	
G.O. Revenue Bonds	15,820,000	
Revenue Bonds	61,830,000	
Debt Service Funds	<u>1,041,212</u>	
Total Debt Applicable to Debt Limit		<u>5,628,788</u>
Legal Debt Margin		<u>\$ 73,940,371</u>

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEARS 2008 THROUGH 2017

FISCAL YEAR	DEBT LIMIT	TOTAL NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE TO DEBT LIMIT
2008 (1)	\$ 75,343,650	\$ 1,697,889	\$ 73,645,761	2.25%
2009	74,287,836	1,574,055	72,713,781	2.12%
2010	73,353,738	1,127,738	72,226,000	1.54%
2011	68,141,760	4,162,266	63,979,494	6.11%
2012	64,887,267	3,197,692	61,689,575	4.93%
2013	60,606,210	3,064,551	57,541,659	5.06%
2014	63,630,096	2,486,842	61,143,254	3.91%
2015	71,424,189	1,775,615	69,648,574	2.49%
2016	77,200,260	1,479,576	75,720,684	1.92%
2017	79,569,159	5,628,788	73,940,371	7.07%

Source: Carver County Auditor (Market Value)

1) M.S.A. Section 475.53 (Limit on Net Debt)

2) M.S.A. Section 475.51

CITY OF CHASKA, MINNESOTA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
			SERVICE	PRINCIPAL	INTEREST	TOTAL	
DEBT SERVICE FUNDS - REVENUE BONDS: LAST TEN FISCAL YEARS							
2008	\$ 845,463	\$ 1,500	\$ 843,963	\$ 560,000	\$ 442,307	\$ 1,002,307	0.84
2009	6,355,897	2,750	6,353,147	6,900,000	415,042	7,315,042	0.87
2010	28,150	-	28,150	995,000	42,927	1,037,927	0.03
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	112	-	112	-	99,640	99,640	0.00
2016	932	1,600	(668)	-	358,474	358,474	(0.00)
2017	1,799	3,200	(1,401)	270,000	369,950	639,950	(0.00)
ELECTRIC ENTERPRISE FUND: SEVEN FISCAL YEARS							
2011 (1)	\$ 29,085,312	\$ 26,155,497	\$ 2,929,815	\$ -	\$ 2,397	\$ 2,397	1,222.28
2012	31,888,910	28,538,119	3,350,791	170,000	93,881	263,881	12.70
2013	34,068,387	30,140,170	3,928,217	145,000	90,607	235,607	16.67
2014	35,013,104	31,617,219	3,395,885	145,000	87,707	232,707	14.59
2015	35,859,710	32,487,115	3,372,595	140,000	84,832	224,832	15.00
2016	37,703,918	34,201,984	3,501,934	150,000	83,870	233,870	14.97
2017	37,751,011	34,381,108	3,369,903	145,000	80,870	225,870	14.92
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2008	\$ 1,369,672	\$ 1,209,293	\$ 160,379	\$ 690,000	\$ 520,812	\$ 1,210,812	0.13
2009	1,498,312	1,139,616	358,696	705,000	510,113	1,215,113	0.30
2010	1,891,656	1,126,171	765,485	725,000	517,741	1,242,741	0.62
2011	2,396,654	1,344,267	1,052,387	1,345,000 (6)	562,992	1,907,992	0.55
2012	2,758,682	1,414,581	1,344,101	315,000	381,821	696,821	1.93
2013	2,536,026	1,601,751	934,275	320,000	375,351	695,351	1.34
2014	2,419,202	1,707,247	711,955	330,000	367,008	697,008	1.02
2015	2,551,958	1,703,500	848,458	370,000	359,789	729,789	1.16
2016	2,735,781	1,760,515	975,266	425,000	376,418	801,418	1.22
2017	2,787,654	1,768,636	1,019,018	482,000	359,051	841,051	1.21
SEWER ENTERPRISE FUND: THREE FISCAL YEARS							
2015 (1)	\$ 3,275,998	\$ 3,062,822	\$ 213,176	\$ -	\$ -	\$ -	\$ -
2016	3,433,187	3,110,423	322,764	-	45,259	45,259	7.13
2017	3,612,296	3,340,582	271,714	104,000	73,473	177,473	1.53
COMMUNITY CENTER ENTERPRISE FUND: TEN FISCAL YEARS (1)							
2008	\$ 2,868,084	\$ 2,779,059	\$ 89,025	\$ -	\$ 172,570	\$ 172,570	0.52
2009	2,882,208	2,734,173	148,035	-	121,740	121,740	1.22
2010	2,803,255	2,737,532	65,723	-	121,740	121,740	0.54
2011	2,822,770	2,876,559	(53,789)	-	121,740	121,740	(0.44)
2012	2,953,450	2,810,017	143,433	-	121,740	121,740	1.18
2013	2,840,473	2,882,382	(41,909)	140,000	175,333	315,333	(0.13)
2014	3,098,390	2,949,046	149,344	295,000	233,923	528,923	0.28
2015	3,250,759	3,101,196	149,563	305,000	225,594	530,594	0.28
2016	2,737,031	3,470,538	(733,507)	315,000	217,870	532,870	(1.38)
2017	3,165,224	3,570,939	(405,715)	325,000	204,528	529,528	(0.77)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE	
				PRINCIPAL	INTEREST	TOTAL		
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS								
2008	\$ 3,637,028	\$ 115,179	\$ 3,521,849	\$ 800,000	\$ 3,313,233	\$ 4,113,233	0.86	
2009	3,559,037	128,106	3,430,931	845,000	3,270,181	4,115,181	0.83	
2010	3,210,196	110,353	3,099,843	890,000 (5)	2,793,150	3,683,150	0.84	
2011	2,327,696	112,778	2,214,918	940,000	1,454,734	2,394,734	0.92	
2012	2,287,299	114,695	2,172,604	975,000	1,416,784	2,391,784	0.91	
2013	2,236,674	125,474	2,111,200	1,015,000	1,377,384	2,392,384	0.88	
2014	2,185,282	284,255	1,901,027	1,060,000	1,336,069	2,396,069	0.79	
2015	1,969,875	220,558	1,749,317	1,100,000 (7)	1,223,907	2,323,907	0.75	
2016	1,786,037	304,332	1,481,705	1,070,000	1,007,850	2,077,850	0.71	
2017	1,734,137	309,043	1,425,094	1,110,000	706,128	1,816,128	0.78	
STORM WATER ENTERPRISE FUND: THREE FISCAL YEARS								
2015 (1)	\$ 913,884	\$ 698,036	\$ 215,848	\$ -	\$ 7,502	\$ 7,502	28.77	
2016	969,639	802,266	167,373	-	29,770	29,770	5.62	
2017	1,099,143	752,510	346,633	74,000	59,766	133,766	2.59	
CURLING CENTER ENTERPRISE FUND: TWO FISCAL YEARS								
2015 (1)	\$ 65,663	\$ 208,181	\$ (142,518)	\$ -	\$ 290,781	\$ 290,781	(0.49)	
2016	1,175,144	925,311	249,833	-	484,225	484,225	0.52	
2017	1,224,086	1,177,073	47,013	940,000	523,917	1,463,917	0.03	

Note: Bonds in the Electric, Water and Storm Water Enterprise funds are supported by charges for services; the Turbine Generator, Community Center and Curling Center Enterprise funds are supported by lease revenue; and the Debt Service funds are supported by lease revenue.

(1) First year shown is first year of issuance.

(2) Includes interest revenue.

(3) Does not include depreciation or transfers to other funds.

(4) Includes principal and interest payment of revenue bonds only.

(5) 2010 principal payment does not include \$28,890,000 paid from refunding bond escrow for partial advance refunding of the 2000 series bonds.

(6) 2011 principal payment does not include \$10,455,000 paid from refunding bond investment to refund the 2003 GO Water Revenue Bonds.

(7) 2015 principal payment does not include \$100,000 or \$25,035,000 paid from refunding bond investments to refund the 2000 Electric Revenue bonds or the 2005 Electric Revenue Refunding Bonds respectfully.

CITY OF CHASKA, MINNESOTA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	POPULATION (1)	NUMBER OF HOUSEHOLDS (1)	ESTIMATED PERSONAL INCOME (2)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K-12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2008	24,048 (6)	8,716	\$ 1,279,810,512	53,219	33.7	7,379	4.90%
2009	24,177 (6)	8,895 (6)	1,247,557,377	51,601	34.2	6,480 (7)	7.24%
2010	23,770 (8)	8,816 (8)	1,286,622,560	54,128	33.8 (8)	6,140	6.75%
2011	24,002	8,874	1,388,035,660	57,830	34.2	6,072	5.54%
2012	24,211	8,941	1,463,990,748	60,468	34.2	6,185	4.83%
2013	24,811	9,143	1,539,795,471	62,061	34.2	6,086	4.31%
2014	25,270	9,278	1,515,795,680	59,984	35.6	5,797	3.62%
2015	25,607	9,492	1,620,692,637	63,291	35.7	5,854	3.20%
2016	26,439	9,823	1,704,601,647	64,473	36.2	5,700	3.33%
2017	26,439 (9)	9,823 (9)	1,704,601,647 (9)	64,473 (9)	36.2 (9)	5,662	3.06%

(1) Source: Metropolitan Council annual estimate as of April 1st for the prior year.

(2) Source: Minnesota State Demographer, using U.S. Department of Commerce, Bureau of Economic Analysis (BEA), Carver County personal income and per capita income (City personal income as a ratio of Carver County personal income).

(3) Source: US Census Bureau American Fact Finder/American Community Survey American Community Survey five (5) year estimate, as of 2011-2015

(4) Source: Minnesota Department of Education for Independent School District #112, includes private school data for St. John's Lutheran, Guardian Angels Catholic, Southwest Christian High School, Jonathan Mont. and Step/Step Enrollment excludes K-12 District #112 buildings not located within the City.

(5) Source: Minnesota Department of Employment and Economic Development Average Annual Unemployment Rate for the City of Chaska (not seasonally adjusted). (Number of people estimated by place of residence).

(6) The Metropolitan Council has not re-adjusted 2008 and 2009 population estimates which reflect total population to be higher than the 2010 Census. 2009 households was also estimated to be greater than actual 2010 Census data.

(7) Decline in K-12th grade enrollment is due to opening of District #112 High School in Chanhassen, MN 2009 enrollment at Chanhassen High School included grades 9-11, 2010 enrollment includes grades 9-12. This table excludes enrollment at District #112 schools not located within the City.

(8) Source: Minnesota Planning and U.S. Census Bureau, Census 2010 data.

(9) 2017 data not available, using 2016 data (estimate).

CITY OF CHASKA, MINNESOTA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2017			2008		
	ESTIMATED	RANK	PERCENTAGE	ESTIMATED	RANK	PERCENTAGE
	EMPLOYEES		OF TOTAL CITY	EMPLOYEES		OF TOTAL CITY
	(1)		EMPLOYMENT (2)	(1)		EMPLOYMENT
Entegris	1,000	1	7.85%	960	2	7.90%
Beckman Coulter	900	2	7.06%	700	4	5.70%
School District #112	880	3	6.91%	1,080	1	8.90%
FSI International	850	4	6.67%	500	6	4.10%
Carver County	700	5	5.49%	631	5	5.20%
Lake Region Mfg. Co. Inc	600	6	4.71%	750	3	6.20%
Klein Financial, Inc	560	7	4.40%	*	*	*
The Bernard Group	508	8	3.99%	*	*	*
Apex International	400	9	3.14%	*	*	*
Import Specialties, Inc	325	10	2.55%	*	*	*
Mammoth Inc.	*	*	*	350	7	2.90%
Embarq	*	*	*	200	8	1.60%
Maximum Graphics	*	*	*	200	8	1.60%
Vicorp	*	*	*	200	8	1.60%
Total:	6,723		52.77%	5,571		45.7%

Sources: Minnesota Department of Employment and Economic Development, community profile of major employers, City departments, Carver County data and Metropolitan Council.

(1) Data includes full-time equivalent employees.

(2) Total City Employment based on the most recent Metropolitan Council estimate as of 2015.

* Denotes employer was not a principal employer for the year reported.

CITY OF CHASKA, MINNESOTA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31			
	2008	2009	2010	2011
General Government	26.6 (2)	24.8	24.7 (2)	23.9
Public Safety				
Police Department	31.6	31.7	31.5	32.0
Fire Department (1)	4.6	3.9	3.9	4.1
Public Works	21.3	20.6	22.8	20.0
Parks, Recreation and Arts	5.8	5.4	5.6	5.4
Electric	16.1	16.4	16.8	16.8
Water	6.1	6.6	6.3	6.7
Sewer	6.0	6.6	6.4	6.8
Chaska Community Center	38.1	39.4	39.3	39.3
Par 30 Golf Course	3.0	2.8	3.1	2.7
Chaska Town Course	18.4	17.9	18.9	17.9
Internet Service Provider	2.0	2.1	2.0	2.3
Storm Water (3)	N/A	N/A	N/A	2.5
Curling/Event Center	N/A	N/A	N/A	N/A
Total	179.6	178.2	181.3	180.4

Source: City of Chaska Payroll.

- (1) The Chaska Fire Department is comprised of 44 authorized positions/volunteers.
- (2) Includes election judges which increases General Government totals by a range of 1 - 1.2 equivalent employees each election year.
- (3) First year of reportable data is 2011.
- (4) Residential internet service ended in 2015 and Chaska.Net employee moved to General Government.
- (5) Curling/Event Center opened 2015.

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31											
2012		2013		2014		2015		2016		2017	
25.8	(2)	28.8		29.4	(2)	30.2		31.2	(2)	29.7	
32.4		32.8		30.0		30.0		31.9		31.5	
5.2		6.4		8.8		11.5		11.1		12.3	
19.8		21.2		20.3		19.5		20.9		22.1	
5.0		5.7		5.6		4.6		7.2		7.0	
16.7		15.9		17.0		17.6		17.6		17.4	
6.8		7.0		7.4		7.6		7.1		7.1	
6.8		6.7		7.2		7.0		6.9		7.1	
38.9		37.7		37.1		37.7		38.8		39.0	
3.1		2.4		2.3		2.6		2.7		2.6	
18.4		17.9		17.9		18.6		19.3		18.5	
2.3		2.3		1.0		0.0	(4)	0.0		0.0	
2.8		2.3		2.6		2.7		3.1		3.2	
N/A		N/A		N/A		1.0	(5)	6.0		8.6	
183.9		186.9		186.4		190.6		203.5		206.0	

CITY OF CHASKA, MINNESOTA

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION / PROGRAM	FISCAL YEAR			
	2008	2009	2010	2011
Electric				
Number of Connections (Billed)	9,175	9,265	9,481	9,526
Purchased KWH Power Wholesale				
From MMPA	298,847,964	285,120,854	307,054,699	322,849,265
Total KWH Sales	285,648,785	273,333,512	294,637,535	311,031,667
Peak KW Demand	60,108	60,495	66,697	71,330
Water				
Number of Connections (Billed)	6,122	6,187	6,253	6,296
Total Water Pumped (Gallons)	1,139,996,000	1,156,008,000	1,060,500,000	1,106,505,000
Total Water Sold (Gallons)	1,078,899,000	1,120,903,000	1,036,960,000	1,044,693,000
Average Daily Usage (Gallons Per Day)	2,955,000	3,071,000	2,841,000	3,032,000
System Peak Day (Gallons Per Day)	6,520,000	7,300,000	5,500,000	6,000,000
Sewer				
Number of Connections (Billed)	5,959	6,023	6,139	6,154
Total Gallons Treated (Gallons)	744,283,000	769,184,000	888,893,000	923,511,000
Sewer Service through Metropolitan Council Environmental Services				
Storm Water				
Number of Utility Customers (Billed)	7,832	7,793	7,870	7,866
Internet Service Provider (5)				
Number of Connections (Billed)	2,266	2,152	1,935	1,667
Golf Courses				
Town Course Rounds / Golfers	34,176	33,325	32,760	30,400
Par 30 Rounds / Golfers	17,336	16,691	15,804	13,210
Par 30 Rounds / Foot Golf (4)	-	-	-	-
General Government / Building Department				
Building Permits And Market Value				
Commercial, Industrial And Public (1)				
Permits	31	36	53	46
Market Value	\$ 10,062,217	\$ 28,596,877	\$ 23,016,775	\$ 54,355,421
Single Family Homes And Townhomes (2)				
Permits	52	48	43	54
Market Value	\$ 10,751,429	\$ 10,759,455	\$ 11,016,526	\$ 13,638,503
Condos, Apartments And Multi-Family Homes (3)				
Permits	2	-	-	-
Market Value	\$ 6,600,000	\$ -	\$ -	\$ -
Misc. Residential And Other Bldgs (3)				
Permits	760	697	716	744
Market Value	\$ 6,617,455	\$ 6,607,521	\$ 7,306,368	\$ 9,897,138
Total Building Permits:	845	781	812	844
Total Market Value:	\$ 34,031,101	\$ 45,963,853	\$ 41,339,669	\$ 77,891,062

Source: City Utility, Golf Courses and Building Departments.

(1) Includes new construction and additions/alterations.

(2) Includes new construction only.

(3) Includes additions, alterations, garages, accessory structures, pools and commercial re-roofing.

(4) Par 30 Golf Course introduced Foot Golf in 2015.

(5) Residential internet service ended in 2015.

(6) 2016 Miscellaneous residential and other buildings includes 1,138 residential single family alterations/additions valued at \$12,102,429.

(7) The increase in the market value of commercial, industrial and public permits is due to several large projects including a new Data Center valued at \$32.3 million.

FISCAL YEAR					
2012	2013	2014	2015	2016	2017
9,586	9,887	10,054	9,912	10,002	10,240
348,581,737	355,358,125	360,570,327	360,908,813	367,267,226	364,637,712
336,913,874	342,701,568	347,410,769	350,780,886	355,853,340	354,995,442
72,549	76,147	72,641	70,061	77,637	73,472
6,322	6,448	6,613	6,797	6,912	7,063
1,212,283,000	1,089,134,000	1,036,324,000	1,030,518,000	1,040,547,000	1,071,455,000
1,158,300,000	1,031,696,000	972,503,000	991,284,000	1,016,915,000	1,029,698,000
3,173,000	2,827,000	2,664,392	2,715,847	2,786,000	2,821,000
7,800,000	6,847,000	6,429,000	6,007,000	7,047,000	6,554,000
6,257	6,380	6,545	6,710	6,827	6,916
916,374,000	920,399,000	930,431,000	931,203,000	924,965,000	912,076,000
7,882	7,954	8,051	8,153	8,292	8,364
1,439	1,080	730	2	2	2
33,042	28,519	31,199	34,253	33,403	32,642
15,652	14,982	14,907	15,560	14,810	14,130
-	-	-	1,925	1,108	681
44	44	51	43	38	45
\$ 14,310,190	\$ 37,794,640	\$ 11,117,620	\$ 26,204,786	\$ 14,769,385	\$ 69,759,098 (7)
115	130	138	135	134	103
\$ 30,700,695	\$ 34,957,157	\$ 35,216,150	\$ 35,690,048	\$ 34,199,578	\$ 24,339,375
5	8	6	1	10	-
\$ 7,500,728	\$ 3,317,416	\$ 5,005,291	\$ 17,000,000	\$ 6,303,563	\$ -
784	620	591	658	1,234	678
\$ 7,891,683	\$ 6,337,948	\$ 6,642,933	\$ 8,275,817	\$ 15,058,650 (6)	\$ 11,310,594
948	802	786	837	1,416	826
\$ 60,403,296	\$ 82,407,161	\$ 57,981,994	\$ 87,170,651	\$ 70,331,176	\$ 105,409,067

CITY OF CHASKA, MINNESOTA

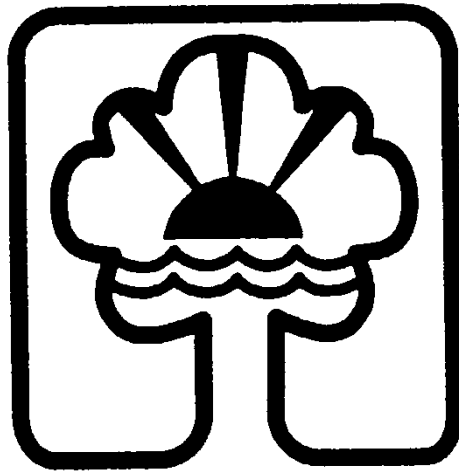
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FISCAL YEAR			
	2008	2009	2010	2011
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants (Private)	1,825	1,826	1,826	1,836
Number of Fire Hydrants (Public)				
Public Works				
Miles of Streets:				
City / Local	75.77	75.66	75.93	76.11
City MSA	15.73	16.10	16.10	20.47
Parks, Recreation and Arts				
Number of Parks	21	21	23	23
Acres of Parks	929	929	964	964
Miles of Trails	45.7	46.2 (1)	46.2 (1)	46.5 (1)
Golf Courses	2	2	2	2
Electric				
Number of Substations	3	3	3	3
Water				
Water Mains (Miles)	148	148	148	148
Number of Wells	6	6	6	6
Total Pumping Capacity (Gallons Per Day)	13,400,000	13,400,000	13,400,000	13,400,000
Filtration Capacity (Gallons Per Day)	12,600,000	12,600,000	12,600,000	12,600,000
Total Storage Capacity (Gallons)	4,400,000	4,400,000	4,400,000	4,400,000

Source: City Departments

- (1) 2009 - 2011 miles of trails were estimates.
- (2) Decrease in City / Local Streets due to Common Boundary Mileage per State Aid Division.
- (3) Count of hydrants was recalculated per City GIS system resulting in an adjustment downward of 80 hydrants. Prior years have not been restated.
- (4) Closed the Chaska Downtown Substation to convert it into a switching station.

FISCAL YEAR					
2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
1	1	1	1	1	1
1,850	1,865	414 (3)	416	422	494
		1,371 (3)	1,390	1,393	1,393
76.84	78.19	76.81 (2)	77.78	78.36	79.17
20.47	20.47	20.95	20.95	20.94	20.94
26	26	26	26	26	26
970	970	970	970	973	973
66	66	66	67	67	68
2	2	2	2	2	2
4	4	4	3 (4)	3	3
149	151	153	154	155	155
6	6	6	6	6	6
13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	13,400,000
12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
4,400,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000



CHASKA

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

Special Purpose Audit Reports

Year Ended
December 31, 2017

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CITY OF CHASKA
CARVER COUNTY, MINNESOTA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
 City of Chaska, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chaska, Minnesota (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of Chaska, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chaska, Minnesota (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2018.

MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018

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Management Report
for
City of Chaska, Minnesota
December 31, 2017

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To the City Council and Management
City of Chaska, Minnesota

We have prepared this management report in conjunction with our audit of the City of Chaska, Minnesota's (the City) financial statements for the year ended December 31, 2017. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018

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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2017:

- We have issued an unmodified opinion on the City's basic financial statements.
- We reported no deficiencies in the City's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the City's compliance with Minnesota laws and regulations.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the City's financial statements for the year ended December 31, 2017, we performed procedures to follow-up on the findings and recommendations that resulted from our prior year audit. We reported the following finding that was corrected by the City in the current year:

- Minnesota Statutes require cities to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services. If such obligations are not paid within the appropriate time period, the cities must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For one disbursement selected for testing in the prior year, the City did not pay the obligation within the required time period and did not pay interest on the unpaid obligation. We are pleased to report that all disbursements tested for the 2017 fiscal year were paid within the 35-day statutory time requirement.

GENERAL COMMENTS AND RECOMMENDATIONS

Municipal Contracting Law

Minnesota Statutes require contracts exceeding \$25,000, but not expected to exceed \$100,000 to be awarded either upon sealed bids, or through direct negotiation, obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. Municipalities may also contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state's cooperative purchasing venture. For a contract estimated to exceed \$25,000, a municipality must consider the availability, price and quality of supplies, materials, or equipment available through the state's cooperative purchasing venture before purchasing through another source. For one contract tested in the current audit year, awarded based on quotations, the City obtained two quotations (one being the state contract) but did not award the contract to the party providing the lowest quotation. Although not specified in state statutes, it is implied that a municipality should award the contract to the lowest quotation.

We recommend that the City review procedures related to contracting law to ensure compliance with statutory requirements for awarding contracts based on quotations. If a contract is not awarded to the party providing the lowest quotation, we recommend the City document a reasonable and appropriate rationale for selecting the higher quotation in the City Council minutes or agenda packet.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2017; however, the City implemented the following governmental accounting standards during the fiscal year:

- Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, which enhanced disclosures regarding investments.
- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*, which addressed certain issues related to pension reporting and disclosures.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.

- **Net Other Post-Employment Benefit (OPEB) and Pension Liabilities** – The City has recorded liabilities and activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 45 and 68. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.
- **Compensated Absences** – Management’s estimate is based on current rates of pay, vacation and sick leave balances, and the likelihood that unused sick leave will be paid out at termination.

We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management, when applicable, were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated June 26, 2018.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules accompanying the financial statements, which are not RSI. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the combining and individual fund statements and schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

GOVERNMENTAL FUNDS OVERVIEW

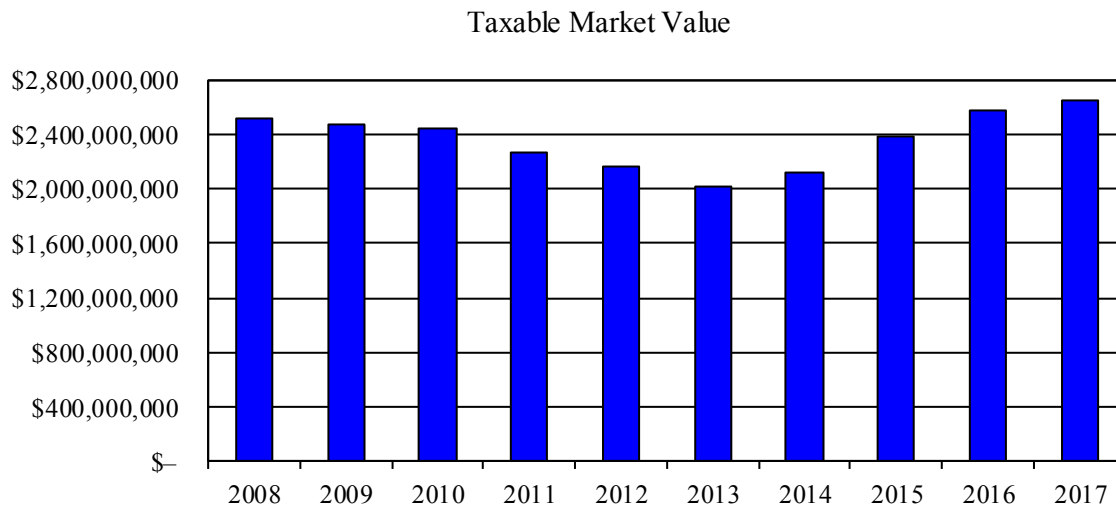
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance and the sufficiency of each governmental fund's current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2016 fiscal year, local ad valorem property tax levies provided 39.8 percent of the total governmental fund revenues for cities over 2,500 in population, and 36.4 percent for cities under 2,500 in population.

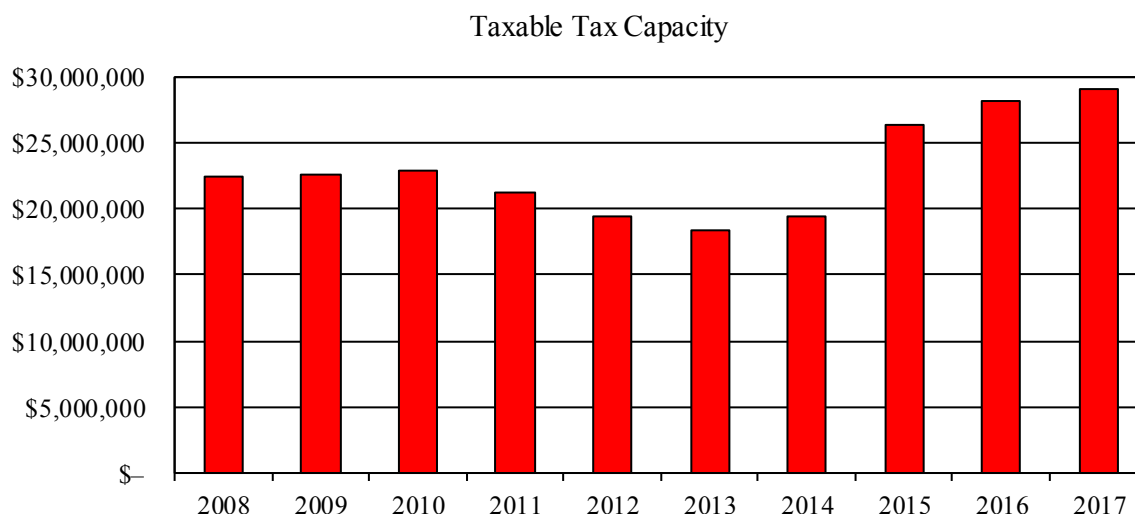
The total market value of property in Minnesota cities increased about 5.6 percent for the 2017 levy year, which followed an increase of 5.7 percent for levy year 2016. The market values used for levying property taxes are based on the previous fiscal year (e.g., market values for taxes levied in 2017 were based on assessed values as of January 1, 2016), so the trend of change in these market values lags somewhat behind the housing market and economy in general.

The City's taxable market value increased 8.1 percent for taxes payable in 2016 and 3.1 percent for taxes payable in 2017. The following graph shows the City's changes in taxable market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state's property classification system to each property's market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city's total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of its tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City's adjusted tax capacity increased 7.2 percent and 3.1 percent for taxes payable in 2016 and 2017, respectively. The City had a large tax increment financing district that was decertified at the end of 2014, contributing to the significant increase in the 2015 adjusted tax capacity presented in the graph below.

The following graph shows the City's change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last three levy years, along with comparative state-wide and metro area average rates from the two most recent years for which the information is available:

Rates Expressed as a Percentage of Net Tax Capacity							
	All Cities State-Wide		Seven-County Metro Area		City of Chaska		
	2015	2016	2015	2016	2015	2016	2017
Average tax rate							
City	46.9	46.5	43.4	43.0	24.8	26.0	27.6
County	44.7	44.1	42.9	42.3	40.5	38.9	38.9
School	27.1	27.5	28.3	28.6	39.1	39.3	37.0
Special taxing	6.9	6.9	8.8	8.7	7.0	7.1	7.8
Total	<u>125.6</u>	<u>125.0</u>	<u>123.4</u>	<u>122.6</u>	<u>111.4</u>	<u>111.3</u>	<u>111.3</u>
Note: State-wide and metro area average tax rates are not available for 2017.							

The City's portion of the tax capacity rates for its residents has historically been well below the state-wide and metro area averages.

GOVERNMENTAL FUND BALANCES

The following table summarizes the changes in the fund balances of the City's governmental funds during the years ended December 31, 2017 and 2016, presented both by fund balance classification and by fund:

Governmental Funds Change in Fund Balance			
	Fund Balance as of December 31,		Increase (Decrease)
	<u>2017</u>	<u>2016</u>	
Fund balances of governmental funds			
Total by classification			
Restricted	\$ 11,726,442	\$ 8,022,515	\$ 3,703,927
Committed	3,798,414	3,380,759	417,655
Assigned	8,571,632	6,646,255	1,925,377
Unassigned	<u>(5,328,228)</u>	<u>(4,310,925)</u>	<u>(1,017,303)</u>
Total governmental funds	<u>\$ 18,768,260</u>	<u>\$ 13,738,604</u>	<u>\$ 5,029,656</u>
Total by fund			
General	\$ 2,011,915	\$ 2,539,557	\$ (527,642)
Public Improvement Projects	(269,180)	(167,377)	(101,803)
Nonmajor funds			
Special Revenue	(458,593)	(375,023)	(83,570)
Debt Service	8,494,876	7,350,646	1,144,230
Capital Project	<u>8,989,242</u>	<u>4,390,801</u>	<u>4,598,441</u>
Total governmental funds	<u>\$ 18,768,260</u>	<u>\$ 13,738,604</u>	<u>\$ 5,029,656</u>

In total, the fund balances of the City's governmental funds increased by \$5,029,656 during the year ended December 31, 2017.

Restricted fund balances increased \$3,703,927 from the previous year. The majority of this increase was in fund balances restricted for unspent bond proceeds in the Public Improvement Projects, Equipment Acquisition, and Abatement Program Funds. The remainder of the increase was in fund balances restricted for debt requirements, due to refunding bonds issued in the current year that will be used to call bonds in a future period in advance of their originally scheduled maturity dates.

Assigned fund balances increased by \$1,925,377 during the year, mainly due to an increase in fund balances assigned for park improvements, housing improvements, and capital improvements.

GOVERNMENTAL FUNDS REVENUE AND EXPENDITURES

The following table presents the per capita revenue of the City's governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as a city's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year due to the effect of inflation and changes in its operation. Also, certain data in these tables may be classified differently than how they appear in the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class						
Year Population	State-Wide		City of Chaska			
	December 31, 2016		2015	2016	2017	
	10,000–20,000	20,000–100,000	25,607	26,439	26,439	
Property taxes	\$ 432	\$ 455	\$ 331	\$ 286	\$ 318	
Tax increments	26	42	23	25	27	
Franchise and other taxes	43	45	159	160	163	
Special assessments	44	59	81	80	107	
Licenses and permits	33	42	49	39	49	
Intergovernmental revenues	275	152	105	105	100	
Charges for services	92	103	171	201	216	
Other	57	54	47	27	29	
Total revenue	<u>\$ 1,002</u>	<u>\$ 952</u>	<u>\$ 966</u>	<u>\$ 923</u>	<u>\$ 1,009</u>	

The City received \$26,703,272 of total revenue in its governmental funds in 2017, which was an increase of \$2,284,232 (9.4 percent) from the prior year. The City has historically generated a significantly smaller portion of its governmental funds revenue from property taxes than the average Minnesota city, as reflected by the average tax rates presented on the previous page, mainly due to the franchise tax from the City's Electric Fund.

On a per capita basis, the \$1,009 of 2017 revenue represents an increase of \$86 from the previous year. Property taxes and special assessments increased \$32 and \$27, respectively. The increase in property tax revenue is due to increases in the City's levy. Special assessment revenue increased due to an increase in prepayments in the current year.

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City's circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources, such as taxes and intergovernmental revenues.
- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.
- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources, such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City's expenditures per capita of its governmental funds for the past three years, together with comparative state-wide averages, are presented in the following table:

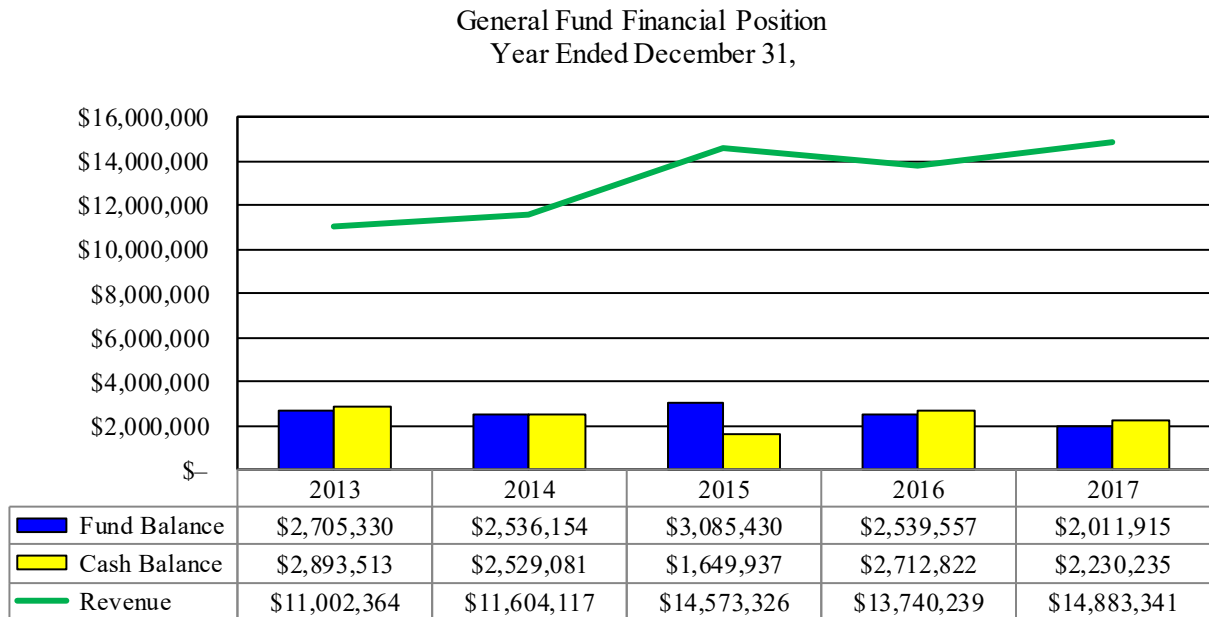
Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class					
Year	State-Wide		City of Chaska		
	December 31, 2016		2015	2016	2017
Population	10,000–20,000	20,000–100,000	25,607	26,439	26,439
Current					
General government	\$ 114	\$ 97	\$ 191	\$ 198	\$ 213
Public safety	250	273	189	199	217
Public works	123	95	261	172	197
Parks and recreation	109	95	42	31	43
All other	77	91	342	40	73
Total current	673	651	1,025	640	743
Capital outlay and construction	370	301	538	213	371
Debt service					
Principal	163	115	211	114	116
Interest and fiscal	38	34	57	54	62
Total debt service	201	149	268	168	178
Total expenditures	<u>\$ 1,244</u>	<u>\$ 1,101</u>	<u>\$ 1,831</u>	<u>\$ 1,021</u>	<u>\$ 1,292</u>

Total expenditures in the City's governmental funds for 2017 were \$34,143,041, an increase of \$7,127,491 (26.4 percent) from the prior year.

Current operating costs were \$103 per capita higher than last year. This variance was spread across all functions with the largest variances in all other (up \$33 per capita), public works (up \$25 per capita), and public safety (up \$18 per capita). Capital outlay expenditures were \$158 per capita higher than last year, due to increased construction projects (Clover Ridge Drive, Northeast Collector, and Southwest Chaska Community Park) in the current year. Finally, scheduled debt service expenditures increased \$10 per capita.

GENERAL FUND

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and parks and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. We have also included a line representing annual revenues to reflect the change in the size of the General Fund operation over the same period.

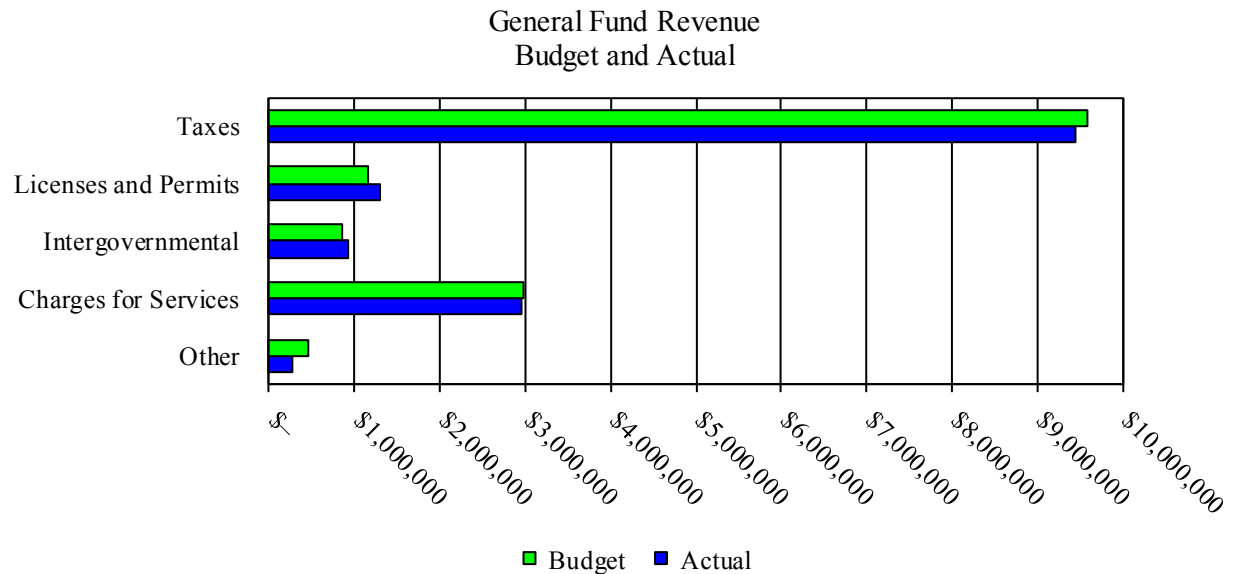


The City's General Fund cash and investments balance at December 31, 2017 was \$2,230,235, a decrease of \$482,587 from the previous year. Total fund balance at December 31, 2017 was \$2,011,915, which represents a decrease of \$527,642 from the prior year, as compared to a break-even budget. Of this balance, \$908,494 has been committed for compensated absences, leaving \$1,103,421 of unassigned fund balance.

As the graph illustrates, the City has generally been able to maintain healthy cash and fund balance levels as the volume of financial activity has grown. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and is a factor in determining the City's bond rating and resulting interest costs. Maintaining an adequate fund balance has become increasingly important given the fluctuations in state funding for cities in recent years.

Total fund balance at December 31, 2017 represents approximately 13.4 percent of the City's annual General Fund expenditures based on 2017 expenditure levels, compared to 17.7 percent at the previous year-end.

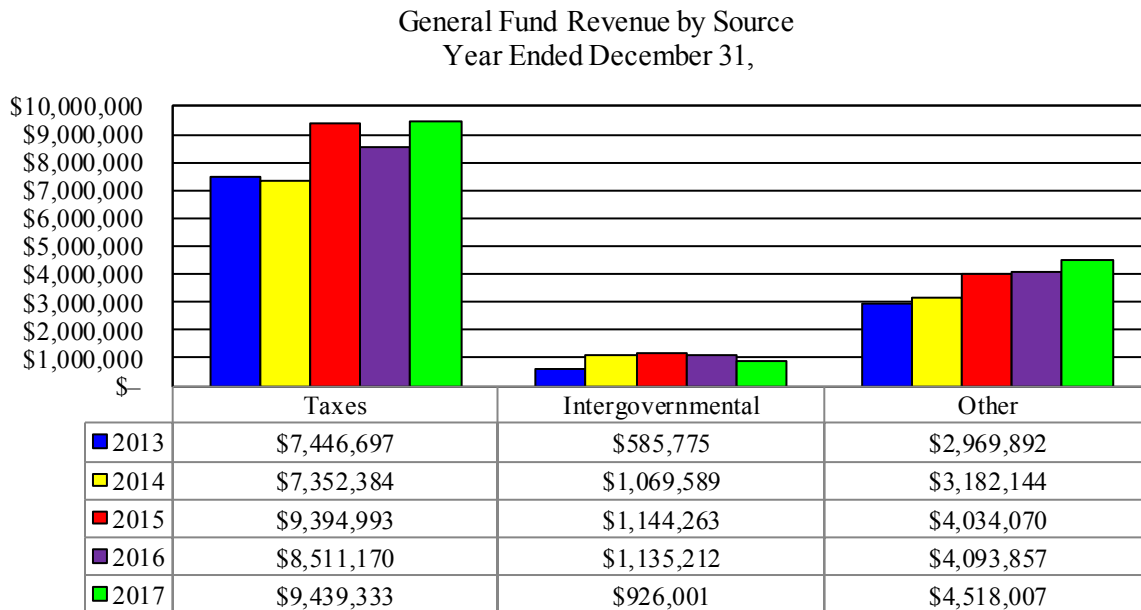
The following graph reflects the City's General Fund reliance on its revenue sources for 2017:



Total General Fund revenues for 2017 were \$14,883,341, which was \$166,139 (1.1 percent) under the final budget.

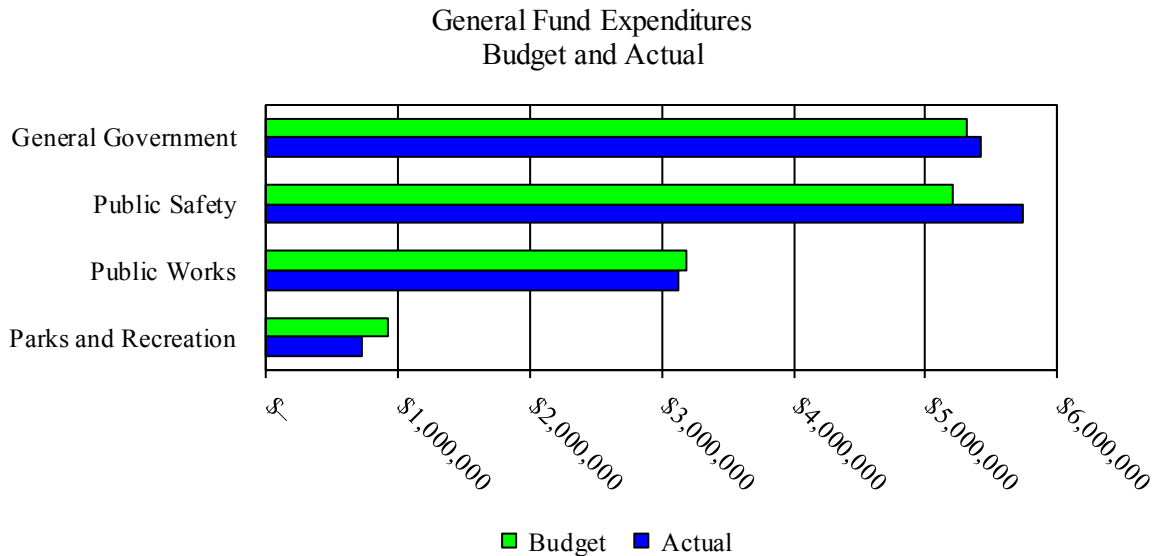
Tax revenue was under budget by \$140,234, mainly due to electric franchise fees being lower than anticipated. Other revenues as shown above, which vary from year-to-year, were \$193,833 under budget. These budget variances were partially offset by licenses and permit revenues being \$140,745 over budget, mainly due to more than anticipated building activity.

The following graph presents the City's General Fund revenue sources for the last five years. The graph shows the trend common to most cities with an increased reliance on property taxes and other local revenues to finance the operations of local governments.



General Fund revenue for 2017 was \$1,143,102 (8.3 percent) higher than the previous year. Tax revenues increased \$928,163, mainly due to an increase in the adopted levy. The increase in other revenues of \$424,150 is primarily related to increased building activity, which resulted in more license and permit fees and increased charges for services.

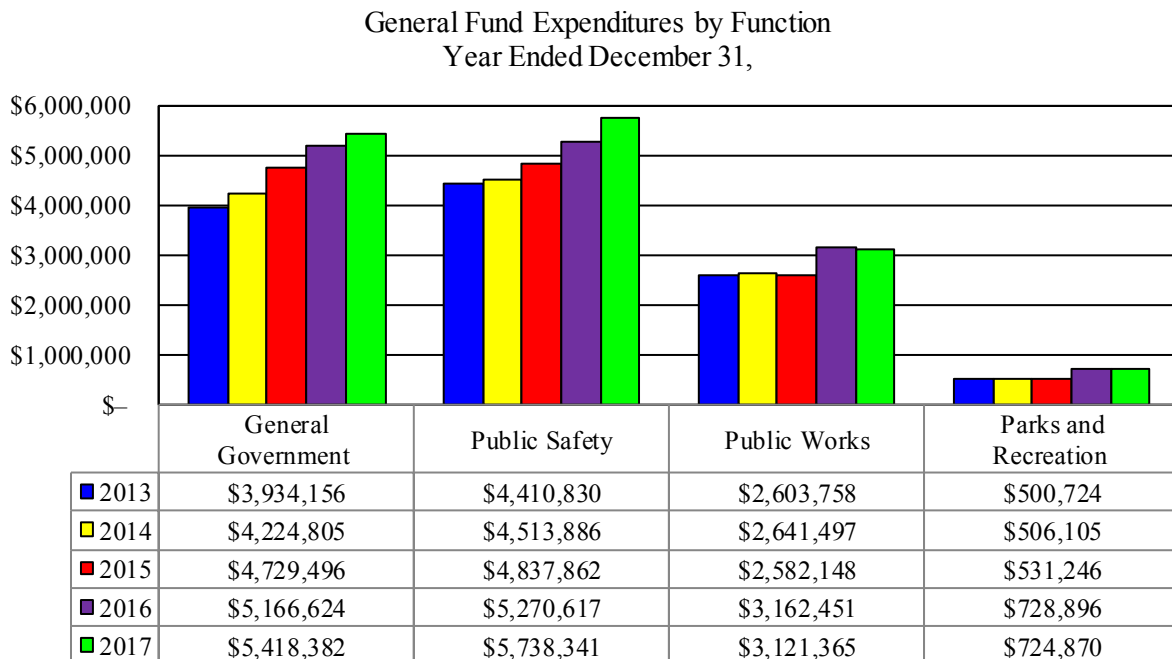
The following graph provides the components of the City's General Fund spending for 2017:



Total General Fund expenditures for 2017 were \$15,002,958, which was \$362,478 (2.5 percent) higher than the final budget.

Public safety expenditures were \$533,756 over budget, mainly in the police services department. This variance was partially offset by parks and recreation expenditures, which were \$199,277 under budget mainly in the beach/Firemen's Park department.

The following graph illustrates trends in General Fund expenditures by function over the past five years:



General Fund expenditures for 2017 were \$674,370 (4.7 percent) higher than the prior year. The largest increases were in public safety (up \$467,724) and general government (up \$251,758). The increase in public safety was mainly in the police services and fire protection departments. The increase in general government was mainly in administration, administrative services, and community development departments.

ENTERPRISE FUNDS OVERVIEW

The City maintains several enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds.

The enterprise funds comprise a considerable portion of the City's activities. These funds help to defray overhead and administrative costs and provide additional support to general government operations by way of annual transfers. Over the years we have emphasized to our city clients the importance of these utility operations being self-sustaining, preventing additional burdens on general governmental funds. This would include the accumulation of resources for future capital improvements and to provide a cushion in the event of a negative trend in operations.

ENTERPRISE FUNDS FINANCIAL POSITION

The following table summarizes the changes in the financial position of the City's enterprise funds during the years ended December 31, 2017 and 2016, presented both by classification and by fund:

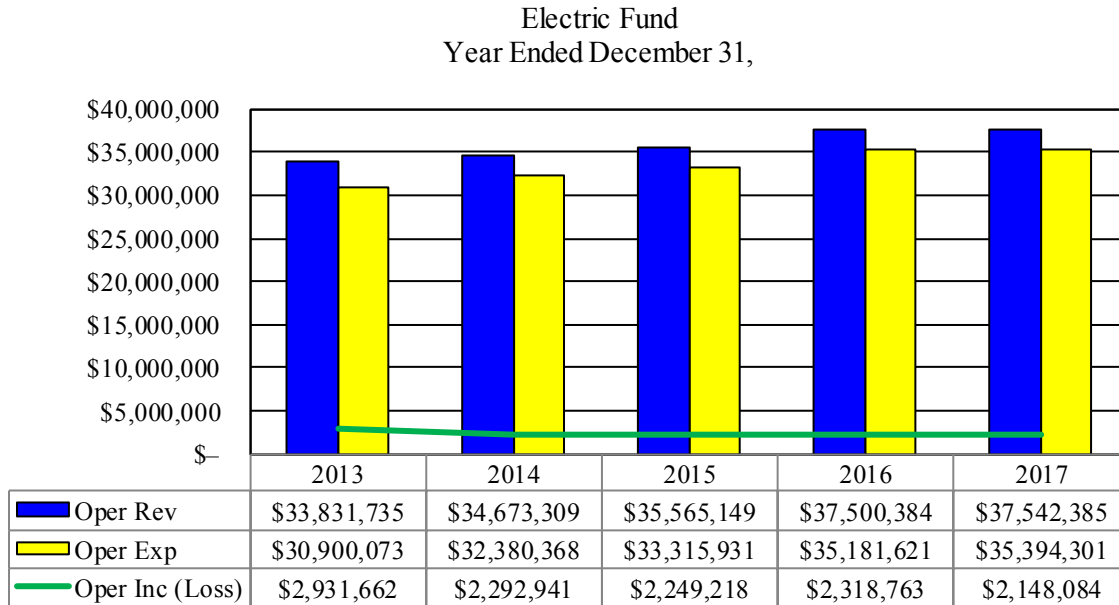
Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		Increase (Decrease)
	2017	2016	
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 30,523,279	\$ 31,821,470	\$ (1,298,191)
Restricted	17,986,742	5,609,821	12,376,921
Unrestricted	(7,651,895)	1,754,968	(9,406,863)
Total enterprise funds	<u>\$ 40,858,126</u>	<u>\$ 39,186,259</u>	<u>\$ 1,671,867</u>
Total by fund			
Electric	\$ 30,253,348	\$ 29,166,929	\$ 1,086,419
Water	3,793,413	3,288,604	504,809
Community Center	4,091,118	5,094,443	(1,003,325)
Turbine Generator	1,462,530	689,699	772,831
Curling Center	(1,108,162)	(1,483,851)	375,689
Nonmajor Enterprise	<u>2,365,879</u>	<u>2,430,435</u>	<u>(64,556)</u>
Total enterprise funds	<u>\$ 40,858,126</u>	<u>\$ 39,186,259</u>	<u>\$ 1,671,867</u>

In total, the net position of the City's enterprise funds increased by \$1,671,867 during the year ended December 31, 2017, primarily due to the operations of the Electric Fund.

The shift between restricted and unrestricted net position was caused by a new \$10,108,000 restriction for operations and maintenance required to comply with bond covenants in the Electric Fund.

ELECTRIC FUND

The following graph presents selected data for the City's Electric Fund for the last five years:



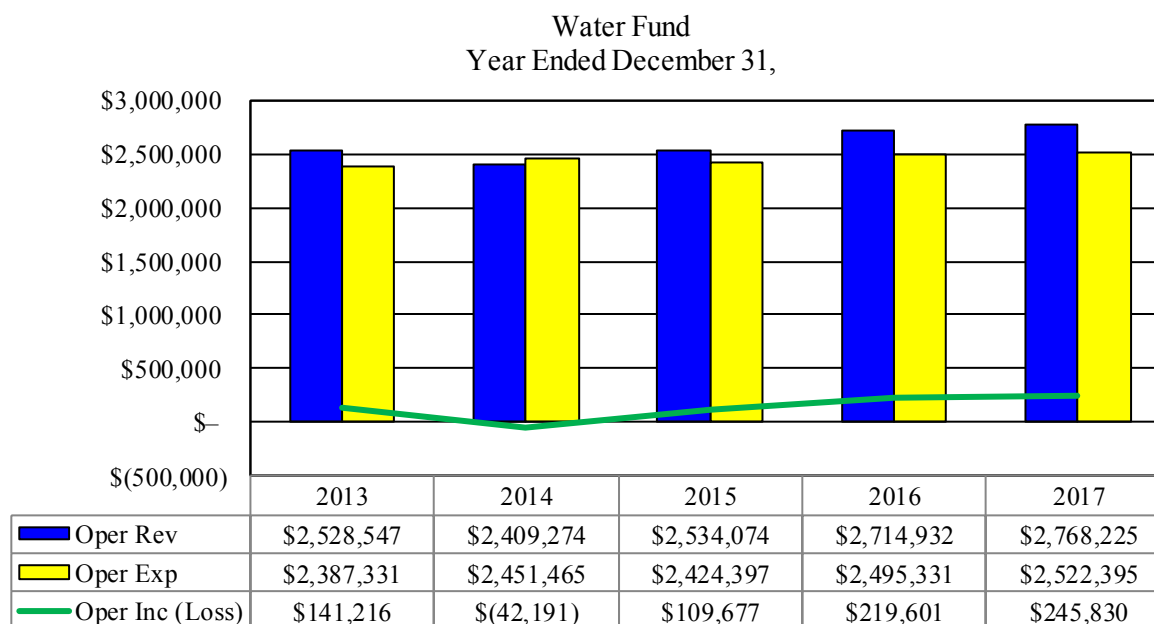
The Electric Fund ended 2017 with a total net position of \$30,253,348, an increase of \$1,086,419 from current year operations. The Electric Fund's net investment in capital assets was \$15,119,014 at year-end. An additional \$11,037,883 of net position was restricted for debt service at year-end, leaving \$4,096,451 of unrestricted net position.

Operating revenue in the Electric Fund increased slightly from the prior year, up \$42,001 (0.1 percent).

Operating expenses were \$212,680 (0.6 percent) higher than last year. Costs were higher mainly in the production expense area, which increased \$362,187.

WATER FUND

The following graph presents selected data for the City's Water Fund for the last five years:



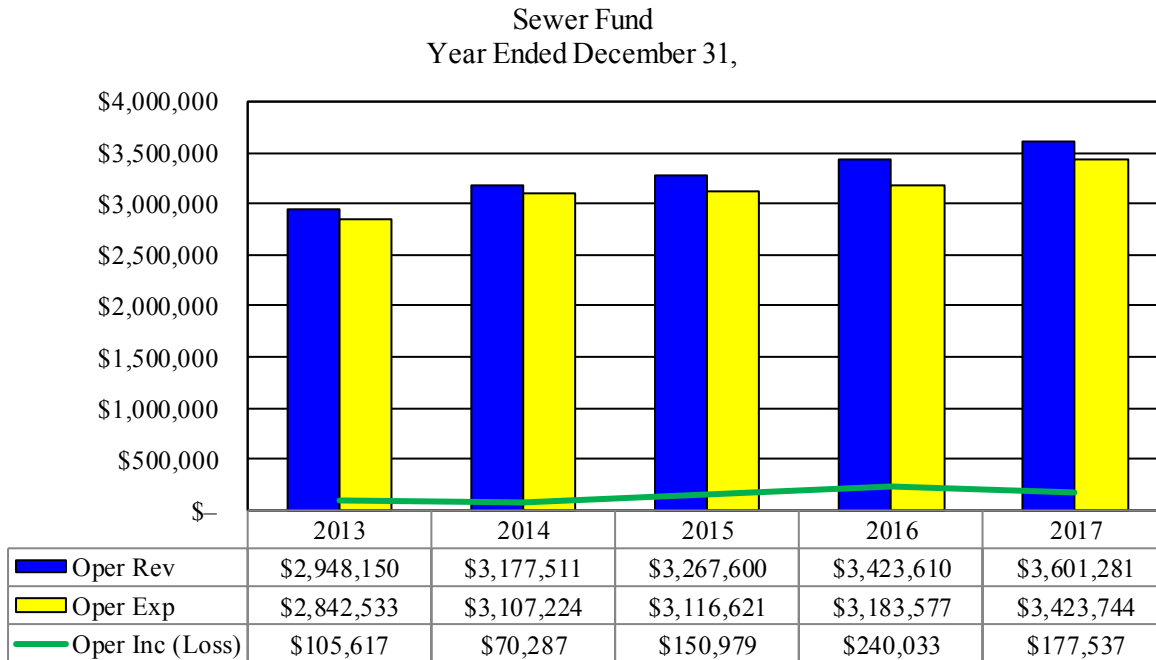
The Water Fund ended 2017 with a total net position of \$3,793,413, an increase of \$504,809 from current year operations. The Water Fund's net investment in capital assets was \$2,096,065 at year-end, leaving \$1,697,348 of unrestricted net position.

Operating revenue in the Water Fund increased \$53,293 (2.0 percent) from the prior year. Revenue increased due to higher usage (1.3 percent) and an increase in the water rates in 2017.

Water Fund operating expenses for 2017 were \$27,064 (1.1 percent) higher than the previous year, mainly due to increased production costs.

SEWER FUND

The following graph presents selected data for the City's Sewer Fund for the last five years:



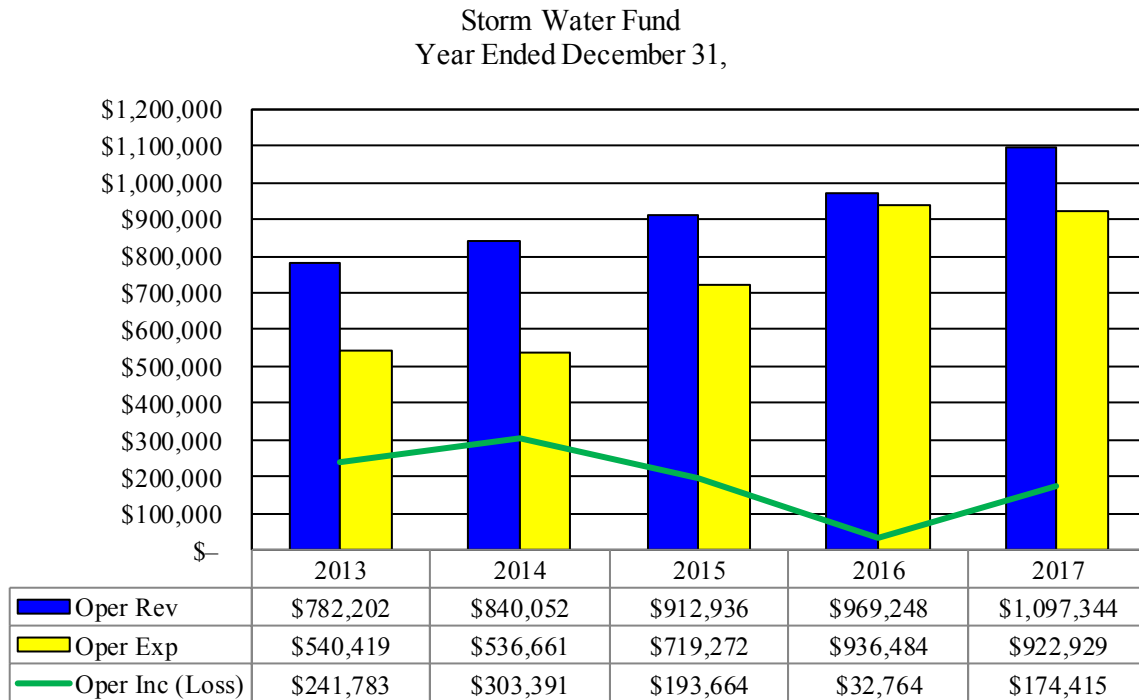
The Sewer Fund ended 2017 with a total net position deficit of \$1,665, an improvement of \$199,956 from current year operations. The Sewer Fund's net investment in capital assets was \$1,200,793 at year-end, leaving a deficit of \$1,202,458 in unrestricted net position.

Operating revenue in the Sewer Fund increased \$177,671 (5.2 percent) from the prior year, mainly due to a rate increase offset by a slight decrease in usage.

Sewer Fund operating expenses for 2017 increased \$240,167 (7.5 percent) from the prior year, mainly due to increased production and distribution costs.

STORM WATER FUND

The following graph presents selected data for the City's Storm Water Fund for the last five years:



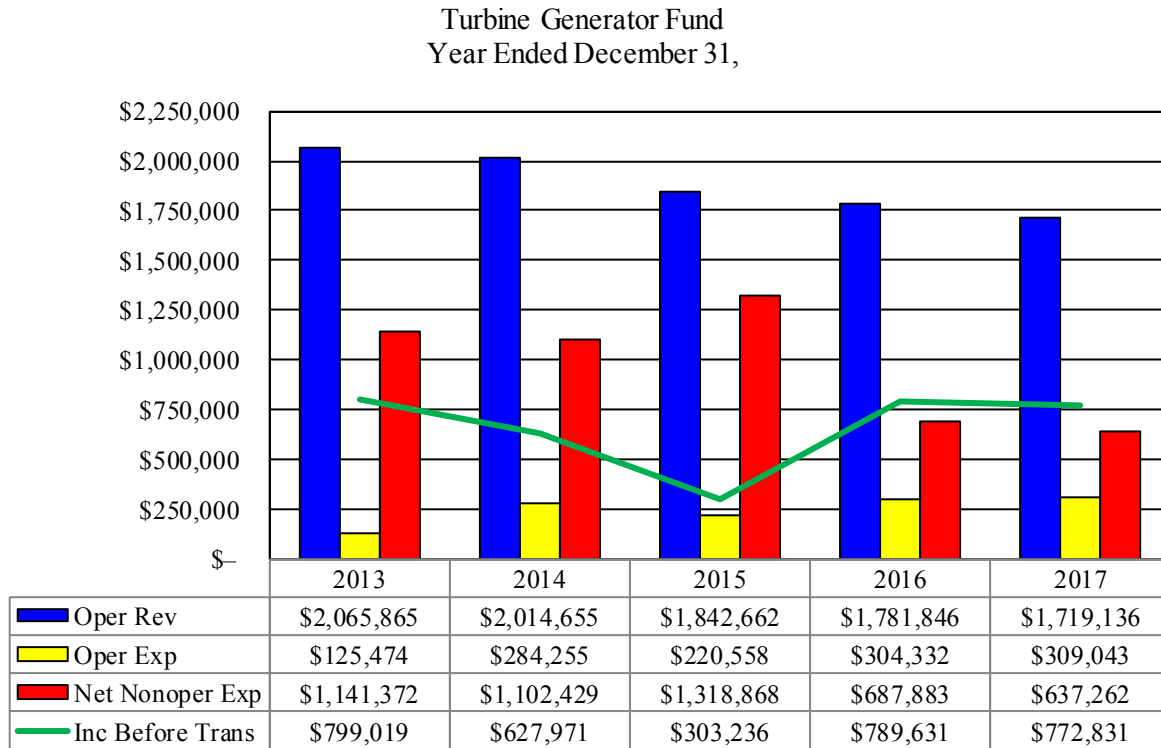
The Storm Water Fund ended 2017 with a total net position of \$671,145, an increase of \$273,221 from current year operations. The Storm Water Fund's net investment in capital assets was \$1,928,687 at year-end, leaving a deficit of \$1,257,542 in unrestricted net position.

Operating revenue in the Storm Water Fund increased \$128,096 (13.2 percent) from the prior year, which is representative of an 11.8 percent increase in the storm water base rate.

Storm Water Fund operating expenses for 2017 decreased \$13,555 (1.5 percent) from the prior year.

TURBINE GENERATOR FUND

The following graph presents selected data for the Turbine Generator Fund for the last five years:



The Turbine Generator Fund ended 2017 with a total net position of \$1,462,530, an increase of \$772,831 from current year operations. The Turbine Generator Fund had a net position restricted for debt service of \$3,075,106 at year-end, leaving a deficit of \$1,612,576 in unrestricted net position.

The City's Turbine Generator Fund is used to account for the City's agreement with the Minnesota Municipal Power Agency (MMPA) for the exclusive rights to the power generated by the turbine generator built by the City. The Turbine Generator Fund receives payments from the MMPA agreement sufficient to pay off the debt service on the turbine generator. The deficit in unrestricted net position will be eliminated in future years as the annual interest on the Turbine Generator Fund debt decreases.

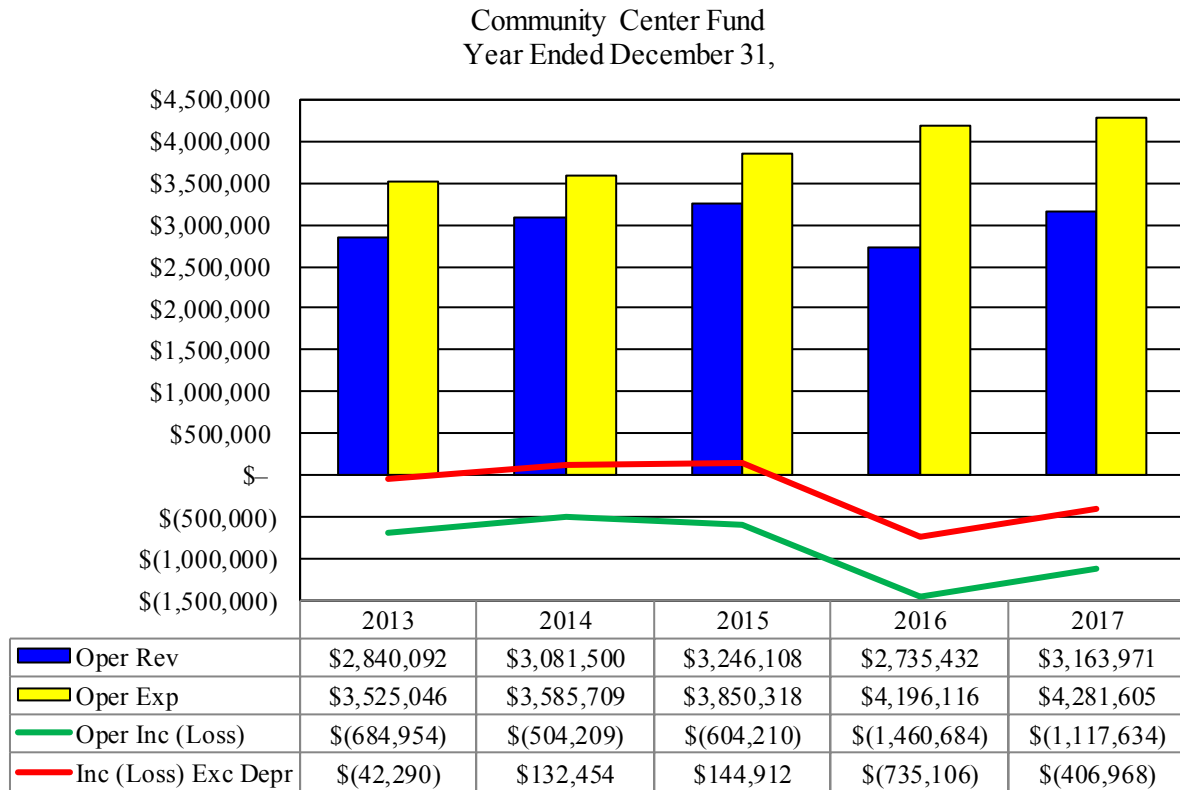
Operating revenues have been slowly decreasing over the five-year period shown above, dropping \$62,710 (3.5 percent) in 2017.

Operating expenses in the Turbine Generator Fund increased \$4,711 (1.6 percent) from the prior year.

The decrease in net nonoperating expenses in 2016, which consists mainly of debt interest payments less interest earned on the cash held in escrow, is due to the refunding of bonds in 2015.

COMMUNITY CENTER FUND

The following graph presents selected data for the City's Community Center Fund for the last five years:



The Community Center Fund ended 2017 with a total net position of \$4,091,118, a decrease of \$1,003,325 from current year operations. The Community Center Fund's net investment in capital assets was \$4,265,044 at year-end. An additional \$2,450,187 of net position was restricted for debt service at year-end, leaving a deficit of \$2,624,113 in unrestricted net position.

Operating revenue in the Community Center Fund increased \$428,539 (15.7 percent) from the prior year, mainly due to increased membership revenues as the City restructured the membership fees.

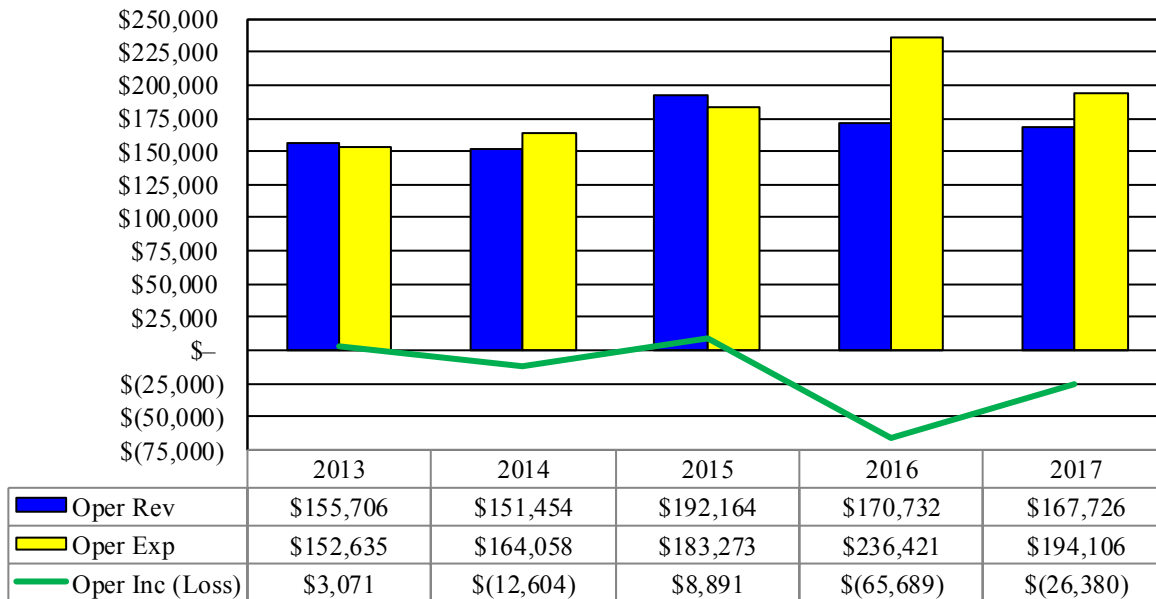
Community Center Fund operating expenses increased \$85,489 (2.0 percent) from the prior year.

The annual operating income (loss), excluding depreciation, is provided above, as rental rates set for this fund through the City's budgetary process are not intended to recover the full cost of depreciation. The Community Center Fund has typically generated adequate operating revenues to cover annual fund expenses, excluding depreciation. However, this fund has generated operating losses, excluding depreciation, each of the last two years.

GOLF COURSE FUNDS

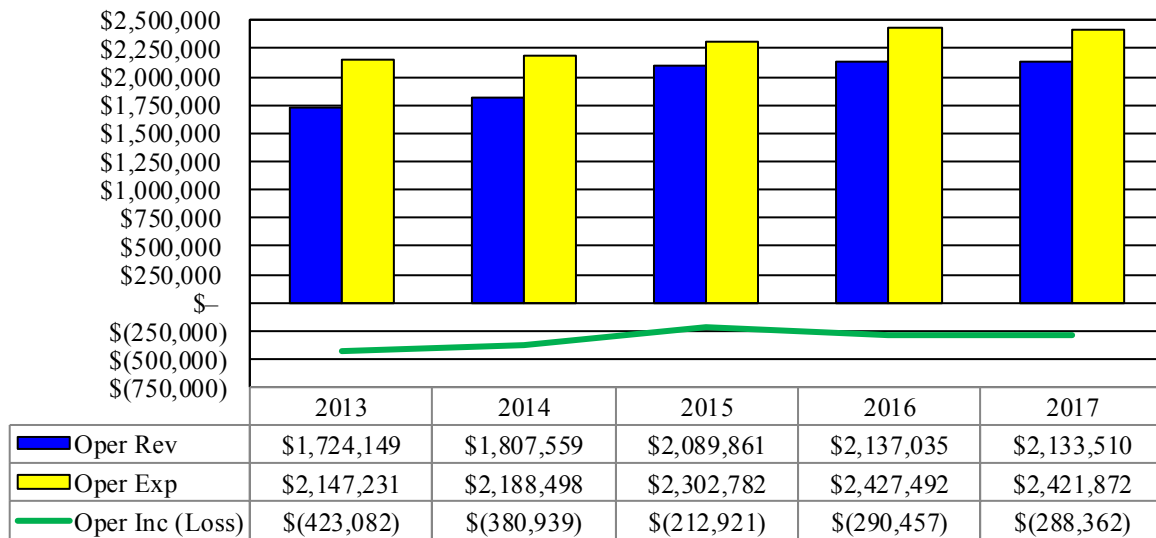
The following graphs present selected data for the City's two Golf Course Funds for the last five years:

Par 30 Golf Course Fund
Year Ended December 31,



The Par 30 Golf Course Fund ended 2017 with a total net position deficit of \$150,457, a decrease of \$17,535 from current year operations. The unrestricted portion of net position was a deficit of \$176,903 at year-end. The Par 30 Golf Course Fund's operating revenues decreased \$3,006 (1.8 percent) in 2017. Operating expenses decreased \$42,315 (18.0 percent) from the prior year.

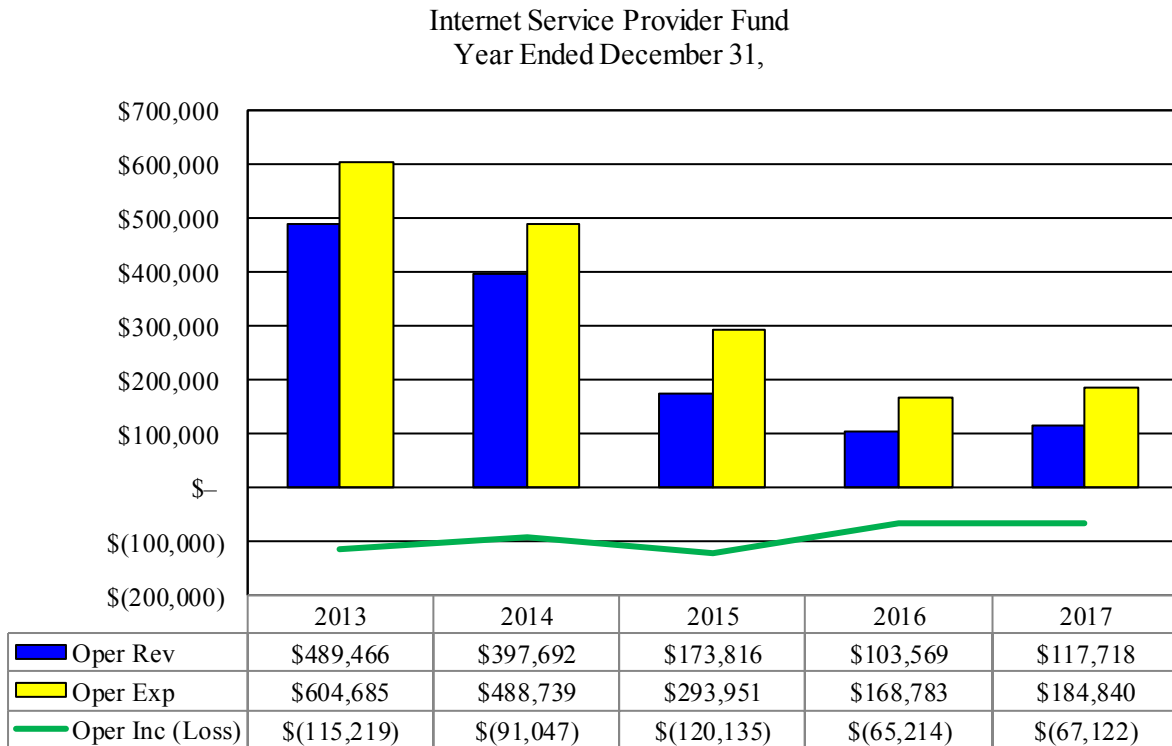
Chaska Town Course Golf Fund
Year Ended December 31,



The Chaska Town Course Golf Fund ended 2017 with a total net position of \$1,404,696, a decrease of \$453,076 from current year operations. The unrestricted portion of net position was a deficit of \$1,181,370 at year-end. The Chaska Town Course Golf Fund's operating revenues decreased \$3,525 (0.2 percent) for 2017. Operating expenses decreased \$5,620 (0.2 percent) from the prior year.

INTERNET SERVICE PROVIDER FUND

The following graph presents selected data for the City's Internet Service Provider Fund for the last five years:



The Internet Service Provider Fund ended 2017 with a total net position of \$442,160, a decrease of \$67,122 from current year operations. The Internet Service Provider Fund's net investment in capital assets was \$471,095 at year-end, leaving a deficit of \$28,935 in unrestricted net position.

Operating revenues in the Internet Service Provider Fund increased by \$14,149 (13.7 percent) from the prior year, mainly due to two new fiber customers in the current year.

Operating expenses for 2017 increased \$16,057 (9.5 percent), mainly due to increased distribution costs.

CHASKA CURLING CENTER FUND

The City started a Chaska Curling Center Fund in 2014, and completed construction of the curling facility in 2015. The current year was the second full year of operation of the facility. The fund ended 2017 with a total net position deficit of \$1,108,162. The net investment in capital assets was \$2,830,069 at year-end. An additional \$1,423,566 of net position was restricted for debt service at year-end, leaving a deficit unrestricted net position of \$5,361,797.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what the City owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

The following table presents the components of the City's net position as of December 31, 2017 and 2016, for governmental activities and business-type activities:

	As of December 31,		Increase (Decrease)
	2017	2016	
Net position			
Governmental activities			
Net investment in capital assets	\$ 137,122,192	\$ 132,552,673	\$ 4,569,519
Restricted	19,807,677	14,175,353	5,632,324
Unrestricted	(2,060,473)	(640,332)	(1,420,141)
Total governmental activities	154,869,396	146,087,694	8,781,702
Business-type activities			
Net investment in capital assets	30,523,279	31,821,470	(1,298,191)
Restricted	17,986,742	5,609,821	12,376,921
Unrestricted	(7,433,427)	1,918,324	(9,351,751)
Total business-type activities	41,076,594	39,349,615	1,726,979
Total net position	<u>\$ 195,945,990</u>	<u>\$ 185,437,309</u>	<u>\$ 10,508,681</u>

Total net position increased \$10,508,681 during the 2017 fiscal year.

Governmental activities net position increased \$8,781,702, mainly in net investment in capital assets and restricted net position. The change in the net investment in capital assets category typically depends on the relationship of the rate at which the City is adding capital assets, the rate capital assets are being depreciated, and how the City finances the purchase and construction of capital assets. The current year increase includes capital asset contributions of almost \$4.3 million received from developers. The increase in restricted net position for capital projects contributed to the increased restricted net position in the current year.

Business-type activities net position increased \$1,726,979, as outlined in the discussion of enterprise fund operations earlier in this report.

STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2017 and 2016:

	2017			2016
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 6,603,240	\$ 3,756,195	\$ (2,847,045)	\$ (2,516,989)
Economic development	2,005,808	1,584,568	(421,240)	(868,501)
Public safety	6,063,781	791,741	(5,272,040)	(6,204,610)
Public works	9,042,167	14,159,286	5,117,119	2,085,252
Parks, recreation, and arts	1,286,155	1,392,843	106,688	(732,590)
Interest on long-term debt	1,264,604	—	(1,264,604)	(1,424,886)
Business-type activities				
Electric	35,744,098	38,054,431	2,310,333	2,467,736
Water	2,883,350	2,805,489	(77,861)	(94,303)
Sewer	3,494,259	3,609,674	115,415	283,640
Community center	4,536,723	3,164,370	(1,372,353)	(1,679,162)
Par 30 golf course	193,856	167,757	(26,099)	(68,908)
Chaska Town Course	2,512,410	2,133,725	(378,685)	(294,027)
Turbine generator	1,019,671	1,719,136	699,465	724,463
Internet service provider	184,840	117,718	(67,122)	(65,214)
Storm water	980,334	1,245,261	264,927	345,477
Chaska Curling Center	2,330,918	1,221,592	(1,109,326)	(341,652)
Total net (expense) revenue	<u>\$ 80,146,214</u>	<u>\$ 75,923,786</u>	(4,222,428)	(8,384,274)
General revenues				
Property taxes			9,089,057	8,189,403
Franchise taxes			4,300,526	4,224,548
Grants and contributions not restricted to specific functions			351,372	585,679
Investment earnings			514,286	489,731
Other			475,868	574,137
Total general revenues			<u>14,731,109</u>	<u>14,063,498</u>
Change in net position			<u>\$ 10,508,681</u>	<u>\$ 5,679,224</u>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as property taxes and franchise taxes. It also shows that, for the most part, the City's business-type activities are generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.

LEGISLATIVE UPDATES

The 2017 legislative session began with a full agenda, which included adopting a fiscal year 2018–2019 biennial state budget. The February 2017, state budget forecast projected that the state General Fund would end the 2016–2017 biennium with a surplus of \$743 million, eliminating the need for budget cuts or transfers to balance the fund. However, the Legislature was expected to address several significant spending areas for which successful funding appropriations had not been passed in recent legislative sessions. The 2017 regular legislative session ended with four omnibus budget bills being vetoed, potentially leaving a number of these same areas without appropriations. After a three-day special session, the Governor and Legislature were able to agree on budget and appropriation bills addressing most of the state budgetary needs for the upcoming biennium, albeit not without several line item vetoes invoked by the Governor, including striking the appropriations for operating the House and Senate from the bills.

The following is a summary of recent legislation affecting Minnesota cities:

Omnibus Bonding Bill – The omnibus bonding bill authorizes financing for approximately \$1.1 billion in capital improvements. Included in the approved funding was \$255 million for transportation infrastructure, \$83 million for economic development, \$116 million for Public Financing Agency water infrastructure loans and grants to municipalities, and \$4 million for Metropolitan Council inflow and infiltration improvement grants to metro area cities.

Omnibus Transportation Bill – The omnibus transportation bill appropriates \$2.95 billion in fiscal 2018 and \$2.87 billion in fiscal 2019, for a wide variety of transportation related projects. Included in the appropriations are approximately \$191 million and \$198 million for municipal state aid street fund purposes in fiscal 2018 and fiscal 2019, respectively.

Property Tax Relief – The omnibus tax bill contained a number of property tax relief measures, including:

- Elimination of the implicit price deflator annual increase for the state general property tax levy, effectively freezing it at the payable 2018 level for many property classes;
- Exempting the first \$100,000 of each commercial-industrial parcel's tax capacity from the state general property tax levy;
- Expanding eligibility for homestead or agricultural property classification exemptions for certain types of resort and conservation property for general property taxes; and
- Increasing the minimum value for a storage shed, deck, or similar structure on a leased mobile home to be considered taxable from \$1,000 to \$10,000.

Local Government Aid – The annual appropriation for Local Government Aid (LGA) for cities was increased \$15.0 million to \$534.4 million for aid payable in 2018 and thereafter, and the LGA payment schedule was accelerated for fiscal 2019 only. Several corrections were also made to the city LGA formula calculation, and a sparsity adjustment was incorporated for certain medium and small cities beginning in 2018.

Minnesota Investment Fund – The omnibus jobs and economic growth bill appropriates \$12.5 million for each year of the biennium for the Minnesota Investment Fund, which is available for municipalities to provide loans to assist with the expansion of local businesses.

Electronic Funds Transfers – Effective August 1, 2017, home rule charter cities of the second, third, or fourth class are added to the list of local government entities allowed to pay certain claims using electronic funds transfers. To be eligible, local governments must enact specified policy controls governing the initiation, authorization, and documentation of electronic funds transfers.

Claims Declaration – The requirement to obtain a specific form of written claim declaration was also repealed based on the understanding that by making the claim, the party making the claim is declaring that the claim is just and correct and has not been paid previously.

City E-mail Address Required to Receive State Aid – Effective for state aids payable in 2018 and thereafter, cities will be required to register an official e-mail address with the Commissioner of the state Department of Revenue in order to receive state aid payments.

Workforce Housing Tax Increment Financing – The omnibus tax bill created a new authorized use of tax increment financing (TIF), for workforce housing in cities located outside of the statutorily defined metropolitan area that meet certain criteria.

Tax Increment Financing Interfund Loans – Interfund loan provisions for TIF were amended to make it easier for cities and development authorities to make and document interfund loans. Loans may now be made or documented up to 60 days after the actual transfer or expenditure occurs. Interfund loan resolutions may now be passed prior to the final approval of the related TIF plan. Loan terms may be amended after the loan has been made if the TIF district has not been decertified.

Public Debt – The Legislature passed several amendments to statutes governing public debt that took effect on July 1, 2017, including:

- Allowing both home rule charter and statutory cities to issue 20-year capital notes for projects to eliminate R-22 Freon-based refrigerant;
- Increasing the maximum dollar limit on Housing and Redevelopment Authority general obligation bond issues from \$3 million to \$5 million; and
- Modifying the requirements for street reconstruction bonds to be approved by a two-thirds majority of the governing body rather than requiring unanimous approval.

Local Housing Trust Funds – The omnibus jobs and economic growth appropriations bill established authority for cities to create a local housing trust fund by ordinance, or to participate in a joint powers agreement to establish a regional housing trust fund. The funds, which may be financed from sources such as local government appropriations or housing and redevelopment authority levies, may be used for grants or loans for development, rehabilitation, financing of housing to match federal or state or private funds for housing, down payment assistance, rental assistance, or homebuyer counseling.

Long-Term Equity Investment Authority – Effective July 1, 2017, cities with a population of more than 100,000 or those that had their most recently issued general obligation bonds rated in the highest category, are authorized to invest in an expanded list of authorized investments that includes certain equity-based investments. The amount invested in equity-based investments cannot exceed 15 percent of the sum of a city's assigned cash, cash equivalents, deposits, and investments. Before investing in the expanded list of authorized investments, the governing body of the municipality must adopt a resolution acknowledging the risks assumed.

Border-to-Border Broadband Grants – The Legislature appropriated \$20 million in fiscal 2018 for the Border-to-Border Broadband Grant Program. The grants, available through the Office of Broadband Development in the Department of Employment and Economic Development, provide funding to help communities meet state goals for the development of state-wide, high-speed broadband access, focusing on areas currently considered to be underserved or with a high concentration of low-income households.

Elections – An omnibus elections law was passed making several modifications to election administration, including: requiring special elections conducted by local governments be held on one of five uniform election dates, clarifying the timeline for municipalities to change from odd to even-year election cycles or vice-versa, allowing municipalities to canvass the results of a primary election on the second or third day after the primary, and appropriating \$7 million for grants to replace aging election equipment or purchase electronic poll books.

Workers' Compensation and PERA Retirement Benefits – A statutory change was adopted based on the results of recent court rulings that Public Employees Retirement Association (PERA) retirement benefits should not be offset against workers' compensation permanent total disability benefits. Under the new law, claimants would receive all past and future permanent and total disability benefits without a PERA retirement offset.

Notice of Proposed Ordinances – A new statute was created requiring cities to provide a 10-day notice prior to a scheduled final vote on most new proposed ordinances or amendments to ordinances, and specifying the various acceptable means of providing the required notification.

State Building Code Applicability – Construction, additions, and alterations to places of public accommodation; defined as publicly or privately-owned facilities designed for occupancy by 200 or more people as a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or indoor swimming pool; must comply with the state building code.

Sunday Liquor Sales – Minnesota Statutes were amended to allow for the sale of intoxicating liquor on Sundays between the hours of 11:00 a.m. and 6:00 p.m. by off-sale licensees, effective July 1, 2017.

REAL ID Act – Minnesota Statutes were amended to make the state compliant with federal REAL ID Act requirements, which will change identity verification and security related to state-issued identification cards and driver's licenses.

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ACCOUNTING AND AUDITING UPDATES

GASB STATEMENT NO. 75, *ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with other post-employment benefits (OPEB), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This statement replaces the requirements of GASB Statement Nos. 45 and 57.

This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Similar to changes implemented for pensions, this statement requires the liability of employer and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. Note disclosure and RSI requirements about defined benefit OPEB also are addressed.

The requirements for this statement are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

GASB STATEMENT NO. 83, *CERTAIN ASSET RETIREMENT OBLIGATIONS*

This statement addresses accounting and financial reporting for certain asset retirement obligations (ARO), which are legally enforceable liabilities associated with the retirement of a tangible capital asset.

This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability when it is both incurred and reasonably estimable. The measurement of an ARO is required to be based on the best estimate of the current value of outlays expected to be incurred, and a deferred outflow of resources associated with an ARO is required to be measured at the amount of the corresponding liability upon initial measurement.

This statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. Deferred outflows of resources should be reduced and recognized as outflows of resources in a systematic and rational manner over the estimated useful life of the tangible capital asset.

If a government owns a minority interest in a jointly owned tangible asset where a nongovernmental entity is the majority owner or has operational responsibility for the jointly owned asset, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this statement.

The statement also requires disclosures of any funding or financial assurance requirements a government has related to the performance of asset retirement activities, along with any assets restricted for the payment of the government's AROs. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This statement requires similar disclosures for a government's minority shares of AROs.

The requirements of this statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB STATEMENT NO. 84, *FIDUCIARY ACTIVITIES*

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements, which should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources, defined as when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB STATEMENT NO. 85, *OMNIBUS 2017*

The objective of this statement is to address issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and OPEB). The statement is meant to enhance consistency in the application of recent accounting and financial reporting standards. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

GASB STATEMENT NO. 86, *CERTAIN DEBT EXTINGUISHMENT ISSUES*

Current GASB guidance requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. This new standard establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt.

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

GASB STATEMENT NO. 87, *LEASES*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

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**CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION**

**CITY OF CHASKA
STATE OF MINNESOTA**

**ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2017**

Prepared By:

Noel J. Graczyk
Administrative Services Director
City of Chaska

Jay Tobin
Finance Manager
City of Chaska

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BOARD OF TRUSTEES
ELECTED AND EX-OFFICIO BOARD MEMBERS

ELECTED TRUSTEES:

<u>Trustee Office</u>	<u>Trustee Name</u>	<u>Term</u>
President	Jesse Davey	2017-2019
Vice President.....	Gregg Davies (1)	2016-2018
Secretary	Chris Pierce	2015-2017
Treasurer.....	Jason Buntin	2017-2019
Trustee	Travis Lindberg	2016-2018
Trustee	Kevin Morrissey	2015-2017

TRUSTEES APPOINTED BY CITY:

Fire Chief, City of Chaska	Tim Wiebe
Mayor, City of Chaska.....	Mark Windschitl
Administrative Services Director, City of Chaska.....	Noel Graczyk

(1) Retired member

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Management
 Chaska Fire Department Relief Association
 Chaska, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the Association) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Association'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association'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.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Association as of December 31, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of City Contributions, and the Schedule of Investment Returns, 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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The introductory section and supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The introductory section and supplementary information 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.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 26, 2018

Basic Financial Statements:

- **Entity-Wide and Governmental Fund Financial Statements**
Governmental Activities – General Fund
- **Fiduciary Fund Financial Statements**
- **Notes to the Financial Statements**

**GOVERNMENTAL ACTIVITIES - GENERAL FUND
STATEMENT OF NET POSITION AND BALANCE SHEET
December 31, 2017**

STATEMENT 1

ASSETS

Cash and Investments - Deposits	\$ 44,826
Prepaid Items	1,800
Total Assets	<u>46,626</u>

LIABILITIES

Accounts Payable	<u>1,029</u>
------------------	--------------

FUND BALANCE/NET POSITION

Nonspendable Fund Balance/Unrestricted Net Position	1,800
Unassigned Fund Balance/Unrestricted Net Position	43,797
Total Fund Balance/Net Position	<u><u>\$ 45,597</u></u>

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

**GOVERNMENTAL ACTIVITIES - GENERAL FUND
STATEMENT OF ACTIVITIES AND REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
for the fiscal year ended December 31, 2017**

STATEMENT 2

PROGRAM EXPENDITURES/EXPENSES:

General Government

Conventions and Meetings	\$ 3,369
Other Expenditures/Expenses:	
Fund Raising	40,981
Reimbursable	8,033
Miscellaneous - Donations	<u>7,646</u>

TOTAL PROGRAM EXPENDITURES/EXPENSES	<u>60,029</u>
--	---------------

PROGRAM REVENUES:

General Government

Operating Grants & Contributions	<u>62,256</u>
----------------------------------	---------------

NET PROGRAM (EXPENDITURES/EXPENSES) AND REVENUES	<u>2,227</u>
---	--------------

GENERAL REVENUES:

Other General Revenues, Activities	<u>1,309</u>
------------------------------------	--------------

CHANGE IN FUND BALANCES/ NET POSITION	3,536
--	-------

FUND BALANCES/NET POSITION, January 1	<u>42,061</u>
--	---------------

FUND BALANCES/NET POSITION, December 31	<u><u>\$ 45,597</u></u>
--	-------------------------

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

**SPECIAL PENSION TRUST FUND
STATEMENT OF PLAN NET POSITION
December 31, 2017**

STATEMENT 3

ASSETS

Cash and Investments:

Investments:

U.S. Treasuries	\$ 87,879
Domestic Equities	2,305,990
International Equities	349,445
Investment Pools / Mutual Funds	3,059,766
Due From Other Governments	<u>7,000</u>

**NET POSITION RESTRICTED FOR
PENSION BENEFITS**

\$ 5,810,080

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

SPECIAL PENSION TRUST FUND
STATEMENT OF CHANGES IN PLAN NET POSITION
for the fiscal year ended December 31, 2017

STATEMENT 4

ADDITIONS

Contributions:

State of Minnesota

Fire Aid

\$ 151,712

Supplemental Benefit Aid

7,000

City of Chaska

285,081

Total Contributions

443,793

Investment Income:

Interest and Dividends

139,177

Net gain in fair value of investments

724,656

863,833

Less Investment Expense

43,869

Net Investment Income

819,964

TOTAL ADDITIONS

1,263,757

DEDUCTIONS

Benefit Payments:

Retirees:

Lump Sum Benefit

237,303

Monthly Benefit

284,919

Survivor Benefit

70,075

Disability Benefit

3,146

Total Benefit Payments

595,443

Administration:

Salaries - Treasurer and Secretary

6,000

Miscellaneous

4,295

TOTAL DEDUCTIONS

605,738

CHANGE IN PLAN NET POSITION

658,019

NET POSITION RESTRICTED FOR PENSION BENEFITS**JANUARY 1**

5,152,061

DECEMBER 31

\$ 5,810,080

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Note 1. Summary of Significant Accounting Policies

Authorized policies of the Chaska Fire Department Relief Association (CFDRA) conform to U.S. generally accepted accounting principles applicable to governmental units. The following is a summary of the significant accounting policies.

A.) Form of Government

The CFDRA was incorporated on March 3, 1891. It operates under the provisions of Minnesota State Statute Chapter 69.771 as amended. A board of nine trustees governs the CFDRA. The members of the CFDRA elect six trustees, each to a three-year term. The City appoints three trustees of which at least one is an elected member of the City Council. City appointed Trustee members may not hold any additional offices in the CFDRA.

B.) Financial Reporting Entity

The CFDRA is a fire relief association. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and U.S. generally accepted accounting principles, these financial statements present the CFDRA and its component units, entities for which the CFDRA is considered to be financially accountable. The CFDRA does not have any component units.

C.) Entity-Wide Financial Statement Presentation

The entity-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the financial activities of the CFDRA, except for the Fiduciary Funds. Generally, the effect of any material interfund activity has been removed from the entity-wide financial statements. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to association members or others who use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported instead as general revenues.

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

D.) Fund Definitions

The accounts of the CFDRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of financial resources, fund equity, revenue, expenditures, additions, and deductions. Resources are allocated to, and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The resources of the CFDRA are accounted for in two funds:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

-
- General Fund (Governmental Fund Type) - This fund accounts for all financial resources except those that are required to be accounted for in the Special Fund.
 - Special Fund (Fiduciary Fund Type) – This fund accounts for financial resources to be used exclusively for benefit payments (retirement, disability, and dependency) and administration of the Special Fund.

E.) Fund Basis of Accounting

General Fund - The modified accrual basis of accounting and current financial resources measurement focus is followed for the General Fund of the CFDRA. Under this method of accounting, revenues are recognized when received in cash, except for revenues of a material amount that have not been received at the normal time of receipt and revenues susceptible to accrual. Revenues considered susceptible to accrual are those revenues that are both measurable and available to finance the CFDRA's operations during the year. For this purpose, the CFDRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Typically, the CFDRA does not have revenues that are susceptible to accrual. Expenditures are reported when the related liability is incurred.

Special Pension Trust Fund - The accrual basis of accounting and economic resources measurement focus are followed for the Special Pension Trust Fund of the CFDRA. Under this method, additions (revenues) are recognized in the accounting period in which they are earned and become measurable. Deductions (expenses) are recognized in the period incurred, if measurable. Future pension costs are computed periodically in accordance with Minnesota State Statute requirements. Contributions from the City of Chaska, and from the State of Minnesota in the form of the two-percent insurance premium tax and amortization aid are recognized when due, provided that the contributor has made a formal commitment to provide the contribution.

Typically, separate fund financial statements are provided for Governmental Funds. However, due to the simplicity of CFDRA operations, the Governmental Fund financial statements have been combined with the entity-wide statements. Separate fund financial statements are provided for the Fiduciary Fund. Since, by definition, Fiduciary Funds assets are being held for the benefit of a third party and cannot be used for other activities or obligations of the CFDRA, the Fiduciary Fund is excluded from the entity-wide statements.

F.) Income Tax

The CFDRA is a tax-exempt organization under Internal Revenue Code § 501(c)(4). The Association is subject to tax on income from any unrelated business.

The CFDRA is subject to the recognition requirements for uncertain income tax positions as required by the Financial Accounting Standards Board ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes). Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The CFDRA has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdiction where it operates. The CFDRA believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the CFDRA's financial condition and results of

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

operations. Accordingly, the CFDRA has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at year end.

The CFDRA is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any open tax periods.

G.) Deposits

Cash accounts include Demand Deposit Accounts (DDA), also known as checking accounts, money market deposit accounts and non-negotiable certificates of deposit.

H.) Investments

Investments include negotiable certificates of deposits and all other securities purchased. Investments are reported at fair value. The CFDRA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and, Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. See Note 2 for the CFDRA's recurring fair value measurements as of the current year-end.

I.) Prepaid Items

Prepaid items are reported as expenditures/expenses at the time of consumption. At December 31, 2017 the CFDRA's General Fund reported prepaids of \$1,800 consisting of down payments for special events to be held in 2018.

J.) Due From Other Governments

At December 31, 2017 the CFDRA's Special Fund had a due from other governments of \$7,000 consisting of supplemental lump sum benefits to be reimbursed by the State in 2018.

K.) Payables

At December 31, 2017 the General Fund had payables related to special events totaling \$1,029.

L.) Net Position Classifications

In the entity-wide and fiduciary fund financial statements, net position represents the difference between assets, liabilities, and deferred inflows/outflows of financial resources, as applicable. Net position is displayed in three components:

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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

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

When both restricted and unrestricted resources are available for use, it is the Association’s policy to first use restricted resources.

M.) Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in the 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, inventory, and other long-term assets.

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

Committed – Consists of internally imposed constraints that are established by resolution by the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees 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 consist of amounts intended to be used by the Association for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body or by an official to which the governing body delegates the authority.

Unassigned – The residual classification for the General Fund.

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

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

N.) Capital Assets

All capital assets belong to the City and are expensed at the time of purchase. The CFDRA does not have any capital assets.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

O.) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P.) Actuarial Liability

The actuarial accrued pension liability has been calculated as of December 31, 2017 in accordance with GASB Statement No. 67. Actuarial liabilities are not recorded in the basic financial statements under accounting principles generally accepted in the United States of America. Instead, pension benefits payable to individual members are accrued in the Special Pension Trust Fund when due and payable upon retirement.

Note 2. Cash and Investments**A.) Components of Cash and Investments**

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

Deposits	\$ 44,826
Investments	<u>5,803,080</u>
Total	<u>\$5,847,906</u>

Cash and investments are reported on the basic financial statements as follows:

Statement of Net Position and Balance Sheet –	
Governmental Fund	\$ 44,826
Statement of Plan Net Position –	
Fiduciary Fund	<u>5,803,080</u>
Total Cash and Investments	<u>\$5,847,906</u>

B.) Deposits

In accordance with applicable Minnesota Statutes, the Association maintains deposits at depository banks authorized by the Board of Trustees, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

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

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Association's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The CFDRA has no additional deposit policies addressing custodial credit risk.

At December 31, 2017, the carrying amount and bank balance of the CFDRA deposits were \$44,826 and \$45,114 respectively. The entire bank balance was covered by federal depository insurance.

C.) Investments

The CFDRA has the following investments at year-end:

Investment Type	Carrying Value	Fair Value Measurement	Interest Rate Risk - Maturities (Years)		
			Less than 1	1 - 5	6 - 10
U. S. Treasury Securities	\$ 87,879	Level 2	\$0	\$87,879	\$0
Domestic Equities	2,305,990	Level 1	N/A	N/A	N/A
International Equities	349,445	Level 1	N/A	N/A	N/A
Investment Pools/Mutual Funds	2,629,198	Level 1	N/A	N/A	N/A
Investment Pools/Mutual Funds	430,568	NA	N/A	N/A	N/A
Total Investments	<u>\$5,803,080</u>				

N/A - Not Applicable

NAV – Net Asset Value

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the CFDRA would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CFDRA does not have a formal investment policy addressing custodial credit risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The CFDRA follows the limitation of investment types specified in Minnesota Statute 356A.06, subd. 7 (long list). The CFDRA does not have a formal investment policy addressing credit risk. The mutual fund balance includes \$430,568 rated AAA by S&P. The remaining investments are not rated.

Concentration Risk – This is the risk associated with investing a significant portion of the CFDRA’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The CFDRA does not have a formal investment policy addressing concentration risk.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The CFDRA does not have a formal investment policy addressing interest rate risk.

Note 3. Risk Management

The CFDRA is exposed to various risks of loss related to theft of assets for which the CFDRA carries commercial policies. 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.

Note 4. Public Employee Retirement Systems (PERS)**Plan Description**

Plan Administration. Chaska Fire Department Relief Association (CFDRA) administers the CFDRA Pension Plan (CFDRAPP) - a single-employer defined benefit pension plan that provides pensions for all members in good standing of the Chaska Volunteer Fire Department Relief Association. State Statutes grants the authority to establish and amend the benefit terms to the CFDRA Board of Trustees (CFDRA Board) with consent of the City Council.

Plan Membership. At December 31, 2017, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2017:

Inactive plan members receiving benefits:	
Retirees	43
Disability	1
Surviving spouses/beneficiaries	12
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	42
Total	<u>104</u>

Benefits provided. At December 31, 2017, pension plan benefits consisted of the following:

- (a) Individuals who become Members prior to November 4, 2013:
- (i) Monthly Service Pension: \$2.185 per month of service effective January 1, 2017. The maximum number of months is 360. The benefit is reduced 4% for each year of service less than 20.
 - (ii) In lieu of monthly payments, a member may elect a lump sum service pension based on completed years of service up to 30 years. The current lump sum pension is based on \$6,486 per year of service, plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000. The benefit is reduced 4% for each year of service less than 20.
 - (iii) Deferred Service Pension: Termination prior to age 50 with at least 10 years of service. The deferred pension is payable at age 50 and is reduced by 4% for each year of service less than 20.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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- (iv) Survivor Benefits: If an active, deferred, or retired member dies, the following benefits are available:

Spousal and Children's Benefits: Surviving Spouse receives 100% of member's monthly pension for life or until marriage. The surviving spouse may also elect a lump sum benefit as described above, plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000.

Surviving children receive 100% of member's monthly pension payable immediately at death of an active or inactive member, payable until age 18. If the child is enrolled in college or technical school, the payments will continue until age 22.

The maximum family benefit is 100% of the member's accrued benefit.

- (b) Individuals who become Members after November 4, 2013:

- (i) The member is entitled to a lump sum service pension based on completed years of service up to 25 years. The current lump sum pension is based on \$6,486 per year of service, plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000. The benefit is reduced 4% for each year of service less than 20.
- (ii) Deferred Service Pension: Termination prior to age 50 with at least 10 years of service. The deferred pension is payable at age 50 and is reduced 4% for each year of service less than 20.
- (iii) Survivor Benefits: If an active, deferred, or retired member dies, the surviving spouse, children or estate will receive 100% of the member's lump sum benefit plus a Supplemental Survivor Benefit in the amount of 20% of the total benefit paid, but not more than \$2,000.

- (c) Disability Benefits: A disabled member will receive the amount of their monthly service pension based on credited service as of the date the member became eligible for the disability benefit.

These benefit provisions are established and can be amended by the CFDRA's membership with approval by the Chaska City Council. Benefit provisions are within the limitations established by Minnesota State Statutes.

Contributions. State Statutes grants the authority to establish and amend the contribution requirements of the City to the CFDRA Board. The CFDRA Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute actuarially determined rate.

Investments

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the CFDRA Board by a majority vote of its members. It is the policy of the CFDRA Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2017:

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

Asset Class	Target Allocation
Domestic Equity	35.00%
International Equity	20.00%
Fixed Income	10.00%
Real Estate	10.00%
Cash	25.00%
Total	<u>100.00%</u>

Rate of Return. For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.3 percent. The money-weighted rate of return expresses investment performance, net investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the CFDRA

The components of the net pension liability (asset) of the CFDRA at December 31, 2017, were as follows:

Total Pension Liability	\$ 5,254,917
Plan Fiduciary Net Position	<u>(5,810,080)</u>
CFDRA's Net Pension Liability(Asset)	<u>\$ (555,163)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.6%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurements.

Inflation	2.75 percent
Salary Increases	N/A
Investment Rate of Return	6.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the following.

Healthy Pre-retirement: RP-2014 employee generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006.

Healthy Post-retirement: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

Disabled: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

The demographic actuarial assumptions used in the December 31, 2017 valuation were based on the same assumptions used in the June 30, 2017 PERA Police and Fire actuarial valuation, except that the CFDRA uses a separate retirement rate assumption based on a review completed in May 2015. The economic actuarial assumptions are reviewed annually as part of the CFDRA's annual valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	5.39%	8.14%
International Equity	5.20%	7.95%
Fixed Income	1.98%	4.73%
Real Estate	4.25%	7.00%
Cash	0.79%	3.54%
Total		6.95%
Less: Investment Expense		(0.80%)
Total (weighted average, Rounded to 1/4%)		6.25%

Discount rate. The discount rate used to measure the total pension liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the CFDRA, calculated using the discount rate of 6.25 percent, as well as what the CFDRA's net pension liability (asset) would be if it were calculated using a discount rate of 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
CFDRA net pension liability (asset)	(\$8,063)	(\$555,163)	(\$1,014,958)

**SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

EXHIBIT 1

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014²</u>
Total Pension Liability				
Service Cost	\$76,833	\$ 74,777	\$ 76,662	\$ 74,610
Interest	307,707	318,368	323,774	324,731
Changes of Benefits Terms	229,268	-	-	248,676
Differences between expected and actual experience	23,511	-	(42,040)	-
Changes of Assumptions	68,838	-	-	-
Benefit payments, including refunds of member contributions	<u>(595,443)</u>	<u>(451,119)</u>	<u>(517,365)</u>	<u>(318,551)</u>
Net change in total pension liability	110,714	(57,974)	(158,969)	329,466
Total Pension Liability – beginning ¹	<u>5,144,203</u>	<u>5,202,177</u>	<u>5,361,146</u>	<u>5,031,680</u>
Total Pension Liability - ending (a)	<u>\$5,254,917</u>	<u>\$5,144,203</u>	<u>\$5,202,177</u>	<u>\$5,361,146</u>
Plan Fiduciary Net Position				
Contributions - employer	\$443,793	\$ 427,285	\$ 401,321	\$ 361,296
Contributions - member	-	-	-	-
Net investment income	819,964	408,073	(220,343)	232,061
Benefit payments, including refunds of member contributions	<u>(595,443)</u>	<u>(451,119)</u>	<u>(517,365)</u>	<u>(318,551)</u>
Administrative expense	<u>(10,295)</u>	<u>(11,561)</u>	<u>(4,226)</u>	<u>(9,463)</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	658,019	372,678	(340,613)	265,343
Plan Fiduciary Net Position - beginning	<u>5,152,061</u>	<u>4,779,383</u>	<u>5,119,996</u>	<u>4,854,653</u>
Plan Fiduciary Net Position - ending (b)	<u>\$5,810,080</u>	<u>\$5,152,061</u>	<u>\$4,779,383</u>	<u>\$5,119,996</u>
CFDRA's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (555,163)	\$ (7,858)	\$ 422,794	\$ 241,150
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.6%	100.15%	91.87%	95.50%

Notes to Schedule:

¹ The 2013 results are shown for transition purposes only. They do not reflect what was actually recognized on the 2013 Financial Statements.

² Information for 2013 and prior years not available.

**SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS**

EXHIBIT 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution (ADC) ¹	\$265,347	\$265,347	\$267,302	\$267,302	\$293,799	\$293,799	\$246,000	\$246,000	\$221,350	\$221,350
Contributions in Relation to the ADC	436,793	427,285	401,321	361,296	364,512	298,250	299,930	271,345	266,139	280,753
Contribution Deficiency (Excess)	<u>(\$171,446)</u>	<u>(\$161,938)</u>	<u>(\$134,019)</u>	<u>(\$93,994)</u>	<u>(\$70,713)</u>	<u>(\$4,451)</u>	<u>(\$53,930)</u>	<u>(\$25,345)</u>	<u>(\$44,789)</u>	<u>(\$59,403)</u>

Notes to Schedule

¹ ADC amounts are equal to statutory requirements under MN Statutes 424A.092 and 69.773.

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two or three years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determined contribution rates:

Actuarial Cost Method	Entry Age Normal actuarial level dollar cost method
Amortization Method	Actuarial Losses - Amortize loss over 10 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	8 years as of December 31, 2017
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	0%, including inflation
Investment Rate of Return	5.0% as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 20 years of service
Mortality	RP-2000 Combined Mortality Table, fully generational

Other Information:

In 2006, benefit terms were modified to increase the monthly benefit from \$1.875 to \$1.975 per month of service effective January 1, 2006.

In 2009, benefit terms were modified to eliminate Funeral benefits. The benefit for surviving child was modified from \$25 per month to 25% of the members benefit payable at age 50.

In 2011, benefits terms were modified to change the surviving spouse benefits from 75% of the member's monthly benefit for life to 100% of the member's monthly benefit for life. The survivor benefit for surviving children was modified to change the benefit from 25% to 100% of the member's monthly pension.

In 2013, benefit terms were modified to add a \$6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013 are only entitled to a lump sum service pension.

In 2014, benefit terms were modified to increase the monthly benefit from \$1.975 to \$2.085 per month of service and to increase the lump sum benefit from \$6,000 to \$6,255 per year of service effective as of June 1, 2014.

On November 7, 2016, benefit terms were modified to increase the monthly benefit from \$2.085 to \$2.185 per month of service and to increase the lump sum benefit from \$6,255 to \$6,486 per year of service effective as of January 1, 2017.

SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

EXHIBIT 3

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u> ¹
Annual money-weighted rate of return, net of investment expense	16.3%	8.7%	(4.5%)	4.8%

Notes to Schedule

¹ Information for 2013 and prior years not available.

Chaska Fire Department Relief Association

**SPECIAL PENSION TRUST FUND
HISTORY OF ADDITIONS BY SOURCE BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 4

Fiscal Year	State Contribution and Supplemental Benefit Aid			City Contribution						Other Sources		Total Sources (Loss)
				Formula as Adjusted			Additional					
	2% of Premium	% Inc. (Dec.)	% of Sources	City	% Inc. (Dec.)	% of Sources	Additional	% Inc. (Dec.)	% of Sources	Net Investment Income (Loss) (1)	% of Sources	
2008 (1)	\$93,732	(14.8%)	33.3%	\$122,021	7.7%	43.5%	\$65,000	0.0%	23.2%	(\$562,086)	N/A	(\$281,333)
2009	79,332	(15.4%)	12.1%	121,807	(0.2%)	18.5%	65,000	0.0%	9.9%	391,272	59.5%	657,411
2010	83,772	5.6%	14.8%	122,573	0.6%	21.6%	65,000	0.0%	11.5%	295,169	52.1%	566,514
2011 (1)	94,569	12.9%	31.5%	140,361	14.51%	46.8%	65,000	0.0%	21.7%	(1,433)	N/A	298,497
2012	95,646	1.1%	17.2%	137,604	(2.0%)	24.7%	65,000	0.0%	11.7%	258,182	46.4%	556,432
2013	134,758	40.9%	14.5%	164,754	19.7%	17.7%	65,000	0.0%	7.0%	567,803	60.8%	932,315
2014 (2)	136,013	0.9%	22.9%	225,283	36.7%	38.0%	N/A	N/A	N/A	232,061	39.1%	593,357
2015 (1)	146,680	7.8%	36.5%	254,641	13.0%	63.5%	N/A	N/A	N/A	(220,343)	N/A	180,978
2016	151,139	3.0%	18.1%	276,146	8.4%	33.1%	N/A	N/A	N/A	408,073	48.8%	835,358
2017	158,712	5.0%	12.6%	285,081	3.2%	22.5%	N/A	N/A	N/A	819,964	64.9%	1,263,757

Notes:

- (1) Investment Loss is excluded when the percentage of total sources is calculated.
(2) Beginning in 2014, additional City Contribution included in Formula.

**SPECIAL PENSION TRUST FUND
HISTORY OF DEDUCTIONS BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 5

Fiscal Year	Pension Payments		Other		Total Deductions	% of Total Sources (1)
	Pension Payments	% of Total Sources	Other	% of Total Sources		
2008	\$225,671	80.3%	\$2,570	1.0%	\$228,241	81.3%
2009 (2)	230,790	35.1%	14,859	2.3%	245,649	37.4%
2010	244,347	43.1%	8,784	1.6%	253,131	44.7%
2011	272,079	90.7%	4,760	1.6%	276,839	92.3%
2012	280,812	50.5%	13,668	2.5%	294,480	52.9%
2013	301,511	32.3%	33,182	3.6%	334,693	35.9%
2014	318,551	53.7%	9,463	1.6%	328,014	55.3%
2015	517,365	128.9%	4,226	1.1%	521,591	130.0%
2016	451,119	54.0%	11,561	1.4%	462,680	55.4%
2017	595,443	47.1%	10,295	0.8%	605,738	47.9%

Notes:

- (1) Investment Loss is excluded when the percentage of total sources is calculated.
- (2) Starting in 2009, Funeral Benefit is included in “other” instead of “Pension Payments”. Funeral Benefit no longer provided starting in 2010 in accordance with State Statute.

**SPECIAL PENSION TRUST FUND
HISTORY OF ANNUAL BENEFITS
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 6

<u>Fiscal Year</u>	<u>Monthly Pension Benefit per Month of Service</u>	<u>Lump Sum Pension Benefit per Year of Service</u>
2008	1.975	N/A
2009	1.975	N/A
2010	1.975	N/A
2011	1.975	N/A
2012	1.975	N/A
2013 (1)	1.975	\$6,000
2014 (2)	2.085	6,255
2015	2.085	6,255
2016	2.085	6,255
2017 (3)	2.185	6,486

Notes:

- (1) Beginning in 2013, a lump sum benefit option was added to the pension plan.
- (2) Benefit Increase as of June 1, 2014.
- (3) Benefit Increase as of January 1, 2017.

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Special Purpose Audit Reports

Year Ended
December 31, 2017

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Special Purpose Audit Reports
Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Trustees and Management
Chaska Fire Department Relief Association
Chaska, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the Association) as of and for the year ended December 31, 2017, and the related notes to the financial statements, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described below, we identified two deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as items 2017-001 and 2017-002 in the accompanying Schedule of Findings to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Trustees of the Association, others within the Association, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the Board of Trustees and Management
Chaska Fire Department Relief Association
Chaska, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the Association) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated June 26, 2018.

MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for Relief Associations*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, contains two categories of compliance to be tested in audits of relief associations: deposits and investments, and relief associations. Our audit considered both of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the Association failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Relief Associations*, except as described in the Schedule of Findings as item 2017-003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Association's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the Association, and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2018

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Schedule of Findings
Year Ended December 31, 2017

FINDINGS – MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

2017-001 LACK OF SEGREGATION OF DUTIES

Finding – A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one individual should have access to both physical assets and the related accounting records or to all phases of a transaction. If the separation of duties is inadequate, there is a resulting danger that intentional fraud or unintentional errors could occur and not be detected. Although we believe the Chaska Fire Department Relief Association (the Association) has taken steps to separate incompatible duties the best it can considering the size of the entity, we believe the size of the accounting staff prohibits complete adherence to this concept. As a result, the Association has a lack of segregation of duties.

2017-002 IMPROPER RECEIPT DOCUMENTATION

Finding – The Association conducts several fundraising activities, the proceeds of which are used to help support its General Fund. The Association receives funds from a number of sources, including donations, a raffle, a fishing tournament, food and beverage sales, and so on. The records kept by the Association do not adequately identify the source or amount of the proceeds deposited from each of these activities. Further, the internal controls over the processing of these cash transactions do not provide for the adequate safeguarding of these assets.

FINDINGS – MINNESOTA LEGAL COMPLIANCE

2017-003 SPECIAL FUND DISBURSEMENTS

Finding – Minnesota Statutes § 424A.05 requires checks or authorizations for electronic funds transfers for disbursements authorized from the Special Fund be signed by the relief association treasurer and at least one other elected trustee who has been designated by the Board of Trustees to sign the checks or authorizations. For the year ended December 31, 2017, disbursements from the Association's Special Fund did not have the required two signatures.

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June 26, 2018

To the Board of Trustees and Management
Chaska Fire Department Relief Association
Chaska, Minnesota

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the Board of Trustees, administration, or those charged with governance of the Chaska Fire Department Relief Association (the Association).

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Association as of and for the year ended December 31, 2017, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the Association's financial statements for the year ended December 31, 2017:

- We have issued an unmodified opinion on the Association's financial statements. The Association has elected not to present the management's discussion and analysis, which accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.
- We reported two material weaknesses in the Association's internal control over financial reporting:
 1. The Association does not have adequate segregation of duties related to internal controls over financial reporting.
 2. The records kept by the Association do not adequately identify the source or amount of proceeds deposited for various fundraising activities. The internal controls over the processing of these transactions do not provide for the adequate safeguarding of assets.

- We reported one finding based on our testing of the Association's compliance with Minnesota laws and regulations:
 1. Minnesota Statutes § 424A.05 requires checks or authorizations for electronic funds transfers for disbursements authorized from the Special Fund be signed by the relief association treasurer and at least one other elected trustee who has been designated by the Board of Trustees to sign the checks or authorizations. For the year ended December 31, 2017, disbursements from the Association's Special Fund did not have the required two signatures.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the Association's financial statements for the year ended December 31, 2017, we performed procedures to follow-up on the findings and recommendations that resulted from our prior year audit. We reported the following finding that was corrected by the Association in the current year:

1. Minnesota Statutes § 356A.06, Subd. 4 requires each member of the governing board of a covered pension plan and the chief administrative officer of the plan to file a statement of economic interest. The statement must contain the following: (1) the person's principal occupation and principal place of business; (2) whether or not the person has an ownership of or interest of 10 percent or greater in an investment security brokerage business, a real estate sales business, an insurance agency, a bank, a savings and loan, or another financial institution; and (3) any relationship or financial arrangement that can reasonably be expected to give rise to a conflict of interest. The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan. For the year ended December 31, 2017, these forms were obtained and this is not a current year finding.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2017, however, the Association implemented the following governmental accounting standards during the fiscal year:

- Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, which enhanced disclosures regarding investments.
- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*, which addressed certain issues related to pension reporting and disclosures.

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the following:

Pension Benefits – The Association has disclosed an actuarial accrued liability that was calculated using actuarial methodologies described in GASB Statement No. 67. The actuarial calculations include significant assumptions, including projected changes, investment returns, retirement ages, and turnover rates.

We evaluated the key factors and assumptions used by management to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements, and none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated June 26, 2018.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Association’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of City Contributions, and Schedule of Investment Returns, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section and supplementary information, which accompany the financial statements, but are not RSI. The introductory section and supplementary information 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.

CLOSING

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

This report is intended solely for the information and use of the Board of Trustees, management of the Association, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO., P.A.
Minneapolis, Minnesota

CLAIMS ROSTER REPORT

FOR COUNCIL MEETING:

August 6, 2018

Paid and Unpaid Invoices:

Check #'s 324280-324363

\$722,276.12

Paid Electronic Invoices:

Wire #'s 1601-1610

\$596,895.04

Amount for Approval-Council Meeting:

August 6, 2018

\$1,319,171.16

Checks

08/03/2018 10:55 8482mrob		City of Chaska VENDOR INVOICE LIST					P apinvlst		1
INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET DUE DATE	TYPE	STS	INVOICE DESCRIPTION	
105917	BAMBI BARCLAY								
56572	CHECK DATE: 08/07/2018	07/30/2018	080718	324280	400.00 08/30/2018	INV	PD	Concert in the Park 8/1/1	
103825	ACUSHNET COMPANY								
906231648	CHECK DATE: 08/07/2018	07/25/2018	080718	324281	327.80 08/24/2018	INV	PD	resale	
906237735	CHECK DATE: 08/07/2018	07/26/2018	080718	324281	457.25 08/26/2018	INV	PD	resale	
906249913	CHECK DATE: 08/07/2018	07/30/2018	080718	324281	108.61 09/28/2018	INV	PD	resale	
					893.66				
100076	AMERICAN BUSINESS FORMS INC								
INV03655654	CHECK DATE: 08/07/2018	07/18/2018	080718	324282	6,179.91 08/18/2018	INV	PD	Spinners - River City Day	
100103	ANCOM TECHNICAL CENTER								
80507	CHECK DATE: 08/07/2018	07/25/2018	080718	324283	238.25 08/24/2018	INV	PD	RADIO/PAGER REPAIR	
100122	ARAMARK REFRESHMENT SERVICES								
1332044	CHECK DATE: 08/07/2018	07/26/2018	080718	324284	39.11 08/26/2018	INV	PD	COFFEE/SUPPLIES	
7445620	CHECK DATE: 08/07/2018	07/24/2018	080718	324284	79.70 08/24/2018	INV	PD	BREAKROOM SUPPLIES	
					118.81				
100186	BELL LUMBER & POLE COMPANY								
INV75203	CHECK DATE: 08/07/2018	07/25/2018	080718	324285	5,312.70 08/25/2018	INV	PD	WO#461 41 DBL OH CIRCUIT	
100214	BORDER STATES INDUSTRIES INC								
915810981	180147 CHECK DATE: 08/07/2018	07/31/2018	080718	324286	3,264.96 08/25/2018	INV	PD	CUT OUT N.L BRK 100AMP, A	
915810983	180146 CHECK DATE: 08/07/2018	07/31/2018	080718	324286	4,480.61 08/25/2018	INV	PD	CONNECT LUG, INSUL SUSP 1	



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100226 BRAUN INTERTEC CORPORATION					7,745.57				
B128393		05/10/2018	080718	324287	814.00	06/10/2018	INV	PD	NE COLLECTOR RD CMT
CHECK DATE:	08/07/2018								
B128415		05/10/2018	080718	324287	1,042.75	06/10/2018	INV	PD	CHASKA CREEK BLVD CMT
CHECK DATE:	08/07/2018								
B130674		06/01/2018	080718	324287	3,152.50	07/01/2018	INV	PD	BAVARIA DOWNS CMT
CHECK DATE:	08/07/2018								
B130675		06/01/2018	080718	324287	3,332.75	07/01/2018	INV	PD	VETERANS PARK CMT
CHECK DATE:	08/07/2018								
B130676		06/01/2018	080718	324287	6,832.00	07/01/2018	INV	PD	CHASKA CREEK BLVD CMT
CHECK DATE:	08/07/2018								
B130733		06/05/2018	080718	324287	14,780.00	07/05/2018	INV	PD	DT ST IMPROVEMENTS 2018-2
CHECK DATE:	08/07/2018								
B131820		06/14/2018	080718	324287	7,708.75	07/14/2018	INV	PD	BAVARIA RD TURN LANES AT
CHECK DATE:	08/07/2018								
B134288		07/05/2018	080718	324287	7,911.75	08/05/2018	INV	PD	NE COLLECTOR RD CMT
CHECK DATE:	08/07/2018								
B134369		07/06/2018	080718	324287	5,671.00	08/06/2018	INV	PD	CHASKA CREEK BLVD CMT
CHECK DATE:	08/07/2018								
B135087		07/13/2018	080718	324287	1,605.25	08/13/2018	INV	PD	BAVARIA RD GEOTECHNICAL E
CHECK DATE:	08/07/2018								
B135260		07/13/2018	080718	324287	6,928.75	08/13/2018	INV	PD	BAVARIA RD TURN LANES AT
CHECK DATE:	08/07/2018								
103810 TARA ALISON BRUESKE					59,779.50				
56574		07/30/2018	080718	324288	400.00	08/30/2018	INV	PD	Summer Concert 8/3/18 The
CHECK DATE:	08/07/2018								
106956 BURTON, ANDREW									
31089		07/30/2018	080718	324289	202.56	08/30/2018	INV	PD	METER DEPOSIT REFUND-412
CHECK DATE:	08/07/2018								
103248 C3 YOUTH LACROSSE ASSOCIATION									
56624		07/31/2018	080718	324290	987.62	08/31/2018	INV	PD	Instructor Payment- Youth



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE STS	INVOICE DESCRIPTION
CHECK DATE: 08/07/2018								
100285 CARVER COUNTY ATTORNEY								
56272		07/25/2018	080718	324291	148.01	08/25/2018	INV PD	Forfeiture payout 17.9745
CHECK DATE: 08/07/2018								
56312		07/26/2018	080718	324291	192.30	08/26/2018	INV PD	Forfeiture payout 16.4729
CHECK DATE: 08/07/2018								
					340.31			
100337 QWEST CORPORATION								
313196254/JUL18		07/18/2018	080318	324355	577.51	08/14/2018	INV PD	JUL 2018 CITY HALL LOC PH
CHECK DATE: 08/03/2018								
314238800/JUL18		07/18/2018	080318	324355	72.03	08/14/2018	INV PD	JUL 2018 LOCAL PHN SVC
CHECK DATE: 08/03/2018								
					649.54			
100338 QWEST CORPORATION								
202001327/JUL18		07/21/2018	080318	324356	40.95	08/20/2018	INV PD	JUL 2018 T1 FOR PHONE SYS
CHECK DATE: 08/03/2018								
105307 CHEF CRAIG'S CATERING								
2004374.002		07/30/2018	080318	324357	319.03	08/30/2018	INV PD	REFUND CATERING SURCHARGE
CHECK DATE: 08/03/2018								
105431 CHOICE AUTO SALES								
56635		07/24/2018	080718	324292	1,100.00	08/24/2018	INV PD	SHOP TRUCK REPAIR #100
CHECK DATE: 08/07/2018								
100436 COMCAST CORPORATION								
0033141Aug18CCC		07/25/2018	080718	324293	42.01	08/19/2018	INV PD	CCC cable tv
CHECK DATE: 08/07/2018								
0318609Aug18Fitness		07/23/2018	080718	324293	316.08	08/17/2018	INV PD	fitness cable
CHECK DATE: 08/07/2018								
					358.09			
102258 COMMERCIAL FLOORING SERVICES LLC								
111824-1		07/19/2018	080718	324294	10,180.00	08/19/2018	INV PD	Rink 1 team room floor
CHECK DATE: 08/07/2018								

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City of Chaska
VENDOR INVOICE LIST



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100429 COORDINATED BUSINESS SYSTEMS LTD									
CNIN281798		07/06/2018	080718	324295	49.61	08/23/2018	INV	PD	Maintenance Contract & Co
CHECK DATE:	08/07/2018								
CNIN282953		07/18/2018	080718	324295	36.88	08/18/2018	INV	PD	Maintenance Contract & Co
CHECK DATE:	08/07/2018								
					86.49				
106301 CORE AND MAIN LP									
J155676		07/11/2018	080718	324296	453.70	08/11/2018	INV	PD	FITTINGS FOR WESTWOOD SUM
CHECK DATE:	08/07/2018								
104613 CP CHASKA INC									
56609		07/20/2018	080718	324297	200.00	08/20/2018	INV	PD	Fire & Ice prizes-8 gift
CHECK DATE:	08/07/2018								
100517 DE LAGE LANDEN FINANCIAL SERVICES									
60055709		07/21/2018	080718	324298	501.00	08/15/2018	INV	PD	Ricoh copier lease
CHECK DATE:	08/07/2018								
100540 DIVERSIFIED SNACK DISTRIBUTION INC									
146490		07/23/2018	080718	324299	158.85	08/22/2018	INV	PD	Extreme Kids Snack
CHECK DATE:	08/07/2018								
105629 DICKS SANITATION SERVICE INC									
DT0002227189		07/24/2018	080718	324300	780.94	08/24/2018	INV	PD	Fire & Ice Garbage Svc
CHECK DATE:	08/07/2018								
105908 FAMILY SUPPORT REGISTRY									
PR080318 #10859189		08/03/2018	080318	324358	34.00	08/03/2018	INV	PD	080318 Payroll Child Supp
CHECK DATE:	08/03/2018								
100655 FERRELLGAS 7780961									
1102091920		07/25/2018	080718	324301	76.33	08/25/2018	INV	PD	PROPANE FOR FORKLIFT
CHECK DATE:	08/07/2018								
106486 FLOYD TOTAL SECURITY									



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET DUE DATE	TYPE STS	INVOICE DESCRIPTION		
1254500 CHECK DATE: 08/07/2018		07/24/2018	080718	324302	336.98 08/24/2018	INV PD	2ND FLOOR CSR DESK & LIBR		
100717 GENERAL PARTS LLC									
5974896 CHECK DATE: 08/07/2018		07/25/2018	080718	324303	235.00 08/25/2018	INV PD	fryer repair		
100752 GPSI LEASING LLC									
LEASE0015860 CHECK DATE: 08/07/2018		07/01/2018	080718	324304	5,120.00 08/01/2018	INV PD	GPS LEASE		
100807 HARTMAN COMPANIES INC									
8527 CHECK DATE: 08/07/2018		07/19/2018	080718	324305	17,429.19 08/19/2018	INV PD	CHASKA CREEK BLVD & CLOVE		
100810 HAWKINS INC									
4326174 CHECK DATE: 08/07/2018		07/20/2018	080718	324306	1,934.40 08/19/2018	INV PD	WTP CHEMICALS		
100859 HOISINGTON KOEGLER GROUP INC									
017-022-25 CHECK DATE: 08/07/2018		07/08/2018	080718	324307	1,746.13 08/08/2018	INV PD	VETERANS PARK CD CA PHASE		
100889 INTERNATIONAL CITY MGMT ASSN RETIREMENT CORP									
2018/0803-ICMA CHECK DATE: 08/03/2018		08/03/2018	080318	324359	3,686.81 08/03/2018	INV PD	20180803 - Payroll 457 &		
104751 IMPACT MAILING OF MINNESOTA INC									
134233 CHECK DATE: 08/07/2018		07/26/2018	080718	324308	387.50 08/26/2018	INV PD	Jul Disc Notices 7/12/18		
134244 CHECK DATE: 08/07/2018		07/26/2018	080718	324308	1,206.60 08/26/2018	INV PD	Jul Reminder Notices 7/17		
134246 CHECK DATE: 08/07/2018		07/26/2018	080718	324308	295.08 08/26/2018	INV PD	Jul Final Bills 7/13/18		
					1,889.18				
100933 WILLIAM EDWARD ISLES									



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET DUE DATE	TYPE	STS	INVOICE DESCRIPTION
56582		07/30/2018	080718	324309	500.00 08/30/2018	INV	PD	Concert Series 8/10/18 Is
CHECK DATE: 08/07/2018								
106392 JS PLUMBING INC								
1696		07/24/2018	080718	324310	3,475.00 08/24/2018	INV	PD	PLUMBING/STORM LINE REPAI
CHECK DATE: 08/07/2018								
106961 KATZENMEYER, JADEN								
32041		08/01/2018	080718	324311	60.76 09/01/2018	INV	PD	CREDIT BALANCE REFUND-111
CHECK DATE: 08/07/2018								
106960 KNUDTSON, COLIN								
10010450		07/31/2018	080718	324312	157.77 08/31/2018	INV	PD	CREDIT BALANCE REFUND-112
CHECK DATE: 08/07/2018								
103247 RACHAEL KROOG								
56576		07/30/2018	080718	324313	450.00 08/30/2018	INV	PD	Kids Concert Series 8/7/1
CHECK DATE: 08/07/2018								
102881 LANO EQUIPMENT INC								
03-570667		06/26/2018	080718	324314	1,339.30 07/26/2018	INV	PD	WEED WHIPS FOR NET WELLS,
CHECK DATE: 08/07/2018								
03-573919		07/12/2018	080718	324314	98.55 08/12/2018	INV	PD	WEED WHIP BLADES
CHECK DATE: 08/07/2018								
					1,437.85			
101043 LANO EQUIPMENT INC								
01-575952		07/20/2018	080718	324315	63.90 08/20/2018	INV	PD	PARK #264 PARTS
CHECK DATE: 08/07/2018								
101050 LAW ENFORCEMENT LABOR SERVICES INC								
August 2018		08/03/2018	080318	324360	980.00 08/03/2018	INV	PD	August 2018 Police Union
CHECK DATE: 08/03/2018								
103176 MANSFIELD OIL COMPANY								
899044		07/24/2018	080718	324316	8,632.90 08/23/2018	INV	PD	UNLEADED
CHECK DATE: 08/07/2018								



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City of Chaska
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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
899047		07/24/2018	080718	324316	8,104.71	08/23/2018	INV	PD	DIESEL
CHECK DATE: 08/07/2018									
					16,737.61				
101187 METRO SALES INC									
INV1126611		07/23/2018	080718	324317	298.54	08/22/2018	INV	PD	QTRLY COPIER USAGE-FD
CHECK DATE: 08/07/2018									
INV1126634		07/23/2018	080718	324317	445.31	08/22/2018	INV	PD	RICOH COPIER
CHECK DATE: 08/07/2018									
INV1127254		07/24/2018	080718	324317	159.00	08/23/2018	INV	PD	AUG 2018 COPIER-FD
CHECK DATE: 08/07/2018									
					902.85				
101196 MID COUNTY COOP #122622									
33892		07/05/2018	080718	324318	887.70	08/31/2018	INV	PD	300 GLS GAS-TC
CHECK DATE: 08/07/2018									
33893		07/05/2018	080718	324318	776.87	08/31/2018	INV	PD	259 GLS DIESEL-TC
CHECK DATE: 08/07/2018									
33894		07/05/2018	080718	324318	466.28	08/31/2018	INV	PD	156 GLS GAS-PAR 30
CHECK DATE: 08/07/2018									
33895		07/05/2018	080718	324318	692.22	08/31/2018	INV	PD	231 GLS DIESEL-PT
CHECK DATE: 08/07/2018									
					2,823.07				
101287 MINNESOTA BUREAU OF CRIMINAL APPR									
56605		07/30/2018	080718	324319	625.00	08/24/2018	INV	PD	Forensic Science Partners
CHECK DATE: 08/07/2018									
101217 MINNESOTA CHILD SUPPORT PMT CTR									
PR080318#0014172152		08/03/2018	080318	324361	184.12	08/03/2018	INV	PD	080318 Payroll Child Supp
CHECK DATE: 08/03/2018									
PR03018#001510208001		08/03/2018	080318	324362	373.66	08/03/2018	INV	PD	080318 Payroll Child Supp
CHECK DATE: 08/03/2018									
					557.78				
101216 MINNESOTA FIRE SERVICE CERT BRD									
5714		06/19/2018	080718	324320	460.00	07/19/2018	INV	PD	EXAM FEES
CHECK DATE: 08/07/2018									



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City of Chaska
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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101352 MINNESOTA TREASURY DIVISION									
56310		07/26/2018	080718	324321	96.15	08/26/2018	INV	PD	Forfeiture payout 16.4729
CHECK DATE: 08/07/2018									
101276 MINNESOTA VALLEY ELECTRIC COOPERATIVE INC									
107051510/JUL18		07/23/2018	080718	324322	28.66	08/16/2018	INV	PD	JUL 2018 82ND ST & HWY 41
CHECK DATE: 08/07/2018									
778320601/JUL18		07/23/2018	080718	324322	99.88	08/16/2018	INV	PD	JUL 2018 CHEVALLE LIFT ST
CHECK DATE: 08/07/2018									
780272000/JUL18		07/23/2018	080718	324322	10.62	08/16/2018	INV	PD	JUL 2018 CHEVALLE IRRIGAT
CHECK DATE: 08/07/2018									
					139.16				
101134 MALLOY MONTAGUE KARNOWSKI RADOSEVICH & CO PA									
44727		07/20/2018	080718	324323	14,630.00	08/20/2018	INV	PD	2017 AUDIT FINAL
CHECK DATE: 08/07/2018									
101356 MTI DISTRIBUTING INC #31380									
1177843-00		07/16/2018	080718	324324	292.30	08/16/2018	INV	PD	UNIT #270 WORKMAN SPARE T
CHECK DATE: 08/07/2018									
101253 NCPERS MINNESOTA									
3836818		07/23/2018	080318	324363	144.00	08/10/2018	INV	PD	Aug 18 PERA Life Premiums
CHECK DATE: 08/03/2018									
102654 NORTH AMERICAN SAFETY INC									
35960		06/28/2018	080718	324325	829.00	07/28/2018	INV	PD	ROAD WK AHEAD,SAFETY CONE
CHECK DATE: 08/07/2018									
106959 OBERBROECKLING, HELENE									
10002780		07/31/2018	080718	324326	113.75	08/31/2018	INV	PD	CREDIT BALANCE REFUND-966
CHECK DATE: 08/07/2018									
101445 OFFICE DEPOT									
167293172001		07/22/2018	080718	324327	19.79	08/24/2018	INV	PD	Stamp
CHECK DATE: 08/07/2018									

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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101465 ON SITE SANITATION INC									
0000558821		07/19/2018	080718	324328	1,131.00	08/18/2018	INV	PD	Fire & Ice-Restroom Svc
CHECK DATE:	08/07/2018								
0000620596		07/26/2018	080718	324328	1,200.00	08/25/2018	INV	PD	RIVER CITY DAYS RESTROOM
CHECK DATE:	08/07/2018								
					2,331.00				
101600 QUILL CORPORATION									
8585395		07/17/2018	080718	324329	69.99	08/16/2018	INV	PD	KEYBOARD
CHECK DATE:	08/07/2018								
8638527		07/18/2018	080718	324329	154.35	08/17/2018	INV	PD	OFFICE SUPPLIES
CHECK DATE:	08/07/2018								
					224.34				
101617 REACH FOR RESOURCES INC									
6843775		06/30/2018	080718	324330	315.00	08/12/2018	INV	PD	Recreation Contract Inclu
CHECK DATE:	08/07/2018								
106599 RHINO BOBCAT AND LANDSCAPE SERVICES									
12807		07/15/2018	080718	324331	3,370.00	08/15/2018	INV	PD	DRAINAGE IMPROVEMENT AT B
CHECK DATE:	08/07/2018								
101644 RICHARD ALAN PRODUCTIONS INC									
56596		07/30/2018	080718	324332	700.00	08/30/2018	INV	PD	Entertainment for AOA/Lio
CHECK DATE:	08/07/2018								
101654 RILEY BUS SERVICE INC									
11417		07/25/2018	080718	324333	700.00	08/25/2018	INV	PD	transportation to Guthrie
CHECK DATE:	08/07/2018								
101669 ROBERT HALF TECHNOLOGY									
51428087		07/30/2018	080718	324334	1,036.80	07/30/2018	INV	PD	UB Temp - Walters - W/E 7
CHECK DATE:	08/07/2018								
51453015		07/31/2018	080718	324335	718.50	08/31/2018	INV	PD	CSR Temp - Marrufo - W/E
CHECK DATE:	08/07/2018								



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
102815 JASON ALLEN ROHMAN					1,755.30				
56579		07/30/2018	080718	324336	175.00	08/30/2018	INV	PD	Concert Series 8/8/18
CHECK DATE: 08/07/2018									
101696 RYAN CONTRACTING CO									
52491900-1		07/01/2018	080718	324337	237,465.80	08/26/2018	INV	PD	2018 DT ST RECONSTRUCTION
CHECK DATE: 08/07/2018									
101738 SCHILLING SUPPLY COMPANY									
670146-00		07/18/2018	080718	324338	3,017.42	08/18/2018	INV	PD	cleaning supplies
CHECK DATE: 08/07/2018									
105713 TOWING SERVICES INC									
56273		07/25/2018	080718	324339	370.00	08/25/2018	INV	PD	Forfeiture payouts 17.974
CHECK DATE: 08/07/2018									
56311		07/26/2018	080718	324339	410.00	08/26/2018	INV	PD	Forfeiture payout 16.4729
CHECK DATE: 08/07/2018									
					780.00				
101775 THE SHERWIN-WILLIAMS COMPANY-CHANHASSEN									
1202-9A		07/11/2018	080718	324340	555.87	08/20/2018	INV	PD	TUNNEL RE-PAINTING
CHECK DATE: 08/07/2018									
1203-7		07/11/2018	080718	324340	33.89	08/20/2018	INV	PD	TUNNEL RE-PAINTING
CHECK DATE: 08/07/2018									
					589.76				
101790 SIGN SOURCE INC									
58468		07/25/2018	080718	324341	256.98	08/24/2018	INV	PD	cart signs
CHECK DATE: 08/07/2018									
104547 SITEONE LANDSCAPE SUPPLY HOLDING LLC									
87079608		07/16/2018	080718	324342	2,400.00	08/15/2018	INV	PD	SPRAY FOR SCHOOL DISTRICT
CHECK DATE: 08/07/2018									
87079710		07/16/2018	080718	324342	920.12	08/15/2018	INV	PD	HERBICIDE FOR CITY PARKS
CHECK DATE: 08/07/2018									
87278273		07/26/2018	080718	324342	46.00	08/26/2018	INV	PD	MARKING FLAGS FOR IRRIGAT



08/03/2018 10:55 8482mrob		City of Chaska VENDOR INVOICE LIST			P 11 apinvist	
INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET DUE DATE	TYPE STS INVOICE DESCRIPTION
CHECK DATE: 08/07/2018						
87278297		07/26/2018	080718	324342	124.14 08/26/2018	INV PD IRRIGATION CONTROLLER SUN
CHECK DATE: 08/07/2018						
					3,490.26	
101828 SOUTHWEST NEWS MEDIA						
2010325		06/28/2018	080718	324343	32.00 07/20/2018	INV PD SWPPP MTG ON NPDES
CHECK DATE: 08/07/2018						
101847 SRF CONSULTING GROUP INC						
10741.00-7		06/30/2018	080718	324344	164,571.83 08/19/2018	INV PD TH 212 & CSAH 44 INTERCHA
CHECK DATE: 08/07/2018						
11351.00-4		06/30/2018	080718	324344	12,159.63 08/18/2018	INV PD TH 212 & CSAH 44 RIGHT OF
CHECK DATE: 08/07/2018						
					176,731.46	
101892 STUART C IRBY CO						
S010771531.002	180144	07/19/2018	080718	324345	724.75 08/18/2018	INV PD ANCHOR RODS - 3,5,7,10 F
CHECK DATE: 08/07/2018						
S010794590.004	180145	07/19/2018	080718	324345	921.88 08/18/2018	INV PD STRAIN GLASS INSUL 54", A
CHECK DATE: 08/07/2018						
S010814040.001	180140	07/19/2018	080718	324345	10,976.78 08/18/2018	INV PD CROSSARMS, INSUL PIN 15KV
CHECK DATE: 08/07/2018						
S010853336.001	180138	07/18/2018	080718	324345	411.43 08/17/2018	INV PD LAMP HPS 150 MOGUL, COND
CHECK DATE: 08/07/2018						
S010854607.001	180139	07/23/2018	080718	324345	18,620.38 08/22/2018	INV PD COND UD ALUM 1/0 SOL 220
CHECK DATE: 08/07/2018						
S010854628.001	180141	07/23/2018	080718	324345	18,787.80 08/22/2018	INV PD COND UD ALUM 1/0 SOL 220
CHECK DATE: 08/07/2018						
S010860749.001	180143	07/25/2018	080718	324345	17,075.19 08/24/2018	INV PD COND UD ALUM 1/0 & 4/0, 2
CHECK DATE: 08/07/2018						
S010860826.001	180142	07/25/2018	080718	324345	12,710.00 08/24/2018	INV PD COND UD ALUM 350 TRIPLEX
CHECK DATE: 08/07/2018						
S010861591.001	180138	07/25/2018	080718	324345	522.13 08/24/2018	INV PD LAMP HPS 150 MOGUL, COND
CHECK DATE: 08/07/2018						
					80,750.34	
101994 TRAVIS MATHEW LLC						

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City of Chaska
VENDOR INVOICE LIST



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
3470949		07/17/2018	080718	324346	3,650.56	08/31/2018	INV	PD	resale
CHECK DATE: 08/07/2018									
3475352		07/23/2018	080718	324346	206.48	08/22/2018	INV	PD	resale
CHECK DATE: 08/07/2018									
					3,857.04				
102028 TWIN CITY WATER CLINIC INC									
11752		07/23/2018	080718	324347	75.00	08/23/2018	INV	PD	311 MAPLE STREET
CHECK DATE: 08/07/2018									
102129 UNITED FARMERS COOPERATIVE									
K87340		07/11/2018	080718	324348	96.15	08/11/2018	INV	PD	SOD CUTTER RENTAL-FIREMAN
CHECK DATE: 08/07/2018									
K88163		07/19/2018	080718	324348	27.50	08/19/2018	INV	PD	SPRING EXTENSION-MOWER PA
CHECK DATE: 08/07/2018									
					123.65				
102133 WAGNER PRESS & GRAPHICS									
30617		07/23/2018	080718	324349	169.00	08/07/2018	INV	PD	Utility Billing envelopes
CHECK DATE: 08/07/2018									
30618		07/23/2018	080718	324349	168.00	08/23/2018	INV	PD	DOOR HANGERS
CHECK DATE: 08/07/2018									
					337.00				
102166 WESCO DISTRIBUTION INC									
200121	180136	07/19/2018	080718	324350	702.00	08/19/2018	INV	PD	PREFORM TIE,STRAINGLASS I
CHECK DATE: 08/07/2018									
200674	180136	07/19/2018	080718	324350	1,177.50	08/19/2018	INV	PD	PREFORM TIE,STRAINGLASS I
CHECK DATE: 08/07/2018									
200675	180136	07/19/2018	080718	324350	162.70	08/19/2018	INV	PD	PREFORM TIE,STRAINGLASS I
CHECK DATE: 08/07/2018									
201924	180137	07/20/2018	080718	324350	850.00	08/20/2018	INV	PD	SPLIT BOLT ALL PURPOSE 2
CHECK DATE: 08/07/2018									
					2,892.20				
102189 WM MUELLER & SONS									
236278		07/19/2018	080718	324351	634.45	08/25/2018	INV	PD	WM STOCKPILE AND STORM SU
CHECK DATE: 08/07/2018									



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
102220 NORTHLAND SYSTEMS INC									
74775		07/23/2018	080718	324352	4,626.59	08/27/2018	INV	PD	ANTI-VIRUS LICENSE RENEWA
CHECK DATE: 08/07/2018									
105150 ZAYO GROUP HOLDINGS INC									
2018070011266		07/01/2018	080718	324353	21,342.87	07/31/2018	INV	PD	FIBER SVC DIST 112, CITY
CHECK DATE: 08/07/2018									
102231 ZIEGLER INC									
PC001986695		07/18/2018	080718	324354	291.42	08/18/2018	INV	PD	UNIT #140 GRADER PARTS
CHECK DATE: 08/07/2018									
					291.42				
=====					=====				
135 INVOICES					722,276.12				
=====					=====				

** END OF REPORT - Generated by Michelle Robbin **

Wires



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100522 DEPOSITORY TRUST COMPANY									
2018/08/01 DS CHECK DATE: 07/30/2018		07/30/2018	073018	1603	198,426.88	07/30/2018	DIR	PD	DTC DS PMT DUE 8/1/18
101756 MII LIFE INCORPORATED									
38749527 CHECK DATE: 08/02/2018		07/31/2018	080218	1605	838.50	08/02/2018	DIR	PD	8/2/18 FSA REIMBURSEMENTS
100927 INTERNAL REVENUE SERVICE									
56653 CHECK DATE: 08/03/2018		08/03/2018	080318	1606	116,100.97	08/03/2018	DIR	PD	080318 Payroll FICA Feder
100997 KLEINBANK									
2018/08/01 DS CHECK DATE: 08/01/2018		08/01/2018	080118	1604	7,088.75	08/01/2018	DIR	PD	KLEIN BANK DS PMT DUE 8/1
101343 MINNESOTA DEPT OF REVENUE-PAYROLL WIRES									
56654 CHECK DATE: 08/03/2018		08/03/2018	080318	1607	23,316.48	08/03/2018	DIR	PD	080318 Payroll MN State T
101376 NATIONWIDE RETIREMENT SOLUTIONS(USCM)									
56655 CHECK DATE: 08/03/2018		08/03/2018	080318	1608	11,593.04	08/03/2018	DIR	PD	080318 Payroll 457 Contri
106955 NATIONWIDE RETIREMENT SOLUTIONS(USCM)									
56658 CHECK DATE: 08/03/2018		08/03/2018	080318	1610	171.65	08/03/2018	DIR	PD	080318 Payroll Roth Contr
101498 PCARD									
2018/0712-PC CHECK DATE: 07/27/2018		07/12/2018	072718	1602	39,605.62	07/27/2018	DIR	PD	JULY 2018 PCARD PURCHASES
101506 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION									
56656 CHECK DATE: 08/03/2018		08/03/2018	080318	1609	79,516.26	08/03/2018	DIR	PD	080318 Payroll PERA Contr



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8482mrob VENDOR INVOICE LIST apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
102159 WELLS FARGO CORPORATE TRUST									
2018/08/01 DS		07/30/2018	073018	1601	120,236.89	07/30/2018	DIR	PD	WELLS FARGO DS PMT DUE 8/
CHECK DATE:	07/30/2018								

120,236.89

10 INVOICES

596,895.04

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JULY 2018 P-CARD STATEMENT

Card Holder	Transaction Date	Amount	Merchant DBA Name	Charge Description
ANDREA TUCKER	6/17/18	15.50	AMAZON.COM	EXTREME KIDS-WEEK 1 SUPPLY-VASE
ANDREW ROMINE	6/28/18	32.90	AMER ASSOC NOTARIES (WEB	LYNNE'S NOTARY
ANNE FOWLER	6/15/18	47.97	CHASKA CUB FOODS	B'DAY PARTIES-CAKES
ANNE FOWLER	6/22/18	47.97	CHASKA CUB FOODS	B'DAY PARTY-CAKES
ANNE FOWLER	6/28/18	31.98	CHASKA CUB FOODS	B'DAY PARTY-CAKES
ANNE FOWLER	7/6/18	33.98	CHASKA CUB FOODS	B'DAY PARTY-CAKES
BRAD DOERR	6/27/18	89.79	HOME DEPOT, THE	SHADOW WOOD LIFT STATION
BRAD DOERR	7/9/18	16.84	HOME DEPOT, THE	AUTUMN WOODS LIFT STATION
BRIAN JUNG	6/26/18	173.92	ULINE INC	CARWASH SOAP BARRELS
CHAD PALM	6/22/18	39.99	SAFARI BOOKS ONLINE, LLC	Online Books
CHAD PALM	7/10/18	20.99	AMAZON.COM PHASE 5	Case for Whitney Pankonin Surface Pro
CHRIS GEORGE	6/20/18	462.40	DELTA AIRLINES	Airfaire to Milwaukee WI for KPMG Womans Golf tournament-C.George
CHRIS GEORGE	6/30/18	155.29	AVIS BUDGET CAR RENTAL, L	Rental car during KPMG Womens golf
CHRIS GEORGE	6/30/18	508.38	MARRIOTT	Hotel staty during KPMG Womens Golf
COLLEEN GOODRICH	6/26/18	87.29	TARGET	DAYCARE-CLOROX, GOLDFISH, JUICE, SANITIZER
COLLEEN GOODRICH	6/27/18	136.94	GOPHER SPORT AND PLAY	PLAYROOM-XLARGE MESH BAGS
DAVID WABBE	6/13/18	573.94	GUJAR CENTER	DISCO/LASER LIGHTS FOR NEW SKATE PROGRAM-COSMIC SKATES
DAVID WABBE	6/15/18	549.70	ATHLETICA/SPORTS SYSTEMS	NET PAD KIT-NETS, BOTTOM PADS, VERTICLE PADS, NHL VINYL SKIRTS
DAVID WABBE	6/22/18	180.00	THREAD TASTIC EMBROIDERY	EMBROIDERY ON STAFF PULLOVERS/HOODED JACKETS
DAVID WABBE	6/25/18	175.00	MN ICE ARENA MANAGERS ASSN	REG-MIAMA FALL CONFERENCE-D.WABBE
DAVID WABBE	6/27/18	80.50	TARGET	3-HELMETS
DENISE WETZEL	6/18/18	52.20	SARPINOS PIZZERIA CHASKA	Dinner for Early Council Work Session
DENISE WETZEL	6/20/18	100.00	STATE OF MINNESOTA DEPART	HRC - 2018 Human Rights Commission Summit 4 Members Regs.
ELIZABETH HANSON	6/29/18	425.00	AMERICAN PLANNING A	AICP EXAM REGISTRATION-L. HANSON
ERIN LINK	6/17/18	108.91	CHASKA CUB FOODS	KIDS IN THE KITCHEN-CAMP SUPPLIES-FOIL, BROTH, BERRIES, PIE CRUST
ERIN LINK	6/20/18	400.00	MINNESOTA AMATEUR SOFTBALL	CO-REC SOFTBALL-TEAM SANCTION FEES (\$25X16 TEAMS)
ERIN LINK	6/22/18	93.50	EASTERN CARVER CTY SCHOOLS	GYM RENTAL/BLDG MONITOR-PRESCHOOL SPORTS SPECIAL EVENT
ERIN LINK	6/26/18	900.00	CROOKED PINT - CHASKA	BEAN BAG LEAGUE-GIFT CARD PRIZES
ERIN LINK	7/2/18	175.00	NORTHFIELD LINES-MOTORCOA	TEEN PAINTBALL-FIELD TRIP TRANSPORTATION
ERIN LINK	7/6/18	23.46	TARGET	GYMNASTICS-SNACKS FOR CAMP-FRUIT SNACKS, GOLD FISH
HANNAH HALLAHAN	6/22/18	127.35	US SECURITY ASSOCIATES IN	SECURITY-6.1.18 TO 6.7.18
HANNAH HALLAHAN	6/27/18	191.03	US SECURITY ASSOCIATES IN	SECURITY-6.8.18 TO 6.14.18
HANNAH HALLAHAN	7/11/18	369.32	US SECURITY ASSOCIATES IN	SECURITY-6.15.18 TO 6.21.18
HANNAH HALLAHAN	7/11/18	152.82	US SECURITY ASSOCIATES IN	SECURITY-6.22.18 TO 6.28.18
JAIME WIEMANN	6/28/18	20.37	QUILL CORPORATION	PHONE MESSAGE NOTEBOOKS
JASON KIRSCH	7/5/18	88.72	Detellos Pizza & Pasta	FOOD FOR DUTY CREW COVERING CALLS & FIREWORKS (CREW OF 8)
JEFFREY ISAACSON	6/26/18	18.80	COOPER'S SUPER VALU FOODS	CURLING CENTER STAFF TRG/TEAM-BUILDING-WATER, COOKIES, VEGGIES, DIP
JOAN SEEDORF	6/14/18	180.36	TARGET	EX KIDS-LYSON/VOLUNTEER APPRECIATION-PIE SOCIAL-CAKE, NAPKINS, CHOCOLATES
JOAN SEEDORF	6/14/18	238.02	4IMPRINT	LODGE VOLUNTEER APPRICIATION GIFTS
JOAN SEEDORF	6/18/18	17.45	JOANN STORES	CARD STOCK, WASHI TAPE, DAISY STICKERS-LODGE SPECIAL EVENT
JOAN SEEDORF	6/18/18	40.94	CUB FOODS	LODGE VOLUNTEER APPRECIATION-FLOWER BOUQUETS, NAPKINS, SKEWERS
JOAN SEEDORF	6/18/18	9.74	WALGREENS	PHOTOS FOR AOA SUMMER CELEBRATION
JOAN SEEDORF	6/19/18	360.11	TARGET	VOLUNTEER APPRECIATION-CAKE, CRACKERS, FRUIT, FOOD TRAYS
JOAN SEEDORF	6/20/18	630.00	RIVER VALLEY RANCH INC	TEEN ADVENTURE-HORSEBACK RIDING-21 RIDERS @ 30/PERSON
JOAN SEEDORF	6/21/18	7.98	CUB FOODS	AOA TWINS GAME-CRACKER JACKS & PEANUTS
JOAN SEEDORF	6/22/18	382.50	THREE RIVERS ADMINISTRATI	TEEN ADVENTURE-PADDLEBOARDING/SLACK LINE/KAYAKING
JOAN SEEDORF	6/26/18	12.98	WALGREENS	CANDY FOR SINATRA DAY TRIP
JOAN SEEDORF	6/26/18	518.00	COYOTE MOON GRILLE	DAY TRIP-LUNCH @ COYOTE MOON FOR SINATRA TRIP
JOAN SEEDORF	6/28/18	130.00	VERTICAL ENDEAVORS-BLOOMI	TEEN ADVENTURES-ROCK CLIMBING FIELD TRIP
JOAN SEEDORF	7/8/18	22.14	TARGET	CANDY BARS FOR TABLE DECOR AT ALL-AMERICAN PIE SOCIAL
JOHN EDBERG	6/21/18	65.00	MINNESOTA DEPARTMENT OF L	RE-CERTIFICATION BUILDING OFFICIAL-J. EDBERG
JOHN KELLIN	6/15/18	36.00	KWIK TRIP	STAMPS
JOHN KELLIN	6/19/18	64.23	HOME DEPOT, THE	RESALE-GPS BATTERIES
JOHN KELLIN	7/2/18	142.73	OFFICE DEPOT #1090	PAPER/BAND AIDS
JOHN KELLIN	7/2/18	38.20	HOME DEPOT, THE	HOSE NOZZLE, WASP SPRAY
JOHN KELLIN	7/3/18	6.43	OFFICE DEPOT #1090	PENS
JOHN KELLIN	7/9/18	-27.85	HOME DEPOT, THE	HOSE NOZZLE RETURN
JOHN KELLIN	7/9/18	19.28	HOME DEPOT, THE	HOSE NOZZLE
JOHN KELLIN	7/9/18	29.42	HOME DEPOT, THE	ANT KILLER, BUG SPRAY
JOHN KELLIN	7/9/18	213.68	HOME DEPOT, THE	DEHUMIDIFIER
JOHN WORM	6/19/18	27.04	MCMMASTER-CARR	PLATED STEEL FOR MAINTENANCE
JOHN WORM	7/3/18	112.84	HOME DEPOT, THE	ELECTRIC MAINTENANCE SUPPLIES AND SMALL TOOLS
JOSEPH YAEGER	6/14/18	27.99	PETSMART # 0458	GOOSE POOPER SCOOPER-FIREMAN PARK CLEAN UP
JOSEPH YAEGER	6/19/18	448.00	ARC SERVICES/TRAINING	16-CERTIFICATION CLASS
JOSEPH YAEGER	6/20/18	153.90	LIFEGUARD STORE - ONLINE	INSTRUCTOR UNIFORMS
JOSEPH YAEGER	6/21/18	336.39	HYDROFIT INC	WATER NOODLES FOR AQUA FIT CLASS
JOSEPH YAEGER	6/20/18	31.79	LITTLE CAESARS 3036-0001	DINNER FOR EMPLOYEES- IN SERVICE TRAINING
JOSEPH YAEGER	6/26/18	15.56	COOPER'S SUPER VALU FOODS	CLAYHOLE CONCESSION HOT DOG BUNS
JOSEPH YAEGER	6/27/18	17.16	COOPER'S SUPER VALU FOODS	CLAYHOLE CONCESSIONS-SUNDAY ICE CREAM CUPS
JOSEPH YAEGER	6/28/18	4.95	COOPER'S SUPER VALU FOODS	CLAYHOLE CONCESSIONS-HOT DOGS
JOSEPH YAEGER	7/3/18	10.62	COOPER'S SUPER VALU FOODS	CLAYHOLE CONCESSIONS-DISTILLED WATER FOR WARMERS
JOSEPH YAEGER	7/3/18	5.24	CARDIAC SCIENCE CORPORATI	AED PADS
JOSEPH YAEGER	7/3/18	71.00	CARDIAC SCIENCE CORPORATI	AED PADS
JOSEPH YAEGER	7/5/18	-51.30	LIFEGUARD STORE - ONLINE	AED PADS CREDIT
JOSEPH YAEGER	7/11/18	7.50	COOPER'S SUPER VALU FOODS	WATER FOR EMPLOYEES AT FIREMANS PARK
JOSEPH YAEGER	7/11/18	9.00	COOPER'S SUPER VALU FOODS	CLAYHOLE CONCESSIONS-HOT DOG BUNS
KAREN CAMPBELL	6/12/18	265.83	COSTCO WHOLESAL	JUICE BOXES/CUPS/ COFFEE, SUGAR/ WATER & CHIPS
KAREN CAMPBELL	6/28/18	63.74	CHASKA LAUNDRY CENTER INC	LODGE TABLE CLOTHS CLEANING
KEVIN ABRAHAM	6/28/18	14.20	KIBBLE EQUIP BELLEPLAINE	PARK TRACTOR REPAIRS
KEVIN ABRAHAM	7/9/18	19.88	HOME DEPOT, THE	STORAGE TRAILER REPAIR
KEVIN ABRAHAM	7/9/18	216.38	HOME DEPOT, THE	STORAGE CONTAINER REPAIR
KEVIN RINGWALD	6/28/18	20.00	ITR ECONOMICS	ITR MONTHLY SUBSCRIPTION-INSIDER ARB
KEVIN TREBIATOWSKI	6/10/18	743.84	HILTON HOTEL & RESORT	HAZ MAT SCHOOL LODGING-KEVIN T.
KEVIN TREBIATOWSKI	6/10/18	743.84	HILTON HOTEL & RESORT	HAZ MAT SCHOOL LODGING-CHRIS P.
MARELIA GARCIA	6/13/18	48.00	THREAD TASTIC EMBROIDERY	Hogan Uniform - shirts and embroidery
MARELIA GARCIA	6/13/18	20.94	HOME DEPOT, THE	Extra department keys

JULY 2018 P-CARD STATEMENT

MARELIA GARCIA	6/18/18	15.96	TARGET	Water for High Risk Entry Training
MARELIA GARCIA	7/5/18	44.00	AMAZON.COM	Replacement AED pads
MARELIA GARCIA	7/6/18	155.96	AMAZON.COM	Replacement pads for AED
MARELIA GARCIA	7/8/18	300.65	AMAZON.COM	Replacement pads for AED
MARK MOERS	6/18/18	1,907.27	ARTHUR CLESEN	IRRIGATION PARTS
MARK MOERS	6/18/18	73.96	HOME DEPOT, THE	PAPER TOWELS
MARK MOERS	6/20/18	83.73	TARGET	PRINTER INK
MARK MOERS	6/19/18	12.85	HOME DEPOT, THE	HOSE CONNECTOR
MARK MOERS	6/27/18	87.01	HOME DEPOT, THE	INSECTICIDE AND CORDS
MARK MOERS	6/28/18	105.29	MILLS FLEET FARM	TREES, FENCE POSTS
MARK MOERS	7/6/18	83.82	HOME DEPOT, THE	PARTS
MARSHALL GRANGE	6/18/18	175.00	N R P A	NRPA MEMBERSHIP DUES
MARY MONTEITH	7/5/18	107.35	ADOBE ECOSIGN	CREATIVE CLOUD-ALL APPS
Matt Podhradsky	6/11/18	10.00	EXCALIBUR HOTEL AND CASIN	Parking for Ryder Cup Float Plane Settlement Conference
MATTHEW HAEFNER	6/12/18	907.08	LAS VEGAS SUPERSHUTTLE	BRAD, MATT, STEVE AND DAN HOTEL ROOMS LAS VEGAS
MATTHEW HAEFNER	6/12/18	60.00	LAS VEGAS SUPERSHUTTLE	HYDRANT LAS VEGAS
MATTHEW HAEFNER	6/15/18	11.00	EZ AIR PARK	HYDRANT LAS VEGAS
MATTHEW HAEFNER	7/10/18	68.03	JP JACKSON RAMP	PARKING HYDRANT LAS VEGAS
MELISSA GOFF	6/21/18	187.28	AMAZON.COM	STRENGTH TRG ATTACHMENT FOR CABLE MACHINES/RESISTANCE BANDS
MELISSA GOFF	6/25/18	214.70	AMAZON.COM PHASE 5	TRX TRAINING- SUSPENSION TRAINING KIT
MELISSA GOFF	6/25/18	10.69	GRAPHIC EDGE, THE	LAZY MAN TSHIRT DESIGN
MELISSA GOFF	6/25/18	1,711.92	GRAPHIC EDGE, THE	T-SHIRTS-RUN 100
MICHAEL FORD	6/14/18	625.52	STAYBRIDGE SUITES	OnBase Training Hotel-M.Ford
MICHAEL FORD	6/26/18	138.71	APPLE	Battery replacement for Mike's on call MacBook Air
MICHAEL FORD	6/27/18	138.71	APPLE	Battery replacement for Chad's on call MacBook Air
MICHAEL FORD	6/27/18	138.71	APPLE	Battery Replacement for Wades on call MacBook Air
MICHAEL FORD	6/29/18	269.98	WALMART	Payment Kiosks desk
MICHAEL O'CONNOR	6/13/18	39.93	AMAZON.COM	HAMMER FOR #102
MICHAEL O'CONNOR	6/18/18	263.48	AMAZON.COM	HAND TANK SPRAYERS
MICHAEL O'CONNOR	6/18/18	30.96	AMAZON.COM	UNIT #102
MICHAEL O'CONNOR	6/22/18	178.14	HOME DEPOT, THE	BRICKYARD TRAIL FISHING DOCK SUPPLIES
MICHAEL O'CONNOR	6/29/18	35.98	HOME DEPOT, THE	CHAIN FOR FLAP GATE
NATHAN KABAT	6/23/18	419.00	AMERICAN PLANNING ASSOCIA	APA-AICP and MN Chapter Membership Dues - Nate Kabat 7-2018 to 6-2019
NOEL GRACZYK	6/15/18	45.00	MINNESOTA GOVERNMENT F	JUNE MNGFOA MEETING-NOEL, JAY, MATT B.
PAUL MEYER	6/18/18	96.76	VERIZON WIRELESS	Case, car charger & screen protector For new iPhone
PAUL MEYER	6/21/18	82.14	AMAZON MKTPLACE PMTS	External Drive for CCTV Studio
PAUL MEYER	6/28/18	4.28	FEDEX	Packing for MAC return
PAUL MEYER	7/11/18	329.09	VIDABOX KIOSKS	Stand for iPad Self service portal
RACHEL NELSON	6/12/18	4.26	HOME DEPOT, THE	Replacement padlocks
RACHEL NELSON	6/21/18	89.01	AMAZON.COM	Blu Ray player for investigations for viewing evidence from CCSO computer
RACHEL NELSON	7/1/18	29.25	AMAZON.COM	Measuring tape for the Crime Scene team
RACHEL NELSON	7/10/18	24.45	ADORAMA CAMERA	Fingerprint deleoping spray for Crime Scene Team
ROBERT HINTZE	6/20/18	1,800.00	PQCOM	Purchased software for computer management
RONALD PIEPER	6/12/18	108.34	HOME DEPOT, THE	PARK OUTLETS
RONALD PIEPER	6/12/18	1,144.77	JOHNSON CONTROLS	REPLACEMENT BUILER BURNER OPERATING CONTROL
RONALD PIEPER	6/19/18	68.46	HOME DEPOT, THE	SUPPLIES-VINYL LETTERS, SILICONE, PAINT
RONALD PIEPER	6/22/18	37.90	TELIN TRANSPORTATION GRO	LIFT SWITCH
RONALD PIEPER	6/23/18	28.18	NEWARK US	CROOKED PINT REPLACEMENT GREASE PLUG
RONALD PIEPER	6/25/18	896.63	SENNECA HOLDINGS	CROOKED PINT REPLACEMENT KITCHEN DOOR
RONALD PIEPER	6/25/18	92.22	HOME DEPOT, THE	TV SHOW SUPPLIES, OUTLET, THERMOMETER, EXT CORD
RONALD PIEPER	6/26/18	98.16	ZORO	ANGLE PLUGS
RONALD PIEPER	6/28/18	514.75	WAREHOUSE LIGHTING COM	REPLACEMENT EXTERIOR LIGHT FIXTURES
RONALD PIEPER	7/4/18	39.98	BATTERIES PLUS	REPLACEMENT FIRE ALARM BATTERIES
RONALD PIEPER	7/3/18	47.36	HOME DEPOT, THE	OUTLETS
RYAN KERBER	6/12/18	6.24	HOME DEPOT, THE	BUILDING SUPPLIES FOR PARK REPAIRS
RYAN KERBER	6/13/18	37.90	MILLS FLEET FARM	USA FLAGS FOR ATHLETIC PARK GRANDSTAND
RYAN KERBER	6/13/18	9.44	HOME DEPOT, THE	LIGHT BULBS FOR ATHLETIC PARK SCOREBOARD
RYAN KERBER	6/13/18	27.79	HOME DEPOT, THE	LIGHT BULBS FOR ATHLETIC PARK SCOREBOARD
RYAN KERBER	6/18/18	3.85	HOME DEPOT, THE	LIGHT BULBS FOR ATHLETIC PARK SCOREBOARD
RYAN KERBER	6/19/18	5.36	HOME DEPOT, THE	PARK SIGN REPAIR
RYAN KERBER	6/20/18	10.25	HOME DEPOT, THE	CLEANING SUPPLIES FOR PARK SHELTERS
RYAN KERBER	6/20/18	7.07	HOME DEPOT, THE	PLUMBING SUPPLIES FOR WATER HEATER AT MCKNIGHT PARK
RYAN KERBER	7/11/18	39.98	MILLS FLEET FARM	SPRAY CART PARTS
SANDRA JANSEN	6/13/18	74.09	COOPER'S SUPER VALU FOODS	EXTREME KIDS-KOOL AID
SANDRA JANSEN	6/12/18	327.18	819 - BRUNSWICK ZONE X	EXTREME KIDS-FINAL PAYMENT-BOWLING
SANDRA JANSEN	6/12/18	5.00	HOLIDAY STATIONSTORES, IN	EXTREME KIDS WK 1 LUNCH SUPPLY-BREAD, BUNS
SANDRA JANSEN	6/13/18	40.00	LITTLE CAESARS 3036-0001	EXTREME KIDS-PIZZA
SANDRA JANSEN	6/17/18	186.77	TARGET	EXTREME KIDS-WEEK 2 SUPPLY-CRACKERS, GLUE
SANDRA JANSEN	6/17/18	3.19	CHASKA CUB FOODS	EXTREME KIDS-WEEK 2 SUPPLY-LIQUID STARCH
SANDRA JANSEN	6/17/18	50.16	MICHAELS STORES, INC. 673	EXTREME KIDS-WEEK 2 SUPPLY-RIBBON, BADMINTON SET, PEGBOARD
SANDRA JANSEN	6/20/18	50.00	LITTLE CAESARS 3036-0001	EXTREME KIDS-WEEK 2 PIZZA
SANDRA JANSEN	6/24/18	83.25	TARGET	EXTREME KIDS-WEEK 3 SUPPLY-COOKIES, BALLOONS
SANDRA JANSEN	6/23/18	10.98	PARTY CITY #1017	EXTREME KIDS-WEEK 3 SUPPLY-TWISTY BALLOONS
SANDRA JANSEN	6/22/18	94.32	DISCOUNT SCHOOL SUPPLY	EXTREME KIDS-BEADS, WATERCOLOR PAINTS
SANDRA JANSEN	6/24/18	38.24	MICHAELS STORES, INC. 673	EXTREME KIDS-WEEK 3 SUPPLY-ICING, ICING POUCH, PAPER
SANDRA JANSEN	6/24/18	593.81	OAK RIDGE HT & CONFERENCE	PRAIRIE FIRE DIRECTOR-LODGING
SANDRA JANSEN	6/24/18	593.81	OAK RIDGE HT & CONFERENCE	PRAIRIE FIRE DIRECTO-LODGING
SANDRA JANSEN	6/27/18	144.19	POP UP PARTY RENTAL	CARVER PROGRAMMING-CARVER VEHICLE FAIR
SANDRA JANSEN	6/27/18	405.00	BIG THRILL FACTORY MINNET	EXTREME KIDS-FIELD TRIP WEEK 3
SANDRA JANSEN	6/28/18	336.00	MINNESOTA HISTORICAL SOC	EXTREME KIDS-FIELD TRIP WEEK 2-FORT SNELLING
SANDRA JANSEN	7/1/18	51.20	TARGET	EXTREME KIDS-WEEK 4 SUPPLY-DVD, SARA LEE CAKE
SANDRA JANSEN	7/4/18	108.92	TARGET	EXTREME KIDS-WEEK 4 SUPPLY-M& MS, GRAHAM CRACKERS, CHEEZ IT CRACKERS
SANDRA JANSEN	7/3/18	631.25	AIRMAXX TRAMPOLINE	EXTREME KIDS-WEEK 4 FIELD TRIP
SANDRA JANSEN	7/9/18	52.60	TARGET	EXTREME KIDS-WEEK 5 SUPPLY-KARO SYRUP, STRAWBERRIES, CHEESE
SANDRA JANSEN	7/9/18	38.22	MICHAELS STORES, INC. 673	EXTREME KIDS-WEEK 5 SUPPLY-YARN, BANGLES, CRAFT STICKS
SARAH ANDERSON	6/15/18	295.98	BOUND TREE MEDICAL LLC	AED SPARE/REPLACEMENT BATTERY
SARAH ANDERSON	6/14/18	42.89	OFFICE DEPOT #1090	COPY PAPER

JULY 2018 P-CARD STATEMENT

SARAH ANDERSON	6/25/18	83.68	AMAZON.COM	POWER CORD FOR LIGHTS
SARAH ANDERSON	6/25/18	59.49	HOME DEPOT, THE	STATION SUPPLIES-MOP, SPONGES, HANGERS
SARAH ANDERSON	6/26/18	128.21	OTC BRANDS, INC.	CANDY FOR JULY 4TH PARADE
SARAH ANDERSON	6/29/18	2.45	HOME DEPOT, THE	SUPPLIES-CLEAR FLIP TOP BOX
SARAH ELIZABETH SIMMONS	6/27/18	28.52	CHASKA CUB FOODS	WELLNESS-STOP THE CLOCK-APPLES, GRANOLA BARS
SARAH ELIZABETH SIMMONS	6/27/18	4.99	SUPERAMERICA 4507	WELLNESS-STOP THE CLOCK-WATER
SARAH ELIZABETH SIMMONS	7/5/18	209.00	SHRM ONLINE	ANNUAL RENEWAL OF HR MEMBERSHIP
SCOTT BELVITCH	6/25/18	25.90	MILLS FLEET FARM	D BATTERIES FOR HAND SOAP DISPENSERS IN BUILDING RESTROOMS
SCOTT BELVITCH	6/25/18	25.08	LATHROP-SHAKOPEE	PAINTING/TEXTURING FOR EVENT CENTER WALL PAINTING/TOUCHUPS
SCOTT BELVITCH	6/25/18	17.99	OFFICEMAX	OFFICE SUPPLIES-CALENDAR-2018-2019
SCOTT BELVITCH	6/28/18	40.12	HOME DEPOT, THE	BRUSHES, ROLLER, TRAY-SUPPLIES FOR PAINT TOUCH UP ON ARENA FLOOR
SCOTT BELVITCH	7/6/18	19.98	MILLS FLEET FARM	COUPLER & QUICK CONNECT FOR FLOODING HOSE
SCOTT BELVITCH	7/7/18	7.98	MILLS FLEET FARM	ROPE FOR JUNIOR HORSE IN ICE
SCOTT BELVITCH	7/9/18	230.00	TRI COUNTY WATER	POLISHING TANK FOR R.O. WATER
SCOTT SELKEN	6/28/18	129.90	MILLS FLEET FARM	HEATERS FOR CITY HALL
SELMER OLSON	6/19/18	664.85	PLASTICPLACE.COM	GARBAGE BAGS FOR CITY PARKS/BUILDINGS
SELMER OLSON	6/19/18	343.98	MILLS FLEET FARM	WATER HEATER MCKNIGHT SHELTER
SELMER OLSON	6/19/18	111.07	HOME DEPOT, THE	PAINTING SUPPLIES FOR PARK PROJECTS
SELMER OLSON	6/25/18	239.88	LEATHERMAN TOOL GROUP IN	PARK SMALL TOOLS
SELMER OLSON	6/25/18	54.98	HOME DEPOT, THE	POLY SHEETING FOR ATHLETIC PARK
SELMER OLSON	6/26/18	89.95	MILLS FLEET FARM	ROUNDUP SPRAY
SELMER OLSON	6/26/18	4.52	HOME DEPOT, THE	DRAIN TILE PARTS FOR MCKNIGHT PARK
SELMER OLSON	6/26/18	367.00	HARTMAN COMPANIES INC	FLOWERS FOR LANDSCAPING
SELMER OLSON	6/27/18	-18.82	HOME DEPOT, THE	DRAIN TILE MCKNIGHT FIELD
SELMER OLSON	6/27/18	273.97	HOME DEPOT, THE	DRAIN TILE MCKNIGHT PARK
SELMER OLSON	7/3/18	275.75	THE MUSTARD SEED AT HA	FLOWERS FOR WTP
SELMER OLSON	7/9/18	37.66	HOME DEPOT, THE	SPRAY FOR MULCH BEDS
SELMER OLSON	7/11/18	129.58	MILLS FLEET FARM	CLEANING SUPPLIES
STEPHEN KRAUS	6/11/18	55.63	OFFICEMAX	OFFICE SUPPLIES (CHIEF 3)-CORK BOARD, TAPE, TRAY
STEVEN LATZKE	6/20/18	3.96	HOME DEPOT, THE	SHADOW WOOD LIFT STATION
STEVEN LATZKE	7/3/18	1.94	HOME DEPOT, THE	Distilled Water-WTP
SUSAN MARIE PRATHER	6/25/18	105.14	MYBINDING.COM	BINDER COVERS WITH WINDOWS
SUSAN MARIE PRATHER	7/3/18	47.49	AMAZON.COM	STABILITY BALL DESK CHAIR
SYDNEY VAN HOFWEGEN	6/18/18	24.85	COSTCO WHOLESALE	EXTREME KIDS-LUNCH SUPPLY-HAM, TURKEY
SYDNEY VAN HOFWEGEN	6/27/18	38.94	PETCO	BARK IN THE PARK-DOG BOWLS
SYDNEY VAN HOFWEGEN	7/9/18	278.23	COSTCO WHOLESALE	BEVERAGES FOR FIRE & ICE/EXTREME KIDS/LODGE-PIES, COFFEE
SYDNEY VAN HOFWEGEN	7/10/18	67.81	TARGET	AOA PIE SOCIAL-CANDY BARD, ICE CREAM, LUNCH BAGS
TESSA SVVERSON	6/21/18	28.00	ARC SERVICES/TRAINING	CPR/FIRST AID/AED PARTICIPANT FEE
TIMOTHY WIEBE	6/11/18	147.99	BOUND TREE MEDICAL LLC	AED BATTERY REPLACEMENT
TIMOTHY WIEBE	6/11/18	101.79	BOUND TREE MEDICAL LLC	AED BATTERY REPLACEMENT/BANDAGES
TIMOTHY WIEBE	6/13/18	195.00	COOPER'S SUPER VALU FOODS	WATER FOR TRAINING/CALLS
TIMOTHY WIEBE	6/13/18	157.39	HOME DEPOT, THE	CEILING TILE REPAIR DUE TO WATER DAMAGE-AIRMOVER
TIMOTHY WIEBE	6/15/18	13.83	POWERCALLSIRENS.COM	HELMET SYMBOLS
TIMOTHY WIEBE	6/20/18	650.50	CMC RESCUE INC	RESCUE ROPE
TIMOTHY WIEBE	6/22/18	34.28	BOUND TREE MEDICAL LLC	AED BATTERY REPLACEMENT, GLOVES
TIMOTHY WIEBE	6/25/18	64.50	NORTH AMERICAN SAFETY INC	SAFETY VESTS
TIMOTHY WIEBE	6/25/18	28.55	CMC RESCUE INC	RESCUE ROPE
TIMOTHY WIEBE	6/26/18	218.09	CONTERRA INC	RESCUE ROPE BAG
TIMOTHY WIEBE	7/3/18	190.00	CMC RESCUE INC	WATER RESCUE ROPE BAG
TIMOTHY WIEBE	7/10/18	437.70	BOUND TREE MEDICAL LLC	NITRILE GLOVES
TONY KJORSTAD	6/12/18	461.00	DELTA AIRLINES	2018 National Cocaine, Meth & Stimulant Summit #417
TONY KJORSTAD	6/12/18	461.00	DELTA AIRLINES	2018 National Cocaine, Meth & Stimulant Summit #403
TONY KJORSTAD	7/9/18	95.00	HOMEFRONT PROTECTIVE GRO	Supervision Skills Tactics and Leadership training #411
TROY WIEBE	6/12/18	52.18	HOME DEPOT, THE	PVC PIPE
TROY WIEBE	6/22/18	229.16	LIFT IT MANUFACTURING, I	LIFTING SLINGS

