

City of Edina



2001 Comprehensive Annual Financial Report

CITY OF EDINA, MINNESOTA

Comprehensive Annual Financial Report

Year ended December 31, 2001

Department of Finance

John Wallin--Treasurer and Finance Director

Peggy Gibbs--Assistant Finance Director

Paula Nelson—Accountant

CITY OF EDINA, MINNESOTA

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Introductory Section

CITY OF EDINA, MINNESOTA

Elected and Appointed Officials

December 31, 2000

	<u>Term of office expires January*</u>
Elected:	
Mayor—Dennis Maetzold	2005
Council:	
James Hovland	2003
Scot Housh	2003
Michael Kelly	2005
Linda Masica	2005
Appointed:	
Manager-Gordon Hughes	
Treasurer and Finance Director-John Wallin	
Assistant Finance Director-Peggy Gibbs	
Clerk-Debra Mangen	

*First Official business day.



March 29, 2002

To the Honorable Mayor and
Members of the City Council
City of Edina, Minnesota:

In accordance with State Statutes, I hereby transmit the annual financial report of the City of Edina, Minnesota as of December 31, 2001 and for the fiscal year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are discussed by the Finance Director in his accompanying letter of transmittal, and within that framework, I believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In accordance with the above-mentioned guidelines the accompanying report consists of three sections:

- 1) Introductory section-includes the Finance Director's letter of transmittal;
- 2) Financial section-includes the financial statements and supplemental schedules of the government accompanied by our independent auditors' reports; and
- 3) Statistical section-includes a number of tables of unaudited data depicting the financial history of the government for the past ten years, information on overlapping governments, and demographic and other miscellaneous information.

State law requires that the financial statements of the City of Edina, Minnesota be audited by a certified public accountant selected by the City Council. This requirement has been complied with, and our independent auditors' reports are included in the financial section of this report.

The Reporting Entity and Its Services

The City has reviewed its reporting entity definition in accordance with Governmental Accounting Standards Board Statement 14. The entities included in the City's report are those for which the City is financially accountable and which the City's relationship with is such that exclusion would cause the City's financial statements to be misleading or incomplete.

The City provides the full range of municipal services. These services include police and fire protection, civil defense, public health, animal control, inspections, public works maintenance, public improvements, parks and recreation activities, and general administrative services.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

General Governmental Functions

Revenues for general governmental functions reported within the General, Special Revenue, Debt Service and Capital Project Funds totaled \$42,039,447 in 2001, an increase of 18.0 percent over 2000. General property taxes produced 58.1 percent of general revenues compared to 64.3 percent last year. The amount of revenues from various sources and the increase (decrease) over last year are shown in the following table:

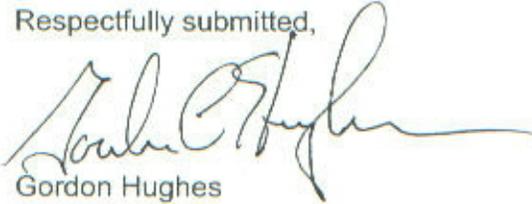
Revenue Source	Total	Percent of total	Increase (decrease) from 2000
Taxes	\$24,409,785	58.06%	\$ 1,505,273
Special assessments	1,086,093	2.58%	(73,783)
Franchise fee	473,702	1.13%	137,024
Licenses and permits	2,239,611	5.33%	403,783
Intergovernmental	5,085,981	12.10%	3,205,301
Charges for services	1,962,172	4.67%	(940,494)
Fines and forfeitures	976,952	2.32%	9,531
Investment income	1,274,294	3.03%	(1,013,055)
Interest on funds held with fiscal agent	83,407	.20%	(5,381)
Sale and rental of property	4,262,984	10.14%	3,106,458
Other revenues	184,466	.44%	87,534
Total revenues	\$42,039,447	100.00%	\$6,422,191

Current tax collections were 99.26 percent of the tax levy, down .04 percent from last year. Delinquent tax collections were up from last year. The ratio of total collections (current and delinquent) to the current tax levy was 99.4 percent, an increase of .03 percent from last year.

Intergovernmental revenues were 12.1% of general revenues compared to 5.3% in 2000. There was a \$4 million sale of land in 2001. Investment income decreased compared with 2000 due to higher investment earnings in 2000, unrealized gains in 2000, and a decrease in unrealized gains in 2001.

The City of Edina, Minnesota concluded fiscal year 2001 in a sound financial condition, which is shown in the report. Preparation of this annual financial report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years toward upgrading the accounting and financial reporting systems of the City of Edina have lead substantially to the improved quality of the information being reported to the City Council, state oversight boards, and the citizens of the City of Edina.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gordon Hughes", with a long horizontal flourish extending to the right.

Gordon Hughes
City Manager



March 29, 2002

To the Honorable Mayor,
Members of the City Council,
and City Manager
City of Edina, Minnesota:

The Comprehensive Annual Financial Report of the City of Edina (the City), for the fiscal year ended December 31, 2001, is submitted herewith. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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

Budgetary control is maintained through the issuance of purchase orders. Purchase orders which would result in an overrun of the budgeted allotment are not released until additional appropriations are made available.

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Expenditures for general governmental purposes within the General, Special Revenue, Debt Service and Capital Project Funds totaled \$39,532,797 an increase of 15.5 percent over 2000. Increases (decreases) in levels of expenditures for major functions of the City over last year are shown in the following table:

Function	Total	Percent of total	Increase (decrease) from 2000
General government	\$2,633,260	6.7%	\$ (2,097)
Public safety	9,409,291	23.8%	562,931
Public works	4,313,065	10.9%	641,008
Parks	2,375,565	6.0%	224,977
Unallocated general	506,495	1.3%	160,396
Other	2,213,247	5.6%	636,279
Capital outlay	11,193,155	28.3%	2,840,661
Bond principal	3,740,000	9.4%	190,000
Interest and fiscal charges	3,148,719	8.0%	40,118
Total expenditures	<u>\$39,532,797</u>	<u>100.0%</u>	<u>\$ 5,294,273</u>

Debt Administration

The ratio of net bonded debt to tax capacity and the amount of bonded debt per capita are useful indicators of the City's debt position and are listed below:

Ratio of net bonded debt to tax capacity	<u>1.0514</u>
Net bonded debt per capita	<u>\$ 1,353</u>

The following is a summary of bonded debt for fiscal year 2001:

Gross bonded debt outstanding, January 1, 2001	\$88,175,000
Add bonds issued in fiscal year 2001	4,620,000
Deduct bonds redeemed in fiscal year 2001	<u>20,330,000</u>
Gross bonded debt outstanding, December 31, 2001	72,465,000
Deduct sinking fund assets, December 31, 2001	<u>(8,321,645)</u>
Net bonded debt, December 31, 2001	<u>\$64,143,355</u>

The City's bonds were upgraded to an Aaa rating as determined by Moody's Investors Service, and an AA+ rating from Standard & Poors in August, 2000.

At December 31, 2001 the City had \$47,590,000 of Tax Increment Bonds outstanding, excluding General Obligation, Improvement and Revenue Bonds. \$849,417 was available in the General Debt Service Fund for payment of these obligations, resulting in \$46,740,583 net general debt at December 31, 2001

Cash Management

The City subscribes to the "pooled cash" concept of investing which means that all funds with cash balances participate in an investment pool. This permits some funds to be overdrawn and others to show cash balances when in fact, the City has a cash balance. This pooled cash concept provides for investing greater amounts of money at more favorable rates. Interest earnings are then periodically allocated to the participating funds. During 2001, the City received in interest and dividends \$1,894,015. The following is a list of the City's cash and investments by classification as of December 31, 2001:

Cash	\$4,202,750
Cash deficit	(3,937,378)
Cash with plan administrator	3,980,984
Cash with fiscal agents	3,287,331
Certificates of deposit	1,079,000
Commercial paper	21,139,010
Banker's acceptance	498,607
Government securities	16,793,505
Money market investments	<u>15,316,326</u>
	<u>\$62,360,135</u>

Capital Project Funds

The major construction projects and equipment purchases are accounted for in four Capital Project Funds. The HRA Fund accounts for construction projects within the City's seven tax increment districts. The Construction Fund and Revolving Fund are for construction projects or major equipment purchases funded through special assessments, State aids, General Fund appropriations, or working capital funds.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise Funds. As of December 31, 2001, the general fixed assets of the City amounted to \$96,035,499. This amount represents the original cost of the assets and is considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

Enterprise Funds

The City currently operates eight Enterprise Funds which are set up to operate primarily from user fees charged to the general public. A comparative statement of income (loss) before operating transfers for the fiscal years ended 2001 and 2000 is as follows:

	Income (loss)	
	2001	2000
Utilities	\$1,434,160	\$1,561,307
Liquor	885,368	961,133
Swimming pool	65,061	47,346
Golf course	(33,817)	259,357
Arena	(257,030)	(289,177)
Art Center	(180,303)	(263,526)
Edinborough Park/Centennial Lake	(225,391)	(327,930)
	<u>\$1,688,048</u>	<u>\$1,948,510</u>

Operating transfers to/from other funds for various purposes were \$239,000 to other enterprise funds, \$46,000 to the general fund and \$60,259 to the revolving fund in 2001 and \$220,000, \$108,000 and \$919,000 in 2000, respectively.

Independent Audit

Minnesota State Statutes require that every city with a population of more than 2,500 submit to the State Auditor audited financial statements which have been attested to by a certified public accountant, public accountant or the State Auditor. This Statute has been complied with, and the independent auditors' report of the certified public accounting firm of KPMG LLP has been included in this Comprehensive Annual Financial Report for 2001.

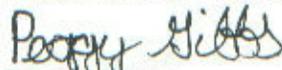
Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation. We should also like to thank the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



John Wallin, CPA
Treasurer and Finance Director



Peggy Gibbs
Assistant Finance Director

Financial Section

General Purpose Statements



4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Honorable Mayor and Members of the City Council
City of Edina, Minnesota

We have audited the general-purpose financial statements of the City of Edina, Minnesota (the City), as of and for the year ended December 31, 2001, as listed in the accompanying table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.



The data designated as the statistical section and supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

March 29, 2002

KPMG LLP

CITY OF EDINA, MINNESOTA
 Combined Balance Sheet - All Fund Types and Account Groups

December 31, 2001
 (with comparative totals for December 31, 2000)

Assets and Other Debits	Governmental fund types			
	General	Special Revenue	Debt Service	Capital Projects
Cash (note 2)	\$ 0	0	0	41,109
Petty cash and change funds (note 2)	3,300	0	0	0
Investments (note 2)	15,549,217	1,126,558	0	27,743,004
Cash and investments with plan administrators (notes 2 and 7)	0	0	0	0
Cash and investments with fiscal agents (note 2)	0	0	0	0
Receivables:				
Accounts	230,770	101,619	0	7,731
Customers	0	0	0	0
Accrued interest	12,390	13,143	0	171,811
Special assessments	0	0	0	3,111,287
Due from other funds (note 9)	41,678	217,594	844,736	62,294
Due from other governments	270,914	17,887	4,681	890,082
Inventory	0	0	0	0
Prepaid expenses	15,872	0	0	0
Fixed assets (note 4)	0	0	0	0
Discount on bonds	0	0	0	0
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of long-term debt	0	0	0	0
Amount to be provided for compensated absences	0	0	0	0
Total assets and other debits	\$ 16,124,141	1,476,801	849,417	32,027,318
Liabilities, Fund Equity and Other Credits				
Liabilities:				
Accounts payable	453,635	21,755	0	1,616,409
Salaries payable	508,397	1,341	0	3,080
Contracts payable	0	0	0	439,279
Accrued interest payable	0	0	0	0
Due to other funds (note 9)	623,727	17,722	0	1,848,227
Due to other governments	44,735	34	0	100,309
Compensated absences payable	107,954	0	0	0
Deposits payable	10,000	0	0	3,107
Taxes payable	0	0	0	41,196
Deferred revenue (note 3)	0	0	0	3,635,711
Obligation under capital lease (note 13)	0	0	0	0
Bonds payable (note 5)	0	0	0	0
Total liabilities	1,748,448	40,852	0	7,687,318
Fund equity and other credits:				
Investment in general fixed assets (note 4)	0	0	0	0
Contributed Capital (note 15)	0	0	0	0
Retained earnings:				
Reserved (note 10)	0	0	0	0
Unreserved-undesignated	0	0	0	0
Fund balance:				
Reserved (note 10)	15,872	0	849,417	1,470,422
Unreserved - designated (note 10)	14,359,821	0	0	8,197,305
Unreserved - undesignated	0	1,435,949	0	14,672,273
Total fund equity and other credits	14,375,693	1,435,949	849,417	24,340,000
Contingencies (note 12)				
Total liabilities, fund equity and other credits	\$ 16,124,141	1,476,801	849,417	32,027,318

See accompanying notes to financial statements

Proprietary fund type	Fiduciary fund type	Account groups		Totals (memorandum only)	
		General Fixed Asset	General Long-term Debt	2001	2000
Enterprise	Trust & Agency				
0	209,198	0	0	250,307	320,400
11,765	0	0	0	15,065	14,125
10,407,669	0	0	0	54,826,448	45,106,157
0	3,980,984	0	0	3,980,984	3,999,778
3,287,331	0	0	0	3,287,331	19,013,091
132,472	0	0	0	472,592	403,294
1,934,726	0	0	0	1,934,726	2,170,225
67,734	0	0	0	265,078	466,092
115,171	0	0	0	3,226,458	3,451,540
2,148,220	0	0	0	3,314,522	3,392,852
2,213	0	0	0	1,185,777	396,430
4,191	0	0	0	4,191	1,165,534
1,103,909	0	0	0	1,119,781	141,939
41,345,383	0	96,035,499	0	137,380,882	132,315,401
94,433	0	0	0	94,433	79,454
0	0	0	849,417	849,417	16,712,468
0	0	0	54,354,496	54,354,496	58,103,542
0	0	0	2,354,817	2,354,817	2,220,886
<u>60,655,217</u>	<u>4,190,182</u>	<u>96,035,499</u>	<u>57,558,730</u>	<u>268,917,305</u>	<u>289,473,208</u>
842,906	0	0	0	2,934,705	1,828,819
126,377	0	0	0	639,195	546,931
27,019	0	0	0	466,298	302,062
310,891	0	0	0	310,891	327,363
783,168	41,678	0	0	3,314,522	3,392,852
127,476	167,520	0	0	440,074	656,568
622,784	0	0	2,354,817	3,085,555	2,813,364
86,823	0	0	0	99,930	50,593
0	0	0	0	41,196	0
5,040	0	0	0	3,640,751	3,283,591
155,000	0	0	363,913	518,913	636,010
17,625,000	0	0	54,840,000	72,465,000	88,175,000
<u>20,712,484</u>	<u>209,198</u>	<u>0</u>	<u>57,558,730</u>	<u>87,957,030</u>	<u>102,013,153</u>
0	0	96,035,499	0	96,035,499	90,961,462
5,284,049	0	0	0	5,284,049	5,725,001
1,607,120	0	0	0	1,607,120	1,607,120
33,051,564	0	0	0	33,051,564	30,936,824
0	3,980,984	0	0	6,316,695	20,871,712
0	0	0	0	22,557,126	22,487,119
0	0	0	0	16,108,222	14,870,817
<u>39,942,733</u>	<u>3,980,984</u>	<u>96,035,499</u>	<u>0</u>	<u>180,960,275</u>	<u>187,460,055</u>
<u>60,655,217</u>	<u>4,190,182</u>	<u>96,035,499</u>	<u>57,558,730</u>	<u>268,917,305</u>	<u>289,473,208</u>

CITY OF EDINA, MINNESOTA

Combined Statement of Revenues, Expenditures and Changes in Fund Balance --
All Governmental Fund Types and Expendable Trust FundYear ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	Governmental fund types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes (note 3)	\$ 14,375,991	0	724,434	9,309,360
Special assessments	0	0	684,660	401,433
Franchise fees	0	473,702	0	0
Licenses and permits	2,239,611	0	0	0
Intergovernmental	1,657,599	106,031	0	3,322,351
Charges for services	1,909,666	0	0	52,506
Fines and forfeitures	976,952	0	0	0
Investment Income	157,309	76,844	0	1,040,141
Interest on funds held with fiscal agent	0	0	83,407	0
Sales and rental of property	250,352	0	0	4,012,632
Other revenues	16,087	3,965	0	164,414
Total revenues	21,583,567	660,542	1,492,501	18,302,837
Expenditures:				
Current:				
General government	2,633,260	0	0	0
Public safety	9,409,291	0	0	0
Public works	4,313,065	0	0	0
Parks	2,375,565	0	0	0
Unallocated general	506,495	0	0	0
Other	32,024	371,363	2,000	1,807,860
Capital outlay:				
General government	417,949	0	0	0
Public safety	737,972	0	0	0
Public works	576,727	0	0	0
Parks	116,905	0	0	0
Infrastructure	0	0	0	9,342,455
Other	0	1,147	0	0
Debt Service:				
Bond principal	0	0	3,740,000	0
Interest and fiscal charges	0	0	3,148,719	0
Total expenditures	21,119,253	372,510	6,890,719	11,150,315
Excess (deficiency) of revenues over expenditures	464,314	288,032	(5,398,218)	7,152,522
Other financing sources (uses):				
Operating transfers in (out):				
Operating transfers in (out)--General Fund	0	0	0	0
Operating transfers in (out)--Revolving Fund	0	0	0	0
Operating transfers in (out)--HRA	0	0	6,015,411	0
Operating transfers in (out)--General Debt Service Fund	0	0	0	(6,015,411)
Operating transfers in (out)--Liquor Fund	0	0	0	100,000
Operating transfers in (out)--Utility Fund	0	0	0	100,000
Operating transfers in (out)--Art Center Fund	0	0	0	(8,252)
Operating transfers in (out)--Edinborough Park Fund	(46,000)	0	0	(56,300)
Operating transfers in (out)--Arena Fund	0	0	0	(75,189)
Parkland dedication	60,280	0	0	0
Payments for refunding bonds	0	0	(15,810,000)	0
Proceeds from sale of tax increment bonds	0	0	0	0
Total other financing sources (uses)	14,280	0	(9,794,589)	(5,955,152)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	478,594	288,032	(15,192,807)	1,197,370
Fund balance - January 1	13,897,099	1,147,917	16,712,468	22,472,386
Residual equity transfer	0	0	(670,244)	670,244
Fund balance - December 31	\$ 14,375,693	1,435,949	849,417	24,340,000

See accompanying notes to financial statements

Fiduciary Type	Totals	
	(memorandum only)	
Expendable Trust	2001	2000
0	24,409,785	22,904,512
0	1,086,093	1,159,876
0	473,702	336,678
0	2,239,611	1,835,828
0	5,085,981	1,880,680
0	1,962,172	2,902,666
0	976,952	967,421
(250,750)	1,023,544	2,171,165
0	83,407	88,788
0	4,262,984	1,156,526
316,813	501,279	408,089
66,063	42,105,510	35,812,229
0	2,633,260	2,635,357
0	9,409,291	8,846,360
0	4,313,065	3,672,057
0	2,375,565	2,150,588
0	506,495	346,099
84,857	2,298,104	1,685,437
0	417,949	99,898
0	737,972	375,731
0	576,727	555,332
0	116,905	104,921
0	9,342,455	7,207,966
0	1,147	8,646
0	3,740,000	6,050,000
0	3,148,719	3,108,601
84,857	39,617,654	36,846,993
(18,794)	2,487,856	(1,034,764)
0	0	279,065
0	0	(279,065)
0	6,015,411	5,778,574
0	(6,015,411)	(5,778,574)
0	100,000	919,000
0	100,000	0
0	(8,252)	0
0	(102,300)	(108,000)
0	(75,189)	0
0	60,280	85,520
0	(15,810,000)	0
0	0	21,742,116
0	(15,735,461)	22,638,636
(18,794)	(13,247,605)	21,603,872
3,999,778	58,229,648	36,625,776
0	0	0
3,980,984	44,982,043	58,229,648

CITY OF EDINA, MINNESOTA

Combined Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - General and Special Revenue Fund TypesYear ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	General		Variance favorable (unfavorable)
	Budget	Actual	
Revenues:			
Taxes (note 3)	\$ 14,293,346	14,375,991	82,645
Licenses and permits	1,754,635	2,239,611	484,976
Intergovernmental	1,630,101	1,657,599	27,498
Charges for services	1,531,576	1,909,666	378,090
Fines and forfeitures	743,370	976,952	233,582
Investment income	53,497	157,309	103,812
Sales and rental of property	137,230	250,352	113,122
Other revenues	26,780	16,087	(10,693)
Total revenues	<u>20,170,535</u>	<u>21,583,567</u>	<u>1,413,032</u>
Expenditures:			
Current:			
General government	2,872,055	2,633,260	238,795
Public safety	9,496,609	9,409,291	87,318
Public works	4,180,557	4,313,065	(132,508)
Parks	2,440,411	2,375,565	64,846
Unallocated general	485,793	506,495	(20,702)
Other	0	32,024	(32,024)
Capital outlay:			
General government	43,496	417,949	(374,453)
Public safety	488,838	737,972	(249,134)
Public works	536,000	576,727	(40,727)
Parks	103,666	116,905	(13,239)
Total expenditures	<u>20,647,425</u>	<u>21,119,253</u>	<u>(471,828)</u>
Excess (deficiency) of revenues over expenditures	<u>(476,890)</u>	<u>464,314</u>	<u>941,204</u>
Other financing sources (uses):			
Operating transfers in	476,890	0	(476,890)
Operating transfers out	0	(46,000)	(46,000)
Parkland dedication	0	60,280	60,280
Total other financing sources (uses)	<u>476,890</u>	<u>14,280</u>	<u>(462,610)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 0</u>	<u>478,594</u>	<u>478,594</u>
Fund balance - January 1		<u>13,897,099</u>	
Fund balance - December 31		<u><u>14,375,693</u></u>	

See accompanying notes to financial statements

Special Revenue			Totals (memorandum only)			
			2001		2000	
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Actual
0	0	0	14,293,346	14,375,991	82,645	13,575,850
0	0	0	1,754,635	2,239,611	484,976	1,835,828
182,331	106,031	(76,300)	1,812,432	1,763,630	(48,802)	1,626,423
0	0	0	1,531,576	1,909,666	378,090	2,024,518
0	0	0	743,370	976,952	233,582	967,421
0	0	0	53,497	157,309	103,812	430,577
0	0	0	137,230	250,352	113,122	171,585
0	0	0	26,780	16,087	(10,693)	9,803
<u>182,331</u>	<u>106,031</u>	<u>(76,300)</u>	<u>20,352,866</u>	<u>21,689,598</u>	<u>1,336,732</u>	<u>20,642,005</u>
0	0	0	2,872,055	2,633,260	238,795	2,635,357
0	0	0	9,496,609	9,409,291	87,318	8,846,360
0	0	0	4,180,557	4,313,065	(132,508)	3,672,057
0	0	0	2,440,411	2,375,565	64,846	2,150,588
0	0	0	485,793	506,495	(20,702)	346,099
182,331	106,031	76,300	182,331	138,055	44,276	116,151
0	0	0	43,496	417,949	(374,453)	99,898
0	0	0	488,838	737,972	(249,134)	375,731
0	0	0	536,000	576,727	(40,727)	555,332
0	0	0	103,666	116,905	(13,239)	104,921
<u>182,331</u>	<u>106,031</u>	<u>76,300</u>	<u>20,829,756</u>	<u>21,225,284</u>	<u>(395,528)</u>	<u>18,902,494</u>
0	0	0	(476,890)	464,314	941,204	1,739,511
0	0	0	476,890	0	(476,890)	0
0	0	0	0	(46,000)	(46,000)	(387,065)
0	0	0	0	60,280	60,280	85,520
0	0	0	<u>476,890</u>	<u>14,280</u>	<u>(462,610)</u>	<u>(301,545)</u>
0	0	0	0	478,594	478,594	1,437,966
	0			<u>13,897,099</u>		<u>12,459,133</u>
	0			<u>14,375,693</u>		<u>13,897,099</u>

CITY OF EDINA, MINNESOTA

Combined Statement of Revenues, Expenses and Changes in
Retained Earnings -- All Proprietary Fund TypesYear ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	Totals	
	2001	2000
Operating revenues:		
Charges for sales and services:		
Sales - Liquor	\$ 9,074,112	8,989,480
Sales - Retail	355,413	412,473
Sales - Utility	8,421,616	8,639,374
Sales - Concessions	373,534	396,353
Memberships	566,502	583,979
Admissions	644,705	562,707
Building rental	1,257,001	1,190,171
Rental of equipment	384,163	399,049
Greens fees	1,970,280	2,156,438
Other fees	1,515,604	1,535,683
Total operating revenues	<u>24,562,930</u>	<u>24,865,707</u>
Operating expenses:		
Cost of sales and services	7,241,612	7,174,884
Personal services	4,472,574	4,645,640
Contractual services	6,142,852	6,083,352
Commodities	1,153,468	1,196,540
Central services	1,521,300	1,364,501
Depreciation	2,142,943	2,132,071
Total operating expenses	<u>22,674,749</u>	<u>22,596,988</u>
Operating income	1,888,181	2,268,719
Nonoperating revenues (expenses):		
Investment income	490,708	619,273
Interest from fiscal agents	137,040	0
Donations	24,729	21,352
Miscellaneous revenue (expense)	190	655
Interest and fiscal charges	(647,970)	(681,487)
Interest on capital lease	(10,483)	(13,111)
Gain (loss) on disposal of capital assets	(155,229)	(249,072)
Amortization of bond discount	(39,118)	(17,819)
Total nonoperating expenses	<u>(200,133)</u>	<u>(320,209)</u>
Income before operating transfers	1,688,048	1,948,510
Operating transfers in (out):		
General fund	46,000	108,000
Art center fund	(104,000)	(139,000)
Liquor store fund	239,000	220,000
Arena fund	(135,000)	(81,000)
Revolving fund	(60,259)	(919,000)
Total operating transfers, net	<u>(14,259)</u>	<u>(811,000)</u>
Net income	1,673,789	1,137,510
Add depreciation on contributed assets	440,951	452,966
Increase in retained earnings	<u>2,114,740</u>	<u>1,590,476</u>
Retained earnings - January 1	<u>32,543,944</u>	<u>30,953,468</u>
Retained earnings - December 31	<u>\$ 34,658,684</u>	<u>32,543,944</u>

See accompanying notes to financial statements

CITY OF EDINA, MINNESOTA

Combined Statement of Cash Flows -- All Proprietary Fund Types

Year Ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	Totals	
	2001	2000
Cash flows from operating activities:		
Operating income	\$ 1,888,181	2,268,719
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	2,142,943	2,132,071
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(17,957)	51,701
(Increase) decrease in customer accounts receivable	235,499	(159,665)
(Increase) decrease in special assessments receivable	(38,714)	28,755
(Increase) decrease in due from other funds	(587,830)	3,249,321
Decrease in due from other governments	2,314	685
Increase in prepaid expenses	53,497	0
(Increase) decrease in inventory	3,937	(184,466)
Increase in accounts payable	117,078	93,803
Increase in salaries payable	5,496	16,622
Increase (decrease) in contracts payable	(67,544)	81,393
Decrease in accrued interest payable	(16,472)	(74,329)
Increase (decrease) in due to other funds	783,168	(200,000)
Increase (decrease) in due to other governments	(228,205)	200,361
Increase in compensated absences payable	56,690	421,628
Increase in deposits payable	36,230	38,239
Miscellaneous revenue	190	655
Total adjustments	2,480,320	5,696,774
Net cash provided by operating activities	<u>4,368,501</u>	<u>7,965,493</u>
Cash flows from noncapital financing activities:		
Donations	24,729	21,352
Operating transfer in--General Fund	46,000	108,000
Operating transfer (out)--Art Center	(104,000)	(139,000)
Operating transfer in--Liquor Store Fund	239,000	220,000
Operating transfer (out)--Arena	(135,000)	(81,000)
Operating transfer (out)--Revolving fund	(60,259)	(919,000)
Net cash provided by (used in) noncapital financing activities	<u>10,470</u>	<u>(789,648)</u>
Cash flows from capital and related financing activities:		
Net acquisition of capital assets	(2,134,388)	(3,109,973)
Loss on disposal of capital assets	(155,229)	(249,072)
Proceeds from revenue bonds	4,620,000	0
Principal paid on revenue bonds	(780,000)	(785,000)
Increase on bond discount	(54,097)	0
Principal paid on capital lease	(55,000)	(50,000)
Interest received from fiscal agent	137,040	137,041
Interest paid on capital lease	(10,483)	(13,111)
Interest paid on bonds	(647,970)	(681,487)
Net cash provided by (used in) capital and related financing activities	<u>919,873</u>	<u>(4,751,602)</u>
Cash flows from investing activities:		
Purchase of investments	(5,827,521)	(2,820,478)
Decrease in interest receivable	39,252	(106,986)
Investment income	490,708	482,232
Net cash used in investing activities	<u>(5,297,561)</u>	<u>(2,445,232)</u>
Net increase (decrease) in cash and cash equivalents	1,283	(20,989)
Cash and equivalents, beginning of year	<u>3,297,813</u>	<u>3,318,802</u>
Cash and equivalents, end of year	<u>\$ 3,299,096</u>	<u>3,297,813</u>

See accompanying notes to financial statements

CITY OF EDINA, MINNESOTA

Notes to General Purpose Financial Statements

December 31, 2001

(1) Summary of Significant Accounting Policies

The City operates under the "Optional Plan B" form of government according to applicable State of Minnesota Statutes. The Statutes prescribe a Council-Manager form of organization. The City provides the following services: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administration. The City was incorporated in 1888.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" the City's financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is financially accountable for the component unit if it appoints a voting majority of the component unit's governing body and is able to impose its will on the component unit or there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the primary government and its component units (legally separate organizations). The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of a component unit has been included in the City's reporting entity as a blended component unit. The blended component unit's financial data are reported as part of the primary government.

Blended Component Unit. The following component unit has been presented as a blended component unit because the component unit's government body is substantively the same as the governing body of the City.

(Continued)

CITY OF EDINA, MINNESOTA

Housing and Redevelopment Authority of Edina

The Housing and Redevelopment Authority of Edina (HRA) strives to redevelop the residential and commercial areas of the City and to provide affordable housing, adequate jobs and a sound financial base for the City residents. The City Council members act as the HRA board and therefore the HRA's governing body is substantially the same as the City's governing body. No separate financial statements are available for the HRA. The HRA activities are included in the capital projects fund.

B. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, 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, fund equity, revenues, and expenditures, or expenses, as appropriate.

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. The various funds are grouped, in the financial statements in this report, into six generic fund categories and three broad fund types as follows:

Governmental Funds

General Fund--The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds--Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds--Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Funds--Capital Project Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds

Enterprise Funds--Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including

(Continued)

CITY OF EDINA, MINNESOTA

depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds

Trust and Agency Funds—Trust Funds account for assets held by the City in a trustee capacity. The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary funds. The Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary funds.

C. Measurement Focus

All Governmental Funds and the expendable trust fund are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

(Continued)

CITY OF EDINA, MINNESOTA

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the Governmental Funds. The exception to this general rule is for revenue bonds, which are accounted for in Enterprise Funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for Governmental Fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group. All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that current and long-term assets and current and long-term liabilities associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. The operating statements of the funds present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20-30 years
Equipment and machinery	5-10 years
Distribution systems, sewer mains and lift stations	50 years

The City follows the practice of including, as part of property, plant and equipment of these funds, the costs of distribution systems, sewer mains and lift stations which are paid for by assessments against benefited property.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Governmental Fund types and expendable trust fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Major revenues that

(Continued)

CITY OF EDINA, MINNESOTA

are determined to be susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for service, and investment income. Major revenues that are determined not to be susceptible to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes and assessments, licenses, permits, fines and forfeitures.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which is recognized when due.

The Proprietary Fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred. Unbilled utility service receivables are recorded at year end.

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. The Governmental and Proprietary Funds' financial statements generally reflect such transactions as transfers. Nonrecurring or nonroutine transfers of equity between funds are recorded as equity transfers and, accordingly, are reported as additions or deductions from fund equity.

E. Budgets and Budgetary Accounting

The City adopts an annual budget for the General Fund and the Community Development Block Grant Fund, a special revenue fund. (The council has elected not to prepare a budget for the Communications Fund, a special revenue fund.) The budgets are prepared on the modified accrual basis of accounting. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted by the passage of a resolution by the City Council.
4. Formal budgetary integration is employed as a management control device during the year.
5. Budgets for the General Fund and the Community Development Block Grant Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(Continued)

CITY OF EDINA, MINNESOTA

6. The City Council may authorize transfers of budgeted amounts between departments.
7. Reported budget amounts are as originally adopted or as amended by Council-approved supplemental appropriations and budget transfers.
8. Expenditures may not legally exceed appropriations by department unless offset by increases in revenues. All unencumbered appropriations lapse at year end.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities, and therefore, are presented in the financial statements as reservations of fund balances. Encumbrances are recorded in the Construction Fund which is part of the Capital Projects Fund.

G. Cash

Cash balances from all funds are pooled together and invested to the maximum extent at favorable rates. This also allows certain funds to generate a temporary cash overdraft. Interest earned is allocated as determined by the Investment Advisory Committee.

H. Investments

The City's investments, including deferred compensation investments and investments with fiscal agents, are stated at fair value, based on quoted market prices.

I. Statement of Cash Flows

For purposes of the statement of cash flows, the City's Enterprise Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing

(Continued)

CITY OF EDINA, MINNESOTA

arrangements outstanding at the end of the year are recorded as due to/from other funds for the current portion and as advance to/from other fund.

K. Inventory

Inventory is stated at the lower of cost (determined on a first in, first out basis) or market value. The costs of proprietary fund-type inventories are recorded as expenditures when consumed rather than when purchased.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick leave is payable when used or upon termination of employment as a lump sum payment equal to 50% of their balance up to 960 hours. Employees hired before January 1, 2000 elected to choose from the above sick leave policy or six weeks severance after 20 years of service. Vacation pay is payable when used or upon termination of employment. Vacation and sick pay is accrued when incurred in Proprietary Funds and reported as a liability. For Governmental Funds, vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-term Debt Account Group. No expenditure is reported for these amounts. The amount of accrued vacation pay at December 31, 2001 reported in the Governmental Funds, Proprietary Funds and General Long-term Debt Account Group was \$107,954, \$622,784, \$2,354,817 respectively.

M. Memorandum Only-Total Column

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. The columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of these data.

N. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

(Continued)

CITY OF EDINA, MINNESOTA**O. Reclassifications**

Certain 2000 amounts were reclassified to conform to the 2001 presentation.

P. GASB Statement No. 20

In accordance with Governmental Accounting Standards, proprietary and similar trust funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements; Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. The City has elected to apply only FASB, APB, and ARB materials issued on or before November 30, 1989 to the Enterprise Funds.

Q. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments**Cash**

In accordance with Minnesota Statutes, the City maintains deposits at various financial institutions. Deposits are carried at cost plus accrued interest. Minnesota Statutes require that all City deposits be protected by an insurance surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% in the case of mortgage notes pledged). At December 31, 2001 the City had no deposits that were uninsured or uncollateralized. The deposits were insured or collateralized by securities held by the City's agent in the City's name.

Investments

The City is authorized by Minnesota Statutes to invest in the following:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies;
- (b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above;

(Continued)

CITY OF EDINA, MINNESOTA

- (c) General obligations in the State of Minnesota or any of its municipalities;
- (d) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System;
- (e) Commercial paper issued by United States corporations or their Canadian Subsidiaries, of the highest quality, and maturing in 270 days or less;
- (f) Guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their subsidiaries;
- (g) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers; and
- (h) Futures contracts sold under authority of Minnesota Statutes 471.56, subdivision 5.

The City's investments are categorized in the following manner:

Category 1--Includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name.

Category 2--Includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

The investment balances at December 31, 2001 were as follows:

	Credit Risk Category		Fair Value
	Category 1	Category 2	
Certificates of deposit	\$ 1,079,000	0	1,079,000
Commercial paper	6,778,076	14,360,934	21,139,010
Banker's acceptance	0	498,607	498,607
Money Market investments	11,700	15,304,626	15,316,326
Government securities:			
United States Treasury Notes	393,890	2,233,664	2,627,554
Federal National Mortgage Association	2,696,547	3,300,358	5,996,905
Government National Mortgage Association	0	510,403	510,403
Federal Home Loan Mortgage Corporation	1,811,811	2,680,453	4,492,264
Federal Home Loan Bank	1,152,292	1,272,162	2,424,454
SBA Pool	257,715	484,210	741,925
	<u>\$ 14,181,031</u>	<u>40,645,417</u>	<u>54,826,448</u>
Cash and investments with fiscal agents			3,287,331
Cash and investments with plan administrators			3,980,984
Total investments			<u>\$ 62,094,763</u>

(Continued)

CITY OF EDINA, MINNESOTA

In accordance with Minnesota Statutes, the City invests in various mortgage-backed securities, such as collateralized mortgage obligations. Included in the Federal Home Loan Mortgage Corporation investments are approximately \$479,840 of collateralized mortgage obligations, debt instruments issued by special purpose entities which are secured by pools of mortgage loans or other mortgage-backed securities. Payments of interest and principal on underlying collateral provide the funds to pay debt service on the collateralized mortgage obligation. The Federal Home Loan Mortgage Corporation is a federally chartered corporation and guarantees timely payment and principal to security holders. The cash flows and yields on collateralized mortgage obligations are sensitive to the rate of principal payments (including prepayments) on the underlying collateral. For example, a rapid or slow rate of principal payments on the underlying collateral may have a material adverse effect on the yield to maturity of the collateralized mortgage obligations.

Deposits at December 31, 2001 were as follows:

		Carrying Amount	Bank balance
Checking accounts	\$	41,109	1,304,735
Cash on hand		15,065	0
Cash with trustee		209,198	0
	\$	265,372	1,304,735

(3) Property Taxes

The City Council annually adopts a tax levy and certifies it to the County for collection in October of each year. The County is responsible for billing and collecting all property taxes for itself, the City, the local school district and other taxing authorities. Such taxes become a lien on January 1 of the following year and are recorded as receivables by the City at that date. Real property taxes are payable by property owners on May 15 and October 15 of each calendar year. These taxes are collected by the County and remitted to the City on or before July 5 and December 4 of the same year. Additionally, delinquent collections in November and December are remitted to the City each January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July and December are recognized as revenue for the current year. Taxes not collected by the County by December 31 (remitted to the City by the following January) are classified as delinquent and unremitted taxes receivable.

(Continued)

CITY OF EDINA, MINNESOTA

(4) Fixed Assets

A summary of changes in general fixed assets during 2001 is as follows:

	Balance January 1	Additions	Deletions	Balance December 31
Land	\$22,905,820	310,008		23,215,828
Land improvements	12,927,701	3,187,156	9,215	16,105,642
Buildings	20,684,526	13,457	0	20,697,983
Furniture & fixtures	1,155,256	42,485	284,025	913,716
Vehicles	4,814,009	1,035,771	408,327	5,441,453
Sidewalks	310,995	0	0	310,995
Leasehold improvements	188,545	0	0	188,545
Miscellaneous equipment	187,809	33,417	20,627	200,599
Park & playground equipment	865,473	18,606	380,407	503,672
Highway equipment	2,161,492	289,374	160,493	2,290,373
Police equipment	601,645	0	264,561	337,084
Fire equipment	894,870	0	498,023	396,847
Election equipment	45,513	0	45,513	0
Engineering Equipment	59,032	0	18,952	40,080
Traffic signals	153,570	12,220	0	165,790
Tools	5,812	0	0	5,812
Parks	16,293,082	3,599,616	0	19,892,698
Construction in progress	6,706,312	5,928,353	7,306,283	5,328,382
Total	\$90,961,462	14,470,463	9,396,426	96,035,499

A summary of proprietary fund fixed assets at December 31, 2001 is as follows:

	Enterprise Fund
Land	\$1,088,965
Golf course	4,606,714
Land improvements	856,520
Water distribution system	12,428,415
Sewer collection system	13,934,870
Major recreation facilities	13,314,784
Major water facilities	18,769,961
Buildings—liquor stores	689,329
Furniture, fixtures and equipment	4,231,519
Vehicles	577,112
Lease property - capital lease	468,580
Construction in progress	1,241,208
	<u>72,207,977</u>
Less accumulated depreciation	<u>(30,862,594)</u>
Net book value	<u>\$41,345,383</u>

(Continued)

CITY OF EDINA, MINNESOTA

(5) Long-term Debt**Bonded Debt**

The City has three types of bonded debt outstanding at December 31, 2001: tax increment bonds, general obligation bonds and revenue bonds.

The first type of bond is payable solely from tax increment monies with any deficiency to be provided for by general property taxes. The second type is payable solely from general property taxes. The third type is payable primarily from enterprise revenue with any deficiency to be provided for by general property taxes.

The bonded debt outstanding is summarized as follows:

	Maturities	Interest rates	Balance December 31, 2001
Tax Increment Bonds	2006 – 2013	4.50 - 6.45	\$47,590,000
General Obligation Bonds	2017 – 2017	4.40 - 5.75	7,250,000
Revenue Bonds	2002 – 2017	2.25 - 6.05	17,625,000
Total			<u>\$72,465,000</u>

Changes in long-term debt during the year were as follows:

	Balance January 1, 2001	Issued/ Increases	Redeemed/ decreases	Balance December 31, 2001
Tax Increment Bonds	\$66,670,000	0	19,080,000	47,590,000
General Obligation Bonds	7,550,000	0	300,000	7,250,000
Improvement Bonds	170,000	0	170,000	0
Revenue Bonds	13,785,000	4,620,000	780,000	17,625,000
Total bonds	88,175,000	4,620,000	20,330,000	72,465,000
Compensated absences payable	2,220,886	133,931	0	2,354,817
Obligation under capital lease	\$426,010	0	62,097	363,913

The City had the following revenue bonds outstanding at December 31, 2001:

Recreation Facility Bonds, Series 1992A	\$3,385,000
Recreation Refunding Bonds, Series 1992C	3,395,000
Utility Revenue Bonds, Series 1999A	2,955,000
Recreation Refunding Bonds, Series 1999B	3,270,000
Recreation Facility Bonds, Series 2001A	4,620,000
	<u>\$17,625,000</u>

The Recreation Refunding Bonds (Golf Course Bonds) are general obligation revenue

(Continued)

CITY OF EDINA, MINNESOTA

bond issues payable from the Golf Course Enterprise Fund with any deficiency to be provided first from Liquor Fund revenue and then from general property taxes. The Recreation Facility Bonds are general obligation revenue bond issues payable from the Golf Course, Ice Arena and Swimming Pool Funds with any deficiency to be provided first from Liquor Fund revenue and then from general property taxes. The Utility Bonds are general obligation revenue bond issues payable from the Utility Fund and then from general property taxes.

The annual requirements to amortize all debt outstanding as of December 31, 2001, including interest payments of \$16,706,060 are as follows:

Year ending December 31	Tax Increment	General Obligation	Revenue	Total
2002	\$ 6,925,925	685,163	7,648,059	15,259,147
2003	10,569,299	695,388	1,453,492	12,718,179
2004	6,682,761	679,625	1,503,573	8,865,959
2005	6,822,300	687,913	1,509,393	9,019,606
2006	6,161,010	694,600	1,511,605	8,367,215
2007-2019	20,929,198	7,478,656	6,533,100	34,940,954
	\$ 58,090,493	10,921,345	20,159,222	89,171,060

In 2000, the City entered into a crossover debt refunding. Proceeds from the General Obligation Tax Increment Refunding Bond, Series 2000C, were used on February 1, 2001 to redeem at the call date \$16,600,000 of the City's General Obligation Tax Increment Refunding Bonds, Series 1992B. The purpose of the refunding was to take advantage of lower interest rates at the time of the transaction. The crossover refunding resulted in an economic gain of approximately \$817,000.

During 2001, the City issued \$4,620,000 in General Obligation Recreational Facility Bonds, Series 2001A. Of the total proceeds, \$3,066,437.93 was deposited into a sinking fund to finance a crossover debt refunding of G.O. Recreational Facility Refunding Bonds, Series 1992C. The sinking funds will remain in place until the crossover date, at which time they will payoff the outstanding debt. Both issues will be reported on the City's financial statements until the call date of January 1, 2002 for the G.O. Recreational Facility Refunding Bonds, Series 1992C. The cumulative savings on this refunding will be \$280,300, and the net present value of savings is \$245,169. The remaining proceeds of \$1,491,964.86 will finance improvements in the swimming pool and municipal golf facilities.

Subsequent Event

Subsequent to December 31, 2001, the City issued \$12,410,000 Public Project Revenue Bonds, Series 2002 to finance capital improvement projects.

Prior Year's Defeasance

On December 31, 2001, a total of \$6,250,000 of bonds outstanding are considered defeased.

(Continued)

CITY OF EDINA, MINNESOTA

Long-term Debt - Other

The City is the administering authority for the following tax increment finance districts. Tax capacity values are for taxes payable in 2001.

50th and France-No. 1200, a redevelopment district established in 1974 pursuant to Minnesota Statutes with a termination date of 2009.

Original tax capacity value	\$ 173,521
Current tax capacity value	1,442,572
Captured tax capacity value:	
Retained by authority	1,269,051
Shared with other taxing districts	0
General obligation tax increment bonds issued	5,350,000
Total loans incurred	0
Amounts redeemed	<u>2,200,000</u>
Outstanding bonds and loans at December 31, 2001	<u>\$ 3,150,000</u>

Southeast Edina Redevelopment District-No. 1201, a redevelopment district established in 1977 pursuant to Minnesota Statutes with a termination date of 2009.

Original tax capacity value	\$ 150,717
Current tax capacity value	3,306,284
Captured tax capacity value:	
Retained by authority	3,155,567
Shared with other taxing districts	0
General obligation tax increment bonds issued	22,410,000
Total loans incurred	0
Amounts redeemed	<u>14,565,000</u>
Outstanding bonds and loans at December 31, 2001	<u>\$ 7,845,000</u>

Grandview Area Redevelopment District-No. 1202, a redevelopment district established in 1984 pursuant to Minnesota Statutes with a termination date of 2010.

Original tax capacity value	\$ 282,996
Current tax capacity value	957,930
Captured tax capacity value:	
Retained by authority	674,934
Shared with other taxing districts	0
General obligation tax increment bonds issued	8,235,000
Total loans incurred	0
Amounts redeemed	<u>1,650,000</u>
Outstanding bonds and loans at December 31, 2001	<u>\$ 6,585,000</u>

(Continued)

CITY OF EDINA, MINNESOTA

Southeast Edina Redevelopment District-No. 1203, a redevelopment district established in 1988 pursuant to Minnesota Statutes with a termination date of 2016.

Original tax capacity value	\$ 384,951
Current tax capacity value	3,844,603
Captured tax capacity value:	
Retained by authority	3,459,652
Shared with other taxing districts	0
General obligation tax increment bonds issued	35,744,724
Total loans incurred	0
Amounts redeemed	<u>5,734,724</u>
 Outstanding bonds and loans at December 31, 2001	 <u>\$ 30,010,000</u>

General Obligation tax increment bonds issued amounts were restated to eliminate the effect of doubling the bonds due to crossover refundings.

(6) Retirement Plans

A. Defined Benefit Pension Plans

The City is involved in one pension program as follows:

(a) Defined Benefit Pension Plans - Statewide:

Plan Description

All full-time and certain part-time employees of the City of Edina are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

PERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. All police officers, fire-fighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

(Continued)

CITY OF EDINA, MINNESOTA

Two methods are used to compute benefits for PERF's Coordinated 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 Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent of average salary for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and PERF members whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained by writing to PERA, 514 St. Peter Street #200, St. Paul, Minnesota, 55102 or by calling (651) 296-7460 or 1-800-652-9026.

Funding Policy

Minnesota Statute Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Coordinated Plan members are required to contribute 4.75% of their annual covered salary. PEPFF members are required to contribute 6.20% of their annual covered salary. The City of Edina is required to contribute the following percentages of annual covered payroll: 5.18% for Coordinated Plan PERF members, and 9.30% for PEPFF members.

(Continued)

CITY OF EDINA, MINNESOTA

The City's contributions to PERF and PEPFF for the years ended December 31, 2001, 2000, and 1999 were equal to the required contributions for each year, as follows:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
PERF	\$516,964	485,277	459,914
PEPFF	\$455,461	439,163	475,059

(7) Deferred Compensation Plan

The City offers its employees six deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are Aetna, International City Manager's Association (ICMA), Great West, T. Rowe Price, Minnesota State Retirement System (MSRS), and Minnesota Mutual. The plans, available to all City employees, permit participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The City is trustee for two of the plans and accordingly, the plan assets (recorded at fair value) and fund balance are recorded in an expendable trust fund.

(Continued)

CITY OF EDINA, MINNESOTA

(8) Segment Information for Enterprise Funds

The City maintains Enterprise Funds for utility (water and sewer) services, liquor facilities, golf course and arena. Individual funds are also maintained for other enterprise operations designated below as "Other Enterprise Funds" which are recreational in nature such as: swimming pool, art center and Edinborough Park/Centennial Lake.

Segment information for the year ended December 31, 2001 is as follows:

	Utility	Liquor	Golf Course	Arena	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	\$ 8,556,810	9,074,112	3,651,525	1,148,072	2,132,411	24,562,930
Depreciation	912,983	48,571	512,198	324,101	345,090	2,142,943
Operating income (loss)	1,494,180	903,098	273,063	(151,173)	(630,987)	1,888,181
Nonoperating revenues (expenses), net	(60,020)	(17,730)	(306,880)	(105,857)	290,354	(200,133)
Operating transfers in (out)	(100,000)	(339,000)	0	210,189	214,552	(14,259)
Net income	1,334,160	546,368	(33,817)	(46,841)	(126,081)	1,673,789
Property additions	3,674,470	40,520	202,601	80,939	64,195	4,062,725
Property deletions	214,225	35,193	303,777	31,462	249,232	833,889
Net working capital	7,033,678	2,052,530	4,350,243	1,374,263	1,564,066	16,374,780
Bonds payable	2,955,000	0	9,625,000	2,930,000	2,115,000	17,625,000
Total assets	34,378,119	3,231,809	11,994,489	5,894,147	5,156,653	60,655,217
Total retained earnings (deficit)	30,173,667	2,743,316	1,798,500	(411,041)	354,242	34,658,684

(Continued)

CITY OF EDINA, MINNESOTA

(9) Due From To Other Funds

Interfund receivables and payables as of December 31, 2001 were as follows:

Fund	Interfund Receivables	Interfund Payables
General (including amount due to Edina Housing And Redevelopment Authority of \$9,460)	\$ 41,678	623,727
Special Revenue:		
Community Development Block Grant	0	17,722
Communications	217,594	0
Debt Service:		
General Debt Service	844,736	0
Capital Project:		
Construction	0	555,933
Housing and Redevelopment Authority of Edina	62,294	0
Revolving	0	1,292,294
Enterprise:		
Utilities	0	783,168
Liquor	1,610,976	0
Swimming Pool	424,415	0
Golf Course	103,794	0
Arena	953	0
Art Center	970	0
Edinborough Park/Centennial Lake	7,112	0
Agency:		
Police Seizure	0	41,678
	<u>\$ 3,314,522</u>	<u>3,314,522</u>

(Continued)

CITY OF EDINA, MINNESOTA

(10) Reserved or Designated Fund Equity

The following fund equity balances as of December 31, 2001 have been reserved or designated for the reasons noted below:

General Fund:	
Reserved for prepaid insurance	\$15,872
Designated for Parkland dedication	122,494
Designated for Edinborough trust	4,645,867
Designated for unrealized investment gain	162,317
Designated for equipment replacement	2,336,096
Designated for insurance claims	925,765
Designated for General Fund operations	6,167,282
Debt Service Funds:	
Reserved for debt service	849,417
Capital Projects:	
Reserved for encumbrances	1,470,422
Designated for capital improvements	8,197,305
Enterprise Funds:	
Reserved for debt service	1,607,120
Trust and Agency Funds:	
Reserved for deferred compensation plan participants	3,980,984
Total fund equity reservations and designations	\$30,480,941

(11) Fund Deficits

The following funds had deficit fund balances or retained earnings at December 31, 2001:

Capital Project Fund:	
Construction	\$(608,889)
Enterprise Fund:	
Arena	(411,041)

The Capital Projects construction fund deficit will be covered in future periods by special assessment collections, tax increments, operating revenues, or State and bond proceeds. The enterprise Arena fund deficits will be covered in future periods by operating revenues and operating transfers.

(Continued)

CITY OF EDINA, MINNESOTA

(12) Contingencies

The City Attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance or will not have a material adverse effect on the financial condition of the City.

(13) Capital Lease

The City has recorded a capital lease for equipment installed in the Arena, Golf Course and Edinborough Park Enterprise Funds.

The assets acquired through capital leases are as follows:

Asset	<u>Golf Course</u>	<u>Arena</u>	<u>Edinborough Park</u>
Machinery and equipment	\$37,966	341,698	88,916
Less: Accumulated depreciation	<u>(30,373)</u>	<u>(273,358)</u>	<u>(71,133)</u>
Total	<u><u>\$7,593</u></u>	<u><u>68,340</u></u>	<u><u>17,783</u></u>

The following is a schedule by years of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2001:

Year ending December 31:	
2002	\$67,620
2003	64,395
2004	<u>35,971</u>
Total minimum lease payments	167,986
Less: Amount representing interest	<u>(12,986)</u>
Present value of net minimum lease payments	<u><u>\$155,000</u></u>

The City has recorded a capital lease for the purchase/construction of the Fire Station at 7335 York Avenue South. The terms of the lease agreement extend to the year 2006 and provide for an ownership transfer to the City at the termination of the lease.

(Continued)

CITY OF EDINA, MINNESOTA

The asset acquired through this capital lease is as follows:

<u>Asset</u>	<u>General Fixed Assets</u>
Building	\$630,749
Less: accumulated depreciation	<u> --</u>
Total	<u>\$630,749</u>

Year ending December 31:

2002	\$83,761
2003	83,761
2004	83,761
2005	83,761
2006	<u>83,760</u>
Total minimum lease payments	418,804
Less: Amount representing interest	<u>(54,891)</u>
Present value of net minimum lease payments	<u><u>\$363,913</u></u>

(14) Related Party Transactions

During the past fiscal year, one of several depository institutions with which the City maintained cash balances and conducted transactions, was considered a related party since a current elected member of the City Council is employed as an officer of this institution.

(15) Fund Equity -- Contributed Capital

The following is a summary of the changes in contributed capital:

	<u>Enterprise</u>					
	<u>Utilities</u>	<u>Art Center</u>	<u>Swimming Pool</u>	<u>Golf Course</u>	<u>Arena</u>	<u>Edin. Pk. Cent. Lake</u>
Contributed capital:						
Balance January 1, 2001	\$ 21,020	291,926	1,468,264	2,800	3,286,798	654,193
Less:						
Delete Contributed Assets	0	0	(7,312)	0	0	(9,023)
Less:						
Transfer of depreciation To contributed capital	<u>(443)</u>	<u>(17,201)</u>	<u>(94,908)</u>	<u>(800)</u>	<u>(187,352)</u>	<u>(123,913)</u>
Balance December 31, 2001	<u>\$ 20,577</u>	<u>274,725</u>	<u>1,366,044</u>	<u>2,000</u>	<u>3,099,446</u>	<u>521,257</u>

(16) 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.

(Continued)

CITY OF EDINA, MINNESOTA

Workers compensation, automobile, liability and pollution coverage are provided through an insurance company. The City pays an annual premium for this coverage and all claims are paid from the plan up to the annual maximum of \$600,000 set by the State. The City is not subject to a deductible for workers compensation, automobile, liability and pollution coverage.

Property coverage is also provided by an insurance company. The City pays an annual premium for this coverage, and all claims are paid for by the plan. The City has a \$5,000 deductible per occurrence, with an annual maximum of \$52,053,445.

Police professional insurance coverage is provided by an insurance company. The City pays an annual premium for the coverage, and has a \$10,000 deductible per occurrence, with a \$500,000 annual maximum.

Public official liability insurance coverage is provided by an insurance company. The City pays an annual premium for this coverage, and has a \$15,000 deductible per occurrence, with a \$1,000,000 annual maximum.

Inland Marine contractor's equipment insurance coverage is provided by an insurance company. The City pays an annual premium for this coverage, and has a \$1,000 deductible and \$100,000 maximum per occurrence, with a \$1,904,460 annual maximum.

Boiler and machinery insurance coverage is provided by an insurance company. The City pays an annual premium for this coverage, and has a \$2,500 deductible per occurrence, with a \$1,000,000 annual maximum.

Ambulance professional liability insurance coverage is provided by an insurance company. The City pays an annual premium for this coverage, and a \$500,000 annual maximum.

A public employee's blanket bond and a public official bond are provided by an insurance company. The City pays an annual premium for this coverage, and is subject to limits of \$500 to \$50,000 per individual for the public official bond, and a \$50,000 annual maximum for the public employee's blanket bond.

The City covers all losses above the per occurrence and annual deductibles through a reinsurance policy. The City has designated \$925,765 in the general fund to finance potential uninsured loss. Settlement claims have not exceeded insurance coverage for either of the past three years.

(17) Conduit Debt Obligations

As of December 31, 2001, the City of Edina had outstanding 3 series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of \$28,765,000. The bonds are payable solely from revenues of the respective organizations and do not constitute an indebtedness of the City, and are not a charge against its general credit or taxing power. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

(Continued)

CITY OF EDINA, MINNESOTA

(18) Excess of Expenditures Over Appropriations

For the year ending December 31, 2001, expenditures exceeded appropriations in the following departments:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government:			
Mayor & council	\$ 69,040	71,055	(2,015)
Assessing	666,014	1,004,336	(338,322)
Public Safety:			
Fire Protection	3,328,585	3,690,709	(362,124)
Inspections	557,453	575,289	(17,836)
Public Works:			
Administration	160,264	202,811	(42,547)
Engineering	642,568	730,176	(87,608)
Street Maintenance	3,237,760	3,285,971	(48,211)
Parks:			
Recreation	159,163	169,488	(10,325)
Unallocated General:			
Contingencies	80,000	132,701	(52,701)
Share of Special Assess.	24,000	42,816	(18,816)
Deer Control	7,715	11,134	(3,419)
Central Services:			
General	4,390,692	4,400,044	(9,352)
Public Works Building	250,380	288,007	(37,627)

All unfavorable variances were funded by favorable expenditure variances from other departments or excess revenues.

(19) New Accounting Standards

In June 1999, the Governmental Accounting Standards Board (GASB) issued its statement on financial reporting, GASB 34, "*Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments.*" The new financial reporting model required by the statement changes the presentation of governments' external financial statements. The effective date of the new pronouncement will require implementation by the City for its year ending December 31, 2003. Management is currently studying the impact of adopting GASB No. 34 and other related pronouncements.

(20) Commitments

At December 31, 2001, the City had outstanding commitments of \$3,350,000 for construction contracts.

Financial Section

Combining and Individual Funds and
Account Group Statements

GENERAL FUND

The General Fund accounts for the revenues and expenditures used to carry out basic governmental activities of the City such as general government, public safety, public works, and parks and recreation. Revenue is recorded by source (e.g., taxes, licenses and permits, intergovernmental revenues, fines and forfeitures, charges for services). General Fund expenditures are made primarily for current day-to-day operations and operating equipment. This fund accounts for all financial transactions not properly accounted for in another fund.

CITY OF EDINA, MINNESOTA

General Fund

Balance Sheet

December 31, 2001

(with comparative amounts for December 31, 2000)

Assets	2001	2000
Petty cash and change funds	\$ 3,300	2,810
Investments	15,549,217	13,802,354
Accounts receivable	230,770	262,118
Accrued interest receivable	12,390	29,757
Taxes receivable:		
Delinquent	121,548	116,362
Allowance for uncollectible taxes	(121,548)	(116,362)
Due from other funds	41,678	819,164
Due from other governments	270,914	228,156
Prepaid expenses	15,872	141,939
Total assets	<u>\$ 16,124,141</u>	<u>15,286,298</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	453,635	465,951
Salaries payable	508,397	422,586
Due to other funds	623,727	384,523
Due to other governments	44,735	89,755
Compensated absences payable	107,954	26,384
Deposits payable	10,000	0
Total liabilities	<u>1,748,448</u>	<u>1,389,199</u>
Fund balance:		
Reserved	15,872	141,939
Unreserved:		
Designated	14,359,821	13,755,160
Total fund balance	<u>14,375,693</u>	<u>13,897,099</u>
Total liabilities and fund balance	<u>\$ 16,124,141</u>	<u>15,286,298</u>

CITY OF EDINA, MINNESOTA

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balance --
Budget and ActualYear ended December 31, 2001
(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 14,293,346	14,375,991	82,645	13,575,850
Licenses and permits	1,754,635	2,239,611	484,976	1,835,828
Intergovernmental	1,630,101	1,657,599	27,498	1,584,192
Charges for service	1,531,576	1,909,666	378,090	2,024,518
Fines and forfeitures	743,370	976,952	233,582	967,421
Investment income	53,497	157,309	103,812	430,577
Sale and rental of property	137,230	250,352	113,122	171,585
Other revenues	26,780	16,087	(10,693)	9,803
Total revenues	<u>20,170,535</u>	<u>21,583,567</u>	<u>1,413,032</u>	<u>20,599,774</u>
Expenditures:				
Current:				
General government	2,872,055	2,633,260	238,795	2,631,444
Public safety	9,496,609	9,409,291	87,318	8,846,360
Public works	4,180,557	4,313,065	(132,508)	3,672,057
Parks	2,440,411	2,375,565	64,846	2,150,588
Unallocated general	485,793	506,495	(20,702)	346,099
Other	0	32,024	(32,024)	73,920
Capital outlay:				
General government	43,496	417,949	(374,453)	103,811
Public safety	488,838	737,972	(249,134)	375,731
Public works	536,000	576,727	(40,727)	555,332
Parks	103,666	116,905	(13,239)	104,921
Total expenditures	<u>20,647,425</u>	<u>21,119,253</u>	<u>(471,828)</u>	<u>18,860,263</u>
Excess (deficiency) of revenues over expenditures	(476,890)	464,314	941,204	1,739,511
Other financing sources (uses):				
Operating transfers in (out)				
Liquor fund	476,890	0	(476,890)	0
Capital Project funds	0	0	0	(279,065)
Edinborough Park/Centennial Lake	0	(46,000)	(46,000)	(108,000)
Parkland dedication	0	60,280	60,280	85,520
Total other financing sources	<u>476,890</u>	<u>14,280</u>	<u>(462,610)</u>	<u>(301,545)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>0</u>	478,594	<u>478,594</u>	1,437,966
Fund balance - January 1		<u>13,897,099</u>		<u>12,459,133</u>
Fund Balance - December 31		\$ <u>14,375,693</u>		\$ <u>13,897,099</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Revenues -- Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Taxes:				
General property tax	\$ 14,288,346	14,356,984	68,638	13,569,399
Penalties and interest	5,000	19,007	14,007	6,451
Total taxes	<u>14,293,346</u>	<u>14,375,991</u>	<u>82,645</u>	<u>13,575,850</u>
Licenses and permits	<u>1,754,635</u>	<u>2,239,611</u>	<u>484,976</u>	<u>1,835,828</u>
Intergovernmental:				
Federal aid	8,240	20,230	11,990	6,706
State grants:				
Homestead credit	979,864	979,864	0	979,624
State highway aid	140,000	140,000	0	140,000
Other	0	58,809	58,809	1,476
Police aid	330,630	297,122	(33,508)	294,436
County grants:				
Health programs	<u>171,367</u>	<u>161,574</u>	<u>(9,793)</u>	<u>161,950</u>
Total intergovernmental	<u>1,630,101</u>	<u>1,657,599</u>	<u>27,498</u>	<u>1,584,192</u>
Charges for service:				
Building Department	2,575	12,866	10,291	10,174
City Clerk	0	17,671	17,671	4,155
Fire Department	10,600	26,289	15,689	21,027
Ambulance Fees	858,000	1,224,377	366,377	1,094,552
Police Department	131,840	79,317	(52,523)	117,098
Engineering	95,550	69,498	(26,052)	167,717
Health Department	10,300	10,878	578	13,821
Planning Department	18,480	23,975	5,495	23,275
Surcharge	0	1,554	1,554	3,689
Housing Foundation Contract	25,235	22,487	(2,748)	21,725
HRA Services	100,000	101,454	1,454	234,904
Assessing Searches	1,030	1,810	780	1,320
Park Registration	100,954	131,522	30,568	134,869
Other Fees	0	8,942	8,942	5,028
50th & France Assessment	11,330	11,330	0	11,000
Charges to other Funds	<u>165,682</u>	<u>165,696</u>	<u>14</u>	<u>160,164</u>
Total charges for service	<u>1,531,576</u>	<u>1,909,666</u>	<u>378,090</u>	<u>2,024,518</u>
Fines and forfeitures	<u>743,370</u>	<u>976,952</u>	<u>233,582</u>	<u>967,421</u>
Sale and rental of property	<u>137,230</u>	<u>250,352</u>	<u>113,122</u>	<u>171,585</u>
Other revenues:				
Investment Income	53,497	157,309	103,812	430,577
Donations	1,030	0	(1,030)	0
Other revenue	<u>25,750</u>	<u>16,087</u>	<u>(9,663)</u>	<u>9,803</u>
Total other revenues	<u>80,277</u>	<u>173,396</u>	<u>93,119</u>	<u>440,380</u>
Total revenues	\$ <u>20,170,535</u>	<u>21,583,567</u>	<u>1,413,032</u>	<u>20,599,774</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
General government:				
Mayor and council:				
Personal services	\$ 27,500	26,606	894	27,451
Contractual services	4,000	6,667	(2,667)	4,000
Commodities	1,000	1,242	(242)	831
Central services	36,540	36,540	0	35,004
Total mayor and council	<u>69,040</u>	<u>71,055</u>	<u>(2,015)</u>	<u>67,286</u>
Administration:				
Personal services	544,471	555,122	(10,651)	537,433
Contractual services	157,700	104,070	53,630	98,096
Commodities	2,400	2,470	(70)	2,550
Central services	168,420	165,720	2,700	151,896
Capital outlay	5,679	6,318	(639)	8,140
Total administration	<u>878,670</u>	<u>833,700</u>	<u>44,970</u>	<u>798,115</u>
Planning:				
Personal services	226,939	221,895	5,044	217,717
Contractual services	21,850	6,519	15,331	3,848
Commodities	1,215	501	714	48
Central services	73,812	73,812	0	67,464
Capital outlay	5,035	214	4,821	1,833
Total planning	<u>328,851</u>	<u>302,941</u>	<u>25,910</u>	<u>290,910</u>
Finance:				
Personal services	311,798	291,787	20,011	282,209
Contractual services	91,000	110,426	(19,426)	97,049
Commodities	1,100	1,939	(839)	1,326
Central services	95,508	95,508	0	87,408
Capital outlay	7,350	445	6,905	46,474
Total finance	<u>506,756</u>	<u>500,105</u>	<u>6,651</u>	<u>514,466</u>
Election:				
Personal services	65,000	11,501	53,499	92,702
Contractual services	8,900	1,078	7,822	5,077
Commodities	7,000	413	6,587	7,022
Central services	14,820	14,820	0	13,428
Capital outlay	10,500	4,007	6,493	3,913
Total election	<u>106,220</u>	<u>31,819</u>	<u>74,401</u>	<u>122,142</u>
Assessing				
Personal services	404,957	390,587	14,370	395,288
Contractual services	125,779	85,715	40,064	52,329
Commodities	1,834	2,557	(723)	1,413
Central services	118,512	118,512	0	108,480
Capital outlay	14,932	406,965	(392,033)	43,451
Total assessing	<u>666,014</u>	<u>1,004,336</u>	<u>(338,322)</u>	<u>600,961</u>
Legal and court services:				
Contractual services	360,000	307,253	52,747	341,375
Total general government	<u>2,915,551</u>	<u>3,051,209</u>	<u>(135,658)</u>	<u>2,735,255</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Public Safety:				
Police protection:				
Personal services	3,660,711	3,606,173	54,538	3,435,371
Contractual services	266,178	272,004	(5,826)	265,515
Commodities	60,733	63,593	(2,860)	61,259
Central services	1,232,484	1,232,484	0	1,127,328
Capital outlay	276,290	126,726	149,564	204,534
Total police protection	<u>5,496,396</u>	<u>5,300,980</u>	<u>195,416</u>	<u>5,094,007</u>
Fire protection:				
Personal services	2,220,000	2,112,787	107,213	2,037,141
Contractual services	194,250	209,790	(15,540)	215,511
Commodities	124,420	158,860	(34,440)	141,801
Central services	617,784	617,784	0	554,760
Capital outlay	172,131	591,488	(419,357)	156,704
Total fire protection	<u>3,328,585</u>	<u>3,690,709</u>	<u>(362,124)</u>	<u>3,105,917</u>
Civil defense:				
Personal services	24,215	24,215	0	23,947
Contractual services	8,393	4,664	3,729	5,698
Commodities	1,252	0	1,252	1,366
Capital outlay	7,904	7,455	449	0
Total civil defense	<u>41,764</u>	<u>36,334</u>	<u>5,430</u>	<u>31,011</u>
Animal control:				
Personal services	42,077	41,584	493	38,747
Contractual services	7,363	9,463	(2,100)	4,465
Commodities	3,582	685	2,897	1,196
Central services	17,904	17,904	0	10,692
Capital outlay	6,532	2,681	3,851	0
Total animal control	<u>77,458</u>	<u>72,317</u>	<u>5,141</u>	<u>55,100</u>
Public Health:				
Personal services	198,526	197,125	1,401	178,003
Contractual services	197,168	195,760	1,408	190,980
Commodities	4,248	851	3,397	2,763
Central services	72,504	72,504	0	66,624
Capital outlay	11,345	5,394	5,951	207
Total public health	<u>483,791</u>	<u>471,634</u>	<u>12,157</u>	<u>438,577</u>
Inspections:				
Personal services	369,596	387,110	(17,514)	349,650
Contractual services	47,290	58,049	(10,759)	31,476
Commodities	6,411	3,682	2,729	3,763
Central services	119,520	122,220	(2,700)	98,304
Capital outlay	14,636	4,228	10,408	14,286
Total inspections	<u>557,453</u>	<u>575,289</u>	<u>(17,836)</u>	<u>497,479</u>
Total public safety	<u>9,985,447</u>	<u>10,147,263</u>	<u>(161,816)</u>	<u>9,222,091</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Public Works:				
Administration:				
Personal services	118,760	162,616	(43,856)	114,169
Contractual services	5,000	3,579	1,421	3,643
Commodities	0	112	(112)	749
Central services	36,504	36,504	0	34,920
Total administration	<u>160,264</u>	<u>202,811</u>	<u>(42,547)</u>	<u>153,481</u>
Engineering:				
Personal services	406,200	402,261	3,939	366,650
Contractual services	30,500	135,056	(104,556)	30,152
Commodities	12,000	14,011	(2,011)	7,281
Central services	143,868	143,868	0	131,904
Capital outlay	50,000	34,980	15,020	24,905
Total engineering	<u>642,568</u>	<u>730,176</u>	<u>(87,608)</u>	<u>560,892</u>
Supervision and overhead:				
Personal services	164,541	161,728	2,813	153,889
Contractual services	40,000	37,626	2,374	26,334
Commodities	1,000	1,056	(56)	208
Central services	470,424	470,424	0	428,832
Total supervision and overhead	<u>675,965</u>	<u>670,834</u>	<u>5,131</u>	<u>609,263</u>
Street Maintenance:				
Personal services	1,019,500	1,047,275	(27,775)	859,839
Contractual services	619,500	523,701	95,799	532,740
Commodities	547,500	607,988	(60,488)	445,079
Central services	565,260	565,260	0	535,668
Capital outlay	486,000	541,747	(55,747)	530,427
Total street maintenance	<u>3,237,760</u>	<u>3,285,971</u>	<u>(48,211)</u>	<u>2,903,753</u>
Total public works	<u>4,716,557</u>	<u>4,889,792</u>	<u>(173,235)</u>	<u>4,227,389</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Parks:				
Administration:				
Personal services	406,825	384,164	22,661	379,976
Contractual services	28,200	29,394	(1,194)	26,784
Commodities	19,405	13,313	6,092	13,994
Central services	129,156	129,156	0	116,054
Capital outlay	4,501	14,811	(10,310)	5,230
Total administration	<u>588,087</u>	<u>570,838</u>	<u>17,249</u>	<u>542,038</u>
Recreation:				
Personal services	107,379	122,010	(14,631)	93,925
Contractual services	17,332	23,445	(6,113)	12,273
Commodities	34,452	24,033	10,419	29,781
Total recreation	<u>159,163</u>	<u>169,488</u>	<u>(10,325)</u>	<u>135,979</u>
Maintenance:				
Personal services	\$ 861,063	850,904	10,159	772,800
Contractual services	276,351	255,102	21,249	191,569
Commodities	142,432	126,228	16,204	129,156
Central services	417,816	417,816	0	384,276
Capital outlay	99,165	102,094	(2,929)	99,691
Total supervision and overhead	<u>1,796,827</u>	<u>1,752,144</u>	<u>44,683</u>	<u>1,577,492</u>
Total parks	<u>2,544,077</u>	<u>2,492,470</u>	<u>51,607</u>	<u>2,255,509</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
Unallocated general expenditures:				
Contingencies				
Personal services	0	36	(36)	0
Contractual services	80,000	130,298	(50,298)	78,972
Commodities	0	2,367	(2,367)	10,559
Total contingencies	<u>80,000</u>	<u>132,701</u>	<u>(52,701)</u>	<u>89,531</u>
Capital plan appropriation	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
City's share of special assessment	<u>24,000</u>	<u>42,816</u>	<u>(18,816)</u>	<u>22,505</u>
Human Rights Commission				
Contractual services	86,615	67,723	18,892	82,125
Total Human Rights Commission	<u>86,615</u>	<u>67,723</u>	<u>18,892</u>	<u>82,125</u>
Fireworks				
Commodities	12,000	12,000	0	11,000
Total fireworks	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>11,000</u>
Suburban Rate Authority				
Contractual services	4,100	4,000	100	4,496
Total Suburban Rate Authority	<u>4,100</u>	<u>4,000</u>	<u>100</u>	<u>4,496</u>
Familink				
Contractual services	31,145	31,144	1	30,236
Total Familink	<u>31,145</u>	<u>31,144</u>	<u>1</u>	<u>30,236</u>
Regional Planning Commission				
Contractual services	21,218	21,217	1	21,218
Total Regional Planning Commission	<u>21,218</u>	<u>21,217</u>	<u>1</u>	<u>21,218</u>
Deer control				
Personal services	0	707	(707)	786
Contractual services	7,200	10,300	(3,100)	315
Commodities	515	127	388	126
Total deer control	<u>7,715</u>	<u>11,134</u>	<u>(3,419)</u>	<u>1,227</u>
Fire Station debt service	<u>84,000</u>	<u>83,760</u>	<u>240</u>	<u>83,761</u>
Records management				
Contractual services	35,000	0	35,000	0
Total Records management	<u>35,000</u>	<u>0</u>	<u>35,000</u>	<u>0</u>
Total unallocated general expenditures	<u>485,793</u>	<u>506,495</u>	<u>(20,702)</u>	<u>346,099</u>
Central services	<u>0</u>	<u>32,024</u>	<u>(32,024)</u>	<u>73,920</u>
Total expenditures	\$ <u>20,647,425</u>	<u>21,119,253</u>	<u>(471,829)</u>	<u>18,860,263</u>

CITY OF EDINA, MINNESOTA

General Fund

Schedule of Central Services Expenditures - Budget and Actual

Year ended December 31, 2001

(with comparative actual amounts for year ended December 31, 2000)

	2001		Variance Favorable (unfavorable)	2000
	Budget	Actual		Actual
General:				
Personal services	\$ 3,435,992	3,344,997	90,995	3,059,486
Contractual services	853,500	986,742	(133,242)	848,367
Commodities	27,000	50,816	(23,816)	45,010
Capital outlay	74,200	17,489	56,711	36,986
Total general	<u>4,390,692</u>	<u>4,400,044</u>	<u>(9,352)</u>	<u>3,989,849</u>
City Hall:				
Personal services	70,645	61,569	9,076	63,577
Contractual services	46,412	50,790	(4,378)	47,315
Commodities	34,899	27,725	7,174	20,443
Fixed charges	18,828	18,828	0	17,112
Total City Hall	<u>170,784</u>	<u>158,912</u>	<u>11,872</u>	<u>148,447</u>
Public Works building:				
Personal services	68,472	72,099	(3,627)	108,338
Contractual services	98,500	130,762	(32,262)	98,329
Commodities	61,200	67,198	(5,998)	82,594
Fixed charges	14,712	14,712	0	13,068
Capital outlay	7,496	3,236	4,260	4,392
Total Public Works building	<u>250,380</u>	<u>288,007</u>	<u>(37,627)</u>	<u>306,721</u>
Equipment operation:				
Personal services	313,572	330,425	(16,853)	271,920
Contractual services	93,500	82,826	10,674	82,412
Commodities	522,000	524,110	(2,110)	484,386
Fixed charges	277,044	277,044	0	264,720
Capital outlay	31,000	14,564	16,436	5,769
Total equipment operation	<u>1,237,116</u>	<u>1,228,969</u>	<u>8,147</u>	<u>1,109,207</u>
Total central services expenditures	6,048,972	6,075,932	(26,960)	5,554,224
Less allocation to other activities	<u>6,048,972</u>	<u>6,043,908</u>	<u>5,064</u>	<u>5,480,304</u>
Net central services	<u>0</u>	<u>32,024</u>	<u>(32,024)</u>	<u>73,920</u>

SPECIAL REVENUE FUNDS

Special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources and are usually required by statute or local ordinance and/or resolution to finance particular functions, or activities of government. The City has the following special revenue funds:

Community Development Block Grant Fund: This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

Communications Fund: This fund was established to account for funds received from the franchise fee of the local cable television service.

CITY OF EDINA, MINNESOTA

Special Revenue Funds

Combining Balance Sheet

December 31, 2001

(with comparative totals for December 31, 2000)

	Community Development Block Grant		Totals	
		Communications	2001	2000
<u>Assets</u>				
Investments	\$ 0	1,126,558	1,126,558	1,049,987
Accounts receivable	0	101,619	101,619	8
Accrued interest receivable	0	13,143	13,143	12,869
Due from other funds	0	217,594	217,594	111,766
Due from other governments	17,887	0	17,887	1,650
Total assets	\$ 17,887	1,458,914	1,476,801	1,176,280
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	0	21,755	21,755	22,419
Salaries payable	165	1,176	1,341	1,207
Due to other funds	17,722	0	17,722	1,650
Due to other governments	0	34	34	3,087
Total liabilities	17,887	22,965	40,852	28,363
Fund balance:				
Unreserved - undesignated	0	1,435,949	1,435,949	1,147,917
Total liabilities and fund balance	\$ 17,887	1,458,914	1,476,801	1,176,280

CITY OF EDINA, MINNESOTA

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	Community Development Block Grant	Communications	Totals	
			2001	2000
Revenues:				
Franchise fees	\$ 0	473,702	473,702	336,678
Intergovernmental:				
Federal grants	106,031	0	106,031	42,231
Investment income	0	76,844	76,844	117,016
Other revenue	0	3,965	3,965	3,617
Total revenues	<u>106,031</u>	<u>554,511</u>	<u>660,542</u>	<u>499,542</u>
Expenditures:				
Current:				
Other:				
Personal services	4,387	39,586	43,973	41,924
Contractual services	101,644	167,058	268,702	223,335
Commodities	0	22,808	22,808	4,323
Fixed charges	0	35,880	35,880	16,188
Capital outlay	0	1,147	1,147	8,646
Total expenditures	<u>106,031</u>	<u>266,479</u>	<u>372,510</u>	<u>294,416</u>
Excess of revenues over expenditures	0	288,032	288,032	205,126
Fund balance--January 1	<u>0</u>	<u>1,147,917</u>	<u>1,147,917</u>	<u>942,791</u>
Fund balance--December 31	<u>\$ 0</u>	<u>1,435,949</u>	<u>1,435,949</u>	<u>1,147,917</u>

DEBT SERVICE FUNDS

The Debt Service Funds finance and account for the payment of principal and interest on the General Obligation Redevelopment, General Obligation Park Improvements and Tax Increment Bonds. Provisions are made in the City's general property tax levy for money sufficient to meet the general obligation debt. The Improvement Bond Redemption II Fund was established to finance and account for payment of principal and interest on special assessment bonds issued. Financing of this debt service comes primarily from special assessments levied against benefited properties.

CITY OF EDINA, MINNESOTA

Debt Service Funds

Combining Balance Sheet

December 31, 2001
(with comparative totals for December 31, 2000)

Assets	General Debt Service	Improvement Bond Redemption II	Totals	
			2001	2000
Cash	\$ 0	0	0	75,751
Cash and investments with fiscal agents	0	0	0	15,726,593
Special assessments receivable:				
Current	0	0	0	32,839
Deferred	0	0	0	2,260,602
Bloomington	0	0	0	96,533
Taxes Receivable:				
Delinquent	14,785	0	14,785	15,542
Allowance for uncollectible taxes	(14,785)	0	(14,785)	(15,542)
Due from other funds	844,736	0	844,736	901,532
Due from other governments	4,681	0	4,681	8,764
Total assets	\$ <u>849,417</u>	<u>0</u>	<u>849,417</u>	<u>19,102,614</u>
Liabilities and Fund Balance				
Liabilities				
Due to other governments	0	0	0	96,704
Deferred revenue	0	0	0	2,293,442
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,390,146</u>
Fund balance:				
Reserved for debt service	849,417	0	849,417	16,712,468
Total fund balance	<u>849,417</u>	<u>0</u>	<u>849,417</u>	<u>16,712,468</u>
Total liabilities and fund balance	\$ <u>849,417</u>	<u>0</u>	<u>849,417</u>	<u>19,102,614</u>

CITY OF EDINA, MINNESOTA

Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended December 31, 2001

(with comparative totals for year ended December 31, 2000)

	General Debt Service	Improvement Bond Redemption II	Totals	
			2001	2000
Revenues:				
Taxes	\$ 724,434	0	724,434	738,349
Special assessments	0	684,660	684,660	721,871
Interest on funds held with fiscal agent	83,407	0	83,407	88,788
	<u>807,841</u>	<u>684,660</u>	<u>1,492,501</u>	<u>1,549,008</u>
Expenditures:				
Current:				
Other	0	2,000	2,000	1,600
Debt service:				
Bond principal	3,570,000	170,000	3,740,000	6,050,000
Interest and fiscal charges	3,144,299	4,420	3,148,719	3,108,601
Total expenditures	<u>6,714,299</u>	<u>176,420</u>	<u>6,890,719</u>	<u>9,160,201</u>
Excess (deficiency) of revenue over expenditures	<u>(5,906,458)</u>	<u>508,240</u>	<u>(5,398,218)</u>	<u>(7,611,193)</u>
Other financing sources (uses):				
Operating transfer in (out):				
HRA	6,015,411	0	6,015,411	5,778,574
Payments for refunding bonds	(15,810,000)	0	(15,810,000)	0
Proceeds from sale of tax increment bonds	0	0	0	18,137,804
Total other financing sources (uses)	<u>(9,794,589)</u>	<u>0</u>	<u>(9,794,589)</u>	<u>23,916,378</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(15,701,047)	508,240	(15,192,807)	16,305,185
Fund balance - January 1	16,550,464	162,004	16,712,468	407,283
Residual equity transfer out	0	(670,244)	(670,244)	0
Fund balance - December 31	<u>\$ 849,417</u>	<u>0</u>	<u>849,417</u>	<u>16,712,468</u>

CAPITAL PROJECT FUNDS

Capital Project Funds account for the resources expended to acquire assets of a relatively permanent nature other than those financed by Enterprise Funds.

Construction Fund: This fund is used to account for the various special assessment and state aid projects throughout the City.

Housing and Redevelopment Authority of Edina Fund: This fund is used to account for revenues from several sources (property taxes, bond proceeds, investment earnings, etc.) that are designated for housing and redevelopment.

Revolving Fund: This fund was established to provide financing for capital improvements as designated in the City's capital improvement budget.

CITY OF EDINA, MINNESOTA

Capital Project Funds

Combining Balance Sheet

December 31, 2001
(with comparative totals for December 31, 2000)

Assets	Construction	Housing and Redevelopment Authority of Edina	Revolving	Totals	
				2001	2000
Cash	\$ 0	41,109	0	41,109	104,217
Investments	0	18,128,232	9,614,772	27,743,004	25,673,668
Accounts receivable	0	0	7,731	7,731	26,653
Accrued interest receivable	0	112,844	58,967	171,811	316,480
Special assessments receivable:					
Current	0	0	11,278	11,278	0
Delinquent	0	0	5,614	5,614	1,946
Deferred	0	0	3,009,928	3,009,928	983,163
Bloomington	0	0	84,467	84,467	0
Due from other funds	0	62,294	0	62,294	0
Due from other governments	704,689	183,464	1,929	890,082	153,333
Total assets	\$ 704,689	18,527,943	12,794,686	32,027,318	27,259,460
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	89,668	1,419,425	107,316	1,616,409	614,621
Salaries payable	0	0	3,080	3,080	2,257
Contracts payable	45,199	394,080	0	439,279	207,499
Due to other funds	555,933	0	1,292,294	1,848,227	2,965,001
Due to other governments	10,782	0	89,527	100,309	12,587
Deposits payable	3,107	0	0	3,107	0
Taxes Payable	0	41,196	0	41,196	0
Deferred revenue	608,889	0	3,026,822	3,635,711	985,109
Total liabilities	1,313,578	1,854,701	4,519,039	7,687,318	4,787,074
Fund balance(deficit):					
Reserved for encumbrances	1,392,080	0	0	1,392,080	17,527
Reserved for special projects	0	0	78,342	78,342	0
Unreserved:					
Designated	0	0	8,197,305	8,197,305	8,731,959
Unreserved--undesignated	(2,000,969)	16,673,242	0	14,672,273	13,722,900
Total fund balance (deficit)	(608,889)	16,673,242	8,275,647	24,340,000	22,472,386
Total liabilities and fund balance	\$ 704,689	18,527,943	12,794,686	32,027,318	27,259,460

CITY OF EDINA, MINNESOTA

Capital Project Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Year ended December 31, 2001
(with comparative totals for year ended December 31, 2000)

	Construction	Housing and Redevelopment Authority of Edina	Revolving	Totals	
				2001	2000
Revenues:					
Tax increments	\$ 0	9,309,360	0	9,309,360	8,590,313
Special assessments	0	0	401,433	401,433	438,005
Intergovernmental	3,263,767	0	58,584	3,322,351	254,257
Charges for services	18,619	0	33,887	52,506	878,148
Investment income	0	578,891	461,250	1,040,141	1,739,756
Sale and rental of property	0	4,005,694	6,938	4,012,632	984,941
Other revenues	0	1,887	162,527	164,414	83,512
Total revenues	<u>3,282,386</u>	<u>13,895,832</u>	<u>1,124,619</u>	<u>18,302,837</u>	<u>12,968,932</u>
Expenditures:					
Current:					
Other:					
Personal services	0	101,454	87,224	188,678	306,639
Professional fees	0	129,614	89,154	218,768	384,578
Other	0	1,305,149	95,265	1,400,414	524,461
Construction costs	<u>3,367,837</u>	<u>5,026,795</u>	<u>947,823</u>	<u>9,342,455</u>	<u>7,207,966</u>
Total expenditures	<u>3,367,837</u>	<u>6,563,012</u>	<u>1,219,466</u>	<u>11,150,315</u>	<u>8,423,644</u>
Excess (deficiency) of revenues over expenditures	<u>(85,451)</u>	<u>7,332,820</u>	<u>(94,847)</u>	<u>7,152,522</u>	<u>4,545,288</u>
Other financing sources (uses):					
Operating transfers in (out):					
General fund	0	0	0	0	279,065
Working capital/construction fund	421,724	0	(421,724)	0	0
General debt service fund	0	(6,015,411)	0	(6,015,411)	(5,778,574)
Liquor fund	0	0	100,000	100,000	919,000
Utility fund	0	0	100,000	100,000	0
Art Center fund	0	0	(8,252)	(8,252)	0
Edinborough Park fund	0	0	(56,300)	(56,300)	0
Arena fund	0	0	(75,189)	(75,189)	0
Proceeds from sale of bonds	0	0	0	0	3,604,312
Total other financing sources (uses)	<u>421,724</u>	<u>(6,015,411)</u>	<u>(361,465)</u>	<u>(5,955,152)</u>	<u>(976,197)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>336,273</u>	<u>1,317,409</u>	<u>(456,312)</u>	<u>1,197,370</u>	<u>3,569,091</u>
Fund balance (deficit) --January 1	(1,615,406)	15,355,833	8,731,959	22,472,386	18,903,295
Residual equity transfer in	670,244	0	0	670,244	0
Fund balance (deficit)--December 31	<u>\$ (608,889)</u>	<u>16,673,242</u>	<u>8,275,647</u>	<u>24,340,000</u>	<u>22,472,386</u>

ENTERPRISE FUNDS

Enterprise Funds account for the financing of self supporting activities of governmental units which render services to the general public on a user charge basis. Records are maintained on the accrual basis of accounting. The reports of Enterprise Funds are similar to private enterprise and self-contained. Creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as investor-owned enterprises.

The following Enterprise Funds were established to account for the operation of City-owned facilities:

- Utilities Fund
- Liquor Fund
- Swimming Pool Fund
- Golf Course Fund
- Arena Fund
- Art Center Fund
- Edinborough Park/Centennial Lake Fund

All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing, debt service, billing and collection.

CITY OF EDINA, MINNESOTA

Enterprise Funds

Combining Balance Sheet

December 31, 2001

(with comparative totals for December 31, 2000)

Assets	Utilities	Liquor	Swimming Pool
Current assets:			
Petty cash and change funds	0	4,440	0
Investments	5,997,549	0	997,064
Cash with fiscal agents	0	0	532,195
Receivables:			
Accounts	0	1,500	0
Customers	1,934,726	0	0
Interest	7,075	0	0
Special Assessments	115,171	0	0
Due from other funds	0	1,610,976	424,415
Due from other governments	2,213	0	0
Inventory	137,289	924,107	0
Prepaid expenses	0	0	0
Total current assets	<u>8,194,023</u>	<u>2,541,023</u>	<u>1,953,674</u>
Property and equipment, net	26,163,139	690,786	2,008,374
Discounts on bonds	20,957	0	15,367
Total assets	<u>\$ 34,378,119</u>	<u>3,231,809</u>	<u>3,977,415</u>
Liabilities and Fund Equity			
Current liabilities:			
Accounts payable	145,352	251,581	248,798
Salaries payable	26,454	34,714	0
Contracts payable	6,323	0	10,125
Accrued interest payable	48,102	0	26,866
Due to other funds	783,168	0	0
Due to other governments	12,406	105,911	283
Compensated absences payable	138,540	96,287	0
Total current liabilities	<u>1,160,345</u>	<u>488,493</u>	<u>286,072</u>
Long-term liabilities:			
Deposits payable	68,530	0	0
Deferred revenue	0	0	0
Obligation under capital lease	0	0	0
Bonds payable	2,955,000	0	2,115,000
Total long-term liabilities	<u>3,023,530</u>	<u>0</u>	<u>2,115,000</u>
Total liabilities	<u>4,183,875</u>	<u>488,493</u>	<u>2,401,072</u>
Fund equity:			
Contributed capital	20,577	0	1,366,044
Retained earnings (deficit):			
Reserved for debt service	274,998	0	32,500
Unreserved-undesignated	29,898,669	2,743,316	177,799
Total retained earnings (deficit)	<u>30,173,667</u>	<u>2,743,316</u>	<u>210,299</u>
Total liabilities and fund equity	<u>\$ 34,378,119</u>	<u>3,231,809</u>	<u>3,977,415</u>

Golf Course	Arena	Art Center	Edinborough Park Centennial Lake	Totals	
				2001	2000
4,400	700	725	1,500	11,765	11,315
2,005,240	1,407,816	0	0	10,407,669	4,580,148
2,751,101	3,158	0	877	3,287,331	3,286,498
985	115,101	100	14,786	132,472	114,515
0	0	0	0	1,934,726	2,170,225
0	0	0	60,659	67,734	106,986
0	0	0	0	115,171	76,457
103,794	953	970	7,112	2,148,220	1,560,390
0	0	0	0	2,213	4,527
25,471	0	17,042	0	1,103,909	1,165,534
1,048	2,137	0	1,006	4,191	0
4,892,039	1,529,865	18,837	85,940	19,215,401	13,076,595
7,060,061	4,348,562	400,996	673,465	41,345,383	41,353,939
42,389	15,720	0	0	94,433	79,454
11,994,489	5,894,147	419,833	759,405	60,655,217	54,509,988
120,863	24,432	26,541	25,339	842,906	725,828
28,024	12,611	5,623	18,951	126,377	120,881
10,571	0	0	0	27,019	94,563
192,863	43,060	0	0	310,891	327,363
0	0	0	0	783,168	0
5,088	519	1,241	2,028	127,476	355,681
184,387	74,980	37,322	91,268	622,784	566,094
541,796	155,602	70,727	137,586	2,840,621	2,190,410
14,793	3,500	0	0	86,823	50,593
0	5,040	0	0	5,040	5,040
12,400	111,600	0	31,000	155,000	210,000
9,625,000	2,930,000	0	0	17,625,000	13,785,000
9,652,193	3,050,140	0	31,000	17,871,863	14,050,633
10,193,989	3,205,742	70,727	168,586	20,712,484	16,241,043
2,000	3,099,446	274,725	521,257	5,284,049	5,725,001
1,115,031	184,591	0	0	1,607,120	1,607,120
683,469	(595,632)	74,381	69,562	33,051,564	30,936,824
1,798,500	(411,041)	74,381	69,562	34,658,684	32,543,944
11,994,489	5,894,147	419,833	759,405	60,655,217	54,509,988

CITY OF EDINA, MINNESOTA

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)

December 31, 2001

(with comparative totals for December 31, 2000)

	Utilities	Liquor	Swimming Pool
Operating revenues:			
Charges for sales and services:			
Sales - Liquor	\$ 0	9,074,112	0
Sales - Retail	0	0	3,682
Sales - Utility	8,421,616	0	0
Sales - Concessions	0	0	85,538
Memberships	0	0	355,164
Admissions	0	0	153,233
Building rental	0	0	16,013
Rental of equipment	0	0	0
Greens fees	0	0	0
Other fees	135,194	0	17,280
Total operating revenues	8,556,810	9,074,112	630,910
Operating expenses:			
Cost of sales and services	37,816	6,760,040	25,494
Personal services	862,200	784,414	179,115
Contractual services	4,258,340	250,005	89,178
Commodities	493,099	56,556	37,522
Central services	498,192	271,428	33,972
Depreciation	912,983	48,571	143,610
Total operating expenses	7,062,630	8,171,014	508,891
Operating income (loss)	1,494,180	903,098	122,019
Nonoperating revenues (expenses):			
Investment income	127,339	0	2,421
Interest from fiscal agents	0	0	22,200
Donations	0	0	0
Miscellaneous revenue (expense)	0	20	0
Interest and fiscal charges	(116,794)	0	(54,307)
Interest on capital lease	0	0	0
Gain (loss) on disposal of capital assets	(67,606)	(17,750)	(25,176)
Amortization of bond discount	(2,959)	0	(2,096)
Total nonoperating revenues (expenses)	(60,020)	(17,730)	(56,958)
Income (loss) before operating transfers	1,434,160	885,368	65,061
Operating transfers in (out):			
General fund	0	0	0
Art center fund	0	(104,000)	0
Liquor store fund	0	0	0
Arena fund	0	(135,000)	0
Revolving fund	(100,000)	(100,000)	0
Total operating transfers, net	(100,000)	(339,000)	0
Net income (loss)	1,334,160	546,368	65,061
Add depreciation on contributed assets	443	0	102,220
Increase (decrease) in retained earnings	1,334,603	546,368	167,281
Retained earnings (deficit) - January 1	28,839,064	2,196,948	43,018
Retained earnings (deficit) - December 31	\$ 30,173,667	2,743,316	210,299

Golf Course	Arena	Art Center	Edinborough Park Centennial Lake	Totals	
				2001	2000
0	0	0	0	9,074,112	8,989,480
264,765	34,410	52,556	0	355,413	412,473
0	0	0	0	8,421,616	8,639,374
266,438	0	0	21,558	373,534	396,353
147,406	4,069	32,768	27,095	566,502	583,979
363,992	66,372	0	61,108	644,705	562,707
67,412	939,704	0	233,872	1,257,001	1,190,171
324,571	3,716	0	55,876	384,163	399,049
1,809,966	0	0	160,314	1,970,280	2,156,438
406,975	99,801	378,246	478,108	1,515,604	1,535,683
<u>3,651,525</u>	<u>1,148,072</u>	<u>463,570</u>	<u>1,037,931</u>	<u>24,562,930</u>	<u>24,865,707</u>
368,721	933	35,966	12,642	7,241,612	7,174,884
1,378,623	415,488	205,249	647,485	4,472,574	4,645,640
518,200	403,947	244,171	379,011	6,142,852	6,083,352
278,340	44,460	66,216	177,275	1,153,468	1,196,540
322,380	110,316	64,248	220,764	1,521,300	1,364,501
512,198	324,101	46,026	155,454	2,142,943	2,132,071
<u>3,378,462</u>	<u>1,299,245</u>	<u>661,876</u>	<u>1,592,631</u>	<u>22,674,749</u>	<u>22,596,988</u>
273,063	(151,173)	(198,306)	(554,700)	1,888,181	2,268,719
5,274	3,418	0	352,256	490,708	619,273
114,840	0	0	0	137,040	0
0	0	24,729	0	24,729	21,352
170	0	0	0	190	655
(389,805)	(87,064)	0	0	(647,970)	(681,487)
(839)	(7,547)	0	(2,097)	(10,483)	(13,111)
(12,035)	(5,086)	(6,726)	(20,850)	(155,229)	(249,072)
<u>(24,485)</u>	<u>(9,578)</u>	<u>0</u>	<u>0</u>	<u>(39,118)</u>	<u>(17,819)</u>
(306,880)	(105,857)	18,003	329,309	(200,133)	(320,209)
(33,817)	(257,030)	(180,303)	(225,391)	1,688,048	1,948,510
0	0	0	46,000	46,000	108,000
0	0	0	0	(104,000)	(139,000)
0	135,000	104,000	0	239,000	220,000
0	0	0	0	(135,000)	(81,000)
<u>0</u>	<u>75,189</u>	<u>8,252</u>	<u>56,300</u>	<u>(60,259)</u>	<u>(919,000)</u>
<u>0</u>	<u>210,189</u>	<u>112,252</u>	<u>102,300</u>	<u>(14,259)</u>	<u>(811,000)</u>
(33,817)	(46,841)	(68,051)	(123,091)	1,673,789	1,137,510
800	187,352	17,201	132,935	440,951	452,966
<u>(33,017)</u>	<u>140,511</u>	<u>(50,850)</u>	<u>9,844</u>	<u>2,114,740</u>	<u>1,590,476</u>
1,831,517	(551,552)	125,231	59,718	32,543,944	30,953,468
<u>1,798,500</u>	<u>(411,041)</u>	<u>74,381</u>	<u>69,562</u>	<u>34,658,684</u>	<u>32,543,944</u>

CITY OF EDINA, MINNESOTA

Enterprise Funds

Combining Statement of Cash Flows

December 31, 2001

(with comparative totals for year ended December 31, 2000)

	Utilities	Liquor	Swimming Pool
Cash flows from operating activities:			
Operating income	\$ 1,494,180	903,098	122,019
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	912,983	48,571	143,610
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	0	1,493	53
(Increase) decrease in customer accounts receivable	235,499	0	0
(Increase) decrease in special assessments receivable	(38,714)	0	0
(Increase) decrease in due from other funds	179,441	(559,618)	(181,415)
Decrease in due from other governments	2,314	0	0
Increase in prepaid expense	0	0	0
(Increase) decrease in inventory	(49,085)	55,619	0
Increase (decrease) in accounts payable	(192,785)	10,523	246,781
Increase (decrease) in salaries payable	1,942	2,458	0
Increase (decrease) in contracts payable	(88,240)	0	10,125
Decrease in accrued interest payable	(4,542)	0	(618)
Increase (decrease) in due to other funds	783,168	0	0
Increase (decrease) in due to other governments	(229,095)	2,417	252
Increase (decrease) in compensated absences payable	(7,517)	17,365	0
Increase in deposits payable	32,430	0	0
Miscellaneous revenue	0	20	0
Total adjustments	1,537,799	(421,152)	218,788
Net cash provided by (used in) operating activities	3,031,979	481,946	340,807
Cash flows from noncapital financing activities:			
Donations	0	0	0
Operating transfer in--General Fund	0	0	0
Operating transfer (out)--Art Center	0	(104,000)	0
Operating transfer in--Liquor Store Fund	0	0	0
Operating transfer (out)--Arena	0	(135,000)	0
Operating transfer (out)--Revolving fund	(100,000)	(100,000)	0
Net cash provided provided by (used in) noncapital financing activities	(100,000)	(339,000)	0
Cash flows from capital and related financing activities:			
Net acquisition of capital assets	(1,184,114)	(125,196)	(291,640)
Loss on disposal of capital assets	(67,606)	(17,750)	(25,176)
Proceeds from revenue bonds	0	0	1,040,000
Principal paid on revenue bonds	(310,000)	0	(25,000)
Increase on bond discount	0	0	(12,172)
Principal paid on capital lease	0	0	0
Interest received from fiscal agent	0	0	22,200
Interest paid on capital lease	0	0	0
Interest paid on bonds	(116,794)	0	(54,307)
Net cash provided by (used in) capital and related financing activities	(1,678,514)	(142,946)	653,905
Cash flows from investing activities:			
Purchase of investments	(1,417,401)	0	(997,064)
Decrease in interest receivable	36,597	0	0
Investment income	127,339	0	2,421
Net cash provided by (used in) investing activities	(1,253,465)	0	(994,643)
Net increase (decrease) in cash and cash equivalents	0	0	69
Cash and equivalents, beginning of year	0	4,440	532,126
Cash and equivalents, end of year	0	4,440	532,195

Golf Course	Arena	Art Center	Edinborough Park Centennial Lake	Totals	
				2001	2000
273,063	(151,173)	(198,306)	(554,700)	1,888,181	2,268,719
512,198	324,101	46,026	155,454	2,142,943	2,132,071
1,474	(6,465)	(100)	(14,412)	(17,957)	51,701
0	0	0	0	235,499	(159,665)
0	0	0	0	(38,714)	28,755
(48,821)	(385)	7,648	15,320	(587,830)	3,249,321
0	0	0	0	2,314	685
56,640	(2,137)	0	(1,006)	53,497	0
(1,048)	0	(1,549)	0	3,937	(184,466)
59,147	(15,251)	9,798	(1,135)	117,078	93,803
1,480	(2,291)	780	1,127	5,496	16,622
10,571	0	0	0	(67,544)	81,393
(8,267)	(3,045)	0	0	(16,472)	(74,329)
0	0	0	0	783,168	(200,000)
(523)	169	506	(1,931)	(228,205)	200,361
20,216	6,540	6,917	13,169	56,690	421,628
3,800	0	0	0	36,230	38,239
170	0	0	0	190	655
607,037	301,236	70,026	166,586	2,480,320	5,696,774
880,100	150,063	(128,280)	(388,114)	4,368,501	7,965,493
0	0	24,729	0	24,729	21,352
0	0	0	46,000	46,000	108,000
0	0	0	0	(104,000)	(139,000)
0	135,000	104,000	0	239,000	220,000
0	0	0	0	(135,000)	(81,000)
0	75,189	8,252	56,300	(60,259)	(919,000)
0	210,189	136,981	102,300	10,470	(789,648)
(426,563)	(70,257)	(1,525)	(35,093)	(2,134,388)	(3,109,973)
(12,035)	(5,086)	(6,726)	(20,850)	(155,229)	(249,072)
2,190,000	1,390,000	0	0	4,620,000	0
(325,000)	(120,000)	0	0	(780,000)	(785,000)
(25,831)	(16,094)	0	0	(54,097)	0
(4,400)	(39,600)	0	(11,000)	(55,000)	(50,000)
114,840	0	0	0	137,040	137,041
(839)	(7,547)	0	(2,097)	(10,483)	(13,111)
(389,805)	(87,064)	0	0	(647,970)	(681,487)
1,120,367	1,044,352	(8,251)	(69,040)	919,873	(4,751,602)
(2,005,240)	(1,407,816)	0	0	(5,827,521)	(2,820,478)
0	0	0	2,655	39,252	(106,986)
5,274	3,418	0	352,256	490,708	482,232
(1,999,966)	(1,404,398)	0	354,911	(5,297,561)	(2,445,232)
501	206	450	57	1,283	(20,989)
2,755,000	3,652	275	2,320	3,297,813	3,318,802
2,755,501	3,858	725	2,377	3,299,096	3,297,813

CITY OF EDINA, MINNESOTA

Utilities Fund

Balance Sheet

December 31, 2001
(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Investments	\$ 5,997,549	4,580,148
Receivables:		
Customers	1,934,726	2,170,225
Interest	7,075	43,672
Assessments	115,171	76,457
Due from other funds	0	179,441
Due from other governments	2,213	4,527
Inventory	137,289	88,204
Total current assets	<u>8,194,023</u>	<u>7,142,674</u>
Property and equipment, net	26,163,139	25,892,008
Discount on bonds	20,957	23,916
Total assets	<u>\$ 34,378,119</u>	<u>33,058,598</u>
<u>Liabilities and Retained Earnings</u>		
Current liabilities:		
Accounts payable	145,352	338,137
Salaries payable	26,454	24,512
Contracts payable	6,323	94,563
Accrued interest payable	48,102	52,644
Due to other funds	783,168	0
Due to other governments	12,406	241,501
Compensated absences payable	138,540	146,057
Total current liabilities	<u>1,160,345</u>	<u>897,414</u>
Long-term liabilities:		
Deposits payable	68,530	36,100
Bonds payable	2,955,000	3,265,000
Total liabilities	<u>4,183,875</u>	<u>4,198,514</u>
Fund equity:		
Contributed capital	20,577	21,020
Retained earnings:		
Reserved for debt service	274,998	274,998
Unreserved--undesignated	29,898,669	28,564,066
Total retained earnings	<u>30,173,667</u>	<u>28,839,064</u>
Total liabilities and retained earnings	<u>\$ 34,378,119</u>	<u>33,058,598</u>

CITY OF EDINA, MINNESOTA

Utilities Fund

Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Storm sewer charges	\$ 585,378	581,654
Water charges	2,909,324	2,909,622
Sewer charges	4,496,238	4,636,860
Recycling	406,057	495,300
Sale of meters	24,619	15,938
Other		
Penalties	62,475	82,802
State Health	72,719	71,210
Total operating revenues	<u>8,556,810</u>	<u>8,793,386</u>
Operating expenses:		
Cost of sales and services	37,816	102,855
Personal services	862,200	893,746
Contractual services		
General costs	1,068,006	949,182
Recycling charges	355,695	455,222
Disposal charges	2,834,639	2,973,995
Commodities		
General costs	341,010	368,637
Water purchased	152,089	137,037
Central services	498,192	455,544
Depreciation	912,983	866,758
Total operating expenses	<u>7,062,630</u>	<u>7,202,976</u>
Operating income	<u>1,494,180</u>	<u>1,590,410</u>
Nonoperating revenues (expenses):		
Investment income	127,339	159,569
Miscellaneous revenue (expense)	0	110
Interest and fiscal charges	(116,794)	(127,525)
Loss on disposal of capital assets	(67,606)	(58,299)
Amortization of bond discount	(2,959)	(2,958)
Total nonoperating expenses	<u>(60,020)</u>	<u>(29,103)</u>
Net income before operating transfers	1,434,160	1,561,307
Operating transfers out:		
Revolving fund	(100,000)	0
Total operating transfers	<u>(100,000)</u>	<u>0</u>
Net income	1,334,160	1,561,307
Add depreciation on contributed assets	443	443
Increase in retained earnings	<u>1,334,603</u>	<u>1,561,750</u>
Retained earnings--January 1	<u>28,839,064</u>	<u>27,277,314</u>
Retained earnings--December 31	<u>\$ 30,173,667</u>	<u>28,839,064</u>

CITY OF EDINA, MINNESOTA

Utilities Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended year ended December 31,2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income	\$ 1,494,180	1,590,410
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	912,983	866,758
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	235,499	(159,665)
(Increase) decrease in assessments receivable	(38,714)	28,755
(Increase) decrease in due from other funds	179,441	3,387,000
(Increase) decrease in due from other governments	2,314	685
(Increase) decrease in inventory	(49,085)	(65,447)
Increase (decrease) in accounts payable	(192,785)	183,343
Increase in salaries payable	1,942	2,556
Increase (decrease) in contracts payable	(88,240)	81,393
Increase (decrease) in accrued interest payable	(4,542)	(38,964)
Increase (decrease) in due to other funds	783,168	0
Increase (decrease) in due to other governments	(229,095)	208,029
Increase (decrease) in compensated absences payable	(7,517)	110,946
Increase in deposits payable	32,430	36,100
Miscellaneous revenue	0	110
Total adjustments	<u>1,537,799</u>	<u>4,641,599</u>
Net cash provided by operating activities	<u>3,031,979</u>	<u>6,232,009</u>
Cash flows from noncapital financing activities:		
Operating transfer out	(100,000)	0
Net cash used in noncapital financing activities	<u>(100,000)</u>	<u>0</u>
Cash flows from capital and related financing activities:		
Net acquisition of capital assets	(1,184,114)	(3,006,604)
Loss on disposal of capital assets	(67,606)	(58,299)
Principal paid on revenue bonds	(310,000)	(335,000)
Interest paid on bonds	(116,794)	(127,525)
Net cash used in capital financing activities	<u>(1,678,514)</u>	<u>(3,527,428)</u>
Cash flows from investing activities:		
Purchase of investments	(1,417,401)	(2,820,478)
Increase of interest receivable	36,597	(43,672)
Investment income	127,339	159,569
Net cash used in investing activities	<u>(1,253,465)</u>	<u>(2,704,581)</u>
Net increase in cash and cash equivalents	0	0
Cash and cash equivalents, beginning of year	<u>0</u>	<u>0</u>
Cash and cash equivalents, end of year	<u><u>0</u></u>	<u><u>0</u></u>

CITY OF EDINA, MINNESOTA

Liquor Fund

Balance Sheet

December 31, 2001
(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Petty cash and change funds	\$ 4,440	4,440
Accounts receivable	1,500	2,993
Due from other funds	1,610,976	1,051,358
Inventory	924,107	979,726
Total current assets	<u>2,541,023</u>	<u>2,038,517</u>
Property and equipment, net	<u>690,786</u>	<u>614,161</u>
Total assets	<u>\$ 3,231,809</u>	<u>2,652,678</u>
<hr/>		
Liabilities and Retained Earnings		
Current liabilities:		
Accounts payable	251,581	241,058
Salaries payable	34,714	32,256
Due to other governments	105,911	103,494
Compensated absences payable	96,287	78,922
Total current liabilities	<u>488,493</u>	<u>455,730</u>
Retained earnings:		
Unreserved--undesignated	<u>2,743,316</u>	<u>2,196,948</u>
Total liabilities and retained earnings	<u>\$ 3,231,809</u>	<u>2,652,678</u>

CITY OF EDINA, MINNESOTA

Liquor Fund

Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2001

(with comparative totals for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - Liquor		
Deposits/refunds	\$ 258	665
Liquor	2,580,511	2,558,895
Wine	3,663,315	3,650,130
Beer	2,515,077	2,491,806
Miscellaneous	314,951	287,984
Total operating revenues	<u>9,074,112</u>	<u>8,989,480</u>
Operating expenses:		
Cost of sales and services	6,760,040	6,663,033
Personal services	784,414	768,795
Contractual services	250,005	221,260
Commodities	56,556	51,094
Central services	271,428	243,612
Depreciation	48,571	57,609
Total operating expenses	<u>8,171,014</u>	<u>8,005,403</u>
Operating income	<u>903,098</u>	<u>984,077</u>
Nonoperating revenues (expenses):		
Miscellaneous revenue (expense)	20	243
Loss on disposal of capital assets	(17,750)	(23,187)
Total nonoperating revenues (expenses)	<u>(17,730)</u>	<u>(22,944)</u>
Income before operating transfer out	885,368	961,133
Operating transfer out: Art Center	(104,000)	(139,000)
Operating transfer out: Arena	(135,000)	(81,000)
Operating transfer out: Revolving fund	(100,000)	(919,000)
	<u>(339,000)</u>	<u>(1,139,000)</u>
Net income (loss)	546,368	(177,867)
Retained earnings--January 1	<u>2,196,948</u>	<u>2,374,815</u>
Retained earnings--December 31	<u>\$ 2,743,316</u>	<u>2,196,948</u>

CITY OF EDINA, MINNESOTA

Liquor Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:	\$	
Operating income	<u>903,098</u>	<u>984,077</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	48,571	57,609
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,493	(2,993)
(Increase) decrease in due from other funds	(559,618)	94,144
Increase in inventory	55,619	(98,963)
Increase (decrease) in accounts payable	10,523	(104,557)
Increase in salaries payable	2,458	3,447
Increase (decrease) in due to other governments	2,417	(1,091)
Increase in compensated absences payable	17,365	62,072
Miscellaneous revenue (expense)	20	243
Total adjustments	<u>(421,152)</u>	<u>9,911</u>
Net cash provided by operating activities	<u>481,946</u>	<u>993,988</u>
Cash flows from noncapital financing activities:		
Decrease in advance to other funds	0	145,012
Operating transfer (out)--Art Center	(104,000)	(139,000)
Operating transfer (out)--Arena	(135,000)	(81,000)
Operating transfer (out)--Revolving fund	(100,000)	(919,000)
Net cash used in noncapital financing activities	<u>(339,000)</u>	<u>(993,988)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(125,196)	23,187
Loss on disposal of capital assets	(17,750)	(23,187)
Net cash used in capital financing activities	<u>(142,946)</u>	<u>0</u>
Net increase in cash and cash equivalents	0	0
Cash and cash equivalents, beginning of year	<u>4,440</u>	<u>4,440</u>
Cash and cash equivalents, end of year	<u>\$ 4,440</u>	<u>4,440</u>

CITY OF EDINA, MINNESOTA

Liquor Fund

Schedule of Revenue and Operating Expenses by Location

Year ended December 31, 2001
(with comparative amounts for year ended December 31, 2000)

	50th Street	Yorkdale	Vernon	Totals	
				2001	2000
Operating revenues:					
Sales - Liquor					
Deposits/refunds	\$ 150	0	108	258	665
Liquor	412,836	1,258,611	909,064	2,580,511	2,558,895
Wine	816,358	1,692,632	1,154,325	3,663,315	3,650,130
Beer	428,702	1,295,676	790,699	2,515,077	2,491,806
Miscellaneous	56,363	146,558	112,030	314,951	287,984
Total operating revenues	<u>1,714,409</u>	<u>4,393,477</u>	<u>2,966,226</u>	<u>9,074,112</u>	<u>8,989,480</u>
Operating expenses:					
Selling:					
Cost of sales and services	1,252,173	3,285,883	2,221,984	6,760,040	6,663,033
Personal services	121,767	210,653	166,198	498,618	462,761
Contractual services	14,175	12,886	11,423	38,484	33,905
Commodities	9,944	19,410	12,634	41,988	20,297
Total selling	<u>1,398,059</u>	<u>3,528,832</u>	<u>2,412,239</u>	<u>7,339,130</u>	<u>7,179,996</u>
Occupancy:					
Personal services	1,944	4,147	1,876	7,967	9,533
Contractual services	19,140	40,193	17,580	76,913	79,477
Commodities	171	3,300	2,465	5,936	7,421
Depreciation	17,979	19,014	11,578	48,571	57,609
Total occupancy	<u>39,234</u>	<u>66,654</u>	<u>33,499</u>	<u>139,387</u>	<u>154,040</u>
Administrative:					
Personal services	85,352	104,750	87,727	277,829	296,501
Contractual services	30,869	61,579	42,160	134,608	107,878
Commodities	1,689	5,134	1,809	8,632	23,376
Central services	68,268	107,664	95,496	271,428	243,612
Total administrative	<u>186,178</u>	<u>279,127</u>	<u>227,192</u>	<u>692,497</u>	<u>671,367</u>
Total operating expenses	<u>1,623,471</u>	<u>3,874,613</u>	<u>2,672,930</u>	<u>8,171,014</u>	<u>8,005,403</u>
Operating income	\$ <u>90,938</u>	<u>518,864</u>	<u>293,296</u>	<u>903,098</u>	<u>984,077</u>

CITY OF EDINA, MINNESOTA

Swimming Pool Fund

Balance Sheet

December 31, 2001

(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Investments	\$ 997,064	0
Cash with fiscal agents	532,195	532,126
Accounts receivable	0	53
Due from other funds	424,415	243,000
Total current assets	<u>1,953,674</u>	<u>775,179</u>
Property and equipment, net	2,008,374	1,860,344
Discount on bonds	15,367	5,291
Total assets	<u>\$ 3,977,415</u>	<u>2,640,814</u>
<u>Liabilities and Retained Earnings</u>		
Current liabilities:		
Accounts payable	248,798	2,017
Contracts payable	10,125	0
Accrued interest payable	26,866	27,484
Due to other governments	283	31
Total current liabilities	<u>286,072</u>	<u>29,532</u>
Long-term liabilities		
Bonds payable	<u>2,115,000</u>	<u>1,100,000</u>
Total liabilities	<u>2,401,072</u>	<u>1,129,532</u>
Fund equity:		
Contributed capital	1,366,044	1,468,264
Retained earnings:		
Reserved for debt service	32,500	32,500
Unreserved--undesignated	177,799	10,518
Total retained earnings (deficit)	<u>210,299</u>	<u>43,018</u>
Total liabilities and fund equity	<u>\$ 3,977,415</u>	<u>2,640,814</u>

CITY OF EDINA, MINNESOTA

Swimming Pool Fund

Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)

Year ended December 31, 2001
(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - retail	\$ 3,682	196
Sales - concessions	85,538	73,625
Memberships	355,164	373,798
Admissions	153,233	150,091
Building rental	16,013	15,397
Other fees		
Lessons	17,280	23,858
Total operating revenues	<u>630,910</u>	<u>636,965</u>
Operating expenses:		
Cost of sales and services	25,494	21,756
Personal services	179,115	183,178
Contractual services	89,178	89,917
Commodities	37,522	45,892
Central services	33,972	25,464
Depreciation	143,610	150,519
Total operating expenses	<u>508,891</u>	<u>516,726</u>
Operating income	122,019	120,239
Nonoperating revenue (expenses):		
Investment income	2,421	0
Interest from fiscal agent	22,200	22,201
Miscellaneous revenue	0	45
Interest and fiscal charges	(54,307)	(55,425)
Loss on disposal of capital assets	(25,176)	(37,752)
Amortization of bond discount	(2,096)	(1,962)
Total nonoperating expenses	<u>(56,958)</u>	<u>(72,893)</u>
Net income	65,061	47,346
Add depreciation on contributed assets	102,220	96,033
Increase in retained earnings	<u>167,281</u>	<u>143,379</u>
Retained earnings (deficit) --January 1	<u>43,018</u>	<u>(100,361)</u>
Retained earnings (deficit) --December 31	<u>\$ 210,299</u>	<u>43,018</u>

CITY OF EDINA, MINNESOTA

Swimming Pool Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income	\$ 122,019	120,239
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	143,610	150,519
Changes in assets and liabilities:		
Increase in accounts receivable	53	(53)
Increase (decrease) in due from other funds	(181,415)	(190,033)
Increase in accounts payable	246,781	1,558
Increase in contracts payable	10,125	0
Increase (decrease) in accrued interest payable	(618)	(4,175)
Increase (decrease) in due to other governments	252	(58)
Miscellaneous revenue	0	45
Total adjustments	<u>218,788</u>	<u>(42,197)</u>
Net cash provided by operating activities	<u>340,807</u>	<u>78,042</u>
Cash flows from capital and related financing activities:		
Net acquisition of capital assets	(291,640)	9,459
Loss on disposal of capital assets	(25,176)	(37,752)
Proceeds from revenue bonds	1,040,000	0
Principal paid on revenue bonds	(25,000)	(20,000)
Increase on bond discount	(12,172)	0
Interest received from fiscal agent	22,200	22,201
Interest paid on bonds	(54,307)	(55,425)
Net cash provided by (used in) capital and related financing activities	<u>653,905</u>	<u>(81,517)</u>
Cash flows from investing activities:		
Purchase of investments	(997,064)	0
Investment income	<u>2,421</u>	<u>0</u>
Net cash used in investing activities	(994,643)	0
Net increase (decrease) in cash and cash equivalents	69	(3,475)
Cash and cash equivalents, beginning of year	<u>532,126</u>	<u>535,601</u>
Cash and cash equivalents, end of year	<u>\$ 532,195</u>	<u>532,126</u>

CITY OF EDINA, MINNESOTA

Golf Course Fund

Balance Sheet

December 31, 2001
(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Petty cash and change funds	\$ 4,400	4,400
Investments	2,005,240	0
Cash with fiscal agents	2,751,101	2,750,600
Accounts receivable	985	2,459
Due from other funds	103,794	54,973
Inventory	25,471	82,111
Prepaid expenses	1,048	0
Total current assets	<u>4,892,039</u>	<u>2,894,543</u>
Property and equipment, net	7,060,061	7,145,696
Discount on bonds	42,389	41,043
Total assets	<u>\$ 11,994,489</u>	<u>10,081,282</u>
<u>Liabilities and Retained Earnings</u>		
Current liabilities:		
Accounts payable	120,863	61,716
Salaries payable	28,024	26,544
Contracts payable	10,571	0
Accrued interest payable	192,863	201,130
Due to other governments	5,088	5,611
Compensated absences payable	184,387	164,171
Total current liabilities	<u>541,796</u>	<u>459,172</u>
Long-term liabilities:		
Deposits payable	14,793	10,993
Obligation under capital lease	12,400	16,800
Bonds payable	9,625,000	7,760,000
Total liabilities	<u>10,193,989</u>	<u>8,246,965</u>
Fund Equity:		
Contributed capital	2,000	2,800
Retained earnings:		
Reserved for debt service	1,115,031	1,115,031
Unreserved--undesignated	683,469	716,486
Total retained earnings	<u>1,798,500</u>	<u>1,831,517</u>
Total liabilities and retained earnings	<u>\$ 11,994,489</u>	<u>10,081,282</u>

CITY OF EDINA, MINNESOTA

Golf Course Fund

Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - retail		
Pro shop	\$ 260,948	338,081
Miscellaneous	3,817	8,936
Sales - concessions	266,438	297,666
Memberships	147,406	157,155
Admissions	363,992	271,716
Building rental	67,412	67,467
Rental of equipment		
Golf cars	297,880	304,929
Golf carts/clubs	25,813	30,776
Miscellaneous equipment	878	2,316
Green fees	1,809,966	1,974,991
Other fees		
Driving range	342,477	424,198
Lessons	63,598	72,429
Miscellaneous	900	3,348
Total operating revenues	<u>3,651,525</u>	<u>3,954,008</u>
Operating expenses:		
Cost of sales and services	368,721	340,722
Personal services	1,378,623	1,461,937
Contractual services	518,200	459,641
Commodities	278,340	310,035
Central services	322,380	275,808
Depreciation	512,198	508,189
Total operating expenses	<u>3,378,462</u>	<u>3,356,332</u>
Operating income	<u>273,063</u>	<u>597,676</u>
Nonoperating revenues (expenses):		
Investment income	5,274	0
Interest from fiscal agent	114,840	114,840
Miscellaneous revenue	170	170
Interest and fiscal charges	(389,805)	(405,548)
Interest on capital lease	(839)	(1,049)
Gain (loss) on disposal of capital assets	(12,035)	(34,983)
Amortization of bond discount	(24,485)	(11,749)
Total nonoperating expenses	<u>(306,880)</u>	<u>(338,319)</u>
Net income	(33,817)	259,357
Add depreciation on contributed assets	<u>800</u>	<u>800</u>
Increase in retained earnings	(33,017)	260,157
Retained earnings--January 1	<u>1,831,517</u>	<u>1,571,360</u>
Retained earnings--December 31	\$ <u>1,798,500</u>	<u>1,831,517</u>

CITY OF EDINA, MINNESOTA

Golf Course Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:	\$	
Operating income	<u>273,063</u>	<u>597,676</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	512,198	508,189
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,474	6,833
Increase in due from other funds	(48,821)	(54,973)
(Increase) decrease in prepaid expense	56,640	0
(Increase) decrease in inventory	(1,048)	(20,219)
Increase (decrease) in accounts payable	59,147	17,101
Increase in salaries payable	1,480	2,459
Increase (decrease) in contracts payable	10,571	
Increase (decrease) in accrued interest payable	(8,267)	(28,448)
Decrease in due to other funds	0	(200,000)
Increase (decrease) in due to other governments	(523)	437
Increase in compensated absences payable	20,216	122,028
Increase in deposits payable	3,800	2,139
Miscellaneous revenue	<u>170</u>	<u>170</u>
Total adjustments	<u>607,037</u>	<u>355,716</u>
Net cash provided by operating activities	<u>880,100</u>	<u>953,392</u>
Cash flow from noncapital financing activities:		
Decrease in advance from other funds	<u>0</u>	<u>(145,012)</u>
Net cash used in noncapital financing activities	<u>0</u>	<u>(145,012)</u>
Cash flow from capital and related financing activities:		
Net acquisition of capital assets	(426,563)	(166,150)
Gain (loss) on disposal of capital assets	(12,035)	(34,983)
Proceeds from revenue bonds	2,190,000	0
Principal paid on revenue bonds	(325,000)	(330,000)
Increase on bond discount	(25,831)	0
Principal paid on capital lease	(4,400)	(4,000)
Interest received from fiscal agent	114,840	114,840
Interest paid on capital lease	(839)	(1,049)
Interest paid on bonds	<u>(389,805)</u>	<u>(405,548)</u>
Net cash provided by (used in) capital and related financing activities	<u>1,120,367</u>	<u>(826,890)</u>
Cash flow from investing activities:		
Purchase of investments	(2,005,240)	0
Investment income	<u>5,274</u>	<u>0</u>
Net cash used in investing activities	<u>(1,999,966)</u>	<u>0</u>
Net decrease in cash and cash equivalents	501	(18,510)
Cash and cash equivalents, beginning of year	<u>2,755,000</u>	<u>2,773,510</u>
Cash and cash equivalents, end of year	<u><u>2,755,501</u></u>	<u><u>2,755,000</u></u>

CITY OF EDINA, MINNESOTA

Golf Course Fund

Schedule of Operating Expenses

Year ended December 31, 2001
(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Administration		
Personal services	\$ 842,944	921,268
Contractual services	239,077	243,394
Commodities	166,010	155,419
Central services	301,824	257,292
Total administration	<u>1,549,855</u>	<u>1,577,373</u>
Clubhouse		
Personal services	36,994	38,060
Contractual services	97,020	81,651
Commodities	35,157	16,649
Total clubhouse	<u>169,171</u>	<u>136,360</u>
Grill:		
Cost of sales and services	101,795	105,075
Personal services	95,221	94,710
Contractual services	16,747	13,332
Commodities	26,001	21,997
Total grill	<u>239,764</u>	<u>235,114</u>
Golf Cars:		
Personal services	34,098	34,880
Contractual services	5,989	9,697
Commodities	9,694	17,701
Total range and grill	<u>49,781</u>	<u>62,278</u>
Range:		
Personal services	119,019	129,997
Contractual services	1,982	706
Commodities	15,246	44,110
Total range and grill	<u>136,247</u>	<u>174,813</u>
Richards:		
Cost of sales and services	8,887	8,467
Personal services	108,814	107,246
Contractual services	17,174	12,439
Commodities	19,012	15,343
Total Richards	<u>153,887</u>	<u>143,495</u>
Pro Shop		
Cost of sales and services	256,778	226,965
Personal services	54,291	55,242
Contractual services	6,129	2,965
Commodities	2,660	5,207
Total Pro Shop	<u>319,858</u>	<u>290,379</u>
Golf dome:		
Cost of sales and services	1,261	215
Personal services	87,242	80,534
Contractual services	134,082	95,457
Commodities	4,560	33,609
Central services	20,556	18,516
Total golf dome	<u>247,701</u>	<u>228,331</u>
Depreciation	<u>512,198</u>	<u>508,189</u>
Total operating expenses	<u>\$ 3,378,462</u>	<u>3,356,332</u>

CITY OF EDINA, MINNESOTA

Arena Fund

Balance Sheet

December 31, 2001
(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Petty cash and change funds	\$ 700	700
Investments	1,407,816	0
Cash with fiscal agents	3,158	2,952
Accounts receivable	115,101	108,636
Due from other funds	953	568
Prepaid expenses	2,137	0
Total current assets	<u>1,529,865</u>	<u>112,856</u>
Property and equipment, net	4,348,562	4,602,406
Discount on bonds	15,720	9,204
Total assets	<u>\$ 5,894,147</u>	<u>4,724,466</u>
<u>Liabilities and Retained Earnings</u>		
Current liabilities:		
Accounts payable	24,432	39,683
Salaries payable	12,611	14,902
Accrued interest payable	43,060	46,105
Due to other governments	519	350
Compensated absences payable	74,980	68,440
Total current liabilities	<u>155,602</u>	<u>169,480</u>
Long-term liabilities:		
Deposits payable	3,500	3,500
Deferred revenue	5,040	5,040
Obligation under capital lease	111,600	151,200
Bonds payable	2,930,000	1,660,000
Total liabilities	<u>3,205,742</u>	<u>1,989,220</u>
Fund equity:		
Contributed capital	3,099,446	3,286,798
Retained earnings:		
Reserved for debt service	184,591	184,591
Unreserved--undesignated	(595,632)	(736,143)
Total retained earnings (deficit)	<u>(411,041)</u>	<u>(551,552)</u>
Total liabilities and retained earnings	<u>\$ 5,894,147</u>	<u>4,724,466</u>

CITY OF EDINA, MINNESOTA

Arena Fund

Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)

Year ended December 31, 2001
(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - retail	\$ 34,410	24,720
Memberships	4,069	5,218
Admissions	66,372	82,745
Building rental	939,704	908,657
Rental of equipment	3,716	7,268
Other fees		
Lessons	81,948	94,570
Skate sharpening	17,853	13,779
Total operating revenues	<u>1,148,072</u>	<u>1,136,957</u>
Operating expenses:		
Cost of sales and services	933	65
Personal services	415,488	447,206
Contractual services	403,947	382,772
Commodities	44,460	60,824
Central services	110,316	99,240
Depreciation	324,101	321,095
Total operating expenses	<u>1,299,245</u>	<u>1,311,202</u>
Operating loss	(151,173)	(174,245)
Nonoperating revenues (expenses):		
Investment income	3,418	0
Interest and fiscal charges	(87,064)	(92,989)
Interest on capital lease	(7,547)	(9,440)
Loss on disposal of capital assets	(5,086)	(11,353)
Amortization of bond discount	(9,578)	(1,150)
Total nonoperating expenses	<u>(105,857)</u>	<u>(114,932)</u>
Net loss before operating transfer in	(257,030)	(289,177)
Operating transfer in:		
Liquor store fund	135,000	81,000
Revolving fund	75,189	0
Total operating transfers	<u>210,189</u>	<u>81,000</u>
Net Income (loss)	(46,841)	(208,177)
Add depreciation on contributed assets	187,352	187,352
Increase (decrease) in retained earnings	<u>140,511</u>	<u>(20,825)</u>
Retained earnings (deficit)--January 1	<u>(551,552)</u>	<u>(530,727)</u>
Retained earnings (deficit)--December 31	<u><u>\$ (411,041)</u></u>	<u><u>(551,552)</u></u>

CITY OF EDINA, MINNESOTA

Arena Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (151,173)	(174,245)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	324,101	321,095
Changes in assets and liabilities:		
Increase in accounts receivable	(6,465)	(8,025)
(Increase) decrease in due from other funds	(385)	2,146
(Increase) in prepaid expenses	(2,137)	0
(Decrease) in accounts payable	(15,251)	4,917
Increase in salaries payable	(2,291)	7,949
Decrease in accrued interest payable	(3,045)	(2,742)
Increase (decrease) in due to other governments	169	(8,729)
Increase(decrease) in compensated absences payable	6,540	53,571
Total adjustments	<u>301,236</u>	<u>370,182</u>
Net cash provided by operating activities	<u>150,063</u>	<u>195,937</u>
Cash flows from noncapital financing activities:		
Operating transfer in--Liquor Fund	135,000	81,000
Operating transfer in--Revolving Fund	<u>75,189</u>	<u>0</u>
Net cash provided by noncapital financing activities	<u>210,189</u>	<u>81,000</u>
Cash flows from capital and related financing activities:		
Net acquisition of capital assets	(70,257)	(25,238)
Loss on disposal of capital assets	(5,086)	(11,353)
Proceeds from revenue bonds	1,390,000	0
Principal paid on revenue bonds	(120,000)	(100,000)
Increase on bond discount	(16,094)	0
Principal paid on capital lease	(39,600)	(36,000)
Interest paid on capital lease	(7,547)	(9,440)
Interest paid on bonds	(87,064)	(92,989)
Net cash provided by (used in) capital and related financing activities	<u>1,044,352</u>	<u>(275,020)</u>
Cash flows from investing activities:		
Purchase of investments	(1,407,816)	0
Investment income	<u>3,418</u>	<u>0</u>
Net cash used in investing activities	<u>(1,404,398)</u>	<u>0</u>
Net increase in cash and cash equivalents	206	1,917
Cash and cash equivalents, beginning of year	<u>3,652</u>	<u>1,735</u>
Cash and cash equivalents, end of year	<u>\$ 3,858</u>	<u>3,652</u>

CITY OF EDINA, MINNESOTA

Art Center Fund

Balance Sheet

December 31, 2001

(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Petty cash and change funds	\$ 725	275
Accounts receivable	100	0
Due from other funds	970	8,618
Inventory	17,042	15,493
Total current assets	<u>18,837</u>	<u>24,386</u>
Property and equipment, net	<u>400,996</u>	<u>445,497</u>
Total assets	<u>\$ 419,833</u>	<u>469,883</u>
<u>Liabilities and Retained Earnings</u>		
Current liabilities:		
Accounts payable	26,541	16,743
Salaries payable	5,623	4,843
Due to other governments	1,241	735
Compensated absences payable	37,322	30,405
Total liabilities	<u>70,727</u>	<u>52,726</u>
Fund equity:		
Contributed capital	274,725	291,926
Retained earnings:		
Unreserved--undesignated	74,381	125,231
Total retained earnings	<u>74,381</u>	<u>125,231</u>
Total liabilities and retained earnings	<u>\$ 419,833</u>	<u>469,883</u>

CITY OF EDINA, MINNESOTA

Art Center Fund

Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - retail	\$ 52,556	40,540
Memberships	32,768	26,629
Other fees		
Class fees	298,617	253,313
Firing fees	13,284	12,170
Media studio fees	65,972	49,526
Misc fees	373	534
Total operating revenues	<u>463,570</u>	<u>382,712</u>
Operating expenses:		
Cost of goods and services	35,966	35,810
Personal services	205,249	225,619
Contractual services	244,171	187,868
Commodities	66,216	64,320
Central services	64,248	62,465
Depreciation	46,026	56,032
Total operating expenses	<u>661,876</u>	<u>632,114</u>
Operating loss	<u>(198,306)</u>	<u>(249,402)</u>
Nonoperating revenues (expenses):		
Donations	24,729	21,352
Loss on disposal of capital assets	(6,726)	(35,476)
Total nonoperating revenues (expenses)	<u>18,003</u>	<u>(14,124)</u>
Net loss before operating transfer in	(180,303)	(263,526)
Operating transfer in		
Liquor store fund	104,000	139,000
Revolving fund	8,252	0
Total operating transfers	<u>112,252</u>	<u>139,000</u>
Net loss	(68,051)	(124,526)
Add depreciation on contributed assets	17,201	18,375
Decrease in retained earnings	(50,850)	(106,151)
Retained earnings--January 1	<u>125,231</u>	<u>231,382</u>
Retained earnings-- December 31	<u>\$ 74,381</u>	<u>125,231</u>

CITY OF EDINA, MINNESOTA

Art Center Fund

Statement of Cash Flows

Year ended December 31, 2001
(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating loss	\$ (198,306)	(249,402)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	46,026	56,032
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(100)	0
(Increase) decrease in due from other funds	7,648	11,648
(Increase) decrease in inventory	(1,549)	163
Increase (decrease) in accounts payable	9,798	3,557
Increase in salaries payable	780	87
Increase (decrease) in due to other governments	506	(285)
Increase in compensated absences payable	6,917	20,610
Total adjustments	<u>70,026</u>	<u>91,812</u>
Net cash used in operating activities	<u>(128,280)</u>	<u>(157,590)</u>
Cash flows from noncapital financing activities:		
Donations	24,729	21,352
Operating transfer in--Liquor Store	104,000	139,000
Operating transfer in--Revolving fund	<u>8,252</u>	<u>0</u>
Net cash provided by noncapital financing activities	<u>136,981</u>	<u>160,352</u>
Cash flow from capital and related financing activities:		
Net acquisition of capital assets	(1,525)	32,764
Loss on disposal of capital assets	<u>(6,726)</u>	<u>(35,476)</u>
Net cash used in capital and related financing activities	<u>(8,251)</u>	<u>(2,712)</u>
Net increase in cash and cash equivalents	450	50
Cash and cash equivalents, beginning of year	<u>275</u>	<u>225</u>
Cash and cash equivalents, end of year	<u><u>725</u></u>	<u><u>275</u></u>

CITY OF EDINA, MINNESOTA

Edinborough Park/Centennial Lake Fund

Balance Sheet

December 31, 2001
(with comparative amounts for December 31, 2000)

Assets	2001	2000
Current assets:		
Petty cash and change funds	\$ 1,500	1,500
Cash with fiscal agents	877	820
Accounts receivable	14,786	374
Accrued interest receivable	60,659	63,314
Due from other funds	7,112	22,432
Prepaid expenses	1,006	0
Total current assets	<u>85,940</u>	<u>88,440</u>
Property and equipment, net	<u>673,465</u>	<u>793,827</u>
Total assets	<u>\$ 759,405</u>	<u>882,267</u>
<hr/> Liabilities and Retained Earnings <hr/>		
Current liabilities:		
Accounts payable	25,339	26,474
Salaries payable	18,951	17,824
Due to other governments	2,028	3,959
Compensated absences payable	91,268	78,099
Total current liabilities	<u>137,586</u>	<u>126,356</u>
Long-term liabilities:		
Obligation under capital lease	<u>31,000</u>	<u>42,000</u>
Total liabilities	<u>168,586</u>	<u>168,356</u>
Fund equity:		
Contributed capital	521,257	654,193
Retained earnings:		
Unreserved--undesignated	<u>69,562</u>	<u>59,718</u>
Total retained earnings	<u>69,562</u>	<u>59,718</u>
Total liabilities and retained earnings	<u>\$ 759,405</u>	<u>882,267</u>

CITY OF EDINA, MINNESOTA

Edinborough Park/Centennial Lake Fund

Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Sales - concessions	\$ 21,558	25,062
Memberships	27,095	21,179
Admissions	61,108	58,155
Building rental	233,872	198,650
Rental of equipment	55,876	53,760
Green fees	160,314	181,447
Other fees		
Programs	22,611	23,099
Association fees	453,969	410,497
Miscellaneous	1,528	350
Total operating revenues	<u>1,037,931</u>	<u>972,199</u>
Operating expenses:		
Cost of sales and services	12,642	10,643
Personal services	647,485	665,159
Contractual services	379,011	363,495
Commodities	177,275	158,701
Central services	220,764	202,368
Depreciation	155,454	171,869
Total operating expenses	<u>1,592,631</u>	<u>1,572,235</u>
Operating loss	<u>(554,700)</u>	<u>(600,036)</u>
Nonoperating revenues (expenses):		
Investment income	352,256	322,663
Miscellaneous revenue	0	87
Interest on capital lease	(2,097)	(2,622)
Loss on disposal of capital assets	(20,850)	(48,022)
Total nonoperating revenues	<u>329,309</u>	<u>272,106</u>
Net loss before operating transfers	(225,391)	(327,930)
Operating transfer in:		
General fund	46,000	108,000
Revolving fund	56,300	0
Total operating transfers	<u>102,300</u>	<u>108,000</u>
Net loss	(123,091)	(219,930)
Add depreciation on contributed assets	132,935	149,963
Decrease in retained earnings	<u>9,844</u>	<u>(69,967)</u>
Retained earnings--January 1	<u>59,718</u>	<u>129,685</u>
Retained earnings--December 31	<u>\$ 69,562</u>	<u>59,718</u>

CITY OF EDINA, MINNESOTA

Edinborough Park/Centennial Lake Fund

Statement of Cash Flows

Year ended December 31, 2001

(with comparative amounts for year ended December 31, 2000)

	2001	2000
Cash flows from operating activities:		
Operating loss	\$ (554,700)	(600,036)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	155,454	171,869
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(14,412)	55,939
(Increase) decrease in due from other funds	15,320	(611)
(Increase) decrease in prepaid expense	(1,006)	0
(Increase) decrease in accounts payable	(1,135)	(12,116)
Increase in salaries payable	1,127	124
Increase in due to other government	(1,931)	2,058
Increase (decrease) in compensated absences payable	13,169	52,401
Miscellaneous revenue	0	87
Total adjustments	<u>166,586</u>	<u>269,751</u>
Net cash used in operating activities	<u>(388,114)</u>	<u>(330,285)</u>
Cash flows from noncapital financing activities:		
Operating transfer in - General Fund	46,000	108,000
Operating transfer in - Revolving Fund	<u>56,300</u>	<u>0</u>
Net cash provided by noncapital financing activities	<u>102,300</u>	<u>108,000</u>
Cash flow from capital financing activities:		
Net acquisition of capital assets	(35,093)	22,609
Loss on disposal of capital assets	(20,850)	(48,022)
Principal paid on capital lease	(11,000)	(10,000)
Interest paid on capital lease	<u>(2,097)</u>	<u>(2,622)</u>
Net cash used in capital financing activities	<u>(69,040)</u>	<u>(38,035)</u>
Cash flows from investing activities:		
Decrease in interest receivable	2,655	(63,314)
Investment income	<u>352,256</u>	<u>322,663</u>
Net cash provided by investing activities	<u>354,911</u>	<u>259,349</u>
Net increase (decrease) in cash and cash equivalents	57	(971)
Cash and cash equivalents, beginning of year	<u>2,320</u>	<u>3,291</u>
Cash and cash equivalents, end of year	<u>\$ 2,377</u>	<u>2,320</u>

TRUST AND AGENCY FUNDS

Trust funds account for assets held by a governmental unit in a trustee capacity for individual organizations, other governmental units, and other funds. The city has one expendable trust fund.

Deferred Compensation Expendable Trust Fund: Accounts for assets that are held in a trustee capacity by the City for employees in accordance with the provisions of Internal Revenue Code Section 457.

Agency funds account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units and other funds. The city has the following Agency funds.

Police Seizure Fund: Accounts for funds obtained by the police department which will be remitted to the proper governments.

CITY OF EDINA, MINNESOTA

Trust and Agency Funds

Combining Balance Sheet

Year ended December 31, 2001
(with comparative totals for December 31, 2000)

	Expendable Trust	Agency	Totals	
	Deferred Compensation	Police Seizure	2001	2000
Assets:				
Cash	\$ 0	209,198	209,198	140,432
Cash and investments with plan administrators	3,980,984	0	3,980,984	3,999,778
Total assets	<u>\$ 3,980,984</u>	<u>209,198</u>	<u>4,190,182</u>	<u>4,140,210</u>
Liabilities:				
Due to other funds	\$ 0	41,678	41,678	41,678
Due to other governments	0	167,520	167,520	98,754
Total liabilities	<u>0</u>	<u>209,198</u>	<u>209,198</u>	<u>140,432</u>
Fund balance:				
Reserved for deferred compensation plan participants	3,980,984	0	3,980,984	3,999,778
Total liabilities and fund balances	<u>\$ 3,980,984</u>	<u>209,198</u>	<u>4,190,182</u>	<u>4,140,210</u>

CITY OF EDINA, MINNESOTA

Deferred Compensation Expendable Trust Fund

Balance Sheet

Year ended December 31, 2001
(with comparative totals for December 31, 2000)

	<u>2001</u>	<u>2000</u>
Assets:		
Cash and cash equivalents	\$ <u>3,980,984</u>	<u>3,999,778</u>
Liabilities and fund balances:		
Fund balance:		
Reserved for deferred compensation plan participants	\$ <u>3,980,984</u>	<u>3,999,778</u>

CITY OF EDINA, MINNESOTA

Deferred Compensation Expendable Trust Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended December 31, 2001
(with comparative totals for December 31, 2000)

	<u>2001</u>	<u>2000</u>
Revenues:		
Net depreciation		
in fair value of investments	\$ (250,750)	(116,184)
Employee contributions	<u>316,813</u>	<u>311,157</u>
Total revenues	<u>66,063</u>	<u>194,973</u>
Expenditures:		
Distributions to plan participants	78,826	102,254
Administrative expense	<u>6,031</u>	<u>6,215</u>
Total expenditures	<u>84,857</u>	<u>108,469</u>
(Deficiency) excess of revenues		
(under) over expenditures	<u>(18,794)</u>	<u>86,504</u>
Fund balance - January 1	3,999,778	3,913,274
Fund balance - December 31	<u>\$ 3,980,984</u>	<u>3,999,778</u>

CITY OF EDINA, MINNESOTA

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended December 31, 2001

	<u>Balance 1/1/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/01</u>
Police Seizure Fund				
Assets:				
Cash	\$ 140,432	68,766	0	209,198
Liabilities:				
Due to other funds	41,678	0	0	41,678
Due to other governments	98,754	68,766	0	167,520
	\$ 140,432	68,766	0	209,198

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group provides for the accounting of fixed assets other than those accounted for in the Enterprise Funds.

CITY OF EDINA, MINNESOTA

General Fixed Assets Account Group

Schedule of General Fixed Assets

December 31, 2001
(with comparative amounts for December 31, 2000)

	<u>2001</u>	<u>2000</u>
General fixed assets:		
Land and land improvements	\$ 39,321,470	35,833,521
Buildings	20,697,983	20,684,526
Furniture and fixtures	913,716	1,155,256
Vehicles and equipment	9,881,250	10,288,763
Parks	19,892,698	16,293,082
Construction-in-progress	5,328,382	6,706,314
	<u>\$ 96,035,499</u>	<u>90,961,462</u>
Total general fixed assets		
	<u>\$ 96,035,499</u>	<u>90,961,462</u>
Total investment in general fixed assets		
	<u>\$ 96,035,499</u>	<u>90,961,462</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group is used to account for the long-term debt of the City other than debt recorded in the Enterprise Funds. Primarily, these are general obligations and other forms of long-term debt supported by general revenues and special assessments, and are obligations of a governmental unit as a whole and not its individual constituent funds.

CITY OF EDINA, MINNESOTA

General Long-term Debt Account Group

Schedule of General Long-term Debt

December 31, 2001
(with comparative amounts for December 31, 2000)

	<u>2001</u>	<u>2000</u>
Amount available and to be provided for the retirement of long-term debt:		
General Obligation Bonds:		
Amount to be provided by tax increment financing	\$ 47,590,000	66,670,000
Amount to be provided by property taxes	7,613,913	7,976,010
Amount to be provided by special assessments	0	170,000
Compensated absences:		
Amount to be provided by revenue sources	2,354,817	2,220,886
Total available and to be provided	\$ <u>57,558,730</u>	<u>77,036,896</u>
General long-term debt payable:		
Accrued compensated absences	2,354,817	2,220,886
Obligation under capital lease payable	363,913	426,010
General obligation bonds payable	<u>54,840,000</u>	<u>74,390,000</u>
Total general long-term debt payable	\$ <u>57,558,730</u>	<u>77,036,896</u>

Financial Section

Supplementary Schedules

CITY OF EDINA, MINNESOTA

Combined Schedule of Bonded Indebtedness

December 31, 2001

	<u>Interest rate</u>	<u>Issue date</u>	<u>Final maturity date</u>
Bonded indebtedness:			
Tax Increment Bonds:			
Tax Increment Refunding Bonds, Series 1992B	4.90 - 6.00	11/01/92	02/01/09
Tax Increment Refunding Bonds, Series 1993A	4.25 - 5.10	04/13/93	02/01/06
Tax Increment Refunding Taxable Bonds, Series 1996A	5.85 - 6.25	03/01/96	02/01/09
Tax Increment Bonds, Series 1997B	4.50 - 5.50	04/01/97	02/01/13
Tax Increment Bonds, Series 2000A	4.30 - 4.80	09/06/00	02/01/11
Taxable Tax Increment Bonds, Series 2000B	6.45	09/06/00	02/01/03
Tax Increment Refunding Bonds, Series 2000C	4.50 - 4.65	11/06/00	02/01/09
General Obligation Bonds:			
General Obligation Park & Rec Bonds, Series 1996B	4.25 - 5.75	08/01/96	02/01/17
Improvement Bonds:			
Improvement Refunding Bonds, Series 1992E	4.00 - 5.20	11/01/92	02/01/01
Revenue Bonds:			
Recreation Bonds, Series 1992A	4.00 - 6.05	11/01/92	01/01/13
Recreation Refunding Bonds, Series 1992C	4.40 - 6.00	11/01/92	01/01/09
Utility Revenue Bonds, 1999A	3.20 - 4.20	05/03/99	02/01/09
Recreational Facility Bonds, 1999B	3.70 - 4.45	05/03/99	01/01/13
Recreational Facility Bonds, 2001A	2.25 - 4.65	11/01/01	01/01/17
Total bonded indebtedness			

Exhibit 1

2001 Percent paid by tax levies	Indebtedness			Due in 2002	
	Authorized and issued	Redeemed	Outstanding	Principal	Interest
None	17,930,000	17,930,000	0	0	0
None	19,580,000	8,185,000	11,395,000	2,415,000	514,693
None	11,250,000	1,775,000	9,475,000	700,000	558,238
None	5,090,000	375,000	4,715,000	175,000	242,568
None	2,620,000	0	2,620,000	210,000	114,718
None	3,565,000	0	3,565,000	0	229,943
None	15,820,000	0	15,820,000	1,070,000	695,768
	<u>75,855,000</u>	<u>28,265,000</u>	<u>47,590,000</u>	<u>4,570,000</u>	<u>2,355,928</u>
None	8,090,000	840,000	7,250,000	300,000	385,163
	<u>8,090,000</u>	<u>840,000</u>	<u>7,250,000</u>	<u>300,000</u>	<u>385,163</u>
None	1,095,000	1,095,000	0	0	0
	<u>1,095,000</u>	<u>1,095,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
None	3,975,000	590,000	3,385,000	3,385,000	99,498
None	4,650,000	1,255,000	3,395,000	3,395,000	97,701
None	3,600,000	645,000	2,955,000	325,000	110,060
None	3,270,000	0	3,270,000	0	136,490
None	4,620,000	0	4,620,000	0	99,310
	<u>20,115,000</u>	<u>2,490,000</u>	<u>17,625,000</u>	<u>7,105,000</u>	<u>543,059</u>
	<u>\$ 105,155,000</u>	<u>32,690,000</u>	<u>72,465,000</u>	<u>11,975,000</u>	<u>3,284,150</u>

CITY OF EDINA, MINNESOTA

Schedule of Changes in Bonded Indebtedness

Year ended December 31, 2001

	Balance January 1	Issued	Redeemed	Balance December 31
Tax Increment Bonds	\$ 66,670,000	0	19,080,000	47,590,000
General Obligation Bonds	7,550,000	0	300,000	7,250,000
Improvement Bonds	170,000	0	170,000	0
Revenue Bonds	13,785,000	4,620,000	780,000	17,625,000
	<u>\$ 88,175,000</u>	<u>4,620,000</u>	<u>20,330,000</u>	<u>72,465,000</u>

Exhibit 3

CITY OF EDINA, MINNESOTA

Schedule of Bonds Payable

December 31, 2001

	Issue date	Interest rate	Maturity date	Principal amount
Tax Increment Bonds:				
\$19,580,000 Tax Increment				
Refunding Bond, Series 1993A				
	5/1/93			
\$2,415,000.		4.90	2/1/02	2,415,000
\$2,455,000.		5.00	2/1/03	2,455,000
\$2,230,000.		5.10	2/1/04	2,230,000
\$2,555,000.		5.10	2/1/05	2,555,000
\$1,740,000.		5.10	2/1/06	1,740,000
				<u>11,395,000</u>
\$11,250,000 Tax Increment				
Taxable Refunding Bond, Series 1996A				
	3/1/96			
\$700,000		5.85	2/1/02	700,000
\$800,000		5.85	2/1/03	800,000
\$900,000		6.00	2/1/04	900,000
\$900,000		6.10	2/1/05	900,000
\$1,000,000		6.10	2/1/06	1,000,000
\$1,475,000		6.15	2/1/07	1,475,000
\$1,800,000		6.20	2/1/08	1,800,000
\$1,900,000		6.25	2/1/09	1,900,000
				<u>9,475,000</u>
\$5,090,000 Tax Increment				
Temporary Bond, Series 1997B				
	4/7/97			
\$175,000		4.80	2/1/02	175,000
\$200,000		4.85	2/1/03	200,000
\$225,000		4.95	2/1/04	225,000
\$250,000		5.05	2/1/05	250,000
\$405,000		5.10	2/1/06	405,000
\$425,000		5.15	2/1/07	425,000
\$445,000		5.20	2/1/08	445,000
\$465,000		5.30	2/1/09	465,000
\$490,000		5.30	2/1/10	490,000
\$515,000		5.35	2/1/11	515,000
\$545,000		5.40	2/1/12	545,000
\$575,000		5.50	2/1/13	575,000
				<u>4,715,000</u>
\$2,620,000 Tax Increment				
Bond, Series 2000A				
	9/6/00			
\$210,000		4.30	2/1/02	210,000
\$220,000		4.35	2/1/03	220,000
\$230,000		4.40	2/1/04	230,000
\$240,000		4.45	2/1/05	240,000
\$255,000		4.50	2/1/06	255,000
\$265,000		4.55	2/1/07	265,000
\$280,000		4.60	2/1/08	280,000
\$290,000		4.65	2/1/09	290,000
\$305,000		4.70	2/1/10	305,000
\$325,000		4.80	2/1/11	325,000
				<u>2,620,000</u>

(Continued)

Exhibit 3, Cont.

CITY OF EDINA, MINNESOTA

Schedule of Bonds Payable, Continued

	Issue date	Interest rate	Maturity date	Principal amount
\$3,565,000 Tax Increment Taxable Bond, Series 2000B	9/6/00			
\$0		0.00	2/1/02	0
\$3,565,000		6.45	2/1/03	<u>3,565,000</u>
				<u>3,565,000</u>
\$15,820,000 Tax Increment Refunding Bond, Series 2000C	11/6/00			
\$1,070,000			2/1/02	1,070,000
\$1,325,000			2/1/03	1,325,000
\$1,460,000			2/1/04	1,460,000
\$1,505,000			2/1/05	1,505,000
\$1,655,000			2/1/06	1,655,000
\$2,490,000			2/1/07	2,490,000
\$3,060,000			2/1/08	3,060,000
\$3,255,000			2/1/09	<u>3,255,000</u>
				<u>15,820,000</u>
Total tax increment bonds				<u>47,590,000</u>
General Obligation Bonds:				
\$8,090,000 General Obligation Park & Rec Bond, Series 1996B	8/1/96			
\$300,000		4.65	2/1/02	300,000
\$325,000		4.80	2/1/03	325,000
\$325,000		4.90	2/1/04	325,000
\$350,000		5.00	2/1/05	350,000
\$375,000		5.10	2/1/06	375,000
\$375,000		5.20	2/1/07	375,000
\$400,000		5.30	2/1/08	400,000
\$425,000		5.40	2/1/09	425,000
\$450,000		5.45	2/1/10	450,000
\$475,000		5.50	2/1/11	475,000
\$500,000		5.55	2/1/12	500,000
\$525,000		5.60	2/1/13	525,000
\$550,000		5.65	2/1/14	550,000
\$600,000		5.70	2/1/15	600,000
\$625,000		5.75	2/1/16	625,000
\$650,000		5.75	2/1/17	<u>650,000</u>
Total General Obligation Bonds				<u>7,250,000</u>

(Continued)

Exhibit 3, Cont.

CITY OF EDINA, MINNESOTA

Schedule of Bonds Payable, Continued

	Issue date	Interest rate	Maturity date	Principal amount
Revenue Bonds:				
\$3,975,000 Recreational Facility				
Bonds, Series 1992A *				
	11/1/92			
\$170,000		5.40	1/1/02	170,000
\$200,000		5.50	1/1/03	200,000
\$235,000		5.60	1/1/04	235,000
\$250,000		5.70	1/1/05	250,000
\$260,000		5.80	1/1/06	260,000
\$275,000		5.90	1/1/07	275,000
\$285,000		5.95	1/1/08	285,000
\$305,000		6.00	1/1/09	305,000
\$320,000		6.00	1/1/10	320,000
\$340,000		6.05	1/1/11	340,000
\$360,000		6.05	1/1/12	360,000
\$385,000		6.05	1/1/13	385,000
				<u>3,385,000</u>
\$4,650,000 Recreational Facility				
Refunding Bonds, Series 1992C *				
	11/1/02			
\$360,000		5.40	1/1/02	360,000
\$365,000		5.50	1/1/03	365,000
\$380,000		5.60	1/1/04	380,000
\$410,000		5.70	1/1/05	410,000
\$435,000		5.80	1/1/06	435,000
\$445,000		5.90	1/1/07	445,000
\$495,000		5.95	1/1/08	495,000
\$505,000		6.00	1/1/09	505,000
				<u>3,395,000</u>
\$3,600,000 Utility Revenue				
Revenue Bond, Series 1999A				
	5/3/99			
\$325,000		3.60	2/1/02	325,000
\$335,000		3.70	2/1/03	335,000
\$345,000		3.80	2/1/04	345,000
\$360,000		3.85	2/1/05	360,000
\$375,000		4.00	2/1/06	375,000
\$390,000		4.00	2/1/07	390,000
\$405,000		4.10	2/1/08	405,000
\$420,000		4.20	2/1/09	420,000
				<u>2,955,000</u>

* Bonds maturing in the years 2003 through 2013 will be called on January 1, 2002.

(Continued)

Exhibit 3, Cont.

CITY OF EDINA, MINNESOTA

Schedule of Bonds Payable, Continued

	Issue date	Interest rate	Maturity date	Principal amount
\$3,270,000 Recreational Facility				
Revenue Bonds, Series 1999B				
	5/3/99			
\$220,000		3.70	1/1/03	220,000
\$265,000		3.80	1/1/04	255,000
\$270,000		3.90	1/1/05	265,000
\$290,000		4.00	1/1/06	270,000
\$295,000		4.10	1/1/07	290,000
\$310,000		4.20	1/1/08	295,000
\$320,000		4.30	1/1/09	310,000
\$320,000		4.35	1/1/10	320,000
\$335,000		4.35	1/1/11	335,000
\$345,000		4.40	1/1/12	345,000
\$365,000		4.45	1/1/13	365,000
				<u>3,270,000</u>
\$15,820,000 Recreational Facility				
Revenue Bonds, Series 2001A				
	11/1/01			
\$525,000		2.25	1/1/03	525,000
\$565,000		2.60	1/1/04	565,000
\$585,000		2.85	1/1/05	585,000
\$610,000		3.10	1/1/06	610,000
\$615,000		3.35	1/1/07	615,000
\$550,000		3.55	1/1/08	550,000
\$550,000		3.70	1/1/09	550,000
\$65,000		3.80	1/1/10	65,000
\$70,000		3.90	1/1/11	70,000
\$75,000		4.05	1/1/12	75,000
\$75,000		4.15	1/1/13	75,000
\$80,000		4.30	1/1/14	80,000
\$80,000		4.45	1/1/15	80,000
\$85,000		4.55	1/1/16	85,000
\$90,000		4.65	1/1/17	90,000
				<u>4,620,000</u>
Total revenue bonds				<u>17,625,000</u>
Total bonds payable				<u><u>72,465,000</u></u>

Exhibit 4

CITY OF EDINA, MINNESOTA

Schedule of Debt Service Requirements

December 31, 2001

Year Ended	Tax Increment Bonds		General Obligation Bonds		Improvement Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	4,570,000	2,355,925	300,000	385,163	0	0	7,105,000	543,059
2003	8,565,000	2,004,299	325,000	370,388	0	0	1,080,000	373,492
2004	5,045,000	1,637,761	325,000	354,625	0	0	1,165,000	338,573
2005	5,450,000	1,372,300	350,000	337,913	0	0	1,210,000	299,393
2006	5,055,000	1,106,010	375,000	319,600	0	0	1,255,000	256,605
2007	4,655,000	859,483	375,000	300,288	0	0	1,295,000	210,204
2008	5,585,000	596,940	400,000	279,938	0	0	1,250,000	161,898
2009	5,910,000	298,631	425,000	257,863	0	0	1,280,000	111,978
2010	795,000	124,360	450,000	234,125	0	0	385,000	78,123
2011	840,000	82,631	475,000	208,800	0	0	405,000	61,277
2012	545,000	46,340	500,000	181,863	0	0	420,000	43,516
2013	575,000	15,813	525,000	153,288	0	0	440,000	24,730
2014	0	0	550,000	123,050	0	0	80,000	13,333
2015	0	0	600,000	90,413	0	0	80,000	9,833
2016	0	0	625,000	55,344	0	0	85,000	6,119
2017	0	0	650,000	18,688	0	0	90,000	2,093
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
	<u>\$ 47,590,000</u>	<u>10,500,493</u>	<u>7,250,000</u>	<u>3,671,344</u>	<u>0</u>	<u>0</u>	<u>17,625,000</u>	<u>2,534,221</u>

CITY OF EDINA, MINNESOTA

Assessed Valuation, Tax Levies and Mill Rates
(shown by year of tax collectibility)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Assessed valuation/tax capacity	\$ 87,726,810	85,963,836	90,806,947	99,650,358	72,583,694
Increment valuation	(5,729,884)	(6,230,928)	(7,087,107)	(8,559,204)	(6,513,676)
Contribution to fiscal disparities pool	(6,451,992)	(7,511,473)	(9,014,784)	(10,127,351)	(6,893,865)
Received from fiscal disparities pool	<u>2,217,217</u>	<u>2,199,224</u>	<u>2,460,913</u>	<u>2,752,149</u>	<u>1,830,348</u>
Taxable valuation	<u>\$ 77,762,151</u>	<u>74,420,659</u>	<u>77,165,969</u>	<u>83,715,952</u>	<u>61,006,501</u>
Tax levies:					
General Fund	<u>\$ 13,099,140</u>	<u>13,284,962</u>	<u>13,650,158</u>	<u>14,438,346</u>	<u>15,990,256</u>
Tax Capacity Rate:					
General Fund	<u>\$ 16.813</u>	<u>17.810</u>	<u>17.669</u>	<u>17.233</u>	<u>27.806</u>

Statistical Section

CITY OF EDINA, MINNESOTA

General Governmental Expenditures by Function (a)

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	General government	Public safety	Public works	Parks	Unallocated			Debt service	Total
					general expenditures	Other	Capital outlay		
1992	1,987,784	6,218,655	2,750,808	2,137,194	588,319	4,429,119	5,963,850	24,662,408	
1993	1,999,863	6,544,220	2,990,247	1,744,807	117,451	1,877,110	6,647,360	22,417,392	
1994	2,097,521	6,774,592	2,985,893	1,725,641	180,589	3,273,848	7,333,466	25,072,001	
1995	2,069,527	7,251,129	3,160,831	1,850,610	309,152	5,389,205	7,873,815	28,708,856	
1996	2,201,312	7,440,601	3,290,742	1,919,759	251,215	5,847,706	6,281,475	28,203,692	
1997	2,247,040	7,717,334	3,537,441	2,031,261	340,510	1,597,747	6,622,948	40,891,105	
1998	2,528,560	8,131,293	4,084,651	1,960,111	333,793	1,104,738	6,324,533	31,997,730	
1999	2,527,547	8,516,673	3,744,124	2,240,730	366,332	1,005,781	6,537,266	30,538,089	
2000	2,635,357	8,846,360	3,672,057	2,150,588	346,099	1,576,968	6,658,601	34,238,524	
2001	2,633,260	9,409,291	4,313,065	2,375,565	506,495	2,213,247	6,888,719	39,532,797	

Note: (a) Includes General, Special Revenue, Debt Service and Capital Project Funds.

Table 2

CITY OF EDINA, MINNESOTA

General Governmental Revenues by Source (a)

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	Taxes	Special assessments	Franchise Fee	Licenses and permits	Inter-governmental	Charges for services	Fines and forfeitures	Interest on investments	Interest on funds held with fiscal agent	Sales and rental of property	Miscellaneous	Totals
1992	15,935,816	1,563,993	168,122	820,007	1,000,395	1,360,233	471,038	424,622	0	100,000	3,107,110	24,951,336
1993	17,505,272	991,394	260,039	1,037,783	1,749,631	1,167,446	350,582	431,976	1,443,530	100,765	205,432	25,243,850
1994	17,637,458	1,087,831	206,261	947,122	1,807,826	1,251,603	322,992	591,985	1,727,103	174,970	1,016,605	26,771,756
1995	15,534,902	858,897	209,519	1,070,352	5,693,802	1,510,470	545,996	411,345	1,742,621	68,871	591,318	28,238,093
1996	16,089,705	969,468	224,489	1,382,427	3,928,352	1,621,635	456,589	950,129	1,175,976	108,111	292,018	27,198,899
1997	17,653,621	955,206	331,527	1,388,968	1,996,744	2,842,923	562,910	1,199,251	1,038,850	152,398	194,679	28,317,077
1998	20,567,867	844,070	296,427	2,091,365	2,551,452	1,833,148	691,355	1,353,521	43,331	86,639	604,099	30,963,274
1999	21,995,230	990,330	297,866	2,135,541	3,185,008	2,070,476	794,710	415,114	0	284,085	478,788	32,647,148
2000	22,904,512	1,159,876	336,678	1,835,828	1,880,680	2,902,666	967,421	2,287,349	88,788	1,156,526	96,932	35,617,256
2001	24,409,785	1,086,093	473,702	2,239,611	5,085,981	1,962,172	976,952	1,274,294	83,407	4,262,984	184,466	42,039,447

Note: (a) Includes General, Special Revenue, Debt Service and Capital Project Funds.

CITY OF EDINA, MINNESOTA

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	Total tax levy	Current tax collections	Percent of total tax levy collected	Adjustments/ Delinquent tax collections	Total tax collections	Percent of total tax collections to total tax levy	Outstanding delinquent taxes	Percent of outstanding delinquent taxes to total tax levy
1992	10,182,324	9,887,842	97.11%	126,956	10,014,798	98.35%	274,437	2.70%
1993	10,485,115	9,989,612	95.27%	(2,977)	9,986,635	95.25%	204,153	1.95%
1994	10,927,551	10,691,572	97.84%	5,819	10,697,391	97.89%	154,482	1.41%
1995	11,390,898	11,198,647	98.31%	(67,047)	11,131,600	97.72%	88,399	0.78%
1996	12,178,440	12,026,177	98.75%	(262,279)	11,763,898	96.60%	36,198	0.30%
1997	12,531,244	12,381,729	98.81%	(244,913)	12,136,816	96.85%	39,107	0.31%
1998	13,099,140	13,003,882	99.27%	48,985	13,052,867	99.65%	54,226	0.41%
1999	13,284,962	13,147,288	98.96%	36,293	13,183,581	99.24%	99,202	0.75%
2000	13,650,158	13,554,044	99.30%	15,355	13,569,399	99.41%	116,362	0.85%
2001	14,438,346	14,331,078	99.26%	25,907	14,356,985	99.44%	121,548	0.84%

Table 4**CITY OF EDINA, MINNESOTA**Assessed Value or Tax Capacity and
Estimated Market Value of Taxable Property

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Assessment year	Real property		Ratio of total assessed value/ tax capacity to total estimated market value
	Assessed value/ tax capacity	Estimated market value	
1992	83,480,350	3,568,897,100	2.34%
1993	81,413,953	3,607,576,600	2.26%
1994	82,244,215	3,733,888,400	2.20%
1995	84,055,819	3,849,796,600	2.18%
1996	85,775,887	4,071,654,134	2.11%
1997	91,586,990	4,074,713,634	2.25%
1998	87,726,810	4,267,758,501	2.06%
1999	85,963,836	4,535,761,900	1.90%
2000	90,055,752	4,861,730,000	1.85%
2001	72,133,594	5,821,566,500	1.24%

Table 5**CITY OF EDINA, MINNESOTA**

Property Tax Rates--All Overlapping Governments
(per \$100 of assessed value)

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	City of Edina			School District	County	Other	Total
	General Fund	Special Revenue Funds	Total				
1992	13.480	-	13.480	51.823	34.327	6.633	106.263
1993	15.092	-	15.092	63.743	35.839	7.629	122.303
1994	16.032	-	16.032	61.417	37.441	7.515	122.405
1995	15.577	-	15.577	57.975	37.454	6.851	117.857
1996	16.331	-	16.331	62.268	37.270	7.494	123.363
1997	15.626	-	15.626	57.213	35.515	6.659	115.013
1998	16.813	-	16.813	47.499	38.388	7.538	110.682
1999	17.810	-	17.810	50.766	40.994	8.553	118.123
2000	17.669	-	17.669	51.678	39.655	8.426	117.428
2001	17.233	-	17.233	46.839	37.624	8.126	109.822

Table 6

CITY OF EDINA, MINNESOTA

Special Assessment Collections

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Year	Total levy	Collection of current year's levy	Percentage of levy collected	Collection of prior year's levy	Total collections	Percentage of total collections to total levy	Total outstanding assessments
1992	998,069	977,184	97.91%	39,851	1,017,035	101.90%	27,228
1993	834,099	826,178	99.05%	12,890	839,068	100.60%	22,259
1994	807,324	800,456	99.15%	5,622	806,078	99.85%	27,523
1995	786,480	779,517	99.11%	7,508	787,025	100.07%	26,223
1996	768,800	764,997	99.51%	16,636	781,633	101.67%	13,389
1997	590,048	576,513	97.71%	9,036	585,549	99.24%	17,889
1998	654,442	635,476	97.10%	3,798	639,274	97.68%	33,057
1999	773,251	753,251	97.41%	14,273	767,524	99.26%	38,784
2000	960,562	930,484	96.87%	5,586	936,070	97.45%	63,275
2001	1,003,856	975,921	97.22%	51,173	1,027,094	102.31%	40,038

Table 7

CITY OF EDINA, MINNESOTA

Ratio of Net General Bonded Debt to Assessed Value/Tax Capacity and Net Bonded Debt Per Capita

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	*Population	Net assessed value/tax capacity (in thousands)	Gross bonded debt (b)	Debt service monies available	Net bonded debt	Ratio of net bonded debt to assessed value/tax capacity	Net bonded debt per capita
1992	46,079	69,276	90,880,000	26,899,229	63,980,771	92.36%	1,389
1993	46,916	68,259	108,165,000	45,994,060	62,170,940	91.08%	1,325
1994	46,984	73,066	104,615,000	44,810,021	59,804,979	81.85%	1,273
1995	46,841	74,787	101,775,000	43,265,984	58,509,016	78.23%	1,249
1996	46,845	80,087	92,680,000	25,429,215	67,250,785	83.97%	1,436
1997	47,029	77,762	94,385,000	17,929,523	76,455,477	98.32%	1,626
1998	47,113	85,259	70,260,000	589,371	69,670,629	81.72%	1,479
1999	47,235	77,191	73,005,000	4,384,419	68,620,581	88.90%	1,453
2000	47,425 (a)	83,716	88,175,000	21,251,947	66,923,053	79.94%	1,411
2001	47,425 (a)	61,007	72,465,000	8,321,645	64,143,355	105.14%	1,353

* Source: Metropolitan Council estimate

Notes: (a) Official population per 2000 census.

(b) Includes all long-term general obligation debt.

Table 8

CITY OF EDINA, MINNESOTA

Computation of Overlapping Debt

December 31, 2001

(Unaudited - see accompanying auditors' report)

Jurisdiction	Net debt outstanding	Percentage applicable to City of Edina	Amount applicable to City of Edina
City of Edina	\$ 54,195,263	100.00%	\$ 54,195,263
Hennepin County	278,091,118	7.07%	19,661,042
ISD #273 (Edina)	31,224,294	97.52%	30,449,932
ISD #270 (Hopkins)	38,396,470	7.89%	3,029,481
ISD #271 (Bloomington)	147,785,439	0.01%	14,779
ISD #272 (Eden Prairie)	123,014,241	1.05%	1,291,650
ISD #280 (Richfield)	47,736,004	20.90%	9,976,825
ISD #283 (St. Louis Park)	53,602,955	0.01%	5,360
Metro Council	141,032,000	6.73%	9,491,454
Hennepin Regional RR Authority	50,000,000	7.07%	3,535,000
Hennepin County Regional Parks	27,087,334	9.39%	2,543,501
			\$ 134,194,287

Table 9**CITY OF EDINA, MINNESOTA**Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>	<u>Total general expenditures (a)</u>	<u>Ratio of total debt service to total general expenditures</u>
1992	1,790,000	4,173,850	5,963,850	19,610,522	30.41%
1993	1,800,000	4,847,360	6,647,360	21,384,897	31.08%
1994	1,185,000	6,148,466	7,333,466	22,035,991	33.28%
1995	2,495,000	5,378,815	7,873,815	23,630,853	33.32%
1996	1,400,000	4,881,475	6,281,475	23,128,537	27.16%
1997	2,120,000	4,502,948	6,622,948	24,000,082	27.60%
1998	2,224,724	4,099,809	6,324,533	25,390,000	24.91%
1999	3,275,000	3,262,266	6,537,266	25,131,088	26.01%
2000	6,050,000	3,108,601	9,158,601	25,814,880	35.48%
2001	3,740,000	3,148,719	6,888,719	28,382,482	24.27%

Notes: (a) Includes General, Special Revenue, and Debt Service Funds.

Table 10

CITY OF EDINA, MINNESOTA

Revenue Bond Coverage

Last Ten Fiscal Years

(Unaudited - see accompanying auditors' report)

Fiscal year	Gross revenue	Direct* operating expenses	Net revenue available for debt service	Debt service requirements		Coverage	
				Principal	Interest		Total
Utility Bond							
1992	5,867,015	5,365,942	501,073	275,000	169,233	444,233	113
1993	7,122,636	6,238,142	884,494	300,000	214,791	514,791	172
1994	7,011,288	6,602,736	408,552	2,165,000	155,573	2,320,573	18
1995	7,591,331	6,766,288	825,043	345,000	78,182	423,182	195
1996	7,753,016	7,007,293	745,723	370,000	52,019	422,019	177
1997	8,110,744	7,526,033	584,711	390,000	40,744	430,744	136
1998	8,108,612	7,226,648	881,964	400,000	22,184	422,184	209
1999	8,502,423	6,713,673	1,788,750	420,000	83,429	503,429	355
2000	8,793,386	7,205,934	1,587,452	335,000	127,525	462,525	343
2001	8,556,810	7,065,589	1,491,221	310,000	116,794	426,794	349
Recreational Facility Bonds							
1992	2,552,605	2,288,778	263,827	195,000	398,127	593,127	44
1993	2,987,774	2,600,826	386,948	195,000	707,454	902,454	43
1994	3,446,755	3,086,401	360,354	200,000	854,920	1,054,920	34
1995	3,824,627	3,262,948	561,679	0	839,244	839,244	67
1996	4,311,141	3,545,291	765,850	250,000	774,800	1,024,800	75
1997	4,440,202	3,945,975	494,227	295,000	762,411	1,057,411	47
1998	5,042,394	4,270,042	772,352	4,240,000	372,390	4,612,390	17
1999	5,141,606	4,332,932	808,674	430,000	522,050	952,050	85
2000	5,727,930	5,209,610	518,320	450,000	553,962	1,003,962	52
2001	5,430,507	5,231,143	199,364	470,000	531,176	1,001,176	20

*Before interest costs.

CITY OF EDINA, MINNESOTA

Property and Construction Values

Last Ten Fiscal years

(Unaudited - see accompanying auditors' report)

Fiscal year	Commercial construction		Residential construction		Property value*	
	Number of permits	Value	Number of permits	Value	Commercial/Industrial	Residential/Apartments
1992	415	18,371,703	647	22,086,178	767,495,300	2,801,401,800
1993	396	35,014,704	673	27,505,219	711,471,100	2,896,105,500
1994	267	14,695,441	689	29,985,727	691,570,800	3,042,317,600
1995	274	14,349,143	564	28,064,106	668,098,800	3,181,697,800
1996	279	35,789,432	1,318	31,334,870	745,200,700	3,326,107,834
1997	407	37,074,290	1,780	32,387,315	824,767,100	3,438,309,200
1998	462	38,495,806	1,830	35,625,118	904,869,800	3,623,187,200
1999	323	36,708,942	3,478	27,637,742	980,837,900	3,924,031,400
2000	1,418	66,980,499	4,013	48,278,737	1,069,928,100	4,387,874,100
2001	838	86,488,859	4,975	57,658,783	1,173,397,300	5,056,797,500

*Assessor's estimated market value

Table 12

CITY OF EDINA, MINNESOTA

Principal Taxpayers

December 31, 2001

(Unaudited - see accompanying auditors' report)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 tax capacity</u>
Southdale	Shopping center	\$ 2,987,632
Pentagon Office Park	Office building	1,016,172
Galleria	Shopping center	964,866
Southdale Office Park	Office building	839,688
Cedars of Edina	Apartments	612,748
Centennial Lakes Phase IV	Office building	552,218
United Health Care Corporation	Office building	524,504
Southdale Medical Building	Office building	496,792
Centennial Lakes Phase V	Office building	473,362
7700 France	Office building	469,250
Centennial Lakes Retail	Retail	409,952
Centennial Lakes Phase I	Office building	334,906
Centennial Lakes Phase II	Office building	334,904
Analysts International Corporation	Office building	334,904
Edinburgh Plaza	Apartments	333,000
Durham	Apartments	320,995
York Plaza	Apartments	319,559
Target	Retail	254,342
5050 Lincoln Drive	Office building	232,920
Jerry's Center	Retail & Office	227,632

Table 13**CITY OF EDINA, MINNESOTA**

Major Employers in the City

December 31, 2001

(Unaudited - see accompanying auditors' report)

Employer	Product/Service	Approximate Number of Employees
Fairview Southdale Hospital	General Medical & Surgical Hospitals	2,400
Jerry's Enterprises Inc.	Grocery Stores	2,000
Golden Valley Microwave Foods	Manufacturing	650
Health Risk Management Inc.	Pension, Health and Welfare Funds	552
Marshall Fields	Department Store	500
J.C. Penney	Department Store	400
Norwest Funding	Mortgage Bankers & Correspondents	358
Nash Finch Co.	Groceries	350
International Dairy Queen Inc.	Eating Places	300
Roach Organization Inc.	Computer & Computer Software Stores	140
Techpower Inc.	Help Supply Services	120

Source: *City of Edina "Community Profile", Minnesota Department of Trade and Economic Development, 2001*

Table 14

CITY OF EDINA, MINNESOTA

Labor Force Data

December 31, 2001

(Unaudited - see accompanying auditors' report)

	December 2001		December 2000	
	Civilian Labor Force	Unemployment Rate	Civilian Labor Force	Unemployment Rate
Hennepin County	677,715	3.5%	666,108	2.4%
Mpls.-St. Paul MSA	1,775,302	3.5%	1,751,767	2.7%
State of Minnesota	2,727,385	4.0%	2,772,628	3.7%

Source: Minnesota Workforce Center.

Table 15

CITY OF EDINA, MINNESOTA

Miscellaneous Statistics

December 31, 2001

(Unaudited - see accompanying auditors' report)

Date of incorporation	December 17, 1888
Date of adoption of Council-Manager Plan	January 1, 1955
Present form of government	Council-Manager
Fiscal year begins	January 1
Area of City	16 square miles
Percent of City developed with buildings	97%
Miles of streets and sewers:	
Total streets (including state and county)	224 miles
Sanitary sewer	186.22 miles
Sewer connections	13,984
Fire protection:	
Number of stations	2
Number of employees (full time)	31
Police protection:	
Number of stations	1
Number of employees (full time)	63
Park areas:	
Present park acres and open space	1,600
Total improved park acres	1,007
Number of parks	39
Private golf courses	2
Public golf courses	3
Municipal water plant:	
Number of wells	18
Miles of watermain	198.81
Gallons of storage	7 million
Number of consumers	14,025

(Continued)

Table 15, Cont.

CITY OF EDINA, MINNESOTA

Miscellaneous Statistics, Continued

Population:	
1930	3,138
1940	5,855
1950	9,744
1960	28,501
1965 (special census)	35,302
1970	44,046
1975 (estimated April 1)	49,736
1980 (census)	46,073
1981 (estimated April 1)	46,080
1982 (estimated April 1)	45,370
1983 (estimated April 1)	45,340
1984 (estimated April 1)	45,280
1985 (estimated April 1)	44,940
1986 (estimated April 1)	45,523
1987 (estimated April 1)	45,924
1988 (estimated April 1)	46,095
1989 (estimated April 1)	44,943
1990 (census)	46,070
1991 (estimated)	46,070
1992 (estimated May 1992)	46,079
1993 (estimated June 1993)	46,916
1994 (estimated June 1994)	46,984
1995 (estimated June 1995)	46,841
1996 (estimated June 1996)	46,845
1997 (estimated June 1997)	47,029
1998 (estimated June 1998)	47,113
1999 (estimated June 1999)	47,235
2000 (census)	47,425
2001 (census)	47,425

Table 16

CITY OF EDINA, MINNESOTA

Schedule of Sources and Uses of Public Funds
for 50th & France-No. 1200, a Tax Increment Financing District
(Districts 1200, 1201, 1203, and 1204 are pooled)
(Unaudited - see accompanying auditors' report)

December 31, 2001

	Original budget	Amended budget	Accounted for in prior years	Current year	Amount remaining
Sources of funds:					
Bond proceeds	\$ 2,200,000	5,280,000	5,251,998	0	28,002
Tax increments received	0	31,748,489	17,752,346	1,341,396	12,654,747
Real estate sales*	800,000	170,782	170,782	0	0
State aid	0	418,871	418,871	0	0
Special assessments	0	1,321,096	728,505	0	592,591
Parking permits	0	268,524	268,524	0	0
Community develop- ment	0	186,064	186,064	0	0
Interest on invested funds	0	2,000,000	2,111,642	301,467	(413,109)
Other	0	73,881	73,881	0	0
Total sources of funds	<u>3,000,000</u>	<u>41,467,707</u>	<u>26,962,613</u>	<u>1,642,863</u>	<u>12,862,231</u>
Uses of funds:					
Land acquisition	0	873,061	873,061	0	0
Installation of public utilities and improvements	3,000,000	7,867,034	7,862,032	0	5,002
Bond payments					
Principal	0	5,280,000	2,200,000	0	3,080,000
Interest	0	4,738,329	3,730,524	158,450	849,355
Administrative costs	0	1,230,000	1,162,479	42,972	24,549
Paid to other governments	0	21,000	8,773	1,923	10,304
Work orders	0	16,257	16,257	0	0
Contingencies	0	11,644	11,644	0	0
Interest	0	463,037	463,037	0	0
Miscellaneous	0	62,095	62,095	915	(915)
Transfer	0	10,000,000	2,972,644	3,001,244	4,026,112
Total uses of funds	<u>3,000,000</u>	<u>30,562,457</u>	<u>19,362,546</u>	<u>3,205,504</u>	<u>7,994,407</u>
Funds remaining (or deficient)	<u>0</u>	<u>10,905,250</u>	<u>7,600,067</u>	<u>(1,562,641)</u>	<u>4,867,824</u>

	<u>Cost to authority</u>	<u>Price paid by developer</u>
*Real estate sales		
Liquor store site	\$ 128,064	105,002
Union oil site	<u>134,506</u>	<u>65,780</u>
	<u>\$ 262,570</u>	<u>170,782</u>

Table 17

CITY OF EDINA, MINNESOTA

Schedule of Sources and Uses of Public Funds
for Southeast Edina Redevelopment District-No. 1201, a Tax Increment Financing District
(Districts 1200, 1201, 1203, and 1204 are pooled)
(Unaudited - see accompanying auditors' report)

December 31, 2001

	Original budget	Amended budget	Accounted for in prior years	Current year	Amount remaining
Sources of funds:					
Bond proceeds	\$ 6,165,177	21,470,000	20,219,852	0	1,250,148
Tax increments received	0	75,000,000	38,162,537	3,417,252	33,420,211
Real estate sales*	598,005	3,000,000	2,642,115	0	357,885
Loan proceeds	0	1,321,096	0	0	1,321,096
Community develop- ment Block Grant	0	189,221	189,221	0	0
Interest on invested funds	0	3,500,000	2,496,101	4,436	999,463
Other	0	50,000	1,357	0	48,643
Total sources of funds	<u>6,763,182</u>	<u>104,530,317</u>	<u>63,711,183</u>	<u>3,421,688</u>	<u>37,397,446</u>
Uses of funds:					
Land acquisition	6,682,998	12,200,000	6,894,303	0	5,305,697
Installation of public utilities and improvements	0	16,000,000	14,278,823	0	1,721,177
Site improvements or preparation costs	2,885,484	2,000,000	468,098	0	1,531,902
Bond payments					
Principal	0	21,470,000	13,085,000	1,480,000	6,905,000
Interest	0	20,100,000	18,607,562	430,760	1,061,678
Administrative costs	194,700	1,800,000	1,673,155	1,189	125,656
Paid to other governments	0	110,000	40,764	8,413	60,823
Transfers out	0	17,000,000	6,606,312	0	10,393,688
Interest reduction	0	1,850,000	0	0	1,850,000
Parkland dedication fees	0	767,852	767,852	0	0
Total uses of funds	<u>9,763,182</u>	<u>93,297,852</u>	<u>62,421,869</u>	<u>1,920,362</u>	<u>28,955,621</u>
Funds remaining (or deficient)	<u>(3,000,000)</u>	<u>11,232,465</u>	<u>1,289,314</u>	<u>1,501,326</u>	<u>8,441,825</u>
		<u>Cost to authority</u>		<u>Price paid by developer</u>	
*Real estate sales					
Retail site	\$	8,350		11,899	
Hotel site		192,915		192,915	
Elderly site		453,740		346,534	
Office site		1,027,277		784,563	
Coventry Townhouses		<u>1,318,103</u>		<u>1,318,103</u>	
	\$	<u>3,000,385</u>		<u>2,654,014</u>	

Table 18

CITY OF EDINA, MINNESOTA

Schedule of Sources and Uses of Public Funds
for Grandview Area Redevelopment District-No. 1202, a Tax Increment Financing District
(Unaudited - see accompanying auditors' report)

December 31, 2001

	<u>Original budget</u>	<u>Amended budget</u>	<u>Accounted for in prior years</u>	<u>Current year</u>	<u>Amount remaining</u>
Sources of funds:					
Bond proceeds	\$ 4,500,000	9,900,000	8,075,915	0	1,824,085
Tax increments received	0	29,737,107	7,643,339	740,457	21,353,311
Real estate sales	0	4,700,000	0	4,005,694	694,306
Interest on invested funds	0	300,000	479,904	216,597	(396,501)
Other	0	0	59,568	300	(59,868)
Total sources of funds	<u>4,500,000</u>	<u>44,637,107</u>	<u>16,258,726</u>	<u>4,963,048</u>	<u>23,415,333</u>
Uses of funds:					
Land acquisition	0	6,500,000	2,817,319	309,937	3,372,744
Installation of public utilities and improvements	4,310,000	17,127,000	4,012,113	4,579,885	8,535,002
Bond payments					
Principal	0	9,900,000	1,450,000	200,000	8,250,000
Interest	0	9,190,000	1,697,430	344,627	7,147,943
Loan/note interest	0	0	0	614,901	(614,901)
Paid to other governments	0	0	184,531	1,948	(186,479)
Administrative costs	190,000	1,920,107	1,078,689	117,315	724,103
Total uses of funds	<u>4,500,000</u>	<u>44,637,107</u>	<u>11,240,082</u>	<u>6,168,613</u>	<u>27,228,412</u>
Funds remaining (or deficient)	<u>\$ 0</u>	<u>0</u>	<u>5,018,644</u>	<u>(1,205,565)</u>	<u>(3,813,079)</u>

	<u>Cost to authority</u>	<u>Price paid by developer</u>
*Real estate sales		
5229 Eden Ave.	\$ 1,822,319	
5220 Eden Circle	995,000	
5244 Eden Circle	0	
(Condemnation deposit)	309,937	
Project area		<u>4,005,694</u>
	<u>\$ 3,127,256</u>	<u>4,005,694</u>

Table 19

CITY OF EDINA, MINNESOTA

Schedule of Sources and Uses of Public Funds
for Southeast Edina Redevelopment District-No. 1203, a Tax Increment Financing District
(Districts 1200, 1201, 1203, and 1204 are pooled)
(Unaudited - see accompanying auditors' report)

December 31, 2001

	Original budget	Amended budget	Accounted for in prior years	Current year	Amount remaining
Sources of funds:					
Bond proceeds	\$ 41,400,000	41,400,000	33,761,677	0	7,638,323
Tax increments received	80,000,000	90,000,000	14,719,625	3,810,255	71,470,120
Real estate sales*	5,000,000	11,637,070	11,637,070	0	0
Special assessment	0	1,321,096	0	0	1,321,096
Interest on invested funds	0	2,500,000	2,184,744	68,615	246,641
Transfer in	0	28,000,000	10,690,179	3,001,244	14,308,577
Sale of material	0	255,710	255,710	0	0
Developer payments	0	297,826	297,826	0	0
Other	0	20,000	17,719	0	2,281
Total sources of funds	126,400,000	175,431,702	73,564,550	6,880,114	94,987,038
Uses of funds:					
Land acquisition	13,900,000	22,981,425	22,981,425	0	0
Installation of public utilities and improvements	26,677,000	25,871,230	16,468,675	133,968	9,268,587
Bond payments					
Principal	41,400,000	41,400,000	4,144,724	1,590,000	35,665,276
Interest	38,000,000	38,000,000	25,311,179	1,811,574	10,877,247
Administrative costs	1,140,800	1,600,000	1,213,420	25,559	361,021
Paid to other governments	0	42,000	8,083	6,123	27,794
Loan/note interest	0	14,684,711	810,596	690,248	13,183,867
Parkland dedication	0	2,030,345	2,030,345	0	0
Total uses of funds	121,117,800	146,609,711	72,968,447	4,257,472	69,383,792
Funds remaining (or deficient)	\$ 5,282,200	28,821,991	596,103	2,622,642	25,603,246

	Cost to authority	Price paid by developer
*Real estate sales		
Retail and theater site	\$ 3,213,720	3,213,720
Medical office site	815,092	815,092
Office site	1,107,160	1,107,160
Office building #1	449,300	449,300
Office building #2	1,280,702	1,280,702
Office building #3	1,341,533	1,341,533
Office building #4	1,625,849	1,625,849
Office building #5	1,803,714	1,803,714
	\$ 11,637,070	11,637,070

Table 20

CITY OF EDINA, MINNESOTA

Schedule of Sources and Uses of Public Funds
for 70th Street and Cahill Road District-No. 1207, a Tax Increment Financing District
(Unaudited - see accompanying auditors' report)

December 31, 2001

	<u>Original budget</u>	<u>Amended budget</u>	<u>Accounted for in prior years</u>	<u>Current year</u>	<u>Amount remaining</u>
Sources of funds:					
Bond proceeds	\$ 1,911,000	1,911,000	0	0	1,911,000
Tax increments received	2,177,855	2,177,855	746,863	0	1,430,992
Interest on invested funds	0	0	80,385	46,502	(126,887)
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total sources of funds	<u>4,088,855</u>	<u>4,088,855</u>	<u>827,248</u>	<u>46,502</u>	<u>3,215,105</u>
Uses of funds:					
Land acquisition	529,400	529,400	8,210	3,005	518,185
Installation of public utilities and improvements	325,000	325,000	89,468	0	235,532
Demolition	150,000	150,000	0	0	150,000
Relocation	160,000	160,000	0	0	160,000
Capitalized Interest	150,000	150,000	0	0	150,000
Debt service	2,178,455	2,178,455	0	0	2,178,455
Paid to other governments	0	0	2,730	0	(2,730)
Administrative costs	<u>596,000</u>	<u>596,000</u>	<u>45,861</u>	<u>24,714</u>	<u>525,425</u>
Total uses of funds	<u>4,088,855</u>	<u>4,088,855</u>	<u>146,269</u>	<u>27,719</u>	<u>3,914,867</u>
Funds remaining (or deficient)	\$ <u>0</u>	<u>0</u>	<u>680,979</u>	<u>18,783</u>	<u>(699,762)</u>