

City of Edina, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2008



*O*ur mission is to provide effective and valued public services, maintain a sound public infrastructure, offer premiere public facilities and guide the development and redevelopment of the lands within the City, all in a manner that sustains and improves the uncommonly high quality of life enjoyed by our residents and businesses.

CITY OF EDINA, MINNESOTA

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2008

Prepared by:
Department of Finance

John Wallin – Treasurer and Finance Director
Eric Roggeman – Assistant Finance Director
Paula Nelson – Accountant

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June 24, 2009

City of Edina

To the Honorable Mayor, City Council, and Citizens of the City of Edina (City):

Minnesota statutes require that every city publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2008.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

Malloy, Montague, Karnowski, Radosevich, & Co. P.A., a firm of licensed certified public accountants, has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City, incorporated in 1888, is a fully developed first-ring suburb of Minneapolis. The City currently occupies a land area of 16 square miles and serves a population of 47,090. Currently, 98% of the City is developed with 55.5% of the land attributed to residential uses, 13.1% to roadways and 11.8% supporting the park and open spaces. The remainder of the land is used for commercial, industrial and public/semi-public uses. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City has operated under the Council-Manager form of government since 1955. Policy-making and legislative authority are vested in a City Council (Council) consisting of the Mayor and four other members, all elected on a non-partisan basis. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. Council members serve four-year terms, with two Council members elected every two years. The Mayor also serves a four-year term. The Council and Mayor are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational and cultural activities and events.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department heads may use resources within a department as they see fit. The City Manager may authorize transfers of budgeted amounts between departments.

Local economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability. The region, while noted for a strong retail sector, enjoyed considerable re-development in recent years. The re-development consisted of varied manufacturing, medical and high-tech base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions within the government's boundaries or in close proximity include medical services, retail operations and banking services. Edina is home to over 50,000 jobs that are expected to remain stable over the coming years.

The City has become known for its quality residential housing stock and attractive neighborhoods. To date, approximately 98% of the housing stock is in place. Although the emphasis has changed over the years from exclusively single family housing to a more balanced mix of housing types, the City's concern for overall quality in residential development remains a top priority.

The City enjoys a AAA bond rating and a Aaa bond rating from Standard and Poors and Moody's, respectively.

Long-term financial planning

The Metropolitan Council requires all cities in the seven-county metropolitan area to have a Comprehensive Plan and State law requires cities to update their plans every 10 years. The Comprehensive Plan guides development and redevelopment and addresses changes likely to occur due to various social and market forces. The City updated our Comprehensive Plan and submitted it to the Metropolitan Council for review in 2008. A final version is expected to be adopted by the City Council in 2009.

The City continues to focus on quality of life improvements throughout Edina. These efforts cover a broad array of areas including protecting and improving the environment, revitalization of parks and public areas, expanding recreational opportunities, expanding City services, and increasing communication between City representatives and the public.

The City is working closely with state government, federal government and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and well-placed pathways. Funding for most of the transportation improvements will need to come from state, county and federal sources, with some minor portion supported by the local taxpayers.

Relevant financial policies

The City recently adopted a set of financial management policies that focus on long-term financial planning. Policies cover areas such as cash and investments, the operating budget, revenue, fund balance, capital outlay, and debt management.

Designations for park dedication, investments, equipment replacement, compensated absences, and cash flow are all within the ranges specified in the policies. In addition, the City has \$692,836 unreserved, undesignated fund balance in the general fund.

Major initiatives

The City is continually working to update our aging infrastructure. Our annually adopted five-year Capital Improvement Plan includes spending and financing projections for these projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Edina for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



John Wallin
Finance Director



Eric Roggeman
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Edina
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

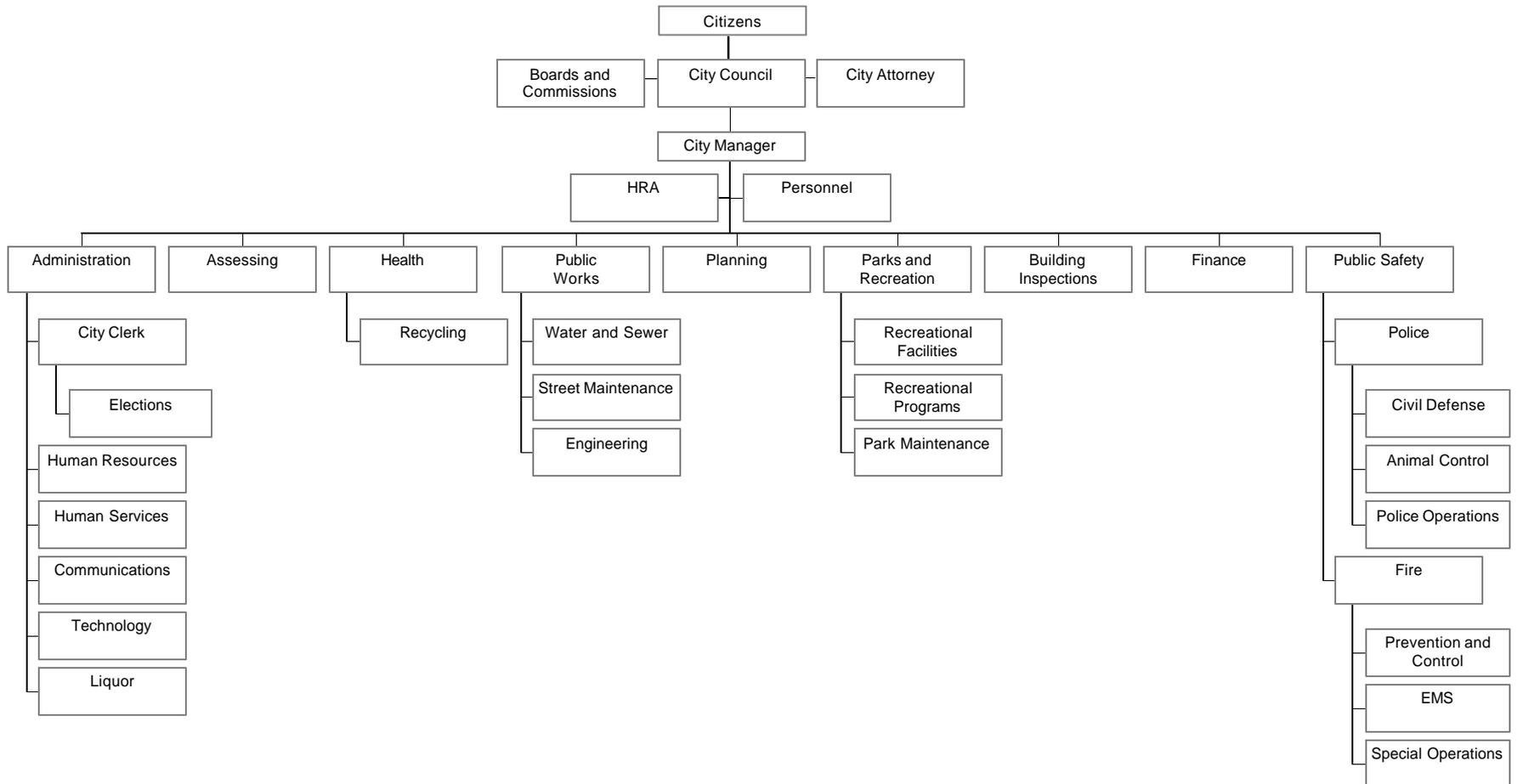
CITY OF EDINA, MINNESOTA

ORGANIZATION

December 31, 2008

	<u>Term Expires</u>
Mayor: James Hovland	December 31, 2012
Council Members: Joni Bennett	December 31, 2010
Scot Housh	December 31, 2010
Mary Brindle	December 31, 2012
Ann Swenson	December 31, 2012
City Manager: Gordon Hughes	Appointed
Finance Director/Treasurer: John Wallin	Appointed
City Clerk: Debra Mangen	Appointed

City of Edina





PRINCIPALS

Kenneth W. Malloy, CPA
Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Residents
City of Edina, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Edina (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City at December 31, 2008, as well as the respective changes in financial position and cash flows thereof, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 8 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions," during the year ended December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

(continued)

The Management's Discussion and Analysis and required supplementary information, as listed in the table of contents, are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, accordingly, we express no opinion on it.

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

The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, supplementary financial information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

June 24, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Edina (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which precedes this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$164,419,133 (net assets). Of this amount, \$41,649,238 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets increased by \$14,516,550. \$5,526,288 of this increase is due to the City's use of tax increment revenues to pay down tax increment debt.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,067,899, an increase of \$719,859 in comparison with the prior year. Of this total amount, \$33,585,999, or 80%, is available for spending at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$14,365,021, or 51% of total general fund expenditures.
- The City's total bonded debt increased by \$12,320,000 during the current fiscal year, from \$63,975,000 to \$76,295,000. The City issued new debt during the year consisting of \$7,755,000 permanent improvement revolving bonds to finance special assessment projects, and \$13,985,000 of utility revenue bonds to pay for infrastructure improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

Management's Discussion and Analysis (Continued)

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and parks. The business-type activities of the City include utilities, liquor, aquatic center, golf course and community activity centers.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 4 individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Housing and Redevelopment Authority fund, debt service fund and the construction fund.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund and one of its special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with these budgets.

Proprietary funds. The City maintains four major enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its utility, liquor, aquatic center and golf course operations.

Management's Discussion and Analysis (Continued)

Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds are provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with non-major governmental and enterprise funds are presented immediately following the required supplementary information on budgetary comparisons.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$164,419,133 at the close of the most recent fiscal year.

The largest portion of the City's net assets (\$118,452,963 or 72%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (Continued)

City of Edina's Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 54,476,230	\$ 50,350,983	\$ 24,630,275	\$ 16,432,230	\$ 79,106,505	\$ 66,783,213
Capital assets	108,049,357	99,739,977	65,348,867	57,854,580	173,398,224	157,594,557
Total assets	<u>\$ 162,525,587</u>	<u>\$ 150,090,960</u>	<u>\$ 89,979,142</u>	<u>\$ 74,286,810</u>	<u>\$ 252,504,729</u>	<u>\$ 224,377,770</u>
Long-term liabilities outstanding	\$ 44,334,972	\$ 43,845,870	\$ 24,334,398	\$ 13,071,516	\$ 68,669,370	\$ 56,917,386
Other liabilities	13,649,480	13,038,022	5,766,746	4,519,779	19,416,226	17,557,801
Total liabilities	<u>\$ 57,984,452</u>	<u>\$ 56,883,892</u>	<u>\$ 30,101,144</u>	<u>\$ 17,591,295</u>	<u>\$ 88,085,596</u>	<u>\$ 74,475,187</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 71,601,227	\$ 67,680,882	\$ 46,851,736	\$ 43,046,160	\$ 118,452,963	\$ 110,727,042
Restricted	3,362,446	-	954,486	-	4,316,932	-
Unrestricted	29,577,462	25,526,186	12,071,776	13,649,355	41,649,238	39,175,541
Total net assets	<u>\$ 104,541,135</u>	<u>\$ 93,207,068</u>	<u>\$ 59,877,998</u>	<u>\$ 56,695,515</u>	<u>\$ 164,419,133</u>	<u>\$ 149,902,583</u>

An additional portion of the City's net assets (\$4,316,932) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$41,649,238) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all of the categories of net assets reported, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was also an increase of \$2,473,697 in unrestricted net assets, largely due to the large number and scope of special assessment project work undertaken and levied for during the year.

Management's Discussion and Analysis (Continued)

As shown below, the City's net assets increased by \$14,516,550 during the current fiscal year. Factors contributing to this change are discussed in the next two sections.

City of Edina's Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 7,442,883	\$ 7,153,630	\$ 33,959,038	\$ 32,578,430	\$ 41,401,921	\$ 39,732,060
Operating grants and contributions	1,170,183	1,405,669	147,456	127,492	1,317,639	1,533,161
Capital grants and contributions	7,710,015	4,299,509	-	-	7,710,015	4,299,509
General revenues:						
Property taxes	22,242,276	21,459,001	-	-	22,242,276	21,459,001
Other taxes	9,225,900	8,364,448	-	-	9,225,900	8,364,448
Gain on disposal of assets	1,265	58,377	14,505	7,604	15,770	65,981
Unrestricted investment earnings	1,185,899	1,588,695	607,312	510,678	1,793,211	2,099,373
Total revenues	<u>48,978,421</u>	<u>44,329,329</u>	<u>34,728,311</u>	<u>33,224,204</u>	<u>83,706,732</u>	<u>77,553,533</u>
Expenses:						
General government	6,836,248	7,039,298	-	-	6,836,248	7,039,298
Public safety	14,833,647	13,743,194	-	-	14,833,647	13,743,194
Public works	9,046,873	8,757,022	-	-	9,046,873	8,757,022
Parks	5,971,565	5,025,560	-	-	5,971,565	5,025,560
Interest on long-term debt	1,923,821	1,887,633	-	-	1,923,821	1,887,633
Utilities	-	-	10,625,811	10,036,844	10,625,811	10,036,844
Liquor	-	-	11,049,223	10,361,998	11,049,223	10,361,998
Aquatic center	-	-	787,663	780,981	787,663	780,981
Golf course	-	-	3,612,482	3,621,977	3,612,482	3,621,977
Community activity centers	-	-	4,502,849	4,168,534	4,502,849	4,168,534
Total expenses	<u>38,612,154</u>	<u>36,452,707</u>	<u>30,578,028</u>	<u>28,970,334</u>	<u>69,190,182</u>	<u>65,423,041</u>
Increase in net assets before transfers	10,366,267	7,876,622	4,150,283	4,253,870	14,516,550	12,130,492
Transfers	<u>967,800</u>	<u>919,625</u>	<u>(967,800)</u>	<u>(919,625)</u>	<u>-</u>	<u>-</u>
Increase in net assets	11,334,067	8,796,247	3,182,483	3,334,245	14,516,550	12,130,492
Net assets - January 1	<u>93,207,068</u>	<u>84,410,821</u>	<u>56,695,515</u>	<u>53,361,270</u>	<u>149,902,583</u>	<u>137,772,091</u>
Net assets - December 31	<u>\$ 104,541,135</u>	<u>\$ 93,207,068</u>	<u>\$ 59,877,998</u>	<u>\$ 56,695,515</u>	<u>\$ 164,419,133</u>	<u>\$ 149,902,583</u>

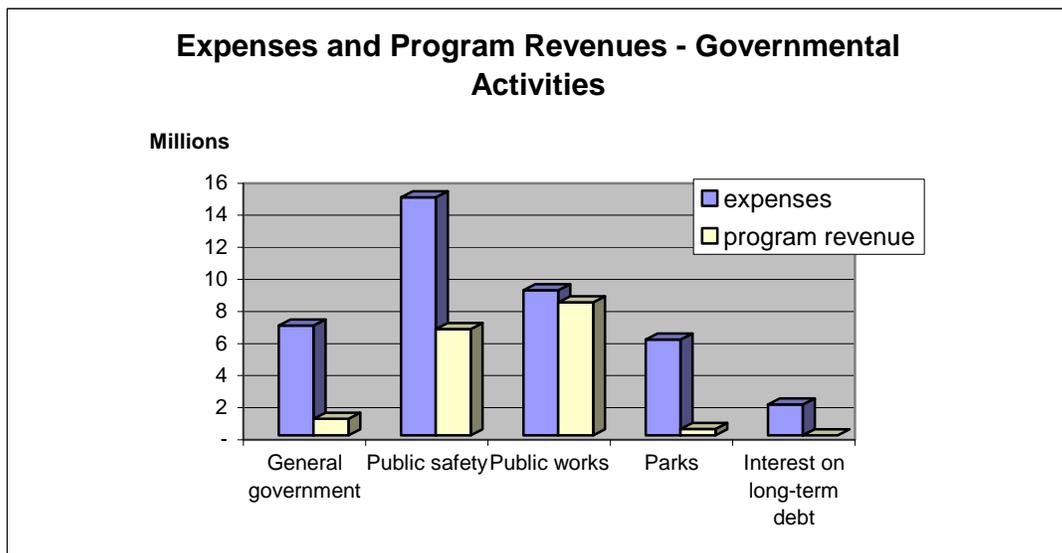
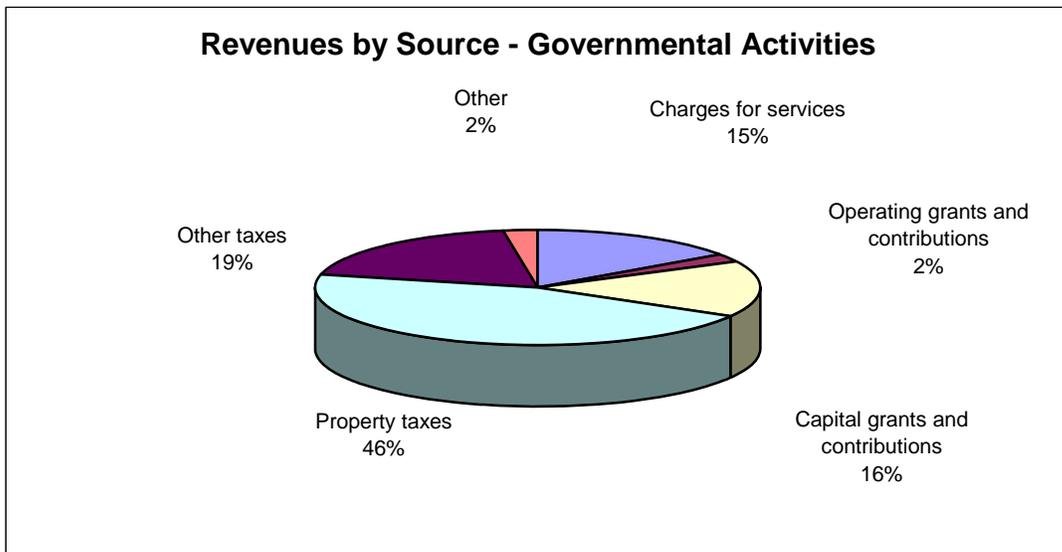
Management’s Discussion and Analysis (Continued)

Governmental Activities

Governmental activities increased the City's net assets by \$11,334,067, accounting for 78% of the total growth in net assets. Key elements of this increase are as follows:

- Property tax revenues increased by \$783,275 (3.7%) during the year, which is less than the property tax levy increase of 5% outlined in our 2008 budget due to the Governor’s action to unallot the second half Market Value Homestead Credit (MVHC) payment.
- The City also collected \$8,578,434 in tax increments, which were used to pay principal and interest on tax increment debt. This increases net assets because debt principal payments are not expensed on the Statement of Activities.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:

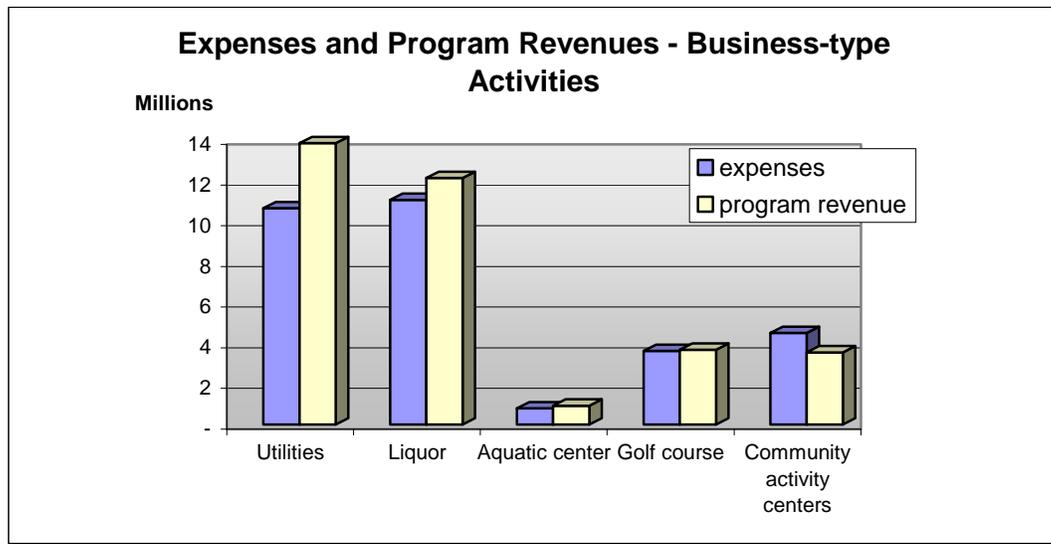
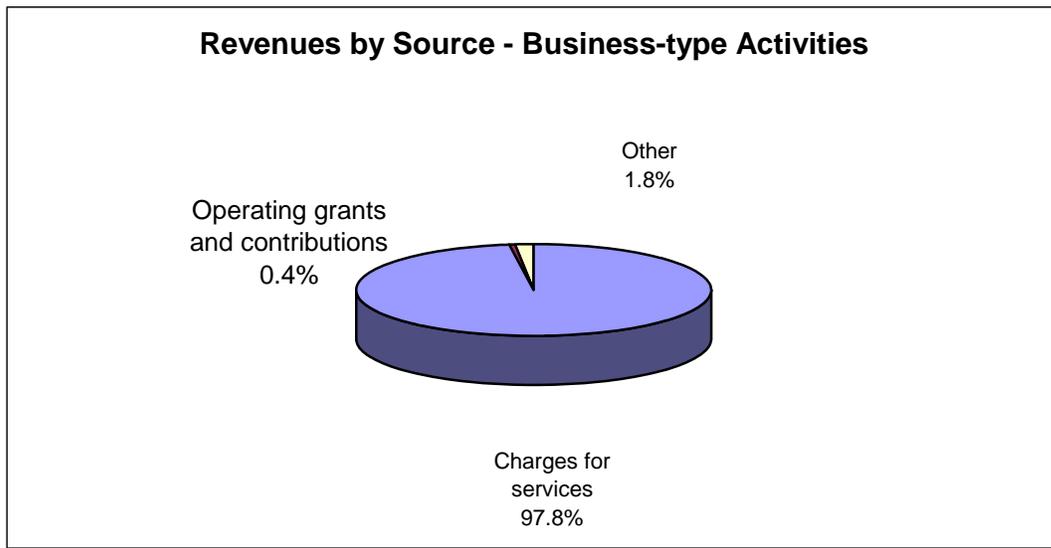


Management's Discussion and Analysis (Continued)

Business-type Activities

Business-type activities increased net assets by \$3,182,483 accounting for 22% of the City's growth in net assets. Key elements of the current year increase are as follows:

- Charges for services for business-type activities increased 4.2% from 2007. The Utilities fund charges for services increased \$587,476 (4.5%) from the previous year due to increased rates. The City commissioned a utility rate study for the 2008 year that called for significant rate increases to pay for current and future infrastructure needs.
- Business-type activities made net transfers of \$967,800 to governmental activities during 2008 to provide cash flow for operational and capital improvement needs.



Management's Discussion and Analysis (Continued)

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,067,899, an increase of \$719,859 in comparison with the prior year. Approximately 80% of this total amount (\$33,585,999) constitutes unreserved fund balance. The remainder of the fund balance is reserved because it has already been committed 1) to provide for prepaid items (\$13,982), 2) to pay committed contracts (\$3,400,955), 3) for special projects (\$182,207), 4) for construction projects (\$1,216,132) or 5) to pay debt service (\$3,668,624).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$14,365,021. As a measure of the general fund's liquidity, unreserved fund balance represents 51% of total general fund expenditures.

The fund balance of the City's general fund increased by \$272,146 during the current fiscal year. Key factors in this growth are as follows:

- General fund property tax revenues increased by 3.1% in the current fiscal year despite a levy increase of 4.6%. The shortfall is due to the Governor's action to unallot the second half Market Value Homestead Credit (MVHC) payment.
- Total general fund expenditures increased 3.6% in the current fiscal year. Current expenditures increased in three of the four functional areas (safety, public works, and parks). General government current expenditures decreased by 5.3% due to a decrease in spending for the comprehensive plan, contingency expenditures, and employee retirements. Other than the decreases in contingency expenditures and employee retirements, expenditures were very close to the increase planned for in our 2008 budget, which projected an expenditure increase of 5.2%.
- The liquor fund transferred \$742,800 of profits to the general fund.
- The general fund made transfers totaling \$450,000 to the construction fund to finance our Capital Improvement Program, as stipulated in the fund balance section of our financial management policies.

The Housing and Redevelopment Authority fund balance decreased by \$525,244 in the current fiscal year because the City is using accumulated tax increment funds to pay for the promenade project.

The debt service fund has a total fund balance of \$3,668,624, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$778,083. Fund balance increased during the year due to the deposit of capitalized interest from bonds issued during the year into the debt service fund for the purpose of making interest payments shortly after year-end.

The construction fund balance decreased by \$65,437 in 2008 due to decreases in investment income and the transfer from the general fund. A significant portion of the fund balance in the construction fund represents unspent bond proceeds that will be spent on construction projects that will continue into 2009.

Management's Discussion and Analysis (Continued)

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

Unrestricted net assets of the utility fund at the end of the year amounted to \$8,583,503. The total growth in net assets was \$3,333,725. Operating revenues and expenses in the utilities fund increased by 3.2% and 3.5%, respectively, in 2008, due to rate increases that are intended to help replace aging infrastructure. The City invested \$9,518,872 in utility fund capital assets during 2008.

Unrestricted net assets of the liquor fund at the end of the year amounted to \$1,436,624. Total net assets decreased by \$204,424. The liquor fund continues to transfer profits back into other City funds, including the general, construction, golf course, arena and art center funds. The liquor fund made transfers totaling \$1,277,800 to other funds during 2008. The majority of this amount (\$742,800) was transferred to the general fund according to the budget.

Unrestricted net assets of the aquatic center fund at the end of the year amounted to \$204,557. Aquatic center revenues increased slightly from 2007 due to increased rates. The aquatic center remains profitable.

Unrestricted net assets of the golf course fund at the end of the year amounted to a deficit of (\$1,530,402), a decrease of \$2,110 from the prior year. Unrestricted net assets have been declining for a number of years in the golf course fund because cash flow is not sufficient to make principal and interest payments on outstanding debt. The golf course made the final payment on some of its debt on January 1, 2009, and refinanced the remaining debt on April 29, 2009, so debt service will be less of a burden in upcoming years.

General Fund Budgetary Highlights

During the year there was a \$400,000 increase in appropriations between the original and final amended budget. The main component of the increase was a transfer to the construction fund of unreserved and undesignated general fund balance according to the City's fund balance policy.

During the year, revenues exceeded budgetary estimates, and since increased revenues were greater than expenditures, there was no need to draw upon existing fund balance.

Major variances from budget include property tax revenues that were under budget by \$261,585 due to action by the Governor to unallot the second half payment for the Market Value Homestead Credit (MVHC) program. The City exceeded budgeted revenues in several categories, mostly due to increases in demand for City services, some of which we receive revenue for.

There were no major variances from budgeted expenditures, although there were many smaller variances mostly due to the erratic nature of spending for the replacement of the City's equipment. The employee programs department was \$78,587 under budget due to a low number of severance payments for employees who retired after long tenures with the City.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2008, amounted to \$173,398,224 (net of accumulated depreciation). This investment in capital assets included land, land improvements, buildings, vehicles and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 10 percent (an 8 percent increase for governmental activities and a 13 percent increase for business-type activities).

Management's Discussion and Analysis (Continued)

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

- The City continued reconstruction of Fire Station #1 on Tracy Avenue; construction in progress as of the close of the fiscal year has reached \$5,422,305.
- A variety of street construction, sidewalk and traffic signal projects began in 2008, including the country club neighborhood project; construction in progress as of the close of the year reached \$6,725,036.
- A variety of utility infrastructure improvements, including watermain, sanitary and storm sewer, including the country club neighborhood project; construction in progress as of the close of the fiscal year reached \$9,765,174.

City of Edina's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Land and land improvements	\$ 26,109,904	\$ 26,795,278	\$ 4,832,171	\$ 5,131,094	\$ 30,942,075	\$ 31,926,372
Buildings and improvements	35,576,980	29,542,652	6,486,370	6,815,285	42,063,350	36,357,937
Machinery and equipment	8,003,483	8,438,435	2,098,994	2,293,057	10,102,477	10,731,492
Infrastructure	24,946,400	19,582,847	41,962,368	39,035,017	66,908,768	58,617,864
Construction in progress	13,412,590	15,380,765	9,968,964	4,580,127	23,381,554	19,960,892
Total	<u>\$ 108,049,357</u>	<u>\$ 99,739,977</u>	<u>\$ 65,348,867</u>	<u>\$ 57,854,580</u>	<u>\$ 173,398,224</u>	<u>\$ 157,594,557</u>

Additional information on the City's capital assets can be found in Note 4.

Long-term debt. At the end of the current fiscal year, the City had total bonded long-term debt outstanding of \$76,295,000, an increase of \$12,320,000 from 2007. The key factor in this increase was the issuance of \$13,985,000 of General Obligation Revenue bonds, and \$7,755,000 of General Obligation Permanent Improvement Revolving (PIR) bonds.

\$10,420,000 is for general obligation improvement debt that is supported by property tax levies and special assessments. This amount decreased from 2007 due to regularly scheduled principal payments on outstanding issues.

\$14,770,000 is for permanent improvement revolving (PIR) bonds, which finance the City's special assessment program. This amount increased from 2007 due to a new issue during 2008.

An additional \$10,015,000 of general obligation tax increment debt financed the City's economic development program. This amount decreased in 2008 due to regularly scheduled principal payments on outstanding issues.

Also outstanding is \$14,675,000 public project revenue bonds which financed the City Hall and Police facility as well as two gymnasiums. This amount decreased in 2008 due to regularly scheduled principal payments on outstanding issues.

There is a total of \$26,415,000 in revenue bonds for improvements to the enterprise funds.

Management's Discussion and Analysis (Continued)

City of Edina's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Tax increment bonds	\$ 10,015,000	\$ 15,665,000	\$ -	\$ -	\$ 10,015,000	\$ 15,665,000
General obligation bonds	10,420,000	10,990,000	-	-	10,420,000	10,990,000
Public improvement bonds	14,770,000	7,170,000	-	-	14,770,000	7,170,000
Public project revenue bonds	14,675,000	15,390,000	-	-	14,675,000	15,390,000
Revenue bonds	-	-	26,415,000	14,760,000	26,415,000	14,760,000
Total	\$ 49,880,000	\$ 49,215,000	\$ 26,415,000	\$ 14,760,000	\$ 76,295,000	\$ 63,975,000

The City maintains an Aaa rating from Moody's and an AAA rating from Standard & Poor's.

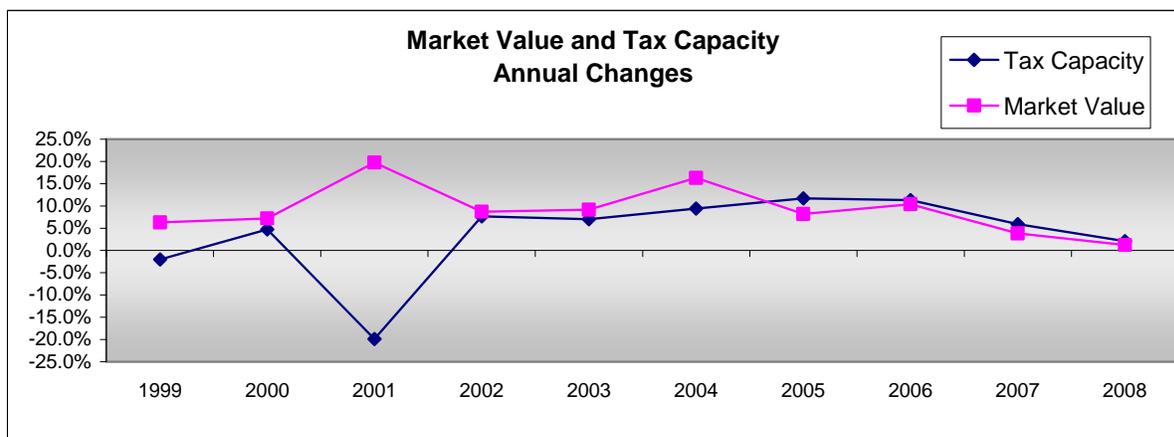
State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$302,384,967. Only \$25,095,000 of the City's outstanding debt is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 5.

Economic Factors and Next Year's Budget

The City strives to provide an uncommonly high quality of life for our residents and businesses and the relatively healthy local economy helps to make this goal a reality. The unemployment rate in Edina for February 2009 was 6%, well below the state and national levels. The City is home to Southdale Center, the nation's first fully enclosed climate-controlled regional shopping mall, Fairview Southdale hospital, as well as several corporate headquarters. In addition to its healthy economy, Edina is known for excellent public schools, as the Edina school system has been consistently selected as one of the best in the country. Ninety-seven percent of seniors go to college and eighty-six percent finish in five years.

Property values in Edina have been increasing at a rapid pace for several years, although the rapid growth appears to be ending. Estimated market value of all real estate increased 1.3% for taxes payable in 2009 after a 3.8% increase the year before.



Management's Discussion and Analysis (Continued)

The City collects property taxes based on tax capacity, which roughly equals estimated market value multiplied by class rates for different types of parcels (commercial, residential, etc.). Class rates are set by state statute. Tax capacity for real estate increased 2% for taxes payable in 2009, and has been increasing steadily ever since the state revised property tax law in 2001 for taxes payable in 2002.

Due to the recent increases in market value and tax capacity, property tax rates had been decreasing through 2007, although tax rates now appear to be rising slightly.

All of these factors above were considered in preparing the City's budget for the 2009 fiscal year. The City's adopted 2009 budget includes a property tax levy of \$21,202,691 for the general fund, an increase of 4.4% from the 2008 general fund levy.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4801 West 50th Street, Edina, Minnesota 55424. The City's Comprehensive Annual Financial Report can also be found on the internet at www.cityofedina.com.

CITY OF EDINA, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2008

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 44,269	\$ 1,150,174	\$ 1,194,443
Investments	39,973,541	9,597,642	49,571,183
Restricted investments	4,617,087	8,116,762	12,733,849
Accrued interest	177,973	99,421	277,394
Accounts receivable, net	477,069	3,585,854	4,062,923
Special assessments receivable	8,334,720	241,307	8,576,027
Internal balances	(185,000)	185,000	-
Due from other governments	757,166	5,956	763,122
Prepaid items	13,982	344,406	358,388
Inventory	-	1,185,938	1,185,938
Total current assets	<u>54,210,807</u>	<u>24,512,460</u>	<u>78,723,267</u>
Noncurrent assets:			
Deferred charges	265,423	117,815	383,238
Nondepreciable capital assets	30,846,419	11,057,929	41,904,348
Depreciable capital assets (net)	<u>77,202,938</u>	<u>54,290,938</u>	<u>131,493,876</u>
Total noncurrent assets	<u>108,314,780</u>	<u>65,466,682</u>	<u>173,781,462</u>
Total assets	<u>162,525,587</u>	<u>89,979,142</u>	<u>252,504,729</u>
Liabilities:			
Current liabilities:			
Accounts payable	2,543,920	1,245,019	3,788,939
Salaries payable	756,292	214,467	970,759
Accrued interest payable	751,478	386,247	1,137,725
Contracts payable	416,641	173,759	590,400
Due to other governments	19,394	161,528	180,922
Deposits payable	67,051	123,421	190,472
Unearned revenue	4,890	103,128	108,018
Net OPEB obligation	270,330	37,174	307,504
Compensated absences payable	1,404,484	417,003	1,821,487
Bonds payable	<u>7,415,000</u>	<u>2,905,000</u>	<u>10,320,000</u>
Total current liabilities	<u>13,649,480</u>	<u>5,766,746</u>	<u>19,416,226</u>
Noncurrent liabilities:			
Compensated absences payable	2,106,726	625,505	2,732,231
Bonds payable, net of unamortized discount	<u>42,228,246</u>	<u>23,708,893</u>	<u>65,937,139</u>
Total noncurrent liabilities	<u>44,334,972</u>	<u>24,334,398</u>	<u>68,669,370</u>
Total liabilities	<u>57,984,452</u>	<u>30,101,144</u>	<u>88,085,596</u>
Net assets:			
Invested in capital assets, net of related debt	71,601,227	46,851,736	118,452,963
Restricted for debt service	3,362,446	954,486	4,316,932
Unrestricted	<u>29,577,462</u>	<u>12,071,776</u>	<u>41,649,238</u>
Total net assets	<u>\$ 104,541,135</u>	<u>\$ 59,877,998</u>	<u>\$ 164,419,133</u>

The accompanying notes are an integral part of these financial statements

CITY OF EDINA, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 6,836,248	\$ 840,070	\$ 188,131	\$ -
Public safety	14,833,647	5,839,683	778,831	-
Public works	9,046,873	385,439	195,000	7,710,015
Parks	5,971,565	377,691	8,221	-
Interest on long-term debt	1,923,821	-	-	-
Total government activities	<u>38,612,154</u>	<u>7,442,883</u>	<u>1,170,183</u>	<u>7,710,015</u>
Business-type activities:				
Utilities	10,625,811	13,713,249	120,982	-
Liquor	11,049,223	12,122,599	-	-
Aquatic center	787,663	925,388	-	-
Golf course	3,612,482	3,680,584	-	-
Community activity centers	4,502,849	3,517,218	26,474	-
Total business-type activities	<u>30,578,028</u>	<u>33,959,038</u>	<u>147,456</u>	<u>-</u>
Total primary government	<u>\$ 69,190,182</u>	<u>\$ 41,401,921</u>	<u>\$ 1,317,639</u>	<u>\$ 7,710,015</u>

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

Net (Expense) Revenue and
Changes in Net Assets

	Governmental Activities	Business-type Activities	Total
	\$ (5,808,047)	\$ -	\$ (5,808,047)
	(8,215,133)	-	(8,215,133)
	(756,419)	-	(756,419)
	(5,585,653)	-	(5,585,653)
	(1,923,821)	-	(1,923,821)
	<u>(22,289,073)</u>	<u>-</u>	<u>(22,289,073)</u>
	-	3,208,420	3,208,420
	-	1,073,376	1,073,376
	-	137,725	137,725
	-	68,102	68,102
	-	(959,157)	(959,157)
	<u>-</u>	<u>3,528,466</u>	<u>3,528,466</u>
	<u>(22,289,073)</u>	<u>3,528,466</u>	<u>(18,760,607)</u>
General revenues:			
Property taxes	22,242,276	-	22,242,276
Tax increment collections	8,578,434	-	8,578,434
Franchise taxes	647,466	-	647,466
Unrestricted investment earnings	1,185,899	607,312	1,793,211
Gain on disposal of capital assets	1,265	14,505	15,770
Transfers	967,800	(967,800)	-
Total general revenues and transfers	<u>33,623,140</u>	<u>(345,983)</u>	<u>33,277,157</u>
Change in net assets	11,334,067	3,182,483	14,516,550
Net assets - beginning	<u>93,207,068</u>	<u>56,695,515</u>	<u>149,902,583</u>
Net assets - ending	<u>\$ 104,541,135</u>	<u>\$ 59,877,998</u>	<u>\$ 164,419,133</u>

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CITY OF EDINA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 957	\$ 15,096	\$ 9,613	\$ 4,647	\$ 13,956	\$ 44,269
Investments - unrestricted	15,351,060	14,294,122	3,253,353	6,377,606	697,400	39,973,541
Investments - restricted	-	-	-	4,617,087	-	4,617,087
Accrued interest	74,435	52,139	4	46,818	4,577	177,973
Accounts receivable	291,834	-	-	4,381	180,854	477,069
Special assessments receivable	-	-	6,077,483	2,257,237	-	8,334,720
Due from other funds	-	18,907	387,000	-	575,000	980,907
Due from other governments	583,541	28,989	22,654	77,787	44,195	757,166
Prepaid items	13,982	-	-	-	-	13,982
Total assets	\$ 16,315,809	\$ 14,409,253	\$ 9,750,107	\$ 13,385,563	\$ 1,515,982	\$ 55,376,714
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 916,138	\$ 856,649	\$ 4,000	\$ 715,769	\$ 51,364	\$ 2,543,920
Salaries payable	743,172	-	-	3,257	9,863	756,292
Contracts payable	-	-	-	416,641	-	416,641
Due to other funds	218,907	-	-	910,000	37,000	1,165,907
Due to other governments	4,463	14,931	-	-	-	19,394
Deposits payable	54,126	-	-	12,925	-	67,051
Unearned revenue	-	-	-	-	4,890	4,890
Deferred revenue	-	-	6,077,483	2,257,237	-	8,334,720
Total liabilities	1,936,806	871,580	6,081,483	4,315,829	103,117	13,308,815
Fund balance:						
Reserved for:						
Prepaid items	13,982	-	-	-	-	13,982
Encumbrances	-	-	-	3,400,955	-	3,400,955
Special projects	-	-	-	182,207	-	182,207
Construction projects	-	-	-	1,216,132	-	1,216,132
Debt service	-	-	3,668,624	-	-	3,668,624
Unreserved:						
Designated, reported in:						
General Fund	13,672,185	-	-	-	-	13,672,185
Capital Project Funds	-	-	-	4,270,440	-	4,270,440
Undesignated, reported in:						
General Fund	692,836	-	-	-	-	692,836
Special Revenue Funds	-	13,537,673	-	-	1,412,865	14,950,538
Total fund balance	14,379,003	13,537,673	3,668,624	9,069,734	1,412,865	42,067,899
Total liabilities and fund balances	\$ 16,315,809	\$ 14,409,253	\$ 9,750,107	\$ 13,385,563	\$ 1,515,982	\$ 55,376,714
Fund balance reported above						\$ 42,067,899
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds						108,049,357
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds						8,334,720
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(53,910,841)
Net assets of governmental activities						\$ 104,541,135

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

CITY OF EDINA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	\$ 19,983,295	\$ -	\$ 2,258,981	\$ -	\$ -	\$ 22,242,276
Tax increment collections	-	8,578,434	-	-	-	8,578,434
Special assessments	-	-	564,534	1,877,956	-	2,442,490
Franchise fees	-	-	-	-	647,466	647,466
License and permits	2,885,781	-	-	29,674	-	2,915,455
Intergovernmental	825,049	-	-	1,927,656	253,178	3,005,883
Charges for services	3,039,841	-	-	54,100	-	3,093,941
Fines and forfeitures	968,893	-	-	-	104,281	1,073,174
Investment income	260,249	463,894	35,411	359,446	66,899	1,185,899
Rental of property	254,437	-	-	1,170	-	255,607
Other revenues	18,733	-	-	9,664	98,326	126,723
Total revenues	<u>28,236,278</u>	<u>9,042,328</u>	<u>2,858,926</u>	<u>4,259,666</u>	<u>1,170,150</u>	<u>45,567,348</u>
Expenditures:						
Current:						
General government	3,985,011	1,399,755	-	4,798	845,788	6,235,352
Public safety	13,639,459	-	-	85,287	64,051	13,788,797
Public works	5,845,756	-	-	343,838	-	6,189,594
Parks	3,605,066	-	-	88,529	-	3,693,595
Capital outlay:						
General government	23,159	-	-	226,242	-	249,401
Public safety	574,566	-	-	2,414,502	-	2,989,068
Public works	624,944	-	-	8,002,768	-	8,627,712
Parks	55,796	2,072,123	-	672,807	-	2,800,726
Debt service:						
Bond principal	-	-	7,090,000	-	-	7,090,000
Interest and fiscal charges	-	-	1,967,021	-	-	1,967,021
Total expenditures	<u>28,353,757</u>	<u>3,471,878</u>	<u>9,057,021</u>	<u>11,838,771</u>	<u>909,839</u>	<u>53,631,266</u>
Revenues over (under) expenditures	<u>(117,479)</u>	<u>5,570,450</u>	<u>(6,198,095)</u>	<u>(7,579,105)</u>	<u>260,311</u>	<u>(8,063,918)</u>
Other financing sources (uses):						
Transfers in	742,800	-	6,540,785	700,000	-	7,983,585
Transfers out	(450,000)	(6,095,694)	-	(470,091)	-	(7,015,785)
Sale of capital assets	96,825	-	-	-	-	96,825
Bonds issued	-	-	435,393	7,319,607	-	7,755,000
Discount on bonds issued	-	-	-	(35,848)	-	(35,848)
Total other financing sources (uses)	<u>389,625</u>	<u>(6,095,694)</u>	<u>6,976,178</u>	<u>7,513,668</u>	<u>-</u>	<u>8,783,777</u>
Net increase (decrease) in fund balance	272,146	(525,244)	778,083	(65,437)	260,311	719,859
Fund balance - January 1	<u>14,106,857</u>	<u>14,062,917</u>	<u>2,890,541</u>	<u>9,135,171</u>	<u>1,152,554</u>	<u>41,348,040</u>
Fund balance - December 31	<u>\$ 14,379,003</u>	<u>\$ 13,537,673</u>	<u>\$ 3,668,624</u>	<u>\$ 9,069,734</u>	<u>\$ 1,412,865</u>	<u>\$ 42,067,899</u>

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

CITY OF EDINA, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2008

Amounts reported for governmental activities in the
statement of activities (page 22-23) are different because:

Net changes in fund balances - total governmental funds (page 26)	\$ 719,859
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,404,940
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(95,560)
Revenues in the statement of activities that do not provide current financial resources (property tax and special assessment receivables) are not reported as revenues in the funds.	3,409,808
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(583,915)
Some expenses reported in the statement of activities do not require the use of current financial resources (OPEB obligations, accrued interest and amortization on debt and compensated absences payable) and, therefore, are not reported as expenditures in governmental funds.	<u>(521,065)</u>
Change in net assets of governmental activities (page 23)	<u>\$ 11,334,067</u>

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

CITY OF EDINA, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2008

	Business-type Activities - Enterprise Funds					
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	Total
Assets:						
Current assets:						
Cash and cash equivalents	\$ 73,546	\$ 22,880	\$ 994,383	\$ 13,031	\$ 46,334	\$ 1,150,174
Investments - unrestricted	5,661,316	-	-	-	3,936,326	9,597,642
Investments - restricted	8,116,762	-	-	-	-	8,116,762
Interest receivable	69,459	-	-	-	29,962	99,421
Accounts receivable, net	3,452,033	1,500	-	1,960	130,361	3,585,854
Special assessments receivable	241,307	-	-	-	-	241,307
Due from other funds	-	1,100,000	185,000	-	15,000	1,300,000
Due from other governments	5,956	-	-	-	-	5,956
Prepaid expenses	344,406	-	-	-	-	344,406
Inventory	37,157	1,088,372	-	48,973	11,436	1,185,938
Total current assets	18,001,942	2,212,752	1,179,383	63,964	4,169,419	25,627,460
Noncurrent assets:						
Deferred charges	114,108	-	1,859	1,848	-	117,815
Net capital assets	53,034,600	1,239,571	1,938,106	5,194,083	3,942,507	65,348,867
Total noncurrent assets	53,148,708	1,239,571	1,939,965	5,195,931	3,942,507	65,466,682
Total assets	71,150,650	3,452,323	3,119,348	5,259,895	8,111,926	91,094,142
Liabilities:						
Current liabilities:						
Accounts payable	525,986	351,040	557	54,372	313,064	1,245,019
Salaries payable	50,133	48,636	373	41,495	73,830	214,467
Accrued interest payable	326,848	-	20,304	34,974	4,121	386,247
Contracts payable	173,759	-	-	-	-	173,759
Due to other funds	-	-	-	1,100,000	15,000	1,115,000
Due to other governments	10,100	136,728	954	6,272	7,474	161,528
Deposits payable	112,216	-	-	11,205	-	123,421
Unearned revenue	-	3,865	11	42,674	56,578	103,128
Net OPEB obligation	10,547	6,498	-	9,155	10,974	37,174
Compensated absences payable	82,478	91,744	-	118,427	124,354	417,003
Bonds payable - current	2,045,000	-	120,000	515,000	225,000	2,905,000
Total current liabilities	3,337,067	638,511	142,199	1,933,574	830,395	6,881,746
Noncurrent liabilities:						
Compensated absences payable	123,718	137,617	-	177,640	186,530	625,505
Bonds payable, net of unamortized discounts	21,734,075	-	839,228	1,135,590	-	23,708,893
Total noncurrent liabilities	21,857,793	137,617	839,228	1,313,230	186,530	24,334,398
Total liabilities	25,194,860	776,128	981,427	3,246,804	1,016,925	31,216,144
Net assets:						
Invested in capital assets, net of related debt	37,372,287	1,239,571	978,878	3,543,493	3,717,507	46,851,736
Restricted for debt service	-	-	954,486	-	-	954,486
Unrestricted	8,583,503	1,436,624	204,557	(1,530,402)	3,377,494	12,071,776
Total net assets	\$ 45,955,790	\$ 2,676,195	\$ 2,137,921	\$ 2,013,091	\$ 7,095,001	\$ 59,877,998

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

CITY OF EDINA, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds					
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	Total
Operating revenues:						
Sales - liquor	\$ -	\$ 12,121,791	\$ -	\$ 145,904	\$ -	\$ 12,267,695
Sales - retail	-	-	4,991	233,473	42,792	281,256
Sales - utilities	13,268,450	-	-	-	-	13,268,450
Sales - concessions	-	-	127,087	243,848	63,280	434,215
Memberships	-	-	450,720	110,313	87,618	648,651
Admissions	-	-	313,735	315,013	647,155	1,275,903
Building rental	-	-	26,753	85,603	1,404,096	1,516,452
Rental of equipment	-	-	-	361,566	95,460	457,026
Greens fees	-	-	-	1,846,317	177,109	2,023,426
Other fees	276,278	-	2,102	338,547	999,708	1,616,635
Total operating revenues	<u>13,544,728</u>	<u>12,121,791</u>	<u>925,388</u>	<u>3,680,584</u>	<u>3,517,218</u>	<u>33,789,709</u>
Operating expenses:						
Cost of sales and services	22,265	8,940,015	32,754	350,320	78,187	9,423,541
Personal services	1,506,565	1,329,629	269,949	1,748,175	1,982,714	6,837,032
Contractual services	5,651,008	437,691	131,058	559,521	1,460,541	8,239,819
Commodities	829,080	76,209	87,700	358,704	388,612	1,740,305
Central Services	504,598	193,091	27,482	113,474	163,231	1,001,876
Depreciation	1,562,906	69,874	196,575	407,186	418,964	2,655,505
Total operating expenses	<u>10,076,422</u>	<u>11,046,509</u>	<u>745,518</u>	<u>3,537,380</u>	<u>4,492,249</u>	<u>29,898,078</u>
Operating income (loss)	<u>3,468,306</u>	<u>1,075,282</u>	<u>179,870</u>	<u>143,204</u>	<u>(975,031)</u>	<u>3,891,631</u>
Nonoperating revenues (expenses):						
Intergovernmental	120,982	-	-	-	-	120,982
Investment income	225,305	-	-	-	382,007	607,312
Donations	-	-	-	-	26,474	26,474
Interest and fiscal charges	(548,859)	-	(41,040)	(70,763)	(8,354)	(669,016)
Amortization of bond discount	35	-	(1,105)	(4,339)	(2,246)	(7,655)
Gain (loss) on sale of capital asset	(565)	(2,714)	-	14,505	-	11,226
Miscellaneous	168,521	808	-	-	-	169,329
Total nonoperating revenues (expenses)	<u>(34,581)</u>	<u>(1,906)</u>	<u>(42,145)</u>	<u>(60,597)</u>	<u>397,881</u>	<u>258,652</u>
Income (loss) before transfers	<u>3,433,725</u>	<u>1,073,376</u>	<u>137,725</u>	<u>82,607</u>	<u>(577,150)</u>	<u>4,150,283</u>
Transfers:						
Transfers in	-	-	-	170,000	240,000	410,000
Transfers out	(100,000)	(1,277,800)	-	-	-	(1,377,800)
Total transfers	<u>(100,000)</u>	<u>(1,277,800)</u>	<u>-</u>	<u>170,000</u>	<u>240,000</u>	<u>(967,800)</u>
Change in net assets	3,333,725	(204,424)	137,725	252,607	(337,150)	3,182,483
Net assets - January 1	<u>42,622,065</u>	<u>2,880,619</u>	<u>2,000,196</u>	<u>1,760,484</u>	<u>7,432,151</u>	<u>56,695,515</u>
Net assets - December 31	<u>\$ 45,955,790</u>	<u>\$ 2,676,195</u>	<u>\$ 2,137,921</u>	<u>\$ 2,013,091</u>	<u>\$ 7,095,001</u>	<u>\$ 59,877,998</u>

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

CITY OF EDINA, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds					Total
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	
Cash flows from operating activities:						
Receipts from customers and users	\$ 13,388,426	\$ 12,120,537	\$ 925,399	\$ 3,688,979	\$ 3,536,453	\$ 33,659,794
Payment to suppliers	(6,919,058)	(9,563,540)	(278,381)	(1,380,958)	(1,903,262)	(20,045,199)
Payment to employees	(1,501,021)	(1,282,714)	(269,952)	(1,704,393)	(1,924,214)	(6,682,294)
Donations	-	-	-	-	26,474	26,474
Miscellaneous revenue	168,521	808	-	-	-	169,329
Net cash provided by (used in) operating activities	5,136,868	1,275,091	377,066	603,628	(264,549)	7,128,104
Cash flows from noncapital financing activities:						
State grant	120,982	-	-	-	-	120,982
Transfer from other funds	-	-	-	170,000	240,000	410,000
Transfer to other funds	(100,000)	(1,277,800)	-	-	-	(1,377,800)
Proceeds from interfund borrowing	-	-	270,000	100,000	15,000	385,000
Payment of interfund borrowing	(140,000)	(100,000)	(185,000)	(130,000)	(15,000)	(570,000)
Net cash provided by (used in) noncapital financing activities	(119,018)	(1,377,800)	85,000	140,000	240,000	(1,031,818)
Cash flows from capital and related financing activities:						
Proceeds from capital debt	14,067,158	-	-	-	-	14,067,158
Acquisition of capital assets	(9,518,872)	-	-	(154,960)	(480,113)	(10,153,945)
Proceeds from sale of capital assets	874	-	-	14,505	-	15,379
Principal paid on bonds	(1,485,000)	-	(115,000)	(510,000)	(220,000)	(2,330,000)
Interest paid on bonds	(459,984)	-	(43,221)	(81,503)	(11,230)	(595,938)
Net cash provided by (used in) capital and related financing activities	2,604,176	-	(158,221)	(731,958)	(711,343)	1,002,654
Cash flows from investing activities:						
Proceeds from sale of investments	-	-	-	-	352,680	352,680
Purchase of investments	(7,753,978)	-	-	-	-	(7,753,978)
Investment income	201,614	-	-	-	247,320	448,934
Net cash flows provided by (used in) investing activities	(7,552,364)	-	-	-	600,000	(6,952,364)
Net increase (decrease) in cash and cash equivalents	69,662	(102,709)	303,845	11,670	(135,892)	146,576
Cash and cash equivalents - January 1	3,884	125,589	690,538	1,361	182,226	1,003,598
Cash and cash equivalents - December 31	\$ 73,546	\$ 22,880	\$ 994,383	\$ 13,031	\$ 46,334	\$ 1,150,174

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

CITY OF EDINA, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds					Total
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,468,306	\$ 1,075,282	\$ 179,870	\$ 143,204	\$ (975,031)	\$ 3,891,631
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:						
Depreciation	1,562,906	69,874	196,575	407,186	418,964	2,655,505
Donations	-	-	-	-	26,474	26,474
Miscellaneous revenue	168,521	808	-	-	-	169,329
Changes in assets and liabilities:						
Decrease (increase) in receivables	(118,432)	(1,500)	-	(1,395)	17,615	(103,712)
Decrease (increase) in special assessments	(34,507)	-	-	-	-	(34,507)
Decrease (increase) in due from other governments	(3,363)	-	-	-	-	(3,363)
Decrease (increase) in inventory	(18,401)	(48,923)	-	(6,442)	2,557	(71,209)
Decrease (increase) in prepaid items	(33,342)	-	-	-	-	(33,342)
Increase (decrease) in accounts payable	(31,248)	125,494	304	2,560	183,873	280,983
Increase (decrease) in salaries payable	19,496	10,808	(3)	10,281	22,968	63,550
Increase (decrease) in contracts payable	170,361	-	-	-	-	170,361
Increase (decrease) in due to other governments	523	6,895	309	1,351	879	9,957
Increase (decrease) in deposits	-	-	-	3,592	-	3,592
Increase (decrease) in unearned revenue	-	246	11	9,790	1,620	11,667
Increase (decrease) in net OPEB obligation	10,547	6,498	-	9,155	10,974	37,174
Increase (decrease) in compensated absences	(24,499)	29,609	-	24,346	24,558	54,014
Total adjustments	1,668,562	199,809	197,196	460,424	710,482	3,236,473
Net cash provided by (used in) operating activities	\$ 5,136,868	\$ 1,275,091	\$ 377,066	\$ 603,628	\$ (264,549)	\$ 7,128,104
Noncash investing activities:						
Increase (decrease) in fair value of investments	\$ (20,479)	\$ -	\$ -	\$ -	\$ 132,047	\$ 111,568

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

CITY OF EDINA, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2008

	<u>Agency Funds</u>
Assets	
Cash	\$ 48,625
Investments	<u>245,000</u>
Total assets	<u>\$ 293,625</u>
Liabilities	
Accounts payable	\$ 29,621
Salaries payable	4,187
Due to other governmental units	<u>259,817</u>
Total liabilities	<u>\$ 293,625</u>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Edina (the City) was incorporated in 1888 and operates under the State of Minnesota Statutory Plan B form of government. The governing body consists of a five-member City Council elected by voters of the City.

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

A. 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 generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Edina (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

COMPONENT UNITS

In conformity with generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit.

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as HRA board members and its activity is confined to the City of Edina. The activity of the HRA is reported in the Special Revenue Funds. Separate financial statements are not prepared for the HRA.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental and enterprise funds is reported in a single column in the fund financial statements

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The City's only fiduciary fund type, agency funds, are custodial in nature and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

The City reports the following major governmental funds:

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

The special revenue *Housing and Redevelopment Authority fund* is used to account for revenues from several sources (property taxes, bond proceeds, investment earnings, etc.) that are designated for housing and redevelopment.

The *debt service fund* accounts for the payment of principal and interest on the Tax Increment, General Obligation, Permanent Improvement Revolving, and Public Project Revenue Bonds.

The capital projects *construction fund* accounts for the various special assessment and state aid projects throughout the City. This fund also provides financing for capital improvements as designated in the City's capital improvement budget.

The City reports the following major proprietary funds:

The *utility fund* accounts for the provision of water, sewer and recycling services to the City's residents.

The *liquor fund* accounts for the operation of the City's three liquor stores.

The *aquatic center fund* accounts for the operation of the City's aquatic center.

The *golf course fund* accounts for the operation of the City's three golf courses and a golf dome.

Additionally, the City reports the following fund type:

Agency - the *police seizure and Public Safety Training Facility funds* account for fees collected for other government agencies and the *payroll fund* accounts for payroll deductions withheld from employee paychecks but not yet sent to the appropriate party (includes federal and state taxes, health care deductions, etc).

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utilities, liquor, aquatic center, golf course, arena, art center and Edinborough Park/Centennial Lake enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. CASH AND INVESTMENTS

The City's cash and cash equivalents are considered to be deposits and cash on hand for purposes of the cash flow statement.

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. The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

The City reports its investments at fair value based on quoted market prices. Changes in fair value of securities in the City's investment portfolio are recorded as a net change in fair value of investments in the City's fund financial statements and within general revenues in the government-wide financial statements.

E. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at December 31, 2008 are planned to be eliminated in 2009. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes and special assessments receivables have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

F. REVENUE RECOGNITION

1. PROPERTY TAX REVENUE RECOGNITION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

2. SPECIAL ASSESSMENT REVENUE RECOGNITION

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

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale

after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

G. INVENTORIES, PREPAID ITEMS AND DEFERRED CHARGES

Inventories of the proprietary funds are stated at cost and are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Deferred charges represent deferred issuance costs.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and parks, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are also reported in the proprietary fund financial statements but not in the governmental fund financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Infrastructure assets include all of the City's assets since inception.

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

<u>Assets</u>	<u>Life</u>
Golf course	10 - 35 years
Land improvements	20 - 50 years
Buildings and structures	20 - 40 years
Furniture and office equipment	5 - 10 years
Vehicles and equipment	3 - 20 years
Parks	5 - 100 years
Distribution system	50 years
Collection system	10 - 50 years
Storm sewers	50 years
Wells	7 - 30 years

I. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is vested as severance pay. According to City policy, vested sick leave benefits are liquidated into a health care savings plan upon separation.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued plus any premium received is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. INTERFUND TRANSACTIONS

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

M. NET ASSETS

Net assets represent the difference between assets and liabilities in the government-wide and proprietary fund financial statements. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

N. USE OF ESTIMATES

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

O. JOINT VENTURES

The City's investment in joint venture is reported in the statement of net assets as governmental activities capital assets and is equal to the City's interest in the net assets of the joint venture. The City's interest is based on the allocation in the joint powers agreement.

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 49,880,000
Plus: issuance premium	36,553
Less: issuance discount	(273,307)
Less: deferred charge for issuance costs	(265,423)
Accrued interest payable	751,478
OPEB obligation	270,330
Compensated absences	<u>3,511,210</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u>\$ 53,910,841</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

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Capital outlay	\$ 13,468,614
Depreciation expense	<u>(5,063,674)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ 8,404,940</u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Debt issued or incurred:	
Issuance of PIR bonds	\$ 7,755,000
Less issuance costs	(45,237)
Less discounts	(35,848)
Principal repayments:	
Tax increment debt	(5,650,000)
General obligation debt	(570,000)
Permanent improvement revolving debt	(155,000)
Public project revenue debt	<u>(715,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 583,915</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

OPEB obligation	\$ (270,330)
Compensated absences	(248,698)
Accrued interest	94,264
Amortization of issuance costs	(60,570)
Amortization of bond discounts	<u>(35,731)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (521,065)</u>

Note 3 CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

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

Deposits	\$ 1,223,983
Cash on hand	19,085
Investments	<u>62,550,032</u>
	<u>\$ 63,793,100</u>

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

Cash and cash equivalents - Statement of Net Assets	\$ 1,194,443
Investments - Statement of Net Assets	49,571,183
Restricted investments - Statement of Net Assets	12,733,849
Cash and investments - Statement of Fiduciary Net Assets	<u>293,625</u>
	<u>\$ 63,793,100</u>

The City had restricted investments of \$12,733,849 as of December 31, 2008 that represent unspent bond proceeds to be used for construction projects.

B. DEPOSITS

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an

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account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City's investment policy does not contain further restrictions on the types of collateral required.

At year-end, the carrying amount of the City's deposits was \$1,223,983 while the balance on the bank records was \$1,295,419. At December 31, 2008, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

C. INVESTMENTS

The City has the following investments at year end:

Investment	Credit Risk		Interest Risk - Maturity Duration in Years				Total
	Rating	Agency	< 1	1 to 5	5 to 10	10 +	
U.S. Treasuries	N/A	N/A	\$ 30,806	\$ -	\$ 146,730	\$ 728,618	\$ 906,154
GNMA	N/A	N/A	-	-	-	40,844	40,844
SBA Notes	AAA/Aaa	S&P/Mdy's	-	10,182	292,670	392,452	695,304
U.S. Agencies	P-1	Mdy's	4,978,274	-	-	-	4,978,274
U.S. Agencies	AAA/Aaa	S&P/Mdy's	6,744,416	11,522,231	2,049,440	3,433,913	23,750,000
Municipals	N/R	N/A	-	30,083	-	-	30,083
Municipals	A	S&P	-	10,152	-	-	10,152
Municipals	AAA/AAA	S&P/Fitch	10,193	41,222	75,825	-	127,240
Commercial paper	A3/P2/ F1	S&P/Mdy's/ Fitch	990,150	-	-	-	990,150
Negotiable CD's	N/R	N/A	12,244,432	384,088	-	-	12,628,520
Interfund Debt	N/R	N/A	-	1,400,000	-	-	1,400,000
			<u>\$ 24,998,271</u>	<u>\$ 13,397,958</u>	<u>\$ 2,564,665</u>	<u>\$ 4,595,827</u>	<u>45,556,721</u>
Money Market*	AAA	S&P					12,722,910
4M Fund*	N/R	N/A					4,270,401
Total investments							<u>\$ 62,550,032</u>

N/A - Not Applicable

N/R - Not Rated

* - The City's money market investments don't have maturities

The Minnesota Municipal Money Market Fund (4M Fund) is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated 2a7-like pool and the fair value of the position in the pool is the same as the value of pool shares.

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

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy specifically addresses custodial credit risk, requiring the City to limit its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City's investment policies specifically address credit risk, further limiting the City's exposure to credit risk by requiring that all state and local government obligations to be rated "AA" or better by a national rating agency.

Concentration risk – This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policies specifically address the City's desire to limit concentration risk, but do not set specific guidelines for measurement of this risk. At year-end, the City's investments include 15%, 9% and 19% in securities issued by FHLB, FHLMC and FNMA, respectively.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investment resulting in changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policies specifically address the City's desire to limit interest rate risk, but do not set specific guidelines for measurement of this risk.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,872,364	\$ 109,000	\$ -	\$ 15,981,364
Investment in joint venture	1,452,465	-	-	1,452,465
Construction in progress	<u>15,380,765</u>	<u>10,880,620</u>	<u>(12,848,795)</u>	<u>13,412,590</u>
Total capital assets not being depreciated	<u>32,705,594</u>	<u>10,989,620</u>	<u>(12,848,795)</u>	<u>30,846,419</u>
Capital assets being depreciated:				
Land improvements	21,699,762	-	-	21,699,762
Buildings and structures	30,008,937	5,009,228	-	35,018,165
Furniture and office equipment	2,606,162	23,864	(14,362)	2,615,664
Vehicles and equipment	13,535,156	969,996	(616,415)	13,888,737
Infrastructure	63,126,263	6,946,368	(1,069,117)	69,003,514
Parks	<u>12,708,329</u>	<u>2,378,333</u>	<u>(417,380)</u>	<u>14,669,282</u>
Total capital assets being depreciated	<u>143,684,609</u>	<u>15,327,789</u>	<u>(2,117,274)</u>	<u>156,895,124</u>
Less accumulated depreciation for:				
Land improvements	(10,776,848)	(794,374)	-	(11,571,222)
Buildings and structures	(8,871,510)	(893,154)	-	(9,764,664)
Furniture and office equipment	(1,067,702)	(201,967)	14,362	(1,255,307)
Vehicles and equipment	(6,635,181)	(1,140,217)	529,787	(7,245,611)
Infrastructure	(43,543,416)	(1,573,883)	1,060,185	(44,057,114)
Parks	<u>(5,755,569)</u>	<u>(460,079)</u>	<u>417,380</u>	<u>(5,798,268)</u>
Total accumulated depreciation	<u>(76,650,226)</u>	<u>(5,063,674)</u>	<u>2,021,714</u>	<u>(79,692,186)</u>
Total capital assets being depreciated, net	<u>67,034,383</u>	<u>10,264,115</u>	<u>(95,560)</u>	<u>77,202,938</u>
Governmental activities capital assets, net	<u>\$ 99,739,977</u>	<u>\$ 21,253,735</u>	<u>\$ (12,944,355)</u>	<u>\$ 108,049,357</u>

Certain capital assets were reclassified to different categories during the year, and these reclassifications are reflected in the "Increases" and "Decreases" columns above.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,965	\$ -	\$ -	\$ 1,088,965
Construction in progress	4,580,127	9,705,696	(4,316,859)	9,968,964
Total capital assets not being depreciated	<u>5,669,092</u>	<u>9,705,696</u>	<u>(4,316,859)</u>	<u>11,057,929</u>
Capital assets being depreciated:				
Land improvements & golf course	8,120,479	-	(39,865)	8,080,614
Buildings and structures	15,999,450	261,422	(158,217)	16,102,655
Furniture and office equipment	149,436	-	(27,756)	121,680
Vehicles and equipment	5,192,750	189,471	(466,943)	4,915,278
Utility infrastructure	64,413,092	4,316,859	(281,781)	68,448,170
Lease property capital lease	468,580	-	-	468,580
Total capital assets being depreciated	<u>94,343,787</u>	<u>4,767,752</u>	<u>(974,562)</u>	<u>98,136,977</u>
Less accumulated depreciation for:				
Land improvements & golf course	(4,078,349)	(298,924)	39,865	(4,337,408)
Buildings and structures	(9,184,164)	(590,338)	158,217	(9,616,285)
Furniture and office equipment	(125,053)	(14,355)	27,756	(111,652)
Vehicles and equipment	(2,924,078)	(362,380)	460,146	(2,826,312)
Utility infrastructure	(25,378,075)	(1,389,508)	281,781	(26,485,802)
Lease property capital lease	(468,580)	-	-	(468,580)
Total accumulated depreciation	<u>(42,158,299)</u>	<u>(2,655,505)</u>	<u>967,765</u>	<u>(43,846,039)</u>
Total capital assets being depreciated, net	<u>52,185,488</u>	<u>2,112,247</u>	<u>(6,797)</u>	<u>54,290,938</u>
Business-type activities capital assets, net	<u>\$ 57,854,580</u>	<u>\$ 11,817,943</u>	<u>\$ (4,323,656)</u>	<u>\$ 65,348,867</u>

CITY OF EDINA, MINNESOTA
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December 31, 2008

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

Governmental activities:	
General government	\$ 489,047
Public safety	619,626
Public works	2,330,919
Parks	1,624,082
Total depreciation expense - governmental activities	<u>\$ 5,063,674</u>
Business-type activities:	
Utilities	\$ 1,562,906
Liquor	69,874
Aquatic Center	196,575
Golf Course	407,186
Arena	286,033
Art Center	30,206
Edinborough Park/Centennial Lakes	102,725
Total depreciation expense - business-type activities	<u>\$ 2,655,505</u>

CONSTRUCTION COMMITMENTS

At December 31, 2008, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project #</u>	<u>Project Description</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
08-1 Eng	Country Club Reconstruction	\$ 14,198,279	\$ 6,491,163
08-6 Eng	Street/Sidewalk Reconstruction	2,074,564	63,805
08-11 Eng	Street/Sidewalk Reconstruction	168,509	34,562
08-12 Eng	Street/Sidewalk Reconstruction	615,695	57,006
07-4 PW	New Well	297,890	4,593
08-3 PW	New Well	373,013	9,808
08-5 PW	Well Rehab	328,328	1,607
			<u>\$ 6,662,544</u>

Note 5 LONG-TERM DEBT

The City has five types of bonded debt outstanding at December 31, 2008: tax increment bonds, general obligation bonds, public improvement revolving bonds, public project revenue bonds and G.O. 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 from general property taxes. The third type is payable from special assessments. The fourth type is payable solely from annual appropriation lease payments received from the City of Edina pursuant to a lease between the Edina Housing and Redevelopment Authority and the City. The fifth type is

CITY OF EDINA, MINNESOTA
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payable primarily from enterprise revenue with any deficiency to be provided for by general property taxes. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

As of December 31, 2008, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/08
Tax Increment Bonds:					
Tax Increment Bonds, Series 2000A	4.30-4.80%	9/6/2000	2/1/2011	\$ 2,620,000	\$ 920,000
Tax Increment Bonds, Series 2002B	3.00%	8/5/2002	2/1/2012	1,400,000	1,400,000
Tax Increment Refunding Bonds, Series 2005B	3.00%	7/19/2005	2/1/2009	10,520,000	3,235,000
Tax Increment Taxable Refunding Bonds, Series 2005C	3.75-4.25%	7/19/2005	2/1/2009	6,220,000	1,885,000
Tax Increment Refunding Bonds, Series 2005D	3.00-3.40%	7/19/2005	2/1/2013	<u>3,505,000</u>	<u>2,575,000</u>
Total Tax Increment Bonds				<u>24,265,000</u>	<u>10,015,000</u>
General Obligation Bonds:					
General Obligation - Park & Recreation Refunding, 2005A	3.50-4.00%	7/19/2005	2/1/2017	5,375,000	4,555,000
General Obligation - Capital Improvement Plan, 2007A	4.00-4.25%	5/24/2007	2/1/2028	<u>5,865,000</u>	<u>5,865,000</u>
Total General Obligation Bonds				<u>11,240,000</u>	<u>10,420,000</u>
Permanent Improvement Revolving (PIR) Bonds:					
Permanent Improvement Revolving, 2005E	3.00-3.75%	9/13/2005	2/1/2016	1,460,000	1,145,000
Permanent Improvement Revolving, 2007C	3.60-4.00%	5/24/2007	2/1/2019	5,870,000	5,870,000
Permanent Improvement Revolving, 2008B	3.00-4.00%	8/28/2008	2/1/2020	<u>7,755,000</u>	<u>7,755,000</u>
Total PIR Bonds				<u>15,085,000</u>	<u>14,770,000</u>
Public Project Revenue Bonds:					
Public Project Revenue, Series 2002	4.00-5.25%	1/1/2002	2/1/2021	12,410,000	9,625,000
Public Project Revenue, Series 2005	3.50-4.13%	9/13/2005	5/1/2026	<u>5,425,000</u>	<u>5,050,000</u>
Total Public Project Revenue Bonds				<u>17,835,000</u>	<u>14,675,000</u>
Total bonded indebtedness - governmental activities				<u>\$ 68,425,000</u>	<u>\$ 49,880,000</u>

CITY OF EDINA, MINNESOTA
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December 31, 2008

BUSINESS-TYPE ACTIVITIES

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/08
Revenue Bonds:					
Recreational Facility Bonds, Series 1999B	3.70-4.45%	5/3/1999	1/1/2013	\$ 3,270,000	\$ 1,675,000
Recreational Facility Bonds, Series 2001A	2.25-4.65%	11/1/2001	1/1/2017	4,620,000	1,170,000
Utility Revenue Bonds, Series 1999A	3.20-4.20%	5/3/1999	2/1/2009	3,600,000	420,000
Utility Revenue Bonds, Series 2003C	1.10-3.55%	3/1/2003	2/1/2013	3,200,000	1,725,000
Utility Revenue Bonds, Series 2007B	4.00%	5/24/2007	2/1/2017	8,210,000	7,440,000
Utility Revenue Bonds, Series 2008A	3.00-4.25%	8/28/2008	2/1/2019	13,985,000	13,985,000
Total Revenue Bonds				<u>36,885,000</u>	<u>26,415,000</u>
Total bonded indebtedness - business-type activities				<u>\$ 36,885,000</u>	<u>\$ 26,415,000</u>

Annual debt service requirements to maturity for the City's bonds are as follows:

Year Ending December 31	Governmental Activities					
	Tax Increment Bonds		General Obligation Bonds		Public Improvement Revolving Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 5,890,000	\$ 244,236	\$ 630,000	\$ 397,869	\$ 150,000	\$ 513,708
2010	805,000	125,820	660,000	374,294	655,000	520,278
2011	840,000	94,359	680,000	349,806	1,330,000	486,944
2012	1,930,000	48,445	705,000	324,494	1,375,000	442,069
2013	550,000	9,350	730,000	297,631	1,415,000	395,269
2014-2018	-	-	3,510,000	1,036,676	7,495,000	1,185,156
2019-2023	-	-	1,575,000	569,807	2,350,000	84,200
2024-2028	-	-	1,930,000	210,947	-	-
Total	<u>\$ 10,015,000</u>	<u>\$ 522,210</u>	<u>\$ 10,420,000</u>	<u>\$ 3,561,524</u>	<u>\$ 14,770,000</u>	<u>\$ 3,627,624</u>

Year Ending December 31	Governmental Activities		Business-type Activities	
	Public Project Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 745,000	\$ 665,193	\$ 2,905,000	\$ 906,314
2010	780,000	632,880	2,570,000	846,283
2011	810,000	598,880	2,675,000	754,562
2012	850,000	561,885	2,780,000	656,742
2013	885,000	521,695	2,875,000	553,066
2014-2018	5,095,000	1,919,000	11,015,000	1,388,015
2019-2023	4,380,000	623,444	1,595,000	33,894
2024-2028	1,130,000	71,363	-	-
Total	<u>\$ 14,675,000</u>	<u>\$ 5,594,340</u>	<u>\$ 26,415,000</u>	<u>\$ 5,138,876</u>

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Tax increment	\$ 15,665,000	\$ -	\$ (5,650,000)	\$ 10,015,000	\$ 5,890,000
General obligation	10,990,000	-	(570,000)	10,420,000	630,000
PIR	7,170,000	7,755,000	(155,000)	14,770,000	150,000
Public project revenue	15,390,000	-	(715,000)	14,675,000	745,000
Less deferred amounts:					
Discount on bonds	(284,850)	(35,848)	47,391	(273,307)	-
Premiums	48,213	-	(11,660)	36,553	-
Total bonds payable	48,978,363	7,719,152	(7,054,269)	49,643,246	7,415,000
Compensated absences	3,262,512	1,576,075	(1,327,377)	3,511,210	1,404,484
Governmental activity Long-term liabilities	<u>\$ 52,240,875</u>	<u>\$ 9,295,227</u>	<u>\$ (8,381,646)</u>	<u>\$ 53,154,456</u>	<u>\$ 8,819,484</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 14,760,000	\$ 13,985,000	\$ (2,330,000)	\$ 26,415,000	\$ 2,905,000
Less deferred amounts:					
Discount on bonds	(25,646)	-	8,142	(17,504)	-
Premiums	74,066	155,459	(13,128)	216,397	-
Total bonds payable	14,808,420	14,140,459	(2,334,986)	26,613,893	2,905,000
Compensated absences	988,494	348,881	(294,867)	1,042,508	417,003
Business-type activity Long-term liabilities	<u>\$ 15,796,914</u>	<u>\$ 14,489,340</u>	<u>\$ (2,629,853)</u>	<u>\$ 27,656,401</u>	<u>\$ 3,322,003</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

The City issued \$13,985,000 of General Obligation Revenue bonds, Series 2008A to finance various utility infrastructure improvement projects. The City anticipates that utility revenues will be sufficient to pay future debt service on this issue.

The City also issued \$7,755,000 of General Obligation Permanent Improvement Revolving (PIR) bonds, Series 2008B to provide financing for infrastructure improvements. The City anticipates that special assessments to benefitted properties will be sufficient to pay future debt service on this issue.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 6 LEGAL DEBT MARGIN

The City is subject to a statutory limitation by the State of Minnesota for bonded indebtedness payable principally from property taxes. The City of Edina's legal debt margin for 2008 is computed as follows:

	<u>December 31, 2008</u>
Market Value (after fiscal disparities)	<u>\$ 10,079,498,900</u>
Debt Limit (3% of Market Value)	<u>\$ 302,384,967</u>
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 76,295,000
Less:	
Tax increment bonds	(10,015,000)
Public improvement revolving bonds	(14,770,000)
Revenue bonds	<u>(26,415,000)</u>
Total debt applicable to debt limit	<u>\$ 25,095,000</u>
Legal debt margin	<u>\$ 277,289,967</u>

Note 7 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. 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 Statute*, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters 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.

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For all PEPFF and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. 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 single-life 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 be 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 on the internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. FUNDING POLICY

Minnesota Statutes 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 Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.0%, respectively, of their covered salary in 2008. PEPFF members were required to contribute 8.6% of their covered salary in 2008. That rate will increase to 9.4% in 2009. The City of Edina is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 6.5% for Coordinated Plan PERF members, and 12.9% for PEPFF members. Employer contribution rates for the Coordinated Plan and PEPFF will increase to 6.75% and 14.1% respectively, effective January 1, 2009. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2008, 2007, and 2006 were \$860,091, \$785,482, and \$696,014, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2008, 2007, and 2006 were \$855,910, \$738,399, and \$632,892, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

Note 8 OTHER POST-EMPLOYMENT BENEFITS PLAN

A. Plan Description

In 2008, the City prospectively implemented the requirement of a new accounting pronouncement, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

The City provides post-employment insurance benefits to certain eligible employees through City's Other Post-Employment Benefits Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. These benefits are summarized as follows:

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

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

B. Funding Policy

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

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 439,466
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	439,466
Contributions made	<u>(131,962)</u>
Increase in net OPEB obligation	307,504
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 307,504</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2008	\$ 439,466	\$ 131,962	30.0%	\$ 307,504

D. Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,638,477, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,638,477. The covered payroll (annual payroll of active employees covered by the plan) was \$17,071,318, and the ratio of the UAAL to the covered payroll was 27.2 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

E. Actuarial Methods and Assumptions

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

In the January 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.5 percent investment rate of return (net of administrative expenses) based on the City's own investments; an annual healthcare cost trend rate of 10.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after ten years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at January 1, 2008 was 30 years.

Note 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of internal balances as of December 31, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
HRA	General	\$ 18,907
Police Special Revenue	Construction	575,000
Debt Service	General	200,000
	CDBG	37,000
	Construction	150,000
Liquor	Golf Course	1,100,000
Aquatic Center	Construction	185,000
Art Center	Arena	15,000
Total		<u>\$ 2,280,907</u>

The City's interfund receivables and payables eliminate what would have been negative cash balances.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

	Transfer In:					Total
	General	Debt Service	Construction	Golf Course	Nonmajor Business-type	
Transfer out:						
General Fund	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ 450,000
HRA Fund	-	6,095,694	-	-	-	6,095,694
Construction Fund	-	445,091	-	-	25,000	470,091
Utilities Fund	-	-	100,000	-	-	100,000
Liquor Fund	742,800	-	150,000	170,000	215,000	1,277,800
	<u>\$ 742,800</u>	<u>\$ 6,540,785</u>	<u>\$ 700,000</u>	<u>\$ 170,000</u>	<u>\$ 240,000</u>	<u>\$ 8,393,585</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. Many of the City's interfund transfers fall under that category. Non-routine transfers include the following:

1. The liquor fund transferred \$742,800, \$170,000, \$135,000 and \$80,000 to the general fund, golf course fund, art center, and arena funds, respectively, to subsidize operations.
2. The construction fund transferred \$25,000 to the arena fund to subsidize capital improvements to that facility.
3. The HRA fund transferred \$6,095,694 of tax increment revenues to the debt service fund to pay principal and interest on outstanding tax increment debt.
4. The general fund, utilities fund, and liquor fund transferred \$50,000, \$100,000, and \$150,000, respectively, to the construction fund to fund the capital improvement program, as planned in the 2008 budget.
5. The construction fund transferred \$445,091 to the debt service fund to pay a portion of the debt service on the gymnasium bonds, and as part of a transaction to record capitalized interest.
6. The general fund transferred \$400,000 of the 2007 unreserved and undesignated fund balance to the construction fund according to the City's fund balance policies to fund the capital improvement program.

Note 10 TAX INCREMENT DISTRICTS

The City of Edina is the administering authority for the following Tax Increment Districts:

District number 1200 (50th and France Commercial Area) is a redevelopment district established in 1974 pursuant to Minnesota Statutes with a termination date of 2009.

District number 1201 (Southeast Edina Redevelopment District – Edinborough) is a redevelopment district established in 1977 pursuant to Minnesota Statutes with a termination date of 2009.

District number 1202 (Grandview Commercial Area) is a redevelopment district established in 1984 pursuant to Minnesota Statutes with a termination date of 2010.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

District number 1203 (Southeast Edina Redevelopment District – Centennial Lakes) is a redevelopment district established in 1988 pursuant to Minnesota Statutes with a termination date of 2016.

District number 1207 (70th and Cahill Economic Development District) is an economic district established in 1990 pursuant to Minnesota Statutes with a decertification date of 2000. Increment previously collected is available for expenditures within the larger development district that includes the Wooddale – Valley View commercial area. Tax capacity and debt for this district is not included in the following schedule as county reports no longer indicate captured tax capacity for this district and no debt is outstanding.

The following table reflects values as of December 31, 2008:

	TIF #1200	TIF #1201	TIF #1202	TIF #1203	Total
Original tax capacity	\$ 112,826	\$ 94,319	\$ 164,885	\$ 229,691	\$ 601,721
Current tax capacity	1,614,619	3,157,281	1,555,070	4,045,888	10,372,858
Tax capacity change	1,501,793	3,062,962	1,390,185	3,816,197	9,771,137
Captured tax capacity value:					
Retained captured tax capacity	\$ 1,501,793	\$ 3,062,962	\$ 1,390,185	\$ 3,816,197	\$ 9,771,137
Total bonds issued (general obligation)	\$ 5,360,000	\$ 22,445,000	\$ 9,637,555	\$ 35,894,724	\$ 73,337,279
Amounts redeemed	5,360,000	22,445,000	7,317,555	28,199,724	63,322,279
Outstanding bonds at December 31, 2008	\$ -	\$ -	\$ 2,320,000	\$ 7,695,000	\$ 10,015,000

Note 11 CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Worker's compensation insurance is provided through the League of Minnesota Cities Insurance Trust (LMCIT). The City has a \$10,000 deductible per occurrence, with a \$500,000 annual maximum.

Automobile and general liability coverage is 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. The City is not subject to a deductible for automobile or general liability 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 \$2,500 - \$25,000 deductibles per occurrence depending on claim type, with an annual maximum of \$83,446,936.

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

Settlement claims have not exceeded insurance coverage for each of the past three years. There were not significant reductions in insurance coverage during 2008.

B. LITIGATION

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

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2008.

D. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management is not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 12 CONDUIT DEBT OBLIGATION

As of December 31, 2008, the City of Edina had 4 series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of \$31,860,000. 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.

Note 13 JOINT VENTURE

The City is a participant with the City of Bloomington, the City of Eden Prairie and the Metropolitan Airport Commission in a joint venture to construct and operate a facility to be used for the training of law enforcement officers and firefighters. The South Metro Public Safety Training Facility Association (PSTF) is governed by a Board consisting of one representative from each Member. On dissolution of the Association, the Facility shall revert to the City of Edina, and all remaining assets shall be divided among the members based on the Cost Sharing Formula. In accordance with the joint venture agreement, each member of the association will share in the cost of the construction and operation based on the Cost Sharing Formula. The City's net investment is reported in the governmental activities capital assets. The City's equity interest in the PSTF was \$1,452,465. Complete financial statements for PSTF can be obtained from the City of Edina, 4801 West 50th Street, Edina, MN 55424.

Note 14 RELATED PARTY TRANSACTIONS

The City pays an annual membership fee to the South Metro Public Safety Training Facility as part of the joint venture agreement. The membership fee is paid by the Police and Fire departments and is based on a Cost Sharing Formula. For the year ended December 31, 2008, the City paid a total of \$35,044 in membership fees to the PSTF.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 15 DESIGNATIONS AND RESERVATIONS OF FUND BALANCE

At December 31, 2008 the City had designated and reserved portions of its various fund balances through legal restriction and City Council authorization. A summary of such designations and reservations is as follows:

	<u>December 31, 2008</u>
General Fund:	
Reserved for prepaid items	\$ 13,982
Designated for park dedication	178,295
Designated for investments	11,385
Designated for equipment replacement	2,604,310
Designated for compensated absences	1,404,484
Designated for cash flow	9,473,711
Debt Service Fund:	
Reserved for debt service	3,668,624
Construction Fund:	
Reserved for encumbrances	3,400,955
Reserved for special projects	182,207
Reserved for construction projects	1,216,132
Designated for Todd Park assessments	165,000
Designated for capital improvements	4,105,440
	<u>\$ 26,424,525</u>

Note 15 SUBSEQUENT EVENTS

On April 29, 2009, the City issued \$14,000,000 General Obligation Capital Improvement Bonds, Series 2009A to finance the acquisition and a portion of the rehabilitation of a building to be used as a new public works facility. The interest rate on the bonds ranges from 3.0-4.4 percent and the final maturity date is February 1, 2030.

On April 29, 2009, the City issued \$2,240,000 General Obligation Bonds, Series 2009B to finance a current refunding of the 2010 through 2013 maturities of the City's \$3,270,000 General Obligation Refunding Bonds, Series 1999B and the 2010 through 2017 maturities of the \$4,620,000 General Obligation Recreational Facility Bonds, Series 2001A and to fund the purchase of various capital equipment. The current refundings were undertaken to reduce total debt service payments by \$124,874 and resulted in an economic gain of \$117,750.

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
General property taxes:				
Current	\$ 20,229,404	\$ 20,229,404	\$ 19,967,819	\$ (261,585)
Penalties and interest	12,000	12,000	15,476	3,476
Total general property taxes	<u>20,241,404</u>	<u>20,241,404</u>	<u>19,983,295</u>	<u>(258,109)</u>
Licenses and permits:	<u>2,715,050</u>	<u>2,715,050</u>	<u>2,885,781</u>	<u>170,731</u>
Intergovernmental:				
Federal:	35,000	35,000	18,937	(16,063)
State:				
Municipal state aid	195,000	195,000	195,000	-
Other	50,000	50,000	148,321	98,321
State aid - police	345,000	345,000	342,661	(2,339)
Health programs	120,000	120,000	120,130	130
Total intergovernmental	<u>745,000</u>	<u>745,000</u>	<u>825,049</u>	<u>80,049</u>
Charges for services:				
Building Department	300	300	8,761	8,461
City Clerk	5,000	5,000	110,936	105,936
Fire Department	28,000	28,000	21,975	(6,025)
Ambulance fees	1,500,000	1,500,000	1,522,637	22,637
Police Department	230,000	230,000	344,171	114,171
Engineering	149,500	149,500	274,965	125,465
Health Department	7,500	7,500	7,080	(420)
Planning Department	26,000	26,000	43,290	17,290
Housing Foundation Contract	24,000	24,000	30,533	6,533
HRA Services	20,000	20,000	32,122	12,122
Park Registration	94,000	94,000	98,026	4,026
Senior Center	100,000	100,000	99,259	(741)
Other fees	10,000	10,000	2,998	(7,002)
50th & France Assessment	69,000	69,000	69,000	-
Charges to other funds	374,088	374,088	374,088	-
Total charges for services	<u>2,637,388</u>	<u>2,637,388</u>	<u>3,039,841</u>	<u>402,453</u>
Fines and forfeits	<u>925,000</u>	<u>925,000</u>	<u>968,893</u>	<u>43,893</u>
Miscellaneous:				
Rental of property	308,000	308,000	254,437	(53,563)
Investment income	275,000	275,000	260,249	(14,751)
Donations	10,000	10,000	13,171	3,171
Other	5,000	5,000	5,562	562
Total miscellaneous	<u>598,000</u>	<u>598,000</u>	<u>533,419</u>	<u>(64,581)</u>
Total revenues	<u>27,861,842</u>	<u>27,861,842</u>	<u>28,236,278</u>	<u>374,436</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council:				
Current:				
Personal services	\$ 45,704	\$ 45,704	\$ 45,768	\$ (64)
Contractual services	12,305	12,305	6,253	6,052
Commodities	1,165	1,165	1,181	(16)
Central services	31,356	31,356	30,935	421
Total mayor and council	<u>90,530</u>	<u>90,530</u>	<u>84,137</u>	<u>6,393</u>
Administration:				
Current:				
Personal services	842,570	842,570	791,145	51,425
Contractual services	189,770	189,770	147,202	42,568
Commodities	4,780	4,780	1,243	3,537
Central services	74,280	74,280	69,051	5,229
Total current	<u>1,111,400</u>	<u>1,111,400</u>	<u>1,008,641</u>	<u>102,759</u>
Capital outlay	<u>6,360</u>	<u>6,360</u>	<u>2,274</u>	<u>4,086</u>
Total administration	<u>1,117,760</u>	<u>1,117,760</u>	<u>1,010,915</u>	<u>106,845</u>
Planning:				
Current:				
Personal services	342,016	342,016	350,545	(8,529)
Contractual services	68,425	68,425	44,415	24,010
Commodities	1,900	1,900	1,137	763
Central services	49,404	49,404	46,247	3,157
Total current	<u>461,745</u>	<u>461,745</u>	<u>442,344</u>	<u>19,401</u>
Capital outlay	<u>2,010</u>	<u>2,010</u>	<u>1,323</u>	<u>687</u>
Total planning	<u>463,755</u>	<u>463,755</u>	<u>443,667</u>	<u>20,088</u>
Finance:				
Current:				
Personal services	500,148	500,148	509,076	(8,928)
Contractual services	105,600	105,600	95,232	10,368
Commodities	3,400	3,400	2,363	1,037
Central services	59,028	59,028	54,605	4,423
Total current	<u>668,176</u>	<u>668,176</u>	<u>661,276</u>	<u>6,900</u>
Capital outlay	<u>6,300</u>	<u>6,300</u>	<u>2,978</u>	<u>3,322</u>
Total finance	<u>674,476</u>	<u>674,476</u>	<u>664,254</u>	<u>10,222</u>
Election:				
Current:				
Personal services	137,235	137,235	246,470	(109,235)
Contractual services	31,469	31,469	12,777	18,692
Commodities	18,828	18,828	8,311	10,517
Central services	16,536	16,536	14,356	2,180
Total current	<u>204,068</u>	<u>204,068</u>	<u>281,914</u>	<u>(77,846)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>15,319</u>	<u>(15,319)</u>
Total election	<u>204,068</u>	<u>204,068</u>	<u>297,233</u>	<u>(93,165)</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Assessing:				
Current:				
Personal services	\$ 636,577	\$ 636,577	\$ 645,048	\$ (8,471)
Contractual services	113,300	113,300	91,967	21,333
Commodities	3,000	3,000	2,872	128
Central services	69,372	69,372	64,702	4,670
Total current	<u>822,249</u>	<u>822,249</u>	<u>804,589</u>	<u>17,660</u>
Capital outlay	12,695	12,695	1,265	11,430
Total assessing	<u>834,944</u>	<u>834,944</u>	<u>805,854</u>	<u>29,090</u>
Legal and court services:				
Current:				
Contractual services	348,590	348,590	321,149	27,441
Contingencies:				
Current:				
Contractual services	126,900	126,900	90,328	36,572
Commodities	-	-	1,757	(1,757)
Total contingencies	<u>126,900</u>	<u>126,900</u>	<u>92,085</u>	<u>34,815</u>
City's share of special assessment:				
Current:				
Contractual services	30,000	30,000	30,939	(939)
Human Rights Commission:				
Current:				
Contractual services	90,744	90,744	101,435	(10,691)
Suburban Rate Authority:				
Current:				
Contractual services	4,000	4,000	4,000	-
Edina Resource Center				
Current:				
Contractual services	36,113	36,113	36,113	-
Human Services Planning & Coordination				
Current:				
Contractual services	23,886	23,886	11,943	11,943
Records management:				
Current:				
Contractual services	28,600	28,600	-	28,600
Employee programs				
Current:				
Personal services	123,600	123,600	49,417	74,183
Contractual services	16,600	16,600	12,196	4,404
Total employee programs	<u>140,200</u>	<u>140,200</u>	<u>61,613</u>	<u>78,587</u>
Dial-a-Ride:				
Current:				
Contractual services	30,000	30,000	32,833	(2,833)
Edina Historical Society				
Current:				
Contractual services	10,000	10,000	10,000	-
Total general government	<u>4,254,566</u>	<u>4,254,566</u>	<u>4,008,170</u>	<u>246,396</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Public safety:				
Police protection:				
Current:				
Personal services	\$ 6,153,878	\$ 6,153,878	\$ 6,283,550	\$ (129,672)
Contractual services	381,133	381,133	371,267	9,866
Commodities	74,933	74,933	57,871	17,062
Central services	920,592	920,592	904,261	16,331
Total current	<u>7,530,536</u>	<u>7,530,536</u>	<u>7,616,949</u>	<u>(86,413)</u>
Capital outlay	265,533	265,533	419,569	(154,036)
Total police protection	<u>7,796,069</u>	<u>7,796,069</u>	<u>8,036,518</u>	<u>(240,449)</u>
Fire protection:				
Current:				
Personal services	3,622,319	3,622,319	3,544,748	77,571
Contractual services	313,650	313,650	324,337	(10,687)
Commodities	155,300	155,300	163,150	(7,850)
Central services	318,588	318,588	299,471	19,117
Total current	<u>4,409,857</u>	<u>4,409,857</u>	<u>4,331,706</u>	<u>78,151</u>
Capital outlay	201,247	201,247	89,277	111,970
Total fire protection	<u>4,611,104</u>	<u>4,611,104</u>	<u>4,420,983</u>	<u>190,121</u>
Civil defense:				
Current:				
Personal services	37,370	37,370	37,370	-
Contractual services	9,781	9,781	16,084	(6,303)
Commodities	11,758	11,758	2,479	9,279
Total current	<u>58,909</u>	<u>58,909</u>	<u>55,933</u>	<u>2,976</u>
Capital outlay	5,683	5,683	19,408	(13,725)
Total civil defense	<u>64,592</u>	<u>64,592</u>	<u>75,341</u>	<u>(10,749)</u>
Animal Control:				
Current:				
Personal services	65,732	65,732	68,616	(2,884)
Contractual services	8,581	8,581	8,492	89
Commodities	4,174	4,174	904	3,270
Central services	9,360	9,360	8,698	662
Total current	<u>87,847</u>	<u>87,847</u>	<u>86,710</u>	<u>1,137</u>
Capital outlay	7,534	7,534	28,800	(21,266)
Total animal control	<u>95,381</u>	<u>95,381</u>	<u>115,510</u>	<u>(20,129)</u>
Public health:				
Current:				
Personal services	268,932	268,932	242,472	26,460
Contractual services	191,712	191,712	186,384	5,328
Commodities	1,364	1,364	864	500
Central services	35,040	35,040	32,960	2,080
Total current	<u>497,048</u>	<u>497,048</u>	<u>462,680</u>	<u>34,368</u>
Capital outlay	5,682	5,682	908	4,774
Total public health	<u>502,730</u>	<u>502,730</u>	<u>463,588</u>	<u>39,142</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Inspections:				
Current:				
Personal services	\$ 844,387	\$ 844,387	\$ 919,507	\$ (75,120)
Contractual services	62,613	62,613	73,439	(10,826)
Commodities	8,998	8,998	7,409	1,589
Central services	89,604	89,604	85,126	4,478
Total current	1,005,602	1,005,602	1,085,481	(79,879)
Capital outlay	22,452	22,452	16,604	5,848
Total inspections	1,028,054	1,028,054	1,102,085	(74,031)
Total public safety	14,097,930	14,097,930	14,214,025	(116,095)
Public works:				
Administration:				
Current:				
Personal services	178,079	178,079	173,381	4,698
Contractual services	6,200	6,200	4,784	1,416
Commodities	500	500	32	468
Central services	24,732	24,732	22,981	1,751
Total administration	209,511	209,511	201,178	8,333
Engineering:				
Current:				
Personal services	728,405	728,405	802,756	(74,351)
Contractual services	103,650	103,650	161,371	(57,721)
Commodities	20,100	20,100	10,378	9,722
Central services	118,968	118,968	110,786	8,182
Total current	971,123	971,123	1,085,291	(114,168)
Capital outlay	51,084	51,084	27,885	23,199
Total engineering	1,022,207	1,022,207	1,113,176	(90,969)
Supervision and overhead:				
Current:				
Personal services	203,399	203,399	180,462	22,937
Contractual services	32,000	32,000	27,729	4,271
Commodities	300	300	-	300
Central services	195,468	195,468	174,621	20,847
Total supervision and overhead	431,167	431,167	382,812	48,355
Street maintenance:				
Current:				
Personal services	1,896,599	1,896,599	1,911,656	(15,057)
Contractual services	701,554	701,554	613,079	88,475
Commodities	965,490	965,490	998,718	(33,228)
Central services	654,264	654,264	653,022	1,242
Total current	4,217,907	4,217,907	4,176,475	41,432
Capital outlay	519,454	519,454	597,059	(77,605)
Total street maintenance	4,737,361	4,737,361	4,773,534	(36,173)
Total public works	6,400,246	6,400,246	6,470,700	(70,454)

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2008

	Budgeted Amounts		2008 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Parks:				
Administration:				
Current:				
Personal services	\$ 619,413	\$ 619,413	\$ 611,288	\$ 8,125
Contractual services	32,995	32,995	24,973	8,022
Commodities	3,500	3,500	11,818	(8,318)
Central services	70,308	70,308	64,969	5,339
Total current	<u>726,216</u>	<u>726,216</u>	<u>713,048</u>	<u>13,168</u>
Capital outlay	7,088	7,088	3,861	3,227
Total administration	<u>733,304</u>	<u>733,304</u>	<u>716,909</u>	<u>16,395</u>
Recreation:				
Current:				
Personal services	192,001	192,001	172,165	19,836
Contractual services	177,897	177,897	138,056	39,841
Commodities	50,154	50,154	52,601	(2,447)
Total recreation	<u>420,052</u>	<u>420,052</u>	<u>362,822</u>	<u>57,230</u>
Maintenance:				
Current:				
Personal services	1,526,123	1,526,123	1,540,070	(13,947)
Contractual services	516,873	516,873	454,980	61,893
Commodities	193,803	193,803	192,522	1,281
Central services	330,228	330,228	320,122	10,106
Total current	<u>2,567,027</u>	<u>2,567,027</u>	<u>2,507,694</u>	<u>59,333</u>
Capital outlay	121,517	121,517	51,935	69,582
Total maintenance	<u>2,688,544</u>	<u>2,688,544</u>	<u>2,559,629</u>	<u>128,915</u>
Deer control:				
Current:				
Personal services	-	-	11,432	(11,432)
Contractual services	10,000	10,000	10,070	(70)
Total deer control	<u>10,000</u>	<u>10,000</u>	<u>21,502</u>	<u>(11,502)</u>
Total parks	<u>3,851,900</u>	<u>3,851,900</u>	<u>3,660,862</u>	<u>191,038</u>
Total expenditures	<u>28,604,642</u>	<u>28,604,642</u>	<u>28,353,757</u>	<u>250,885</u>
Revenues over (under) expenditures	<u>(742,800)</u>	<u>(742,800)</u>	<u>(117,479)</u>	<u>625,321</u>
Other financing sources (uses):				
Transfer from other funds	742,800	742,800	742,800	-
Transfer to other funds	(50,000)	(450,000)	(450,000)	-
Sale of capital assets	50,000	50,000	96,825	46,825
Total financing sources (uses)	<u>742,800</u>	<u>342,800</u>	<u>389,625</u>	<u>46,825</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (400,000)</u>	272,146	<u>\$ 672,146</u>
Fund balance - January 1			<u>14,106,857</u>	
Fund balance - December 31			<u>\$ 14,379,003</u>	

CITY OF EDINA, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 SCHEDULE OF FUNDING PROGRESS
 For The Year Ended December 31, 2008

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Plan Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Payroll</u>
January 1, 2008	\$ 4,638,477	\$ -	\$ 4,638,477	0.0%	\$ 17,071,318	27.2%

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Note A LEGAL COMPLIANCE – BUDGETS

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. 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).
6. The City Manager 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.

CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2008

Note B EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund. The following is a listing of General Fund departments whose expenditures exceed budget appropriations.

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Government:			
Elections	\$ 204,068	\$ 297,233	\$ 93,165
Special assessments	30,000	30,939	939
Human rights	90,744	101,435	10,691
Dial-a-Ride	30,000	32,833	2,833
Public Safety:			
Police protection	7,796,069	8,036,518	240,449
Civil defense	64,592	75,341	10,749
Animal Control	95,381	115,510	20,129
Inspections	1,028,054	1,102,085	74,031
Public Works:			
Engineering	1,022,207	1,113,176	90,969
Street maintenance	4,737,361	4,773,534	36,173
Parks:			
Deer control	10,000	21,502	11,502

Excess expenditures in the elections, special assessments, human rights, dial-a-ride, engineering, and deer control departments are funded by available general fund balance. Excess expenditures in the police protection, civil defense, animal control, and street maintenance departments are by available general fund balance designated for our equipment replacement program. Excess expenditures in the inspections department are funded by greater than anticipated charges for services and license and permit revenue.

Excess expenditures of \$25,029 in the CDBG fund are due to timing differences between the grant period and the City's fiscal year. All CDBG expenditures are reimbursed by the County.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are nonmajor 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.

Police Special Revenue Fund - This fund was established to account for funds received for specific purposes within the police department, including E-911 and forfeiture funds.

CITY OF EDINA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2008

	<u>Community Development Block Grant</u>	<u>Communication</u>	<u>Police Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets				
Cash and cash equivalents	\$ 835	\$ 9,557	\$ 3,564	\$ 13,956
Investments	-	697,400	-	697,400
Accrued interest receivable	-	4,577	-	4,577
Accounts receivable	-	180,854	-	180,854
Due from other funds	-	-	575,000	575,000
Due from other governments	43,695	500	-	44,195
Total assets	<u>\$ 44,530</u>	<u>\$ 892,888</u>	<u>\$ 578,564</u>	<u>\$ 1,515,982</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 6,967	\$ 44,397	\$ -	\$ 51,364
Salaries payable	563	9,300	-	9,863
Due to other funds	37,000	-	-	37,000
Unearned revenue	-	4,890	-	4,890
Total liabilities	<u>44,530</u>	<u>58,587</u>	<u>-</u>	<u>103,117</u>
Fund balance:				
Unreserved:				
Undesignated	-	834,301	578,564	1,412,865
Total fund balance	<u>-</u>	<u>834,301</u>	<u>578,564</u>	<u>1,412,865</u>
Total liabilities and fund balance	<u>\$ 44,530</u>	<u>\$ 892,888</u>	<u>\$ 578,564</u>	<u>\$ 1,515,982</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2008

	Community Development Block Grant	Communication	Police Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:				
Franchise fees	\$ -	\$ 647,466	\$ -	\$ 647,466
Intergovernmental	183,985	-	69,193	253,178
Fines and forfeitures	-	-	104,281	104,281
Investment income	-	62,781	4,118	66,899
Other	-	98,326	-	98,326
Total revenues	<u>183,985</u>	<u>808,573</u>	<u>177,592</u>	<u>1,170,150</u>
Expenditures:				
Current:				
General government	183,985	661,803	-	845,788
Public safety	-	-	64,051	64,051
Total expenditures	<u>183,985</u>	<u>661,803</u>	<u>64,051</u>	<u>909,839</u>
Net increase (decrease) in fund balance	-	146,770	113,541	260,311
Fund balance - January 1	<u>-</u>	<u>687,531</u>	<u>465,023</u>	<u>1,152,554</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ 834,301</u>	<u>\$ 578,564</u>	<u>\$ 1,412,865</u>

CITY OF EDINA, MINNESOTA

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final budget - Over (Under)
	Original	Final		
Revenues:				
Total revenues	<u>\$ 158,956</u>	<u>\$ 158,956</u>	<u>\$ 183,985</u>	<u>\$ 25,029</u>
Expenditures:				
Current:				
General government	<u>158,956</u>	<u>158,956</u>	<u>183,985</u>	<u>25,029</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - January 1			<u>-</u>	
Fund balance - December 31			<u>\$ -</u>	

NONMAJOR PROPRIETARY FUNDS

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. The following are nonmajor enterprise funds:

Arena Fund - This fund accounts for activities related to the Braemar Ice Arena.

Art Center Fund - This fund accounts for activities related to the City's Art Center.

Edinburgh/Centennial Lakes Fund - This fund accounts for activities at two of the City's parks; Edinburgh Park and Centennial Lakes Park.

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
December 31, 2008

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 130	\$ 31,510	\$ 14,694	\$ 46,334
Investments	-	-	3,936,326	3,936,326
Interest receivable	-	-	29,962	29,962
Accounts receivable	122,952	-	7,409	130,361
Due from other funds	-	15,000	-	15,000
Inventory	-	11,436	-	11,436
Total current assets	<u>123,082</u>	<u>57,946</u>	<u>3,988,391</u>	<u>4,169,419</u>
Noncurrent assets:				
Net capital assets	<u>2,502,430</u>	<u>261,110</u>	<u>1,178,967</u>	<u>3,942,507</u>
Total noncurrent assets	<u>2,502,430</u>	<u>261,110</u>	<u>1,178,967</u>	<u>3,942,507</u>
Total assets	<u>2,625,512</u>	<u>319,056</u>	<u>5,167,358</u>	<u>8,111,926</u>
Liabilities:				
Current liabilities:				
Accounts payable	27,365	20,103	265,596	313,064
Salaries payable	22,030	7,231	44,569	73,830
Accrued interest payable	4,121	-	-	4,121
Due to other funds	15,000	-	-	15,000
Due to other governments	724	753	5,997	7,474
Unearned revenue	-	7,222	49,356	56,578
OPEB payable	3,767	1,040	6,167	10,974
Compensated absences payable	53,150	16,744	54,460	124,354
Bonds payable	225,000	-	-	225,000
Total current liabilities	<u>351,157</u>	<u>53,093</u>	<u>426,145</u>	<u>830,395</u>
Noncurrent liabilities:				
Compensated absences	<u>79,724</u>	<u>25,115</u>	<u>81,691</u>	<u>186,530</u>
Total noncurrent liabilities	<u>79,724</u>	<u>25,115</u>	<u>81,691</u>	<u>186,530</u>
Total liabilities	<u>430,881</u>	<u>78,208</u>	<u>507,836</u>	<u>1,016,925</u>
Net assets:				
Invested in capital assets, net of related debt	2,277,430	261,110	1,178,967	3,717,507
Unrestricted	(82,799)	(20,262)	3,480,555	3,377,494
Total net assets	<u>\$ 2,194,631</u>	<u>\$ 240,848</u>	<u>\$ 4,659,522</u>	<u>\$ 7,095,001</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended December 31, 2008

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Operating revenues:				
Sales - retail	\$ 2,099	\$ 40,693	\$ -	\$ 42,792
Sales - concessions	5,986	651	56,643	63,280
Memberships	3,851	27,716	56,051	87,618
Admissions	120,558	-	526,597	647,155
Building rental	1,131,385	-	272,711	1,404,096
Rental of equipment	3,136	-	92,324	95,460
Greens fees	-	-	177,109	177,109
Class registration & other fees	132,584	382,637	484,487	999,708
Total operating revenues	<u>1,399,599</u>	<u>451,697</u>	<u>1,665,922</u>	<u>3,517,218</u>
Operating expenses:				
Cost of sales and services	1,036	22,303	54,848	78,187
Personal services	614,747	221,416	1,146,551	1,982,714
Contractual services	671,565	302,066	486,910	1,460,541
Commodities	72,936	51,670	264,006	388,612
Central Services	43,343	36,533	83,355	163,231
Depreciation	286,033	30,206	102,725	418,964
Total operating expenses	<u>1,689,660</u>	<u>664,194</u>	<u>2,138,395</u>	<u>4,492,249</u>
Operating loss	<u>(290,061)</u>	<u>(212,497)</u>	<u>(472,473)</u>	<u>(975,031)</u>
Nonoperating revenues (expenses):				
Investment income	-	-	382,007	382,007
Donations	-	26,474	-	26,474
Interest and fiscal charges	(8,354)	-	-	(8,354)
Amortization of bond discount	(2,246)	-	-	(2,246)
Total nonoperating revenues (expenses)	<u>(10,600)</u>	<u>26,474</u>	<u>382,007</u>	<u>397,881</u>
Income (loss) before transfers	<u>(300,661)</u>	<u>(186,023)</u>	<u>(90,466)</u>	<u>(577,150)</u>
Transfers:				
Transfers in	105,000	135,000	-	240,000
Total transfers	<u>105,000</u>	<u>135,000</u>	<u>-</u>	<u>240,000</u>
Change in net assets	(195,661)	(51,023)	(90,466)	(337,150)
Net assets - January 1	<u>2,390,292</u>	<u>291,871</u>	<u>4,749,988</u>	<u>7,432,151</u>
Net assets - December 31	<u>\$ 2,194,631</u>	<u>\$ 240,848</u>	<u>\$ 4,659,522</u>	<u>\$ 7,095,001</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended December 31, 2008

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,419,598	\$ 453,400	\$ 1,663,455	\$ 3,536,453
Payment to suppliers	(808,725)	(411,513)	(683,024)	(1,903,262)
Payment to employees	(594,162)	(213,738)	(1,116,314)	(1,924,214)
Donations	-	26,474	-	26,474
Net cash provided by (used in) operating activities	<u>16,711</u>	<u>(145,377)</u>	<u>(135,883)</u>	<u>(264,549)</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	105,000	135,000	-	240,000
Proceeds from interfund borrowing	15,000	-	-	15,000
Payment of interfund borrowing	-	(15,000)	-	(15,000)
Net cash provided by noncapital financing activities	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>240,000</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	(480,113)	(480,113)
Principal paid on bonds	(220,000)	-	-	(220,000)
Interest paid on bonds	(11,230)	-	-	(11,230)
Net cash used in capital and related financing activities	<u>(231,230)</u>	<u>-</u>	<u>(480,113)</u>	<u>(711,343)</u>
Cash flows from investing activities:				
Proceeds from sales of investments	-	-	352,680	352,680
Investment income	-	-	247,320	247,320
Net cash flows provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Net increase (decrease) in cash and cash equivalents	(94,519)	(25,377)	(15,996)	(135,892)
Cash and cash equivalents - January 1	94,649	56,887	30,690	182,226
Cash and cash equivalents - December 31	<u>\$ 130</u>	<u>\$ 31,510</u>	<u>\$ 14,694</u>	<u>\$ 46,334</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$ (290,061)	\$ (212,497)	\$ (472,473)	\$ (975,031)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Depreciation	286,033	30,206	102,725	418,964
Donations	-	26,474	-	26,474
Changes in assets and liabilities:				
Decrease (increase) in receivables	19,999	-	(2,384)	17,615
Decrease (increase) in inventory	-	2,557	-	2,557
Increase (decrease) in accounts payable	(20,157)	(1,396)	205,426	183,873
Increase (decrease) in salaries payable	7,048	2,982	12,938	22,968
Increase (decrease) in due to other governments	312	(102)	669	879
Increase (decrease) in unearned revenue	-	1,703	(83)	1,620
Increase (decrease) in OPEB payable	3,767	1,040	6,167	10,974
Increase (decrease) in compensated absences	9,770	3,656	11,132	24,558
Total adjustments	<u>306,772</u>	<u>67,120</u>	<u>336,590</u>	<u>710,482</u>
Net cash provided by (used in) operating activities	<u>\$ 16,711</u>	<u>\$ (145,377)</u>	<u>\$ (135,883)</u>	<u>\$ (264,549)</u>
Noncash investing activities:				
Increase in fair value of investments	\$ -	\$ -	\$ 132,047	\$ 132,047

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to report resources held by the City in a purely custodial capacity. The following are agency funds:

Police Seizure Fund - This fund accounts for assets seized by the Police Department.

Public Safety Training Facility - This fund accounts for assets and liabilities of the South Metro Public Safety Training Facility, which is a joint venture that the City has fiduciary responsibilities for.

Payroll Fund - This fund accounts for assets withheld from employee paychecks that the City plans to remit to various third parties, including state & local governments, insurance providers, and others.

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CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2008

	Balance January 1	Additions	Deductions	Balance December 31
POLICE SEIZURE				
Assets:				
Cash	\$ 21,295	\$ 210	\$ -	\$ 21,505
Liabilities:				
Due to other governmental units	\$ 21,295	\$ 210	\$ -	\$ 21,505
PUBLIC SAFETY TRAINING FACILITY				
Assets:				
Cash	\$ 3,761	\$ 9,343	\$ -	\$ 13,104
Investments	295,000	-	50,000	245,000
Total Assets	<u>\$ 298,761</u>	<u>\$ 9,343</u>	<u>\$ 50,000</u>	<u>\$ 258,104</u>
Liabilities:				
Accounts payable	\$ 13,889	\$ 1,716	\$ -	\$ 15,605
Salaries payable	1,593	2,594	-	4,187
Due to other governmental units	283,279	-	44,967	238,312
Total Liabilities	<u>\$ 298,761</u>	<u>\$ 4,310</u>	<u>\$ 44,967</u>	<u>\$ 258,104</u>
PAYROLL				
Assets:				
Cash	\$ 47,153	\$ -	\$ 33,137	\$ 14,016
Liabilities:				
Accounts payable	\$ 47,153	\$ -	\$ 33,137	\$ 14,016
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash	\$ 72,209	\$ 9,553	\$ 33,137	\$ 48,625
Investments	295,000	-	50,000	245,000
Total Assets	<u>\$ 367,209</u>	<u>\$ 9,553</u>	<u>\$ 83,137</u>	<u>\$ 293,625</u>
Liabilities:				
Accounts payable	\$ 61,042	\$ 1,716	\$ 33,137	\$ 29,621
Salaries payable	1,593	2,594	-	4,187
Due to other governmental units	304,574	210	44,967	259,817
Total Liabilities	<u>\$ 367,209</u>	<u>\$ 4,520</u>	<u>\$ 78,104</u>	<u>\$ 293,625</u>

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CITY OF EDINA, MINNESOTA
TAX CAPACITY, TAX LEVIES AND TAX CAPACITY RATES
(shown by year of tax collectibility)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total tax capacity	\$ 91,309,672	\$ 101,947,912	\$ 113,428,895	\$ 120,084,430	\$ 122,532,149
Increment valuation	(7,330,826)	(7,980,069)	(8,771,951)	(9,771,137)	(10,307,195)
Contribution to fiscal disparities pool	<u>(7,635,854)</u>	<u>(7,107,862)</u>	<u>(8,486,997)</u>	<u>(9,358,999)</u>	<u>(10,393,526)</u>
Tax capacity used for rate calculation	<u>76,342,992</u>	<u>86,859,981</u>	<u>96,169,947</u>	<u>100,954,294</u>	<u>101,831,428</u>
Fiscal disparities distribution	<u>2,374,371</u>	<u>2,411,937</u>	<u>2,595,376</u>	<u>2,895,523</u>	<u>3,298,549</u>
Adjusted net tax capacity	<u>\$ 78,717,363</u>	<u>\$ 89,271,918</u>	<u>\$ 98,765,323</u>	<u>\$ 103,849,817</u>	<u>\$ 105,129,977</u>
Tax levies:					
General fund	\$ 17,772,350	\$ 18,560,151	\$ 19,427,890	\$ 20,314,404	\$ 21,202,691
Public project revenue	1,058,840	1,501,741	1,497,500	1,240,186	1,220,436
Capital improvement plan	-	-	-	455,641	1,046,403
Certificates of indebtedness	<u>162,200</u>	<u>159,100</u>	<u>-</u>	<u>-</u>	<u>84,191</u>
Total certified tax levies	<u>18,993,390</u>	<u>20,220,992</u>	<u>20,925,390</u>	<u>22,010,231</u>	<u>23,553,721</u>
Referendum market value levy	<u>674,161</u>	<u>599,138</u>	<u>605,138</u>	<u>595,438</u>	<u>600,212</u>
Total levy	<u>\$ 19,667,551</u>	<u>\$ 20,820,130</u>	<u>\$ 21,530,528</u>	<u>\$ 22,605,669</u>	<u>\$ 24,153,933</u>
Tax capacity rate:					
General fund revenue	22.536	20.755	19.636	19.563	20.204
Bonds & interest	<u>1.549</u>	<u>1.858</u>	<u>1.514</u>	<u>1.634</u>	<u>2.243</u>
Total tax capacity rate	<u>24.085</u>	<u>22.613</u>	<u>21.150</u>	<u>21.197</u>	<u>22.447</u>
Market value rate	<u>0.00880</u>	<u>0.00703</u>	<u>0.00641</u>	<u>0.00601</u>	<u>0.00597</u>

CITY OF EDINA, MINNESOTA
COMBINED SCHEDULE OF BONDED INDEBTEDNESS
December 31, 2008

	Interest Rates	Date	Final Maturity Date	Prior Years	
				Original Issue	Redeemed
Tax Increment Bonds:					
Tax Increment Bonds, Series 2000A	4.30 - 4.80	09/06/00	02/01/11	\$ 2,620,000	\$ 1,420,000
Tax Increment Bonds, Series 2002B	3.00%	08/05/02	02/01/12	1,400,000	-
Tax Increment Refunding Bonds, Series 2005B	3.00%	07/19/05	02/01/09	10,520,000	4,200,000
Tax Increment Taxable Refunding Bonds, Series 2005C	3.75 - 4.25	07/19/05	02/01/09	6,220,000	2,520,000
Tax Increment Refunding Bonds, Series 2005D	3.00 - 3.40	07/19/05	02/01/13	3,505,000	460,000
Total Tax Increment Bonds				<u>24,265,000</u>	<u>8,600,000</u>
General Obligation Bonds:					
GO Equipment Certificates, Series 2003A	1.05 - 2.40	03/01/03	02/01/08	1,540,000	1,390,000
GO Park & Recreation Refunding Bonds, Series 2005A	3.50 - 4.00	07/19/05	02/01/17	5,375,000	400,000
GO Capital Improvement Plan, Series 2007A	4.00 - 4.25	05/24/07	02/01/28	5,865,000	-
Total General Obligation Bonds				<u>12,780,000</u>	<u>1,790,000</u>
Permanent Improvement Revolving (PIR) Bonds:					
GO Permanent Improvement Revolving, Series 2005E	3.00 - 3.75	09/13/05	02/01/16	1,460,000	160,000
GO Permanent Improvement Revolving Series 2007C	3.60 - 4.25	05/24/07	02/01/19	5,870,000	-
GO Permanent Improvement Revolving Series 2008B	3.00 - 4.00	08/28/08	02/01/20	-	-
Total PIR Bonds				<u>7,330,000</u>	<u>160,000</u>
Public Project Revenue Bonds:					
Public Project Revenue, Series 2002	4.00 - 5.25	01/01/02	02/01/21	12,410,000	2,260,000
Public Project Revenue, Series 2005	3.00 - 4.13	09/13/05	05/01/26	5,425,000	185,000
Total Public Project Revenue Bonds				<u>17,835,000</u>	<u>2,445,000</u>
Revenue Bonds:					
Recreational Facility Bonds, Series 1999B	3.70 - 4.45	05/03/99	01/01/13	3,270,000	1,300,000
Recreational Facility Bonds, Series 2001A	2.25 - 4.65	11/01/01	01/01/17	4,620,000	2,900,000
Utility Revenue Bonds, Series 1999A	3.20 - 4.20	05/03/99	02/01/09	3,600,000	2,775,000
Utility Revenue Bonds, Series 2003C	1.10 - 3.55	03/01/03	02/01/13	3,200,000	1,165,000
Utility Revenue Bonds, Series 2007B	4.00%	05/24/07	02/01/17	8,210,000	-
Utility Revenue Bonds, Series 2008A	3.00 - 4.00	08/28/08	02/01/19	-	-
Total Public Project Revenue Bonds				<u>22,900,000</u>	<u>8,140,000</u>
Total - Bonded indebtedness				<u>\$ 85,110,000</u>	<u>\$ 21,135,000</u>

Outstanding 12/31/07	2008		Payable 12/31/08	Principal Due In 2009	Interest Due In 2009	Interest Payable to Maturity
	Issued	Payments				
\$ 1,200,000	\$ -	\$ 280,000	\$ 920,000	\$ 290,000	\$ 36,678	\$ 67,245
1,400,000	-	-	1,400,000	-	42,000	147,000
6,320,000	-	3,085,000	3,235,000	3,235,000	48,525	48,525
3,700,000	-	1,815,000	1,885,000	1,885,000	40,056	40,056
3,045,000	-	470,000	2,575,000	480,000	76,977	219,384
<u>15,665,000</u>	<u>-</u>	<u>5,650,000</u>	<u>10,015,000</u>	<u>5,890,000</u>	<u>244,236</u>	<u>522,210</u>
150,000	-	150,000	-	-	-	-
4,975,000	-	420,000	4,555,000	435,000	162,825	831,931
5,865,000	-	-	5,865,000	195,000	235,044	2,729,593
<u>10,990,000</u>	<u>-</u>	<u>570,000</u>	<u>10,420,000</u>	<u>630,000</u>	<u>397,869</u>	<u>3,561,524</u>
1,300,000	-	155,000	1,145,000	150,000	37,206	158,947
5,870,000	-	-	5,870,000	-	223,243	1,398,914
-	7,755,000	-	7,755,000	-	253,259	2,069,763
<u>7,170,000</u>	<u>7,755,000</u>	<u>155,000</u>	<u>14,770,000</u>	<u>150,000</u>	<u>513,708</u>	<u>3,627,624</u>
10,150,000	-	525,000	9,625,000	550,000	467,812	3,527,387
5,240,000	-	190,000	5,050,000	195,000	197,381	2,066,953
<u>15,390,000</u>	<u>-</u>	<u>715,000</u>	<u>14,675,000</u>	<u>745,000</u>	<u>665,193</u>	<u>5,594,340</u>
1,970,000	-	295,000	1,675,000	310,000	66,580	190,197
1,720,000	-	550,000	1,170,000	550,000	36,578	151,981
825,000	-	405,000	420,000	420,000	8,820	8,820
2,035,000	-	310,000	1,725,000	320,000	51,565	150,698
8,210,000	-	770,000	7,440,000	700,000	283,600	1,417,800
-	13,985,000	-	13,985,000	605,000	459,171	3,219,380
<u>14,760,000</u>	<u>13,985,000</u>	<u>2,330,000</u>	<u>26,415,000</u>	<u>2,905,000</u>	<u>906,314</u>	<u>5,138,876</u>
<u>\$ 63,975,000</u>	<u>\$ 21,740,000</u>	<u>\$ 9,420,000</u>	<u>\$ 76,295,000</u>	<u>\$ 10,320,000</u>	<u>\$ 2,727,320</u>	<u>\$ 18,444,574</u>

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)
December 31, 2008

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Bond proceeds	\$ 2,200,000	\$ 5,280,000	\$ 5,251,998	\$ -	\$ 28,002
Tax increments received	-	31,748,489	24,571,449	1,219,151	5,957,889
Real estate sales *	800,000	170,782	170,782	-	-
State aid	-	418,871	418,871	-	-
Special assessments	-	1,321,096	728,505	-	592,591
Parking permits	-	268,524	268,524	-	-
Community development	-	186,064	186,064	-	-
Interest on invested funds	-	2,000,000	2,747,172	802	(747,974)
Other	-	73,881	73,881	-	-
Total sources of funds:	<u>3,000,000</u>	<u>41,467,707</u>	<u>34,417,246</u>	<u>1,219,953</u>	<u>5,830,508</u>
Uses of funds:					
Land acquisition	-	873,061	873,061	-	-
Installation of public utilities and improvements	3,000,000	7,867,034	7,862,032	-	5,002
Bond payments:					
Principal	-	5,280,000	5,360,000	-	(80,000)
Interest	-	4,738,329	4,140,864	-	597,465
Administrative costs	-	1,230,000	1,205,451	-	24,549
Paid to other governments	-	21,000	18,982	1,859	159
Work orders	-	16,257	16,257	-	-
Contingencies	-	11,644	11,644	-	-
Interest	-	463,037	463,037	-	-
Miscellaneous	-	62,095	63,010	-	(915)
Transfer	-	17,000,000	14,325,000	1,250,000	1,425,000
Total uses of funds:	<u>3,000,000</u>	<u>37,562,457</u>	<u>34,339,338</u>	<u>1,251,859</u>	<u>1,971,260</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ 3,905,250</u>	<u>\$ 77,908</u>	<u>\$ (31,906)</u>	<u>\$ 3,859,248</u>

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

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)

December 31, 2008

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Bond proceeds	\$ 6,165,177	\$ 21,470,000	\$ 20,219,852	\$ -	\$ 1,250,148
Tax increments received	-	75,000,000	57,551,878	2,755,049	14,693,073
Real estate sales *	598,005	3,000,000	2,642,115	-	357,885
Loan proceeds	-	1,321,096	-	-	1,321,096
Community development	-	189,221	189,221	-	-
Interest on invested funds	-	3,500,000	2,665,830	-	834,170
Other	-	50,000	1,357	-	48,643
Total sources of funds:	<u>6,763,182</u>	<u>104,530,317</u>	<u>83,270,253</u>	<u>2,755,049</u>	<u>18,505,015</u>
Uses of funds:					
Land acquisition	6,682,998	12,200,000	6,894,303	-	5,305,697
Installation of public utilities and improvements	-	16,000,000	14,278,823	-	1,721,177
Site improvements or preparation costs	2,885,484	2,000,000	468,098	-	1,531,902
Bond payments:					
Principal	-	21,470,000	22,445,000	-	(975,000)
Interest	-	20,100,000	19,772,264	-	327,736
Administrative costs	194,700	1,800,000	1,673,988	-	126,012
Paid to other governments	-	110,000	91,949	7,664	10,387
Transfers out	-	22,000,000	16,831,699	2,750,000	2,418,301
Interest reduction	-	1,850,000	-	-	1,850,000
Parkland dedication fees	-	767,852	767,852	-	-
Total uses of funds:	<u>9,763,182</u>	<u>98,297,852</u>	<u>83,223,976</u>	<u>2,757,664</u>	<u>12,316,212</u>
Funds remaining (deficit)	<u>\$ (3,000,000)</u>	<u>\$ 6,232,465</u>	<u>\$ 46,277</u>	<u>\$ (2,615)</u>	<u>\$ 6,188,803</u>

	Cost to authority	Price paid by developer
* 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	1,318,103	1,318,103
	<u>\$ 3,000,385</u>	<u>\$ 2,654,014</u>

CITY OF EDINA, MINNESOTA

SCHEDULE OF SOURCES AND USES OF PUBLIC FUNDS

FOR GRANDVIEW AREA REDEVELOPMENT DISTRICT-NO. 1202, A TAX INCREMENT FINANCING DISTRICT

December 31, 2008

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Bond proceeds	\$ 4,500,000	\$ 9,900,000	\$ 9,475,915	\$ -	\$ 424,085
Tax increments received	-	29,737,107	13,934,144	1,175,626	14,627,337
Real estate sales *	-	4,700,000	5,402,344	-	(702,344)
Interest on invested funds	-	300,000	972,368	42,520	(714,888)
Other	-	-	61,068	-	(61,068)
Total sources of funds:	<u>4,500,000</u>	<u>44,637,107</u>	<u>29,845,839</u>	<u>1,218,146</u>	<u>13,573,122</u>
Uses of funds:					
Land acquisition	-	6,500,000	4,060,529	204,887	2,234,584
Installation of public utilities and improvements	4,310,000	17,127,000	9,738,935	-	7,388,065
Bond payments:					
Principal	-	9,900,000	7,037,555	280,000	2,582,445
Interest	-	9,190,000	3,038,800	91,860	6,059,340
Loan/note interest	-	-	3,414,416	586,578	(4,000,994)
Paid to other governments	-	-	197,146	1,832	(198,978)
Administrative costs	190,000	1,920,107	1,343,678	9,493	566,936
Total uses of funds:	<u>4,500,000</u>	<u>44,637,107</u>	<u>28,831,059</u>	<u>1,174,650</u>	<u>14,631,398</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,014,780</u>	<u>\$ 43,496</u>	<u>\$ (1,058,276)</u>

	Cost to authority	Price paid by developer
* Real estate sales		
5229 Eden Ave.	\$ 1,822,319	
5220 Eden Circle	995,000	
5244 Eden Circle (condemnation deposit)	309,937	
5201 Eden Circle	598,411	2,070,119
Project area	23,832	4,005,694
	<u>\$ 3,749,499</u>	<u>\$ 6,075,813</u>

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)

December 31, 2008

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Bond proceeds	\$ 41,400,000	\$ 34,400,000	\$ 33,761,677	\$ -	\$ 638,323
Tax increments received	80,000,000	90,000,000	34,770,098	3,428,608	51,801,294
Real estate sales *	5,000,000	11,637,070	11,637,070	-	-
Special assessment	-	1,321,096	-	-	1,321,096
Interest on invested funds	-	2,500,000	3,504,388	343,516	(1,347,904)
Transfer in	-	40,000,000	32,267,924	4,000,000	3,732,076
Sale of material	-	255,710	255,710	-	-
Developer payments	-	297,826	297,826	-	-
Other	-	20,000	21,799	-	(1,799)
Total sources of funds:	<u>126,400,000</u>	<u>180,431,702</u>	<u>116,516,492</u>	<u>7,772,124</u>	<u>56,143,086</u>
Uses of funds:					
Land acquisition	13,900,000	22,981,425	22,981,425	-	-
Installation of public utilities and improvements	26,677,000	25,871,230	16,688,430	2,070,016	7,112,784
Bond payments:					
Principal	41,400,000	41,400,000	22,829,724	5,370,000	13,200,276
Interest	38,000,000	38,000,000	33,635,357	353,834	4,010,809
Administrative costs	1,140,800	1,600,000	1,326,749	26,163	247,088
Paid to other governments	-	42,000	33,126	3,632	5,242
Loan/note interest	-	14,684,711	4,458,855	557,860	9,667,996
Parkland dedication fees	-	2,030,345	2,030,345	-	-
Total uses of funds:	<u>121,117,800</u>	<u>146,609,711</u>	<u>103,984,011</u>	<u>8,381,505</u>	<u>34,244,195</u>
Funds remaining (deficit)	<u>\$ 5,282,200</u>	<u>\$ 33,821,991</u>	<u>\$ 12,532,481</u>	<u>\$ (609,381)</u>	<u>\$ 21,898,891</u>

	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
	<u>\$ 11,637,070</u>	<u>\$ 11,637,070</u>

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

December 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Accounted for in prior years</u>	<u>Current year</u>	<u>Amount remaining</u>
Source of funds:					
Bond proceeds	\$ 1,911,000	\$ 1,911,000	\$ -	\$ -	\$ 1,911,000
Tax increments received	2,177,855	2,177,855	746,863	-	1,430,992
Interest on invested funds	-	-	225,305	17,178	(242,483)
Total sources of funds:	<u>4,088,855</u>	<u>4,088,855</u>	<u>972,168</u>	<u>17,178</u>	<u>3,099,509</u>
Uses of funds:					
Land acquisition	529,400	529,400	37,861	2,107	489,432
Installation of public utilities and improvements	325,000	325,000	540,279	-	(215,279)
Demolition	150,000	150,000	-	-	150,000
Relocation	160,000	160,000	-	-	160,000
Capitalized interest	150,000	150,000	-	-	150,000
Debt service	2,178,455	2,178,455	-	-	2,178,455
Paid to other governments	-	-	2,730	-	(2,730)
Administrative costs	596,000	596,000	74,830	-	521,170
Total uses of funds:	<u>4,088,855</u>	<u>4,088,855</u>	<u>655,700</u>	<u>2,107</u>	<u>3,431,048</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,468</u>	<u>\$ 15,071</u>	<u>\$ (331,539)</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	94
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	100
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	104
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	109
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	111

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF EDINA, MINNESOTA
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 21,792,377	\$ 34,320,784	\$ 36,092,020	\$ 69,814,012	\$ 67,680,882	\$ 71,601,227
Restricted	4,676,748	2,145,488	78,943	-	-	3,362,446
Unrestricted	31,876,783	28,762,040	35,796,801	15,280,058	25,136,312	29,577,462
Total governmental activities net assets	<u>\$ 58,345,908</u>	<u>\$ 65,228,312</u>	<u>\$ 71,967,764</u>	<u>\$ 85,094,070</u>	<u>\$ 92,817,194</u>	<u>\$ 104,541,135</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 29,952,549	\$ 37,240,476	\$ 40,044,169	\$ 46,981,755	\$ 43,046,160	\$ 46,851,736
Restricted	1,672,828	-	-	-	-	954,486
Unrestricted	15,344,474	11,934,496	11,121,720	6,379,515	13,649,355	12,071,776
Total business-type activities net assets	<u>\$ 46,969,851</u>	<u>\$ 49,174,972</u>	<u>\$ 51,165,889</u>	<u>\$ 53,361,270</u>	<u>\$ 56,695,515</u>	<u>\$ 59,877,998</u>
Primary government						
Invested in capital assets, net of related debt	\$ 51,744,926	\$ 71,561,260	\$ 76,136,189	\$ 116,795,767	\$ 110,727,042	\$ 118,452,963
Restricted	6,349,576	2,145,488	78,943	-	-	4,316,932
Unrestricted	47,221,257	40,696,536	46,918,521	21,659,573	38,785,667	41,649,238
Total primary government net assets	<u>\$ 105,315,759</u>	<u>\$ 114,403,284</u>	<u>\$ 123,133,653</u>	<u>\$ 138,455,340</u>	<u>\$ 149,512,709</u>	<u>\$ 164,419,133</u>

CITY OF EDINA, MINNESOTA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 5,839,893	\$ 6,934,045	\$ 4,967,008	\$ 5,414,961	\$ 7,039,298	\$ 6,836,248
Public safety	10,784,215	11,063,767	12,019,027	13,300,351	13,743,194	14,833,647
Public works	5,621,291	5,834,490	7,185,784	8,973,031	8,757,022	9,046,873
Parks	4,484,685	4,248,060	5,901,648	5,341,682	5,025,560	5,971,565
Interest on long-term debt	2,760,022	2,399,682	2,288,524	2,973,749	1,887,633	1,923,821
Total governmental activities expenses	<u>29,490,106</u>	<u>30,480,044</u>	<u>32,361,991</u>	<u>36,003,774</u>	<u>36,452,707</u>	<u>38,612,154</u>
Business-type activities:						
Utilities	7,930,502	7,801,580	8,254,409	9,234,651	10,036,844	10,625,811
Liquor	8,764,081	9,110,888	9,749,313	9,968,963	10,361,998	11,049,223
Aquatic center	711,061	748,398	725,936	795,614	780,981	787,663
Golf course	3,555,243	3,508,741	3,580,307	3,652,169	3,621,977	3,612,482
Community activity centers	3,833,026	3,850,192	3,825,562	4,048,649	4,168,534	4,502,849
Total business-type activities expenses	<u>24,793,913</u>	<u>24,973,169</u>	<u>26,135,527</u>	<u>27,700,046</u>	<u>28,970,334</u>	<u>30,578,028</u>
Total primary government expenses	<u>\$ 54,284,019</u>	<u>\$ 55,453,213</u>	<u>\$ 58,497,518</u>	<u>\$ 63,703,820</u>	<u>\$ 65,423,041</u>	<u>\$ 69,190,182</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 930,391	\$ 454,603	\$ 619,526	\$ 731,613	\$ 784,659	\$ 840,070
Public safety	4,213,081	4,634,744	5,614,406	6,146,114	5,632,642	5,839,683
Other activities	898,141	748,398	630,157	793,796	736,329	763,130
Operating grants and contributions	1,215,745	1,154,808	1,512,366	1,423,302	1,384,024	1,170,183
Capital grants and contributions	7,214,393	4,192,947	2,252,491	4,013,617	4,299,509	7,710,015
Total governmental activities program revenue	<u>14,471,751</u>	<u>11,185,500</u>	<u>10,628,946</u>	<u>13,108,442</u>	<u>12,837,163</u>	<u>16,323,081</u>
Business-type activities:						
Charges for services:						
Utilities	9,694,981	9,875,078	10,240,381	11,421,474	13,125,773	13,713,249
Liquor	9,659,631	10,030,067	10,752,724	11,029,445	11,436,175	12,122,599
Aquatic center	861,340	764,134	849,380	867,626	868,833	925,388
Golf course	3,684,079	3,538,122	3,482,999	3,646,620	3,630,538	3,680,584
Community activity centers	2,966,731	3,254,012	3,251,860	3,337,153	3,517,111	3,517,218
Operating grants and contributions	132,031	138,447	131,408	122,358	127,492	147,456
Total business-type activities program revenue	<u>26,998,793</u>	<u>27,599,860</u>	<u>28,708,752</u>	<u>30,424,676</u>	<u>32,705,922</u>	<u>34,106,494</u>
Total primary government program revenues	<u>\$ 41,470,544</u>	<u>\$ 38,785,360</u>	<u>\$ 39,337,698</u>	<u>\$ 43,533,118</u>	<u>\$ 45,543,085</u>	<u>\$ 50,429,575</u>
Net (Expense)/Revenue						
Governmental activities	<u>\$(15,018,355)</u>	<u>\$(19,294,544)</u>	<u>\$(21,733,045)</u>	<u>\$(22,895,332)</u>	<u>\$(23,615,544)</u>	<u>\$(22,289,073)</u>
Business-type activities	<u>2,204,880</u>	<u>2,626,691</u>	<u>2,573,225</u>	<u>2,724,630</u>	<u>3,735,588</u>	<u>3,528,466</u>
Total primary government net expense	<u><u>\$(12,813,475)</u></u>	<u><u>\$(16,667,853)</u></u>	<u><u>\$(19,159,820)</u></u>	<u><u>\$(20,170,702)</u></u>	<u><u>\$(19,879,956)</u></u>	<u><u>\$(18,760,607)</u></u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 17,815,426	\$ 17,865,757	\$ 19,071,202	\$ 20,414,298	\$ 21,459,001	\$ 22,242,276
Tax increment collections	7,342,270	6,761,934	7,060,744	7,228,002	7,793,577	8,578,434
Franchise taxes	-	450,956	457,421	499,206	570,871	647,466
Unrestricted investment earnings	286,209	443,074	977,956	1,230,264	1,581,702	1,185,899
Gain on disposal of capital assets	26,669	-	63,674	8,418	58,377	1,265
Transfers	(4,053,805)	655,227	841,500	838,230	919,625	967,800
Total governmental activities	<u>21,416,769</u>	<u>26,176,948</u>	<u>28,472,497</u>	<u>30,218,418</u>	<u>32,383,153</u>	<u>33,623,140</u>
Business-type activities:						
Unrestricted investment earnings	387,117	227,167	236,654	283,771	510,678	607,312
Gain (loss) on disposal of capital assets	(177,051)	6,490	22,538	25,210	7,604	14,505
Transfers	4,053,805	(655,227)	(841,500)	(838,230)	(919,625)	(967,800)
Total business-type activities	<u>4,263,871</u>	<u>(421,570)</u>	<u>(582,308)</u>	<u>(529,249)</u>	<u>(401,343)</u>	<u>(345,983)</u>
Total primary government	<u>\$ 25,680,640</u>	<u>\$ 25,755,378</u>	<u>\$ 27,890,189</u>	<u>\$ 29,689,169</u>	<u>\$ 31,981,810</u>	<u>\$ 33,277,157</u>
Change in Net Assets						
Governmental activities	\$ 6,398,414	\$ 6,882,404	\$ 6,739,452	\$ 7,323,086	\$ 8,767,609	\$ 11,334,067
Business-type activities	6,468,751	2,205,121	1,990,917	2,195,381	3,334,245	3,182,483
Total primary government	<u>\$ 12,867,165</u>	<u>\$ 9,087,525</u>	<u>\$ 8,730,369</u>	<u>\$ 9,518,467</u>	<u>\$ 12,101,854</u>	<u>\$ 14,516,550</u>

CITY OF EDINA, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	1999	2000^a	2001	2002
General fund				
Reserved	\$ 2,407,155	\$ 141,939	\$ 15,872	\$ 417,093
Unreserved	<u>10,051,978</u>	<u>13,755,160</u>	<u>14,359,821</u>	<u>14,325,972</u>
Total general fund	<u>\$ 12,459,133</u>	<u>\$ 13,897,099</u>	<u>\$ 14,375,693</u>	<u>\$ 14,743,065</u>
All other governmental funds				
Reserved	\$ 496,581	\$ 16,729,995	\$ 2,319,839	\$ 4,186,436
Unreserved, reported in:				
Special revenue funds	942,791	1,147,917	1,435,949	1,589,518
Capital projects funds	<u>18,216,440</u>	<u>22,454,859</u>	<u>22,869,578</u>	<u>26,750,351</u>
Total all other governmental funds	<u>\$ 19,655,812</u>	<u>\$ 40,332,771</u>	<u>\$ 26,625,366</u>	<u>\$ 32,526,305</u>

^a The substantial increase in reserved fund balance in 2000 is due to a crossover refunding bond issue that was outstanding as of December 31, 2000.

^b The substantial decrease in unreserved fund balance in 2003 is due to the transfer of investment assets to the Edinborough Park/Centennial Lakes enterprise fund.

^c The substantial increase in reserved fund balance in 2005 is due to two crossover refunding bond issues that were outstanding as of December 31, 2005.

Fiscal Year					
2003^b	2004	2005^c	2006	2007	2008
\$ 412,991	\$ 390,771	\$ 223,351	\$ 36,849	\$ 28,637	\$ 13,982
<u>9,961,074</u>	<u>10,226,055</u>	<u>11,595,433</u>	<u>13,797,189</u>	<u>14,078,220</u>	<u>14,365,021</u>
<u>\$ 10,374,065</u>	<u>\$ 10,616,826</u>	<u>\$ 11,818,784</u>	<u>\$ 13,834,038</u>	<u>\$ 14,106,857</u>	<u>\$ 14,379,003</u>
\$ 4,084,987	\$ 3,465,440	\$ 13,792,312	\$ 2,682,238	\$ 6,247,539	\$ 8,467,918
686,777	781,458	731,027	13,179,904	14,750,448	14,950,538
<u>19,608,849</u>	<u>16,651,788</u>	<u>17,032,750</u>	<u>3,160,085</u>	<u>5,853,322</u>	<u>4,270,440</u>
<u>\$ 24,380,613</u>	<u>\$ 20,898,686</u>	<u>\$ 31,556,089</u>	<u>\$ 19,022,227</u>	<u>\$ 26,851,309</u>	<u>\$ 27,688,896</u>

CITY OF EDINA, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	1999	2000	2001	2002
Revenues				
General property taxes	\$ 21,995,230	\$ 22,904,512	\$ 24,409,785	\$ 24,735,336
Tax increment collections	-	-	-	-
Special assessments	990,330	1,159,876	1,086,093	998,908
Franchise fees	297,866	336,678	473,702	418,153
License and permits	2,135,541	1,835,828	2,239,611	1,939,207
Intergovernmental	3,185,008	1,880,680	5,085,981	2,254,968
Charges for services	3,215,441	2,902,666	1,962,172	2,096,806
Fines and forfeitures	794,710	967,421	976,952	910,407
Investment income	415,114	2,376,137	1,357,701	1,178,211
Rental of property	284,085	1,156,526	4,262,984	1,782,063
Other revenues	478,788	96,932	184,466	180,081
Total revenues	<u>33,792,113</u>	<u>35,617,256</u>	<u>42,039,447</u>	<u>36,494,140</u>
Expenditures				
General government	3,899,660	4,558,424	5,353,002	5,372,431
Public safety	8,516,673	8,846,360	9,409,291	9,893,428
Public works	3,744,124	3,672,057	4,313,065	4,161,373
Parks	2,240,730	2,150,588	2,375,565	2,602,266
Capital outlay	6,117,215	8,352,494	11,193,155	11,059,757
Debt service				
Principal	3,275,000	6,050,000	3,740,000	5,885,000
Interest and other charges	3,262,266	3,108,601	3,148,719	3,094,480
Total expenditures	<u>31,055,668</u>	<u>36,738,524</u>	<u>39,532,797</u>	<u>42,068,735</u>
Revenues over (under) expenditures	2,736,445	(1,121,268)	2,506,650	(5,574,595)
Other Financing Sources (Uses)				
Transfers in	5,983,107	6,976,639	6,215,411	12,308,480
Transfers out	(6,006,107)	(6,165,639)	(6,201,152)	(11,552,990)
Parkland dedication	264,424	85,520	60,280	-
Sale of capital assets	-	-	-	-
Bonds issued	-	21,742,116	-	13,637,416
Premium on bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunding escrow	-	-	(15,810,000)	(2,550,000)
Principal paid by escrow	-	-	-	-
Total other financing sources (uses)	<u>241,424</u>	<u>22,638,636</u>	<u>(15,735,461)</u>	<u>11,842,906</u>
Net change in fund balances	<u>\$ 2,977,869</u>	<u>\$ 21,517,368</u>	<u>\$ (13,228,811)</u>	<u>\$ 6,268,311</u>
Debt service as a percentage of noncapital expenditures	26.2%	32.3%	24.3%	29.0%

^a The substantial change in debt service as a percentage of noncapital expenditures in 2007 is due to a change in the way this ratio is calculated. The City did not recalculate previously reported ratios.

Fiscal Year					
2003	2004	2005	2006	2007^a	2008
\$ 17,903,618	\$ 17,865,757	\$ 19,071,202	\$ 20,414,298	\$ 21,459,001	\$ 22,242,276
7,342,270	6,761,934	7,060,744	7,228,002	7,793,577	8,578,434
1,019,461	966,879	1,354,264	1,751,219	1,750,444	2,442,490
393,627	450,956	457,421	499,206	570,871	647,466
2,182,263	2,247,759	3,240,622	3,488,897	2,909,521	2,915,455
4,678,735	3,933,540	1,539,169	2,773,350	3,699,006	3,005,883
2,076,519	2,279,302	2,466,663	2,691,354	2,748,709	3,093,941
785,227	863,073	742,917	1,023,935	971,486	1,073,174
286,209	443,074	977,956	1,230,264	1,581,702	1,185,899
354,266	385,707	315,542	310,145	355,734	255,607
200,551	294,136	227,446	246,797	225,839	126,723
<u>37,222,746</u>	<u>36,492,117</u>	<u>37,453,946</u>	<u>41,657,467</u>	<u>44,065,890</u>	<u>45,567,348</u>
5,709,741	5,213,469	5,477,308	5,995,804	6,544,307	6,235,352
10,352,816	11,125,388	11,373,763	12,431,114	12,985,215	13,788,797
4,142,668	4,386,669	4,882,811	5,233,907	5,787,619	6,189,594
2,974,164	2,954,372	3,146,029	3,300,375	3,455,789	3,693,595
15,539,676	7,772,321	8,227,191	8,980,526	11,991,122	14,666,907
5,700,000	6,450,000	6,830,000	5,985,000	6,190,000	7,090,000
2,908,787	2,484,291	2,543,639	2,107,036	1,677,770	1,967,021
<u>47,327,852</u>	<u>40,386,510</u>	<u>42,480,741</u>	<u>44,033,762</u>	<u>48,631,822</u>	<u>53,631,266</u>
(10,105,106)	(3,894,393)	(5,026,795)	(2,376,295)	(4,565,932)	(8,063,918)
8,752,126	8,367,595	7,797,369	6,865,258	7,290,391	7,983,585
(12,805,931)	(7,712,368)	(6,955,869)	(6,027,028)	(6,370,766)	(7,015,785)
-	-	-	-	-	-
-	-	135,045	54,457	66,845	96,825
1,540,000	-	15,816,165	-	11,735,000	7,755,000
59,219	-	-	-	-	-
-	-	(36,275)	-	(53,637)	(35,848)
6,570,000	-	16,764,721	-	-	-
(6,525,000)	-	(16,635,000)	-	-	-
-	-	-	(9,035,000)	-	-
<u>(2,409,586)</u>	<u>655,227</u>	<u>16,886,156</u>	<u>(8,142,313)</u>	<u>12,667,833</u>	<u>8,783,777</u>
<u>\$ (12,514,692)</u>	<u>\$ (3,239,166)</u>	<u>\$ 11,859,361</u>	<u>\$ (10,518,608)</u>	<u>\$ 8,101,901</u>	<u>\$ 719,859</u>
27.1%	27.4%	27.4%	23.1%	20.9%	22.6%

CITY OF EDINA, MINNESOTA

**ASSESSED VALUE, ACTUAL VALUE AND TAX CAPACITY OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Market Value (In Thousands) ^a			Tax Capacity (In Thousands)			City Tax Capacity Rate	City Referendum Rate	Estimated Direct Rate ^b
	Estimated	Limited	Taxable	Total	Used for Rate	Adjusted Net			
1999	\$ 4,267,759	DNA	DNA	\$ 85,964	\$ 72,221	\$ 74,421	17.810%	0.01704%	\$3.106
2000	4,535,762	DNA	DNA	90,807	74,705	77,166	17.669%	0.01634%	3.006
2001	4,861,730	DNA	DNA	99,650	80,964	83,716	17.233%	0.01495%	2.967
2002	5,821,567	DNA	DNA	72,584 ^c	59,176 ^c	61,007 ^c	27.806% ^c	0.01200%	2.914
2003	6,328,581	DNA	DNA	77,666	63,169	65,145	27.139%	0.01100%	2.794
2004	6,909,477	DNA	DNA	83,448	68,553	70,756	25.565%	0.01000%	2.618
2005	8,052,704	\$ 7,674,983	\$ 7,668,117	91,310	76,343	78,717	24.085%	0.00880%	2.354
2006	8,713,166	8,541,954	8,536,086	101,948	86,860	89,272	22.613%	0.00703%	2.317
2007	9,619,356	9,456,650	9,451,668	113,429	96,170	98,765	21.150%	0.00641%	2.172
2008	9,986,738	9,933,166	9,928,907	120,084	100,954	103,850	21.197%	0.00601%	2.204

Source: Hennepin County Taxpayer Services. 1999-2004 estimated market values obtained from previous CAFRs and do not include personal property.

DNA: Historical data is not available

^a Property in the City is assessed annually. Assessed value is equal to market value, although taxable value may be different, as shown. The City receives reports from Hennepin County showing total market value, but not separated by property classification.

^b This value is estimated by the City Finance Department by taking City taxes as a rate of estimated market value (rate per \$1,000 of assessed value). The property tax system in Minnesota uses a tax capacity system whereby each parcel is assigned a tax capacity based on taxable value and class. In Minnesota, local taxes are usually expressed as a percentage of this calculated tax capacity (see column titled "City Tax Capacity Rate"). Therefore, this rate is only theoretical and shown for comparative purposes only.

^c The State of Minnesota passed property tax reform legislation that significantly reduced tax capacity in 2002.

CITY OF EDINA, MINNESOTA
DIRECT AND OVERLAPPING TAX CAPACITY RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Rates				Overlapping Rates				Total Direct & Overlap
	Basic Rate	Debt Rate	Total Tax Capacity	RMV	Hennepin	ISD #273 Edina		Other	
						Tax Cap.	RMV		
1999	DNA	DNA	17.810%	0.017%	40.994%	50.766%	DNA	8.553%	118.123%
2000	DNA	DNA	17.669%	0.016%	39.655%	51.678%	DNA	8.426%	117.428%
2001	DNA	DNA	17.233%	0.015%	37.624%	46.839%	DNA	8.126%	109.822%
2002	26.116%	1.690%	27.806% ^a	0.012%	50.409% ^a	18.504% ^a	DNA	9.847%	106.566%
2003	24.586%	2.553%	27.139%	0.011%	50.607%	23.312%	DNA	8.993%	110.051%
2004	23.183%	2.382%	25.565%	0.010%	47.324%	22.670%	DNA	8.256%	103.815%
2005	22.536%	1.549%	24.085%	0.009%	44.172%	19.694%	0.166%	8.547%	96.498%
2006	20.755%	1.858%	22.613%	0.007%	41.016%	19.226%	0.154%	8.104%	90.959%
2007	19.636%	1.514%	21.150%	0.006%	39.110%	18.244%	0.147%	8.417%	86.921%
2008	19.563%	1.634%	21.197%	0.006%	38.571%	16.951%	0.177%	8.546%	85.265%

Source: Hennepin County Taxpayer Services. Some 1999-2004 data obtained from previous CAFR's.

RMV: Referendum Market Value

DNA: Historical data is not available

Geographic boundaries for overlapping district are not identical to the City's boundaries. City boundaries contain six different school districts but only ISD #273 is shown here. Other districts include Mosquito Control, Met Council, Metro Transit, Hennepin Parks, Park Museum and Regional Railroad Authority. In addition, there are two watershed districts in the City, Nine Mile Creek and Minnehaha Creek, and rates for Nine Mile are included in Other. Total rates do not include RMV rates.

^a The State of Minnesota passed property tax reform legislation that significantly reduced tax capacity in 2002. At the same time, the state took on greater responsibility for school district funding.

CITY OF EDINA, MINNESOTA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008			1999		
	Tax Capacity	Rank	Percentage of Total Capacity	Tax Capacity	Rank	Percentage of Total Capacity
Southdale Shopping Center	\$ 3,497,098	1	2.91%	\$ 4,611,142	1	5.36%
Galleria Shopping Center	1,300,806	2	1.08%	1,492,290	2	1.74%
Centennial Lakes Retail	926,094	3	0.77%	602,989	9	0.70%
Southdale Office Park	910,362	4	0.76%	1,359,207	4	1.58%
Centennial Lakes Phase V	756,518	5	0.63%	-		0.00%
Centennial Lakes Phase IV	741,842	6	0.62%	-		0.00%
National Car	631,752	7	0.53%	721,112	6	0.84%
Macy's Department Stores	520,174	8	0.43%	-		0.00%
Target	510,186	9	0.42%	-		0.00%
Centennial Lakes Medical Bldg	483,056	10	0.40%	-		0.00%
Southdale Medical Bldg	-		0.00%	703,241	7	0.82%
Pentagon Office Park	-		0.00%	1,430,899	3	1.66%
United Healthcare Corporation	-		0.00%	777,108	5	0.90%
Cedars of Edina	-		0.00%	645,854	8	0.75%
Edinborough Plaza	-		0.00%	441,502	10	0.51%
Totals	\$10,277,888		8.56%	\$12,785,344		14.87%

Source: City of Edina Assessing Office

CITY OF EDINA, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Taxes Payable	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 14,012,337	\$ 13,868,630	98.97%	\$ 81,173	\$ 13,949,803	99.55%
2000	14,391,078	14,290,698	99.30%	91,042	14,381,740	99.94%
2001	15,165,091	15,053,569	99.26%	100,594	15,154,163	99.93%
2002	17,728,603	16,985,098 ^a	95.81% ^a	85,589	17,070,687	96.29%
2003	18,506,442	17,808,469	96.23%	50,633	17,859,102	96.50%
2004	18,808,903	18,066,892	96.06%	104,651	18,171,543	96.61%
2005	19,667,551	19,090,016	97.06%	118,292	19,208,308	97.66%
2006	20,820,130	20,310,889	97.55%	157,779	20,468,668	98.31%
2007	21,530,528	21,347,789 ^b	99.15% ^b	58,800	21,406,589	99.42%
2008	22,605,669	22,178,719 ^c	98.11% ^c	-	22,178,719	98.11%

Source: Hennepin County Taxpayer Services.

^a Beginning in 2002, the State of Minnesota quit reimbursing the City for the homestead market value credit (HMVC) program. The HMVC program reduces property taxes for certain residential properties and is phased out once a property reaches a certain assessed value. The program is designed so the State "pays" the amount property taxes were reduced by to local governments. When the State ended reimbursing the City for HMVC in 2002, tax collections as a percent of levy dropped, as shown in this table. Due to the phase out provision in the HMVC program, the City anticipates that the impact of this lost revenue will decrease over time as property values rise above the phase out level.

^b In 2007 the State of Minnesota reimbursed the City for HMVC after five years of not making payments.

^c In 2008 the State of Minnesota reimbursed the City for only 50% of HMVC.

CITY OF EDINA, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Debt	Public Project Revenue	Tax Increment Bonds	Permanent Improvement Revolving	Rec. Facility Bonds	Utility Revenue Bonds			
1999	\$ 7,825	\$ -	\$ 50,260	\$ 350	\$ 10,970	\$ 3,600	\$ 73,005	4.48%	\$ 1,546
2000	7,550	-	66,670	170	10,520	3,265	88,175	5.05%	1,859
2001	7,250	-	47,590	-	14,670	2,955	72,465	4.08%	1,527
2002	6,950	12,410	40,855	-	7,890	2,630	70,735	3.94%	1,490
2003	8,165	12,035	35,900	-	7,145	5,495	68,740	3.72%	1,445
2004	7,295	11,595	30,760	-	6,325	4,860	60,835	3.09%	1,263
2005	11,765	16,560	28,905	1,460	5,475	4,215	68,380	3.39%	1,441
2006	5,670	16,080	20,460	1,460	4,595	3,550	51,815	2.50%	1,105
2007	10,990	15,390	15,665	7,170	3,690	11,070	63,975	3.07%	1,359
2008	10,420	14,675	10,015	14,770	2,845	23,570	76,295	3.66%	1,620

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

CITY OF EDINA, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt			Total	Percentage of Property Value ^a	Per Capita
	General Obligation Debt	Public Project Revenue	Tax Increment Bonds			
1999	\$ 7,825	\$ -	\$ 50,260	\$ 58,085	1.36%	\$ 1,230
2000	7,550	-	66,670	74,220	1.64%	1,565
2001	7,250	-	47,590	54,840	1.13%	1,155
2002	6,950	12,410	40,855	60,215	1.03%	1,269
2003	8,165	12,035	35,900	56,100	0.89%	1,179
2004	7,295	11,595	30,760	49,650	0.72%	1,031
2005	11,765	16,560	28,905	57,230	0.71%	1,206
2006	5,670	16,080	20,460	42,210	0.48%	900
2007	10,990	15,390	15,665	42,045	0.44%	893
2008	10,420	14,675	10,015	35,110	0.35%	746

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

^a See statistical schedule titled "Assessed Value, Actual Value and Tax Capacity of Taxable Property" for estimated property value data.

CITY OF EDINA, MINNESOTA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2008**

	<u>Net General Obligation Bonded Debt Outstanding^a</u>	<u>Percentage Applicable in City^b</u>	<u>City Share of Debt</u>
Overlapping Debt:			
Hennepin County	\$ 501,975,359	6.96%	\$ 34,937,485
Hennepin Suburban Park District	72,794,815	9.21%	6,704,402
Hennepin Regional Rail Authority	43,486,862	6.96%	3,026,686
School Districts:			
ISD No. 273 (Edina)	88,490,000	98.39%	87,065,311
ISD No. 270 (Hopkins)	129,319,767	8.65%	11,186,160
ISD No. 271 (Bloomington)	100,558,951	0.00%	-
ISD No. 272 (Eden Prairie)	74,180,000	0.90%	667,620
ISD No. 280 (Richfield)	17,212,064	15.94%	2,743,603
ISD No. 283 (St. Louis Park)	81,340,045	0.02%	16,268
Metro Council	<u>137,904,653</u>	3.14%	<u>4,330,206</u>
Total Overlapping Debt	1,247,262,516		150,677,741
Direct Debt:			
City of Edina	<u>19,547,394</u>	100.00%	<u>19,547,394</u>
Total Overlapping and Direct Debt	<u>\$ 1,266,809,910</u>		<u>\$ 170,225,135</u>

Debt Ratios:

Ratio of debt per capita (47,090 population)	\$ 3,615
Ratio of debt to estimated market valuation of \$9,986,737,500	1.70%

Source: Hennepin County Taxpayer Services

^a Calculation excludes revenue and special assessment bonds as well as sinking fund balance, if any.

^b The percentage of overlapping debt applicable is estimated using tax capacity. Applicable percentages were estimated by determining the portion of another governmental unit's tax capacity that is within the City's boundaries and dividing it by each unit's total tax capacity.

CITY OF EDINA, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(dollars in thousands)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008^a</u>
Debt limit	\$ 90,715	\$ 97,235	\$ 116,431	\$ 138,279	\$ 138,190	\$ 160,674	\$ 173,867	\$ 191,974	\$ 199,775	\$ 302,385
Total net debt applicable to limit	<u>7,825</u>	<u>7,550</u>	<u>7,250</u>	<u>19,360</u>	<u>20,200</u>	<u>18,890</u>	<u>29,785</u>	<u>21,750</u>	<u>26,380</u>	<u>25,095</u>
Legal debt margin	\$ <u>82,890</u>	\$ <u>89,685</u>	\$ <u>109,181</u>	\$ <u>118,919</u>	\$ <u>117,990</u>	\$ <u>141,784</u>	\$ <u>144,082</u>	\$ <u>170,224</u>	\$ <u>173,395</u>	\$ <u>277,290</u>
Total net debt applicable to the limit as a percentage of debt limit	8.63%	7.76%	6.23%	14.00%	14.62%	11.76%	17.13%	11.33%	13.20%	8.30%

Legal Debt Margin Calculation for Fiscal Year 2008

Market value (after fiscal disparities)	\$ 10,079,498,900
Debt limit (3% of market value)	302,384,967
Debt applicable to limit:	
General obligation bonds	10,420,000
Public project revenue bonds	<u>14,675,000</u>
Total debt applicable to limit	<u>25,095,000</u>
Legal debt margin	<u>\$ 277,289,967</u>

^a The State of Minnesota changed the legal debt limit from 2% of taxable market value to 3% during 2008.

CITY OF EDINA, MINNESOTA
PLEDGED REVENUE COVERAGE
 Last Ten Fiscal Years

Fiscal Year	Less: operating		Net available revenue	Debt service requirements			Coverage
	Revenue	expenses		Principal	Interest	Total	
Public Project Revenue Bonds (Annual Appropriation Lease Revenue)							
2003	\$ 1,026,437	\$ -	\$ 1,026,437	\$ 375,000	\$ 15,000	\$ 390,000	2.63
2004	1,028,837	-	1,028,837	440,000	557,636	997,636	1.03
2005	1,058,840	-	1,058,840	460,000	558,486	1,018,486	1.04
2006	1,501,741	-	1,501,741	480,000	779,778	1,259,778	1.19
2007	1,497,500	-	1,497,500	690,000	725,855	1,415,855	1.06
2008	1,425,186	-	1,425,186	715,000	696,118	1,411,118	1.01
Tax Increment Bonds							
1999	8,084,657	-	8,084,657	2,830,000	2,797,897	5,627,897	1.44
2000	8,590,313	-	8,590,313	5,595,000	2,677,383	8,272,383	1.04
2001	9,309,360	-	9,309,360	3,270,000	3,205,971	6,475,971	1.44
2002	7,053,836	-	7,053,836	4,570,000	2,355,928	6,925,928	1.02
2003	7,342,270	-	7,342,270	5,000,000	1,889,329	6,889,329	1.07
2004	6,761,934	-	6,761,934	5,140,000	1,520,376	6,660,376	1.02
2005	7,060,744	-	7,060,744	5,465,000	1,327,983	6,792,983	1.04
2006	7,228,002	-	7,228,002	8,445,000	902,607	9,347,607	0.77
2007	7,793,577	-	7,793,577	4,795,000	625,606	5,420,606	1.44
2008	8,578,434	-	8,578,434	5,650,000	445,694	6,095,694	1.41
Permanent Improvement Revolving Bonds (Special Assessment)							
1999	855,137	-	855,137	180,000	22,250	202,250	4.23
2000	721,871	-	721,871	180,000	13,340	193,340	3.73
2001	684,660	-	684,660	170,000	4,420	174,420	3.93
2006	85,656	-	85,656	-	43,366	43,366	1.98
2007	391,921	-	391,921	160,000	46,694	206,694	1.90
2008	564,534	-	564,534	155,000	306,759	461,759	1.22
Utility Bond							
1999	8,502,423	6,713,673	1,788,750	420,000	83,429	503,429	3.55
2000	8,793,386	7,205,934	1,587,452	335,000	127,525	462,525	3.43
2001	8,556,810	7,065,589	1,491,221	310,000	116,794	426,794	3.49
2002	8,561,287	7,399,773	1,161,514	325,000	105,205	430,205	2.70
2003	9,668,434	7,769,810	1,898,624	335,000	160,691	495,691	3.83
2004	9,473,355	7,643,129	1,830,226	635,000	158,451	793,451	2.31
2005	10,225,975	8,107,039	2,118,936	645,000	141,226	786,226	2.70
2006	11,416,361	9,107,143	2,309,218	665,000	129,608	794,608	2.91
2007	13,125,419	9,735,839	3,389,580	690,000	108,840	798,840	4.24
2008	13,544,728	10,076,422	3,468,306	1,485,000	459,983	1,944,983	1.78
Recreational Facility Bonds							
1999	5,141,606	4,332,932	808,674	430,000	522,050	952,050	0.85
2000	5,727,930	5,209,610	518,320	450,000	553,962	1,003,962	0.52
2001	5,430,507	5,231,143	199,364	470,000	531,176	1,001,176	0.20
2002	5,424,422	5,031,839	392,583	6,780,000	611,509	7,391,509	0.05
2003	5,866,300	5,511,730	354,570	745,000	265,602	1,010,602	0.35
2004	5,621,743	5,492,510	129,233	820,000	241,387	1,061,387	0.12
2005	5,708,827	5,604,464	104,363	850,000	214,108	1,064,108	0.10
2006	5,929,984	5,808,902	121,082	880,000	199,260	1,079,260	0.11
2007	5,870,485	5,798,005	72,480	905,000	168,159	1,073,159	0.07
2008	6,005,571	5,972,558	33,013	845,000	135,956	980,956	0.03

CITY OF EDINA, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population	Estimated Personal Income (In thousands)	Per Capita Personal Income	High School Graduation Rate	Unemployment Rate
1999	47,235	\$ 1,628,002	\$ 34,466	88.2%	1.60%
2000	47,425	1,747,042	36,838	88.2%	2.40%
2001	47,465	1,774,194	37,379	91.5%	3.30%
2002	47,465	1,796,693	37,853	91.5%	4.00%
2003	47,570	1,847,429	38,836	91.5%	4.10%
2004	48,156	1,970,303	40,915	93.3%	3.90%
2005	47,448	2,014,500	42,457	92.1%	3.30%
2006	46,896	2,074,538	44,237	92.0%	3.00%
2007	47,090	2,083,120	44,237	92.0%	3.45%
2008	47,090	2,083,120	44,237	92.0%	4.33%

Sources:

Population data from U.S. Census Bureau/Metropolitan Council. 2007 is the most recent estimate.

Personal income estimates based on U.S. Department of Commerce Bureau of Economic Analysis data for the entire seven-county metropolitan area.

Per-capita personal income data from U.S. Department of Commerce Bureau of Economic Analysis for the entire seven-county metropolitan area. 2006 is the most recent estimate.

High school graduation rate data from U.S. Census Bureau for all of Hennepin County. 2007 is the most recent estimate.

Unemployment rate data from State of Minnesota Department of Employment and Economic Development.

CITY OF EDINA, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jerry's Enterprises, Inc.	4,500	1	20.74%	2,000	2	7.77%
Fairview Southdale Hospital	2,500	2	11.52%	2,400	1	9.32%
Macy's (Marshall Field's or Dayton's)	1,200	3	5.53%	500	5	1.94%
Edina Public Schools ISD #273	1,172	4	5.40%	DNA	DNA	DNA
Nash Finch Co.	350	5	1.61%	350	8	1.36%
International Dairy Queen Inc.	300	6	1.38%	300	9	1.17%
City of Edina	262	7	1.21%	DNA	DNA	DNA
JC Penney Co.	250	8	1.15%	400	6	1.55%
Edina Realty	210	9	0.97%	DNA	DNA	DNA
Con Agra Foods-Snack Food Gr.	196	10	0.90%	DNA	DNA	DNA
Golden Valley Microwave Foods	-		0.00%	650	3	2.53%
Health Risk Management Inc.	-		0.00%	552	4	2.14%
Norwest Funding	-		0.00%	358	7	1.39%
Roach Organization Inc.	-		0.00%	140	10	0.54%
Totals	10,940		50.43%	7,650		29.72%

Source: State of Minnesota Department of Employment and Economic Development (DEED).

DNA: Historical data is not available

CITY OF EDINA, MINNESOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Budgeted Full-time Employees for Fiscal Year ^a									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	8.00	8.00	8.00	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Planning	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Finance	5.40	5.50	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Elections	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assessing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Public Works										
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Engineering	7.50	7.50	7.50	7.50	6.50	7.50	7.50	7.50	8.50	8.50
Supervision	2.00	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Maintenance	28.00	28.00	27.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Public Safety										
Police Protection	66.00	67.00	70.00	69.00	68.00	66.00	69.00	69.00	70.00	70.00
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Protection	30.00	31.00	32.00	32.00	32.00	32.00	32.00	32.00	33.00	33.00
Public Health	3.08	3.08	3.08	3.75	2.75	2.75	2.75	2.75	2.75	2.75
Inspections	5.75	5.75	6.75	6.50	6.50	6.50	6.50	6.50	7.50	7.50
Parks & Recreation										
Administration	7.00	7.00	7.00	7.00	7.00	6.80	6.80	6.80	6.80	6.80
Maintenance	16.00	16.00	17.00	17.00	16.00	16.50	16.40	16.40	16.40	16.40
Central Services										
General	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
City Hall	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Public Works Bldg	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Equipment Ops	7.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Utilities	16.25	16.25	15.70	14.50	14.50	15.50	15.75	15.75	15.25	15.75
Liquor	10.00	10.00	9.30	9.75	9.75	9.75	9.75	9.75	9.75	9.75
Aquatic Center	-	-	-	-	-	0.20	0.55	0.55	0.55	0.55
Golf Course	14.00	14.00	14.00	15.00	15.00	13.00	13.00	13.00	13.00	13.00
Arena	4.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Art Center	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.00	2.00	2.00
Edinborough Park/ Centennial Lakes	13.00	12.00	13.00	12.00	12.00	12.00	12.00	11.00	12.00	12.00
Other	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00	4.00
Total	264.73	266.83	272.83	273.00	270.00	268.50	271.50	270.00	277.50	278.00

Source: City of Edina Finance Department

^a Employee counts do not include Council members, part-time, contract or seasonal employees.

CITY OF EDINA, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Total City employees	-	801	868	860	879	870	909	887	890	918
Votes cast ^a	3,099	30,483	10,008	28,156	10,721	31,730	1,367	26,270	7,930	31,512
Public Works										
Asphalt placed (tons)	-	-	-	-	-	-	-	9,000	8,000	7,500
Concrete (cu. yds.)	-	-	-	-	-	-	-	650	850	480
Public Safety										
Crimes reported	-	-	2,411	2,139	2,073	1,983	1,908	1,937	2,010	NA
Fire calls	1,131	1,091	1,142	1,106	1,062	1,060	1,055	963	1,012	913
Medical calls	2,812	2,914	2,931	3,153	3,030	3,199	3,423	3,470	3,510	3,516
Central Services										
Vehicle fixes	-	-	-	-	-	-	-	2,398	2,460	2,967
Utilities										
Daily consumption ^b	-	-	-	-	-	-	-	7,209	7,372	7,376
Aquatic Center										
Attendance	132,000	125,000	115,000	111,056	96,419	88,636	139,415	120,406	114,173	110,000
Golf Course										
Total rounds played	142,862	137,838	120,898	112,078	123,770	116,734	113,679	114,737	112,821	112,663

Source: Various City departments

Note: The City prepared this schedule for the first time in 2006, therefore, some historical data is not readily available.

NA: Data not available when this report was compiled.

^a The City Elections department runs general elections in even-numbered years and school district elections in odd-numbered years. Number of votes cast tend to vary between even and odd-numbered years and based on presidential election cycles.

^b Daily average of water pumped from city wells, measured in thousands of gallons.

CITY OF EDINA, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Works										
Miles of streets	224	224	224	224	224	224	224	224	224	224
City parking ramps	4	4	4	4	4	4	4	4	4	4
Public Safety										
Fire stations	2	2	2	2	2	2	2	2	2	2
Parks & Recreation										
City parks	39	39	39	39	40	40	40	40	40	40
Acreage of parks	1,552	1,552	1,552	1,552	1,553	1,553	1,553	1,553	1,553	1,553
Park buildings	26	26	26	27	27	27	27	27	27	27
Utilities										
Wells	18	18	18	18	18	18	18	18	19	19
Watermain miles	199	199	199	199	199	199	199	199	199	199
Sanitary sewer miles	186	186	186	186	186	186	186	186	186	186
Sewer connections	13,984	13,984	13,984	13,984	13,984	14,851	14,851	14,851	14,851	14,851
Arena										
Ice sheets	3	3	3	3	3	3	3	3	3	3

Source: Various City departments