



CITY OF EDINA, MINNESOTA
Comprehensive Annual Financial Report
for the Fiscal Year Ended Dec. 31, 2009

CITY OF EDINA, MINNESOTA

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2009

Prepared by:
Department of Finance

John Wallin – Treasurer and Finance Director
Eric Roggeman – Assistant Finance Director

	<u>Page No.</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	4
Organization	5
Organization Chart	6
II. FINANCIAL SECTION	
Independent Auditors' Report	7
Management's Discussion and Analysis	9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Net Assets - Fiduciary Funds	32
Notes to the Financial Statements	33
Required Supplementary Information:	
Budgetary Comparison Information:	
Budgetary Comparison Schedule - General Fund	63
Other Post-Employment Benefits Plan Schedule of Funding Progress	69
Notes to Required Supplementary Information	71

CITY OF EDINA, MINNESOTA
TABLE OF CONTENTS

**Page
No.**

Combining and Individual Non Major Fund Financial Statements and Schedules:

Combining Balance Sheet - Nonmajor Special Revenue Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	75
Special Revenue Fund - Community Development Block Grant Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	76
Combining Statement of Net Assets - Nonmajor Proprietary Funds	78
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Proprietary Funds	79
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	80
Combining Statement of Changes in Assets and Liabilities - Agency Funds	83

Supplementary Financial Information:

Tax Capacity, Tax Levies and Tax Capacity Rates	85
Combined Schedule of Bonded Indebtedness	86
Schedule of Sources and Uses of Public Funds for 50th & France - #1200	88
Schedule of Sources and Uses of Public Funds for Southeast Edina Redevelopment District - #1201	89
Schedule of Sources and Uses of Public Funds for Grandview Area Redevelopment District - #1202	90
Schedule of Sources and Uses of Public Funds for Southeast Edina Redevelopment District - #1203	91
Schedule of Sources and Uses of Public Funds for 70th Street and Cahill Road District - #1207	92

III. STATISTICAL SECTION (UNAUDITED)

Financial Trends:

Net Assets by Component	94
Changes in Net Assets	96
Fund Balances of Governmental Funds	98
Changes in Fund Balances of Governmental Funds	100

Revenue Capacity:

Assessed Value, Actual Value and Tax Capacity of Taxable Property	102
Direct and Overlapping Tax Capacity Rates	103
Principal Property Tax Payers	104
Property Tax Levies and Collections	105

Debt Capacity:

Ratios of Outstanding Debt by Type	106
Ratios of General Bonded Debt Outstanding	107
Direct and Overlapping Governmental Activities Debt	108
Legal Debt Margin Information	109
Pledged Revenue Coverage	110

Demographic and Economic Information:

Demographic and Economic Statistics	111
Principal Employers	112

Operating Information:

Full-Time Equivalent City Government Employees by Function	113
Operating Indicators by Function	114
Capital Asset Statistics by Function	115

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June 24, 2010

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, 2009.

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, 2009. 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 48,169. 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 was 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, compensated absences, and cash flow are all within the ranges specified in the policies. In addition, the City has \$936,499 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, 2008. This was the third 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,

A handwritten signature in black ink, appearing to read "John Wallin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Wallin
Finance Director

A handwritten signature in black ink, appearing to read "Eric Roggeman". The signature is cursive and somewhat stylized, with a long horizontal stroke extending to the right.

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, 2008

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.



A stylized handwritten signature in black ink, consisting of several loops and a long tail.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

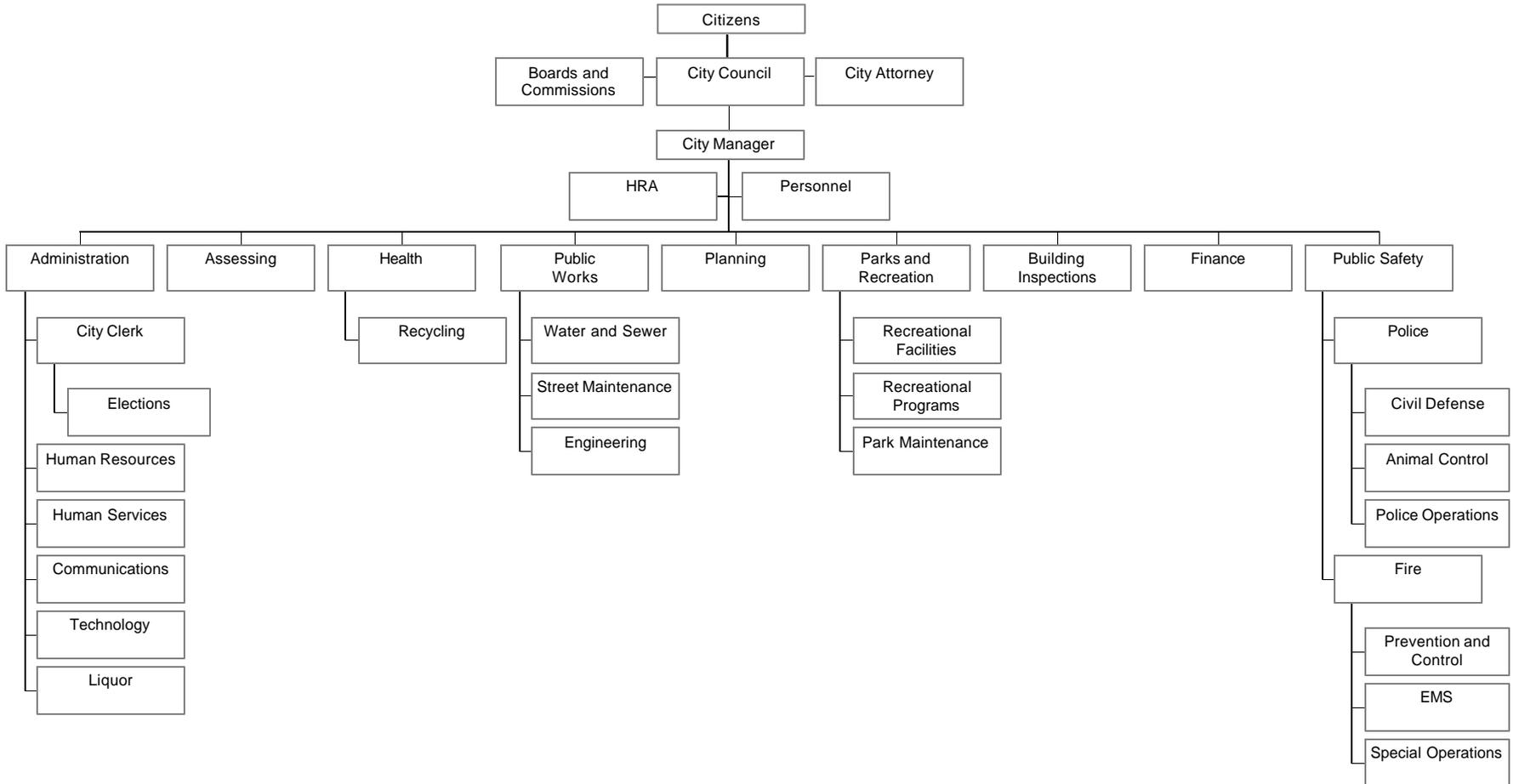
CITY OF EDINA, MINNESOTA

ORGANIZATION

December 31, 2009

	<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, Minnesota (the City) as of and for the year ended December 31, 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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. That 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 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, Radoszewich, & Co., P.A.

June 24, 2010

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, 2009. 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 \$170,578,186 (net assets). Of this amount, \$45,864,320 (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 \$6,159,053. \$5,836,562 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 \$46,770,059, an increase of \$4,702,160 in comparison with the prior year. Of this total amount, \$31,528,465, or 67%, 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 \$12,031,358, or 44% of total general fund expenditures.
- The City's total bonded debt increased by \$15,095,000 during the current fiscal year, from \$76,295,000 to \$91,390,000. The City issued new debt during the year consisting of \$14,230,000 general obligation bonds to finance equipment purchases and the new public works facility, \$8,720,000 public project revenue bonds to finance the new public works facility, and \$4,450,000 of revenue bonds to refinance existing debt and to pay for improvements to Braemar Arena.

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 \$170,578,186 at the close of the most recent fiscal year.

The largest portion of the City's net assets (\$116,956,164 or 69%) 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 60,453,175	\$ 54,476,230	\$ 23,418,500	\$ 24,630,275	\$ 83,871,675	\$ 79,106,505
Capital assets	<u>122,558,594</u>	<u>108,049,357</u>	<u>68,987,531</u>	<u>65,348,867</u>	<u>191,546,125</u>	<u>173,398,224</u>
Total assets	<u>\$183,011,769</u>	<u>\$162,525,587</u>	<u>\$ 92,406,031</u>	<u>\$ 89,979,142</u>	<u>\$275,417,800</u>	<u>\$252,504,729</u>
Long-term liabilities outstanding	\$ 64,880,633	\$ 44,334,972	\$ 24,346,645	\$ 24,334,398	\$ 89,227,278	\$ 68,669,370
Other liabilities	<u>10,670,301</u>	<u>13,649,480</u>	<u>4,942,035</u>	<u>5,766,746</u>	<u>15,612,336</u>	<u>19,416,226</u>
Total liabilities	<u>\$ 75,550,934</u>	<u>\$ 57,984,452</u>	<u>\$ 29,288,680</u>	<u>\$ 30,101,144</u>	<u>\$104,839,614</u>	<u>\$ 88,085,596</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 69,622,370	\$ 71,601,227	\$ 47,333,794	\$ 46,851,736	\$116,956,164	\$118,452,963
Restricted	<u>7,132,865</u>	<u>3,362,446</u>	<u>624,837</u>	<u>954,486</u>	<u>7,757,702</u>	<u>4,316,932</u>
Unrestricted	<u>30,705,600</u>	<u>29,577,462</u>	<u>15,158,720</u>	<u>12,071,776</u>	<u>45,864,320</u>	<u>41,649,238</u>
Total net assets	<u>\$107,460,835</u>	<u>\$104,541,135</u>	<u>\$ 63,117,351</u>	<u>\$ 59,877,998</u>	<u>\$170,578,186</u>	<u>\$164,419,133</u>

An additional portion of the City's net assets (\$7,757,702) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$45,864,320) 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 \$4,215,082 in unrestricted net assets, largely due to positive operating results in the Utility fund.

Management's Discussion and Analysis (Continued)

As shown below, the City's net assets increased by \$6,159,053 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	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 6,697,150	\$ 7,442,883	\$ 35,641,231	\$ 33,959,038	\$ 42,338,381	\$ 41,401,921
Operating grants and contributions	1,377,785	1,170,183	135,917	147,456	1,513,702	1,317,639
Capital grants and contributions	2,582,999	7,710,015	-	-	2,582,999	7,710,015
General revenues:						
Property taxes	23,834,274	22,242,276	300,372	-	24,134,646	22,242,276
Other taxes	8,255,177	9,225,900	-	-	8,255,177	9,225,900
Gain on disposal of assets	11,709	1,265	2,250	14,505	13,959	15,770
Unrestricted investment earnings	387,177	1,185,899	209,371	607,312	596,548	1,793,211
Total revenues	43,146,271	48,978,421	36,289,141	34,728,311	79,435,412	83,706,732
Expenses:						
General government	7,362,560	6,836,248	-	-	7,362,560	6,836,248
Public safety	14,751,479	14,833,647	-	-	14,751,479	14,833,647
Public works	8,993,290	9,046,873	-	-	8,993,290	9,046,873
Parks	7,732,777	5,971,565	-	-	7,732,777	5,971,565
Interest on long-term debt	2,129,490	1,923,821	-	-	2,129,490	1,923,821
Utilities	-	-	11,833,994	10,625,811	11,833,994	10,625,811
Liquor	-	-	11,449,194	11,049,223	11,449,194	11,049,223
Aquatic center	-	-	798,369	787,663	798,369	787,663
Golf course	-	-	3,588,831	3,612,482	3,588,831	3,612,482
Community activity centers	-	-	4,636,375	4,502,849	4,636,375	4,502,849
Total expenses	40,969,596	38,612,154	32,306,763	30,578,028	73,276,359	69,190,182
Increase in net assets before transfers	2,176,675	10,366,267	3,982,378	4,150,283	6,159,053	14,516,550
Transfers	743,025	967,800	(743,025)	(967,800)	-	-
Increase in net assets	2,919,700	11,334,067	3,239,353	3,182,483	6,159,053	14,516,550
Net assets - January 1	104,541,135	93,207,068	59,877,998	56,695,515	164,419,133	149,902,583
Net assets - December 31	\$107,460,835	\$104,541,135	\$ 63,117,351	\$ 59,877,998	\$170,578,186	\$164,419,133

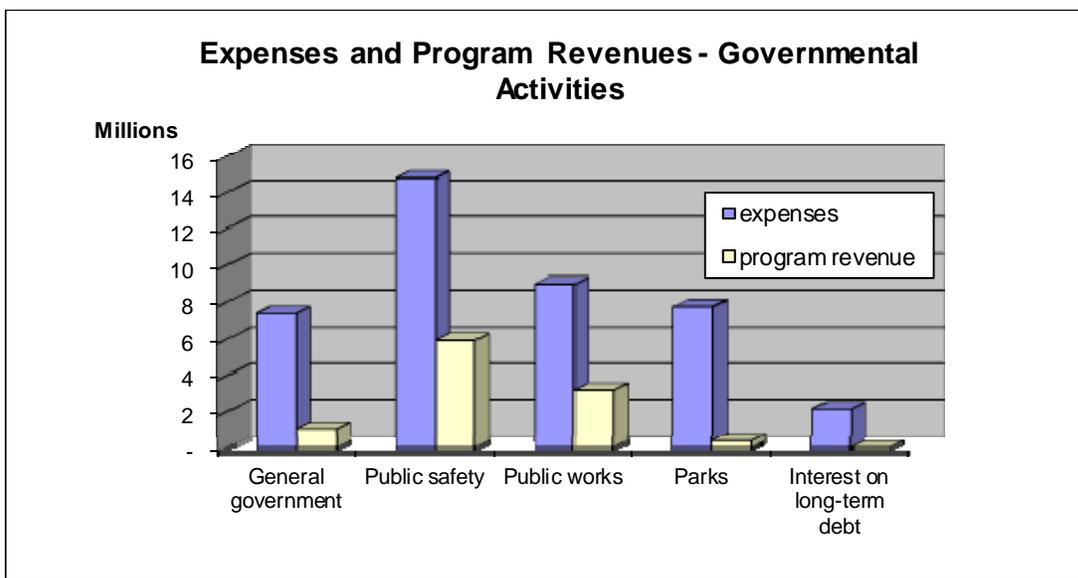
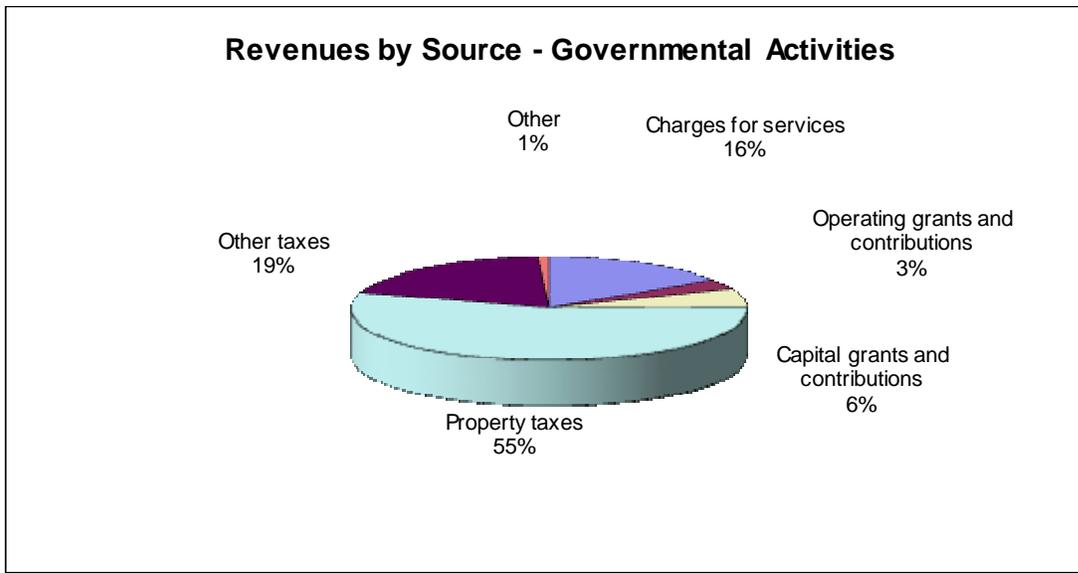
Management’s Discussion and Analysis (Continued)

Governmental Activities

Governmental activities increased the City's net assets by \$2,919,700, accounting for 47% of the total growth in net assets. Key elements of this increase are as follows:

- Property tax revenues increased by \$1,591,998 (7%) during the year, which is equal to the property tax levy increase of 7% outlined in our 2009 budget.
- The City also collected \$7,587,386 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:

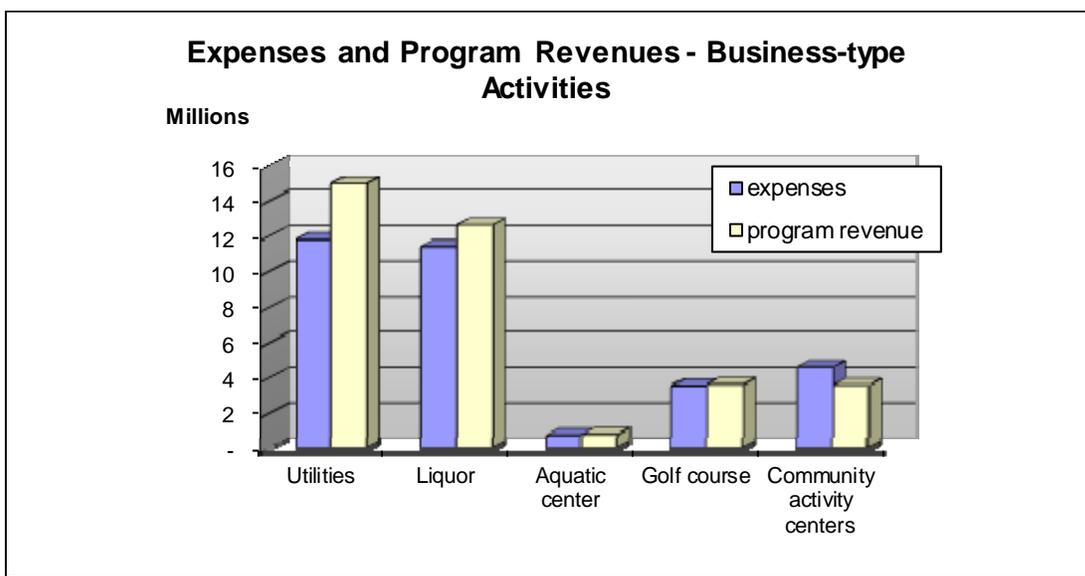
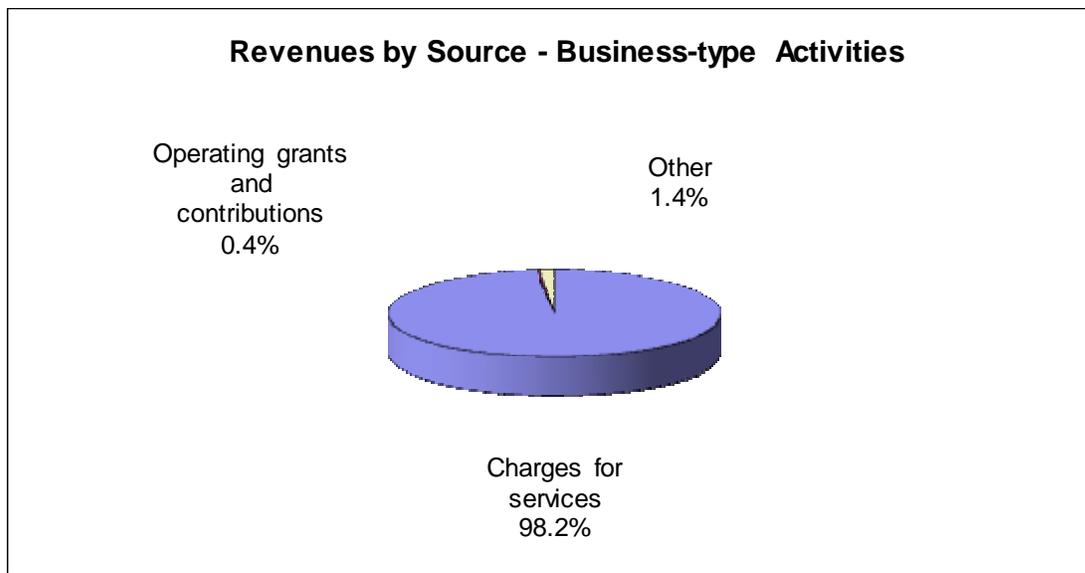


Management's Discussion and Analysis (Continued)

Business-type Activities

Business-type activities increased net assets by \$3,239,353 accounting for 53% 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 5% from 2008. The Utilities fund charges for services increased \$1,145,239 (8%) from the previous year due to increased rates and consumption. The City commissioned a utility rate study for the 2009 year that called for significant rate increases to pay for current and future infrastructure needs.
- Business-type activities made net transfers of \$743,025 to governmental activities during 2009 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 \$46,770,059, an increase of \$4,702,160 in comparison with the prior year. Approximately 67% of this total amount (\$31,528,465) constitutes unreserved fund balance. The remainder of the fund balance is reserved because it has already been committed 1) to provide for prepaid items (\$18,241), 2) to pay committed contracts (\$6,838,361), 3) for special projects (\$200,343), 4) for construction projects (\$2,730,517) or 5) to pay debt service (\$5,454,132).

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 \$12,031,358. As a measure of the general fund's liquidity, unreserved fund balance represents 44% of total general fund expenditures.

The fund balance of the City's general fund decreased by \$2,329,404 during the current fiscal year. Key factors in this decrease are as follows:

- As part of the 2010 budget process, the City decided to move the equipment replacement program to the construction fund in 2010. This decision required a transfer of program assets (\$3,244,468) from the general fund to the construction fund on December 31, 2009.
- General fund property tax revenues increased by 3.8% in the current fiscal year despite a budgeted levy increase of over 4.3%. The shortfall is due to higher than expected delinquencies and abatements.
- Total general fund expenditures decreased 4% in the current fiscal year despite a budgeted increase of 3.6%. The City made several mid-year adjustments to our spending patterns in 2009 due to declining revenues and economic uncertainty. Adjustments included deferred equipment purchases and maintenance, fewer part-time staff, voluntary furloughs, and other adjustments.
- The liquor fund transferred \$765,100 of profits to the general fund.
- The general fund made transfers totaling \$700,000 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 \$2,210,875 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 \$5,454,132, 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 \$1,785,508. Fund balance increased during the year because of new levies for debt issued during 2009 that will increase required debt service beginning in February 2010.

The construction fund balance increased by \$7,383,155 in 2009 due to the equipment replacement program transfer from the general fund. Also, new debt was issued in 2009 to help finance construction of the new public works facility, which will be completed in 2010.

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 \$11,844,846. The total growth in net assets was \$3,181,676. Operating revenues and expenses in the utilities fund increased by 9.7% and 7.3%, respectively, in 2009, due to rate increases that are intended to help replace aging infrastructure. The City invested \$5,388,636 in utility fund capital assets during 2009.

Unrestricted net assets of the liquor fund at the end of the year amounted to \$1,241,053. Total net assets decreased by \$103,517. 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 \$1,310,100 to other funds during 2009. The majority of this amount (\$765,100) 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 \$677,179. Aquatic center revenues decreased slightly from 2008 due to unfavorable weather for the aquatic center in 2009. The aquatic center remains profitable.

Unrestricted net assets of the golf course fund at the end of the year amounted to a deficit of (\$1,408,841), an increase of \$121,561 from the prior year. Unrestricted net assets had been declining for a number of years leading up to 2009 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 future years.

General Fund Budgetary Highlights

During the year there was a \$700,000 increase in appropriations between the original and final amended budget. 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 were \$823,779 less than budget, as the weak economy affected our property tax, permit, and investment revenue. Due to these revenue declines, the City made several adjustments to our spending during the year as well, although the budget was never formally changed. The spending adjustments succeeded in saving \$1,635,472 of budgeted expenditures, so that there was no need to draw upon existing fund balance for operations. Fund balance decreased, but only because of the equipment replacement program transfer to the construction fund.

Many City departments were significantly under budget for the year, mostly due to the mid-year spending adjustments. All departments cut expenditures by reducing staffing levels through overtime, part-time staffing, attrition, and voluntary furloughs. No full-time employees were laid off during the year. In addition, departments deferred equipment purchases where possible. The City also saved money through lower than expected fuel, commodities, and insurance prices.

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, 2009, amounted to \$191,546,125 (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 (a 13 percent increase for governmental activities and a 6 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 started construction on a new public works facility in 2009; construction in progress as of the close of the fiscal year has reached \$13,294,948.
- A variety of street construction, sidewalk and traffic signal projects began in 2009.
- 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 \$11,179,667.

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

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land and land improvements	\$ 26,040,078	\$ 26,109,904	\$ 4,634,890	\$ 4,832,171	\$ 30,674,968	\$ 30,942,075
Buildings and improvements	34,810,399	35,576,980	5,924,799	6,486,370	40,735,198	42,063,350
Machinery and equipment	8,108,214	8,003,483	2,771,677	2,098,994	10,879,891	10,102,477
Infrastructure	24,727,802	24,946,400	44,202,165	41,962,368	68,929,967	66,908,768
Construction in progress	28,872,101	13,412,590	11,454,000	9,968,964	40,326,101	23,381,554
Total	<u>\$122,558,594</u>	<u>\$108,049,357</u>	<u>\$ 68,987,531</u>	<u>\$ 65,348,867</u>	<u>\$ 191,546,125</u>	<u>\$ 173,398,224</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 \$91,390,000, an increase of \$15,095,000 from 2008. The key factor in this increase was the issuance of \$22,720,000 of General Obligation and Public Project Revenue bonds related to the construction of the new public works facility.

\$24,020,000 is for general obligation improvement debt that is supported by property tax levies and special assessments. This amount increased from 2009 due to a new debt issue for the public works facility.

\$14,620,000 is for permanent improvement revolving (PIR) bonds, which finance the City's special assessment program. This amount decreased from 2008 due to regularly scheduled principal payments on outstanding issues.

An additional \$4,125,000 of general obligation tax increment debt financed the City's economic development program. This amount decreased in 2009 due to regularly scheduled principal payments on outstanding issues.

Also outstanding is \$22,650,000 public project revenue bonds which financed the City Hall and Police facility as well as two gymnasiums and the new public works facility. This amount increased in 2009 due to a new debt issue for the public works facility.

There is a total of \$25,975,000 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	
	2009	2008	2009	2008	2009	2008
Tax increment bonds	\$ 4,125,000	\$ 10,015,000	\$ -	\$ -	\$ 4,125,000	\$ 10,015,000
General obligation bonds	24,020,000	10,420,000	-	-	24,020,000	10,420,000
Public improvement bonds	14,620,000	14,770,000	-	-	14,620,000	14,770,000
Public project revenue bonds	22,650,000	14,675,000	-	-	22,650,000	14,675,000
Revenue bonds	-	-	25,975,000	26,415,000	25,975,000	26,415,000
Total	<u>\$ 65,415,000</u>	<u>\$ 49,880,000</u>	<u>\$ 25,975,000</u>	<u>\$ 26,415,000</u>	<u>\$ 91,390,000</u>	<u>\$ 76,295,000</u>

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

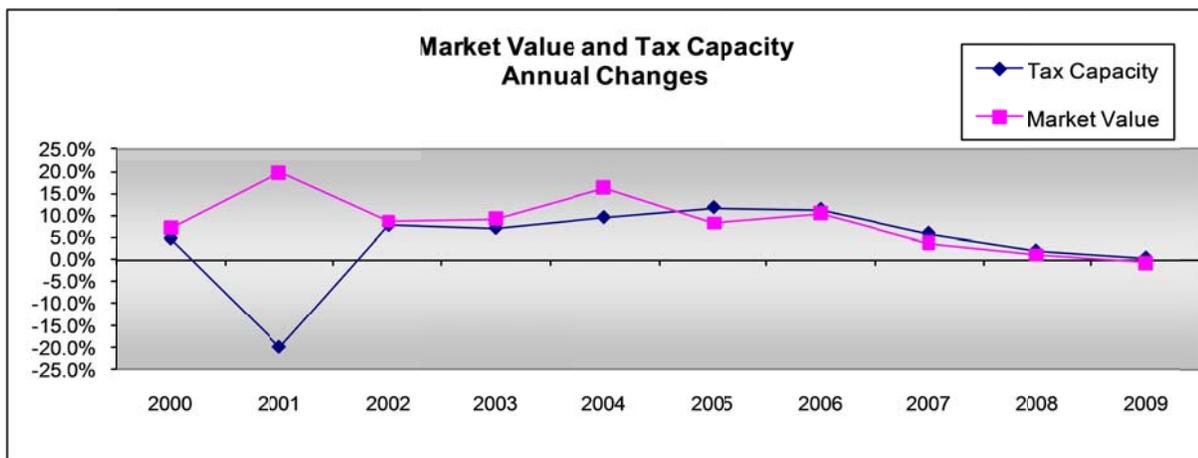
State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$301,368,951. Only \$46,670,000 of the City's outstanding debt is counted within the statutory limitation.

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 2010 was 5.4%, 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 increased at a rapid pace for several years through 2006, but the growth has slowed since then. Estimated market value of all real estate actually decreased 0.6% for taxes payable in 2010 after a 1.3% 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 0.5% for taxes payable in 2010, and has been increasing steadily ever since the state revised property tax law in 2001 for taxes payable in 2002, although that growth has slowed since 2006 along with values.

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 2010 fiscal year. The City's adopted 2010 budget includes a property tax levy of \$20,737,472 for the general fund, an increase of 2.2% from the 2009 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, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 662,700	\$ 596,903	\$ 1,259,603
Investments	41,777,092	11,746,053	53,523,145
Restricted investments	9,568,879	4,538,546	14,107,425
Accrued interest	81,480	23,696	105,176
Accounts receivable, net	507,793	3,260,834	3,768,627
Special assessments receivable	8,043,035	394,738	8,437,773
Internal balances	(1,200,000)	1,200,000	-
Due from other governments	626,252	3,840	630,092
Prepaid items	18,241	355,506	373,747
Inventory	-	1,148,391	1,148,391
Total current assets	<u>60,085,472</u>	<u>23,268,507</u>	<u>83,353,979</u>
Noncurrent assets:			
Deferred charges	367,703	149,993	517,696
Nondepreciable capital assets	46,305,930	12,542,965	58,848,895
Depreciable capital assets (net)	<u>76,252,664</u>	<u>56,444,566</u>	<u>132,697,230</u>
Total noncurrent assets	<u>122,926,297</u>	<u>69,137,524</u>	<u>192,063,821</u>
Total assets	<u>183,011,769</u>	<u>92,406,031</u>	<u>275,417,800</u>
Liabilities:			
Current liabilities:			
Accounts payable	3,645,786	788,646	4,434,432
Salaries payable	751,851	251,762	1,003,613
Accrued interest payable	985,995	363,894	1,349,889
Contracts payable	829,425	85,616	915,041
Due to other governments	12,192	177,712	189,904
Deposits payable	27,165	112,887	140,052
Unearned revenue	6,354	105,645	111,999
Compensated absences payable	1,436,533	455,873	1,892,406
Bonds payable	<u>2,975,000</u>	<u>2,600,000</u>	<u>5,575,000</u>
Total current liabilities	<u>10,670,301</u>	<u>4,942,035</u>	<u>15,612,336</u>
Noncurrent liabilities:			
Net OPEB obligation	513,059	70,553	583,612
Compensated absences payable	2,154,800	683,809	2,838,609
Bonds payable, net of unamortized discount	<u>62,212,774</u>	<u>23,592,283</u>	<u>85,805,057</u>
Total noncurrent liabilities	<u>64,880,633</u>	<u>24,346,645</u>	<u>89,227,278</u>
Total liabilities	<u>75,550,934</u>	<u>29,288,680</u>	<u>104,839,614</u>
Net assets:			
Invested in capital assets, net of related debt	69,622,370	47,333,794	116,956,164
Restricted for tax increments	7,132,865	-	7,132,865
Restricted for debt service	-	624,837	624,837
Unrestricted	<u>30,705,600</u>	<u>15,158,720</u>	<u>45,864,320</u>
Total net assets	<u>\$ 107,460,835</u>	<u>\$ 63,117,351</u>	<u>\$ 170,578,186</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, 2009

<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	\$ 7,362,560	\$ 811,087	\$ 291,633	\$ -
Public safety	14,751,479	5,081,563	859,248	-
Public works	8,993,290	403,771	218,804	2,582,999
Parks	7,732,777	400,729	8,100	-
Interest on long-term debt	2,129,490	-	-	-
Total government activities	<u>40,969,596</u>	<u>6,697,150</u>	<u>1,377,785</u>	<u>2,582,999</u>
Business-type activities:				
Utilities	11,833,994	14,858,488	116,615	-
Liquor	11,449,194	12,655,777	-	-
Aquatic center	798,369	859,816	-	-
Golf course	3,588,831	3,660,466	-	-
Community activity centers	4,636,375	3,606,684	19,302	-
Total business-type activities	<u>32,306,763</u>	<u>35,641,231</u>	<u>135,917</u>	<u>-</u>
Total primary government	<u>\$ 73,276,359</u>	<u>\$ 42,338,381</u>	<u>\$ 1,513,702</u>	<u>\$ 2,582,999</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
	\$ (6,259,840)	\$ -	\$ (6,259,840)
	(8,810,668)	-	(8,810,668)
	(5,787,716)	-	(5,787,716)
	(7,323,948)	-	(7,323,948)
	(2,129,490)	-	(2,129,490)
	<u>(30,311,662)</u>	<u>-</u>	<u>(30,311,662)</u>
	-	3,141,109	3,141,109
	-	1,206,583	1,206,583
	-	61,447	61,447
	-	71,635	71,635
	-	(1,010,389)	(1,010,389)
	<u>-</u>	<u>3,470,385</u>	<u>3,470,385</u>
	<u>(30,311,662)</u>	<u>3,470,385</u>	<u>(26,841,277)</u>
General revenues:			
Property taxes	23,834,274	300,372	24,134,646
Tax increment collections	7,587,386	-	7,587,386
Franchise taxes	667,791	-	667,791
Unrestricted investment earnings	387,177	209,371	596,548
Gain on disposal of capital assets	11,709	2,250	13,959
Transfers	743,025	(743,025)	-
Total general revenues and transfers	<u>33,231,362</u>	<u>(231,032)</u>	<u>33,000,330</u>
Change in net assets	2,919,700	3,239,353	6,159,053
Net assets - beginning	<u>104,541,135</u>	<u>59,877,998</u>	<u>164,419,133</u>
Net assets - ending	<u>\$ 107,460,835</u>	<u>\$ 63,117,351</u>	<u>\$ 170,578,186</u>

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CITY OF EDINA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 222,893	\$ 7,283	\$ 245,744	\$ 21,390	\$ 165,390	\$ 662,700
Investments - unrestricted	12,422,894	12,380,037	4,981,014	11,275,151	717,996	41,777,092
Investments - restricted	-	-	-	9,568,879	-	9,568,879
Accrued interest	12,441	45,066	4,430	15,009	4,534	81,480
Accounts receivable	314,825	-	-	11,776	181,192	507,793
Special assessments receivable	-	-	5,922,939	2,120,096	-	8,043,035
Due from other funds	130,501	-	200,000	-	450,000	780,501
Due from other governments	491,121	1,662	22,944	10,450	100,075	626,252
Prepaid items	18,241	-	-	-	-	18,241
Total assets	\$ 13,612,916	\$ 12,434,048	\$ 11,377,071	\$ 23,022,751	\$ 1,619,187	\$ 62,065,973
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 611,477	\$ 970,336	\$ -	\$ 2,049,287	\$ 14,686	\$ 3,645,786
Salaries payable	731,821	-	-	8,524	11,506	751,851
Contracts payable	-	-	-	829,425	-	829,425
Due to other funds	200,000	130,501	-	1,550,000	100,000	1,980,501
Due to other governments	5,779	6,413	-	-	-	12,192
Deposits payable	14,240	-	-	12,925	-	27,165
Unearned revenue	-	-	-	-	6,354	6,354
Deferred revenue	-	-	5,922,939	2,119,701	-	8,042,640
Total liabilities	1,563,317	1,107,250	5,922,939	6,569,862	132,546	15,295,914
Fund balance:						
Reserved for:						
Prepaid items	18,241	-	-	-	-	18,241
Encumbrances	-	-	-	6,838,361	-	6,838,361
Special projects	-	-	-	200,343	-	200,343
Construction projects	-	-	-	2,730,517	-	2,730,517
Debt service	-	-	5,454,132	-	-	5,454,132
Unreserved:						
Designated, reported in:						
General Fund	11,094,859	-	-	-	-	11,094,859
Capital Project Funds	-	-	-	6,683,668	-	6,683,668
Undesignated, reported in:						
General Fund	936,499	-	-	-	-	936,499
Special Revenue Funds	-	11,326,798	-	-	1,486,641	12,813,439
Total fund balance	12,049,599	11,326,798	5,454,132	16,452,889	1,486,641	46,770,059
Total liabilities and fund balances	\$ 13,612,916	\$ 12,434,048	\$ 11,377,071	\$ 23,022,751	\$ 1,619,187	\$ 62,065,973
Fund balance reported above						\$ 46,770,059
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						122,558,594
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds						8,042,640
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(69,910,458)
Net assets of governmental activities						\$ 107,460,835

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, 2009

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	\$ 20,742,167	\$ -	\$ 3,092,107	\$ -	\$ -	\$ 23,834,274
Tax increment collections	-	7,587,386	-	-	-	7,587,386
Special assessments	-	-	1,508,662	1,195,171	-	2,703,833
Franchise fees	-	-	-	-	667,791	667,791
License and permits	2,081,139	-	-	23,828	-	2,104,967
Intergovernmental	884,649	-	-	276,129	346,392	1,507,170
Charges for services	2,759,164	-	-	146,246	-	2,905,410
Fines and forfeitures	1,148,440	-	-	-	76,543	1,224,983
Investment income	37,668	183,592	35,151	109,936	20,830	387,177
Rental of property	342,446	-	-	1,170	-	343,616
Other revenues	43,406	-	-	14,950	101,679	160,035
Total revenues	<u>28,039,079</u>	<u>7,770,978</u>	<u>4,635,920</u>	<u>1,767,430</u>	<u>1,213,235</u>	<u>43,426,642</u>
Expenditures:						
Current:						
General government	4,007,381	1,631,984	-	306,787	949,177	6,895,329
Public safety	13,442,038	-	-	60,366	190,282	13,692,686
Public works	5,597,264	-	-	314,494	-	5,911,758
Parks	3,569,655	-	-	118,408	-	3,688,063
Capital outlay:						
General government	16,653	-	-	405,492	-	422,145
Public safety	320,573	-	-	234,330	-	554,903
Public works	54,149	-	-	19,232,675	-	19,286,824
Parks	165,994	2,215,633	-	351,566	-	2,733,193
Debt service:						
Bond principal	-	-	7,415,000	-	-	7,415,000
Interest and fiscal charges	-	-	1,841,342	-	-	1,841,342
Total expenditures	<u>27,173,707</u>	<u>3,847,617</u>	<u>9,256,342</u>	<u>21,024,118</u>	<u>1,139,459</u>	<u>62,441,243</u>
Revenues over (under) expenditures	<u>865,372</u>	<u>3,923,361</u>	<u>(4,620,422)</u>	<u>(19,256,688)</u>	<u>73,776</u>	<u>(19,014,601)</u>
Other financing sources (uses):						
Transfers in	765,100	-	6,338,205	4,244,468	-	11,347,773
Transfers out	(3,994,468)	(6,134,236)	-	(476,044)	-	(10,604,748)
Sale of capital assets	34,592	-	-	-	-	34,592
Bonds issued	-	-	67,000	22,883,000	-	22,950,000
Premium on bonds issued	-	-	725	64,040	-	64,765
Discount on bonds issued	-	-	-	(75,621)	-	(75,621)
Total other financing sources (uses)	<u>(3,194,776)</u>	<u>(6,134,236)</u>	<u>6,405,930</u>	<u>26,639,843</u>	<u>-</u>	<u>23,716,761</u>
Net increase (decrease) in fund balance	(2,329,404)	(2,210,875)	1,785,508	7,383,155	73,776	4,702,160
Fund balance - January 1	<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>
Fund balance - December 31	<u>\$ 12,049,599</u>	<u>\$ 11,326,798</u>	<u>\$ 5,454,132</u>	<u>\$ 16,452,889</u>	<u>\$ 1,486,641</u>	<u>\$ 46,770,059</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, 2009

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) \$ 4,702,160

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. 14,532,120

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. (22,883)

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. (292,080)

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. (15,388,617)

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. (611,000)

Change in net assets of governmental activities (page 23) \$ 2,919,700

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

CITY OF EDINA, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Business-type Activities - Enterprise Funds					
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	Total
Assets:						
Current assets:						
Cash and cash equivalents	\$ 458,470	\$ 571	\$ 107,848	\$ 12,949	\$ 17,065	\$ 596,903
Investments - unrestricted	8,510,735	-	-	-	3,235,318	11,746,053
Investments - restricted	2,233,114	-	-	-	2,305,432	4,538,546
Interest receivable	3,911	-	-	-	19,785	23,696
Accounts receivable, net	3,127,841	950	-	1,613	130,430	3,260,834
Special assessments receivable	394,738	-	-	-	-	394,738
Due from other funds	-	1,000,000	1,200,000	-	116,000	2,316,000
Due from other governments	3,840	-	-	-	-	3,840
Prepaid expenses	355,506	-	-	-	-	355,506
Inventory	24,827	1,058,199	-	52,622	12,743	1,148,391
Total current assets	15,112,982	2,059,720	1,307,848	67,184	5,836,773	24,384,507
Noncurrent assets:						
Deferred charges	100,931	-	9,575	11,329	28,158	149,993
Net capital assets	56,772,399	1,331,625	1,758,093	4,928,678	4,196,736	68,987,531
Total noncurrent assets	56,873,330	1,331,625	1,767,668	4,940,007	4,224,894	69,137,524
Total assets	71,986,312	3,391,345	3,075,516	5,007,191	10,061,667	93,522,031
Liabilities:						
Current liabilities:						
Accounts payable	281,915	341,754	592	33,718	130,667	788,646
Salaries payable	61,781	56,206	1,015	51,003	81,757	251,762
Accrued interest payable	335,278	-	13,233	15,383	-	363,894
Contracts payable	85,616	-	-	-	-	85,616
Due to other funds	-	-	-	1,000,000	116,000	1,116,000
Due to other governments	14,062	149,214	567	6,144	7,725	177,712
Deposits payable	112,216	-	-	671	-	112,887
Unearned revenue	-	4,545	-	45,141	55,959	105,645
Compensated absences payable	90,027	101,846	-	127,168	136,832	455,873
Bonds payable - current	2,185,000	-	135,000	280,000	-	2,600,000
Total current liabilities	3,165,895	653,565	150,407	1,559,228	528,940	6,058,035
Noncurrent liabilities:						
Net OPEB obligation	20,018	12,333	-	17,374	20,828	70,553
Compensated absences payable	135,040	152,769	-	190,752	205,248	683,809
Bonds payable, net of unamortized discounts	19,527,893	-	725,741	884,987	2,453,662	23,592,283
Total noncurrent liabilities	19,682,951	165,102	725,741	1,093,113	2,679,738	24,346,645
Total liabilities	22,848,846	818,667	876,148	2,652,341	3,208,678	30,404,680
Net assets:						
Invested in capital assets, net of related debt	37,292,620	1,331,625	897,352	3,763,691	4,048,506	47,333,794
Restricted for debt service	-	-	624,837	-	-	624,837
Unrestricted	11,844,846	1,241,053	677,179	(1,408,841)	2,804,483	15,158,720
Total net assets	\$ 49,137,466	\$ 2,572,678	\$ 2,199,368	\$ 2,354,850	\$ 6,852,989	\$ 63,117,351

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, 2009

	Business-type Activities - Enterprise Funds					
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	Total
Operating revenues:						
Sales - liquor	\$ -	\$ 12,642,630	\$ -	\$ 146,632	\$ -	\$ 12,789,262
Sales - retail	-	-	4,759	212,886	43,909	261,554
Sales - utilities	14,484,863	-	-	-	-	14,484,863
Sales - concessions	-	-	101,398	230,776	65,549	397,723
Memberships	-	-	464,570	123,761	86,290	674,621
Admissions	-	-	261,621	264,671	675,447	1,201,739
Building rental	-	-	27,468	81,728	1,398,011	1,507,207
Rental of equipment	-	-	-	359,277	106,758	466,035
Greens fees	-	-	-	1,880,610	215,710	2,096,320
Other fees	372,935	-	-	358,333	1,015,010	1,746,278
Total operating revenues	<u>14,857,798</u>	<u>12,642,630</u>	<u>859,816</u>	<u>3,658,674</u>	<u>3,606,684</u>	<u>35,625,602</u>
Operating expenses:						
Cost of sales and services	52,786	9,300,699	28,670	338,248	73,878	9,794,281
Personal services	1,732,097	1,361,602	261,365	1,774,558	2,095,029	7,224,651
Contractual services	5,989,392	472,412	118,074	580,479	1,432,638	8,592,995
Commodities	888,411	62,538	142,570	323,311	414,341	1,831,171
Central Services	501,693	186,144	25,056	110,796	155,897	979,586
Depreciation	1,650,837	65,799	194,928	414,656	464,490	2,790,710
Total operating expenses	<u>10,815,216</u>	<u>11,449,194</u>	<u>770,663</u>	<u>3,542,048</u>	<u>4,636,273</u>	<u>31,213,394</u>
Operating income (loss)	<u>4,042,582</u>	<u>1,193,436</u>	<u>89,153</u>	<u>116,626</u>	<u>(1,029,589)</u>	<u>4,412,208</u>
Nonoperating revenues (expenses):						
Excess tax increments	-	-	-	100,124	200,248	300,372
Intergovernmental	116,615	-	-	-	-	116,615
Investment income	140,567	-	-	-	68,804	209,371
Donations	-	-	-	-	19,302	19,302
Interest and fiscal charges	(811,587)	-	(26,942)	(34,362)	(42)	(872,933)
Amortization of bond discount	8,005	-	(764)	(820)	(60)	6,361
Gain (loss) on sale of capital asset	-	-	-	(11,601)	2,250	(9,351)
Miscellaneous	690	13,147	-	1,792	-	15,629
Special items	(215,196)	-	-	-	-	(215,196)
Total nonoperating revenues (expenses)	<u>(760,906)</u>	<u>13,147</u>	<u>(27,706)</u>	<u>55,133</u>	<u>290,502</u>	<u>(429,830)</u>
Income (loss) before transfers	<u>3,281,676</u>	<u>1,206,583</u>	<u>61,447</u>	<u>171,759</u>	<u>(739,087)</u>	<u>3,982,378</u>
Transfers:						
Transfers in	-	-	-	170,000	497,075	667,075
Transfers out	(100,000)	(1,310,100)	-	-	-	(1,410,100)
Total transfers	<u>(100,000)</u>	<u>(1,310,100)</u>	<u>-</u>	<u>170,000</u>	<u>497,075</u>	<u>(743,025)</u>
Change in net assets	3,181,676	(103,517)	61,447	341,759	(242,012)	3,239,353
Net assets - January 1	<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>
Net assets - December 31	<u>\$ 49,137,466</u>	<u>\$ 2,572,678</u>	<u>\$ 2,199,368</u>	<u>\$ 2,354,850</u>	<u>\$ 6,852,989</u>	<u>\$ 63,117,351</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, 2009

	Business-type Activities - Enterprise Funds					
	Utilities	Liquor	Aquatic Center	Golf Course	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 15,030,675	\$ 12,643,860	\$ 859,805	\$ 3,661,488	\$ 3,605,996	\$ 35,801,824
Payment to suppliers	(7,759,304)	(9,988,420)	(314,722)	(1,387,799)	(2,260,207)	(21,710,452)
Payment to employees	(1,692,107)	(1,322,943)	(260,723)	(1,734,978)	(2,046,052)	(7,056,803)
Donations	-	-	-	-	19,302	19,302
Miscellaneous revenue	690	13,147	-	1,792	-	15,629
Special items	(215,196)	-	-	-	-	(215,196)
Net cash provided by (used in) operating activities	<u>5,364,758</u>	<u>1,345,644</u>	<u>284,360</u>	<u>540,503</u>	<u>(680,961)</u>	<u>6,854,304</u>
Cash flows from noncapital financing activities:						
Excess tax increments	-	-	-	100,124	200,248	300,372
State grant	116,615	-	-	-	-	116,615
Transfer from other funds	-	-	-	170,000	497,075	667,075
Transfer to other funds	(100,000)	(1,310,100)	-	-	-	(1,410,100)
Proceeds from interfund borrowing	-	100,000	185,000	-	101,000	386,000
Payment of interfund borrowing	-	-	(1,200,000)	(100,000)	(101,000)	(1,401,000)
Net cash provided by (used in) noncapital financing activities	<u>16,615</u>	<u>(1,210,100)</u>	<u>(1,015,000)</u>	<u>170,124</u>	<u>697,323</u>	<u>(1,341,038)</u>
Cash flows from capital and related financing activities:						
Proceeds from capital debt	-	-	-	-	2,425,443	2,425,443
Proceeds from refunding debt	-	-	858,033	1,159,096	-	2,017,129
Deposit to refunding escrow	-	-	(845,000)	(1,140,000)	-	(1,985,000)
Acquisition of capital assets	(5,388,636)	(157,853)	(14,915)	(173,180)	(718,719)	(6,453,303)
Proceeds from sale of capital assets	-	-	-	12,328	2,250	14,578
Principal paid on bonds	(2,045,000)	-	(120,000)	(515,000)	(225,000)	(2,905,000)
Interest paid on bonds	(803,157)	-	(34,013)	(53,953)	(4,162)	(895,285)
Net cash provided by (used in) capital and related financing activities	<u>(8,236,793)</u>	<u>(157,853)</u>	<u>(155,895)</u>	<u>(710,709)</u>	<u>1,479,812</u>	<u>(7,781,438)</u>
Cash flows from investing activities:						
Proceeds from sale of investments	3,025,663	-	-	-	715,922	3,741,585
Purchase of investments	-	-	-	-	(2,425,591)	(2,425,591)
Investment income	214,681	-	-	-	184,226	398,907
Net cash flows provided by (used in) investing activities	<u>3,240,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,525,443)</u>	<u>1,714,901</u>
Net increase (decrease) in cash and cash equivalents	384,924	(22,309)	(886,535)	(82)	(29,269)	(553,271)
Cash and cash equivalents - January 1	<u>73,546</u>	<u>22,880</u>	<u>994,383</u>	<u>13,031</u>	<u>46,334</u>	<u>1,150,174</u>
Cash and cash equivalents - December 31	<u>\$ 458,470</u>	<u>\$ 571</u>	<u>\$ 107,848</u>	<u>\$ 12,949</u>	<u>\$ 17,065</u>	<u>\$ 596,903</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, 2009

	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)	<u>\$ 4,042,582</u>	<u>\$ 1,193,436</u>	<u>\$ 89,153</u>	<u>\$ 116,626</u>	<u>\$ (1,029,589)</u>	<u>\$ 4,412,208</u>
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:						
Depreciation	1,650,837	65,799	194,928	414,656	464,490	2,790,710
Donations	-	-	-	-	19,302	19,302
Miscellaneous revenue	690	13,147	-	1,792	-	15,629
Special items	(215,196)	-	-	-	-	(215,196)
Changes in assets and liabilities:						
Decrease (increase) in receivables	324,192	550	-	347	(69)	325,020
Decrease (increase) in special assessments	(153,431)	-	-	-	-	(153,431)
Decrease (increase) in due from other governments	2,116	-	-	-	-	2,116
Decrease (increase) in inventory	12,330	30,173	-	(3,649)	(1,307)	37,547
Decrease (increase) in prepaid items	(11,100)	-	-	-	-	(11,100)
Increase (decrease) in accounts payable	(244,071)	(9,286)	35	(20,654)	(182,397)	(456,373)
Increase (decrease) in salaries payable	11,648	7,570	642	9,508	7,927	37,295
Increase (decrease) in contracts payable	(88,143)	-	-	-	-	(88,143)
Increase (decrease) in due to other governments	3,962	12,486	(387)	(128)	251	16,184
Increase (decrease) in deposits	-	-	-	(10,534)	-	(10,534)
Increase (decrease) in unearned revenue	-	680	(11)	2,467	(619)	2,517
Increase (decrease) in net OPEB obligation	9,471	5,835	-	8,219	9,854	33,379
Increase (decrease) in compensated absences	18,871	25,254	-	21,853	31,196	97,174
Total adjustments	<u>1,322,176</u>	<u>152,208</u>	<u>195,207</u>	<u>423,877</u>	<u>348,628</u>	<u>2,442,096</u>
Net cash provided by (used in) operating activities	<u>\$ 5,364,758</u>	<u>\$ 1,345,644</u>	<u>\$ 284,360</u>	<u>\$ 540,503</u>	<u>\$ (680,961)</u>	<u>\$ 6,854,304</u>
Noncash investing activities:						
Increase (decrease) in fair value of investments	<u>\$ (8,566)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,245)</u>	<u>\$ (113,811)</u>

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

CITY OF EDINA, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2009

	<u>Agency Funds</u>
Assets	
Cash	\$ 177,048
Investments	<u>245,000</u>
Total assets	<u>\$ 422,048</u>
Liabilities	
Accounts payable	\$ 34,406
Salaries payable	4,716
Due to other governmental units	<u>382,926</u>
Total liabilities	<u>\$ 422,048</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, 2009

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, Public Safety Training Facility, and I-494 Corridor Commission 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, 2009

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, 2009 are planned to be eliminated in 2010. 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.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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	\$ 65,415,000
Plus: issuance premium	94,042
Less: issuance discount	(321,268)
Less: deferred charge for issuance costs	(367,703)
Accrued interest payable	985,995
OPEB obligation	513,059
Compensated absences	<u>3,591,333</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u>\$ 69,910,458</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:

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Capital outlay	\$ 19,818,160
Depreciation expense	<u>(5,286,040)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ 14,532,120</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 general obligation bonds	\$ 14,230,000
Issuance of public project revenue bonds	8,720,000
Less issuance costs	(135,527)
Less discounts	(75,621)
Plus premiums	64,765
Principal repayments:	
Tax increment debt	(5,890,000)
General obligation debt	(630,000)
Permanent improvement revolving debt	(150,000)
Public project revenue debt	<u>(745,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 15,388,617</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:

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

OPEB obligation	\$ (242,729)
Compensated absences	(80,123)
Accrued interest	(234,517)
Amortization of issuance costs	(33,247)
Amortization of bond discounts and premiums	<u>(20,384)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (611,000)</u>

Note 3 CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

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

Deposits	\$ 1,417,565
Cash on hand	19,085
Investments	<u>67,875,570</u>
	<u>\$ 69,312,220</u>

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

Cash and cash equivalents - Statement of Net Assets	\$ 1,259,603
Investments - Statement of Net Assets	53,523,144
Restricted investments - Statement of Net Assets	14,107,425
Cash and investments - Statement of Fiduciary Net Assets	<u>422,048</u>
	<u>\$ 69,312,220</u>

The City had restricted investments of \$14,107,425 as of December 31, 2009 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.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 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 \$1,417,565 while the balance on the bank records was \$2,298,284. At December 31, 2009, 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	\$ -	\$ 64,631	\$ 753,494	\$ 599,169	\$ 1,417,294
GNMA	N/A	N/A	-	-	-	33,813	33,813
SBA Notes	AAA/Aaa	S&P/Mdy/s	3,944	54,434	485,400	42,526	586,304
U.S. Agencies	AAA/Aaa	S&P/Mdy/s	5,274,355	13,050,897	2,611,137	2,704,226	23,640,615
Municipals	N/R	N/A	30,122	-	-	-	30,122
Municipals	A	S&P	10,041	-	-	-	10,041
Municipals	AAA/AAA	S&P/Fitch	30,291	10,603	73,459	-	114,353
Municipals	AA/Aa1	S&P/Mdy/s	-	-	-	2,595,000	2,595,000
Negotiable CD's	N/R	N/A	6,988,183	97,879	-	-	7,086,062
Interfund Debt	N/R	N/A	-	1,400,000	-	-	1,400,000
			<u>\$12,336,936</u>	<u>\$14,678,444</u>	<u>\$ 3,923,490</u>	<u>\$ 5,974,734</u>	<u>36,913,604</u>
Money Market*	AAA	S&P					28,390,629
4M Fund*	N/R	N/A					2,571,337
Total investments							<u>\$67,875,570</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 7% and 24% in securities issued by 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

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

specifically address the City's desire to limit interest rate risk, but do not set specific guidelines for measurement of this risk.

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,981,364	\$ -	\$ -	\$ 15,981,364
Investment in joint venture	1,452,465	-	-	1,452,465
Construction in progress	13,412,590	19,197,487	(3,737,976)	28,872,101
Total capital assets not being depreciated	<u>30,846,419</u>	<u>19,197,487</u>	<u>(3,737,976)</u>	<u>46,305,930</u>
Capital assets being depreciated:				
Land improvements	21,699,762	693,134	-	22,392,896
Buildings and structures	35,018,165	344,266	-	35,362,431
Furniture and office equipment	2,615,664	935,934	(180,865)	3,370,733
Vehicles and equipment	13,888,737	574,109	(602,698)	13,860,148
Infrastructure	69,003,514	1,398,379	(203,145)	70,198,748
Parks	14,669,282	412,827	(99,001)	14,983,108
Total capital assets being depreciated	<u>156,895,124</u>	<u>4,358,649</u>	<u>(1,085,709)</u>	<u>160,168,064</u>
Less accumulated depreciation for:				
Land improvements	(11,571,222)	(762,960)	-	(12,334,182)
Buildings and structures	(9,764,664)	(985,309)	-	(10,749,973)
Furniture and office equipment	(1,255,307)	(244,633)	180,865	(1,319,075)
Vehicles and equipment	(7,245,611)	(1,140,594)	582,613	(7,803,592)
Infrastructure	(44,057,114)	(1,616,977)	203,145	(45,470,946)
Parks	(5,798,268)	(535,567)	96,203	(6,237,632)
Total accumulated depreciation	<u>(79,692,186)</u>	<u>(5,286,040)</u>	<u>1,062,826</u>	<u>(83,915,400)</u>
Total capital assets being depreciated, net	<u>77,202,938</u>	<u>(927,391)</u>	<u>(22,883)</u>	<u>76,252,664</u>
Governmental activities capital assets, net	<u>\$ 108,049,357</u>	<u>\$ 18,270,096</u>	<u>\$ (3,760,859)</u>	<u>\$ 122,558,594</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, 2009

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,965	\$ -	\$ -	\$ 1,088,965
Construction in progress	9,968,964	5,580,286	(4,095,250)	11,454,000
Total capital assets not being depreciated	<u>11,057,929</u>	<u>5,580,286</u>	<u>(4,095,250)</u>	<u>12,542,965</u>
Capital assets being depreciated:				
Land improvements & golf course	8,080,614	102,704	-	8,183,318
Buildings and structures	16,102,655	35,735	-	16,138,390
Furniture and office equipment	121,680	38,462	-	160,142
Vehicles and equipment	4,915,278	1,070,810	(53,211)	5,932,877
Utility infrastructure	68,448,170	3,720,556	-	72,168,726
Lease property capital lease	468,580	-	-	468,580
Total capital assets being depreciated	<u>98,136,977</u>	<u>4,968,267</u>	<u>(53,211)</u>	<u>103,052,033</u>
Less accumulated depreciation for:				
Land improvements & golf course	(4,337,408)	(299,985)	-	(4,637,393)
Buildings and structures	(9,616,285)	(597,306)	-	(10,213,591)
Furniture and office equipment	(111,652)	(9,982)	-	(121,634)
Vehicles and equipment	(2,826,312)	(402,678)	29,282	(3,199,708)
Utility infrastructure	(26,485,802)	(1,480,759)	-	(27,966,561)
Lease property capital lease	(468,580)	-	-	(468,580)
Total accumulated depreciation	<u>(43,846,039)</u>	<u>(2,790,710)</u>	<u>29,282</u>	<u>(46,607,467)</u>
Total capital assets being depreciated, net	<u>54,290,938</u>	<u>2,177,557</u>	<u>(23,929)</u>	<u>56,444,566</u>
Business-type activities capital assets, net	<u>\$ 65,348,867</u>	<u>\$ 7,757,843</u>	<u>\$ (4,119,179)</u>	<u>\$ 68,987,531</u>

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

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Governmental activities:	
General government	\$ 505,794
Public safety	640,274
Public works	2,371,507
Parks	1,768,465
Total depreciation expense - governmental activities	<u>\$ 5,286,040</u>
Business-type activities:	
Utilities	\$ 1,650,837
Liquor	65,799
Aquatic Center	194,928
Golf Course	414,656
Arena	286,241
Art Center	30,124
Edinborough Park/Centennial Lakes	148,125
Total depreciation expense - business-type activities	<u>\$ 2,790,710</u>

CONSTRUCTION COMMITMENTS

At December 31, 2009, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

Project #	Project Description	Contract Amount	Remaining Commitment
08-1 Eng	Country Club Reconstruction	\$ 14,289,890	\$ 1,348,005
08-6 Eng	Street/Sidewalk Reconstruction	2,145,508	4,348
09-5 Eng	Promenade	1,952,097	22,029
09-6 Eng	Street/Sidewalk Reconstruction	720,380	38,024
09-7 Eng	Street/Sidewalk Reconstruction	718,139	7,638
09-11 Eng	Street/Sidewalk Reconstruction	1,586,586	17,366
Various	New Public Works Facility	10,613,873	6,074,954
			<u>\$ 7,512,364</u>

Note 5 LONG-TERM DEBT

The City has five types of bonded debt outstanding at December 31, 2009: 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 payable primarily from enterprise revenue with any deficiency to be provided for by general

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009, 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 12/31/09
Tax Increment Bonds:					
Tax Increment Bonds, Series 2000A	4.30-4.80%	9/6/2000	2/1/2011	\$ 2,620,000	\$ 630,000
Tax Increment Bonds, Series 2002B	3.00%	8/5/2002	2/1/2012	1,400,000	1,400,000
Tax Increment Refunding Bonds, Series 2005D	3.00-3.40%	7/19/2005	2/1/2013	3,505,000	2,095,000
Total Tax Increment Bonds				<u>7,525,000</u>	<u>4,125,000</u>
General Obligation Bonds:					
General Obligation - Park & Recreation Refunding, 2005A	3.50-4.00%	7/19/2005	2/1/2017	5,375,000	4,120,000
General Obligation - Capital Improvement Plan, 2007A	4.00-4.25%	5/24/2007	2/1/2028	5,865,000	5,670,000
General Obligation - Capital Improvement Plan, 2009A	3.00-4.40%	4/29/2009	2/1/2030	14,000,000	14,000,000
General Obligation - Equipment Certificates, 2009B	2.00-3.00%	4/29/2009	1/1/2012	230,000	230,000
Total General Obligation Bonds				<u>25,470,000</u>	<u>24,020,000</u>
Permanent Improvement Revolving (PIR) Bonds:					
Permanent Improvement Revolving, 2005E	3.00-3.75%	9/13/2005	2/1/2016	1,460,000	995,000
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	7,755,000	7,755,000
Total PIR Bonds				<u>15,085,000</u>	<u>14,620,000</u>
Public Project Revenue Bonds:					
Public Project Revenue, Series 2002	4.00-5.25%	1/1/2002	2/1/2021	12,410,000	9,075,000
Public Project Revenue, Series 2005	3.50-4.13%	9/13/2005	5/1/2026	5,425,000	4,855,000
Public Project Revenue, Series 2009A	2.10-4.55%	11/24/2009	2/1/2030	2,595,000	2,595,000
Public Project Revenue, Series 2009B	1.95-5.80%	11/24/2009	2/1/2030	6,125,000	6,125,000
Total Public Project Revenue Bonds				<u>26,555,000</u>	<u>22,650,000</u>
Total bonded indebtedness - governmental activities				<u>\$ 74,635,000</u>	<u>\$ 65,415,000</u>

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

BUSINESS-TYPE ACTIVITIES

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/09
Revenue Bonds:					
Recreational Facility Bonds, Series 2009B	2.00-3.00%	4/29/2009	1/1/2013	\$ 2,010,000	\$ 2,010,000
Recreational Facility Bonds, Series 2009C	2.00-4.00%	12/10/2009	2/1/2030	2,440,000	2,440,000
Utility Revenue Bonds, Series 2003C	1.10-3.55%	3/1/2003	2/1/2013	3,200,000	1,405,000
Utility Revenue Bonds, Series 2007B	4.00%	5/24/2007	2/1/2017	8,210,000	6,740,000
Utility Revenue Bonds, Series 2008A	3.00-4.25%	8/28/2008	2/1/2019	13,985,000	13,380,000
Total Revenue Bonds				<u>29,845,000</u>	<u>25,975,000</u>
Total bonded indebtedness - business-type activities				<u>\$ 29,845,000</u>	<u>\$ 25,975,000</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
2010	\$ 805,000	\$ 125,820	\$ 735,000	\$ 1,016,976	\$ 655,000	\$ 520,278
2011	840,000	94,359	1,265,000	852,680	1,330,000	486,944
2012	1,930,000	48,445	1,310,000	810,293	1,375,000	442,069
2013	550,000	9,350	1,270,000	766,655	1,415,000	395,269
2014	-	-	1,310,000	721,799	1,455,000	346,231
2015-2019	-	-	6,080,000	2,905,192	7,460,000	904,525
2020-2024	-	-	5,195,000	1,966,223	930,000	18,600
2025-2029	-	-	5,880,000	827,596	-	-
2030	-	-	975,000	21,450	-	-
Total	<u>\$ 4,125,000</u>	<u>\$ 277,974</u>	<u>\$ 24,020,000</u>	<u>\$ 9,888,864</u>	<u>\$ 14,620,000</u>	<u>\$ 3,113,916</u>

Year Ending December 31	Governmental Activities		Business-type Activities	
	Public Project Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 780,000	\$ 632,880	\$ 2,600,000	\$ 869,086
2011	810,000	1,063,316	2,755,000	808,335
2012	975,000	953,448	2,880,000	718,226
2013	1,255,000	910,821	2,985,000	622,636
2014	1,305,000	860,166	2,330,000	531,925
2015-2019	7,370,000	3,385,491	10,895,000	1,303,195
2020-2024	5,925,000	1,700,844	625,000	245,213
2025-2029	3,595,000	664,953	740,000	109,600
2030	635,000	34,330	165,000	3,300
Total	<u>\$ 22,650,000</u>	<u>\$ 10,206,249</u>	<u>\$ 25,975,000</u>	<u>\$ 5,211,516</u>

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Tax increment	\$ 10,015,000	\$ -	\$ (5,890,000)	\$ 4,125,000	\$ 805,000
General obligation	10,420,000	14,230,000	(630,000)	24,020,000	735,000
PIR	14,770,000	-	(150,000)	14,620,000	655,000
Public project revenue	14,675,000	8,720,000	(745,000)	22,650,000	780,000
Less deferred amounts:					
Discount on bonds	(273,307)	(75,621)	27,660	(321,268)	-
Premiums	36,553	64,765	(7,276)	94,042	-
Total bonds payable	<u>49,643,246</u>	<u>22,939,144</u>	<u>(7,394,616)</u>	<u>65,187,774</u>	<u>2,975,000</u>
Compensated absences	<u>3,511,210</u>	<u>1,741,551</u>	<u>(1,661,428)</u>	<u>3,591,333</u>	<u>1,436,533</u>
Governmental activity					
Long-term liabilities	<u>\$ 53,154,456</u>	<u>\$ 24,680,695</u>	<u>\$ (9,056,044)</u>	<u>\$ 68,779,107</u>	<u>\$ 4,411,533</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 26,415,000	\$ 4,450,000	\$ (4,890,000)	\$ 25,975,000	\$ 2,600,000
Less deferred amounts:					
Discount on bonds	(17,504)	-	3,834	(13,670)	-
Premiums	216,397	41,997	(27,442)	230,952	-
Total bonds payable	<u>26,613,893</u>	<u>4,491,997</u>	<u>(4,913,608)</u>	<u>26,192,282</u>	<u>2,600,000</u>
Compensated absences	<u>1,042,508</u>	<u>380,253</u>	<u>(283,079)</u>	<u>1,139,682</u>	<u>455,873</u>
Business-type activity					
Long-term liabilities	<u>\$ 27,656,401</u>	<u>\$ 4,872,250</u>	<u>\$ (5,196,687)</u>	<u>\$ 27,331,964</u>	<u>\$ 3,055,873</u>

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

The City issued \$2,240,000 of 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 bonds, Series 1999B and the 2010 through 2017 maturities of the \$4,620,000 General Obligation bonds, Series 2001A and to fund the purchase of 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
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 2009 is computed as follows:

	<u>December 31, 2009</u>
Market Value (after fiscal disparities)	<u>\$ 10,045,631,700</u>
Debt Limit (3% of Market Value)	<u>\$ 301,368,951</u>
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 91,390,000
Less:	
Tax increment bonds	(4,125,000)
Public improvement revolving bonds	(14,620,000)
Revenue bonds	<u>(25,975,000)</u>
Total debt applicable to debt limit	<u>\$ 46,670,000</u>
Legal debt margin	<u>\$ 254,698,951</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 9.1% and 6.0%, respectively, of their covered salary in 2009. PEPFF members were required to contribute 9.4% of their covered salary in 2009. The City of Edina is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 6.75% for Coordinated Plan PERF members, and 14.1% for PEPFF members. Employer contribution rates for the Coordinated Plan will increase to 7% effective January 1, 2010. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2009, 2008, and 2007 were \$930,938, \$860,091, and \$785,482, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2009, 2008, and 2007 were \$941,565, \$855,910, and \$738,399, 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

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	13,838
Adjustment to annual required contribution	<u>(9,987)</u>
Annual OPEB cost (expense)	443,317
Contributions made	<u>(167,209)</u>
Increase in net OPEB obligation	276,108
Net OPEB obligation - beginning of year	<u>307,504</u>
Net OPEB obligation - end of year	<u><u>\$ 583,612</u></u>

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

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Employer</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
December 31, 2008	\$ 439,466	\$ 131,962	30.0%	\$ 307,504
December 31, 2009	443,317	167,209	37.7%	583,612

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. 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, 2009, is as follows:

Receivable Fund	Payable Fund	Amount
General	HRA	\$ 130,501
Debt Service	General	200,000
Police Special Revenue	CDBG	100,000
	Construction	350,000
Liquor	Golf Course	1,000,000
Aquatic Center	Construction	1,200,000
Art Center	Arena	116,000
Total		<u>\$ 3,096,501</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, 2009

	Transfer In:					Total
	General	Debt Service	Construction	Golf Course	Nonmajor Business-type	
Transfer out:						
General Fund	\$ -	\$ -	\$ 3,994,468	\$ -	\$ -	\$ 3,994,468
HRA Fund	-	6,134,236	-	-	-	6,134,236
Construction Fund	-	203,969	-	-	272,075	476,044
Utilities Fund	-	-	100,000	-	-	100,000
Liquor Fund	765,100	-	150,000	170,000	225,000	1,310,100
	<u>\$ 765,100</u>	<u>\$ 6,338,205</u>	<u>\$ 4,244,468</u>	<u>\$ 170,000</u>	<u>\$ 497,075</u>	<u>\$12,014,848</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 \$765,100, \$170,000, \$145,000 and \$80,000 to the general fund, golf course fund, art center, and arena funds, respectively, to subsidize operations.
2. The construction fund transferred \$22,075 and \$250,000 to the arena and edinborough funds, respectively, to subsidize capital improvements to those facilities.
3. The HRA fund transferred \$6,134,236 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 2009 budget.
5. The construction fund transferred \$203,969 to the debt service fund to pay a portion of the debt service on the gymnasium bonds.
6. The general fund transferred \$700,000 of the 2008 unreserved and undesignated fund balance to the construction fund according to the City's fund balance policies to fund the capital improvement program.
7. The general fund transferred \$3,244,468 to the construction fund to move the equipment replacement program to the construction fund.

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.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

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, 2009:

	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	1,635,539	3,146,003	1,656,552	4,470,822	10,908,916
Tax capacity change	1,522,713	3,051,684	1,491,667	4,241,131	10,307,195
Captured tax capacity value:					
Retained captured tax capacity	\$ 1,522,713	\$ 3,051,684	\$ 1,491,667	\$ 4,241,131	\$ 10,307,195
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	7,607,555	33,799,724	69,212,279
Outstanding bonds at December 31, 2009	\$ -	\$ -	\$ 2,030,000	\$ 2,095,000	\$ 4,125,000

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 2009.

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, 2009.

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, 2009, the City of Edina had 4 series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of \$31,560,000. 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, 2009, the City paid a total of \$35,044 in membership fees to the PSTF.

The City also pays an annual membership fee to the I-494 Corridor Commission as part of the joint venture agreement. The membership fee is paid by the commissions and projects department and is based on a Cost Sharing Formula. For the year ended December 31, 2009, the City paid a total of \$10,831 in membership fees to the I-494 Corridor Commission.

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Note 15 DESIGNATIONS AND RESERVATIONS OF FUND BALANCE

At December 31, 2009 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, 2009</u>
General Fund:	
Reserved for prepaid items	\$ 18,241
Designated for park dedication	178,295
Designated for investments	25,817
Designated for compensated absences	1,436,533
Designated for cash flow	9,454,214
Debt Service Fund:	
Reserved for debt service	5,454,132
Construction Fund:	
Reserved for encumbrances	6,838,361
Reserved for special projects	200,343
Reserved for construction projects	2,730,517
Designated for equipment replacement	3,244,468
Designated for capital improvements	3,439,200
	<u>\$ 33,020,121</u>

Note 16 SPECIAL ITEMS

During 2009 the City experienced a significant watermain break that overloaded the local sanitary sewer system capacity causing sewage backups in several homes. The City's insurance carrier reviewed the event and determined that neither they nor the City would be liable for the property damage. However, the City Council decided that the City would voluntarily reimburse property owners for damage up to a limit, based on an independent assessment of the damage caused. The Utilities fund paid claims of \$215,196 for this event in 2009. No material claims related to the voluntary payment program are believed to be outstanding at year-end.

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
General property taxes:				
Current	\$ 21,040,691	\$ 21,040,691	\$ 20,721,987	\$ (318,704)
Penalties and interest	12,000	12,000	20,180	8,180
Total general property taxes	<u>21,052,691</u>	<u>21,052,691</u>	<u>20,742,167</u>	<u>(310,524)</u>
Licenses and permits:	<u>2,797,715</u>	<u>2,797,715</u>	<u>2,081,139</u>	<u>(716,576)</u>
Intergovernmental:				
Federal:	36,000	36,000	104,906	68,906
State:				
Municipal state aid	195,000	195,000	195,000	-
Other	51,000	51,000	126,973	75,973
State aid - police	355,000	355,000	338,684	(16,316)
Health programs	120,000	120,000	119,086	(914)
Total intergovernmental	<u>757,000</u>	<u>757,000</u>	<u>884,649</u>	<u>127,649</u>
Charges for services:				
Building Department	5,300	5,300	29,132	23,832
City Clerk	5,300	5,300	8,862	3,562
Fire Department	48,000	48,000	31,237	(16,763)
Ambulance fees	1,545,000	1,545,000	1,556,146	11,146
Police Department	200,950	200,950	172,878	(28,072)
Engineering	155,000	155,000	210,071	55,071
Health Department	7,700	7,700	6,580	(1,120)
Planning Department	26,750	26,750	16,536	(10,214)
Housing Foundation Contract	24,000	24,000	37,870	13,870
HRA Services	20,600	20,600	28,377	7,777
Park Registration	96,000	96,000	103,530	7,530
Senior Center	100,000	100,000	94,525	(5,475)
Other fees	5,000	5,000	1,540	(3,460)
50th & France Assessment	69,000	69,000	69,000	-
Charges to other funds	392,880	392,880	392,880	-
Total charges for services	<u>2,701,480</u>	<u>2,701,480</u>	<u>2,759,164</u>	<u>57,684</u>
Fines and forfeits	<u>900,000</u>	<u>900,000</u>	<u>1,148,440</u>	<u>248,440</u>
Miscellaneous:				
Rental of property	315,000	315,000	342,446	27,446
Investment income	322,772	322,772	37,668	(285,104)
Donations	10,200	10,200	28,367	18,167
Other	6,000	6,000	15,039	9,039
Total miscellaneous	<u>653,972</u>	<u>653,972</u>	<u>423,520</u>	<u>(230,452)</u>
Total revenues	<u>28,862,858</u>	<u>28,862,858</u>	<u>28,039,079</u>	<u>(823,779)</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council:				
Current:				
Personal services	\$ 45,829	\$ 45,829	\$ 46,150	\$ (321)
Contractual services	12,355	12,355	8,105	4,250
Commodities	1,200	1,200	1,214	(14)
Central services	31,932	31,932	27,582	4,350
Total mayor and council	<u>91,316</u>	<u>91,316</u>	<u>83,051</u>	<u>8,265</u>
Administration:				
Current:				
Personal services	870,456	870,456	837,215	33,241
Contractual services	193,650	193,650	156,602	37,048
Commodities	4,780	4,780	766	4,014
Central services	76,236	76,236	64,196	12,040
Total current	<u>1,145,122</u>	<u>1,145,122</u>	<u>1,058,779</u>	<u>86,343</u>
Capital outlay	<u>6,360</u>	<u>6,360</u>	<u>332</u>	<u>6,028</u>
Total administration	<u>1,151,482</u>	<u>1,151,482</u>	<u>1,059,111</u>	<u>92,371</u>
Planning:				
Current:				
Personal services	364,502	364,502	372,582	(8,080)
Contractual services	48,055	48,055	24,472	23,583
Commodities	1,960	1,960	-	1,960
Central services	59,076	59,076	49,764	9,312
Total current	<u>473,593</u>	<u>473,593</u>	<u>446,818</u>	<u>26,775</u>
Capital outlay	<u>2,010</u>	<u>2,010</u>	<u>1,862</u>	<u>148</u>
Total planning	<u>475,603</u>	<u>475,603</u>	<u>448,680</u>	<u>26,923</u>
Finance:				
Current:				
Personal services	519,682	519,682	513,840	5,842
Contractual services	109,800	109,800	96,560	13,240
Commodities	3,400	3,400	2,236	1,164
Central services	58,452	58,452	49,252	9,200
Total current	<u>691,334</u>	<u>691,334</u>	<u>661,888</u>	<u>29,446</u>
Capital outlay	<u>6,300</u>	<u>6,300</u>	<u>-</u>	<u>6,300</u>
Total finance	<u>697,634</u>	<u>697,634</u>	<u>661,888</u>	<u>35,746</u>
Election:				
Current:				
Personal services	143,876	143,876	104,907	38,969
Contractual services	32,319	32,319	11,668	20,651
Commodities	19,393	19,393	6,783	12,610
Central services	15,168	15,168	12,466	2,702
Total current	<u>210,756</u>	<u>210,756</u>	<u>135,824</u>	<u>74,932</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>985</u>	<u>(985)</u>
Total election	<u>210,756</u>	<u>210,756</u>	<u>136,809</u>	<u>73,947</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Assessing:				
Current:				
Personal services	\$ 660,133	\$ 660,133	\$ 651,457	\$ 8,676
Contractual services	116,100	116,100	87,395	28,705
Commodities	3,000	3,000	637	2,363
Central services	71,760	71,760	60,288	11,472
Total current	850,993	850,993	799,777	51,216
Capital outlay	12,695	12,695	13,474	(779)
Total assessing	863,688	863,688	813,251	50,437
Legal and court services:				
Current:				
Contractual services	371,800	371,800	339,744	32,056
Commissions and projects:				
Current:				
Personal services	130,000	130,000	213,379	(83,379)
Contractual services	506,232	506,232	266,441	239,791
Commodities	-	-	1,680	(1,680)
Total commissions and projects	636,232	636,232	481,500	154,732
Total general government	4,498,511	4,498,511	4,024,034	474,477
Public safety:				
Police protection:				
Current:				
Personal services	6,453,422	6,453,422	6,289,875	163,547
Contractual services	399,650	399,650	359,935	39,715
Commodities	67,182	67,182	57,476	9,706
Central services	961,236	961,236	801,135	160,101
Total current	7,881,490	7,881,490	7,508,421	373,069
Capital outlay	265,533	265,533	75,456	190,077
Total police protection	8,147,023	8,147,023	7,583,877	563,146
Fire protection:				
Current:				
Personal services	3,694,178	3,694,178	3,530,757	163,421
Contractual services	321,500	321,500	319,454	2,046
Commodities	166,000	166,000	191,064	(25,064)
Central services	332,484	332,484	270,727	61,757
Total current	4,514,162	4,514,162	4,312,002	202,160
Capital outlay	201,247	201,247	230,313	(29,066)
Total fire protection	4,715,409	4,715,409	4,542,315	173,094

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Civil defense:				
Current:				
Personal services	\$ 38,800	\$ 38,800	\$ 38,800	\$ -
Contractual services	10,026	10,026	7,812	2,214
Commodities	12,110	12,110	8,278	3,832
Total current	60,936	60,936	54,890	6,046
Capital outlay	5,683	5,683	13,425	(7,742)
Total civil defense	66,619	66,619	68,315	(1,696)
Animal Control:				
Current:				
Personal services	69,897	69,897	70,489	(592)
Contractual services	8,795	8,795	9,826	(1,031)
Commodities	4,299	4,299	2,050	2,249
Central services	9,312	9,312	7,590	1,722
Total current	92,303	92,303	89,955	2,348
Capital outlay	7,534	7,534	-	7,534
Total animal control	99,837	99,837	89,955	9,882
Public health:				
Current:				
Personal services	272,872	272,872	258,358	14,514
Contractual services	198,234	198,234	192,565	5,669
Commodities	1,407	1,407	1,673	(266)
Central services	35,436	35,436	29,850	5,586
Total current	507,949	507,949	482,446	25,503
Capital outlay	5,682	5,682	-	5,682
Total public health	513,631	513,631	482,446	31,185
Inspections:				
Current:				
Personal services	910,454	910,454	847,385	63,069
Contractual services	70,021	70,021	62,910	7,111
Commodities	9,265	9,265	5,325	3,940
Central services	94,008	94,008	78,704	15,304
Total current	1,083,748	1,083,748	994,324	89,424
Capital outlay	22,452	22,452	1,379	21,073
Total inspections	1,106,200	1,106,200	995,703	110,497
Total public safety	14,648,719	14,648,719	13,762,611	886,108

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Public works:				
Administration:				
Current:				
Personal services	\$ 190,941	\$ 190,941	\$ 169,697	\$ 21,244
Contractual services	7,300	7,300	6,049	1,251
Commodities	850	850	-	850
Central services	23,856	23,856	20,151	3,705
Total administration	<u>222,947</u>	<u>222,947</u>	<u>195,897</u>	<u>27,050</u>
Engineering:				
Current:				
Personal services	813,584	813,584	825,592	(12,008)
Contractual services	102,100	102,100	94,937	7,163
Commodities	18,370	18,370	11,159	7,211
Central services	122,004	122,004	101,580	20,424
Total current	<u>1,056,058</u>	<u>1,056,058</u>	<u>1,033,268</u>	<u>22,790</u>
Capital outlay	<u>51,084</u>	<u>51,084</u>	<u>25,373</u>	<u>25,711</u>
Total engineering	<u>1,107,142</u>	<u>1,107,142</u>	<u>1,058,641</u>	<u>48,501</u>
Street maintenance:				
Current:				
Personal services	2,198,050	2,198,050	2,026,026	172,024
Contractual services	755,090	755,090	699,374	55,716
Commodities	1,031,735	1,031,735	896,542	135,193
Central services	915,276	915,276	746,157	169,119
Total current	<u>4,900,151</u>	<u>4,900,151</u>	<u>4,368,099</u>	<u>532,052</u>
Capital outlay	<u>294,454</u>	<u>294,454</u>	<u>28,776</u>	<u>265,678</u>
Total street maintenance	<u>5,194,605</u>	<u>5,194,605</u>	<u>4,396,875</u>	<u>797,730</u>
Total public works	<u>6,524,694</u>	<u>6,524,694</u>	<u>5,651,413</u>	<u>873,281</u>

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2009

	Budgeted Amounts		2009 Actual Amounts	Variance with Final Budget - Under (Over)
	Original	Final		
Parks:				
Administration:				
Current:				
Personal services	\$ 646,249	\$ 646,249	\$ 613,614	\$ 32,635
Contractual services	34,844	34,844	29,037	5,807
Commodities	2,986	2,986	10,087	(7,101)
Central services	71,760	71,760	60,395	11,365
Total current	<u>755,839</u>	<u>755,839</u>	<u>713,133</u>	<u>42,706</u>
Capital outlay	7,088	7,088	324	6,764
Total administration	<u>762,927</u>	<u>762,927</u>	<u>713,457</u>	<u>49,470</u>
Recreation:				
Current:				
Personal services	198,875	198,875	175,560	23,315
Contractual services	182,343	182,343	151,362	30,981
Commodities	51,655	51,655	50,313	1,342
Total recreation	<u>432,873</u>	<u>432,873</u>	<u>377,235</u>	<u>55,638</u>
Maintenance:				
Current:				
Personal services	1,574,630	1,574,630	1,630,190	(55,560)
Contractual services	516,391	516,391	384,891	131,500
Commodities	199,608	199,608	174,758	24,850
Central services	353,088	353,088	289,448	63,640
Total current	<u>2,643,717</u>	<u>2,643,717</u>	<u>2,479,287</u>	<u>164,430</u>
Capital outlay	121,517	121,517	165,670	(44,153)
Total maintenance	<u>2,765,234</u>	<u>2,765,234</u>	<u>2,644,957</u>	<u>120,277</u>
Total parks	<u>3,961,034</u>	<u>3,961,034</u>	<u>3,735,649</u>	<u>225,385</u>
Total expenditures	<u>29,632,958</u>	<u>29,632,958</u>	<u>27,173,707</u>	<u>2,459,251</u>
Revenues over (under) expenditures	<u>(770,100)</u>	<u>(770,100)</u>	<u>865,372</u>	<u>1,635,472</u>
Other financing sources (uses):				
Transfer from other funds	765,100	765,100	765,100	-
Transfer to other funds	(50,000)	(750,000)	(3,994,468)	(3,244,468)
Sale of capital assets	55,000	55,000	34,592	(20,408)
Total financing sources (uses)	<u>770,100</u>	<u>70,100</u>	<u>(3,194,776)</u>	<u>(3,264,876)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (700,000)</u>	<u>(2,329,404)</u>	<u>\$ (1,629,404)</u>
Fund balance - January 1			<u>14,379,003</u>	
Fund balance - December 31			<u>\$ 12,049,599</u>	

CITY OF EDINA, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 SCHEDULE OF FUNDING PROGRESS
 For The Year Ended December 31, 2009

<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, 2009

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>
Public Safety:			
Civil defense	\$ 66,619	\$ 68,315	\$ 1,696

Excess expenditures in the civil defense department are funded by available general fund balance designated for our equipment replacement program.

Excess expenditures of \$119,096 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, 2009

	Community Development Block Grant	Communication	Police Special Revenue	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 59	\$ 81,470	\$ 83,861	\$ 165,390
Investments	-	717,996	-	717,996
Accrued interest receivable	-	4,534	-	4,534
Accounts receivable	-	181,192	-	181,192
Due from other funds	-	-	450,000	450,000
Due from other governments	100,075	-	-	100,075
Total assets	<u>\$ 100,134</u>	<u>\$ 985,192</u>	<u>\$ 533,861</u>	<u>\$ 1,619,187</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ 14,412	\$ 274	\$ 14,686
Salaries payable	134	11,228	144	11,506
Due to other funds	100,000	-	-	100,000
Unearned revenue	-	6,354	-	6,354
Total liabilities	<u>100,134</u>	<u>31,994</u>	<u>418</u>	<u>132,546</u>
Fund balance:				
Unreserved:				
Undesignated	-	953,198	533,443	1,486,641
Total fund balance	<u>-</u>	<u>953,198</u>	<u>533,443</u>	<u>1,486,641</u>
Total liabilities and fund balance	<u>\$ 100,134</u>	<u>\$ 985,192</u>	<u>\$ 533,861</u>	<u>\$ 1,619,187</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, 2009

	Community Development Block Grant	Communication	Police Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:				
Franchise fees	\$ -	\$ 667,791	\$ -	\$ 667,791
Intergovernmental	278,052	-	68,340	346,392
Fines and forfeitures	-	-	76,543	76,543
Investment income	-	20,552	278	20,830
Other	-	101,679	-	101,679
Total revenues	<u>278,052</u>	<u>790,022</u>	<u>145,161</u>	<u>1,213,235</u>
Expenditures:				
Current:				
General government	278,052	671,125	-	949,177
Public safety	-	-	190,282	190,282
Total expenditures	<u>278,052</u>	<u>671,125</u>	<u>190,282</u>	<u>1,139,459</u>
Net increase (decrease) in fund balance	-	118,897	(45,121)	73,776
Fund balance - January 1	<u>-</u>	<u>834,301</u>	<u>578,564</u>	<u>1,412,865</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ 953,198</u>	<u>\$ 533,443</u>	<u>\$ 1,486,641</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final budget - Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 158,956	\$ 158,956	\$ 278,052	\$ 119,096
Expenditures:				
Current:				
General government	158,956	158,956	278,052	119,096
Net increase (decrease) in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - January 1			-	
Fund balance - December 31			\$ -	

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, 2009

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 485	\$ 14,835	\$ 1,745	\$ 17,065
Investments - unrestricted	114,013	-	3,121,305	3,235,318
Investments - restricted	2,305,432	-	-	2,305,432
Interest receivable	74	-	19,711	19,785
Accounts receivable	128,990	-	1,440	130,430
Due from other funds	-	116,000	-	116,000
Inventory	-	12,743	-	12,743
Total current assets	<u>2,548,994</u>	<u>143,578</u>	<u>3,144,201</u>	<u>5,836,773</u>
Noncurrent assets:				
Deferred charges	28,158	-	-	28,158
Net capital assets	<u>2,352,277</u>	<u>230,986</u>	<u>1,613,473</u>	<u>4,196,736</u>
Total noncurrent assets	<u>2,380,435</u>	<u>230,986</u>	<u>1,613,473</u>	<u>4,224,894</u>
Total assets	<u>4,929,429</u>	<u>374,564</u>	<u>4,757,674</u>	<u>10,061,667</u>
Liabilities:				
Current liabilities:				
Accounts payable	35,076	19,041	76,550	130,667
Salaries payable	32,201	8,164	41,392	81,757
Due to other funds	116,000	-	-	116,000
Due to other governments	1,771	743	5,211	7,725
Unearned revenue	-	7,267	48,692	55,959
Compensated absences payable	57,375	18,881	60,576	136,832
Total current liabilities	<u>242,423</u>	<u>54,096</u>	<u>232,421</u>	<u>528,940</u>
Noncurrent liabilities:				
OPEB payable	7,150	1,973	11,705	20,828
Compensated absences	86,062	28,322	90,864	205,248
Bonds payable, net of unamortized discounts	<u>2,453,662</u>	-	-	<u>2,453,662</u>
Total noncurrent liabilities	<u>2,546,874</u>	<u>30,295</u>	<u>102,569</u>	<u>2,679,738</u>
Total liabilities	<u>2,789,297</u>	<u>84,391</u>	<u>334,990</u>	<u>3,208,678</u>
Net assets:				
Invested in capital assets, net of related debt	2,204,047	230,986	1,613,473	4,048,506
Unrestricted	<u>(63,915)</u>	<u>59,187</u>	<u>2,809,211</u>	<u>2,804,483</u>
Total net assets	<u>\$ 2,140,132</u>	<u>\$ 290,173</u>	<u>\$ 4,422,684</u>	<u>\$ 6,852,989</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, 2009

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Operating revenues:				
Sales - retail	\$ 2,026	\$ 41,883	\$ -	\$ 43,909
Sales - concessions	5,692	444	59,413	65,549
Memberships	3,716	25,496	57,078	86,290
Admissions	111,481	-	563,966	675,447
Building rental	1,157,522	-	240,489	1,398,011
Rental of equipment	2,997	-	103,761	106,758
Greens fees	-	-	215,710	215,710
Class registration & other fees	130,976	400,394	483,640	1,015,010
Total operating revenues	<u>1,414,410</u>	<u>468,217</u>	<u>1,724,057</u>	<u>3,606,684</u>
Operating expenses:				
Cost of sales and services	880	21,094	51,904	73,878
Personal services	654,132	244,329	1,196,568	2,095,029
Contractual services	608,683	293,356	530,599	1,432,638
Commodities	73,241	59,568	281,532	414,341
Central Services	41,905	34,847	79,145	155,897
Depreciation	286,241	30,124	148,125	464,490
Total operating expenses	<u>1,665,082</u>	<u>683,318</u>	<u>2,287,873</u>	<u>4,636,273</u>
Operating loss	<u>(250,672)</u>	<u>(215,101)</u>	<u>(563,816)</u>	<u>(1,029,589)</u>
Nonoperating revenues (expenses):				
Excess tax increments	100,124	100,124	-	200,248
Investment income (loss)	(5,924)	-	74,728	68,804
Donations	-	19,302	-	19,302
Interest and fiscal charges	(42)	-	-	(42)
Amortization of bond discount	(60)	-	-	(60)
Gain (loss) on sale of capital asset	-	-	2,250	2,250
Total nonoperating revenues (expenses)	<u>94,098</u>	<u>119,426</u>	<u>76,978</u>	<u>290,502</u>
Income (loss) before transfers	<u>(156,574)</u>	<u>(95,675)</u>	<u>(486,838)</u>	<u>(739,087)</u>
Transfers:				
Transfers in	102,075	145,000	250,000	497,075
Total transfers	<u>102,075</u>	<u>145,000</u>	<u>250,000</u>	<u>497,075</u>
Change in net assets	(54,499)	49,325	(236,838)	(242,012)
Net assets - January 1	<u>2,194,631</u>	<u>240,848</u>	<u>4,659,522</u>	<u>7,095,001</u>
Net assets - December 31	<u>\$ 2,140,132</u>	<u>\$ 290,173</u>	<u>\$ 4,422,684</u>	<u>\$ 6,852,989</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended December 31, 2009

	Arena	Art Center	Edinborough Park Centennial Lakes	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,408,372	\$ 468,262	\$ 1,729,362	\$ 3,605,996
Payment to suppliers	(715,951)	(411,244)	(1,133,012)	(2,260,207)
Payment to employees	(630,015)	(237,119)	(1,178,918)	(2,046,052)
Donations	-	19,302	-	19,302
Net cash provided by (used in) operating activities	<u>62,406</u>	<u>(160,799)</u>	<u>(582,568)</u>	<u>(680,961)</u>
Cash flows from noncapital financing activities:				
Excess tax increments	100,124	100,124	-	200,248
Transfer from other funds	102,075	145,000	250,000	497,075
Proceeds from interfund borrowing	101,000	-	-	101,000
Payment of interfund borrowing	-	(101,000)	-	(101,000)
Net cash provided by noncapital financing activities	<u>303,199</u>	<u>144,124</u>	<u>250,000</u>	<u>697,323</u>
Cash flows from capital and related financing activities:				
Proceeds of capital debt	2,425,443	-	-	2,425,443
Acquisition of capital assets	(136,088)	-	(582,631)	(718,719)
Proceeds from sale of capital assets	-	-	2,250	2,250
Principal paid on bonds	(225,000)	-	-	(225,000)
Interest paid on bonds	(4,162)	-	-	(4,162)
Net cash used in capital and related financing activities	<u>2,060,193</u>	<u>-</u>	<u>(580,381)</u>	<u>1,479,812</u>
Cash flows from investing activities:				
Proceeds from sales of investments	-	-	715,922	715,922
Purchase of investments	(2,425,591)	-	-	(2,425,591)
Investment income	148	-	184,078	184,226
Net cash flows provided by (used in) investing activities	<u>(2,425,443)</u>	<u>-</u>	<u>900,000</u>	<u>(1,525,443)</u>
Net increase (decrease) in cash and cash equivalents	355	(16,675)	(12,949)	(29,269)
Cash and cash equivalents - January 1	130	31,510	14,694	46,334
Cash and cash equivalents - December 31	<u>\$ 485</u>	<u>\$ 14,835</u>	<u>\$ 1,745</u>	<u>\$ 17,065</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$ (250,672)	\$ (215,101)	\$ (563,816)	\$ (1,029,589)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Depreciation	286,241	30,124	148,125	464,490
Donations	-	19,302	-	19,302
Changes in assets and liabilities:				
Decrease (increase) in receivables	(6,038)	-	5,969	(69)
Decrease (increase) in inventory	-	(1,307)	-	(1,307)
Increase (decrease) in accounts payable	7,711	(1,062)	(189,046)	(182,397)
Increase (decrease) in salaries payable	10,171	933	(3,177)	7,927
Increase (decrease) in due to other governments	1,047	(10)	(786)	251
Increase (decrease) in unearned revenue	-	45	(664)	(619)
Increase (decrease) in OPEB payable	3,383	933	5,538	9,854
Increase (decrease) in compensated absences	10,563	5,344	15,289	31,196
Total adjustments	<u>313,078</u>	<u>54,302</u>	<u>(18,752)</u>	<u>348,628</u>
Net cash provided by (used in) operating activities	<u>\$ 62,406</u>	<u>\$ (160,799)</u>	<u>\$ (582,568)</u>	<u>\$ (680,961)</u>
Noncash investing activities:				
Increase (decrease) in fair value of investments	<u>\$ (6,146)</u>	<u>\$ -</u>	<u>\$ (99,099)</u>	<u>\$ (105,245)</u>

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.

I-494 Corridor Commission - This fund accounts for assets and liabilities of the I-494 Corridor Commission, which is a joint venture that the City has fiduciary responsibilities for.

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CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
POLICE SEIZURE				
Assets:				
Cash	\$ 21,505	\$ 1,184	\$ -	\$ 22,689
Liabilities:				
Due to other governmental units	\$ 21,505	\$ 1,184	\$ -	\$ 22,689
PUBLIC SAFETY TRAINING FACILITY				
Assets:				
Cash	\$ 13,104	\$ -	\$ 8,602	\$ 4,502
Investments	245,000	-	-	245,000
Total Assets	\$ 258,104	\$ -	\$ 8,602	\$ 249,502
Liabilities:				
Accounts payable	\$ 15,605	\$ -	\$ 11,448	\$ 4,157
Salaries payable	4,187	529	-	4,716
Due to other governmental units	238,312	2,317	-	240,629
Total Liabilities	\$ 258,104	\$ 2,846	\$ 11,448	\$ 249,502
PAYROLL				
Assets:				
Cash	\$ 14,016	\$ 16,233	\$ -	\$ 30,249
Liabilities:				
Accounts payable	\$ 14,016	\$ 16,233	\$ -	\$ 30,249
I-494 CORRIDOR COMMISSION				
Assets:				
Cash	\$ -	\$ 119,608	\$ -	\$ 119,608
Liabilities:				
Due to other governmental units	\$ -	\$ 119,608	\$ -	\$ 119,608
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash	\$ 48,625	\$ 137,025	\$ 8,602	\$ 177,048
Investments	245,000	-	-	245,000
Total Assets	\$ 293,625	\$ 137,025	\$ 8,602	\$ 422,048
Liabilities:				
Accounts payable	\$ 29,621	\$ 16,233	\$ 11,448	\$ 34,406
Salaries payable	4,187	529	-	4,716
Due to other governmental units	259,817	123,109	-	382,926
Total Liabilities	\$ 293,625	\$ 139,871	\$ 11,448	\$ 422,048

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total tax capacity	\$ 101,947,912	\$ 113,428,895	\$ 120,084,430	\$ 122,532,149	\$ 122,737,754
Increment valuation	(7,980,069)	(8,771,951)	(9,771,137)	(10,307,195)	(5,482,305)
Contribution to fiscal disparities pool	<u>(7,107,862)</u>	<u>(8,486,997)</u>	<u>(9,358,999)</u>	<u>(10,393,526)</u>	<u>(10,942,782)</u>
Tax capacity used for rate calculation	<u>86,859,981</u>	<u>96,169,947</u>	<u>100,954,294</u>	<u>101,831,428</u>	<u>106,312,667</u>
Fiscal disparities distribution	<u>2,411,937</u>	<u>2,595,376</u>	<u>2,895,523</u>	<u>3,298,549</u>	<u>3,537,906</u>
Adjusted net tax capacity	<u>\$ 89,271,918</u>	<u>\$ 98,765,323</u>	<u>\$ 103,849,817</u>	<u>\$ 105,129,977</u>	<u>\$ 109,850,573</u>
Tax levies:					
General fund	\$ 18,560,151	\$ 19,427,890	\$ 20,314,404	\$ 21,202,691	\$ 20,737,472
Equipment	-	-	-	-	940,494
Debt service	<u>1,660,841</u>	<u>1,497,500</u>	<u>1,695,827</u>	<u>2,351,030</u>	<u>3,212,757</u>
Total certified tax levies	<u>20,220,992</u>	<u>20,925,390</u>	<u>22,010,231</u>	<u>23,553,721</u>	<u>24,890,723</u>
Referendum market value levy	<u>599,138</u>	<u>605,138</u>	<u>595,438</u>	<u>600,212</u>	<u>602,250</u>
Total levy	<u>\$ 20,820,130</u>	<u>\$ 21,530,528</u>	<u>\$ 22,605,669</u>	<u>\$ 24,153,933</u>	<u>\$ 25,492,973</u>
Tax capacity rate:					
General fund revenue	20.755	19.636	19.563	20.204	20.004
Bonds & interest	<u>1.858</u>	<u>1.514</u>	<u>1.634</u>	<u>2.243</u>	<u>2.968</u>
Total tax capacity rate	<u><u>22.613</u></u>	<u><u>21.150</u></u>	<u><u>21.197</u></u>	<u><u>22.447</u></u>	<u><u>22.972</u></u>
Market value rate	<u>0.00703</u>	<u>0.00641</u>	<u>0.00601</u>	<u>0.00597</u>	<u>0.00606</u>

CITY OF EDINA, MINNESOTA
COMBINED SCHEDULE OF BONDED INDEBTEDNESS
December 31, 2009

	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	\$ 1,700,000
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	7,285,000
Tax Increment Taxable Refunding Bonds, Series 2005C	3.75 - 4.25	07/19/05	02/01/09	6,220,000	4,335,000
Tax Increment Refunding Bonds, Series 2005D	3.00 - 3.40	07/19/05	02/01/13	3,505,000	930,000
Total Tax Increment Bonds				<u>24,265,000</u>	<u>14,250,000</u>
General Obligation Bonds:					
GO Park & Recreation Refunding Bonds, Series 2005A	3.50 - 4.00	07/19/05	02/01/17	5,375,000	820,000
GO Capital Improvement Plan, Series 2007A	4.00 - 4.25	05/24/07	02/01/28	5,865,000	-
GO Capital Improvement Plan, Series 2009A	3.00 - 4.40	04/29/09	02/01/30	-	-
GO Equipment Certificates, Series 2009B	2.00 - 3.00	04/29/09	01/01/12	-	-
Total General Obligation Bonds				<u>11,240,000</u>	<u>820,000</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	315,000
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	7,755,000	-
Total PIR Bonds				<u>15,085,000</u>	<u>315,000</u>
Public Project Revenue Bonds:					
Public Project Revenue, Series 2002	4.00 - 5.25	01/01/02	02/01/21	12,410,000	2,785,000
Public Project Revenue, Series 2005	3.00 - 4.13	09/13/05	05/01/26	5,425,000	375,000
Taxable Public Project Revenue, Series 2009A	2.10 - 4.55	11/24/09	02/01/30	-	-
Taxable Public Project Revenue, Series 2009B	1.95 - 5.80	11/24/09	02/01/30	-	-
Total Public Project Revenue Bonds				<u>17,835,000</u>	<u>3,160,000</u>
Revenue Bonds:					
Recreational Facility Bonds, Series 1999B	3.70 - 4.45	05/03/99	01/01/13	3,270,000	1,595,000
Recreational Facility Bonds, Series 2001A	2.25 - 4.65	11/01/01	01/01/17	4,620,000	3,450,000
Recreational Facility Bonds, Series 2009B	2.00 - 3.00	04/29/09	01/01/17	-	-
Recreational Facility Bonds, Series 2009C	2.00 - 4.00	12/10/09	02/01/30	-	-
Utility Revenue Bonds, Series 1999A	3.20 - 4.20	05/03/99	02/01/09	3,600,000	3,180,000
Utility Revenue Bonds, Series 2003C	1.10 - 3.55	03/01/03	02/01/13	3,200,000	1,475,000
Utility Revenue Bonds, Series 2007B	4.00%	05/24/07	02/01/17	8,210,000	770,000
Utility Revenue Bonds, Series 2008A	3.00 - 4.00	08/28/08	02/01/19	13,985,000	-
Total Public Project Revenue Bonds				<u>36,885,000</u>	<u>10,470,000</u>
Total - Bonded indebtedness				<u>\$ 105,310,000</u>	<u>\$ 29,015,000</u>

Outstanding 12/31/08	2009		Payable 12/31/09	Principal Due In 2010	Interest Due In 2010	Interest Payable to Maturity
	Issued	Payments				
\$ 920,000	\$ -	\$ 290,000	\$ 630,000	\$ 305,000	\$ 22,768	\$ 30,568
1,400,000	-	-	1,400,000	-	42,000	105,000
3,235,000	-	3,235,000	-	-	-	-
1,885,000	-	1,885,000	-	-	-	-
2,575,000	-	480,000	2,095,000	500,000	61,052	142,406
<u>10,015,000</u>	<u>-</u>	<u>5,890,000</u>	<u>4,125,000</u>	<u>805,000</u>	<u>125,820</u>	<u>277,974</u>
4,555,000	-	435,000	4,120,000	455,000	147,250	669,107
5,865,000	-	195,000	5,670,000	205,000	227,044	2,494,547
-	14,000,000	-	14,000,000	-	638,040	6,717,417
-	230,000	-	230,000	75,000	4,642	7,793
<u>10,420,000</u>	<u>14,230,000</u>	<u>630,000</u>	<u>24,020,000</u>	<u>735,000</u>	<u>1,016,976</u>	<u>9,888,864</u>
1,145,000	-	150,000	995,000	150,000	32,331	121,741
5,870,000	-	-	5,870,000	505,000	214,153	1,175,671
7,755,000	-	-	7,755,000	-	273,794	1,816,504
<u>14,770,000</u>	<u>-</u>	<u>150,000</u>	<u>14,620,000</u>	<u>655,000</u>	<u>520,278</u>	<u>3,113,916</u>
9,625,000	-	550,000	9,075,000	575,000	442,499	3,059,575
5,050,000	-	195,000	4,855,000	205,000	190,381	1,869,572
-	2,595,000	-	2,595,000	-	-	1,354,368
-	6,125,000	-	6,125,000	-	-	3,922,734
<u>14,675,000</u>	<u>8,720,000</u>	<u>745,000</u>	<u>22,650,000</u>	<u>780,000</u>	<u>632,880</u>	<u>10,206,249</u>
1,675,000	-	1,675,000	-	-	-	-
1,170,000	-	1,170,000	-	-	-	-
-	2,010,000	-	2,010,000	415,000	46,256	132,306
-	2,440,000	-	2,440,000	-	54,670	1,085,670
420,000	-	420,000	-	-	-	-
1,725,000	-	320,000	1,405,000	330,000	41,972	99,133
7,440,000	-	700,000	6,740,000	730,000	255,000	1,134,200
13,985,000	-	605,000	13,380,000	1,125,000	471,188	2,760,207
<u>26,415,000</u>	<u>4,450,000</u>	<u>4,890,000</u>	<u>25,975,000</u>	<u>2,600,000</u>	<u>869,086</u>	<u>5,211,516</u>
<u>\$ 76,295,000</u>	<u>\$ 27,400,000</u>	<u>\$ 12,305,000</u>	<u>\$ 91,390,000</u>	<u>\$ 5,575,000</u>	<u>\$ 3,165,040</u>	<u>\$ 28,698,519</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, 2009

	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	25,790,600	694,209	5,263,680
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	2,747,974	-	(747,974)
Other	-	73,881	73,881	-	-
Total sources of funds:	<u>3,000,000</u>	<u>41,467,707</u>	<u>35,637,199</u>	<u>694,209</u>	<u>5,136,299</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	20,841	-	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	15,575,000	740,211	684,789
Total uses of funds:	<u>3,000,000</u>	<u>37,562,457</u>	<u>35,591,197</u>	<u>740,211</u>	<u>1,231,049</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ 3,905,250</u>	<u>\$ 46,002</u>	<u>\$ (46,002)</u>	<u>\$ 3,905,250</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, 2009

	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	60,306,927	1,595,175	13,097,898
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>86,025,302</u>	<u>1,595,175</u>	<u>16,909,840</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	99,613	-	10,387
Transfers out	-	22,000,000	19,581,699	1,638,837	779,464
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>85,981,640</u>	<u>1,638,837</u>	<u>10,677,375</u>
Funds remaining (deficit)	<u>\$ (3,000,000)</u>	<u>\$ 6,232,465</u>	<u>\$ 43,662</u>	<u>\$ (43,662)</u>	<u>\$ 6,232,465</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, 2009

	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	15,109,770	1,325,812	13,301,525
Real estate sales *	-	4,700,000	5,402,344	-	(702,344)
Interest on invested funds	-	300,000	1,014,888	41,376	(756,264)
Other	-	-	61,068	-	(61,068)
Total sources of funds:	<u>4,500,000</u>	<u>44,637,107</u>	<u>31,063,985</u>	<u>1,367,188</u>	<u>12,205,934</u>
Uses of funds:					
Land acquisition	-	6,500,000	4,265,416	332,715	1,901,869
Installation of public utilities and improvements	4,310,000	17,127,000	9,738,935	-	7,388,065
Bond payments:					
Principal	-	9,900,000	7,317,555	290,000	2,292,445
Interest	-	9,190,000	3,130,660	78,677	5,980,663
Loan/note interest	-	-	4,000,994	593,264	(4,594,258)
Paid to other governments	-	-	198,978	2,068	(201,046)
Administrative costs	190,000	1,920,107	1,353,171	8,992	557,944
Total uses of funds:	<u>4,500,000</u>	<u>44,637,107</u>	<u>30,005,709</u>	<u>1,305,716</u>	<u>13,325,682</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,276</u>	<u>\$ 61,472</u>	<u>\$ (1,119,748)</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	1,447,043	2,070,119
Project area	23,832	4,005,694
	<u>\$ 4,598,131</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, 2009

	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	38,198,706	3,972,190	47,829,104
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	3,847,904	172,250	(1,520,154)
Transfer in	-	40,000,000	36,267,924	2,379,047	1,353,029
Sale of material	-	255,710	255,710	-	-
Developer payments	-	297,826	297,826	-	-
Other	-	20,000	21,799	-	(1,799)
Total sources of funds:	126,400,000	180,431,702	124,288,616	6,523,487	49,619,599
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	18,758,446	2,213,608	4,899,176
Bond payments:					
Principal	41,400,000	41,400,000	28,199,724	5,600,000	7,600,276
Interest	38,000,000	38,000,000	33,989,191	165,559	3,845,250
Administrative costs	1,140,800	1,600,000	1,352,912	24,241	222,847
Paid to other governments	-	42,000	36,758	4,345	897
Loan/note interest	-	14,684,711	5,016,715	666,592	9,001,404
Parkland dedication fees	-	2,030,345	2,030,345	-	-
Total uses of funds:	121,117,800	146,609,711	112,365,516	8,674,345	25,569,850
Funds remaining (deficit)	\$ 5,282,200	\$ 33,821,991	\$ 11,923,100	\$ (2,150,858)	\$ 24,049,749

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

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, 2009

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
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	-	-	242,483	16,940	(259,423)
Total sources of funds:	<u>4,088,855</u>	<u>4,088,855</u>	<u>989,346</u>	<u>16,940</u>	<u>3,082,569</u>
Uses of funds:					
Land acquisition	529,400	529,400	39,968	2,025	487,407
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>657,807</u>	<u>2,025</u>	<u>3,429,023</u>
Funds remaining (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,539</u>	<u>\$ 14,915</u>	<u>\$ (346,454)</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>	102
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>	106
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>	111
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>	113

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 SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Governmental activities			
Invested in capital assets, net of related debt	\$ 21,792,377	\$ 34,320,784	\$ 36,092,020
Restricted	4,676,748	2,145,488	78,943
Unrestricted	31,876,783	28,762,040	35,796,801
Total governmental activities net assets	<u>\$ 58,345,908</u>	<u>\$ 65,228,312</u>	<u>\$ 71,967,764</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 29,952,549	\$ 37,240,476	\$ 40,044,169
Restricted	1,672,828	-	-
Unrestricted	15,344,474	11,934,496	11,121,720
Total business-type activities net assets	<u>\$ 46,969,851</u>	<u>\$ 49,174,972</u>	<u>\$ 51,165,889</u>
Primary government			
Invested in capital assets, net of related debt	\$ 51,744,926	\$ 71,561,260	\$ 76,136,189
Restricted	6,349,576	2,145,488	78,943
Unrestricted	47,221,257	40,696,536	46,918,521
Total primary government net assets	<u>\$ 105,315,759</u>	<u>\$ 114,403,284</u>	<u>\$ 123,133,653</u>

Fiscal Year			
2006	2007	2008	2009
\$ 69,814,012	\$ 67,680,882	\$ 71,601,227	\$ 69,622,370
-	-	3,362,446	7,132,865
15,280,058	25,136,312	29,577,462	30,705,600
\$ 85,094,070	\$ 92,817,194	\$ 104,541,135	\$ 107,460,835
\$ 46,981,755	\$ 43,046,160	\$ 46,851,736	\$ 47,333,794
-	-	954,486	624,837
6,379,515	13,649,355	12,071,776	15,158,720
\$ 53,361,270	\$ 56,695,515	\$ 59,877,998	\$ 63,117,351
\$ 116,795,767	\$ 110,727,042	\$ 118,452,963	\$ 116,956,164
-	-	4,316,932	7,757,702
21,659,573	38,785,667	41,649,238	45,864,320
\$ 138,455,340	\$ 149,512,709	\$ 164,419,133	\$ 170,578,186

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

	Fiscal Year		
	2003	2004	2005
Expenses			
Governmental activities:			
General government	\$ 5,839,893	\$ 6,934,045	\$ 4,967,008
Public safety	10,784,215	11,063,767	12,019,027
Public works	5,621,291	5,834,490	7,185,784
Parks	4,484,685	4,248,060	5,901,648
Interest on long-term debt	<u>2,760,022</u>	<u>2,399,682</u>	<u>2,288,524</u>
Total governmental activities expenses	<u>29,490,106</u>	<u>30,480,044</u>	<u>32,361,991</u>
Business-type activities:			
Utilities	7,930,502	7,801,580	8,254,409
Liquor	8,764,081	9,110,888	9,749,313
Aquatic center	711,061	701,768	725,936
Golf course	3,555,243	3,508,741	3,580,307
Community activity centers	<u>3,833,026</u>	<u>3,850,192</u>	<u>3,825,562</u>
Total business-type activities expenses	<u>24,793,913</u>	<u>24,973,169</u>	<u>26,135,527</u>
Total primary government expenses	<u>\$ 54,284,019</u>	<u>\$ 55,453,213</u>	<u>\$ 58,497,518</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 930,391	\$ 454,603	\$ 619,526
Public safety	4,213,081	4,634,744	5,614,406
Other activities	898,141	748,398	630,157
Operating grants and contributions	1,215,745	1,154,808	1,512,366
Capital grants and contributions	<u>7,214,393</u>	<u>4,192,947</u>	<u>2,252,491</u>
Total governmental activities program revenues	<u>14,471,751</u>	<u>11,185,500</u>	<u>10,628,946</u>
Business-type activities:			
Charges for services:			
Utilities	9,694,981	9,875,078	10,240,381
Liquor	9,659,631	10,030,067	10,752,724
Aquatic center	861,340	764,134	849,380
Golf course	3,684,079	3,538,122	3,482,999
Community activity centers	2,966,731	3,254,012	3,251,860
Operating grants and contributions	<u>132,031</u>	<u>138,447</u>	<u>131,408</u>
Total business-type activities program revenues	<u>26,998,793</u>	<u>27,599,860</u>	<u>28,708,752</u>
Total primary government program revenues	<u>\$ 41,470,544</u>	<u>\$ 38,785,360</u>	<u>\$ 39,337,698</u>
Net (Expense)/Revenue			
Governmental activities	\$ (15,018,355)	\$ (19,294,544)	\$ (21,733,045)
Business-type activities	<u>2,204,880</u>	<u>2,626,691</u>	<u>2,573,225</u>
Total primary government net expense	<u>\$ (12,813,475)</u>	<u>\$ (16,667,853)</u>	<u>\$ (19,159,820)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 17,815,426	\$ 17,865,757	\$ 19,071,202
Tax increment collections	7,342,270	6,761,934	7,060,744
Franchise taxes	-	450,956	457,421
Unrestricted investment earnings	286,209	443,074	977,956
Gain on disposal of capital assets	26,669	-	63,674
Transfers	<u>(4,053,805)</u>	<u>655,227</u>	<u>841,500</u>
Total governmental activities	<u>21,416,769</u>	<u>26,176,948</u>	<u>28,472,497</u>
Business-type activities:			
Property taxes	\$ -	\$ -	\$ -
Unrestricted investment earnings	387,117	227,167	236,654
Gain (loss) on disposal of capital assets	(177,051)	6,490	22,538
Transfers	<u>4,053,805</u>	<u>(655,227)</u>	<u>(841,500)</u>
Total business-type activities	<u>4,263,871</u>	<u>(421,570)</u>	<u>(582,308)</u>
Total primary government	<u>\$ 25,680,640</u>	<u>\$ 25,755,378</u>	<u>\$ 27,890,189</u>
Change in Net Assets			
Governmental activities	\$ 6,398,414	\$ 6,882,404	\$ 6,739,452
Business-type activities	<u>6,468,751</u>	<u>2,205,121</u>	<u>1,990,917</u>
Total primary government	<u>\$ 12,867,165</u>	<u>\$ 9,087,525</u>	<u>\$ 8,730,369</u>

Fiscal Year				
	2006	2007	2008	2009
\$	5,414,961	\$ 7,039,298	\$ 6,836,248	\$ 7,362,560
	13,300,351	13,743,194	14,833,647	14,751,479
	8,973,031	8,757,022	9,046,873	8,993,290
	5,341,682	5,025,560	5,971,565	7,732,777
	2,973,749	1,887,633	1,923,821	2,129,490
	<u>36,003,774</u>	<u>36,452,707</u>	<u>38,612,154</u>	<u>40,969,596</u>
	9,234,651	10,036,844	10,625,811	11,833,994
	9,968,963	10,361,998	11,049,223	11,449,194
	795,614	780,981	787,663	798,369
	3,652,169	3,621,977	3,612,482	3,588,831
	4,048,649	4,168,534	4,502,849	4,636,375
	<u>27,700,046</u>	<u>28,970,334</u>	<u>30,578,028</u>	<u>32,306,763</u>
\$	<u>63,703,820</u>	<u>65,423,041</u>	<u>69,190,182</u>	<u>73,276,359</u>
\$	731,613	\$ 784,659	\$ 840,070	\$ 811,087
	6,146,114	5,632,642	5,839,683	5,081,563
	793,796	736,329	763,130	804,500
	1,423,302	1,384,024	1,170,183	1,377,785
	4,013,617	4,299,509	7,710,015	2,582,999
	<u>13,108,442</u>	<u>12,837,163</u>	<u>16,323,081</u>	<u>10,657,934</u>
	11,421,474	13,125,773	13,713,249	14,858,488
	11,029,445	11,436,175	12,122,599	12,655,777
	867,626	868,833	925,388	859,816
	3,646,620	3,630,538	3,680,584	3,660,466
	3,337,153	3,517,111	3,517,218	3,606,684
	122,358	127,492	147,456	135,917
	<u>30,424,676</u>	<u>32,705,922</u>	<u>34,106,494</u>	<u>35,777,148</u>
\$	<u>43,533,118</u>	<u>45,543,085</u>	<u>50,429,575</u>	<u>46,435,082</u>
\$	(22,895,332)	\$ (23,615,544)	\$ (22,289,073)	\$ (30,311,662)
	2,724,630	3,735,588	3,528,466	3,470,385
\$	<u>(20,170,702)</u>	<u>(19,879,956)</u>	<u>(18,760,607)</u>	<u>(26,841,277)</u>
\$	20,414,298	\$ 21,459,001	\$ 22,242,276	\$ 23,834,274
	7,228,002	7,793,577	8,578,434	7,587,386
	499,206	570,871	647,466	667,791
	1,230,264	1,581,702	1,185,899	387,177
	8,418	58,377	1,265	11,709
	838,230	919,625	967,800	743,025
	<u>30,218,418</u>	<u>32,383,153</u>	<u>33,623,140</u>	<u>33,231,362</u>
\$	-	\$ -	\$ -	\$ 300,372
	283,771	510,678	607,312	209,371
	25,210	7,604	14,505	2,250
	(838,230)	(919,625)	(967,800)	(743,025)
	(529,249)	(401,343)	(345,983)	(231,032)
\$	<u>29,689,169</u>	<u>31,981,810</u>	<u>33,277,157</u>	<u>33,000,330</u>
\$	7,323,086	\$ 8,767,609	\$ 11,334,067	\$ 2,919,700
	2,195,381	3,334,245	3,182,483	3,239,353
\$	<u>9,518,467</u>	<u>12,101,854</u>	<u>14,516,550</u>	<u>6,159,053</u>

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

	Fiscal Year			
	2000	2001	2002	2003^a
General fund				
Reserved	\$ 141,939	\$ 15,872	\$ 417,093	\$ 412,991
Unreserved	<u>13,755,160</u>	<u>14,359,821</u>	<u>14,325,972</u>	<u>9,961,074</u>
Total general fund	<u>\$ 13,897,099</u>	<u>\$ 14,375,693</u>	<u>\$ 14,743,065</u>	<u>\$ 10,374,065</u>
All other governmental funds				
Reserved	\$ 16,729,995	\$ 2,319,839	\$ 4,186,436	\$ 4,084,987
Unreserved, reported in:				
Special revenue funds	1,147,917	1,435,949	1,589,518	686,777
Capital projects funds	<u>22,454,859</u>	<u>22,869,578</u>	<u>26,750,351</u>	<u>19,608,849</u>
Total all other governmental funds	<u>\$ 40,332,771</u>	<u>\$ 26,625,366</u>	<u>\$ 32,526,305</u>	<u>\$ 24,380,613</u>

^a 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.

^b 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.

^c The substantial decrease in general fund unreserved fund balance in 2009 is due to the transfer of the equipment replacement program to the construction fund.

The substantial increase in other governmental funds reserved fund balance in 2009 is due to unspent bond proceeds related to the new Public Works Facility, which is under construction.

Fiscal Year					
2004	2005^b	2006	2007	2008	2009^c
\$ 390,771	\$ 223,351	\$ 36,849	\$ 28,637	\$ 13,982	\$ 18,241
<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>12,031,358</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>	<u>\$ 12,049,599</u>
\$ 3,465,440	\$ 13,792,312	\$ 2,682,238	\$ 6,247,539	\$ 8,467,918	\$ 15,223,353
781,458	731,027	13,179,904	14,750,448	14,950,538	12,813,439
<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>6,683,668</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>	<u>\$ 34,720,460</u>

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

	Fiscal Year			
	2000	2001	2002	2003
Revenues				
General property taxes	\$ 22,904,512	\$ 24,409,785	\$ 24,735,336	\$ 17,903,618
Tax increment collections	-	-	-	7,342,270
Special assessments	1,159,876	1,086,093	998,908	1,019,461
Franchise fees	336,678	473,702	418,153	393,627
License and permits	1,835,828	2,239,611	1,939,207	2,182,263
Intergovernmental	1,880,680	5,085,981	2,254,968	4,678,735
Charges for services	2,902,666	1,962,172	2,096,806	2,076,519
Fines and forfeitures	967,421	976,952	910,407	785,227
Investment income	2,376,137	1,357,701	1,178,211	286,209
Rental of property	1,156,526	4,262,984	1,782,063	354,266
Other revenues	96,932	184,466	180,081	200,551
Total revenues	<u>35,617,256</u>	<u>42,039,447</u>	<u>36,494,140</u>	<u>37,222,746</u>
Expenditures				
General government	4,558,424	5,353,002	5,372,431	5,709,741
Public safety	8,846,360	9,409,291	9,893,428	10,352,816
Public works	3,672,057	4,313,065	4,161,373	4,142,668
Parks	2,150,588	2,375,565	2,602,266	2,974,164
Capital outlay	8,352,494	11,193,155	11,059,757	15,539,676
Debt service				
Principal	6,050,000	3,740,000	5,885,000	5,700,000
Interest and other charges	3,108,601	3,148,719	3,094,480	2,908,787
Total expenditures	<u>36,738,524</u>	<u>39,532,797</u>	<u>42,068,735</u>	<u>47,327,852</u>
Revenues over (under) expenditures	(1,121,268)	2,506,650	(5,574,595)	(10,105,106)
Other Financing Sources (Uses)				
Transfers in	6,976,639	6,215,411	12,308,480	8,752,126
Transfers out	(6,165,639)	(6,201,152)	(11,552,990)	(12,805,931)
Parkland dedication	85,520	60,280	-	-
Sale of capital assets	-	-	-	-
Bonds issued	21,742,116	-	13,637,416	1,540,000
Premium on bonds issued	-	-	-	59,219
Discount on bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	6,570,000
Payment to refunding escrow	-	(15,810,000)	(2,550,000)	(6,525,000)
Principal paid by escrow	-	-	-	-
Total other financing sources (uses)	<u>22,638,636</u>	<u>(15,735,461)</u>	<u>11,842,906</u>	<u>(2,409,586)</u>
Net change in fund balances	<u>\$ 21,517,368</u>	<u>\$ (13,228,811)</u>	<u>\$ 6,268,311</u>	<u>\$ (12,514,692)</u>
Debt service as a percentage of noncapital expenditures	32.3%	24.3%	29.0%	27.1%

^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					
2004	2005	2006	2007^a	2008	2009
\$ 17,865,757	\$ 19,071,202	\$ 20,414,298	\$ 21,459,001	\$ 22,242,276	\$ 23,834,274
6,761,934	7,060,744	7,228,002	7,793,577	8,578,434	7,587,386
966,879	1,354,264	1,751,219	1,750,444	2,442,490	2,703,833
450,956	457,421	499,206	570,871	647,466	667,791
2,247,759	3,240,622	3,488,897	2,909,521	2,915,455	2,104,967
3,933,540	1,539,169	2,773,350	3,699,006	3,005,883	1,507,170
2,279,302	2,466,663	2,691,354	2,748,709	3,093,941	2,905,410
863,073	742,917	1,023,935	971,486	1,073,174	1,224,983
443,074	977,956	1,230,264	1,581,702	1,185,899	387,177
385,707	315,542	310,145	355,734	255,607	343,616
294,136	227,446	246,797	225,839	126,723	160,035
<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>	<u>43,426,642</u>
5,213,469	5,477,308	5,995,804	6,544,307	6,235,352	6,895,329
11,125,388	11,373,763	12,431,114	12,985,215	13,788,797	13,692,686
4,386,669	4,882,811	5,233,907	5,787,619	6,189,594	5,911,758
2,954,372	3,146,029	3,300,375	3,455,789	3,693,595	3,688,063
7,772,321	8,227,191	8,980,526	11,991,122	14,666,907	22,997,065
6,450,000	6,830,000	5,985,000	6,190,000	7,090,000	7,415,000
2,484,291	2,543,639	2,107,036	1,677,770	1,967,021	1,841,342
<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>	<u>62,441,243</u>
(3,894,393)	(5,026,795)	(2,376,295)	(4,565,932)	(8,063,918)	(19,014,601)
8,367,595	7,797,369	6,865,258	7,290,391	7,983,585	11,347,773
(7,712,368)	(6,955,869)	(6,027,028)	(6,370,766)	(7,015,785)	(10,604,748)
-	-	-	-	-	-
-	135,045	54,457	66,845	96,825	34,592
-	15,816,165	-	11,735,000	7,755,000	22,950,000
-	-	-	-	-	64,765
-	(36,275)	-	(53,637)	(35,848)	(75,621)
-	16,764,721	-	-	-	-
-	(16,635,000)	-	-	-	-
-	-	(9,035,000)	-	-	-
<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>23,716,761</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>	<u>\$ 4,702,160</u>
27.4%	27.4%	23.1%	20.9%	22.6%	21.6%

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			
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
2009	10,112,498	10,091,005	10,079,499	122,532	101,831	105,130	22.447%	0.00597%	2.334

Source: Hennepin County Taxpayer Services. 2000-2004 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		
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%
2009	20.204%	2.243%	22.447%	0.006%	40.413%	17.766%	0.183%	8.413%	89.039%

Source: Hennepin County Taxpayer Services. Some 2000-2004 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	2009			2000		
	Tax Capacity	Rank	Percentage of Total Capacity	Tax Capacity	Rank	Percentage of Total Capacity
Southdale Shopping Center	\$ 3,497,098	1	2.85%	\$ 4,906,659	1	5.45%
Galleria Shopping Center	1,188,800	2	0.97%	1,614,622	2	1.79%
Southdale Office Park	910,362	3	0.74%	1,359,207	4	1.51%
Centennial Lakes Retail	679,250	4	0.55%	663,442	9	0.74%
Southdale Medical Bldg	638,930	5	0.52%	716,706	7	0.80%
National Car	631,752	6	0.52%	957,300	6	1.06%
Centennial Lakes Phase V	615,384	7	0.50%	-		0.00%
Centennial Lakes Phase IV	603,462	8	0.49%	-		0.00%
Macy's Department Stores	520,174	9	0.42%	-		0.00%
Target	510,186	10	0.42%	432,156	11	0.48%
Pentagon Office Park	-		0.00%	1,560,591	3	1.73%
United Healthcare Corporation	-		0.00%	882,609	5	0.98%
Cedars of Edina	-		0.00%	710,438	8	0.79%
Edinborough Plaza	-		0.00%	508,820	10	0.57%
Totals	\$ 9,795,398		7.99%	\$14,312,550		15.89%

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
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%	106,524	18,173,416	96.62%
2005	19,667,551	19,090,016	97.06%	108,171	19,198,187	97.61%
2006	20,820,130	20,310,889	97.55%	164,059	20,474,948	98.34%
2007	21,530,528	21,347,789 ^b	99.15% ^b	66,091	21,413,880	99.46%
2008	22,605,669	22,178,719 ^c	98.11% ^c	122,057	22,300,776	98.65%
2009	24,153,933	23,484,137 ^d	97.23% ^d	-	23,484,137	97.23%

Source: Hennepin County Taxpayer Services.

^a Beginning in 2002, the State of Minnesota quit reimbursing the City for the market value homestead credit (MVHC) program. The MVHC 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 MVHC in 2002, tax collections as a percent of levy dropped, as shown in this table. Due to the phase out provision in the MVHC 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 MVHC after five years of not making payments.

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

^d In 2009 the State of Minnesota once again quit reimbursing the City for MVHC.

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			
2000	\$ 7,550	\$ -	\$ 66,670	\$ 170	\$ 10,520	\$ 3,265	\$ 88,175	4.24%	\$ 1,859
2001	7,250	-	47,590	-	14,670	2,955	72,465	3.51%	1,527
2002	6,950	12,410	40,855	-	7,890	2,630	70,735	3.31%	1,490
2003	8,165	12,035	35,900	-	7,145	5,495	68,740	2.97%	1,445
2004	7,295	11,595	30,760	-	6,325	4,860	60,835	2.58%	1,263
2005	11,765	16,560	28,905	1,460	5,475	4,215	68,380	2.92%	1,441
2006	5,670	16,080	20,460	1,460	4,595	3,550	51,815	2.19%	1,105
2007	10,990	15,390	15,665	7,170	3,690	11,070	63,975	2.39%	1,359
2008	10,420	14,675	10,015	14,770	2,845	23,570	76,295	3.00%	1,584
2009	24,020	22,650	4,125	14,620	4,450	21,525	91,390	3.59%	1,897

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			
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%	729
2009	24,020	22,650	4,125	50,795	0.50%	1,055

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, 2009

	<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	\$ 600,494,319	7.29%	\$ 43,776,036
Hennepin Suburban Park District	71,017,752	9.89%	7,023,656
Hennepin Regional Rail Authority	42,430,624	7.29%	3,093,192
School Districts:			
ISD No. 273 (Edina)	82,581,000	98.64%	81,457,898
ISD No. 270 (Hopkins)	156,028,964	8.74%	13,636,931
ISD No. 271 (Bloomington)	80,285,172	0.00%	-
ISD No. 272 (Eden Prairie)	78,098,382	0.92%	718,505
ISD No. 280 (Richfield)	30,739,811	23.24%	7,143,932
ISD No. 283 (St. Louis Park)	54,914,328	0.02%	10,983
Metro Council	<u>131,613,280</u>	3.23%	<u>4,251,109</u>
Total Overlapping Debt	1,328,203,632		161,112,242
Direct Debt:			
City of Edina	<u>26,528,780</u>	100.00%	<u>26,528,780</u>
Total Overlapping and Direct Debt	<u>\$ 1,354,732,412</u>		<u>\$ 187,641,022</u>

Debt Ratios:

Ratio of debt per capita (48,169 population)	\$ 3,895
Ratio of debt to estimated market valuation of \$10,112,498,000	1.86%

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>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>	<u>2009</u>
Debt limit	\$ 97,235	\$ 116,431	\$ 138,279	\$ 138,190	\$ 160,674	\$ 173,867	\$ 191,974	\$ 199,775	\$ 302,385	\$ 301,369
Total net debt applicable to limit	<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>	<u>46,670</u>
Legal debt margin	<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>	<u>\$ 254,699</u>
Total net debt applicable to the limit as a percentage of debt limit	7.76%	6.23%	14.00%	14.62%	11.76%	17.13%	11.33%	13.20%	8.30%	15.49%

Legal Debt Margin Calculation for Fiscal Year 2009

Market value (after fiscal disparities)	\$ 10,045,631,700
Debt limit (3% of market value)	301,368,951
Debt applicable to limit:	
General obligation bonds	24,020,000
Public project revenue bonds	<u>22,650,000</u>
Total debt applicable to limit	<u>46,670,000</u>
Legal debt margin	<u>\$ 254,698,951</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	Debt service requirements			Coverage
	Revenue	expenses	revenue	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
2009	1,424,405	-	1,424,405	745,000	665,193	1,410,193	1.01
Tax Increment Bonds							
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
2009	7,587,386	-	7,587,386	5,890,000	244,236	6,134,236	1.24
Permanent Improvement Revolving Bonds (Special Assessment)							
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
2009	1,508,662	-	1,508,662	150,000	513,708	663,708	2.27
Utility Bond							
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
2009	14,857,798	10,815,215	4,042,583	2,045,000	803,157	2,848,157	1.42
Recreational Facility Bonds							
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
2009	5,932,900	5,977,793	(44,893)	860,000	92,128	952,128	(0.05)

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
2000	47,425	\$ 2,081,388	\$ 43,888	88.2%	2.40%
2001	47,465	2,065,867	43,524	91.5%	3.30%
2002	47,465	2,134,976	44,980	91.5%	4.00%
2003	47,570	2,317,801	48,724	91.5%	4.10%
2004	48,156	2,356,369	48,932	93.3%	3.90%
2005	47,448	2,341,464	49,348	92.1%	3.30%
2006	46,896	2,365,434	50,440	92.0%	3.00%
2007	47,090	2,673,959	56,784	92.0%	3.45%
2008	48,169	2,547,369	52,884	92.0%	4.33%
2009	48,169	2,547,369	52,884	92.4%	6.38%

Sources:

Population data from U.S. Census Bureau/Metropolitan Council. 2008 is the most recent estimate.
 Personal income and per capita income estimates based on MN Department of Employment and Economic Development Quarterly Census of Employment and Wages. 2008 is the most recent.
 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			2000		
	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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration	8.00	8.00	8.25	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	3.85
Finance	5.50	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Elections	0.50	0.50	1.00	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	6.50	7.50	7.50	7.50	8.50	8.50	8.50
Supervision	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Maintenance	28.00	27.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	27.00
Public Safety										
Police Protection	67.00	70.00	69.00	68.00	66.00	69.00	69.00	70.00	70.00	71.00
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Protection	31.00	32.00	32.00	32.00	32.00	32.00	32.00	33.00	33.00	33.00
Public Health	3.08	3.08	3.75	2.75	2.75	2.75	2.75	2.75	2.75	2.65
Inspections	5.75	6.75	6.50	6.50	6.50	6.50	6.50	7.50	7.50	7.50
Parks & Recreation										
Administration	7.00	7.00	7.00	7.00	6.80	6.80	6.80	6.80	6.80	6.80
Maintenance	16.00	17.00	17.00	16.00	16.50	16.40	16.40	16.40	16.40	16.40
Central Services										
General	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	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	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Utilities	16.25	15.70	14.50	14.50	15.50	15.75	15.75	15.25	15.75	18.75
Liquor	10.00	9.30	9.75	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	0.55
Golf Course	14.00	14.00	15.00	15.00	13.00	13.00	13.00	13.00	13.00	13.00
Arena	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Art Center	3.00	3.00	3.00	3.00	3.00	2.50	2.00	2.00	2.00	2.00
Edinborough Park/ Centennial Lakes	12.00	13.00	12.00	12.00	12.00	12.00	11.00	12.00	12.00	12.00
Other	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00	4.00	5.00
Total	266.83	272.83	273.00	270.00	268.50	271.50	270.00	277.50	278.00	281.00

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Total City employees	801	868	860	879	870	909	887	890	918	885
Votes cast ^a	30,483	10,008	28,156	10,721	31,730	1,367	26,270	7,930	31,512	2,733
Public Works										
Asphalt placed (tons)	-	-	-	-	-	-	9,000	8,000	7,500	9,500
Concrete (cu. yds.)	-	-	-	-	-	-	650	850	480	640
Public Safety										
Crimes reported	-	2,411	2,139	2,073	1,983	1,908	1,937	2,010	2,025	NA
Fire calls	1,091	1,142	1,106	1,062	1,060	1,055	963	1,012	913	852
Medical calls	2,914	2,931	3,153	3,030	3,199	3,423	3,470	3,510	3,516	3,496
Central Services										
Vehicle fixes	-	-	-	-	-	-	2,398	2,460	2,967	2,539
Utilities										
Daily consumption ^b	-	-	-	-	-	-	7,209	7,372	7,376	7,596
Aquatic Center										
Attendance	125,000	115,000	111,056	96,419	88,636	139,415	120,406	114,173	110,000	64,836
Golf Course										
Total rounds played	137,838	120,898	112,078	123,770	116,734	113,679	114,737	112,821	112,663	117,819

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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	40	40	40	40	40	40	40
Acreage of parks	1,552	1,552	1,552	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Park buildings	26	26	27	27	27	27	27	27	27	27
Utilities										
Wells	18	18	18	18	18	18	18	19	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	14,851	14,851	14,851	14,851	14,851	13,933
Arena										
Ice sheets	3	3	3	3	3	3	3	3	3	3

Source: Various City departments