COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DEC. 31, 2013

City of Edina, Minnesota

e·di·na / ĭ-dī-nə / *noun*

1. The preeminent place for living, learning, raising families & doing business

CITY OF EDINA, MINNESOTA

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2013

Prepared by:
Department of Finance

John Wallin – Treasurer and Finance Director
Eric Roggeman – Assistant Finance Director
Kyle Sawyer – Accountant

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June 9, 2014

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, 2013.

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 unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2013. 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. The 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 48,829. 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 available 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 has 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.

Assignments for investments and compensated absences are all calculated as specified in the policies. In addition, the City has $12,573,457 unassigned fund balance in the general fund. This amount is $2,049,968 above the goal range identified in the policy.

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, 2012. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

John Wallin
Finance Director

Eric Roggeman
Assistant Finance Director

Government Finance Officers Association

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

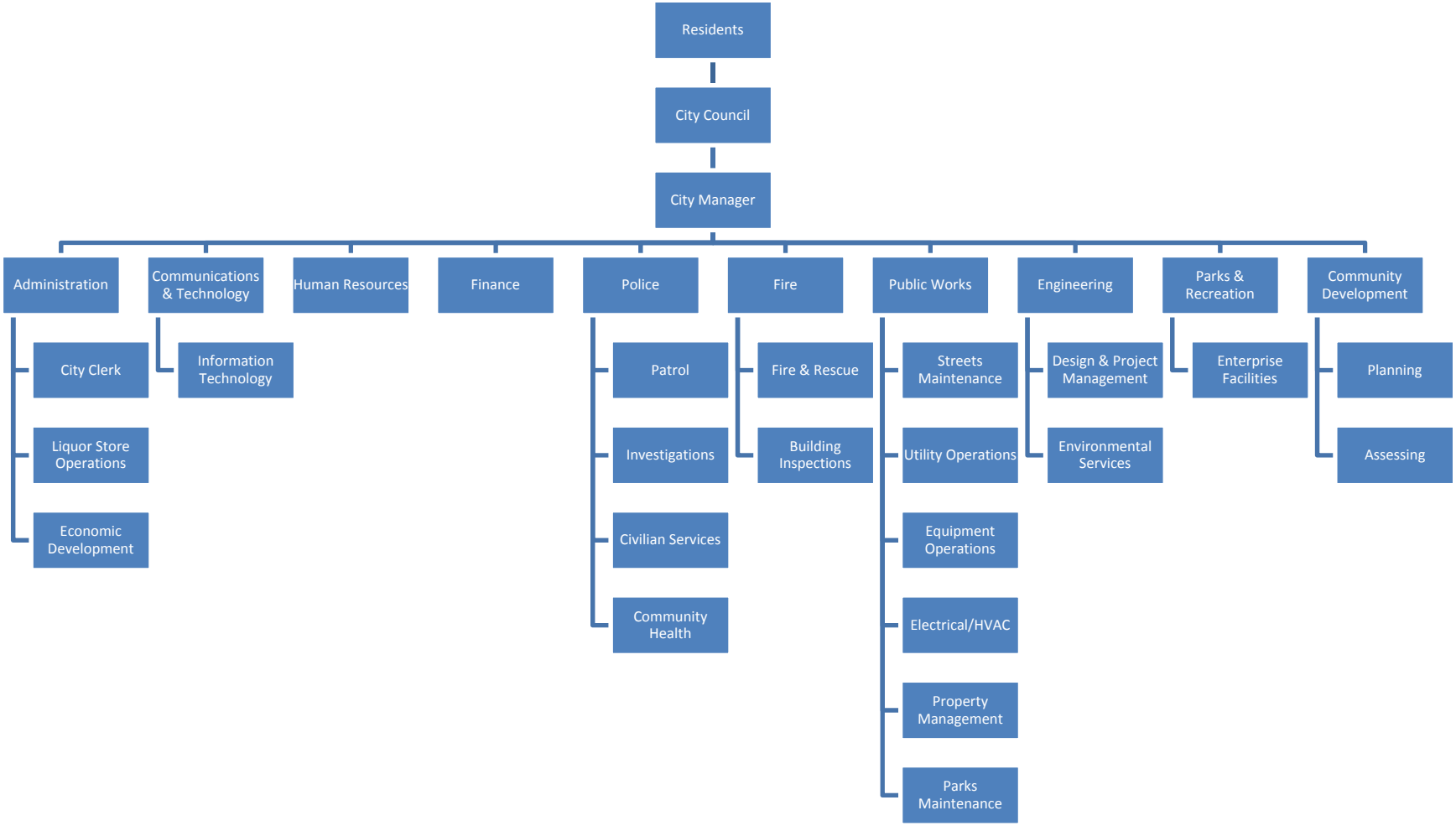
December 31, 2012

Executive Director/CEO

CITY OF EDINA, MINNESOTA
ORGANIZATION
December 31, 2013

	Term Expires
Mayor:	
James Hovland	December 31, 2016
Council Members:	
Mary Brindle	December 31, 2016
Ann Swenson	December 31, 2016
Joni Bennett	December 31, 2014
Josh Sprague	December 31, 2014
City Manager:	
Scott Neal	Appointed
Finance Director/Treasurer:	
John Wallin	Appointed
City Clerk:	
Debra Mangen	Appointed

CITY OF EDINA, MINNESOTA



MMKR
CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
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 Management
City of Edina, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Edina, Minnesota (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Telephone: 952-545-0424 • Telefax: 952-545-0569 • www.mmkr.com

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, and the Schedule of Funding Progress for the Other Post-Employment Benefits Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Emphasis of Matter

As described in Note 1 of the notes to basic financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our opinion is not modified with respect to this matter.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
June 9, 2014

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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, 2013. 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 $220,980,089 (net position). Of this amount, $50,109,776 (unrestricted net position) 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 position increased by $11,579,920 from current year operations. $4,884,510 of this increase is due to special assessment revenues, which help support our road reconstruction program. Also, $4,572,422 of the increase is due to Utility revenues over expenses, which are being reinvested in new or rebuilt infrastructure according to the City's Capital Improvement Plan (CIP) and Utility Rate Study.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $45,292,135, a decrease of $2,356,722 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $12,573,457 or 39% of total general fund expenditures.

- The City's total bonded debt decreased by $9,091,375 during the current fiscal year, from $99,703,720 to $90,612,345. The City issued new debt during the year consisting of $9,390,000 general obligation bonds to finance various street infrastructure improvement projects, the new golf dome and refunding of $5,735,000 of debt.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in 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, arena, 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, debt service fund, construction fund and all of its special revenue funds and proprietary funds. A budgetary comparison statement has been provided for the general fund, debt service fund, construction fund and all the special revenue funds to demonstrate compliance with these budgets.

Proprietary funds. The City maintains five 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, golf course and arena operations.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $220,980,089 at the close of the most recent fiscal year.

The largest portion of the City's net position ($149,969,357 or 68%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Edina's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012 - Restated	2013	2012 - Restated	2013	2012 - Restated
Current and other assets	$ 66,664,337	$ 67,078,680	$ 21,429,233	$ 25,951,920	$ 88,093,570	$ 93,030,600
Capital assets	137,809,952	135,922,566	102,514,577	97,044,842	240,324,529	232,967,408
Total assets	$204,474,289	$ 203,001,246	$123,943,810	$ 122,996,762	$328,418,099	$ 325,998,008
Long-term liabilities outstanding	$ 56,200,689	$ 57,536,627	$ 32,914,580	$ 35,799,997	$ 89,115,269	$ 93,336,624
Other liabilities	10,898,734	14,868,386	7,424,007	8,392,829	18,322,741	23,261,215
Total liabilities	$ 67,099,423	$ 72,405,013	$ 40,338,587	$ 44,192,826	$107,438,010	$ 116,597,839
Net position:						
Net investment in capital assets	$ 83,842,970	$ 78,644,392	$ 66,126,387	$ 63,766,144	$149,969,357	$ 142,410,536
Restricted	20,289,579	23,215,910	611,377	876,909	20,900,956	24,092,819
Unrestricted	33,242,317	28,735,931	16,867,459	14,160,883	50,109,776	42,896,814
Total net position	$137,374,866	$ 130,596,233	$ 83,605,223	$ 78,803,936	$220,980,089	$ 209,400,169

An additional portion of the City's net position ($20,900,956) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($50,109,776) 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 position 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 $7,212,962 in unrestricted net position, largely due to positive operating results in the Utility fund and a large new assessment for the Richmond Hills neighborhood reconstruction project.

As shown below, the City's net position increased by $11,579,920 during the current fiscal year. Factors contributing to this change are discussed in the next two sections.

City of Edina's Changes in Net Position

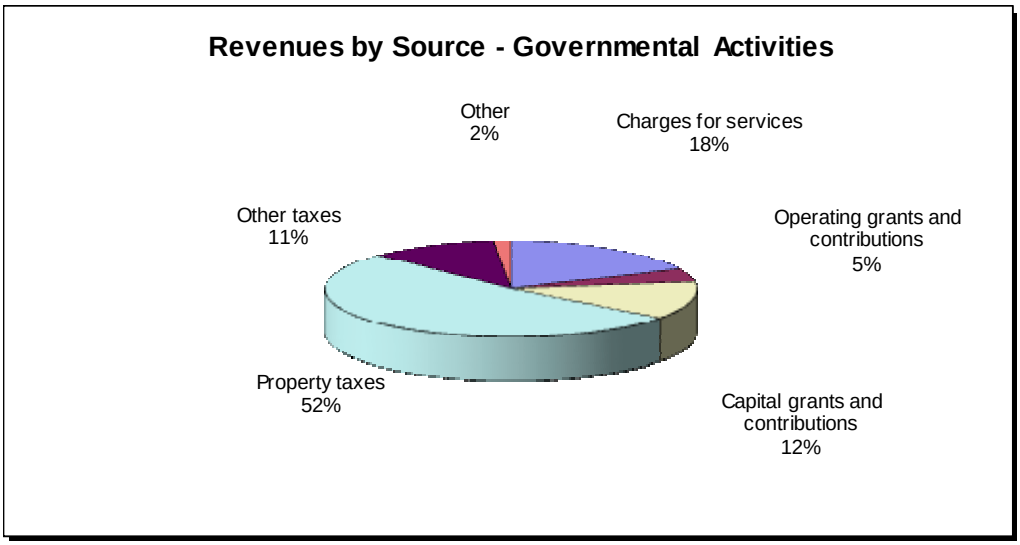
	Governmental Activities		Business-type Activities		Totals	
	2013	2012 - Restated	2013	2012 - Restated	2013	2012 - Restated
Revenues:						
Program revenues:						
Charges for services	$ 9,517,662	$ 8,606,777	$ 39,751,184	$ 39,039,592	$ 49,268,846	$ 47,646,369
Operating grants and contributions	2,283,007	1,685,026	516,242	1,042,195	2,799,249	2,727,221
Capital grants and contributions	6,372,735	9,137,011	-	-	6,372,735	9,137,011
General revenues:						
Property taxes	26,894,161	25,884,662	-	-	26,894,161	25,884,662
Other taxes	5,873,905	4,352,465	-	-	5,873,905	4,352,465
Gain on disposal of assets	16,654	-	17,587	2,644,854	34,241	2,644,854
Insurance recovery	816,654	-	-	-	816,654	-
Unrestricted investment earnings	(96,390)	341,986	(77,848)	113,177	(174,238)	455,163
Total revenues	51,678,388	50,007,927	40,207,165	42,839,818	91,885,553	92,847,745
Expenses:						
General government	8,256,261	12,598,979	-	-	8,256,261	12,598,979
Public safety	17,117,693	16,598,423	-	-	17,117,693	16,598,423
Public works	11,502,250	9,437,285	-	-	11,502,250	9,437,285
Parks	6,132,709	5,904,724	-	-	6,132,709	5,904,724
Interest on long-term debt	2,024,749	2,144,811	-	-	2,024,749	2,144,811
Utilities	-	-	13,748,186	12,635,286	13,748,186	12,635,286
Liquor	-	-	12,261,413	11,740,744	12,261,413	11,740,744
Aquatic center	-	-	822,932	865,157	822,932	865,157
Golf course	-	-	3,199,815	3,289,416	3,199,815	3,289,416
Arena	-	-	2,272,510	2,220,965	2,272,510	2,220,965
Community activity centers	-	-	2,967,115	2,842,139	2,967,115	2,842,139
Total expenses	45,033,662	46,684,222	35,271,971	33,593,707	80,305,633	80,277,929
Increase in net position before transfers	6,644,726	3,323,705	4,935,194	9,246,111	11,579,920	12,569,816
Transfers	133,907	696,935	(133,907)	(696,935)	-	-
Increase in net position	6,778,633	4,020,640	4,801,287	8,549,176	11,579,920	12,569,816
Net position - January 1	130,596,233	126,575,593	78,803,936	70,254,760	209,400,169	196,830,353
Net position - December 31	$137,374,866	$ 130,596,233	$ 83,605,223	$ 78,803,936	$220,980,089	$ 209,400,169

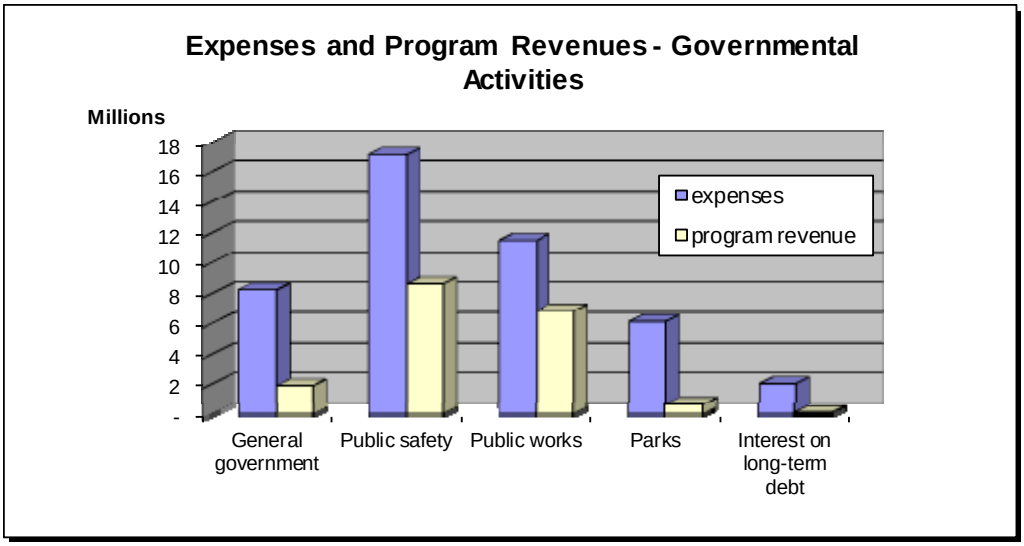
Governmental Activities

Governmental activities increased the City's net position by $6,778,633, accounting for 59% of the total growth in net position. Key elements of this increase are as follows:

- Property tax revenues increased by $1,009,499 (3.9%) during the year, which is more than the property tax levy increase of 1.9% outlined in our 2013 budget due to improved collection rate.
- The City also collected $3,981,938 in tax increments, which were used to pay principal and interest on tax increment debt. This increases net position because debt principal payments are not expensed on the Statement of Activities.
- The debt service fund paid a total of $14,531,375 in principal payments during 2013, including the tax increment debt.
- General government expenses decreased by $4,342,718 in 2013 compared to 2012. The majority of this decrease is due to less being spent on the Southdale 2 Tax Increment Financing District in 2013.

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

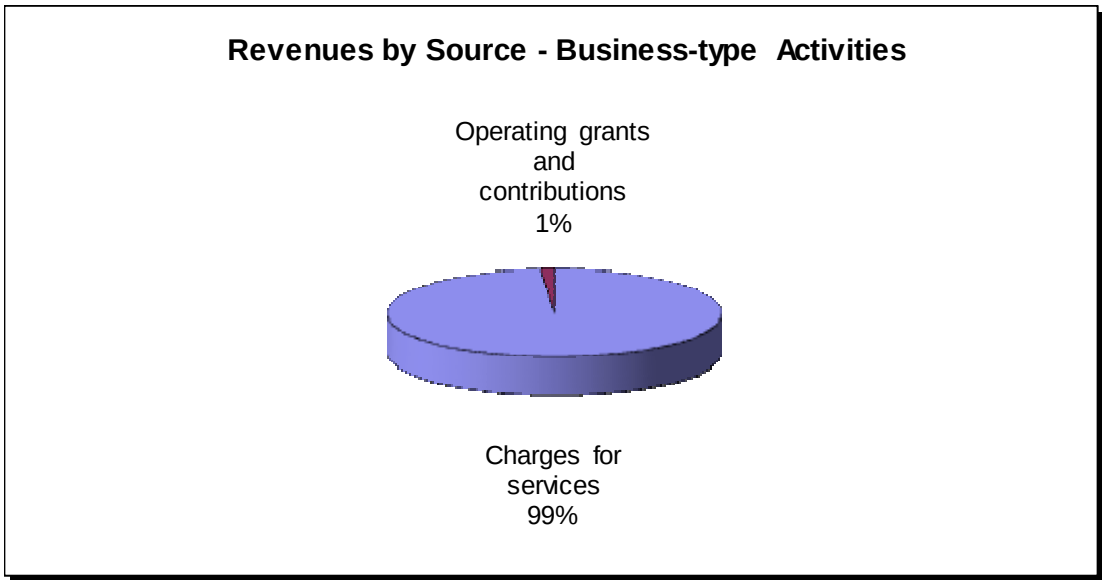


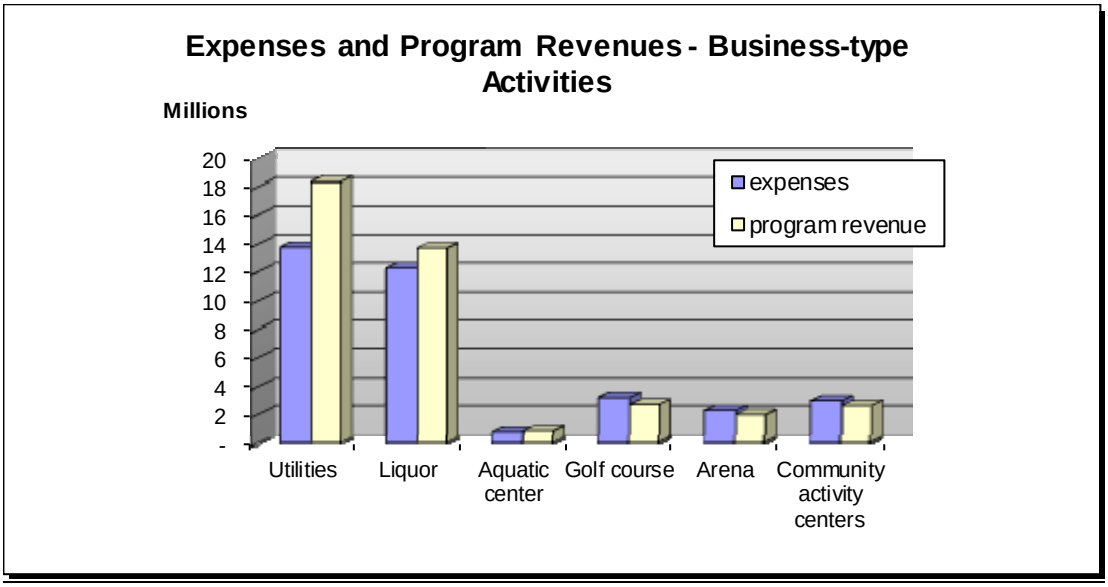


Business-type Activities

Business-type activities increased net position by $4,801,287 accounting for 41% of the City's growth in net position. Key elements of the current year increase are as follows:

- The utility fund had income before transfers of $4,572,422 for 2013. This additional revenue is used to invest in new and rebuilt utility infrastructure according to the City's CIP and utility rate study.
- Business-type activities made net transfers of $133,907 to governmental activities during 2013 to provide cash flow for operational and capital improvement needs.





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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $45,292,135, a decrease of $2,356,722 in comparison with the prior year. Approximately 28% of this total amount ($12,573,457) constitutes unassigned fund balance. The remainder of the fund balance is 1) nonspendable due to prepaid items ($13,322), 2) restricted by external creditors, grantors, laws or regulations ($22,791,627), or 3) assigned by internal constraints ($9,913,729).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $12,573,457. As a measure of the general fund's liquidity, unassigned fund balance represents 39% of total general fund expenditures.

The fund balance of the City's general fund decreased by $507,499 during the current fiscal year. Key factors in this decrease are as follows:

- Total general fund revenues were $2,282,106 over budget, including higher than expected building permit activity. General fund license and permit revenues increased by 31.8% in the current fiscal year after a 16.3% and 13% increase in 2012 and 2011, respectively.
- Total general fund expenditures were $396,733 over budget. Much of this overage occurred in the fire protection and communication departments. The fire protection overage was a result of a change made to the way we account for fire aid as requested by the State auditor. The communications department difference was due to the hiring of a new employee to handle the Southwest Suburban Cable commission that was not budgeted for.
- The liquor fund transferred $765,100 of profits to the general fund, as planned in the 2013 budget.
- Transfers out of the general fund totaled $2,392,872 for a variety of purposes planned as part of the 2013 budget process.

The Housing and Redevelopment Authority fund balance decreased by $700,505 in the current fiscal year because there was a large amount spent on the Centennial Tax Increment Financing District from tax increment funds during the year.

The debt service fund has a total fund balance of $6,246,769, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was $3,457,639. Fund balance decreased during the year as a result of refunding 2007C and 2009B bonds for $3,710,000 and $5,735,000 respectively.

The construction fund balance increased by $937,208 in 2013 due to $2,148,514 in transfers to finance various capital projects and equipment purchases. Also, new debt was issued in 2013 to help finance various street improvement projects.

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 position of the utility fund at the end of the year amounted to $14,021,972. The total growth in net position from current year operations was $4,472,422. Operating revenues and expenses in the utilities fund increased by .6% and 9.2%, respectively, in 2013. Revenues increased due to rate increases that are intended to help replace aging infrastructure and expenses increased as a result of higher contractual service and depreciation expenses related to infrastructure projects. The City invested $6,670,868 in utility fund capital assets during 2013.

Unrestricted net position of the liquor fund at the end of the year amounted to $1,704,172. Total net position increased by $127,911. 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 $1,340,100 to other funds during 2013. The majority of this amount ($765,100) was transferred to the general fund according to the budget.

Unrestricted net position of the aquatic center fund at the end of the year amounted to $213,760. Aquatic center revenues decreased by 7.4% from 2012 due to less favorable weather for the aquatic center in 2013. The aquatic center remains profitable.

Unrestricted net position of the golf course fund at the end of the year amounted to a deficit of ($1,362,075), a decrease of $1,571,300 from the prior year. Prior to 2012, unrestricted net position had been declining or essentially flat for a number of years in the golf course fund because cash flow is not sufficient to make principal and interest payments on outstanding debt and declining rounds played at the City's courses. The large increase in 2012 was the result of insurance proceeds received for the collapse of the golf dome which was spent in 2013 to rebuild the structure.

Unrestricted net position of the arena fund at the end of the year amounted to a deficit of ($221,555), an increase of $2,528,104 from the prior year. The large increase in 2013 is the result of the completed remodel in 2013 which increased revenues by 33.8%, mostly in building rental and concession sales.

General Fund Budgetary Highlights

During the year there was a $2,753,090 increase in appropriations between the original and final amended budget. The majority of the increase was a transfer to the construction, arena, and golf course funds of unassigned general fund balance according to the City's fund balance policy.

During the year, revenues were $2,282,106 more than budget, as the improving economy affected our permits and charges for services revenues, which exceeded budget by $1,542,584.

During the year, expenses were $396,733 more than budget due to a newly created residential reconstruction position that was not budgeted for, and is funded by the additional permit revenue received. In addition, a change was made to the way the City accounts for fire aid as requested by the State Auditor.

Many City departments were under budget for the year, particularly the public health department, which was under staffed during the year because a position that came open was not immediately filled. The parks maintenance department was under budget due partially to lower than expected paths and hard surfaces repair spending. The City also saved money by continuing to replace fluorescent light bulbs with light-emitting diode (LED) bulbs.

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, 2013, amounted to $240,324,529 (net of accumulated depreciation). This investment in capital assets included land, land improvements, intangible assets such as easements, infrastructure assets (roads, bridges, sidewalks, and similar items), buildings, vehicles and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 3.2 percent (a 1.4 percent increase for governmental activities and a 5.6 percent increase for business-type activities).

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

- The City completed construction on the arena remodel in 2013; total construction cost was $4,040,495.
- The City completed construction on new water treatment plant #6; total construction cost was $6,815,347.
- A variety of street construction, sidewalk and traffic signal projects began in 2013.
- A variety of utility infrastructure improvements, including watermain, sanitary and storm sewer, construction in progress as of the close of the fiscal year reached $10,794,258.
- Construction of the new golf dome continued in 2013, construction in progress as of the close of the fiscal year has reached $3,544,183.

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land and land improvements	$ 26,204,303	$ 24,052,302	$ 4,984,372	$ 5,258,708	$ 31,188,675	$ 29,311,010
Easements	111,000	111,000	-	-	111,000	111,000
Buildings and structures	47,247,194	48,966,028	11,009,519	7,365,467	58,256,713	56,331,495
Machinery and equipment	6,487,848	7,104,264	2,657,310	2,786,411	9,145,158	9,890,675
Infrastructure	43,539,660	42,197,555	69,364,146	61,707,121	112,903,806	103,904,676
Parks	7,472,349	7,820,810	-	-	7,472,349	7,820,810
Construction in progress	6,747,598	5,670,607	14,499,230	19,927,135	21,246,828	25,597,742
Total	$137,809,952	$135,922,566	$102,514,577	$ 97,044,842	$ 240,324,529	$ 232,967,408

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 $90,612,345, a decrease of $9,091,375 from 2012. This decrease resulted from the refunding of 2007C and 2009B bonds and the payment of previously scheduled principal payments offset by $9,390,000 in new debt issued.

$31,390,000 is for general obligation improvement debt that is supported by property tax levies and special assessments. This amount increased from 2012 due to a new debt issue that refunded the 2009B bond.

$18,360,000 is for permanent improvement revolving (PIR) bonds, which finance the City's special assessment program. This amount decreased from 2012 due to regularly scheduled principal payments on outstanding issues and refunding of the 2007C bonds offset by new debt issued in the amount of $2,555,000.

Also outstanding is $5,640,000 public project revenue bonds which financed two gymnasiums and the new public works facility. This amount decreased in 2013 due to regularly scheduled principal payments on outstanding issues and the refunding of the 2009B bond.

There is a total of $35,160,000 in revenue bonds for improvements to the enterprise funds. This amount decreased $2,825,000 during the year due to regularly scheduled principal payments on outstanding issues, offset by issuance of a new bond to finance the cost of the new golf dome.

City of Edina's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Tax increment bonds	$ -	$ 550,000	$ -	$ -	$ -	$ 550,000
General obligation bonds	31,390,000	27,680,000	-	-	31,390,000	27,680,000
Public improvement bonds	18,360,000	21,550,000	-	-	18,360,000	21,550,000
Public project revenue bonds	5,640,000	11,865,000	-	-	5,640,000	11,865,000
Edina emerald energy program bonds	62,345	73,720	-	-	62,345	73,720
Revenue bonds	-	-	35,160,000	37,985,000	35,160,000	37,985,000
Total	$ 55,452,345	$ 61,718,720	$ 35,160,000	$ 37,985,000	$ 90,612,345	$ 99,703,720

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

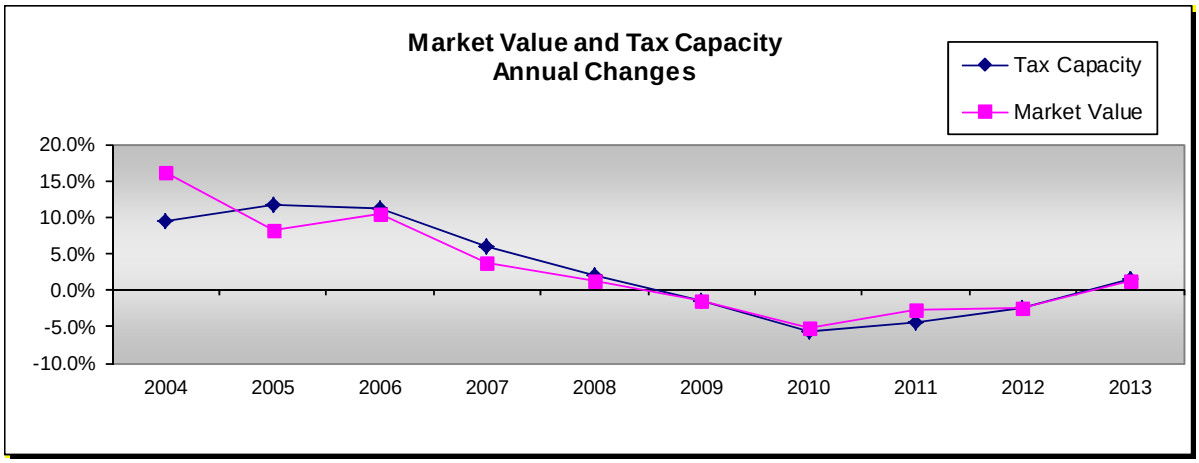
State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City is $263,958,018. Only $37,030,000 of the City's outstanding debt is counted within the statutory limitation.

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 December 2013 was 3.98%, 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-eight percent of students graduate, with ninety-four percent pursuing some sort of post-secondary education.

Property values in Edina increased at a rapid pace for several years through 2006, but values declined from 2007-2012 and are back on the rise in 2013. Estimated market value of real estate increased 1.2% for taxes payable in 2013.



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 1.4% for taxes payable in 2013, but had been negative from 2009 through 2012.

All of these factors above were considered in preparing the City's budget for the 2014 fiscal year. The City's adopted 2014 budget includes a property tax levy of $27,454,872 for all funds, an increase of 2.65% from the 2013 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 POSITION
December 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	$ 44,531,347	$ 13,742,272	$ 58,273,619
Restricted cash and investments	2,646,731	760,206	3,406,937
Accrued interest	92,355	38,502	130,857
Accounts receivable, net	1,724,842	4,916,184	6,641,026
Special assessments receivable	15,278,361	308,900	15,587,261
Due from other governments	792,914	4,498	797,412
Prepaid items	13,322	365,523	378,845
Inventory	-	1,293,148	1,293,148
Total current assets	65,079,872	21,429,233	86,509,105
Noncurrent assets:			
Investment in joint powers agreement	1,584,465	-	1,584,465
Nondepreciable capital assets	25,495,719	15,588,195	41,083,914
Depreciable capital assets (net)	112,314,233	86,926,382	199,240,615
Total noncurrent assets	139,394,417	102,514,577	241,908,994
Total assets	204,474,289	123,943,810	328,418,099
Liabilities:			
Current liabilities:			
Accounts payable	2,222,039	943,123	3,165,162
Salaries payable	1,246,384	323,726	1,570,110
Accrued interest payable	747,302	456,624	1,203,926
Contracts payable	315,745	973,501	1,289,246
Due to other governments	30,888	188,346	219,234
Deposits payable	533,084	112,216	645,300
Unearned revenue	158,831	103,312	262,143
Compensated absences payable	1,559,461	363,159	1,922,620
Bonds payable	4,085,000	3,960,000	8,045,000
Total current liabilities	10,898,734	7,424,007	18,322,741
Noncurrent liabilities:			
Net OPEB obligation	1,333,029	154,946	1,487,975
Compensated absences payable	2,339,192	544,739	2,883,931
Bonds payable, net	52,528,468	32,214,895	84,743,363
Total noncurrent liabilities	56,200,689	32,914,580	89,115,269
Total liabilities	67,099,423	40,338,587	107,438,010
Net position:			
Net investment in capital assets	83,842,970	66,126,387	149,969,357
Restricted for tax increments	11,495,886	-	11,495,886
Restricted for debt service	6,246,769	611,377	6,858,146
Restricted for pedestrian and cyclist improvements	492,362	-	492,362
Restricted for energy efficiency projects	816,654	-	816,654
Restricted for parkland dedication	185,395	-	185,395
Restricted for police special revenue	717,343	-	717,343
Restricted for braemar golf donations	335,170	-	335,170
Unrestricted	33,242,317	16,867,459	50,109,776
Total net position	$ 137,374,866	$ 83,605,223	$ 220,980,089

The accompanying notes are an integral part of these financial statements

CITY OF EDINA, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 8,256,261	$ 1,259,908	$ 630,855	$ -
Public safety	17,117,693	7,410,755	1,149,468	74,520
Public works	11,502,250	347,891	213,868	6,297,429
Parks	6,132,709	499,108	170,036	786
Interest on long-term debt	2,024,749	-	118,780	-
Total government activities	45,033,662	9,517,662	2,283,007	6,372,735
Business-type activities:				
Utilities	13,748,186	17,831,225	489,387	-
Liquor	12,261,413	13,711,557	-	-
Aquatic center	822,932	928,055	765	-
Golf course	3,199,815	2,711,743	-	-
Arena	2,272,510	1,942,971	17,984	-
Community activity centers	2,967,115	2,625,633	8,106	-
Total business-type activities	35,271,971	39,751,184	516,242	-
Total primary government	$ 80,305,633	$ 49,268,846	$ 2,799,249	$ 6,372,735

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ (6,365,498)	$ -	$ (6,365,498)
	(8,482,950)	-	(8,482,950)
	(4,643,062)	-	(4,643,062)
	(5,462,779)	-	(5,462,779)
	(1,905,969)	-	(1,905,969)
	(26,860,258)	-	(26,860,258)
	-	4,572,426	4,572,426
	-	1,450,144	1,450,144
	-	105,888	105,888
	-	(488,072)	(488,072)
	-	(311,555)	(311,555)
	-	(333,376)	(333,376)
	-	4,995,455	4,995,455
	(26,860,258)	4,995,455	(21,864,803)
General revenues:			
Property taxes	26,894,161	-	26,894,161
Tax increment collections	3,981,938	-	3,981,938
Franchise taxes	1,891,967	-	1,891,967
Unrestricted investment earnings	(96,390)	(77,848)	(174,238)
Gain on disposal of capital assets	16,654	17,587	34,241
Insurance recovery	816,654	-	816,654
Transfers	133,907	(133,907)	-
Total general revenues and transfers	33,638,891	(194,168)	33,444,723
Change in net position	6,778,633	4,801,287	11,579,920
Net position - beginning as previously reported	131,448,002	79,033,662	210,481,664
Change in accounting principle	(851,769)	(229,726)	(1,081,495)
Net position - beginning as restated	130,596,233	78,803,936	209,400,169
Net position - ending	$ 137,374,866	$ 83,605,223	$ 220,980,089

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CITY OF EDINA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	$ 15,923,685	$ 12,478,484	$ 6,051,579	$ 8,841,672	$ 1,235,927	$ 44,531,347
Restricted cash and investments	-	-	144,438	2,502,293	-	2,646,731
Accrued interest	31,109	33,396	6,690	19,393	1,767	92,355
Accounts receivable	560,469	-	-	62,510	1,101,863	1,724,842
Special assessments receivable	-	-	14,622,874	655,487	-	15,278,361
Due from other governments	522,314	9,823	45,940	57,836	157,001	792,914
Prepaid items	13,322	-	-	-	-	13,322
Total assets	$ 17,050,899	$ 12,521,703	$ 20,871,521	$ 12,139,191	$ 2,496,558	$ 65,079,872
Liabilities						
Accounts payable	$ 1,075,132	$ 719,110	$ -	$ 310,177	$ 117,620	$ 2,222,039
Salaries payable	1,235,997	5,209	-	5,178	-	1,246,384
Contracts payable	-	-	-	298,336	17,409	315,745
Due to other governments	21,645	9,243	-	-	-	30,888
Deposits payable	227,659	292,500	-	12,925	-	533,084
Unearned revenue	158,831	-	-	-	-	158,831
Total liabilities	2,719,264	1,026,062	-	626,616	135,029	4,506,971
Deferred inflows of resources						
Unavailable revenue - taxes	-	-	1,878	527	-	2,405
Unavailable revenue - special assessments	-	-	14,622,874	655,487	-	15,278,361
Total deferred inflows of resources	-	-	14,624,752	656,014	-	15,280,766
Fund balance:						
Nonspendable	13,322	-	-	-	-	13,322
Restricted	185,395	11,495,641	6,246,769	2,502,293	2,361,529	22,791,627
Assigned	1,559,461	-	-	8,354,268	-	9,913,729
Unassigned	12,573,457	-	-	-	-	12,573,457
Total fund balance	14,331,635	11,495,641	6,246,769	10,856,561	2,361,529	45,292,135
Total liabilities, deferred inflows of resources, and fund balances	$ 17,050,899	$ 12,521,703	$ 20,871,521	$ 12,139,191	$ 2,496,558	$ 65,079,872

Fund balance reported above	$ 45,292,135
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	137,809,952
Investment in joint powers agreement are not available to pay for current-period expenditures, and therefore, are not reported in the funds.	1,584,465
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	15,280,766
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(62,592,452)
Net position of governmental activities (page 23)	$ 137,374,866

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, 2013

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	$ 22,006,527	$ -	$ 3,892,598	$ 992,631	$ -	$ 26,891,756
Tax increment collections	-	3,981,938	-	-	-	3,981,938
Franchise taxes	794,261	-	-	79,398	1,018,308	1,891,967
Special assessments	-	-	2,837,227	2,047,283	-	4,884,510
License and permits	4,122,305	-	-	28,207	-	4,150,512
Intergovernmental	1,234,425	-	118,780	884,790	271,171	2,509,166
Charges for services	3,564,341	-	-	103,271	-	3,667,612
Fines and forfeitures	1,017,219	-	-	-	92,491	1,109,710
Investment income	53,583	(116,524)	(19,712)	(18,179)	4,442	(96,390)
Rental of property	518,862	-	-	-	-	518,862
Other revenues	5,539	-	-	272,282	786	278,607
Total revenues	33,317,062	3,865,414	6,828,893	4,389,683	1,387,198	49,788,250
Expenditures:						
Current:						
General government	5,883,436	1,189,871	-	84,909	193,340	7,351,556
Public safety	15,749,935	-	-	12,912	96,775	15,859,622
Public works	6,690,986	-	-	247,624	80,004	7,018,614
Parks	3,872,432	-	-	43,136	-	3,915,568
Capital outlay:						
General government	-	2,709,357	-	620,354	-	3,329,711
Public safety	-	-	-	465,548	-	465,548
Public works	-	-	-	4,467,625	462,020	4,929,645
Parks	-	1,699	-	1,963,604	-	1,965,303
Debt service:						
Bond principal	-	-	14,531,375	-	-	14,531,375
Interest and fiscal charges	-	-	2,270,259	-	-	2,270,259
Total expenditures	32,196,789	3,900,927	16,801,634	7,905,712	832,139	61,637,201
Revenues over (under) expenditures	1,120,273	(35,513)	(9,972,741)	(3,516,029)	555,059	(11,848,951)
Other financing sources (uses):						
Transfers in	765,100	-	559,350	2,148,514	-	3,472,964
Transfers out	(2,392,872)	(664,992)	-	(281,193)	-	(3,339,057)
Sale of capital assets	-	-	-	61,642	-	61,642
Insurance recovery	-	-	-	-	816,654	816,654
Bonds issued	-	-	99,433	2,455,567	-	2,555,000
Refunding bonds issued	-	-	5,710,000	-	-	5,710,000
Premium (discounts) on bonds issued	-	-	146,319	68,707	-	215,026
Total other financing sources (uses)	(1,627,772)	(664,992)	6,515,102	4,453,237	816,654	9,492,229
Net increase (decrease) in fund balance	(507,499)	(700,505)	(3,457,639)	937,208	1,371,713	(2,356,722)
Fund balance - January 1	14,839,134	12,196,146	9,704,408	9,919,353	989,816	47,648,857
Fund balance - December 31	$ 14,331,635	$ 11,495,641	$ 6,246,769	$ 10,856,561	$ 2,361,529	$ 45,292,135

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, 2013

Amounts reported for governmental activities in the statement of activities (page 24-25) are different because:	
Net changes in fund balances - total governmental funds (page 28)	$ (2,356,722)
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.	1,932,374
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 position differs from the change in fund balance by the net book value of the capital assets sold.	(44,988)
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.	1,056,830
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 position. Also, governmental funds report the effect of 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.	6,051,349
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.	139,790
Change in net position of governmental activities (page 25)	$ 6,778,633

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

CITY OF EDINA, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-type Activities - Enterprise Funds						
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total
Assets:							
Current assets:							
Cash and investments	$ 9,895,458	$ 995,734	$ -	$ -	$ -	$ 2,851,080	$13,742,272
Restricted cash and investments	-	-	-	760,206	-	-	760,206
Interest receivable	21,963	4,874	2,302	1,373	-	7,990	38,502
Accounts receivable, net	4,106,356	-	-	619,464	182,536	7,828	4,916,184
Special assessments receivable	308,900	-	-	-	-	-	308,900
Due from other funds	442,991	491,452	-	-	-	-	934,443
Due from other governments	4,498	-	-	-	-	-	4,498
Prepaid expenses	365,523	-	-	-	-	-	365,523
Inventory	12,492	1,185,311	-	84,622	-	10,723	1,293,148
Total current assets	15,158,181	2,677,371	2,302	1,465,665	182,536	2,877,621	22,363,676
Noncurrent assets:							
Advances to other funds	-	-	1,000,000	-	-	-	1,000,000
Net capital assets	81,748,817	1,374,113	2,311,400	7,328,480	7,876,009	1,875,758	102,514,577
Total noncurrent assets	81,748,817	1,374,113	3,311,400	7,328,480	7,876,009	1,875,758	103,514,577
Total assets	96,906,998	4,051,484	3,313,702	8,794,145	8,058,545	4,753,379	125,878,253
Liabilities:							
Current liabilities:							
Accounts payable	345,029	423,600	1,381	33,806	65,984	73,323	943,123
Salaries payable	71,938	76,219	-	51,499	46,075	77,995	323,726
Accrued interest payable	393,224	-	4,554	-	58,846	-	456,624
Contracts payable	256,094	-	-	595,442	69	121,896	973,501
Due to other funds	-	-	171,184	588,910	157,403	16,946	934,443
Due to other governments	11,731	153,430	46	3,256	8,003	11,880	188,346
Deposits payable	112,216	-	-	-	-	-	112,216
Unearned revenue	-	9,736	-	83,801	-	9,775	103,312
Compensated absences payable	63,187	113,145	-	107,349	20,061	59,417	363,159
Bonds payable - current	3,670,000	-	80,000	-	210,000	-	3,960,000
Total current liabilities	4,923,419	776,130	257,165	1,464,063	566,441	371,232	8,358,450
Noncurrent liabilities:							
Net OPEB obligation	44,104	27,351	-	37,890	17,628	27,973	154,946
Compensated absences payable	94,780	169,718	-	161,023	30,091	89,127	544,739
Bonds payable, net of unamortized discounts	25,964,905	-	241,620	1,138,325	4,870,045	-	32,214,895
Advances from other funds	-	-	-	1,000,000	-	-	1,000,000
Total noncurrent liabilities	26,103,789	197,069	241,620	2,337,238	4,917,764	117,100	33,914,580
Total liabilities	31,027,208	973,199	498,785	3,801,301	5,484,205	488,332	42,273,030
Net position:							
Net investment in capital assets	51,857,818	1,374,113	1,989,780	6,354,919	2,795,895	1,753,862	66,126,387
Restricted for debt service	-	-	611,377	-	-	-	611,377
Unrestricted	14,021,972	1,704,172	213,760	(1,362,075)	(221,555)	2,511,185	16,867,459
Total net position	$65,879,790	$ 3,078,285	$ 2,814,917	$ 4,992,844	$ 2,574,340	$ 4,265,047	$83,605,223

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

CITY OF EDINA, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds						
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total
Operating revenues:							
Sales - liquor	$ -	$13,462,933	$ -	$ 147,581	$ -	$ -	$ 13,610,514
Sales - retail	-	248,624	3,090	210,814	36,055	37,677	536,260
Sales - utilities	17,165,523	-	-	-	-	-	17,165,523
Sales - concessions	-	-	114,868	188,850	231,813	171,210	706,741
Memberships	-	-	398,626	80,437	2,120	87,702	568,885
Admissions	-	-	365,272	50,985	103,289	755,241	1,274,787
Building rental	-	-	46,199	63,982	1,462,079	335,197	1,907,457
Rental of equipment	-	-	-	303,748	2,368	156,966	463,082
Greens fees	-	-	-	1,386,194	-	182,125	1,568,319
Other fees	664,902	-	-	279,152	105,247	899,515	1,948,816
Total operating revenues	17,830,425	13,711,557	928,055	2,711,743	1,942,971	2,625,633	39,750,384
Operating expenses:							
Cost of sales and services	-	9,964,763	42,376	286,581	83,530	102,925	10,480,175
Personal services	1,594,233	1,384,831	319,089	1,479,179	741,639	1,615,229	7,134,200
Contractual services	6,614,352	538,765	149,732	532,947	688,457	586,620	9,110,873
Commodities	880,880	73,598	49,211	343,421	118,877	282,997	1,748,984
Central Services	655,093	223,334	19,904	147,845	44,130	155,656	1,245,962
Depreciation	3,148,601	79,122	233,946	390,743	446,588	223,688	4,522,688
Total operating expenses	12,893,159	12,264,413	814,258	3,180,716	2,123,221	2,967,115	34,242,882
Operating income (loss)	4,937,266	1,447,144	113,797	(468,973)	(180,250)	(341,482)	5,507,502
Nonoperating revenues (expenses):							
Intergovernmental	489,387	-	-	-	-	-	489,387
Investment income	(4)	16,080	7,596	4,585	21	(106,126)	(77,848)
Donations	-	-	765	-	17,984	8,106	26,855
Interest and fiscal charges	(980,241)	-	(9,214)	(19,246)	(149,273)	-	(1,157,974)
Amortization of bond premiums (discounts)	125,214	-	540	147	(16)	-	125,885
Gain (loss) on sale of capital asset, net of recoveries	-	1,787	-	15,800	-	-	17,587
Miscellaneous	800	3,000	-	-	-	-	3,800
Total nonoperating revenues (expenses)	(364,844)	20,867	(313)	1,286	(131,284)	(98,020)	(572,308)
Income (loss) before transfers	4,572,422	1,468,011	113,484	(467,687)	(311,534)	(439,502)	4,935,194
Transfers:							
Transfers in	-	-	-	468,681	557,345	280,167	1,306,193
Transfers out	(100,000)	(1,340,100)	-	-	-	-	(1,440,100)
Total transfers	(100,000)	(1,340,100)	-	468,681	557,345	280,167	(133,907)
Change in net position	4,472,422	127,911	113,484	994	245,811	(159,335)	4,801,287
Net position - January 1 as previously reported	61,568,761	2,950,374	2,705,647	4,991,850	2,392,648	4,424,382	79,033,662
Change in accounting principle	(161,393)	-	(4,214)	-	(64,119)	-	(229,726)
Net position - January 1 as restated	61,407,368	2,950,374	2,701,433	4,991,850	2,328,529	4,424,382	78,803,936
Net position - December 31	$65,879,790	$ 3,078,285	$ 2,814,917	$ 4,992,844	$ 2,574,340	$ 4,265,047	$ 83,605,223

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, 2013

	Business-type Activities - Enterprise Funds						
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:							
Receipts from customers and users	$ 17,828,536	$ 13,713,175	$ 928,055	$ 2,736,913	$ 1,895,673	$ 2,625,375	$ 39,727,727
Payment to suppliers	(8,024,087)	(10,817,511)	(260,976)	(1,291,840)	(1,191,670)	(1,107,280)	(22,693,364)
Payment to employees	(1,554,389)	(1,351,642)	(319,512)	(1,440,787)	(733,210)	(1,595,001)	(6,994,541)
Donations received	-	-	765	-	17,984	8,106	26,855
Miscellaneous received	800	3,000	-	-	-	-	3,800
Net cash provided by (used in) operating activities	8,250,860	1,547,022	348,332	4,286	(11,223)	(68,800)	10,070,477
Cash flows from noncapital financing activities:							
State grant	489,387	-	-	-	-	-	489,387
Transfer from other funds	-	-	-	468,681	557,345	280,167	1,306,193
Transfer to other funds	(100,000)	(1,340,100)	-	-	-	-	(1,440,100)
Proceeds from interfund borrowing	-	1,308,584	171,184	1,135,419	157,403	50,214	2,822,804
Payment of interfund borrowing	(442,991)	(491,452)	(293,968)	-	(1,594,157)	-	(2,822,568)
Net cash provided by (used in) noncapital financing activities	(53,604)	(522,968)	(122,784)	1,604,100	(879,409)	330,381	355,716
Cash flows from capital and related financing activities:							
Proceeds from capital debt	-	-	-	1,138,472	-	-	1,138,472
Acquisition of capital assets	(6,670,868)	(41,313)	(80,242)	(2,980,243)	(1,201,016)	(206,498)	(11,180,180)
Proceeds from disposals of capital assets	-	1,787	-	1,322,694	-	-	1,324,481
Principal paid on bonds	(3,400,000)	-	(140,000)	(310,000)	(100,000)	-	(3,950,000)
Interest and fiscal charges paid on bonds	(933,969)	-	(10,600)	(22,315)	(124,427)	-	(1,091,311)
Net cash provided by (used in) capital and related financing activities	(11,004,837)	(39,526)	(230,842)	(851,392)	(1,425,443)	(206,498)	(13,758,538)
Cash flows from investing activities:							
Interest received	21,289	11,206	5,294	3,212	21	(102,796)	(61,774)
Net increase (decrease) in cash and investments	(2,786,292)	995,734	-	760,206	(2,316,054)	(47,713)	(3,394,119)
Cash and investments - January 1	12,681,750	-	-	-	2,316,054	2,898,793	17,896,597
Cash and investments - December 31	$ 9,895,458	$ 995,734	$ -	$ 760,206	$ -	$ 2,851,080	$ 14,502,478

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, 2013

	Business-type Activities - Enterprise Funds						
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	$ 4,937,266	$ 1,447,144	$ 113,797	$ (468,973)	$ (180,250)	$ (341,482)	$ 5,507,502
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:							
Depreciation	3,148,601	79,122	233,946	390,743	446,588	223,688	4,522,688
Donations	-	-	765	-	17,984	8,106	26,855
Miscellaneous revenue (expense)	800	3,000	-	-	-	-	3,800
Changes in assets and liabilities:							
Decrease (increase) in receivables	(221,862)	-	-	(9,073)	(47,298)	(268)	(278,501)
Decrease (increase) in special assessments	220,786	-	-	-	-	-	220,786
Decrease (increase) in due from other governments	(813)	-	-	-	-	-	(813)
Decrease (increase) in inventory	(6,017)	(103,036)	-	(15,164)	-	72	(124,145)
Decrease (increase) in prepaid expenses	(11,963)	-	-	-	-	-	(11,963)
Increase (decrease) in accounts payable	141,856	85,599	201	32,439	(259,648)	20,181	20,628
Increase (decrease) in salaries payable	11,702	7,368	(423)	10,509	5,457	13,249	47,862
Increase (decrease) in due to other governments	2,362	386	46	1,679	2,972	665	8,110
Increase (decrease) in unearned revenue	-	1,618	-	34,243	-	10	35,871
Increase (decrease) in net OPEB obligation	4,462	3,324	-	4,448	2,647	2,413	17,294
Increase (decrease) in compensated absences	23,680	22,497	-	23,435	325	4,566	74,503
Total adjustments	3,313,594	99,878	234,535	473,259	169,027	272,682	4,562,975
Net cash provided by (used in) operating activities	$ 8,250,860	$ 1,547,022	$ 348,332	$ 4,286	$ (11,223)	$ (68,800)	$ 10,070,477
Noncash investing activities:							
Increase (decrease) in fair value of investments	(50,488)	(4,266)	(2,015)	(1,201)	-	(128,162)	(186,132)
Noncash capital and related financing activities:							
Acquisition of capital assets with contracts payable	873,583	13,233	-	(523,264)	884,701	(60,496)	1,187,757
Increase (decrease) in accounts receivable related to insurance recoveries	-	-	-	(1,306,893)	-	-	(1,306,893)

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

CITY OF EDINA, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
December 31, 2013

	Agency Funds
Assets	
Cash and investments	$ 386,562
Liabilities	
Accounts payable	$ 34,049
Salaries payable	10,161
Due to other governmental units	342,352
Total liabilities	$ 386,562

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 position and the statement of activities) 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.

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 g*eneral 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 restricted 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 restricted 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.

The *arena fund* accounts for the operation of the City's ice arena.

Additionally, the City reports the following fund type:

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

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, edinborough park, centennial lake, and sports dome 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

Cash and Investments

The cash balances of the City and its component units fund are pooled and invested for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at year end, except for investments in 2a7-like external investment pools, which are stated at amortized cost. The City has the ability and intent to hold its investments to maturity. The individual funds' portions of the pool's fair value are presented as "Cash and investments." Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. The City provides temporary advances to funds that have insufficient cash and investment 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.

Restricted Cash and Investments

Restricted cash and investments represent bond proceeds held for specific purposes. Earnings on these investments are allocated directly to these funds.

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, 2013 are planned to be eliminated in 2014. Interfund receivables and payables at December 31, 2013 that are not expected to be eliminated in 2014 are classified as "Advances to/from other funds". 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.

<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>
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.

<u>GOVERNMENTAL FUND FINANCIAL STATEMENTS</u>
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 inflows of resources 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 inflows of resources. The following is a breakdown of special assessments receivable at December 31, 2013:

	Governmental Funds		Enterprise Funds
	Debt Service	Construction	Utilities
Special assessments receivable			
Delinquent	$47,402	$0	$27,932
Deferred	14,575,472	655,487	280,968
Total	$14,622,874	$655,487	$308,900

G. INVENTORIES AND PREPAID ITEMS

Inventories of the proprietary funds are stated at cost and are recorded as expenses when consumed rather than when purchased. All inventories use the first-in/first-out (FIFO) method.

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 and are recorded as expenses when consumed.

H. CAPITAL ASSETS

Capital assets, which include property, buildings, improvements, equipment, parks, infrastructure assets (roads, bridges, sidewalks, and similar items), and intangible assets such as easements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are also reported in the proprietary fund financial statements but not in the governmental fund financial statements.

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

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

Assets	Life
Golf course	10 - 35 years
Land improvements	15 - 50 years
Buildings and structures	15 - 40 years
Furniture and office equipment	5 - 10 years
Vehicles and equipment	3 - 20 years
Parks	5 - 100 years
Utility infrastructure	20 - 50 years

Capital assets that are not depreciated include land, easements, and construction in progress.

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 generally accepted accounting principles 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 position. Bond premiums and discounts 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.

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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. FUND BALANCE CLASSIFICATION

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council. In the fund balance policy, authority to assign amounts for specific purposes is limited to the City Council.
- **Unassigned** – The residual classification for the general fund which also reflects negative residual amounts in other funds.

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

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

N. NET POSITION

In the government-wide financial statements, net position represents the difference between assets, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net investment in capital assets** - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- **Restricted net position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted net position** – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

O. 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.

P. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2013, the City has implemented GASB Statement No 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 identified specific items previously reported as assets that will now be classified as either deferred outflows of resources or outflows (expenditures/expenses), and items previously reported as liabilities that will now be reported as either deferred inflows of resources or inflows (revenues). The standard requires retroactive implementation, which resulted in the restatement of net position as of December 31, 2012 due to the write-off of bond issuance costs, which had been recorded as deferred charges and amortized in the past.

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 POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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	$ (55,452,345)
Plus: issuance premium	(1,442,363)
Less: issuance discount	281,240
Accrued interest payable	(747,302)
OPEB obligation	(1,333,029)
Compensated absences	(3,898,653)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ (62,592,452)

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 position 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 are allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$ 9,388,626
Depreciation expense	(7,456,252)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	$ 1,932,374

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 position. Also, governmental funds report the effect of 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	$ (5,710,000)
Issuance of permanent improvement revolving bonds	(2,555,000)
Less discounts	60,335
Plus premiums	(275,361)
Principal repayments:	
Tax increment debt	550,000
General obligation debt	2,000,000
Permanent improvement revolving debt	5,745,000
Public project revenue debt	6,225,000
Edina emerald energy program revenue bonds	11,375
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 6,051,349

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

OPEB obligation	$ (208,916)
Compensated absences	103,196
Accrued interest	113,922
Amortization of bond discounts and premiums	131,588
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 139,790

Note 3 CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

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

Deposits	$ 2,636,618
Cash on hand	19,660
Investments	59,410,840
	$ 62,067,118

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

Cash and investments - Statement of Net Position	$ 58,273,619
Restricted cash and investments - Statement of Net Position	3,406,937
Cash and investments - Statement of Fiduciary Net Position	386,562
	$ 62,067,118

The City had restricted investments of $3,406,937 as of December 31, 2013 that represent unspent bond proceeds to be used for construction projects and debt payments.

B. DEPOSITS

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an 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 $2,636,618 while the balance on the bank records was $2,607,777. At December 31, 2013, 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:

	Credit Risk		Interest Risk - Maturity Duration in Years				
Investment	Rating	Agency	< 1	1 to 5	6 to 10	> 10	Total
U.S. Treasuries	N/R	N/A	$ -	$ 336,379	$ 528,525	$ 483,181	$ 1,348,085
GNMA	N/R	N/A	-	-	-	108,998	108,998
SBA Notes	AA+/Aaa	S&P/Mdy's	64,814	49,007	265,055	12,969	391,845
U.S. Agencies	AA+/Aaa	S&P/Mdy's	7,186,503	3,539,552	6,371,043	2,435,570	19,532,668
Bankers Acceptance	A1/Aa3	S&P/Mdy's	8,636,153	-	-	-	8,636,153
Municipals	AAA/Aaa	S&P/Mdy's	510,128	192,257	-	-	702,385
Municipals	AAA/Aa1	S&P/Mdy's	373,271	-	-	-	373,271
Municipals	AA/Aa3	S&P/Mdy's	50,126	-	-	-	50,126
Municipals	AA/Aa2	S&P/Mdy's	503,160	511,025	-	-	1,014,185
Municipals	AA/Aa1	S&P/Mdy's	15,016	560,175	-	-	575,191
Municipals	AA+/Aaa	S&P/Mdy's	1,998,924	-	-	-	1,998,924
Municipals	AA+/Aa2	S&P/Mdy's	-	116,796	-	-	116,796
Municipals	AA+/Aa1	S&P/Mdy's	504,745	74,040	-	1,645,000	2,223,785
Municipals	Aa2	Mdy's	680,830	-	-	-	680,830
Municipals	Aa3	Mdy's	211,103	-	-	-	211,103
Municipals	AA	S&P	-	42,197	-	-	42,197
Negotiable CD's	N/R	N/A	11,509,058	1,710,068	-	245,004	13,464,130
			$32,243,831	$ 7,131,496	$ 7,164,623	$ 4,930,722	51,470,672
Money Market*	AAA	S&P					4,518,498
4M Fund*	N/R	N/A					3,421,670
Total investments							$59,410,840

N/A - Not Applicable
N/R - Not Rated
* - The City's money market investments do not 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 external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The City's investment in the 4M Fund is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

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

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the 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 11.5% in securities issued by FNMA, 10.9% in securities issued by FHLB, 9.9% in securities issued by FHLMC and 14.5% in Bankers Acceptances with U.S. Bank.

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

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 15,981,364	$ 2,655,757	$ -	$ 18,637,121
Easements	111,000	-	-	111,000
Construction in progress	5,670,607	5,857,357	(4,780,366)	6,747,598
Total capital assets not being depreciated	21,762,971	8,513,114	(4,780,366)	25,495,719
Capital assets being depreciated:				
Land improvements	22,719,252	199,530	-	22,918,782
Buildings and structures	63,690,536	109,328	-	63,799,864
Furniture and office equipment	3,641,272	203,563	-	3,844,835
Vehicles and equipment	14,942,808	820,125	(466,026)	15,296,907
Infrastructure	90,951,630	4,060,674	(831,861)	94,180,443
Parks	15,630,395	262,658	(10,000)	15,883,053
Total capital assets being depreciated	211,575,893	5,655,878	(1,307,887)	215,923,884
Less accumulated depreciation for:				
Land improvements	(14,648,314)	(703,286)	-	(15,351,600)
Buildings and structures	(14,724,508)	(1,828,162)	-	(16,552,670)
Furniture and office equipment	(2,211,418)	(318,174)	-	(2,529,592)
Vehicles and equipment	(9,268,398)	(1,276,942)	421,038	(10,124,302)
Infrastructure	(48,754,075)	(2,718,569)	831,861	(50,640,783)
Parks	(7,809,585)	(611,119)	10,000	(8,410,704)
Total accumulated depreciation	(97,416,298)	(7,456,252)	1,262,899	(103,609,651)
Total capital assets being depreciated, net	114,159,595	(1,800,374)	(44,988)	112,314,233
Governmental activities capital assets, net	$ 135,922,566	$ 6,712,740	$ (4,825,354)	$ 137,809,952

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,088,965	$ -	$ -	$ 1,088,965
Construction in progress	19,927,135	9,563,093	(14,990,998)	14,499,230
Total capital assets not being depreciated	21,016,100	9,563,093	(14,990,998)	15,588,195
Capital assets being depreciated:				
Land improvements & golf course	9,764,376	73,943	-	9,838,319
Buildings and structures	18,855,830	4,382,173	-	23,238,003
Furniture and office equipment	153,303	-	-	153,303
Vehicles and equipment	6,722,825	387,597	(89,793)	7,020,629
Utility infrastructure	96,091,103	10,576,615	-	106,667,718
Lease property capital lease	430,614	-	-	430,614
Total capital assets being depreciated	132,018,051	15,420,328	(89,793)	147,348,586
Less accumulated depreciation for:				
Land improvements & golf course	(5,594,633)	(348,279)	-	(5,942,912)
Buildings and structures	(11,490,363)	(738,121)	-	(12,228,484)
Furniture and office equipment	(131,620)	(4,973)	-	(136,593)
Vehicles and equipment	(3,958,097)	(511,725)	89,793	(4,380,029)
Utility infrastructure	(34,383,982)	(2,919,590)	-	(37,303,572)
Lease property capital lease	(430,614)	-	-	(430,614)
Total accumulated depreciation	(55,989,309)	(4,522,688)	89,793	(60,422,204)
Total capital assets being depreciated, net	76,028,742	10,897,640	-	86,926,382
Business-type activities capital assets, net	$ 97,044,842	$ 20,460,733	$ (14,990,998)	$ 102,514,577

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

Governmental activities:	
General government	$ 555,936
Public safety	1,065,535
Public works	3,980,482
Parks	1,854,299
Total depreciation expense - governmental activities	$ 7,456,252
Business-type activities:	
Utilities	$ 3,148,601
Liquor	79,122
Aquatic Center	233,946
Golf Course	390,743
Arena	446,588
Art Center	26,227
Edinborough Park	161,113
Centennial Lakes	36,348
Total depreciation expense - business-type activities	$ 4,522,688

CONSTRUCTION COMMITMENTS

At December 31, 2013, 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
12-6A Eng	Woodale Bike Lane Re-Striping	$ 32,874	$ 5,702
13-1 Eng	Mendelssohn Lane	1,233,546	67,279
13-10NB Eng	Lake Edina Landscape	14,930	6,702
13-2 Eng	Normandale Road	1,738,562	173,865
13-3 Eng	Braemar Hills Neighborhood	944,807	54,088
Various	Countryside Park Playground and Path	842,789	84,541
NA	Arden Park Irrigation	15,320	5,362
Various	Golf Dome	605,802	23,405
Various	Sports Dome	627,000	551,760
13-9 Eng	Raw Water Line on Vernon	188,558	4,319
12-1 PW	Water Meter Replacement	3,618,864	540,596
			$ 1,517,619

INSURANCE RECOVERY

The Braemar Golf Dome collapsed on February 10, 2012 as the result of a fire. The fire and collapse resulted in a total loss according to the City's insurance carrier. The total amount to be paid by the insurance carrier for the Dome collapse is $2,633,453. Of this amount, the City received $716,168 in 2012, $1,306,893 in 2013 and recorded the remaining $610,392 as a receivable at year end. The final receivable amount was paid to the City on February 8, 2014. At the time of the collapse the net book value of the Golf Dome was $27,330. As a result, a $2,606,123 gain on sale of capital asset, net of recoveries was recorded in 2012.

On August 6, 2013 a hail storm caused significant damage to various facilities resulting in a large insurance claim. The City's insurance carrier paid the City $940,361 on January 16, 2014, which was recorded as a receivable at year end. $123,707 of the proceeds were distributed to the South Metro Public Safety Training Facility Association (PSTF); which the City has a joint venture agreement with, to cover damage to the facility. The remaining $816,654 in proceeds was recorded as insurance recovery revenue, and was used to fund the newly created non-major capital projects Environmental Efficiency Fund. The insurance proceeds will be used to fund energy efficiency projects, and going forward this fund will account for funds received through energy cost savings to be reinvested in future energy efficiencies.

Note 5 LONG-TERM DEBT

The City has five types of bonded debt outstanding at December 31, 2013: general obligation bonds, permanent improvement revolving bonds, public project revenue bonds, Edina emerald energy program revenue bonds and G.O. revenue bonds. The first type is payable from general property taxes. The second type is payable solely from special assessments with any deficiency to be provided for by general property taxes. The third 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 fourth type is payable solely from special assessments. The fifth type is payable primarily from enterprise revenue with any deficiency to be provided for by general property taxes. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

As of December 31, 2013, 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 12/31/2013
General Obligation Bonds:					
General Obligation - Park & Recreation Refunding, 2005A	3.50-4.00%	7/19/2005	2/1/2017	5,375,000	2,210,000
General Obligation - Capital Improvement Plan, 2007A	4.00-4.25%	5/24/2007	2/1/2028	5,865,000	4,805,000
General Obligation - Capital Improvement Plan, 2009A	3.00-4.40%	4/29/2009	2/1/2030	14,000,000	12,425,000
General Obligation - Capital Improvement Plan, 2010A	2.00-4.00%	11/18/2010	2/1/2021	8,285,000	6,240,000
General Obligation - Capital Improvement Plan, 2013A - Refunding	3.00-3.50%	10/10/2013	2/1/2030	5,710,000	5,710,000
Total General Obligation Bonds				39,235,000	31,390,000
Permanent Improvement Revolving (PIR) Bonds:					
Permanent Improvement Revolving, 2008B	3.00-4.00%	8/28/2008	2/1/2020	7,755,000	5,725,000
Permanent Improvement Revolving, 2010B	2.00-3.00%	11/18/2010	2/1/2022	2,305,000	2,095,000
Permanent Improvement Revolving, 2011A	2.00-3.00%	10/27/2011	2/1/2023	3,320,000	3,320,000
Permanent Improvement Revolving, 2012A	3.00-4.00%	11/15/2012	2/1/2029	2,675,000	2,675,000
Permanent Improvement Revolving, 2012A - Refunding	3.00-4.00%	11/15/2012	2/1/2019	1,990,000	1,990,000
Permanent Improvement Revolving, 2013A	3.00-3.50%	10/10/2013	2/1/2030	2,555,000	2,555,000
Total PIR Bonds				20,600,000	18,360,000
Public Project Revenue Bonds:					
Public Project Revenue, Series 2005	3.50-4.13%	9/13/2005	5/1/2026	5,425,000	3,995,000
Public Project Revenue, Series 2009A	2.10-4.55%	11/24/2009	2/1/2030	2,595,000	1,645,000
Total Public Project Revenue Bonds				8,020,000	5,640,000
Edina Emerald Energy Program (EEEP) Revenue Bonds:					
Edina Emerald Energy Program Bonds, 2012A	7.00%	2/25/2012	1/1/2023	33,690	30,321
Edina Emerald Energy Program Bonds, 2012B	5.50%	8/28/2012	1/1/2018	40,030	32,024
Total EEEP Bonds				73,720	62,345
Total bonded indebtedness - governmental activities				$ 67,928,720	$ 55,452,345

BUSINESS-TYPE ACTIVITIES

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2013
Revenue Bonds:					
Recreational Facility Bonds, Series 2009B	2.00-3.00%	4/29/2009	1/1/2017	$ 2,010,000	$ 320,000
Recreational Facility Bonds, Series 2009C	2.00-4.00%	12/10/2009	2/1/2030	2,440,000	2,160,000
Recreational Facility Bonds, Series 2012B	.45-1.60%	11/15/2012	2/1/2020	815,000	815,000
Recreational Facility Bonds, Series 2012C	2.00-3.00%	11/15/2012	2/1/2033	2,100,000	2,100,000
Recreational Facility Bonds, Series 2013B	3.00-3.45%	10/10/2013	2/1/2029	1,125,000	1,125,000
Utility Revenue Bonds, Series 2007B	4.00%	5/24/2007	2/1/2017	8,210,000	3,635,000
Utility Revenue Bonds, Series 2008A	3.00-4.25%	8/28/2008	2/1/2019	13,985,000	8,640,000
Utility Revenue Bonds, Series 2011A	2.00-3.00%	10/27/2011	2/1/2022	11,230,000	10,265,000
Utility Revenue Bonds, Series 2012A	3.00-4.00%	11/15/2012	2/1/2023	6,100,000	6,100,000
Total Revenue Bonds				48,015,000	35,160,000
Total bonded indebtedness - business-type activities				$ 48,015,000	$ 35,160,000

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

Year Ending	Governmental Activities					
	General Obligation Bonds		Public Improvement Revolving Bonds		Public Project Revenue Bonds	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 2,295,000	$ 1,090,686	$ 1,555,000	$ 548,927	$ 235,000	$ 223,754
2015	2,350,000	1,039,543	1,760,000	512,169	245,000	214,154
2016	2,425,000	952,593	1,960,000	452,944	255,000	204,154
2017	2,495,000	862,993	2,035,000	388,772	265,000	193,754
2018	1,990,000	782,343	2,060,000	320,538	405,000	180,648
2019-2023	9,205,000	2,829,487	6,440,000	777,126	2,270,000	647,965
2024-2028	7,905,000	1,353,516	1,925,000	247,400	1,965,000	164,695
2029-2033	2,725,000	112,974	625,000	17,313	-	-
Total	$ 31,390,000	$ 9,024,135	$ 18,360,000	$ 3,265,189	$ 5,640,000	$ 1,829,124

Year Ending	Governmental Activities		Business-type Activities	
	Edina Emerald Energy Program Revenue Bonds		Revenue Bonds	
December 31	Principal	Interest	Principal	Interest
2014	$ -	$ 1,942	$ 3,960,000	$ 1,060,272
2015	11,375	3,546	4,195,000	936,658
2016	11,375	2,870	4,350,000	795,745
2017	11,375	2,193	4,500,000	647,351
2018	11,375	1,517	3,565,000	514,233
2019-2023	16,845	2,948	11,415,000	1,209,991
2024-2028	-	-	1,900,000	353,946
2029-2033	-	-	1,275,000	78,414
Total	$ 62,345	$ 15,016	$ 35,160,000	$ 5,596,610

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Tax increment	$ 550,000	$ -	$ (550,000)	$ -	$ -
General obligation	27,680,000	5,710,000	(2,000,000)	31,390,000	2,295,000
PIR	21,550,000	2,555,000	(5,745,000)	18,360,000	1,555,000
Public project revenue	11,865,000	-	(6,225,000)	5,640,000	235,000
EEEP revenue	73,720	-	(11,375)	62,345	-
Less deferred amounts:					
Discount on bonds	(250,076)	(60,335)	29,171	(281,240)	-
Premiums	1,327,761	275,361	(160,759)	1,442,363	-
Total bonds payable	62,796,405	8,480,026	(14,662,963)	56,613,468	4,085,000
Compensated absences	4,001,849	1,859,841	(1,963,037)	3,898,653	1,559,461
Governmental activity Long-term liabilities	$ 66,798,254	$ 10,339,867	$ (16,626,000)	$ 60,512,121	$ 5,644,461
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 37,985,000	$ 1,125,000	$ (3,950,000)	$ 35,160,000	$ 3,960,000
Less deferred amounts:					
Discount on bonds	(60,668)	(14,513)	5,087	(70,094)	-
Premiums	1,187,976	27,985	(130,972)	1,084,989	-
Total bonds payable	39,112,308	1,138,472	(4,075,885)	36,174,895	3,960,000
Compensated absences	833,395	821,486	(746,983)	907,898	363,159
Business-type activity Long-term liabilities	$ 39,945,703	$ 1,959,958	$ (4,822,868)	$ 37,082,793	$ 4,323,159

For governmental activities, compensated absences and other postemployment benefit obligations are generally liquidated by the general fund.

In 2012, the City issued $10,765,000 of General Obligation bonds, Series 2012A to finance a current refunding of the 2014 through 2019 maturities of the City's $5,870,000 General obligation bonds, Series 2007C and to finance various street and utility infrastructure improvement projects. Savings from the current proceeds were not placed in escrow and the General obligation bonds, Series 2007C were redeemed February 1, 2013. The current refunding was undertaken to reduce total debt service payments by $441,749 and resulted in an economic gain of $382,241. The City anticipates that utility revenues and special assessments to benefited properties will be sufficient to pay future debt service on this issue.

The City issued $8,265,000 of General Obligation bonds, Series 2013A to finance a current refunding of the 2014 through 2030 maturities of the City's $6,125,000 General obligation bonds, Series 2009B and to finance various street infrastructure improvement projects. Savings from the current proceeds were not placed in escrow and the General obligation bonds, Series 2009B were redeemed October 31, 2013. The current refunding was undertaken to reduce total debt service payments by $351,199 and resulted in an economic gain of $254,693. The City anticipates that special assessments to benefited properties will be sufficient to pay future debt service on this issue.

REVENUE PLEDGED

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

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	% of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2009B Recreational Facility Bonds	Golf course improvements	Golf	100%	2009-2013	$ -	$ 313,100	$ 2,711,743
2009B Recreational Facility Bonds	Pool improvement	Pool	100%	2009-2017	339,300	150,600	928,055
2009C Recreational Facility Bonds	Arena improvements	Arena	100%	2010-2030	2,943,400	180,600	1,942,971
2012B Recreational Facility Bonds	Arena improvements	Arena	100%	2013-2020	847,956	5,573	1,942,971
2012C Recreational Facility Bonds	Arena improvements	Arena	100%	2013-2033	2,840,884	38,253	1,942,971
2013B Recreational Facility Bonds	Golf dome improvements	Golf	100%	2014-2029	1,443,686	-	2,711,743
2003C Utility Revenue Bonds	Utility infrastructure	Utility	100%	2003-2013	-	376,568	17,830,425
2007B Utility Revenue Bonds	Utility infrastructure	Utility	100%	2007-2017	3,933,100	981,800	17,830,425
2008A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2008-2019	9,732,431	1,604,969	17,830,425
2011A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2012-2022	11,493,775	1,216,500	17,830,425
2012A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2013-2023	7,182,075	154,133	17,830,425

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 2013 is computed as follows:

	December 31, 2013
Market Value (after fiscal disparities)	$ 8,798,600,609
Debt Limit (3% of Market Value)	$ 263,958,018
Amount of debt applicable to debt limit:	
Total bonded debt	$ 90,612,345
Less:	
Public improvement revolving bonds	(18,360,000)
Revenue bonds	(35,160,000)
EEEP revenue bonds	(62,345)
Total debt applicable to debt limit	$ 37,030,000
Legal debt margin	$ 226,928,018

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 General Employees Retirement Fund (GERF) 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.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. 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 five 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 PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 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 GERF 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 GERF 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. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their covered salary in 2013. PEPFF members were required to contribute 9.6% of their covered salary in 2013. The City of Edina is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members, and 14.4% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2013, 2012, and 2011 were $1,097,869, $1,044,217, and $1,000,753, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2013, 2012, and 2011 were $1,046,021, $1,020,720, and $1,024,566, 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. Historically the City has chosen pay-as-you-go financing for OPEB, generally this liability is liquidated by all funds that employ full-time employees on a pro-rata basis.

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 codification 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	$ 311,061
Interest on net OPEB obligation	56,779
Adjustment to annual required contribution	(48,696)
Annual OPEB cost (expense)	319,144
Contributions made	(92,934)
Increase in net OPEB obligation	226,210
Net OPEB obligation - beginning of year	1,261,765
Net OPEB obligation - end of year	$ 1,487,975

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	$ 321,790	$ 110,471	34.3%	$ 1,027,345
December 31, 2012	308,120	73,700	23.9%	1,261,765
December 31, 2013	319,144	92,934	29.1%	1,487,975

D. Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $2,959,876, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $2,959,876. The covered payroll (annual payroll of active employees covered by the plan) was $18,220,189, and the ratio of the UAAL to the covered payroll was 16.2 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, 2012 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; a 3.0 percent general inflation rate, a payroll growth rate of 3.75 percent, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after twelve years. The UAAL is being amortized as a level percentage of payroll. The remaining amortization period at January 1, 2012 was 30 years on an "open" basis.

Note 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of due from other funds and due to other funds account balances as of December 31, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
Liquor	Arena	$ 157,403
	Golf Course	317,103
	Sports Dome	16,946
Utility	Golf Course	271,807
	Aquatic Center	171,184
Total		$ 934,443

The composition of advances to other funds and advances from other funds account balances as of December 31, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
Aquatic Center	Golf Course	$1,000,000

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

	Transfer In:						
	General	Debt Service	Construction	Golf Course	Arena	Nonmajor Enterprise	Total
Transfer out:							
General Fund	$ -	$ -	$ 1,792,872	$ 300,000	$ 300,000	$ -	$ 2,392,872
HRA Fund	-	559,350	105,642	-	-	-	664,992
Construction Fund	-	-	-	68,681	97,345	115,167	281,193
Utilities Fund	-	-	100,000	-	-	-	100,000
Liquor Fund	765,100	-	150,000	100,000	160,000	165,000	1,340,100
	$ 765,100	$ 559,350	$ 2,148,514	$ 468,681	$ 557,345	$ 280,167	$ 4,779,157

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

1. The liquor fund transferred $765,100, $100,000, $160,000 and $165,000 to the general fund, golf course fund, arena, and art center funds, respectively, to subsidize operations.
2. The construction fund transferred $68,681, $97,345, $66,803 and $48,364 to the golf course, arena, edinborough park, and centennial lakes funds, respectively, to subsidize capital improvements to those facilities.
3. The HRA fund transferred $559,350 of tax increment revenues to the debt service fund to pay principal and interest on outstanding tax increment debt.
4. The HRA fund transferred $105,642 to the construction fund to cover the cost of HRA projects paid for by the construction fund.
5. The utilities fund and liquor fund transferred $100,000 and $150,000, respectively, to the construction fund to fund the capital improvement program, as planned in the 2013 budget.
6. The general fund transferred $1,697,872 of the 2012 unassigned fund balance to the construction, golf course and arena funds; $1,097,872 to fund various projects and equipment replacement within the construction fund, $300,000 to fund unplanned expenses at the arena, and $300,000 to the golf course to start stabilizing the fund deficit.
7. The general fund transferred $695,000 to the construction fund for use of park reserves from the parkland dedication money received in 2012.

Note 10 TAX INCREMENT DISTRICTS

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

District number 1202 (Grandview Commercial Area) is a redevelopment district established in 1984 pursuant to Minnesota Statutes with a termination date of 2010. Although the main district is decertified, the City continued to receive increments from a sub-district until the outstanding debt was retired in 2012. Increment previously collected is available for expenditures within the district.

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 1208 (Southdale 2 Tax Increment Financing District) is an economic development district established in 2012 pursuant to Minnesota Statutes with a termination date of 2022.

The following table reflects values as of December 31, 2013:

	TIF #1202	TIF #1203	TIF #1208	Total
Original tax capacity	$ 22,872	$ 229,691	$ 8,458,727	$ 8,711,290
Current tax capacity	787,409	3,581,728	9,615,790	13,984,927
Fiscal Disparities	-	-	348,272	348,272
Tax capacity change	764,537	3,352,037	808,791	4,925,365
Captured tax capacity value:				
Retained captured tax capacity	$ 764,537	$ 3,352,037	$ 808,791	$ 4,925,365
Total bonds issued (general obligation)	$ 9,637,555	$ 35,894,724	$ -	$ 45,532,279
Amounts redeemed	9,637,555	35,894,724	-	45,532,279
Outstanding bonds at December 31, 2013	$ -	$ -	$ -	$ -

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 Travelers insurance, there is no deductible. The City has a $579,693 deposit premium that is subject to adjustment based on the actual audited payroll.

Automobile and general liability coverage is provided through Travelers insurance. The City pays an annual premium for this coverage and all claims are paid from the plan up to the annual maximum of $1,500,000 for automobile and $1,500,000 for general liability. The City is not subject to a deductible for general liability coverage. The deductible for automobile insurance is $1,000 for comprehensive and $1,000 for collision.

Property coverage is also provided through Travelers insurance. The City pays an annual premium for this coverage, and all claims are paid for by the plan. The City has $10,000 - $50,000 deductibles per occurrence depending on claim type, with annual maximum coverage of $139,188,285.

Police professional insurance coverage is provided through Travelers insurance. The City pays an annual premium for this coverage, and has a $10,000 deductible per occurrence, with a $1,500,000 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 2013.

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, 2013.

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, 2013, the City of Edina had 4 series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of $30,235,000. 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 equity interest in the capital assets of the PSTF was $1,584,465. 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, 2013, the City paid a total of $47,072 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, 2013, the City paid a total of $13,513 in membership fees to the I-494 Corridor Commission.

Note 15 FUND BALANCES

A. Classifications

At December 31, 2013, a summary of the City's governmental fund balance classifications are as follows:

	General Fund	HRA Fund	Debt Service	Construction	Nonmajor Funds	Total
Nonspendable						
Prepaid items	$ 13,322	$ -	$ -	$ -	$ -	$ 13,322
Restricted						
Park dedication	185,395	-	-	-	-	185,395
Tax increments	-	11,495,641	-	-	-	11,495,641
Debt service	-	-	6,246,769	-	-	6,246,769
Unspent bond proceeds	-	-	-	2,502,293	-	2,502,293
Pedestrian and cyclist improvements	-	-	-	-	492,362	492,362
Energy efficiency projects	-	-	-	-	816,654	816,654
Forfeitures	-	-	-	-	631,763	631,763
Grant funds	-	-	-	-	85,580	85,580
Donations	-	-	-	-	335,170	335,170
Total Restricted	185,395	11,495,641	6,246,769	2,502,293	2,361,529	22,791,627
Assigned						
Compensated absences	1,559,461	-	-	-	-	1,559,461
Construction commitments	-	-	-	397,539	-	397,539
Special projects	-	-	-	384,027	-	384,027
Equipment	-	-	-	2,862,844	-	2,862,844
Construction	-	-	-	4,709,858	-	4,709,858
Total Assigned	1,559,461	-	-	8,354,268	-	9,913,729
Unassigned	12,573,457	-	-	-	-	12,573,457
Total Fund Balance	$ 14,331,635	$ 11,495,641	$ 6,246,769	$ 10,856,561	$ 2,361,529	$ 45,292,135

B. Unassigned Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the desired range for unassigned fund balance for the general fund. The policy establishes a goal for unassigned general fund balance of 42%-47% of the subsequent year's budgeted property tax revenue. As of December 31, the City has $12,573,457 of unassigned fund balance in the general fund, or 56.2% of 2014 budgeted property tax revenue. This amount is $2,049,968 above the goal range identified in the policy.

Note 16 GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 68 replaces the requirements of Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers” and Statement No. 50, “Pension Disclosures,” as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
General property taxes:				
Current	$ 21,864,994	$ 21,699,894	$ 22,002,497	$ 302,603
Penalties and interest	12,000	12,000	4,030	(7,970)
Total general property taxes	21,876,994	21,711,894	22,006,527	294,633
Franchise taxes:	714,000	730,000	794,261	64,261
Licenses and permits:	2,577,500	2,866,814	4,122,305	1,255,491
Intergovernmental:				
Federal:	36,000	36,000	61,112	25,112
State:				
Municipal state aid	195,000	195,000	195,000	-
Other	60,000	60,000	133,288	73,288
State aid - police	350,000	350,000	347,445	(2,555)
State aid - fire	-	-	378,603	378,603
Health programs	119,000	119,000	118,977	(23)
Total intergovernmental	760,000	760,000	1,234,425	474,425
Charges for services:				
City Clerk	6,500	6,500	11,593	5,093
Planning Department	25,000	25,000	109,507	84,507
Housing Foundation Contract	28,000	28,000	26,766	(1,234)
HRA Services	22,000	22,000	25,775	3,775
Police Department	270,000	270,000	321,030	51,030
Fire Department	20,000	20,000	25,792	5,792
Ambulance fees	1,720,000	1,779,000	1,839,569	60,569
Health Department	7,700	7,700	22,470	14,770
Building Department	25,000	25,000	19,540	(5,460)
Engineering	180,000	180,000	196,387	16,387
Park Registration	105,000	105,000	139,828	34,828
Senior Center	98,000	98,000	69,947	(28,053)
Communications	74,000	74,000	106,235	32,235
Other fees	4,000	4,000	16,854	12,854
50th & France Assessment	69,000	69,000	69,000	-
Charges to other funds	484,044	564,048	564,048	-
Total charges for services	3,138,244	3,277,248	3,564,341	287,093
Fines and forfeits	1,034,000	1,034,000	1,017,219	(16,781)
Miscellaneous:				
Investment income	161,000	161,000	53,583	(107,417)
Rental of property	395,000	476,000	518,862	42,862
Donations	12,000	12,000	934	(11,066)
Other	6,000	6,000	4,605	(1,395)
Total miscellaneous	574,000	655,000	577,984	(77,016)
Total revenues	30,674,738	31,034,956	33,317,062	2,282,106

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures:				
Current:				
General government:				
Mayor and Council:				
Personal services	$ 49,540	$ 49,540	$ 45,820	$ 3,720
Contractual services	13,700	13,700	16,501	(2,801)
Commodities	1,500	1,500	4,293	(2,793)
Central services	27,660	27,804	27,192	612
Total mayor and council	92,400	92,544	93,806	(1,262)
Administration:				
Personal services	878,078	1,087,403	1,020,803	66,600
Contractual services	185,800	202,100	219,776	(17,676)
Commodities	3,000	3,000	9,717	(6,717)
Central services	72,252	73,020	74,391	(1,371)
Total administration	1,139,130	1,365,523	1,324,687	40,836
Communications:				
Personal services	466,825	512,472	562,773	(50,301)
Contractual services	236,950	236,950	325,455	(88,505)
Commodities	48,500	48,500	38,633	9,867
Central services	57,000	57,552	58,060	(508)
Total communications	809,275	855,474	984,921	(129,447)
Planning:				
Personal services	401,880	414,842	464,594	(49,752)
Contractual services	38,700	38,700	90,766	(52,066)
Commodities	6,000	6,000	3,018	2,982
Central services	44,916	45,384	46,059	(675)
Total planning	491,496	504,926	604,437	(99,511)
Finance:				
Personal services	534,037	539,319	531,918	7,401
Contractual services	105,850	105,850	104,308	1,542
Commodities	3,500	3,500	1,863	1,637
Central services	62,880	63,660	65,443	(1,783)
Total finance	706,267	712,329	703,532	8,797
Election:				
Personal services	111,398	112,052	104,373	7,679
Contractual services	17,575	17,575	16,133	1,442
Commodities	14,500	14,500	10,094	4,406
Central services	12,516	12,732	13,505	(773)
Total election	155,989	156,859	144,105	12,754

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget
Assessing:				
Personal services	$ 701,984	$ 699,228	$ 680,933	$ 18,295
Contractual services	113,441	113,441	89,008	24,433
Commodities	2,900	2,900	1,264	1,636
Central services	66,552	67,260	68,831	(1,571)
Total assessing	884,877	882,829	840,036	42,793
Legal and court services:				
Contractual services	388,500	388,500	410,200	(21,700)
Commissions and projects:				
Personal services	200,000	200,000	366,932	(166,932)
Contractual services	645,916	542,916	342,273	200,643
Commodities	2,000	2,000	68,507	(66,507)
Total commissions and projects	847,916	744,916	777,712	(32,796)
Total general government	5,515,850	5,703,900	5,883,436	(179,536)
Public safety:				
Police protection:				
Personal services	7,261,976	7,155,357	7,153,725	1,632
Contractual services	417,584	417,584	370,920	46,664
Commodities	80,558	80,558	55,003	25,555
Central services	1,030,008	1,036,476	1,059,176	(22,700)
Total police protection	8,790,126	8,689,975	8,638,824	51,151
Fire protection:				
Personal services	3,906,783	3,905,975	4,258,088	(352,113)
Contractual services	366,120	366,120	379,561	(13,441)
Commodities	176,400	176,400	277,052	(100,652)
Central services	327,156	329,940	345,769	(15,829)
Total fire protection	4,776,459	4,778,435	5,260,470	(482,035)
Animal Control:				
Personal services	74,551	74,745	74,123	622
Contractual services	8,592	8,592	11,388	(2,796)
Commodities	2,547	2,547	1,308	1,239
Central services	9,096	9,180	9,627	(447)
Total animal control	94,786	95,064	96,446	(1,382)

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget
Public health:				
Personal services	$ 293,942	$ 292,760	$ 234,938	$ 57,822
Contractual services	203,027	203,027	162,270	40,757
Commodities	2,325	2,325	2,322	3
Central services	31,428	31,704	32,205	(501)
Total public health	530,722	529,816	431,735	98,081
Inspections:				
Personal services	964,349	1,035,401	1,085,852	(50,451)
Contractual services	107,600	114,600	107,285	7,315
Commodities	9,410	9,410	18,563	(9,153)
Central services	107,532	108,468	110,760	(2,292)
Total inspections	1,188,891	1,267,879	1,322,460	(54,581)
Total public safety	15,380,984	15,361,169	15,749,935	(388,766)
Public works:				
Administration:				
Personal services	207,505	-	35,196	(35,196)
Contractual services	6,800	6,800	4,804	1,996
Central services	25,908	26,316	28,282	(1,966)
Total administration	240,213	33,116	68,282	(35,166)
Engineering:				
Personal services	997,200	1,300,695	1,206,752	93,943
Contractual services	74,250	74,250	104,774	(30,524)
Commodities	18,400	18,400	18,438	(38)
Central services	129,276	130,380	139,472	(9,092)
Total engineering	1,219,126	1,523,725	1,469,436	54,289
Street maintenance:				
Personal services	2,428,373	2,471,074	2,396,154	74,920
Contractual services	757,000	757,000	714,811	42,189
Commodities	1,041,200	1,041,200	1,046,061	(4,861)
Central services	925,752	927,360	996,242	(68,882)
Total street maintenance	5,152,325	5,196,634	5,153,268	43,366
Total public works	6,611,664	6,753,475	6,690,986	62,489

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget
Parks:				
Administration:				
Personal services	$ 693,665	$ 722,525	$ 719,118	$ 3,407
Contractual services	28,604	28,604	32,462	(3,858)
Commodities	3,166	3,166	23,478	(20,312)
Central services	85,284	86,388	89,197	(2,809)
Total administration	810,719	840,683	864,255	(23,572)
Recreation:				
Personal services	194,760	194,946	183,081	11,865
Contractual services	180,887	180,887	126,314	54,573
Commodities	54,810	54,810	49,552	5,258
Total recreation	430,457	430,643	358,947	71,696
Maintenance:				
Personal services	1,640,084	1,659,266	1,763,412	(104,146)
Contractual services	529,171	529,171	386,462	142,709
Commodities	211,813	211,813	168,234	43,579
Central services	309,096	309,936	331,122	(21,186)
Total maintenance	2,690,164	2,710,186	2,649,230	60,956
Total parks	3,931,340	3,981,512	3,872,432	109,080
Total expenditures	31,439,838	31,800,056	32,196,789	(396,733)
Revenues over (under) expenditures	(765,100)	(765,100)	1,120,273	1,885,373
Other financing sources (uses):				
Transfer from other funds	765,100	765,100	765,100	-
Transfer to other funds	-	(2,392,872)	(2,392,872)	-
Total financing sources (uses)	765,100	(1,627,772)	(1,627,772)	-
Net increase (decrease) in fund balance	$ -	$ (2,392,872)	(507,499)	$ 1,885,373
Fund balance - January 1			14,839,134	
Fund balance - December 31			$ 14,331,635	

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING AND REDEVELOPMENT AUTHORITY (HRA) FUND
For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
Tax increment collections	$ 3,990,000	$ 3,990,000	$ 3,981,938	$ (8,062)
Investment income	169,000	169,000	(116,524)	(285,524)
Total revenues	4,159,000	4,159,000	3,865,414	(293,586)
Expenditures:				
Personal services	175,030	109,256	112,312	3,056
Contractual services	711,000	711,000	1,077,559	366,559
Capital outlay	3,000,000	200,000	2,711,056	2,511,056
Total expenditures	3,886,030	1,020,256	3,900,927	2,880,671
Revenues over (under) expenditures	272,970	3,138,744	(35,513)	(3,174,257)
Other financing uses:				
Transfers out	(559,350)	(3,559,350)	(664,992)	2,894,358
Net increase (decrease) in fund balance	$ (286,380)	$ (420,606)	(700,505)	$ (279,899)
Fund balance - January 1			12,196,146	
Fund balance - December 31			$ 11,495,641	

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
For The Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2008	$ 4,638,477	$ -	$ 4,638,477	0.0%	$ 17,071,318	27.2%
January 1, 2010	$ 2,966,250	$ -	$ 2,966,250	0.0%	$ 17,786,616	16.7%
January 1, 2012	$ 2,959,876	$ -	$ 2,959,876	0.0%	$ 18,220,189	16.2%

Note A LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the preceding schedules:

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, HRA, debt service, construction, CDBG, police special revenue, Braemar memorial, and PACS funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Reported budget amounts are as originally adopted or as amended by Council-approved supplemental appropriations and budget transfers.

7. Expenditures may not legally exceed appropriations by department in the General Fund unless offset by increases in revenues. All unencumbered appropriations lapse at year-end.

Note B EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund 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.

	Final Budget	Actual	Over Budget
General Fund			
General Government			
Mayor and council	$ 92,544	$ 93,806	$ 1,262
Communications	855,474	984,921	129,447
Planning	504,926	604,437	99,511
Legal and court services	388,500	410,200	21,700
Commissions and projects	744,916	777,712	32,796
Public Safety			
Fire protection	4,778,435	5,260,470	482,035
Animal control	95,064	96,446	1,382
Inspections	1,267,879	1,322,460	54,581
Public Works			
Administration	33,116	68,282	35,166
Parks			
Administration	840,683	864,255	23,572

Excess expenditures in the General Fund mayor and council department are due to higher than anticipated expenses related to conferences attended along with unbudgeted IPad purchases.

Excess expenditures in the communications department are due to the hiring of a new employee to handle the Southwest Suburban Cable commission, along with equipment purchases related to this position. The increased expenditures are funded by additional video production revenue and member contributions.

Excess expenditures in the planning department are due to a newly created residential reconstruction position that was not budgeted for and are funded by additional permit revenue received. In addition, higher than anticipated expenses related to small area plans during the year which are funded by additional revenue received from developers.

Excess expenditures in the legal and court services department are due to increased legal counsel sought as a result of additional court cases.

Excess expenditures in the commissions and projects department are due to numerous retirements and related severance payments.

Excess expenditures in the fire protection department are due to a change made in the way we account for fire aid as requested by the State auditor.

Excess expenditures in the animal control department are due to higher than expected impound fees.

Excess expenditures in the inspections department are due to higher than anticipated permit applications during the year and are funded by additional permit revenue received.

Excess expenditures in the public works administration department are due to the retirement of an employee and their related severance payment.

Excess expenditures in the parks administration department are due to increased printing expenses related to the park and recreation insider magazine and are funded by increased recreation program registrations.

The HRA, debt service, construction, CDBG, police special revenue, and braemar memorial, and PACS funds budgets are 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 fund level for these funds. The following is a listing of funds whose expenditures exceed budget appropriations.

	Final Budget	Actual	Over Budget
HRA Fund	$ 1,020,256	$3,900,927	$ 2,880,671
Debt Service Fund	6,670,685	16,801,634	10,130,949
CDBG Fund	145,365	193,340	47,975

Excess expenditures in the HRA fund are due to the purchase of land for development of additional parking in the 50th and France area.

Excess expenditures in the debt service fund are due to an unbudgeted refunding of 2007C and 2009B bonds.

Excess expenditures in the CDBG fund are due to higher than anticipated expenses related to rehabilitation projects.

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.

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.

Braemar Memorial Fund - This fund was established to account for funds donated to the City for the purpose of enhancing the Braemar golf course with equipment and amenities that might not otherwise be affordable or viewed as a necessity to the golf course.

Pedestrian and Cyclist Safety Fund - This fund was established to account for funds received from gas and electric franchise fees to be used for pedestrian and cyclist improvements included in future street reconstruction projects.

Capital Project Funds

A Capital Project Fund is used to account for and report financial resources used for the acquisition of capital assets.
The following is a nonmajor capital project fund:

Environmental Efficiency Fund - This fund was established to account for funds received through energy cost savings to be reinvested in future energy efficiencies.

CITY OF EDINA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue				Capital Projects	
	Community Development Block Grant	Police Special Revenue	Braemar Memorial	Pedestrian and Cyclist Safety	Environmental Efficiency	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ -	$ 672,977	$ 334,178	$ 228,772	$ -	$ 1,235,927
Accrued interest receivable	-	448	992	327	-	1,767
Accounts receivable	-	-	-	285,209	816,654	1,101,863
Due from other governments	108,222	48,779	-	-	-	157,001
Total assets	$ 108,222	$ 722,204	$ 335,170	$ 514,308	$ 816,654	$ 2,496,558
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	$ 108,222	$ 4,861	$ -	$ 4,537	$ -	$ 117,620
Contracts payable	-	-	-	17,409	-	17,409
Total liabilities	108,222	4,861	-	21,946	-	135,029
Fund balance:						
Restricted	-	717,343	335,170	492,362	816,654	2,361,529
Total fund balance	-	717,343	335,170	492,362	816,654	2,361,529
Total liabilities and fund balance	$ 108,222	$ 722,204	$ 335,170	$ 514,308	$ 816,654	$ 2,496,558

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2013

	Special Revenue				Capital Projects	
	Community Development Block Grant	Police Special Revenue	Braemar Memorial	Pedestrian and Cyclist Safety	Environmental Efficiency	Total Nonmajor Governmental Funds
Revenues:						
Franchise Taxes	$ -	$ -	$ -	$1,018,308	$ -	$ 1,018,308
Intergovernmental	193,340	62,831	-	15,000	-	271,171
Fines and forfeitures	-	92,491				92,491
Investment income	-	794	2,570	1,078	-	4,442
Other	-	-	786	-	-	786
Total revenues	193,340	156,116	3,356	1,034,386	-	1,387,198
Expenditures:						
Current:						
General government	193,340	-	-	-	-	193,340
Public safety	-	96,775	-	-	-	96,775
Public works	-	-	-	80,004	-	80,004
Capital Outlay:						
Public works	-	-	-	462,020	-	462,020
Total expenditures	193,340	96,775	-	542,024	-	832,139
Revenues over expenditures	-	59,341	3,356	492,362	-	555,059
Other financing sources (uses):						
Insurance recovery	-	-	-	-	816,654	816,654
Net increase (decrease) in fund balance	-	59,341	3,356	492,362	816,654	1,371,713
Fund balance - January 1	-	658,002	331,814	-	-	989,816
Fund balance - December 31	$ -	$ 717,343	$ 335,170	$ 492,362	$ 816,654	$ 2,361,529

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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
Intergovernmental	$ 145,365	$ 145,365	$ 193,340	$ 47,975
Expenditures:				
Current:				
Contractual services	145,365	145,365	193,340	47,975
Net increase in fund balance	$ -	$ -	-	$ -
Fund balance - January 1			-	
Fund balance - December 31			$ -	

CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND - POLICE SPECIAL REVENUE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
Intergovernmental	$ 104,760	$ 104,760	$ 62,831	$ (41,929)
Fines and forfeiture	57,821	57,821	92,491	34,670
Investment income	600	600	794	194
Total revenues	163,181	163,181	156,116	(7,065)
Expenditures:				
Current:				
Contractual services	85,574	85,574	42,493	(43,081)
Commodities	18,655	18,655	54,282	35,627
Capital outlay	139,425	139,425	-	(139,425)
Total expenditures	243,654	243,654	96,775	(146,879)
Net increase in fund balance	$ (80,473)	$ (80,473)	59,341	$ 139,814
Fund balance - January 1			658,002	
Fund balance - December 31			$ 717,343	

CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND - BRAEMAR MEMORIAL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
Investment income	$ 300	$ 300	$ 2,570	$ 2,270
Donations	3,000	3,000	786	(2,214)
Total revenues	3,300	3,300	3,356	56
Expenditures:				
Current:				
Contractual services	25,000	25,000	-	(25,000)
Capital outlay	-	75,000	-	(75,000)
Total expenditures	25,000	100,000	-	(100,000)
Net increase (decrease) in fund balance	$ (21,700)	$ (96,700)	3,356	$ 100,056
Fund balance - January 1			331,814	
Fund balance - December 31			$ 335,170	

CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND - PEDESTRIAN AND CYCLE SAFETY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
Franchise taxes	$ -	$ 800,000	$ 1,018,308	$ 218,308
Intergovernmental	-	-	15,000	15,000
Investment income	-	-	1,078	1,078
Total revenues	-	800,000	1,034,386	234,386
Expenditures:				
Current:				
Central services	-	80,004	80,004	-
Capital outlay	-	719,996	462,020	(257,976)
Total expenditures	-	800,000	542,024	(257,976)
Net increase (decrease) in fund balance	$ -	$ -	492,362	$ 492,362
Fund balance - January 1			-	
Fund balance - December 31			$ 492,362	

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MAJOR GOVERNMENTAL FUNDS

Debt Service Fund - This fund was established to account for the payment of principal and interest on the Tax Increment, General Obligation, Permanent Improvement Revolving, and Public Project Revenue Bonds.

Construction Fund - This fund was established to account for 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.

CITY OF EDINA, MINNESOTA
GOVERNMENTAL FUND - DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
General property taxes	$ 3,930,418	$ 3,930,418	$ 3,892,598	(37,820)
Special assessments	2,072,269	2,072,269	2,837,227	764,958
Intergovernmental	-	-	118,780	118,780
Investment income	30,000	30,000	(19,712)	(49,712)
Total revenues	6,032,687	6,032,687	6,828,893	796,206
Expenditures:				
Debt Service	6,670,685	6,670,685	16,801,634	10,130,949
Revenues over (under) expenditures	(637,998)	(637,998)	(9,972,741)	(9,334,743)
Other financing sources (uses):				
Transfers in	559,350	559,350	559,350	-
Bonds issued	-	-	99,433	99,433
Refunding bonds issued	-	-	5,710,000	5,710,000
Premium (discount) on bonds issued	-	-	146,319	146,319
Total other financing sources (uses)	559,350	559,350	6,515,102	5,955,752
Net increase (decrease) in fund balance	$ (78,648)	$ (78,648)	(3,457,639)	$ (3,378,991)
Fund balance - January 1			9,704,408	
Fund balance - December 31			$ 6,246,769	

CITY OF EDINA, MINNESOTA
GOVERNMENTAL FUND - CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues:				
General property taxes	$ 992,072	$ 992,072	$ 992,631	559
Franchise fees	-	-	79,398	79,398
Special assessments	1,380,052	1,652,039	2,047,283	395,244
License and permits	25,000	25,000	28,207	3,207
Intergovernmental	50,000	1,090,000	884,790	(205,210)
Charges for services	50,000	50,000	103,271	53,271
Investment income	122,900	110,700	(18,179)	(128,879)
Other revenues	-	200,000	272,282	72,282
Total revenues	2,620,024	4,119,811	4,389,683	269,872
Expenditures:				
Personal services	90,315	90,315	110,159	19,844
Contractual services	208,281	208,281	202,837	(5,444)
Commodities	25,000	25,000	74,096	49,096
Central services	1,404	1,404	1,489	85
Capital outlay	6,170,940	12,308,170	7,517,131	(4,791,039)
Total expenditures	6,495,940	12,633,170	7,905,712	(4,727,458)
Revenues over (under) expenditures	(3,875,916)	(8,513,359)	(3,516,029)	4,997,330
Other financing sources (uses):				
Transfers in	250,000	3,250,000	2,148,514	(1,101,486)
Transfers out	(464,800)	(644,400)	(281,193)	363,207
Sale of capital assets	-	-	61,642	61,642
Bonds issued	3,451,500	4,251,000	2,455,567	(1,795,433)
Premium on bonds issued	-	-	87,359	87,359
Discount on bonds issued	-	-	(18,652)	(18,652)
Total other financing sources (uses)	3,236,700	6,856,600	4,453,237	(2,403,363)
Net increase (decrease) in fund balance	$ (639,216)	$ (1,656,759)	937,208	$ 2,593,967
Fund balance - January 1			9,919,353	
Fund balance - December 31			$ 10,856,561	

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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:

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

Edinborough Park Fund - This fund accounts for activities related to Edinborough Park.

Centennial Lakes Fund - This fund accounts for activities related to Centennial Lakes Park.

Sports Dome Fund - This fund accounts for activities related to the Sports Dome.

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
December 31, 2013

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
Assets					
Current assets:					
Cash and investments	$ 217,543	$ 1,573,726	$ 1,059,811	$ -	$ 2,851,080
Interest receivable	330	2,351	5,309	-	7,990
Accounts receivable	-	7,828	-	-	7,828
Inventory	10,723	-	-	-	10,723
Total current assets	228,596	1,583,905	1,065,120	-	2,877,621
Noncurrent assets:					
Net capital assets	170,174	1,281,770	331,628	92,186	1,875,758
Total noncurrent assets	170,174	1,281,770	331,628	92,186	1,875,758
Total assets	398,770	2,865,675	1,396,748	92,186	4,753,379
Liabilities:					
Current liabilities:					
Accounts payable	5,378	50,418	17,527	-	73,323
Salaries payable	11,742	36,831	29,422	-	77,995
Contracts payable	-	46,656	-	75,240	121,896
Due to other funds	-	-	-	16,946	16,946
Due to other governments	646	7,751	3,483	-	11,880
Unearned revenue	9,725	30	20	-	9,775
Compensated absences payable	2,590	20,884	35,943	-	59,417
Total current liabilities	30,081	162,570	86,395	92,186	371,232
Noncurrent liabilities:					
Net OPEB obligation	4,217	11,878	11,878	-	27,973
Compensated absences payable	3,885	31,327	53,915	-	89,127
Total noncurrent liabilities	8,102	43,205	65,793	-	117,100
Total liabilities	38,183	205,775	152,188	92,186	488,332
Net position:					
Net investment in capital assets	170,174	1,235,114	331,628	16,946	1,753,862
Unrestricted	190,413	1,424,786	912,932	(16,946)	2,511,185
Total net position	$ 360,587	$ 2,659,900	$ 1,244,560	$ -	$ 4,265,047

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For The Year Ended December 31, 2013

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
Operating revenues:					
Sales - retail	$ 37,677	$ -	$ -	$ -	$ 37,677
Sales - concessions	442	138,370	32,398	-	171,210
Memberships	23,187	64,515	-	-	87,702
Admissions	-	755,241	-	-	755,241
Building rental	-	233,055	102,142	-	335,197
Rental of equipment	-	12,312	144,654	-	156,966
Greens fees	-	-	182,125	-	182,125
Class registration & other fees	405,715	219,563	274,237	-	899,515
Total operating revenues	467,021	1,423,056	735,556	-	2,625,633
Operating expenses:					
Cost of sales and services	8,863	80,981	13,081	-	102,925
Personal services	396,222	649,978	569,029	-	1,615,229
Contractual services	84,864	328,538	173,218	-	586,620
Commodities	49,597	134,824	98,576	-	282,997
Central Services	41,876	59,660	54,120	-	155,656
Depreciation	26,227	161,113	36,348	-	223,688
Total operating expenses	607,649	1,415,094	944,372	-	2,967,115
Operating income (loss)	(140,628)	7,962	(208,816)	-	(341,482)
Nonoperating revenues (expenses):					
Investment income	1,088	(55,650)	(51,564)	-	(106,126)
Donations	7,341	-	765	-	8,106
Total nonoperating revenues (expenses)	8,429	(55,650)	(50,799)	-	(98,020)
Income (loss) before transfers	(132,199)	(47,688)	(259,615)	-	(439,502)
Transfers:					
Transfers in	165,000	66,803	48,364	-	280,167
Change in net position	32,801	19,115	(211,251)	-	(159,335)
Net position - January 1	327,786	2,640,785	1,455,811	-	4,424,382
Net position - December 31	$ 360,587	$ 2,659,900	$ 1,244,560	$ -	$ 4,265,047

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended December 31, 2013

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
Cash flows from operating activities:					
Receipts from customers and users	$ 467,011	$ 1,416,096	$ 742,268	$ -	$ 2,625,375
Payment to suppliers	(187,178)	(587,115)	(332,987)	-	(1,107,280)
Payment to employees	(398,722)	(644,124)	(552,155)	-	(1,595,001)
Donations received	7,341	-	765	-	8,106
Net cash provided by (used in) operating activities	(111,548)	184,857	(142,109)	-	(68,800)
Cash flows from noncapital financing activities:					
Transfer from other funds	165,000	66,803	48,364	-	280,167
Proceeds from interfund borrowing	33,268	-	-	16,946	50,214
Net cash provided by noncapital financing activities	198,268	66,803	48,364	16,946	330,381
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	(110,883)	(78,669)	(16,946)	(206,498)
Net cash used in capital and related financing activities	-	(110,883)	(78,669)	(16,946)	(206,498)
Cash flows from investing activities:					
Interest received	758	(51,990)	(51,564)	-	(102,796)
Net increase (decrease) in cash and investments	87,478	88,787	(223,978)	-	(47,713)
Cash and investments - January 1	130,065	1,484,939	1,283,789	-	2,898,793
Cash and investments - December 31	$ 217,543	$ 1,573,726	$ 1,059,811	$ -	$ 2,851,080
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating loss	$ (140,628)	$ 7,962	$ (208,816)	$ -	$ (341,482)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	26,227	161,113	36,348	-	223,688
Donations	7,341	-	765	-	8,106
Changes in assets and liabilities:					
Decrease (increase) in receivables	-	(6,960)	6,692	-	(268)
Decrease (increase) in inventory	72	-	-	-	72
Increase (decrease) in accounts payable	(1,970)	17,260	4,891	-	20,181
Increase (decrease) in salaries payable	1,394	4,947	6,908	-	13,249
Increase (decrease) in due to other governments	(80)	(372)	1,117	-	665
Increase (decrease) in unearned revenue	(10)	-	20	-	10
Increase (decrease) in OPEB payable	431	991	991	-	2,413
Increase (decrease) in compensated absences	(4,325)	(84)	8,975	-	4,566
Total adjustments	29,080	176,895	66,707	-	272,682
Net cash provided by (used in) operating activities	$ (111,548)	$ 184,857	$ (142,109)	$ -	$ (68,800)
Noncash investing activities:					
Increase (decrease) in fair value of investments	(289)	(68,239)	(59,634)	-	(128,162)
Noncash noncapital financing activities:					
Acquisition of capital assets with contracts payable	-	(4,576)	19,320	(75,240)	(60,496)

FIDUCIARY FUNDS

Agency Funds

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

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

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

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

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CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
POLICE SEIZURE				
Assets:				
Cash and investments	$ 22,706	$ 1	$ -	$ 22,707
Liabilities:				
Due to other governmental units	$ 22,706	$ 1	$ -	$ 22,707
PUBLIC SAFETY TRAINING FACILITY				
Assets:				
Cash and investments	$ 258,951	$ 1,080,975	$ 1,003,726	$ 336,200
Liabilities:				
Accounts payable	$ 10,345	$ 283,390	$ 287,341	$ 6,394
Salaries payable	7,815	223,288	220,942	10,161
Due to other governmental units	240,791	574,297	495,443	319,645
Total Liabilities	$ 258,951	$ 1,080,975	$ 1,003,726	$ 336,200
PAYROLL				
Assets:				
Cash and investments	$ 35,301	$ 16,857,623	$ 16,865,269	$ 27,655
Liabilities:				
Accounts payable	$ 35,301	$ 16,857,623	$ 16,865,269	$ 27,655
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 316,958	$ 17,938,599	$ 17,868,995	$ 386,562
Liabilities:				
Accounts payable	$ 45,646	$ 17,141,013	$ 17,152,610	$ 34,049
Salaries payable	7,815	223,288	220,942	10,161
Due to other governmental units	263,497	574,298	495,443	342,352
Total Liabilities	$ 316,958	$ 17,938,599	$ 17,868,995	$ 386,562

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

	2010	2011	2012	2013	2014
Total tax capacity	$ 120,816,822	$ 113,981,017	$ 109,012,566	$ 106,529,983	$ 108,069,277
Increment valuation	(4,960,337)	(4,043,859)	(3,917,958)	(4,194,083)	(4,948,237)
Contribution to fiscal disparities pool	(10,942,782)	(11,039,952)	(10,283,433)	(8,831,694)	(9,513,808)
Tax capacity used for rate calculation	104,913,703	98,897,206	94,811,175	93,504,206	93,607,232
Fiscal disparities distribution	3,537,906	3,421,345	3,068,256	2,615,313	2,548,571
Adjusted net tax capacity	$ 108,451,609	$ 102,318,551	$ 97,879,431	$ 96,119,519	$ 96,155,803
Tax levies:					
General fund	$ 20,737,472	$ 21,004,000	$ 21,604,402	$ 21,824,894	$ 22,509,403
Equipment	940,484	992,072	992,072	992,072	992,072
Debt service	3,212,757	3,174,308	3,040,890	3,314,581	3,325,597
Total certified tax levies	24,890,713	25,170,380	25,637,364	26,131,547	26,827,072
Referendum market value levy	602,250	615,837	610,862	615,837	627,800
Total levy	$ 25,492,963	$ 25,786,217	$ 26,248,226	$ 26,747,384	$ 27,454,872
Tax capacity rate:					
General fund revenue	20.004	21.548	23.131	23.762	24.458
Bonds & interest	2.968	3.112	3.116	3.454	3.462
Total tax capacity rate	22.972	24.660	26.247	27.216	27.920
Market value rate	0.00606	0.00654	0.00667	0.00690	0.00695

CITY OF EDINA, MINNESOTA
COMBINED SCHEDULE OF BONDED INDEBTEDNESS
December 31, 2013

	Interest Rates	Date	Final Maturity Date	Prior Years Original Issue	Prior Years Redeemed
Tax Increment Bonds:					
Tax Increment Refunding Bonds, Series 2005D	3.00 - 3.40	07/19/05	02/01/13	$ 3,505,000	$ 2,955,000
Total Tax Increment Bonds				3,505,000	2,955,000
General Obligation Bonds:					
GO Park & Recreation Refunding Bonds, Series 2005A	3.50 - 4.00	07/19/05	02/01/17	5,375,000	2,665,000
GO Capital Improvement Plan, Series 2007A	4.00 - 4.25	05/24/07	02/01/28	5,865,000	830,000
GO Capital Improvement Plan, Series 2009A	3.00 - 4.40	04/29/09	02/01/30	14,000,000	1,035,000
GO Capital Improvement Plan, Series 2010A	2.00 - 4.00	11/18/10	02/01/21	8,285,000	1,390,000
GO Equipment Certificates, Series 2010B	2.00	11/18/10	02/01/13	230,000	155,000
GO Capital Improvement Plan, Series 2013A - Refunding	3.00 - 3.50	10/10/13	02/01/30	-	-
Total General Obligation Bonds				33,755,000	6,075,000
Permanent Improvement Revolving (PIR) Bonds:					
GO Permanent Improvement Revolving, Series 2005E	3.00 - 3.75	09/13/05	02/01/16	1,460,000	910,000
GO Permanent Improvement Revolving Series 2007C	3.60 - 4.25	05/24/07	02/01/19	5,870,000	1,585,000
GO Permanent Improvement Revolving Series 2008B	3.00 - 4.00	08/28/08	02/01/20	7,755,000	1,330,000
GO Permanent Improvement Revolving Series 2010B	2.00 - 3.00	11/18/10	02/01/22	2,305,000	-
GO Permanent Improvement Revolving Series 2011A	2.00 - 3.00	10/27/11	02/01/23	3,320,000	-
GO Permanent Improvement Revolving Series 2012A	3.00 - 4.00	11/15/12	02/01/29	2,675,000	-
GO Permanent Improvement Revolving Series 2012A - Refunding	3.00 - 4.00	11/15/12	02/01/19	1,990,000	-
GO Permanent Improvement Revolving Series 2013A	3.00 - 3.50	10/10/13	02/01/30	-	-
Total PIR Bonds				25,375,000	3,825,000
Public Project Revenue Bonds:					
Public Project Revenue, Series 2005	3.00 - 4.13	09/13/05	05/01/26	5,425,000	1,205,000
Taxable Public Project Revenue, Series 2009A	2.10 - 4.55	11/24/09	02/01/30	2,595,000	950,000
Taxable Public Project Revenue, Series 2009B	1.95 - 5.80	11/24/09	02/01/30	6,125,000	125,000
Total Public Project Revenue Bonds				14,145,000	2,280,000
Edina Emerald Energy Program Revenue Bonds:					
Edina Emerald Energy Progrm Revenue, 2012A	7.00	02/25/12	01/01/23	33,690	-
Edina Emerald Energy Progrm Revenue, 2012B	5.50	08/28/12	01/01/18	40,030	-
Total Public Project Revenue Bonds				73,720	-
Revenue Bonds:					
Recreational Facility Bonds, Series 2009B	2.00 - 3.00	04/29/09	01/01/17	2,010,000	1,240,000
Recreational Facility Bonds, Series 2009C	2.00 - 4.00	12/10/09	02/01/30	2,440,000	180,000
Recreational Facility Bonds, Series 2012B	.45 - 1.60	11/15/12	02/01/20	815,000	-
Recreational Facility Bonds, Series 2012C	2.00 - 3.00	11/15/12	02/01/33	2,100,000	-
Recreational Facility Bonds, Series 2013B	3.00 - 3.45	10/10/13	02/01/29	-	-
Utility Revenue Bonds, Series 2003C	1.10 - 3.55	03/01/03	02/01/13	3,200,000	2,830,000
Utility Revenue Bonds, Series 2007B	4.00	05/24/07	02/01/17	8,210,000	3,755,000
Utility Revenue Bonds, Series 2008A	3.00 - 4.00	08/28/08	02/01/19	13,985,000	4,100,000
Utility Revenue Bonds, Series 2011A	2.00 - 3.00	10/27/11	02/01/22	11,230,000	-
Utility Revenue Bonds, Series 2012A	3.00 - 4.00	11/15/12	02/01/23	6,100,000	-
Total Public Project Revenue Bonds				50,090,000	12,105,000
Total - Bonded indebtedness				$ 126,943,720	$ 27,240,000

Outstanding 12/31/2012	2013 Issued	2013 Payments	Payable 12/31/2013	Principal Due In 2014	Interest Due In 2014	Interest Payable to Maturity
$ 550,000	$ -	$ 550,000	$ -	$ -	$ -	$ -
550,000	-	550,000	-	-	-	-
2,710,000	-	500,000	2,210,000	515,000	77,456	179,956
5,035,000	-	230,000	4,805,000	240,000	191,744	1,637,472
12,965,000	-	540,000	12,425,000	555,000	452,599	4,624,833
6,895,000	-	655,000	6,240,000	675,000	236,100	1,051,000
75,000	-	75,000	-	-	-	-
-	5,710,000	-	5,710,000	310,000	132,787	1,530,874
27,680,000	5,710,000	2,000,000	31,390,000	2,295,000	1,090,686	9,024,135
550,000	-	550,000	-	-	-	-
4,285,000	-	4,285,000	-	-	-	-
6,425,000	-	700,000	5,725,000	720,000	201,194	811,330
2,305,000	-	210,000	2,095,000	215,000	47,750	251,625
3,320,000	-	-	3,320,000	300,000	77,600	458,700
2,675,000	-	-	2,675,000	-	87,750	755,975
1,990,000	-	-	1,990,000	320,000	73,200	230,800
-	2,555,000	-	2,555,000	-	61,433	756,759
21,550,000	2,555,000	5,745,000	18,360,000	1,555,000	548,927	3,265,189
4,220,000	-	225,000	3,995,000	235,000	156,944	1,154,886
1,645,000	-	-	1,645,000	-	66,810	674,238
6,000,000	-	6,000,000	-	-	-	-
11,865,000	-	6,225,000	5,640,000	235,000	223,754	1,829,124
33,690	-	3,369	30,321	-	1,061	10,613
40,030	-	8,006	32,024	-	881	4,403
73,720	-	11,375	62,345	-	1,942	15,016
770,000	-	450,000	320,000	80,000	8,200	19,300
2,260,000	-	100,000	2,160,000	100,000	78,350	783,400
815,000	-	-	815,000	110,000	7,590	32,956
2,100,000	-	-	2,100,000	-	53,794	740,885
-	1,125,000	-	1,125,000	-	28,263	318,686
370,000	-	370,000	-	-	-	-
4,455,000	-	820,000	3,635,000	855,000	128,300	298,100
9,885,000	-	1,245,000	8,640,000	1,295,000	317,075	1,092,431
11,230,000	-	965,000	10,265,000	1,050,000	231,350	1,228,777
6,100,000	-	-	6,100,000	470,000	207,350	1,082,075
37,985,000	1,125,000	3,950,000	35,160,000	3,960,000	1,060,272	5,596,610
$ 99,703,720	$ 9,390,000	$ 18,481,375	$ 90,612,345	$ 8,045,000	$ 2,925,581	$ 19,730,074

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, 2013

	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	18,939,878	-	10,797,229
Real estate sales *	-	4,700,000	5,402,344	-	(702,344)
Interest on invested funds	-	300,000	1,177,583	4,751	(882,334)
Other	-	-	61,068	-	(61,068)
Total sources of funds:	4,500,000	44,637,107	35,056,788	4,751	9,575,568
Uses of funds:					
Land acquisition	-	6,500,000	4,984,728	-	1,515,272
Installation of public utilities and improvements	4,310,000	17,127,000	9,738,935	141,997	7,246,068
Bond payments:					
Principal	-	9,900,000	9,637,555	-	262,445
Interest	-	9,190,000	3,344,904	-	5,845,096
Loan/note interest	-	-	5,150,288	-	(5,150,288)
Paid to other governments	-	-	208,163	2,578	(210,741)
Administrative costs	190,000	1,920,107	1,375,451	33,056	511,600
Total uses of funds:	4,500,000	44,637,107	34,440,024	177,631	10,019,452
Funds remaining (deficit)	$ -	$ -	$ 616,764	$ (172,880)	$ (443,884)

* Real estate sales	Cost to authority	Price paid by developer
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
	$ 4,598,131	$ 6,075,813

CITY OF EDINA, MINNESOTA
SCHEDULE OF SOURCES AND USES OF PUBLIC FUNDS
FOR SOUTHEAST EDINA REDEVELOPMENT DISTRICT-NO. 1203, A TAX INCREMENT FINANCING DISTRICT
December 31, 2013

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Bond proceeds	$ 41,400,000	$ -	$ 33,761,677	$ -	$(33,761,677)
Tax increments received	80,000,000	130,000,000	51,774,953	3,782,583	74,442,464
Real estate sales *	5,000,000	9,137,070	11,637,070	-	(2,500,000)
Special assessment	-	-	-	-	-
Interest on invested funds	-	5,000,000	4,628,672	(124,864)	496,192
Transfer in	-	-	38,646,971	-	(38,646,971)
Sale of material	-	-	255,710	-	(255,710)
Developer payments	-	-	297,826	-	(297,826)
Other	-	-	21,799	-	(21,799)
Total sources of funds:	126,400,000	144,137,070	141,024,678	3,657,719	(545,327)
Uses of funds:					
Land acquisition	13,900,000	30,000,000	22,981,425	-	7,018,575
Site improvements and preparation	26,677,000	15,000,000	14,494,553	2,952,077	(2,446,630)
Other qualifying improvements	-	50,337,070	6,718,758	-	43,618,312
Bond payments:					
Principal	41,400,000	-	35,344,724	550,000	(35,894,724)
Interest	38,000,000	47,000,000	34,287,806	9,350	12,702,844
Administrative costs	1,140,800	1,800,000	1,530,556	254,266	15,178
Paid to other governments	-	-	55,572	2,578	(58,150)
Loan/note interest	-	-	7,388,872	615,537	(8,004,409)
Parkland dedication fees	-	-	2,030,345	-	(2,030,345)
Total uses of funds:	121,117,800	144,137,070	124,832,611	4,383,808	14,920,651
Funds remaining (deficit)	$ 5,282,200	$ -	$ 16,192,067	$ (726,089)	$(15,465,978)

	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, 2013

	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	-	-	305,955	3,216	(309,171)
Total sources of funds:	4,088,855	4,088,855	1,052,818	3,216	3,032,821
Uses of funds:					
Land acquisition	529,400	529,400	47,580	1,699	480,121
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:	4,088,855	4,088,855	665,419	1,699	3,421,737
Funds remaining (deficit)	$ -	$ -	$ 387,399	$ 1,517	$ (388,916)

CITY OF EDINA, MINNESOTA
SCHEDULE OF SOURCES AND USES OF PUBLIC FUNDS
FOR SOUTHDALE 2-NO. 1208, A TAX INCREMENT FINANCING DISTRICT
December 31, 2013

	Original Budget	Amended Budget	Accounted for in prior years	Current year	Amount remaining
Source of funds:					
Tax increments received	$ 11,702,217	$ 11,702,217	$ -	$ 199,356	$ 11,502,861
Interest on invested funds	250,000	250,000	-	456	249,544
Total sources of funds:	11,952,217	11,952,217	-	199,812	11,752,405
Uses of funds:					
Site improvements and preparation	2,274,296	2,274,296	-	-	2,274,296
Other qualifying improvements	5,000,000	5,000,000	5,000,000	-	-
Interest	3,577,921	3,577,921	-	1,791	3,576,130
Administrative costs	1,100,000	1,100,000	-	1,074	1,098,926
Total uses of funds:	11,952,217	11,952,217	5,000,000	2,865	6,949,352
Funds remaining (deficit)	$ -	$ -	$ (5,000,000)	$ 196,947	$ 4,803,053

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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 108

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 116

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 120

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.

Demographic and Economic Information 125

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 127

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Governmental activities				
Net investment in capital assets	$ 34,320,784	$ 36,092,020	$ 69,814,012	$ 67,680,882
Restricted	2,145,488	78,943	-	-
Unrestricted	28,762,040	35,796,801	15,280,058	25,136,312
Total governmental activities net position	$ 65,228,312	$ 71,967,764	$ 85,094,070	$ 92,817,194
Business-type activities				
Net investment in capital assets	$ 37,240,476	$ 40,044,169	$ 46,981,755	$ 43,046,160
Restricted	-	-	-	-
Unrestricted	11,934,496	11,121,720	6,379,515	13,649,355
Total business-type activities net position	$ 49,174,972	$ 51,165,889	$ 53,361,270	$ 56,695,515
Primary government				
Net investment in capital assets	$ 71,561,260	$ 76,136,189	$ 116,795,767	$ 110,727,042
Restricted	2,145,488	78,943	-	-
Unrestricted	40,696,536	46,918,521	21,659,573	38,785,667
Total primary government net position	$ 114,403,284	$ 123,133,653	$ 138,455,340	$ 149,512,709

[a] The City implemented GASB 65 in fiscal year 2013. Prior year information has not been restated as a result of this change in accounting principle.

Fiscal Year					
2008	2009	2010	2011	2012	2013[a]
$ 71,601,227	$ 69,622,370	$ 69,783,162	$ 75,045,018	$ 78,644,392	$ 83,842,970
3,362,446	7,132,865	9,952,443	22,915,776	23,215,910	20,289,579
29,577,462	30,705,600	41,709,528	29,544,149	29,587,700	33,242,317
$ 104,541,135	$ 107,460,835	$ 121,445,133	$ 127,504,943	$ 131,448,002	$ 137,374,866
$ 46,851,736	$ 47,333,794	$ 48,807,806	$ 56,877,100	$ 63,766,144	$ 66,126,387
954,486	624,837	618,852	623,099	876,909	611,377
12,071,776	15,158,720	17,041,122	12,926,674	14,390,609	16,867,459
$ 59,877,998	$ 63,117,351	$ 66,467,780	$ 70,426,873	$ 79,033,662	$ 83,605,223
$ 118,452,963	$ 116,956,164	$ 118,590,968	$ 131,922,118	$ 142,410,536	$ 149,969,357
4,316,932	7,757,702	10,571,295	23,538,875	24,092,819	20,900,956
41,649,238	45,864,320	58,750,650	42,470,823	43,978,309	50,109,776
$ 164,419,133	$ 170,578,186	$ 187,912,913	$ 197,931,816	$ 210,481,664	$ 220,980,089

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	$ 6,934,045	$ 4,967,008	$ 5,414,961	$ 7,039,298
Public safety	11,063,767	12,019,027	13,300,351	13,743,194
Public works	5,834,490	7,185,784	8,973,031	8,757,022
Parks	4,248,060	5,901,648	5,341,682	5,025,560
Interest on long-term debt	2,399,682	2,288,524	2,973,749	1,887,633
Total governmental activities expenses	30,480,044	32,361,991	36,003,774	36,452,707
Business-type activities:				
Utilities	7,801,580	8,254,409	9,234,651	10,036,844
Liquor	9,110,888	9,749,313	9,968,963	10,361,998
Aquatic center	701,768	725,936	795,614	780,981
Golf course	3,508,741	3,580,307	3,652,169	3,621,977
Arena	1,492,461	1,497,431	1,542,098	1,538,407
Community activity centers	2,357,731	2,328,131	2,506,551	2,630,127
Total business-type activities expenses	24,973,169	26,135,527	27,700,046	28,970,334
Total primary government expenses	$ 55,453,213	$ 58,497,518	$ 63,703,820	$ 65,423,041
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 454,603	$ 619,526	$ 731,613	$ 784,659
Public safety	4,634,744	5,614,406	6,146,114	5,632,642
Other activities	748,398	630,157	793,796	736,329
Operating grants and contributions	1,154,808	1,512,366	1,423,302	1,384,024
Capital grants and contributions	4,192,947	2,252,491	4,013,617	4,299,509
Total governmental activities program revenues	11,185,500	10,628,946	13,108,442	12,837,163
Business-type activities:				
Charges for services:				
Utilities	9,875,078	10,240,381	11,421,474	13,125,773
Liquor	10,030,067	10,752,724	11,029,445	11,436,175
Aquatic center	764,134	849,380	867,626	868,833
Golf course	3,538,122	3,482,999	3,646,620	3,630,538
Arena	1,319,987	1,376,607	1,418,555	1,414,173
Community activity centers	1,934,025	1,875,253	1,918,598	2,102,938
Operating grants and contributions	138,447	131,408	122,358	127,492
Total business-type activities program revenues	27,599,860	28,708,752	30,424,676	32,705,922
Total primary government program revenues	$ 38,785,360	$ 39,337,698	$ 43,533,118	$ 45,543,085
Net (Expense)/Revenue				
Governmental activities	$ (19,294,544)	$ (21,733,045)	$ (22,895,332)	$ (23,615,544)
Business-type activities	2,626,691	2,573,225	2,724,630	3,735,588
Total primary government net expense	$ (16,667,853)	$ (19,159,820)	$ (20,170,702)	$ (19,879,956)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	$ 17,865,757	$ 19,071,202	$ 20,414,298	$ 21,459,001
Tax increment collections	6,761,934	7,060,744	7,228,002	7,793,577
Franchise taxes	450,956	457,421	499,206	570,871
Unrestricted investment earnings	443,074	977,956	1,230,264	1,581,702
Gain on disposal of capital assets	-	63,674	8,418	58,377
Insurance recovery	-	-	-	-
Transfers	655,227	841,500	838,230	919,625
Total governmental activities	26,176,948	28,472,497	30,218,418	32,383,153
Business-type activities:				
Property taxes	$ -	$ -	$ -	$ -
Unrestricted investment earnings	227,167	236,654	283,771	510,678
Gain (loss) on disposal of capital assets	6,490	22,538	25,210	7,604
Transfers	(655,227)	(841,500)	(838,230)	(919,625)
Total business-type activities	(421,570)	(582,308)	(529,249)	(401,343)
Total primary government	$ 25,755,378	$ 27,890,189	$ 29,689,169	$ 31,981,810
Change in Net Position				
Governmental activities	$ 6,882,404	$ 6,739,452	$ 7,323,086	$ 8,767,609
Business-type activities	2,205,121	1,990,917	2,195,381	3,334,245
Total primary government	$ 9,087,525	$ 8,730,369	$ 9,518,467	$ 12,101,854

[a] The City implemented GASB 65 in fiscal year 2013. Prior year information has not been restated as a result of this change in accounting principle.

Fiscal Year					
2008	2009	2010	2011	2012	2013[a]
$ 6,836,248	$ 7,362,560	$ 6,961,082	$ 7,013,231	$ 12,598,979	$ 8,256,261
14,833,647	14,751,479	15,543,594	16,024,575	16,598,423	17,117,693
9,046,873	8,993,290	8,558,363	9,193,336	9,437,285	11,502,250
5,971,565	7,732,777	5,608,758	5,540,585	5,904,724	6,132,709
1,923,821	2,129,490	2,528,424	2,339,370	2,222,392	2,024,749
38,612,154	40,969,596	39,200,221	40,111,097	46,761,803	45,033,662
10,625,811	11,833,994	11,848,538	12,130,685	12,610,875	13,748,186
11,049,223	11,449,194	11,594,643	11,727,106	11,740,744	12,261,413
787,663	798,369	769,608	718,027	866,944	822,932
3,612,482	3,588,831	3,561,573	3,390,949	3,293,192	3,199,815
1,689,660	1,665,082	1,527,536	1,689,001	2,182,200	2,272,510
2,813,189	2,971,293	2,965,243	2,998,915	2,842,139	2,967,115
30,578,028	32,306,763	32,267,141	32,654,683	33,536,094	35,271,971
$ 69,190,182	$ 73,276,359	$ 71,467,362	$ 72,765,780	$ 80,297,897	$ 80,305,633
$ 840,070	$ 811,087	$ 946,107	$ 969,745	$ 1,142,984	$ 1,259,908
5,839,683	5,081,563	5,448,505	5,988,485	6,549,929	7,410,755
763,130	804,500	723,559	775,676	913,864	846,999
1,170,183	1,377,785	1,162,411	1,392,892	1,685,026	2,283,007
7,710,015	2,582,999	13,325,431	5,770,912	9,137,011	6,372,735
16,323,081	10,657,934	21,606,013	14,897,710	19,428,814	18,173,404
13,713,249	14,858,488	15,036,016	15,873,937	17,729,589	17,831,225
12,122,599	12,655,777	12,857,064	13,172,484	13,230,941	13,711,557
925,388	859,816	945,529	913,383	1,001,946	928,055
3,680,584	3,660,466	3,443,204	3,285,741	3,225,591	2,711,743
1,399,599	1,414,410	1,301,506	1,315,435	1,452,435	1,942,971
2,117,619	2,192,274	2,194,476	2,331,136	2,399,090	2,625,633
147,456	135,917	373,230	135,428	1,042,195	516,242
34,106,494	35,777,148	36,151,025	37,027,544	40,081,787	40,267,426
$ 50,429,575	$ 46,435,082	$ 57,757,038	$ 51,925,254	$ 59,510,601	$ 58,440,830
$ (22,289,073)	$ (30,311,662)	$ (17,594,208)	$ (25,213,387)	$ (27,332,989)	$ (26,860,258)
3,528,466	3,470,385	3,883,884	4,372,861	6,545,693	4,995,455
$ (18,760,607)	$ (26,841,277)	$ (13,710,324)	$ (20,840,526)	$ (20,787,296)	$ (21,864,803)
$ 22,242,276	$ 23,834,274	$ 25,122,113	$ 25,040,871	$ 25,884,662	$ 26,894,161
8,578,434	7,587,386	4,488,073	4,083,345	3,536,935	3,981,938
647,466	667,791	692,288	722,160	815,530	1,891,967
1,185,899	387,177	474,444	601,250	341,986	(96,390)
1,265	11,709	35,594	131,365	-	16,654
-	-	-	-	-	816,654
967,800	743,025	765,994	694,206	696,935	133,907
33,623,140	33,231,362	31,578,506	31,273,197	31,276,048	33,638,891
$ -	$ 300,372	$ -	$ -	$ -	$ -
607,312	209,371	205,965	280,438	113,177	(77,848)
14,505	2,250	26,574	-	2,644,854	17,587
(967,800)	(743,025)	(765,994)	(694,206)	(696,935)	(133,907)
(345,983)	(231,032)	(533,455)	(413,768)	2,061,096	(194,168)
$ 33,277,157	$ 33,000,330	$ 31,045,051	$ 30,859,429	$ 33,337,144	$ 33,444,723
$ 11,334,067	$ 2,919,700	$ 13,984,298	$ 6,059,810	$ 3,943,059	$ 6,778,633
3,182,483	3,239,353	3,350,429	3,959,093	8,606,789	4,801,287
$ 14,516,550	$ 6,159,053	$ 17,334,727	$ 10,018,903	$ 12,549,848	$ 11,579,920

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

	Fiscal Year			
	2004	**2005**[a]	**2006**	**2007**
General fund				
Reserved	$ 390,771	$ 223,351	$ 36,849	$ 28,637
Unreserved	10,226,055	11,595,433	13,797,189	14,078,220
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	$ 10,616,826	$ 11,818,784	$ 13,834,038	$ 14,106,857
All other governmental funds				
Reserved	$ 3,465,440	$ 13,792,312	$ 2,682,238	$ 6,247,539
Unreserved, reported in:				
Special revenue funds	781,458	731,027	13,179,904	14,750,448
Capital projects funds	16,651,788	17,032,750	3,160,085	5,853,322
Restricted, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Construction funds	-	-	-	-
Assigned, reported in:				
Capital projects funds	-	-	-	-
Total all other governmental funds	$ 20,898,686	$ 31,556,089	$ 19,022,227	$ 26,851,309

[a] 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.

[b] 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.

[c] The City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" in 2011. The City did not apply the statement retroactively.

Fiscal Year					
2008	2009[b]	2010	2011[c]	2012	2013
$ 13,982	$ 18,241	$ 10,258	$ -	$ -	$ -
14,365,021	12,031,358	12,868,952	-	-	-
-	-	-	10,871	413,200	13,322
-	-	-	178,295	880,395	185,395
-	-	-	1,539,286	1,643,077	1,559,461
-	-	-	11,744,764	11,902,462	12,573,457
$ 14,379,003	$ 12,049,599	$ 12,879,210	$ 13,473,216	$ 14,839,134	$ 14,331,635
$ 8,467,918	$ 15,223,353	$ 9,460,834	$ -	$ -	$ -
14,950,538	12,813,439	15,333,460	-	-	-
4,270,440	6,683,668	12,150,968	-	-	-
-	-	-	17,178,857	13,185,962	13,040,516
-	-	-	8,068,183	9,704,408	6,246,769
-	-	-	2,087,548	2,759,463	3,318,947
-	-	-	8,098,935	7,159,890	8,354,268
$ 27,688,896	$ 34,720,460	$ 36,945,262	$ 35,433,523	$ 32,809,723	$ 30,960,500

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

	Fiscal Year			
	2004	**2005**	**2006**	**2007**[a]
Revenues				
General property taxes	$ 17,865,757	$ 19,071,202	$ 20,414,298	$ 21,459,001
Tax increment collections	6,761,934	7,060,744	7,228,002	7,793,577
Special assessments	966,879	1,354,264	1,751,219	1,750,444
Franchise fees	450,956	457,421	499,206	570,871
License and permits	2,247,759	3,240,622	3,488,897	2,909,521
Intergovernmental	3,933,540	1,539,169	2,773,350	3,699,006
Charges for services	2,279,302	2,466,663	2,691,354	2,748,709
Fines and forfeitures	863,073	742,917	1,023,935	971,486
Investment income	443,074	977,956	1,230,264	1,581,702
Rental of property	385,707	315,542	310,145	355,734
Parkland dedication	-	-	-	-
Other revenues	294,136	227,446	246,797	225,839
Total revenues	36,492,117	37,453,946	41,657,467	44,065,890
Expenditures				
General government	5,213,469	5,477,308	5,995,804	6,544,307
Public safety	11,125,388	11,373,763	12,431,114	12,985,215
Public works	4,386,669	4,882,811	5,233,907	5,787,619
Parks	2,954,372	3,146,029	3,300,375	3,455,789
Capital outlay	7,772,321	8,227,191	8,980,526	11,991,122
Debt service				
Principal	6,450,000	6,830,000	5,985,000	6,190,000
Interest and other charges	2,484,291	2,543,639	2,107,036	1,677,770
Total expenditures	40,386,510	42,480,741	44,033,762	48,631,822
Revenues over (under) expenditures	(3,894,393)	(5,026,795)	(2,376,295)	(4,565,932)
Other Financing Sources (Uses)				
Transfers in	8,367,595	7,797,369	6,865,258	7,290,391
Transfers out	(7,712,368)	(6,955,869)	(6,027,028)	(6,370,766)
Sale of capital assets	-	135,045	54,457	66,845
Insurance recovery	-	-	-	-
Bonds issued	-	15,816,165	-	11,735,000
Premium on bonds issued	-	-	-	-
Discount on bonds issued	-	(36,275)	-	(53,637)
Refunding bonds issued	-	16,764,721	-	-
Payment to refunding escrow	-	(16,635,000)	-	-
Principal paid by escrow	-	-	(9,035,000)	-
Total other financing sources (uses)	655,227	16,886,156	(8,142,313)	12,667,833
Net change in fund balances	$ (3,239,166)	$ 11,859,361	$ (10,518,608)	$ 8,101,901
Debt service as a percentage of noncapital expenditures	27.4%	27.4%	23.1%	21.5%

[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					
2008	2009	2010	2011	2012	2013
$ 22,242,276	$ 23,834,274	$ 25,122,113	$ 24,972,166	$ 25,838,422	$ 26,891,756
8,578,434	7,587,386	4,488,073	4,083,345	3,536,935	3,981,938
2,442,490	2,703,833	6,746,186	4,502,112	4,975,641	4,884,510
647,466	667,791	692,288	722,160	815,530	1,891,967
2,915,455	2,104,967	2,410,314	2,724,763	3,155,351	4,150,512
3,005,883	1,507,170	3,726,849	3,059,964	2,032,966	2,509,166
3,093,941	2,905,410	3,014,894	3,181,961	3,708,482	3,667,612
1,073,174	1,224,983	1,203,767	1,243,426	1,195,054	1,109,710
1,185,899	387,177	474,444	601,250	341,986	(96,390)
255,607	343,616	426,517	539,091	506,276	518,862
-	-	-	-	702,100	-
126,723	160,035	413,400	156,231	240,841	278,607
45,567,348	43,426,642	48,718,845	45,786,469	47,049,584	49,788,250
6,235,352	6,895,329	6,523,398	5,739,481	6,624,573	7,351,556
13,788,797	13,692,686	14,177,387	14,668,772	14,985,068	15,859,622
6,189,594	5,911,758	5,898,023	6,000,539	6,277,506	7,018,614
3,693,595	3,688,063	3,524,950	3,633,922	3,852,260	3,915,568
14,666,907	22,997,065	13,505,827	14,235,496	13,622,443	10,690,207
7,090,000	7,415,000	2,975,000	4,480,000	6,620,000	14,531,375
1,967,021	1,841,342	2,584,006	2,278,068	2,292,394	2,270,259
53,631,266	62,441,243	49,188,591	51,036,278	54,274,244	61,637,201
(8,063,918)	(19,014,601)	(469,746)	(5,249,809)	(7,224,660)	(11,848,951)
7,983,585	11,347,773	2,903,762	5,615,669	4,495,940	3,472,964
(7,015,785)	(10,604,748)	(2,137,768)	(4,921,463)	(3,799,005)	(3,339,057)
96,825	34,592	134,329	209,773	94,975	61,642
-	-	-	-	-	816,654
7,755,000	22,950,000	2,535,000	3,320,000	2,748,720	2,555,000
-	64,765	898,658	108,097	436,148	275,360
(35,848)	(75,621)	-	-	-	(60,334)
-	-	8,285,000	-	1,990,000	5,710,000
-	-	(9,094,822)	-	-	-
-	-	-	-	-	-
8,783,777	23,716,761	3,524,159	4,332,076	5,966,778	9,492,229
$ 719,859	$ 4,702,160	$ 3,054,413	$ (917,733)	$ (1,257,882)	$ (2,356,722)
22.6%	21.7%	15.4%	17.8%	19.4%	32.2%

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			
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
2010	9,960,341	9,960,341	9,949,807	120,817	104,914	108,452	22.972%	0.00606%	2.501
2011	9,441,688	9,441,688	9,431,941	113,981	98,897	102,319	24.660%	0.00654%	2.672
2012	9,179,305	9,179,305	9,025,565	109,013	94,811	97,879	26.247%	0.00667%	2.799
2013	8,955,431	8,955,431	8,798,601	106,530	93,504	96,120	27.216%	0.00690%	2.921

Source: Hennepin County Taxpayer Services. 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.

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

	City Rates				Overlapping Rates				Total
						ISD #273 Edina			Direct &
Fiscal Year	Basic Rate	Debt Rate	Total Tax Capacity	RMV	Hennepin	Tax Cap.	RMV	Other	Overlap
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%
2010	20.004%	2.968%	22.972%	0.006%	42.640%	18.746%	0.194%	9.431%	93.789%
2011	21.548%	3.112%	24.660%	0.007%	45.840%	21.786%	0.196%	10.489%	102.775%
2012	23.131%	3.116%	26.247%	0.007%	48.231%	27.565%	0.215%	10.911%	112.954%
2013	23.762%	3.454%	27.216%	0.007%	49.461%	27.762%	0.217%	11.483%	115.922%

Source: Hennepin County Taxpayer Services. Some 2003-2004 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.

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

	2013			2004		
Taxpayer	**Tax Capacity**	**Rank**	**Percentage of Total Capacity**	**Tax Capacity**	**Rank**	**Percentage of Total Capacity**
Southdale Shopping Center	$ 2,506,810	1	2.35%	$ 3,154,408	1	3.78%
Galleria Shopping Center	1,593,450	2	1.50%	949,864	2	1.14%
Centennial Lakes Retail	715,026	3	0.67%	-		0.00%
Southdale Office Park	701,274	4	0.66%	717,250	3	0.86%
Southdale Medical Building	620,285	5	0.58%	428,608	7	0.51%
Centennial Lakes Phase V	580,176	6	0.54%	509,625	4	0.61%
Centennial Lakes Phase IV	568,936	7	0.53%	496,474	5	0.59%
National Car	508,794	8	0.48%	-		0.00%
Target	439,250	9	0.41%	-		0.00%
Hellmuth & Johnson	361,620	10	0.34%	-		0.00%
May Department Stores	-		0.00%	343,044	8	0.41%
7700 France	-		0.00%	450,214	6	0.54%
Centennial Lakes Phase II	-		0.00%	301,066	9	0.36%
Centennial Lakes Phase III	-		0.00%	301,066	10	0.36%
Totals	$ 8,595,621		8.07%	$ 7,651,619		9.17%

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
2004	$ 18,808,903	$ 18,066,892	96.06%	$ 22,734	$ 18,089,626	96.18%
2005	19,667,551	19,090,016	97.06%	82,177	19,172,193	97.48%
2006	20,820,130	20,310,889	97.55%	66,489	20,377,378	97.87%
2007	21,530,528	21,347,789 [a]	99.15%	[a] 65,836	21,413,625	99.46%
2008	22,605,669	22,178,719 [b]	98.11%	[b] 174,769	22,353,488	98.88%
2009	24,153,933	23,484,137 [c]	97.23%	[c] 57,006	23,541,143	97.46%
2010	25,492,973	24,904,346	97.69%	(300,821)	24,603,525	96.51%
2011	25,786,217	25,067,625	97.21%	(65,175)	25,002,450	96.96%
2012	26,248,226	25,983,685	98.99%	76,237	26,059,922	99.28%
2013	26,747,384	26,545,984	99.25%	-	26,545,984	99.25%

Source: Hennepin County Taxpayer Services.

[a] In 2007 the State of Minnesota reimbursed the City for MVHC after five years of not making payments.
[b] In 2008 the State of Minnesota reimbursed the City for only 50% of MVHC.
[c] 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)

	Governmental Activities					Business-Type Activities				
Fiscal Year	**General Obligation Debt**	**Public Project Revenue**	**Tax Increment Bonds**	**Permanent Improvement Revolving**	**EEEP Revenue Bonds**	**Rec. Facility Bonds**	**Utility Revenue Bonds**	**Total Primary Government**	**Percentage of Personal Income**	**Per Capita**
2004	$ 7,265	$ 11,428	$ 30,663	$ -	$ -	$ 6,295	$ 4,837	$ 60,488	2.57%	$ 1,256
2005	11,786	16,381	28,828	1,452	-	5,450	4,197	68,094	2.91%	1,435
2006	5,687	15,913	20,402	1,453	-	4,577	3,534	51,566	2.18%	1,100
2007	10,963	15,235	15,628	7,152	-	3,675	11,133	63,786	2.39%	1,355
2008	10,393	14,531	10,000	14,719	-	2,835	23,779	76,257	2.99%	1,583
2009	24,057	22,442	4,115	14,574	-	4,479	21,713	91,380	3.54%	1,897
2010	32,595	13,282	3,314	16,254	-	4,059	19,507	89,011	3.39%	1,857
2011	30,417	13,077	2,477	18,353	-	3,569	28,800	96,693	3.66%	2,004
2012	28,318	11,787	550	22,067	74	5,952	33,160	101,908	3.71%	2,087
2013	32,035	5,627	-	18,889	62	6,540	29,635	92,788	2.93%	1,900

Details regarding the City's outstanding debt may be found in the notes to the financial statements.
All figures are presented net of related premiums, discounts, and adjustments if applicable.

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

Fiscal Year	General Obligation Debt [a]	Percentage of Property Value [b]	Per Capita
2004	$ 7,265	0.11%	$ 151
2005	11,786	0.15%	248
2006	5,687	0.07%	121
2007	10,963	0.11%	233
2008	10,393	0.10%	216
2009	24,057	0.24%	499
2010	32,595	0.33%	680
2011	30,417	0.32%	630
2012	28,318	0.31%	580
2013	32,035	0.36%	656

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

[a] Presented net of related premiums, discounts, and adjustments.
[b] 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, 2013

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable in City [a]	City Share of Debt
Overlapping Debt:			
Hennepin County	$ 723,264,582	7.59%	$ 54,895,782
Hennepin Suburban Park District	54,166,123	10.31%	5,584,527
Hennepin Regional Rail Authority	37,350,216	10.31%	3,850,807
School Districts:			
ISD No. 273 (Edina)	62,133,856	98.43%	61,158,354
ISD No. 270 (Hopkins)	169,181,538	8.30%	14,042,068
ISD No. 271 (Bloomington)	23,073,790	0.01%	2,307
ISD No. 272 (Eden Prairie)	62,244,819	1.00%	622,448
ISD No. 280 (Richfield)	21,621,293	22.48%	4,860,467
ISD No. 283 (St. Louis Park)	39,643,656	0.02%	7,929
Metro Council	158,664,771	3.47%	5,505,668
Total Overlapping Debt	1,351,344,644		150,530,357
Direct Debt:			
City of Edina	56,613,468	100.00%	56,613,468
Total Overlapping and Direct Debt	$ 1,407,958,112		$ 207,143,825
Debt Ratios:			
Ratio of debt per capita (48,829 population)			$ 4,242
Ratio of debt to estimated market valuation of $8,955,431,000			2.31%

Source: Hennepin County Taxpayer Services

[a] 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									
	2004	**2005**	**2006**	**2007**	**2008**[a]	**2009**	**2010**	**2011**	**2012**	**2013**
Debt limit	$ 160,674	$ 173,867	$ 191,974	$ 199,775	$ 302,385	$ 301,369	$ 298,494	$ 282,958	$ 270,767	$ 263,958
Total net debt applicable to limit	18,890	29,785	21,750	26,380	25,095	46,670	45,170	42,860	39,545	37,030
Legal debt margin	$ 141,784	$ 144,082	$ 170,224	$ 173,395	$ 277,290	$ 254,699	$ 253,324	$ 240,098	$ 231,222	$ 226,928
Total net debt applicable to the limit as a percentage of debt limit	11.76%	17.13%	11.33%	13.20%	8.30%	15.49%	15.13%	15.15%	14.60%	14.03%

Legal Debt Margin Calculation for Fiscal Year 2013

Market value (after fiscal disparities)	$ 8,798,600,609
Debt limit (3% of market value)	263,958,018
Debt applicable to limit:	
General obligation bonds	31,390,000
Public project revenue bonds	5,640,000
Total debt applicable to limit	37,030,000
Legal debt margin	$ 226,928,018

[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	Revenue	Less: operating expenses	Net available revenue	Debt service requirements Principal	Interest	Total	Coverage
Public Project Revenue Bonds (Annual Appropriation Lease Revenue)							
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
2010	1,421,354	-	1,421,354	9,280,000	901,535	10,181,535	0.14
2011	1,346,294	-	1,346,294	210,000	574,681	784,681	1.72
2012	1,362,444	-	1,362,444	1,295,000	548,691	1,843,691	0.74
2013	1,346,294	-	1,346,294	6,225,000	589,734	6,814,734	0.20
Tax Increment Bonds							
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
2010	4,488,073	-	4,488,073	805,000	125,820	930,820	4.82
2011	4,083,345	-	4,083,345	840,000	94,359	934,359	4.37
2012	3,536,935	-	3,536,935	1,930,000	48,445	1,978,445	1.79
2013	3,981,939	-	3,981,939	550,000	9,350	559,350	7.12
Permanent Improvement Revolving Bonds (Special Assessment)							
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
2010	1,339,350	-	1,339,350	655,000	520,278	1,175,278	1.14
2011	2,466,395	-	2,466,395	1,330,000	524,964	1,854,964	1.33
2012	2,520,862	-	2,520,862	1,375,000	557,514	1,932,514	1.30
2013	2,837,227	-	2,837,227	5,745,000	567,551	6,312,551	0.45
Utility Bond							
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	10,815,216	4,042,582	2,045,000	803,157	2,848,157	1.42
2010	15,034,881	11,119,053	3,915,828	2,185,000	768,160	2,953,160	1.33
2011	15,871,102	11,438,288	4,432,814	2,270,000	693,285	2,963,285	1.50
2012	17,723,103	11,811,468	5,911,635	2,360,000	811,990	3,171,990	1.86
2013	17,830,425	12,893,159	4,937,266	3,400,000	933,970	4,333,970	1.14
Recreational Facility Bonds							
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)
2010	5,690,239	5,822,861	(132,622)	415,000	100,926	515,926	(0.26)
2011	5,510,043	5,760,947	(250,904)	485,000	115,050	600,050	(0.42)
2012	5,679,972	6,240,222	(560,250)	520,000	105,000	625,000	(0.90)
2013	5,582,769	6,118,195	(535,426)	550,000	138,127	688,127	(0.78)

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
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	2,582,436	53,612	92.4%	6.38%
2010	47,941	2,622,564	54,704	91.6%	5.56%
2011	48,262	2,640,124	54,704	92.2%	5.25%
2012	48,829	2,749,854	56,316	97.4%	4.56%
2013	48,829	3,168,807	64,896	97.7%	3.98%

Sources:
Population data from U.S. Census Bureau/Metropolitan Council. 2012 is the most recent.
Personal income and per capita income estimates based on MN Department of Employment and Economic Development Quarterly Census of Employment and Wages. 2012 is the most recent.
High school graduation rate data from U.S. Census Bureau for all of Hennepin County.
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

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Fairview Southdale Hospital	2,613	1	11.38%	2,500	2	11.05%
Edina Public Schools ISD #273	1,693	2	7.37%	1,172	4	5.18%
BI Worldwide	1,000	3	4.35%	DNA	DNA	DNA
City of Edina	735	4	3.20%	262	7	1.16%
Regis Corporation	600	5	2.61%	DNA	DNA	DNA
International Dairy Queen Inc.	490	6	2.13%	300	6	1.33%
Barr Engineering	445	7	1.94%	DNA	DNA	DNA
Edina Realty	400	8	1.74%	210	9	0.93%
FilmTec Corporation	400	9	1.74%	DNA	DNA	DNA
Lund Food Holdings, Inc	397	10	1.73%	DNA	DNA	DNA
Macy's (Marshall Field's or Dayton's)	-		0.00%	1,200	3	5.30%
Jerry's Enterprises, Inc.	-		0.00%	4,500	1	19.89%
Con Agra Foods	-		0.00%	196	10	0.87%
JC Penny Co.	-		0.00%	250	8	1.11%
Nash Finch Co.	-		0.00%	350	5	1.55%
Totals	8,773		38.19%	10,940		48.36%

Sources:
2013 data from Infogroup (www.salesgenie.com), written and telephone survey (August 2013) done by Ehlers, and the Minnesota Department of Employment and Economic Development.
2004 data from previous CAFR.

DNA: Historical data is not available

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

	Budgeted Full-time Employees for Fiscal Year [a]									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013 [b]**
General Government										
Administration	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	7.85	7.85
Communications	-	-	-	-	-	-	-	-	4.65	4.65
Planning	3.75	3.75	3.75	3.75	3.75	3.85	3.85	3.85	3.85	3.85
Finance	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.25	5.25	5.25
Elections	1.00	1.00	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	8.50	8.50	8.50	8.50	8.50	10.50	10.50
Supervision	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.30	2.30	2.30
Maintenance	28.00	28.00	28.00	28.00	28.00	27.00	27.00	27.00	28.00	28.00
Public Safety										
Police Protection	66.00	69.00	69.00	70.00	70.00	71.00	70.00	67.50	68.00	68.00
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Protection	32.00	32.00	32.00	33.00	33.00	33.00	33.00	32.00	32.00	32.00
Public Health	2.75	2.75	2.75	2.75	2.75	2.65	2.65	2.65	2.65	2.65
Inspections	6.50	6.50	6.50	7.50	7.50	7.50	7.50	7.50	7.75	10.75
Parks & Recreation										
Administration	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Maintenance	16.50	16.40	16.40	16.40	16.40	16.40	16.40	16.40	16.40	16.40
Central Services										
General	2.00	2.00	2.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00
City Hall	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.00	1.00
Public Works Bldg	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	1.00	1.00
Equipment Ops	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Utilities	15.50	15.75	15.75	15.25	15.75	18.75	18.75	17.20	16.70	16.70
Liquor	9.75	9.75	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	0.55	0.55	0.55	0.55
Golf Course	13.00	13.00	13.00	13.00	13.00	13.00	13.00	11.00	12.00	12.00
Arena	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Art Center	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Edinborough Park	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Centennial Lakes	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Other	2.00	2.00	2.00	4.00	4.00	5.00	5.00	4.50	-	-
Total	268.50	271.50	270.00	277.50	278.00	281.00	280.00	274.00	278.00	281.00

Source: City of Edina Finance Department

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

[b] The City completed a major departmental reorganization that is reflected on this chart between years 2012-2013. In some cases, data for years before the reorganization has been modified from what was originally reported to improve comparisons.

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

	Fiscal Year									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
General Government										
Total City employees	870	909	887	890	918	885	869	892	989	1,040
Votes cast [a]	31,730	1,367	26,270	7,930	31,512	2,733	25,463	7,957	31,841	3,480
Public Works										
Asphalt placed (tons)	-	-	9,000	8,000	7,500	9,500	7,643	8,500	9,000	9,273
Concrete (cu. yds.)	-	-	650	850	480	640	503	558	667	560
Public Safety										
Crimes reported	1,983	1,908	1,937	2,010	2,025	1,985	1,890	1,590	1,628	NA
Fire calls	1,060	1,055	963	1,012	913	852	910	960	858	893
Medical calls	3,199	3,423	3,470	3,510	3,516	3,496	3,599	3,652	3,946	3,803
Central Services										
Vehicle fixes	-	-	2,398	2,460	2,967	2,539	2,431	2,331	2,546	3,493
Utilities										
Daily consumption [b]	-	-	7,209	7,372	7,376	7,596	6,790	6,909	7,613	6,652
Aquatic Center										
Attendance	88,636	139,415	120,406	114,173	110,000	64,836	86,654	77,696	139,909	91,340
Golf Course										
Total rounds played	116,734	113,679	114,737	112,821	112,663	117,819	101,314	95,771	96,496	79,529

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

	Fiscal Year									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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	40	40	40	40	40	40	40	40	40	40
Acreage of parks	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Park buildings	27	27	27	27	27	27	27	27	27	27
Utilities										
Wells	18	18	18	18	19	19	19	18	18	18
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	14,851	14,851	14,851	14,851	14,851	13,933	13,933	13,933	13,979	13,979
Arena										
Ice sheets	3	3	3	3	3	3	3	3	3	3

Source: Various City departments