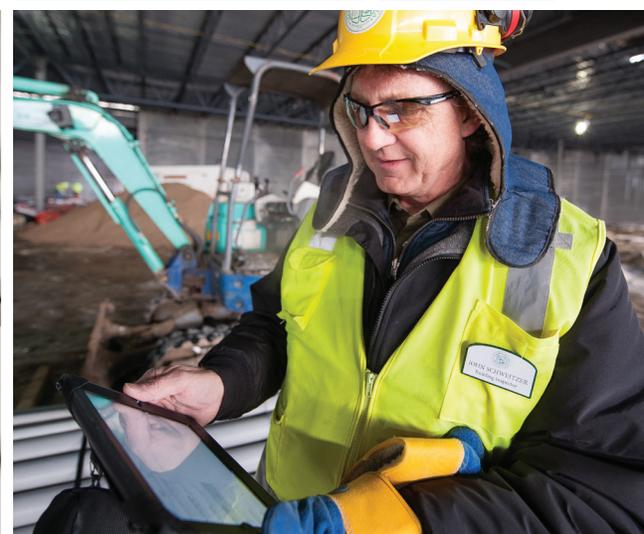
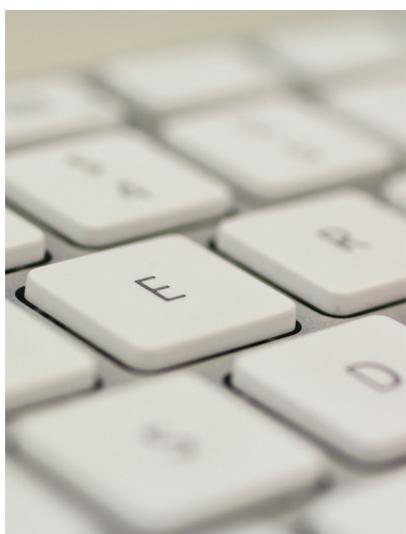
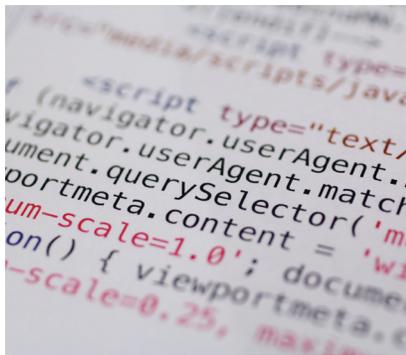




# Comprehensive Annual Financial Report for the Fiscal Year Ended Dec. 31, 2015 CITY OF EDINA, MINNESOTA



# **CITY OF EDINA, MINNESOTA**

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2015

Prepared by:  
Department of Finance

Eric Roggeman – Treasurer and Finance Director  
Kyle Sawyer – Assistant Finance Director

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June 6, 2016

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, 2015.

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, 2015. 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 complements 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 50,261. 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 \$11,825,799 unassigned fund balance in the general fund. This amount is \$64,542 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, 2014. 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 unflinching support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Eric Roggeman  
Finance Director



Kyle Sawyer  
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, 2014**

Executive Director/CEO

**CITY OF EDINA, MINNESOTA**

ORGANIZATION

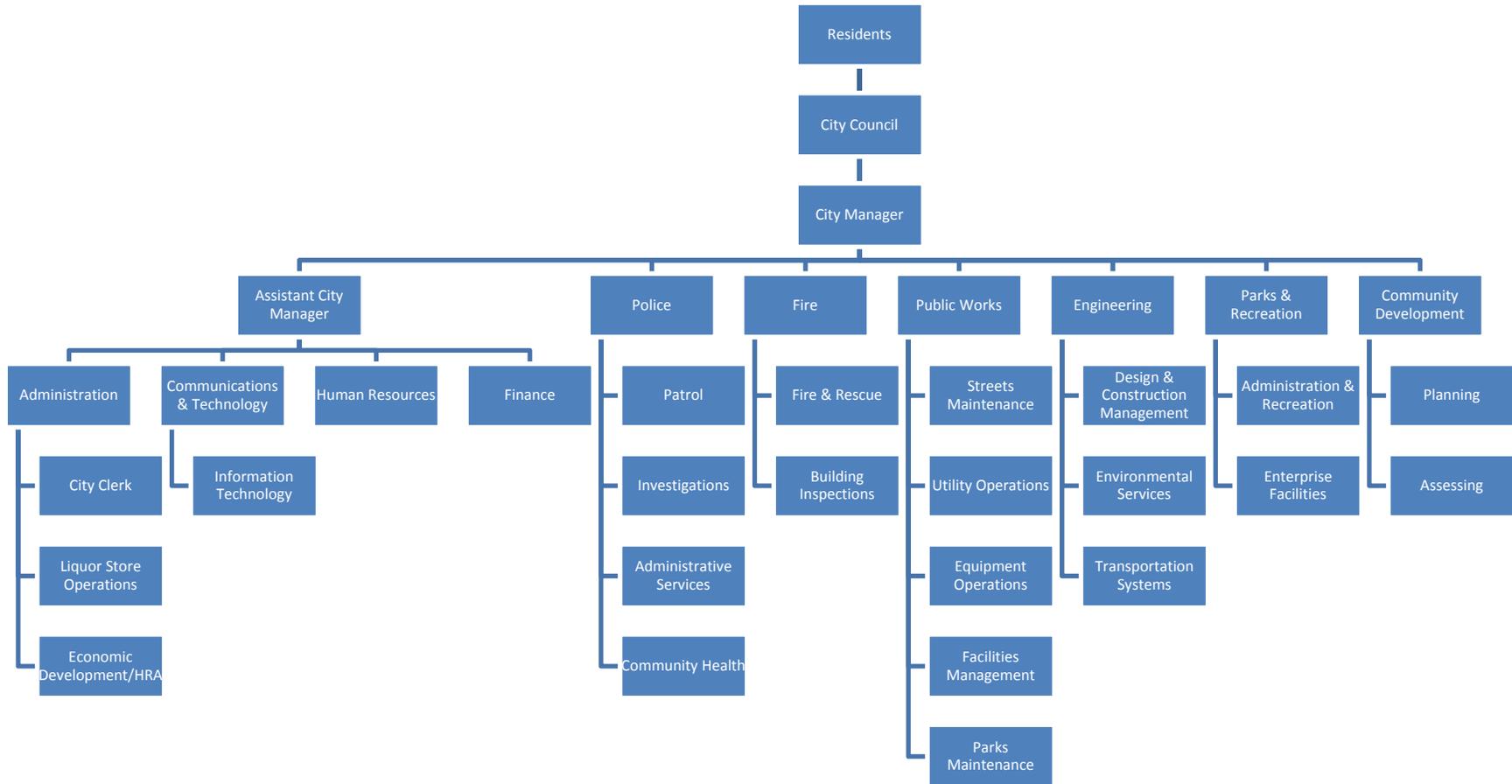
December 31, 2015

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	<u>Term Expires</u>
Mayor: James Hovland	December 31, 2016
Council Members: Mary Brindle	December 31, 2016
Ann Swenson	December 31, 2016
Kevin Staunton	December 31, 2018
Bob Stewart	December 31, 2018
City Manager: Scott Neal	Appointed
Finance Director/Treasurer: Eric Roggeman	Appointed
City Clerk: Debra Mangan	Appointed

# CITY OF EDINA, MINNESOTA

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, 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.

## **EMPHASIS OF MATTER**

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, during the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

(continued)

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.

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2016 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 6, 2016

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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, 2015. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$225,316,482 (net position). Of this amount, \$38,363,235 (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 decreased by \$7,575,954; a \$21,451,167 decrease from a change in accounting principle related to pensions and an increase of \$13,875,213 from current year operations. \$4,132,128 of the operations increase is due to special assessment revenues, which help support our road reconstruction program. Also, \$4,661,858 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 \$44,539,728, a decrease of \$5,497,051 in comparison with the prior year. The decrease can be attributed to the general obligation refunding bond, series 2014B that was issued in 2014 in the amount of \$12,720,000 and refunded \$6,700,000 of governmental fund bonds in early 2015.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,825,799 or 34% of total general fund expenditures.
- The City's total bonded debt decreased by \$6,021,375 during the current fiscal year, from \$117,110,970 to \$111,089,595. The City and HRA issued new debt during the year consisting of \$14,275,000 general obligation bonds to finance various street and utility infrastructure improvement projects, \$3,490,000 HRA public project revenue bonds to refund old HRA debt, and \$2,140,000 revenue bonds to finance improvements at the golf course. A total of \$20,585,000 in bonds were redeemed in 2015 related to refunding debt issued in 2014 and 2015.

### 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.

## Management's Discussion and Analysis (Continued)

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 four 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, all of its special revenue funds, the environmental efficiency capital projects fund, and proprietary funds. A budgetary comparison statement has been provided for the general fund, debt service fund, construction fund, all the special revenue funds, and the environmental efficiency capital projects fund to demonstrate compliance with these budgets.

## Management's Discussion and Analysis (Continued)

**Proprietary funds.** The City maintains five major enterprise funds and one internal service fund. 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.

**Internal service funds.** Internal service funds are used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses its internal service fund to account for risk management activities, including worker's compensation, volunteer accident, and property/casualty insurance. Because the internal service activities predominantly benefit government rather than business-type functions, these services have been included within governmental activities in the government-wide financial statements.

**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 \$225,316,482 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$169,234,412 or 75%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Management's Discussion and Analysis (Continued)

### City of Edina's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current and other assets	\$ 68,610,375	\$ 74,584,744	\$ 25,007,055	\$ 34,082,921	\$ 93,617,430	\$ 108,667,665
Capital assets	158,595,429	148,079,729	123,960,540	114,997,600	282,555,969	263,077,329
Total assets	<u>\$227,205,804</u>	<u>\$ 222,664,473</u>	<u>\$148,967,595</u>	<u>\$ 149,080,521</u>	<u>\$376,173,399</u>	<u>\$ 371,744,994</u>
<b>Deferred outflows of resources:</b>						
Pension plan deferments	\$ 3,643,551	\$ -	\$ 571,368	\$ -	\$ 4,214,919	\$ -
<b>Liabilities:</b>						
Long-term liabilities outstanding	\$ 91,065,988	\$ 67,962,254	\$ 40,070,384	\$ 33,901,645	\$131,136,372	\$ 101,863,899
Other liabilities	12,337,783	19,408,776	8,376,163	17,579,883	20,713,946	36,988,659
Total liabilities	<u>\$103,403,771</u>	<u>\$ 87,371,030</u>	<u>\$ 48,446,547</u>	<u>\$ 51,481,528</u>	<u>\$151,850,318</u>	<u>\$ 138,852,558</u>
<b>Deferred inflows of resources:</b>						
Pension plan deferments	\$ 2,723,965	\$ -	\$ 497,553	\$ -	\$ 3,221,518	\$ -
<b>Net position:</b>						
Net investment in capital assets	\$ 85,838,618	\$ 85,708,114	\$ 83,395,794	\$ 75,803,672	\$169,234,412	\$ 161,511,786
Restricted	16,925,171	18,268,724	793,664	619,295	17,718,835	18,888,019
Unrestricted	21,957,830	31,316,605	16,405,405	21,176,026	38,363,235	52,492,631
Total net position	<u>\$124,721,619</u>	<u>\$ 135,293,443</u>	<u>\$100,594,863</u>	<u>\$ 97,598,993</u>	<u>\$225,316,482</u>	<u>\$ 232,892,436</u>

An additional portion of the City's net position (\$17,718,835) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$38,363,235) 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 a decrease of \$14,129,396 in unrestricted net position due to the implementation of a new accounting standard related to pension obligations. Further information regarding this accounting standard can be found in the notes to the financial statements. This change also impacted the change in long-term liabilities, deferred outflows of resources, and deferred inflows of resources. The decline in current and other assets, and other liabilities relates to the use of refunding bonds cash held in escrow to pay refunded debt.

## Management's Discussion and Analysis (Continued)

As shown below, the City's net position increased by \$13,875,213 during the current fiscal year, prior to the change in accounting principle related to the aforementioned accounting standard. 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 11,164,102	\$ 10,592,168	\$ 41,063,598	\$ 39,889,554	\$ 52,227,700	\$ 50,481,722
Operating grants and contributions	3,122,178	1,578,538	595,141	428,416	3,717,319	2,006,954
Capital grants and contributions	10,044,077	8,244,695	-	-	10,044,077	8,244,695
General revenues:						
Property taxes	29,632,072	27,062,224	-	-	29,632,072	27,062,224
Other taxes	3,904,650	7,119,402	-	-	3,904,650	7,119,402
Gain on disposal of assets	41,900	29,037	39,427	-	81,327	29,037
Unrestricted investment earnings	195,620	440,051	91,907	191,974	287,527	632,025
Total revenues	<u>58,104,599</u>	<u>55,066,115</u>	<u>41,790,073</u>	<u>40,509,944</u>	<u>99,894,672</u>	<u>95,576,059</u>
Expenses:						
General government	8,518,236	8,522,319	-	-	8,518,236	8,522,319
Public safety	19,507,770	18,145,498	-	-	19,507,770	18,145,498
Public works	15,284,777	15,553,852	-	-	15,284,777	15,553,852
Parks	3,385,367	3,330,781	-	-	3,385,367	3,330,781
Interest on long-term debt	2,180,678	1,989,863	-	-	2,180,678	1,989,863
Utilities	-	-	14,963,304	14,207,197	14,963,304	14,207,197
Liquor	-	-	11,818,602	12,393,218	11,818,602	12,393,218
Aquatic center	-	-	872,960	827,485	872,960	827,485
Golf course	-	-	3,409,343	3,342,544	3,409,343	3,342,544
Arena	-	-	2,642,097	2,375,173	2,642,097	2,375,173
Community activity centers	-	-	3,436,325	2,975,782	3,436,325	2,975,782
Total expenses	<u>48,876,828</u>	<u>47,542,313</u>	<u>37,142,631</u>	<u>36,121,399</u>	<u>86,019,459</u>	<u>83,663,712</u>
Increase in net position before transfers	9,227,771	7,523,802	4,647,442	4,388,545	13,875,213	11,912,347
Transfers	(2,230,966)	(9,605,225)	2,230,966	9,605,225	-	-
Change in net position	6,996,805	(2,081,423)	6,878,408	13,993,770	13,875,213	11,912,347
Net position - January 1 as previously reported	135,293,443	137,374,866	97,598,993	83,605,223	232,892,436	220,980,089
Change in accounting principle	(17,568,629)	-	(3,882,538)	-	(21,451,167)	-
Net position - January 1 as restated	117,724,814	137,374,866	93,716,455	83,605,223	211,441,269	220,980,089
Net position - December 31	<u>\$124,721,619</u>	<u>\$ 135,293,443</u>	<u>\$100,594,863</u>	<u>\$ 97,598,993</u>	<u>\$225,316,482</u>	<u>\$ 232,892,436</u>

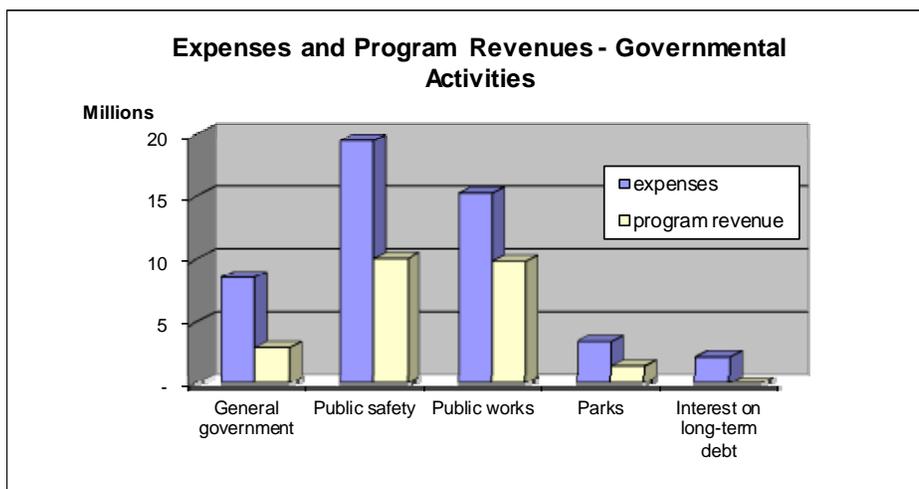
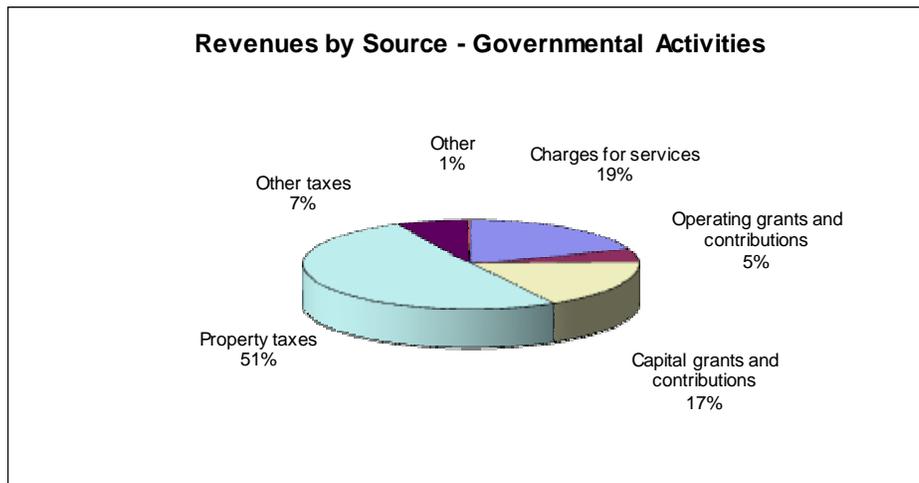
## Management's Discussion and Analysis (Continued)

### Governmental Activities

Governmental activities increased the City's net position by \$6,996,805, accounting for 50% of the total growth in net position. Key elements of this increase before the change in accounting principle are as follows.

- Operating grants and contributions increased by \$1,543,640, or 98% in 2015. This is primarily the result of livable communities grants received, that were passed through to developers for expenses incurred related to economic development of the Pentagon Park area. Indicative of their name, pass through grants have no net impact on the City's net position.
- Capital grants and contributions increased by \$1,799,382, or 22% in 2015. This is a result of increased state maintenance aid received for various infrastructure projects, most notably the 54<sup>th</sup> street bridge and street repair.
- Property taxes increased by \$2,569,848, as the result of a new levy to fund the sports dome construction and an increased levy for the City's equipment replacement program.
- Net transfers decreased by \$7,374,259. In 2014, large transfers were made from the construction fund to the arena and sports dome funds to reimburse for proceeds initially received in the construction fund for capital projects at those facilities.
- Other taxes decreased by \$3,214,752 due to a decline in tax increment collections.

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

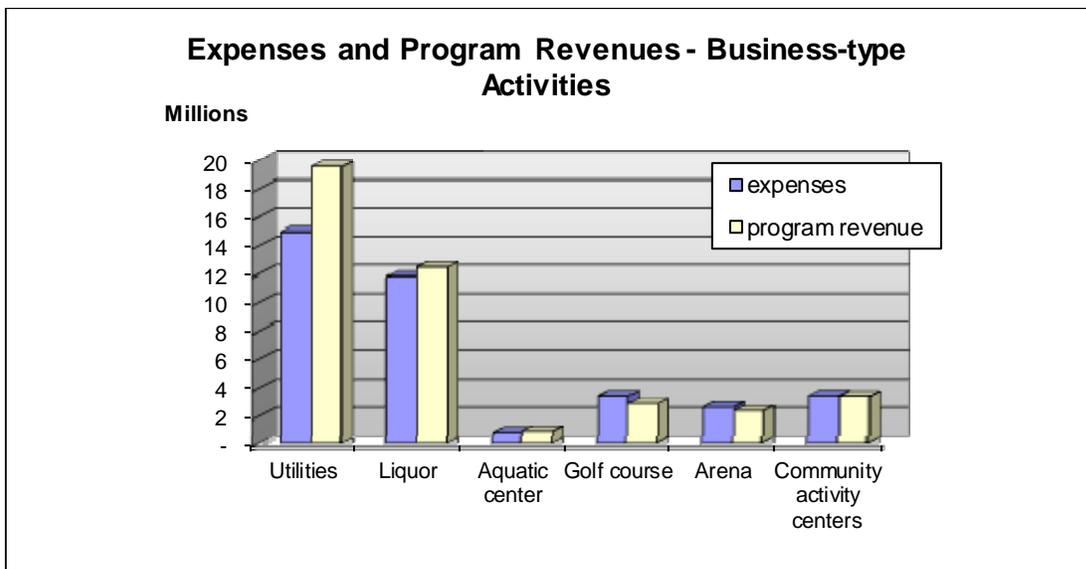
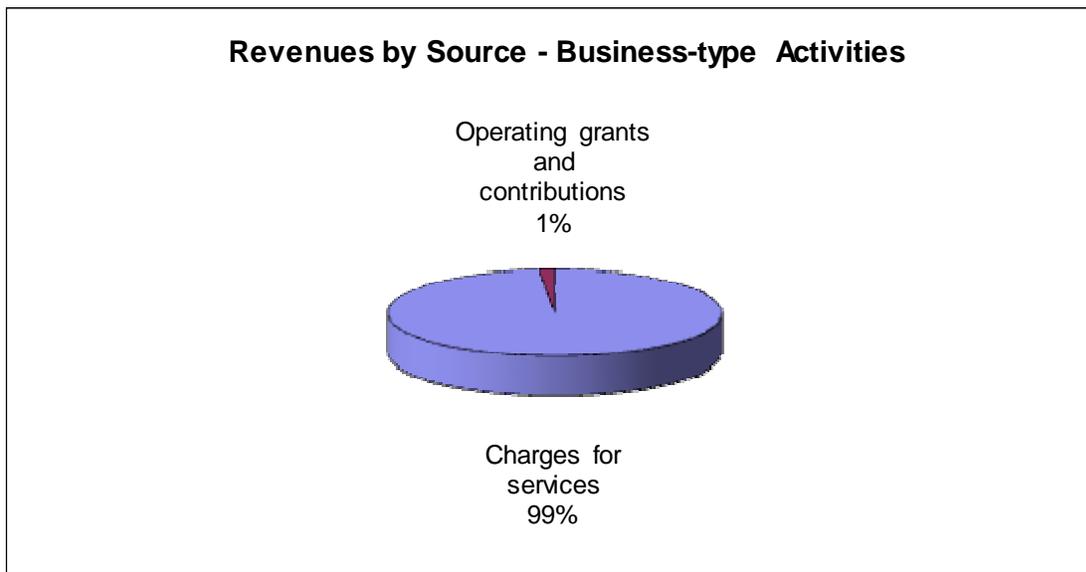


## Management's Discussion and Analysis (Continued)

### Business-type Activities

Business-type activities increased net position by \$6,878,408, accounting for 50% of the City's growth in net position. Key elements of the current year increase before the change in accounting principle are as follows:

- The utility fund had income before transfers of \$4,661,858 for 2015. This additional equity is used to invest in new and rebuilt utility infrastructure according to the City's CIP and utility rate study.
- The liquor fund had income before transfer of \$653,384 for 2015. This additional equity is used to subsidize operations at other enterprise facilities.



## Management's Discussion and Analysis (Continued)

### Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$44,539,728, a decrease of \$5,497,051 in comparison with the prior year. Approximately 27% of this total amount (\$11,825,799) constitutes unassigned fund balance. The remainder of the fund balance is 1) nonspendable due to prepaid items (\$529,513), 2) restricted by external creditors, grantors, laws or regulations (\$17,509,137), or 3) assigned by internal constraints (\$14,675,279).

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 \$11,825,799. As a measure of the general fund's liquidity, unassigned fund balance represents 34% of total general fund expenditures.

The fund balance of the City's general fund increased by \$326,646 during the current fiscal year. Key factors in this increase are as follows:

- Total general fund revenues were \$2,552,762 over budget, including higher than expected building permit activity. General fund license and permit revenues increased by 7.5% in the current fiscal year after an 8.9% and 31.8% increase in 2014 and 2013, respectively.
- Total general fund expenditures were \$387,278 under budget. The majority of this occurred in the police and engineering departments as a result of turnover and various positions being vacant throughout the year.
- The liquor fund did not transfer \$765,100 of profits to the general fund as planned in the initial 2015 budget, due to increased competition in the market resulting in decreased profits.
- Transfers out of the general fund totaled \$1,848,294 with the majority related to the 2014 unassigned fund balance and parkland dedication fees transferred to fund various construction projects.

The Housing and Redevelopment Authority fund balance increased by \$91,962 in the current fiscal year due to less capital outlay spending than anticipated. Discussions were held regarding various redevelopment projects, and increased capital outlay spending anticipated for future years.

The debt service fund has a total fund balance of \$7,134,575, 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 \$5,543,716. Fund balance decreased as the result of the general obligation refunding bond, series 2014B that was issued in 2014 in the amount of \$12,720,000 and refunded \$6,700,000 of debt service fund bonds in February 2015.

The construction fund balance increased by \$523,826 in 2015 due to increased state maintenance aid received for various projects, an increased tax levy for the City's equipment replacement program, and debt issued in 2015 for the 50<sup>th</sup> and France parking project, with the majority of the expenditures incurred in 2014.

## **Management's Discussion and Analysis (Continued)**

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

Unrestricted net position of the utility fund at the end of the year amounted to \$13,833,202. The total growth in net position from current year operations was \$4,477,382. Operating revenues in the utilities fund increased by 10.2% while expenses increased by 7.0% in 2015. Revenues increased due to an increase in the water and sewer connection fees. Expenses increased as a result of higher depreciation expenses related to infrastructure projects completed in recent years, along with increased fees set by the Metropolitan Council for sewer service. The City invested \$11,977,234 in utility fund capital assets during 2015.

Unrestricted net position of the liquor fund at the end of the year amounted to \$501,987. Total net position decreased by \$131,616 from current year operations. The liquor fund continues to transfer profits back into other City funds, including the construction, golf course, arena and art center funds. The liquor fund made transfers totaling \$785,000 to other funds during 2015.

Unrestricted net position of the aquatic center fund at the end of the year amounted to \$541,416. Aquatic center revenues increased by 5.8% from 2014 due to more favorable weather in 2015. The aquatic center remains profitable.

Unrestricted net position of the golf course fund at the end of the year amounted to a deficit of (\$173,427) a decrease of \$780,838 from the prior year. \$535,523 of the decrease is a direct result of the new pension accounting standard implemented in 2015. The standard requires enterprise funds to recognize a net pension liability equal to their share of the unfunded liability of the plan as determined by the Public Employee Retirement Association (PERA). In addition, the golf course fund contributed land and buildings totaling \$1,008,330 from the now closed Fred Richards golf course to the general fund, and the golf course fund recorded an accounting charge of \$480,683.

Unrestricted net position of the arena fund at the end of the year amounted to a deficit of (\$353,007), a decrease of \$311,595 from the prior year. The decrease in 2015 is in large part the result of recognizing a new net pension liability of \$417,141 related to the aforementioned accounting standard. Overall, arena revenues increased by \$216,300 or 10.3% due to increased building rental revenue, and expenses increased by \$270,325 or 12.1% due mostly to increased personal service expenses.

### **General Fund Budgetary Highlights**

During the year there was a \$2,613,394 increase in appropriations between the original and final amended budget. The majority of the increase was transfers to the construction fund of unassigned general fund balance according to the City's fund balance policy along with parkland dedication fees transferred for new park signage and the completion of the promenade project.

During the year, revenues were \$2,552,762 more than budget, as the continued commercial and residential redevelopment of the City increased our licenses and permits and parkland dedication revenues, which exceeded budget by \$1,797,554.

During the year, expenditures were \$387,278 under budget due to turnover of employees in various departments, resulting in numerous positions being vacant throughout the year.

## Management's Discussion and Analysis (Continued)

### 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, 2015, amounted to \$282,555,969 (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, equipment, parks, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 7.4% (a 7.1% increase for governmental activities and a 7.8% increase for business-type activities).

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

- The City continued construction on the sports dome; \$5,674,952 of the project was capitalized and construction in progress as of the close of the fiscal year is \$3,347,572.
- The City continued construction on the outdoor rink at the arena; \$2,089,228 of the project was capitalized and construction in progress as of the close of the fiscal year is \$1,084,226.
- A variety of street construction, sidewalk and park projects; construction in progress as of the close of the fiscal year reached \$21,353,521.
- A variety of utility infrastructure improvements, including watermain, sanitary and storm sewer, construction in progress as of the close of the fiscal year reached \$12,105,636.
- The City completed the Hawkes and Morningside neighborhoods utility and street reconstruction projects; total construction cost was \$3,575,393.

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

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land and land improvements	\$ 27,379,588	\$ 27,104,500	\$ 3,230,890	\$ 4,645,595	\$ 30,610,478	\$ 31,750,095
Easements	253,000	111,000	-	-	253,000	111,000
Buildings and structures	43,816,890	45,431,238	20,150,029	14,234,412	63,966,919	59,665,650
Machinery and equipment	5,906,091	6,256,555	6,578,366	5,906,900	12,484,457	12,163,455
Infrastructure	51,625,947	45,685,016	74,783,668	73,845,503	126,409,615	119,530,519
Parks	8,260,392	6,868,402	-	-	8,260,392	6,868,402
Construction in progress	21,353,521	16,623,018	19,217,587	16,365,190	40,571,108	32,988,208
Total	<u>\$158,595,429</u>	<u>\$148,079,729</u>	<u>\$123,960,540</u>	<u>\$114,997,600</u>	<u>\$282,555,969</u>	<u>\$263,077,329</u>

Additional information on the City's capital assets can be found in Note 3.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded long-term debt outstanding of \$111,089,595, a decrease of \$6,021,375 from 2014. This decrease resulted from \$19,905,000 in new debt, offset by payment of previously scheduled principal payments and \$20,585,000 in debt refunded.

\$26,710,000 is for general obligation improvement debt that is supported by property tax levies and special assessments. This amount decreased from 2014 due to previously scheduled principal payments and a refunding, along with no debt issuances in 2015.

\$23,905,000 is for permanent improvement revolving (PIR) bonds, which finance the City's special assessment program. This amount increased from 2014 due to regularly scheduled principal payments and a refunding on outstanding issues offset by newly issued debt of \$9,040,000.

## Management's Discussion and Analysis (Continued)

Also outstanding is \$21,290,000 HRA public project revenue bonds which financed two gymnasiums, the new public works facility, sports dome, outdoor rink at the arena, and improvements to Pamela Park. This amount decreased in 2015 due to an issuance of new refunding debt that refunded the debt related to the two gymnasiums.

There is a total of \$39,145,000 in revenue bonds for improvements to the enterprise funds. This amount decreased \$5,275,000 during the year due to \$7,375,000 in issued debt offset by \$2,525,000 in regularly scheduled principal payments and \$10,125,000 in refunding on outstanding issues. The debt was refunded with proceeds from the General Obligation refunding bond, series 2014B. \$5,235,000 of the issued debt is to finance various utility infrastructure improvement projects with the remaining issuance funding renovations at the golf course.

### City of Edina's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 26,710,000	\$ 30,200,000	\$ -	\$ -	\$ 26,710,000	\$ 30,200,000
Public improvement bonds	23,905,000	20,880,000	-	-	23,905,000	20,880,000
Public project revenue bonds	21,290,000	21,560,000	-	-	21,290,000	21,560,000
Edina emerald energy program bonds	39,595	50,970	-	-	39,595	50,970
Revenue bonds	-	-	39,145,000	44,420,000	39,145,000	44,420,000
Total	<u>\$ 71,944,595</u>	<u>\$ 72,690,970</u>	<u>\$ 39,145,000</u>	<u>\$ 44,420,000</u>	<u>\$ 111,089,595</u>	<u>\$ 117,110,970</u>

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

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City is \$291,050,307. Only \$48,000,000 of the City's outstanding debt is counted within the statutory limitation.

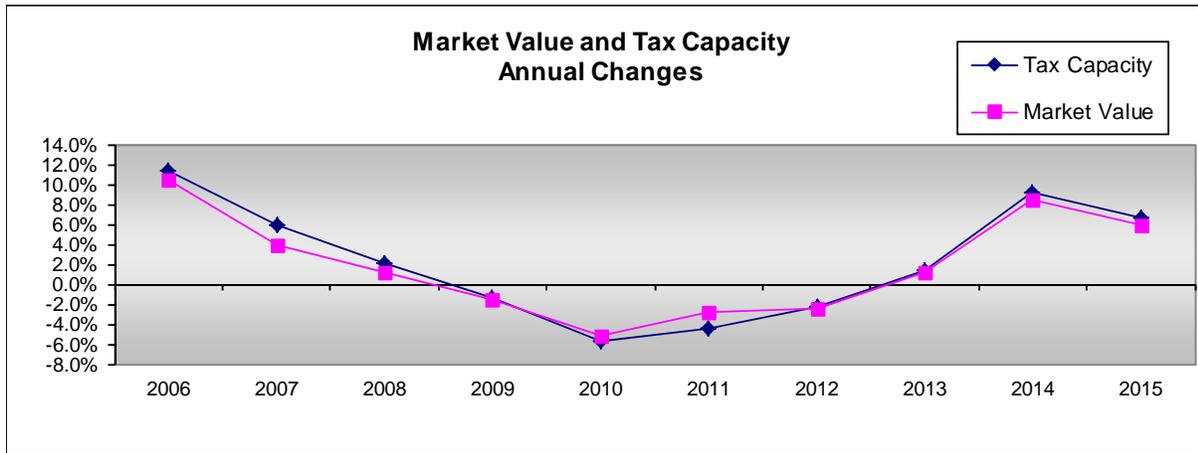
Additional information on the City's long-term debt can be found in Note 4.

### 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 2015 was 2.82%, 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.

## Management's Discussion and Analysis (Continued)

Property values in Edina increased for several years through 2008, but values declined from 2009-2012 and are back on the rise in 2013-2015. Estimated market value of real estate increased 5.9% for taxes payable in 2016.



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 6.6% for taxes payable in 2016, and remained positive for the third consecutive year.

All of these factors above were considered in preparing the City's budget for the 2016 fiscal year. The City's adopted 2016 budget includes a property tax levy of \$31,799,123 for all funds, an increase of 7.1% from the 2015 levy, with the increase being attributed to the general operating levy to cover increased market costs, and reducing the City's reliance on a liquor transfer into the general fund.

### 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 50<sup>th</sup> Street, Edina, Minnesota 55424. The City's Comprehensive Annual Financial Report can also be found on the internet at [www.cityofedina.com](http://www.cityofedina.com).

**CITY OF EDINA, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 46,109,056	\$ 17,275,250	\$ 63,384,306
Restricted cash and investments	583,966	1,224,114	1,808,080
Accrued interest	83,728	39,136	122,864
Accounts receivable, net	1,115,202	4,112,196	5,227,398
Special assessments receivable	17,679,866	549,253	18,229,119
Due from other governments	924,579	43,223	967,802
Prepaid items	529,513	495,341	1,024,854
Inventory	-	1,268,542	1,268,542
Total current assets	<u>67,025,910</u>	<u>25,007,055</u>	<u>92,032,965</u>
Noncurrent assets:			
Investment in joint powers agreement	1,584,465	-	1,584,465
Nondepreciable capital assets	42,600,554	19,502,928	62,103,482
Depreciable capital assets (net)	115,994,875	104,457,612	220,452,487
Total noncurrent assets	<u>160,179,894</u>	<u>123,960,540</u>	<u>284,140,434</u>
Deferred outflows of resources:			
Defined benefit pension plans	3,643,551	571,368	4,214,919
Total assets and deferred outflows of resources	<u>230,849,355</u>	<u>149,538,963</u>	<u>380,388,318</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	2,022,617	706,863	2,729,480
Salaries payable	514,659	120,987	635,646
Accrued interest payable	976,643	470,378	1,447,021
Contracts payable	910,454	1,158,645	2,069,099
Due to other governments	21,804	170,969	192,773
Deposits payable	1,107,203	5,000	1,112,203
Unearned revenue	2,005	99,957	101,962
Compensated absences payable	1,547,398	343,364	1,890,762
Bonds payable	5,235,000	5,300,000	10,535,000
Total current liabilities	<u>12,337,783</u>	<u>8,376,163</u>	<u>20,713,946</u>
Noncurrent liabilities:			
Net OPEB obligation	1,736,418	192,756	1,929,174
Net pension liability	18,902,697	4,032,363	22,935,060
Compensated absences payable	2,321,096	515,050	2,836,146
Bonds payable, net	68,105,777	35,330,215	103,435,992
Total noncurrent liabilities	<u>91,065,988</u>	<u>40,070,384</u>	<u>131,136,372</u>
Deferred inflows of resources:			
Defined benefit pension plans	2,723,965	497,553	3,221,518
Total liabilities and deferred inflows of resources	<u>106,127,736</u>	<u>48,944,100</u>	<u>155,071,836</u>
<b>Net position:</b>			
Net investment in capital assets	85,838,618	83,395,794	169,234,412
Restricted for tax increments	8,021,960	-	8,021,960
Restricted for debt service	6,773,070	793,664	7,566,734
Restricted for pedestrian and cyclist improvements	713,168	-	713,168
Restricted for energy efficiency projects	328,671	-	328,671
Restricted for parkland dedication	417,673	-	417,673
Restricted for police special revenue	525,653	-	525,653
Restricted for braemar golf donations	142,228	-	142,228
Restricted for arts and culture donations	2,748	-	2,748
Unrestricted	21,957,830	16,405,405	38,363,235
Total net position	<u>\$ 124,721,619</u>	<u>\$ 100,594,863</u>	<u>\$ 225,316,482</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EDINA, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 8,518,236	\$ 1,322,430	\$ 1,514,564	\$ 77,750
Public safety	19,507,770	8,683,465	1,342,373	42,461
Public works	15,284,777	537,325	261,297	9,061,215
Parks	3,385,367	620,882	3,944	862,651
Interest on long-term debt	2,180,678	-	-	-
Total government activities	<u>48,876,828</u>	<u>11,164,102</u>	<u>3,122,178</u>	<u>10,044,077</u>
Business-type activities:				
Utilities	14,963,304	19,335,443	210,173	-
Liquor	11,818,602	12,462,387	6,321	-
Aquatic center	872,960	971,936	-	-
Golf course	3,409,343	2,857,190	48,131	-
Arena	2,642,097	2,316,853	56,170	-
Community activity centers	3,436,325	3,119,789	274,346	-
Total business-type activities	<u>37,142,631</u>	<u>41,063,598</u>	<u>595,141</u>	<u>-</u>
Total primary government	<u>\$ 86,019,459</u>	<u>\$ 52,227,700</u>	<u>\$ 3,717,319</u>	<u>\$ 10,044,077</u>

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
	\$ (5,603,492)	\$ -	\$ (5,603,492)
	(9,439,471)	-	(9,439,471)
	(5,424,940)	-	(5,424,940)
	(1,897,890)	-	(1,897,890)
	(2,180,678)	-	(2,180,678)
	<u>(24,546,471)</u>	<u>-</u>	<u>(24,546,471)</u>
	-	4,582,312	4,582,312
	-	650,106	650,106
	-	98,976	98,976
	-	(504,022)	(504,022)
	-	(269,074)	(269,074)
	-	(42,190)	(42,190)
	<u>-</u>	<u>4,516,108</u>	<u>4,516,108</u>
	<u>(24,546,471)</u>	<u>4,516,108</u>	<u>(20,030,363)</u>
General revenues:			
Property taxes	29,632,072	-	29,632,072
Tax increment collections	1,792,896	-	1,792,896
Franchise taxes	2,089,038	-	2,089,038
Lodging taxes	22,716	-	22,716
Unrestricted investment earnings	195,620	91,907	287,527
Gain on disposal of capital assets	41,900	39,427	81,327
Transfers	(2,230,966)	2,230,966	-
Total general revenues and transfers	<u>31,543,276</u>	<u>2,362,300</u>	<u>33,905,576</u>
Change in net position	6,996,805	6,878,408	13,875,213
Net position - beginning as previously reported	135,293,443	97,598,993	232,892,436
Change in accounting principle	(17,568,629)	(3,882,538)	(21,451,167)
Net position - beginning as restated	<u>117,724,814</u>	<u>93,716,455</u>	<u>211,441,269</u>
Net position - ending	<u>\$ 124,721,619</u>	<u>\$ 100,594,863</u>	<u>\$ 225,316,482</u>

**CITY OF EDINA, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2015

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Investments	\$ 15,206,793	\$ 8,024,689	\$ 6,752,650	\$ 14,637,659	\$ 1,432,704	\$ 46,054,495
Restricted cash and investments	-	-	361,505	222,461	-	583,966
Accrued interest	31,168	20,443	-	27,455	4,587	83,653
Accounts receivable	505,644	44,308	-	273,133	292,117	1,115,202
Special assessments receivable	-	-	2,719,711	14,960,155	-	17,679,866
Due from other governments	534,679	3,411	32,619	216,303	137,567	924,579
Prepaid items	529,513	-	-	-	-	529,513
<b>Total assets</b>	<b>\$ 16,807,797</b>	<b>\$ 8,092,851</b>	<b>\$ 9,866,485</b>	<b>\$ 30,337,166</b>	<b>\$ 1,866,975</b>	<b>\$ 66,971,274</b>
<b>Liabilities</b>						
Accounts payable	\$ 693,127	\$ 69,007	\$ 5,267	\$ 1,119,761	\$ 135,455	\$ 2,022,617
Salaries payable	508,279	1,884	-	2,788	1,708	514,659
Contracts payable	-	-	-	893,201	17,253	910,454
Due to other governments	21,738	-	-	66	-	21,804
Deposits payable	1,107,203	-	-	-	-	1,107,203
Unearned revenue	2,005	-	-	-	-	2,005
<b>Total liabilities</b>	<b>2,332,352</b>	<b>70,891</b>	<b>5,267</b>	<b>2,015,816</b>	<b>154,416</b>	<b>4,578,742</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - taxes	155,062	-	6,932	10,853	91	172,938
Unavailable revenue - special assessments	-	-	2,719,711	14,960,155	-	17,679,866
<b>Total deferred inflows of resources</b>	<b>155,062</b>	<b>-</b>	<b>2,726,643</b>	<b>14,971,008</b>	<b>91</b>	<b>17,852,804</b>
<b>Fund balance:</b>						
Nonspendable	529,513	-	-	-	-	529,513
Restricted	417,673	8,021,960	7,134,575	222,461	1,712,468	17,509,137
Assigned	1,547,398	-	-	13,127,881	-	14,675,279
Unassigned	11,825,799	-	-	-	-	11,825,799
<b>Total fund balance</b>	<b>14,320,383</b>	<b>8,021,960</b>	<b>7,134,575</b>	<b>13,350,342</b>	<b>1,712,468</b>	<b>44,539,728</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,807,797</b>	<b>\$ 8,092,851</b>	<b>\$ 9,866,485</b>	<b>\$ 30,337,166</b>	<b>\$ 1,866,975</b>	<b>\$ 66,971,274</b>

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

**CITY OF EDINA, MINNESOTA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
December 31, 2015

Total fund balances - governmental funds \$ 44,539,728

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

Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.

Cost of capital assets	274,418,431
Accumulated depreciation	(115,823,002)

Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses

Bonds payable	(71,944,595)
Premium on bonds	(1,829,890)
Discount on bonds	433,708
Compensated absences payable	(3,868,494)
Net OPEB obligation	(1,736,418)
Net pension obligation	(18,902,697)

Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.

(976,643)

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

The recognition of certain revenues and expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred outflows - pension plans	3,643,551
Deferred inflows - pension plans	(2,723,965)
Deferred inflows - property taxes	172,938
Deferred inflows - special assessments	17,679,866

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

54,636

Total net position - governmental activities \$ 124,721,619

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, 2015

	General	Housing & Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
General property taxes	\$ 22,822,441	\$ -	\$ 5,085,348	\$ 1,607,481	\$ 20,000	\$ 29,535,270
Tax increment collections	-	1,792,896	-	-	-	1,792,896
Franchise taxes	833,229	-	-	101,275	1,154,534	2,089,038
Lodging tax	22,716	-	-	-	-	22,716
Special assessments	-	-	47,491	4,084,637	-	4,132,128
License and permits	4,827,634	-	-	79,730	-	4,907,364
Intergovernmental	1,477,694	-	-	4,430,191	186,081	6,093,966
Charges for services	4,226,690	44,308	-	143,993	-	4,414,991
Fines and forfeitures	1,033,116	-	-	-	162,155	1,195,271
Investment income	78,713	27,564	945	81,274	6,818	195,314
Rental of property	416,522	-	-	-	-	416,522
Parkland dedication	800,000	-	-	-	-	800,000
Other revenues	69,139	-	-	236,469	55,817	361,425
Total revenues	<u>36,607,894</u>	<u>1,864,768</u>	<u>5,133,784</u>	<u>10,765,050</u>	<u>1,585,405</u>	<u>55,956,901</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	5,771,748	426,716	-	42,090	97,390	6,337,944
Public safety	17,314,312	-	-	16,635	206,581	17,537,528
Public works	9,981,474	-	-	425,376	171,622	10,578,472
Parks	1,365,420	-	-	9,895	41,543	1,416,858
<b>Capital outlay:</b>						
General government	-	678,039	-	1,791,833	-	2,469,872
Public safety	-	-	-	1,401,325	196,467	1,597,792
Public works	-	668,051	-	11,381,431	1,510,402	13,559,884
Parks	-	-	-	2,285,017	-	2,285,017
<b>Debt service:</b>						
Bond principal	-	-	13,276,375	-	-	13,276,375
Interest and fiscal charges	-	-	2,375,613	-	-	2,375,613
Total expenditures	<u>34,432,954</u>	<u>1,772,806</u>	<u>15,651,988</u>	<u>17,353,602</u>	<u>2,224,005</u>	<u>71,435,355</u>
Revenues over (under) expenditures	<u>2,174,940</u>	<u>91,962</u>	<u>(10,518,204)</u>	<u>(6,588,552)</u>	<u>(638,600)</u>	<u>(15,478,454)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	1,000,000	2,232,770	-	3,232,770
Transfers out	(1,848,294)	-	-	(4,366,603)	(257,169)	(6,472,066)
Sale of capital assets	-	-	-	78,509	-	78,509
Insurance recovery	-	-	-	167,167	-	167,167
Bonds issued	-	-	361,315	8,678,685	-	9,040,000
Refunding bonds issued	-	-	3,490,000	-	-	3,490,000
Premium on bonds issued	-	-	150,346	342,492	-	492,838
Discount on bonds issued	-	-	(27,173)	(20,642)	-	(47,815)
Total other financing sources (uses)	<u>(1,848,294)</u>	<u>-</u>	<u>4,974,488</u>	<u>7,112,378</u>	<u>(257,169)</u>	<u>9,981,403</u>
Net increase (decrease) in fund balance	326,646	91,962	(5,543,716)	523,826	(895,769)	(5,497,051)
Fund balance - January 1	<u>13,993,737</u>	<u>7,929,998</u>	<u>12,678,291</u>	<u>12,826,516</u>	<u>2,608,237</u>	<u>50,036,779</u>
Fund balance - December 31	<u>\$ 14,320,383</u>	<u>\$ 8,021,960</u>	<u>\$ 7,134,575</u>	<u>\$ 13,350,342</u>	<u>\$ 1,712,468</u>	<u>\$ 44,539,728</u>

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

**CITY OF EDINA, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2015

Total net change in fund balances - governmental funds \$ (5,497,051)

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

Capital assets are recorded in net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.

Capital outlays	17,246,834
Contributed assets	1,008,330
Depreciation expense	(7,535,688)

A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds and insurance recoveries are included in the change fund balances. (203,776)

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. 2,051,162

The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities. (12,530,000)

Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. 13,276,375

Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, they are included in the change in fund balances when due. (19,932)

Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses. (230,156)

Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.

Net pension liability	(374,175)
Net OPEB obligation	(191,471)
Compensated absences payable	(17,976)

The recognition of certain revenues and expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred outflows - pension plans	2,683,658
Deferred inflows - pension plans	(2,723,965)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities. 54,636

Change in net position - governmental activities \$ 6,996,805

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

CITY OF EDINA, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2015

	Business-type Activities - Enterprise Funds							Governmental Activities
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Risk Management Internal Service Fund
<b>Assets:</b>								
<b>Current assets:</b>								
Cash and investments	\$10,917,561	\$ 1,111,572	\$ 1,248,239	\$ 702,283	\$ -	\$ 3,295,595	\$ 17,275,250	\$ 54,561
Restricted cash and investments	459,675	-	-	764,439	-	-	1,224,114	-
Interest receivable	24,217	2,603	3,137	1,772	-	7,407	39,136	75
Accounts receivable, net	3,672,353	-	4,676	2,855	278,407	153,905	4,112,196	-
Special assessments receivable	549,253	-	-	-	-	-	549,253	-
Due from other funds	-	-	-	-	-	7,103	7,103	-
Due from other governments	43,223	-	-	-	-	-	43,223	-
Prepaid expenses	412,866	-	82,475	-	-	-	495,341	-
Inventory	19,336	1,156,845	-	83,710	-	8,651	1,268,542	-
Total current assets	<u>16,098,484</u>	<u>2,271,020</u>	<u>1,338,527</u>	<u>1,555,059</u>	<u>278,407</u>	<u>3,472,661</u>	<u>25,014,158</u>	<u>54,636</u>
<b>Noncurrent assets:</b>								
Net capital assets	<u>91,710,823</u>	<u>1,726,898</u>	<u>1,856,113</u>	<u>7,785,699</u>	<u>10,370,902</u>	<u>10,510,105</u>	<u>123,960,540</u>	<u>-</u>
<b>Deferred outflows of resources:</b>								
Defined benefit pension plans	<u>137,916</u>	<u>137,917</u>	<u>-</u>	<u>78,809</u>	<u>59,107</u>	<u>157,619</u>	<u>571,368</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>107,947,223</u>	<u>4,135,835</u>	<u>3,194,640</u>	<u>9,419,567</u>	<u>10,708,416</u>	<u>14,140,385</u>	<u>149,546,066</u>	<u>54,636</u>
<b>Liabilities:</b>								
<b>Current liabilities:</b>								
Accounts payable	237,569	273,681	997	24,772	50,946	118,898	706,863	-
Salaries payable	27,526	26,634	-	17,144	23,483	26,200	120,987	-
Accrued interest payable	370,397	-	2,450	41,365	56,166	-	470,378	-
Contracts payable	310,893	108,774	-	131,532	139,835	467,611	1,158,645	-
Due to other funds	-	-	-	-	7,103	-	7,103	-
Due to other governments	6,983	139,789	-	3,967	8,282	11,948	170,969	-
Deposits payable	-	-	-	5,000	-	-	5,000	-
Unearned revenue	-	10,356	-	79,889	317	9,395	99,957	-
Compensated absences payable	62,243	131,352	-	79,700	21,504	48,565	343,364	-
Bonds payable - current	4,925,000	-	80,000	65,000	230,000	-	5,300,000	-
Total current liabilities	<u>5,940,611</u>	<u>690,586</u>	<u>83,447</u>	<u>448,369</u>	<u>537,636</u>	<u>682,617</u>	<u>8,383,266</u>	<u>-</u>
<b>Noncurrent liabilities:</b>								
Net OPEB obligation	52,011	34,682	-	46,653	21,851	37,559	192,756	-
Net pension liability	973,329	973,329	-	556,188	417,141	1,112,376	4,032,363	-
Compensated absences payable	93,366	197,028	-	119,550	32,257	72,849	515,050	-
Bonds payable, net of unamortized discounts and premiums	<u>27,650,397</u>	<u>-</u>	<u>85,539</u>	<u>3,179,202</u>	<u>4,415,077</u>	<u>-</u>	<u>35,330,215</u>	<u>-</u>
Total noncurrent liabilities	<u>28,769,103</u>	<u>1,205,039</u>	<u>85,539</u>	<u>3,901,593</u>	<u>4,886,326</u>	<u>1,222,784</u>	<u>40,070,384</u>	<u>-</u>
<b>Deferred inflows of resources:</b>								
Defined benefit pension plans	<u>120,099</u>	<u>120,099</u>	<u>-</u>	<u>68,628</u>	<u>51,471</u>	<u>137,256</u>	<u>497,553</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>34,829,813</u>	<u>2,015,724</u>	<u>168,986</u>	<u>4,418,590</u>	<u>5,475,433</u>	<u>2,042,657</u>	<u>48,951,203</u>	<u>-</u>
<b>Net position (deficit):</b>								
Net investment in capital assets	59,284,208	1,618,124	1,690,574	5,174,404	5,585,990	10,042,494	83,395,794	-
Restricted for debt service	-	-	793,664	-	-	-	793,664	-
Unrestricted	<u>13,833,202</u>	<u>501,987</u>	<u>541,416</u>	<u>(173,427)</u>	<u>(353,007)</u>	<u>2,055,234</u>	<u>16,405,405</u>	<u>54,636</u>
Total net position	<u>\$73,117,410</u>	<u>\$ 2,120,111</u>	<u>\$ 3,025,654</u>	<u>\$ 5,000,977</u>	<u>\$ 5,232,983</u>	<u>\$12,097,728</u>	<u>\$100,594,863</u>	<u>\$ 54,636</u>

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, 2015

	Business-type Activities - Enterprise Funds							Governmental
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Risk Management Internal Service Fund
<b>Operating revenues:</b>								
Sales - liquor	\$ -	\$12,214,580	\$ -	\$ 103,784	\$ -	\$ -	\$ 12,318,364	\$ -
Sales - retail	-	247,807	4,701	214,288	61,919	46,175	574,890	-
Sales - utilities	17,860,895	-	-	-	-	-	17,860,895	-
Sales - concessions	-	-	120,047	37,705	293,733	154,248	605,733	-
Memberships	-	-	387,731	83,296	242	111,236	582,505	-
Admissions	-	-	406,488	308,174	107,336	642,349	1,464,347	-
Building rental	-	-	52,969	88,215	1,709,764	813,480	2,664,428	-
Rental of equipment	-	-	-	363,013	4,312	172,633	539,958	-
Greens fees	-	-	-	1,498,474	-	221,618	1,720,092	-
Other fees	1,473,128	-	-	160,241	130,679	958,050	2,722,098	-
Total operating revenues	<u>19,334,023</u>	<u>12,462,387</u>	<u>971,936</u>	<u>2,857,190</u>	<u>2,307,985</u>	<u>3,119,789</u>	<u>41,053,310</u>	<u>-</u>
<b>Operating expenses:</b>								
Cost of sales and services	-	9,415,449	39,162	207,006	122,264	90,024	9,873,905	-
Personal services	1,692,682	1,450,762	332,310	1,255,665	863,398	1,752,912	7,347,729	-
Contractual services	7,137,023	531,059	172,126	481,138	804,739	722,758	9,848,843	-
Commodities	859,512	85,922	56,605	238,794	136,765	331,856	1,709,454	-
Central Services	685,750	232,690	26,929	128,895	57,624	136,318	1,268,206	-
Depreciation	4,012,165	102,720	241,407	571,105	522,206	402,457	5,852,060	-
Total operating expenses	<u>14,387,132</u>	<u>11,818,602</u>	<u>868,539</u>	<u>2,882,603</u>	<u>2,506,996</u>	<u>3,436,325</u>	<u>35,900,197</u>	<u>-</u>
Operating income (loss)	<u>4,946,891</u>	<u>643,785</u>	<u>103,397</u>	<u>(25,413)</u>	<u>(199,011)</u>	<u>(316,536)</u>	<u>5,153,113</u>	<u>-</u>
<b>Nonoperating revenues (expenses):</b>								
Intergovernmental	210,173	-	-	-	-	250,000	460,173	-
Investment income	55,619	3,278	8,004	6,307	-	18,699	91,907	306
Donations	-	-	-	-	56,170	23,400	79,570	-
Interest and fiscal charges	(847,003)	-	(4,961)	(61,011)	(135,085)	-	(1,048,060)	-
Amortization of bond premiums (discounts)	270,831	-	540	1,368	(16)	-	272,723	-
Gain (loss) on sale of capital assets	23,927	-	-	(467,097)	15,500	-	(427,670)	-
Assets contributed to governmental funds	-	-	-	(1,008,330)	-	-	(1,008,330)	-
Miscellaneous	1,420	6,321	-	48,131	8,868	946	65,686	54,330
Total nonoperating revenues (expenses)	<u>(285,033)</u>	<u>9,599</u>	<u>3,583</u>	<u>(1,480,632)</u>	<u>(54,563)</u>	<u>293,045</u>	<u>(1,514,001)</u>	<u>54,636</u>
Income (loss) before transfers	<u>4,661,858</u>	<u>653,384</u>	<u>106,980</u>	<u>(1,506,045)</u>	<u>(253,574)</u>	<u>(23,491)</u>	<u>3,639,112</u>	<u>54,636</u>
<b>Transfers:</b>								
Transfers in	-	-	-	441,871	1,245,070	2,521,831	4,208,772	-
Transfers out	(184,476)	(785,000)	-	-	-	-	(969,476)	-
Total transfers	<u>(184,476)</u>	<u>(785,000)</u>	<u>-</u>	<u>441,871</u>	<u>1,245,070</u>	<u>2,521,831</u>	<u>3,239,296</u>	<u>-</u>
Change in net position	4,477,382	(131,616)	106,980	(1,064,174)	991,496	2,498,340	6,878,408	54,636
<b>Net position - January 1</b>								
as previously reported	69,577,192	3,188,891	2,918,674	6,600,674	4,643,129	10,670,433	97,598,993	-
Change in accounting principle	(937,164)	(937,164)	-	(535,523)	(401,642)	(1,071,045)	(3,882,538)	-
Net position - January 1 as restated	<u>68,640,028</u>	<u>2,251,727</u>	<u>2,918,674</u>	<u>6,065,151</u>	<u>4,241,487</u>	<u>9,599,388</u>	<u>93,716,455</u>	<u>-</u>
Net position - December 31	<u>\$73,117,410</u>	<u>\$ 2,120,111</u>	<u>\$ 3,025,654</u>	<u>\$ 5,000,977</u>	<u>\$ 5,232,983</u>	<u>\$12,097,728</u>	<u>\$100,594,863</u>	<u>\$ 54,636</u>

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

**CITY OF EDINA, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds							Governmental
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Risk Management Internal Service Fund
<b>Cash flows from operating activities:</b>								
Receipts from customers and users	\$ 19,271,659	\$ 12,462,734	\$ 967,260	\$ 2,860,294	\$ 2,265,737	\$ 3,021,011	\$ 40,848,695	\$ -
Payment to suppliers	(8,642,719)	(10,079,898)	(300,020)	(1,048,438)	(1,158,385)	(1,232,988)	(22,462,448)	-
Payment to employees	(1,732,292)	(1,469,655)	(332,310)	(1,249,885)	(880,967)	(1,805,321)	(7,470,430)	-
Donations received	-	-	-	-	56,170	23,400	79,570	-
Miscellaneous received	1,420	6,321	-	48,131	8,868	946	65,686	54,330
Net cash provided by (used in) operating activities	<u>8,898,068</u>	<u>919,502</u>	<u>334,930</u>	<u>610,102</u>	<u>291,423</u>	<u>7,048</u>	<u>11,061,073</u>	<u>54,330</u>
<b>Cash flows from noncapital financing activities:</b>								
State grant	210,173	-	-	-	-	250,000	460,173	-
Transfer from other funds	-	-	-	441,871	1,245,070	2,521,831	4,208,772	-
Transfer to other funds	(184,476)	(785,000)	-	-	-	-	(969,476)	-
Proceeds from interfund borrowing	-	-	-	-	7,103	22,718	29,821	-
Payment of interfund borrowing	-	-	-	-	-	(29,821)	(29,821)	-
Net cash provided by (used in) noncapital financing activities	<u>25,697</u>	<u>(785,000)</u>	<u>-</u>	<u>441,871</u>	<u>1,252,173</u>	<u>2,764,728</u>	<u>3,699,469</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>								
Proceeds from capital debt	5,513,451	-	-	2,158,128	-	-	7,671,579	-
Acquisition of capital assets	(11,977,234)	(95,205)	(19,454)	(2,587,994)	(1,198,671)	(2,355,336)	(18,233,894)	-
Proceeds from disposals of capital assets	102,610	-	-	18,000	15,500	-	136,110	-
Principal paid on bonds	(12,300,000)	-	(75,000)	(50,000)	(225,000)	-	(12,650,000)	-
Interest and fiscal charges paid on bonds	(882,427)	-	(6,075)	(34,215)	(136,517)	-	(1,059,234)	-
Net cash provided by (used in) capital and related financing activities	<u>(19,543,600)</u>	<u>(95,205)</u>	<u>(100,529)</u>	<u>(496,081)</u>	<u>(1,544,688)</u>	<u>(2,355,336)</u>	<u>(24,135,439)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>								
Interest received	51,251	3,964	6,999	5,185	-	16,415	83,814	231
Net increase (decrease) in cash and investments	(10,568,584)	43,261	241,400	561,077	(1,092)	432,855	(9,291,083)	54,561
Cash and investments - January 1	<u>21,945,820</u>	<u>1,068,311</u>	<u>1,006,839</u>	<u>905,645</u>	<u>1,092</u>	<u>2,862,740</u>	<u>27,790,447</u>	<u>-</u>
Cash and investments - December 31	<u>\$ 11,377,236</u>	<u>\$ 1,111,572</u>	<u>\$ 1,248,239</u>	<u>\$ 1,466,722</u>	<u>\$ -</u>	<u>\$ 3,295,595</u>	<u>\$ 18,499,364</u>	<u>\$ 54,561</u>

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

**CITY OF EDINA, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds							Governmental
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Risk Management Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 4,946,891	\$ 643,785	\$ 103,397	\$ (25,413)	\$ (199,011)	\$ (316,536)	\$ 5,153,113	\$ -
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:								
Depreciation	4,012,165	102,720	241,407	571,105	522,206	402,457	5,852,060	-
Donations	-	-	-	-	56,170	23,400	79,570	-
Miscellaneous revenue (expense)	1,420	6,321	-	48,131	8,868	946	65,686	54,330
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
Decrease (increase) in receivables	65,948	-	(4,676)	(2,815)	(42,251)	(98,338)	(82,132)	-
Decrease (increase) in special assessments	(87,975)	-	-	-	-	-	(87,975)	-
Decrease (increase) in due from other governments	(40,337)	-	-	-	-	-	(40,337)	-
Decrease (increase) in inventory	(12,042)	36,209	-	11,054	-	(391)	34,830	-
Decrease (increase) in prepaid expenses	(27,635)	-	(3,875)	-	-	-	(31,510)	-
Decrease (increase) in deferred outflows of resources	(98,141)	(98,142)	-	(56,081)	(42,061)	(112,163)	(406,588)	-
Increase (decrease) in accounts payable	77,577	144,890	(1,013)	(4,367)	(35,488)	46,847	228,446	-
Increase (decrease) in salaries payable	(78,178)	(59,861)	-	(25,481)	(29,335)	(56,433)	(249,288)	-
Increase (decrease) in due to other governments	1,666	4,123	(310)	708	(1,505)	1,512	6,194	-
Increase (decrease) in unearned revenue	-	347	-	5,919	3	(440)	5,829	-
Increase (decrease) in net OPEB obligation	3,747	3,481	-	4,159	2,026	4,518	17,931	-
Increase (decrease) in net pension liability	(3,610)	(3,610)	-	(2,063)	(1,547)	(4,125)	(14,955)	-
Increase (decrease) in compensated absences	16,473	19,140	-	16,618	1,877	(21,462)	32,646	-
Increase (decrease) in deferred inflows of resources	120,099	120,099	-	68,628	51,471	137,256	497,553	-
Total adjustments	3,951,177	275,717	231,533	635,515	490,434	323,584	5,907,960	54,330
Net cash provided by (used in) operating activities	\$ 8,898,068	\$ 919,502	\$ 334,930	\$ 610,102	\$ 291,423	\$ 7,048	\$ 11,061,073	\$ 54,330
Noncash investing activities:								
Increase (decrease) in fair value of investments	(26,869)	(4,289)	(2,948)	(994)	-	(7,070)	(42,170)	(9)
Noncash capital and related financing activities:								
Acquisition of capital assets with contracts payable	198,329	(62,335)	19,454	(108,712)	596,047	1,204,001	1,846,784	-

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

**CITY OF EDINA, MINNESOTA**  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
December 31, 2015

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	<u>Agency Funds</u>
Assets	
Cash and investments	<u>\$ 391,362</u>
Liabilities	
Accounts payable	\$ 22,310
Salaries payable	4,265
Due to other governmental units	<u>364,787</u>
Total liabilities	<u>\$ 391,362</u>

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

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. FINANCIAL REPORTING ENTITY**

The City's financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is financially accountable for the component unit if it appoints a voting majority of the component unit's governing body and is able to impose its will on the component unit or there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

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

**COMPONENT UNITS**

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

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations for two reasons. First, the HRA's governing body is substantively the same as the governing body of the City. Specifically, the HRA board consists of five members, all of which are City Council members. Second, management of the City has operational responsibility for the HRA. Specifically, sales of bonds or other obligations of the HRA are approved by the City Council; the HRA follows the budget process for City departments in accordance with City policy; the annual HRA budget is approved by City Council; the HRA submits its plan for development and redevelopment to the City Council for approval; lastly, the administrative structure and management practices and policies of the HRA are approved by the City Council. 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, other post-employment benefits (OPEB), net pension liabilities, and claims and judgments are recorded only when payment is due.

**CITY OF EDINA, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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

The City reports the following major governmental funds:

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

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

The *debt service fund* accounts for the payment of principal and interest on General Obligation, Permanent Improvement Revolving, Public Project Revenue Bonds, and Edina Emerald Energy Program 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 two 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 types:

Internal service funds - the *risk management internal service fund* accounts for worker's compensation, volunteer accident, and property/casualty insurance. Internal service funds operate in a manner similar to enterprise funds; however, they provide services primarily to other departments within the City.

**CITY OF EDINA, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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Agency funds - 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 City's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund 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.

Aggregated information for the internal service fund is reported in a single column in the proprietary fund financial statements. Because the principal user of the internal services is the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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.

For the purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

#### **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, 2015 are planned to be eliminated in 2016. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

**F. REVENUE RECOGNITION**

**1. PROPERTY TAX REVENUE RECOGNITION**

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at the year-end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January are fully offset by deferred 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, 2015:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>
	Debt		
	<u>Service</u>	<u>Construction</u>	<u>Utilities</u>
Special assessments receivable			
Delinquent	\$66,694	\$0	\$280,896
Deferred	2,653,017	14,960,155	268,357
Total	<u>\$2,719,711</u>	<u>\$14,960,155</u>	<u>\$549,253</u>

**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:

<u>Assets</u>	<u>Life</u>
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. STATE-WIDE PENSION PLANS**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net position have been determined on the same basis as they are reported by the PERA except that the PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**K. 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.

**L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions reported in the government-wide and enterprise funds Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

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

The first item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

#### **M. 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.

#### **N. 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.

#### **O. NET POSITION**

In the government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, 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.”

#### **P. 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.

**Q. CHANGE IN ACCOUNTING PRINCIPLES**

During the year ended December 31, 2015, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. These statements prescribe major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary fund financial statements), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is also required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. These standards required retroactive implementation, which resulted in the restatement of net position as of December 31, 2014. The net position in the government-wide financial statements as of December 31, 2014 was decreased by \$21,451,167. This change reflects the City’s proportionate share of the net pension liabilities (\$22,575,840 decrease in net position) and related deferred outflows of resources (\$1,124,673 increase in net position) for the PERA pension plan, which are now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal year 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated.

**Note 2 CASH AND INVESTMENTS**

**A. COMPONENTS OF CASH AND INVESTMENTS**

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

Deposits	\$ 353,806
Cash on hand	19,015
Investments	65,210,927
	<u>\$ 65,583,748</u>

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

Cash and investments - Statement of Net Position	\$ 63,384,306
Restricted cash and investments - Statement of Net Position	1,808,080
Cash and investments - Statement of Fiduciary Net Position	391,362
	<u>\$ 65,583,748</u>

The City had restricted investments of \$1,808,080 as of December 31, 2015 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 \$353,806 while the balance on the bank records was \$716,844. At December 31, 2015, 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.

**CITY OF EDINA, MINNESOTA**  
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**C. INVESTMENTS**

The City has the following investments at year end:

Investment	Credit Risk		Interest Risk - Maturity Duration in Years				Total
	Rating	Agency	< 1	1 to 5	6 to 10	> 10	
U.S. Treasuries	AA+	S&P	\$ -	\$ -	\$ 516,475	\$ 776,299	\$ 1,292,774
SBA Notes	AA+	S&P	580	68,503	-	-	69,083
SBA Notes	N/R	N/A	-	-	7,103	11,130	18,233
U.S. Agencies	AA+	S&P	330,720	10,758,183	747,507	2,559,411	14,395,821
U.S. Agencies	Aaa	Mdys	-	329,784	232,192	-	561,976
Bankers Acceptance	A1+	S&P	3,877,302	-	-	-	3,877,302
Commerical Paper	A1+	S&P	8,409,108	-	-	-	8,409,108
Municipals	AAA	S&P	-	139,888	31,226	-	171,114
Municipals	AA+	S&P	60,177	1,746,316	-	1,645,000	3,451,493
Municipals	Aa3	Mdys	505,000	-	-	-	505,000
Municipals	AA	S&P	252,838	49,961	754,949	-	1,057,748
Municipals	AA-	S&P	34,955	293,363	-	-	328,318
Municipals	AA2	Mdys	-	247,865	-	-	247,865
Negotiable CD's	N/R	N/A	14,203,902	9,357,722	-	-	23,561,624
			<u>\$27,674,582</u>	<u>\$22,991,585</u>	<u>\$ 2,289,452</u>	<u>\$ 4,991,840</u>	<u>57,947,459</u>
Money Market*	AAAm	S&P					462,855
Money Market*	AA+	S&P					24,417
4M Fund*	N/R	N/A					6,776,196
Total investments							<u>\$65,210,927</u>

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 18.8% in bankers’ acceptances and commercial paper with U.S. Bank, and 10.3% in securities issued by FNMA.

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

**CITY OF EDINA, MINNESOTA**  
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**Note 3 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,190,409	\$ 803,624	\$ -	\$ 20,994,033
Easements	111,000	142,000	-	253,000
Construction in progress	16,623,018	15,844,525	(11,114,022)	21,353,521
Total capital assets not being depreciated	<u>36,924,427</u>	<u>16,790,149</u>	<u>(11,114,022)</u>	<u>42,600,554</u>
Capital assets being depreciated:				
Land improvements	22,966,330	179,277	-	23,145,607
Buildings and structures	63,799,864	204,706	-	64,004,570
Furniture and office equipment	4,008,251	186,055	(8,523)	4,185,783
Vehicles and equipment	15,636,160	1,201,172	(612,850)	16,224,482
Infrastructure	98,211,440	8,705,752	(527,972)	106,389,220
Parks	15,828,183	2,102,075	(62,043)	17,868,215
Total capital assets being depreciated	<u>220,450,228</u>	<u>12,579,037</u>	<u>(1,211,388)</u>	<u>231,817,877</u>
Less accumulated depreciation for:				
Land improvements	(16,052,239)	(707,813)	-	(16,760,052)
Buildings and structures	(18,368,626)	(1,819,054)	-	(20,187,680)
Furniture and office equipment	(2,769,388)	(275,165)	8,523	(3,036,030)
Vehicles and equipment	(10,618,468)	(1,262,516)	412,840	(11,468,144)
Infrastructure	(52,526,424)	(2,764,821)	527,972	(54,763,273)
Parks	(8,959,781)	(706,319)	58,277	(9,607,823)
Total accumulated depreciation	<u>(109,294,926)</u>	<u>(7,535,688)</u>	<u>1,007,612</u>	<u>(115,823,002)</u>
Total capital assets being depreciated, net	<u>111,155,302</u>	<u>5,043,349</u>	<u>(203,776)</u>	<u>115,994,875</u>
Governmental activities capital assets, net	<u>\$ 148,079,729</u>	<u>\$ 21,833,498</u>	<u>\$ (11,317,798)</u>	<u>\$ 158,595,429</u>

**CITY OF EDINA, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,965	\$ -	\$ (803,624)	\$ 285,341
Construction in progress	16,365,190	15,168,785	(12,316,388)	19,217,587
Total capital assets not being depreciated	<u>17,454,155</u>	<u>15,168,785</u>	<u>(13,120,012)</u>	<u>19,502,928</u>
Capital assets being depreciated:				
Land improvements & golf course	9,819,284	185,129	(1,340,045)	8,664,368
Buildings and structures	27,337,511	7,327,893	(742,868)	33,922,536
Furniture and office equipment	153,303	-	-	153,303
Vehicles and equipment	10,673,944	1,469,484	(402,837)	11,740,591
Utility infrastructure	114,481,228	4,552,208	-	119,033,436
Lease property capital lease	430,614	-	-	430,614
Total capital assets being depreciated	<u>162,895,884</u>	<u>13,534,714</u>	<u>(2,485,750)</u>	<u>173,944,848</u>
Less accumulated depreciation for:				
Land improvements & golf course	(6,262,654)	(315,526)	859,361	(5,718,819)
Buildings and structures	(13,103,099)	(1,207,570)	538,162	(13,772,507)
Furniture and office equipment	(141,423)	(4,830)	-	(146,253)
Vehicles and equipment	(4,778,924)	(710,091)	319,740	(5,169,275)
Utility infrastructure	(40,635,725)	(3,614,043)	-	(44,249,768)
Lease property capital lease	(430,614)	-	-	(430,614)
Total accumulated depreciation	<u>(65,352,439)</u>	<u>(5,852,060)</u>	<u>1,717,263</u>	<u>(69,487,236)</u>
Total capital assets being depreciated, net	<u>97,543,445</u>	<u>7,682,654</u>	<u>(768,487)</u>	<u>104,457,612</u>
Business-type activities capital assets, net	<u>\$ 114,997,600</u>	<u>\$ 22,851,439</u>	<u>\$ (13,888,499)</u>	<u>\$ 123,960,540</u>

**CITY OF EDINA, MINNESOTA**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 481,297
Public safety	1,074,179
Public works	4,003,581
Parks	1,976,631
Total depreciation expense - governmental activities	<u>\$ 7,535,688</u>
Business-type activities:	
Utilities	\$ 4,012,165
Liquor	102,720
Aquatic Center	241,407
Golf Course	571,105
Arena	522,206
Sports Dome	162,302
Art Center	25,717
Edinborough Park	175,223
Centennial Lakes	39,215
Total depreciation expense - business-type activities	<u>\$ 5,852,060</u>

**CONSTRUCTION COMMITMENTS**

At December 31, 2015, 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
13-10NB Eng	Lake Edina Landscape	\$ 14,930	\$ 2,724
14-8 Eng	Promenade Water Feature	1,445,573	63,074
14-14 Eng	France Ave Landscape Plan	579,979	71,478
15-1NB Eng	Valley View Landscaping	36,542	5,441
15-3 Eng	Glen View Neighborhood	8,421,439	444,268
15-5 Eng	Hollands Neighborhood	1,492,807	68,577
15-13 Eng	Interlachen Boulevard	376,015	73,069
NA	Pamela Park Shelter and Turf	262,095	425
15-12 Eng	Industrial Park Lighting	234,793	9,206
Various	Braemar Golf Course	1,800,499	40,000
Various	Braemar Arena	1,363,870	8,545
Various	Braemar Field	1,756,265	2,976
			<u>\$ 789,783</u>

**CITY OF EDINA, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 4 LONG-TERM DEBT**

The City has five types of bonded debt outstanding at December 31, 2015: 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, 2015, 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 12/31/2015
General Obligation Bonds:					
General Obligation - Capital Improvement Plan, 2007A	4.00-4.25%	5/24/2007	2/1/2028	\$ 5,865,000	\$ 4,315,000
General Obligation - Capital Improvement Plan, 2009A	3.00-4.40%	4/29/2009	2/1/2030	14,000,000	11,300,000
General Obligation - Capital Improvement Plan, 2010A	2.00-4.00%	11/18/2010	2/1/2021	8,285,000	4,860,000
General Obligation - Capital Improvement Plan, 2013A - Refunding	3.00-3.50%	10/10/2013	2/1/2030	5,710,000	5,130,000
General Obligation - 2014B - Refunding	3.00%	12/11/2014	2/1/2017	1,105,000	1,105,000
Total General Obligation Bonds				<u>34,965,000</u>	<u>26,710,000</u>
Permanent Improvement Revolving (PIR) Bonds:					
Permanent Improvement Revolving, 2010B	2.00-3.00%	11/18/2010	2/1/2022	2,305,000	1,660,000
Permanent Improvement Revolving, 2011A	2.00-3.00%	10/27/2011	2/1/2023	3,320,000	2,715,000
Permanent Improvement Revolving, 2012A	3.00-4.00%	11/15/2012	2/1/2029	2,675,000	2,535,000
Permanent Improvement Revolving, 2012A - Refunding	3.00-4.00%	11/15/2012	2/1/2019	1,990,000	1,325,000
Permanent Improvement Revolving, 2013A	3.00-3.50%	10/10/2013	2/1/2030	2,555,000	2,555,000
Permanent Improvement Revolving, 2014B - Refunding	2.00-3.00%	12/11/2014	2/1/2020	4,075,000	4,075,000
Permanent Improvement Revolving, 2015A	2.00-4.00%	7/9/2015	2/1/2032	6,545,000	6,545,000
Permanent Improvement Revolving, 2015A - Parking	2.00-4.00%	7/9/2015	2/1/2036	2,495,000	2,495,000
Total PIR Bonds				<u>25,960,000</u>	<u>23,905,000</u>
Public Project Revenue Bonds:					
Public Project Revenue, Series 2009A	2.10-4.55%	11/24/2009	2/1/2030	2,595,000	1,645,000
Public Project Revenue, Series 2014A	2.00-3.625%	7/15/2014	2/1/2035	16,155,000	16,155,000
Public Project Revenue, Series 2015A - Refunding	2.50-3.00%	7/9/2015	5/1/2026	3,490,000	3,490,000
Total Public Project Revenue Bonds				<u>22,240,000</u>	<u>21,290,000</u>
Edina Emerald Energy Program (EEEEP) Revenue Bonds:					
Edina Emerald Energy Program Bonds, 2012A	7.00%	2/25/2012	1/1/2023	33,690	23,583
Edina Emerald Energy Program Bonds, 2012B	5.50%	8/28/2012	1/1/2018	40,030	16,012
Total EEEEEP Bonds				<u>73,720</u>	<u>39,595</u>
Total bonded indebtedness - governmental activities				<u>\$ 83,238,720</u>	<u>\$ 71,944,595</u>

**CITY OF EDINA, MINNESOTA**  
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**BUSINESS-TYPE ACTIVITIES**

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2015
Revenue Bonds:					
Recreational Facility Bonds, Series 2009B	2.00-3.00%	4/29/2009	1/1/2017	\$ 2,010,000	\$ 165,000
Recreational Facility Bonds, Series 2009C	2.00-4.00%	12/10/2009	2/1/2030	2,440,000	1,960,000
Recreational Facility Bonds, Series 2012B	.45-1.60%	11/15/2012	2/1/2020	815,000	580,000
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	1,075,000
Recreational Facility Bonds, Series 2015B	2.00-3.25%	7/9/2015	2/1/2031	2,140,000	2,140,000
Utility Revenue Bonds, Series 2011A	2.00-3.00%	10/27/2011	2/1/2022	11,230,000	8,150,000
Utility Revenue Bonds, Series 2012A	3.00-4.00%	11/15/2012	2/1/2023	6,100,000	5,090,000
Utility Revenue Bonds, Series 2014A	2.00-3.00%	7/15/2014	2/1/2024	5,680,000	5,110,000
Utility Revenue Bonds, Series 2014B - Refunding	3.00%	12/11/2014	2/1/2017	1,830,000	1,830,000
Utility Revenue Bonds, Series 2014B - Refunding	3.00%	12/11/2014	2/1/2019	5,710,000	5,710,000
Utility Revenue Bonds, Series 2015A	2.00-4.00%	7/9/2015	2/1/2025	5,235,000	5,235,000
Total Revenue Bonds				<u>46,415,000</u>	<u>39,145,000</u>
Total bonded indebtedness - business-type activities				<u>\$ 46,415,000</u>	<u>\$ 39,145,000</u>

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

Year Ending December 31	Governmental Activities					
	General Obligation Bonds		Public Improvement Revolving Bonds		Public Project Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,410,000	\$ 943,193	\$ 1,925,000	\$ 705,628	\$ 900,000	\$ 654,479
2017	2,475,000	859,818	2,105,000	628,625	905,000	633,629
2018	1,990,000	782,343	2,480,000	562,538	1,045,000	607,198
2019	2,065,000	710,270	2,415,000	493,938	1,080,000	574,566
2020	2,145,000	634,400	2,250,000	433,975	1,115,000	540,690
2021-2025	7,980,000	2,206,856	5,925,000	1,534,913	6,100,000	2,178,700
2026-2030	7,645,000	744,451	4,825,000	732,707	5,145,000	1,269,158
2031-2035	-	-	1,810,000	139,856	5,000,000	459,166
2036	-	-	170,000	3,188	-	-
Total	<u>\$ 26,710,000</u>	<u>\$ 6,881,331</u>	<u>\$ 23,905,000</u>	<u>\$ 5,235,368</u>	<u>\$ 21,290,000</u>	<u>\$ 6,917,586</u>

Year Ending December 31	Governmental Activities		Business-type Activities	
	Edina Emerald Energy Program Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ -	\$ 2,870	\$ 5,300,000	\$ 1,045,523
2017	11,375	2,193	5,540,000	889,583
2018	11,375	1,517	4,635,000	755,964
2019	3,369	1,061	4,775,000	633,318
2020	3,369	825	3,355,000	523,915
2021-2025	10,107	1,062	12,120,000	1,280,124
2026-2030	-	-	2,720,000	322,223
2030-2033	-	-	700,000	26,769
Total	<u>\$ 39,595</u>	<u>\$ 9,528</u>	<u>\$ 39,145,000</u>	<u>\$ 5,477,419</u>

**CITY OF EDINA, MINNESOTA**  
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**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Change in Accounting Principle (1)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:						
Bonds payable:						
General obligation	\$ 30,200,000	\$ -	\$ -	\$ (3,490,000)	\$ 26,710,000	\$ 2,410,000
PIR	20,880,000	-	9,040,000	(6,015,000)	23,905,000	1,925,000
Public project revenue	21,560,000	-	3,490,000	(3,760,000)	21,290,000	900,000
EEEE revenue	50,970	-	-	(11,375)	39,595	-
Less deferred amounts:						
Discount on bonds	(428,166)	-	(47,815)	42,273	(433,708)	-
Premiums	1,594,192	-	492,838	(257,140)	1,829,890	-
Total bonds payable	73,856,996	-	12,975,023	(13,491,242)	73,340,777	5,235,000
Compensated absences	3,850,518	-	1,911,251	(1,893,275)	3,868,494	1,547,398
Net pension liability - PERA	-	18,528,522	5,857,523	(5,483,348)	18,902,697	-
Governmental activity Long-term liabilities	<u>\$ 77,707,514</u>	<u>\$ 18,528,522</u>	<u>\$ 20,743,797</u>	<u>\$ (20,867,865)</u>	<u>\$ 96,111,968</u>	<u>\$ 6,782,398</u>
Business-type activities:						
Bonds payable:						
Revenue bonds	\$ 44,420,000	\$ -	\$ 7,375,000	\$ (12,650,000)	\$ 39,145,000	\$ 5,300,000
Less deferred amounts:						
Discount on bonds	(114,440)	-	(33,621)	15,782	(132,279)	-
Premiums	1,575,799	-	330,200	(288,505)	1,617,494	-
Total bonds payable	45,881,359	-	7,671,579	(12,922,723)	40,630,215	5,300,000
Compensated absences	825,768	-	312,975	(280,329)	858,414	343,364
Net pension liability - PERA	-	4,047,318	986,996	(1,001,951)	4,032,363	-
Business-type activity Long-term liabilities	<u>\$ 46,707,127</u>	<u>\$ 4,047,318</u>	<u>\$ 8,971,550</u>	<u>\$ (14,205,003)</u>	<u>\$ 45,520,992</u>	<u>\$ 5,643,364</u>

(1) Change in accounting principle to implement GASB Statements No. 68 and 71 described elsewhere in these notes.

For governmental activities, compensated absences and net pension liability are generally liquidated by the general fund.

Employees earn pension benefits as members of a state-wide pension plan administered by the PERA, the details of which are discussed elsewhere in the notes.

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In 2014, the City issued \$12,720,000 of General Obligation bonds, Series 2014B to finance a current refunding of the 2016 through 2017 maturities of the City's \$5,375,000 General Obligation bonds, Series 2005A, the 2016 through 2017 maturities of the City's \$8,210,000 General Obligation utility revenue bonds, Series 2007B, the 2016 through 2019 maturities of the City's \$13,985,000 General Obligation utility revenue bonds, Series 2008A, and the 2016 through 2020 maturities of the City's \$7,755,000 General Obligation permanent improvement revolving fund bonds, Series 2008B. Savings from the current proceeds were not placed in escrow. The General Obligation bonds, Series 2005A, Series 2007B, Series 2008A, and Series 2008B were redeemed on February 1, 2015. The current refunding was undertaken to reduce total debt service payments by \$933,960 and resulted in an economic gain of \$915,095. The City anticipates that ad valorem taxes, utility revenues, and special assessments to benefited properties will be sufficient to pay future debt service on this issuance.

In 2015, the HRA issued \$3,490,000 of HRA public project revenue bonds, Series 2015A to finance a current refunding of the 2016 through 2026 maturities of the City's \$5,425,000 HRA public project revenue bonds, series 2005A. Savings from the current proceeds were not placed in escrow and the HRA public project revenue bonds, series 2005A were redeemed on August 3, 2015. The current refunding was undertaken to reduce total debt service payments by \$345,061 and resulted in an economic gain of \$307,988. The HRA anticipates that annual appropriation lease payments will be sufficient to pay future debt service on this issuance.

**REVENUE PLEDGED**

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

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			% of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2009B Recreational Facility Bonds	Pool improvement	Pool	100%	2009-2017	\$ 170,025	\$ 81,075	\$ 971,936
2009C Recreational Facility Bonds	Arena improvements	Arena	100%	2010-2030	2,589,325	175,725	2,307,985
2012B Recreational Facility Bonds	Arena improvements	Arena	100%	2013-2020	598,368	131,999	2,307,985
2012C Recreational Facility Bonds	Arena improvements	Arena	100%	2013-2033	2,733,297	53,794	2,307,985
2013B Recreational Facility Bonds	Golf dome improvements	Golf	100%	2014-2029	1,331,207	84,215	2,857,190
2015B Recreational Facility Bonds	Golf course improvements	Golf	100%	2016-2031	2,710,706	-	2,857,190
2011A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2012-2022	8,937,225	1,275,200	19,334,023
2012A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2013-2023	5,777,575	727,150	19,334,023
2014A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2014-2024	5,742,025	707,754	19,334,023
2014B Utility Revenue Bonds	Utility infrastructure	Utility	100%	2014-2019	7,946,200	144,517	19,334,023
2015A Utility Revenue Bonds	Utility infrastructure	Utility	100%	2016-2025	6,086,463	-	19,334,023

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**Note 5 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 2015 is computed as follows:

	<u>December 31, 2015</u>
Market Value (after fiscal disparities)	<u>\$ 9,701,676,898</u>
Debt Limit (3% of Market Value)	<u>\$ 291,050,307</u>
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 111,089,595
Less:	
Public improvement revolving bonds	(23,905,000)
Revenue bonds	(39,145,000)
EEEEP revenue bonds	<u>(39,595)</u>
Total debt applicable to debt limit	<u>\$ 48,000,000</u>
Legal debt margin	<u>\$ 243,050,307</u>

**Note 6 DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**A. PLAN DESCRIPTION**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

**1. General Employees Retirement Fund (GERF)**

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). 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. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

## **2. Public Employees Police and Fire Fund (PEPFF)**

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

### **B. BENEFITS PROVIDED**

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

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

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

#### **1. GERF Benefits**

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 the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**2. PEPFF Benefits**

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

**C. CONTRIBUTIONS**

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

**1. GERF Contributions**

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2015. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2015. The City's contributions to the GERF for the year ended December 31, 2015 were \$1,248,845. The City's contributions were equal to the required contributions as set by state statute.

**2. PEPFF Contributions**

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2015. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2015. The City's regular contributions to the PEPFF for the year ended December 31, 2015 were \$1,268,476. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

**1. GERF Pension Costs**

At December 31, 2015, the City reported a liability of \$13,765,652 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2015, the City's proportionate share was .2683 percent, which was a decrease of .0288 percent from its proportion measured as of June 30, 2014.

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For the year ended December 31, 2015, the City recognized pension expense of \$1,495,832 for its proportionate share of the GERF's pension expense.

At December 31, 2015, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ —	\$ 694,023
Differences between projected and actual investment earnings	1,303,129	—
Changes in proportion	—	1,004,515
Contributions paid to the PERA subsequent to the measurement date	647,405	—
	<u>647,405</u>	<u>—</u>
Total	<u>\$ 1,950,534</u>	<u>\$ 1,698,538</u>

\$647,405 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2016	\$ (240,397)
2017	\$ (240,397)
2018	\$ (240,397)
2019	\$ 325,782

**2. PEPFF Pension Costs**

At December 31, 2015, the City reported a liability of \$9,169,408 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2015, the City's proportion was .807 percent, which was a decrease of .004 percent from its proportion measured as of June 30, 2014.

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For the year ended December 31, 2015, the City recognized pension expense of \$1,572,121 for its proportionate share of the PEPFF's pension expense. The City also recognized \$72,630 for the year ended December 31, 2015, as revenue for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ —	\$ 1,486,978
Differences between projected and actual investment earnings	1,597,618	—
Changes in proportion	—	36,002
Contributions paid to the PERA subsequent to the measurement date	<u>666,767</u>	<u>—</u>
Total	<u>\$ 2,264,385</u>	<u>\$ 1,522,980</u>

\$666,767 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2016	\$ 94,809
2017	\$ 94,809
2018	\$ 94,809
2019	\$ 94,809
2020	\$ (304,598)

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active member payroll growth	3.50% per year
Investment rate of return	7.90%

**CITY OF EDINA, MINNESOTA**  
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Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st until 2034, then 2.5 percent for GERF and PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate <u>(6.9%)</u>	Discount Rate <u>(7.9%)</u>	1% Increase in Discount Rate <u>(8.9%)</u>
The City's proportionate share of the GERF net pension liability	\$ 21,644,497	\$ 13,765,652	\$ 7,258,935
The City's proportionate share of the PEPFF net pension liability	\$ 17,871,273	\$ 9,169,408	\$ 1,980,152

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org).

**Note 7 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	\$ 316,720
Interest on net OPEB obligation	77,390
Adjustment to annual required contribution	<u>(64,928)</u>
Annual OPEB cost (expense)	329,182
Contributions made	<u>(119,780)</u>
Increase in net OPEB obligation	209,402
Net OPEB obligation - beginning of year	<u>1,719,772</u>
Net OPEB obligation - end of year	<u><u>\$ 1,929,174</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 319,144	\$ 92,934	29.1%	\$ 1,487,975
December 31, 2014	318,242	86,445	27.2%	1,719,772
December 31, 2015	329,182	119,780	36.4%	1,929,174

**D. FUNDED STATUS AND FUNDING PROGRESS**

As of January 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,026,848, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,026,848. The covered payroll (annual payroll of active employees covered by the plan) was \$20,305,179, and the ratio of the UAAL to the covered payroll was 14.9 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, 2014 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, 2014 was 30 years on an "open" basis.

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**Note 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of due from other funds and due to other funds account balances as of December 31, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sports Dome	Arena	<u>\$ 7,103</u>

The City's interfund receivable and payable eliminates what would have been a negative cash balance.

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	Transfer In:						Total
	Governmental Activities	Debt Service	Construction	Golf Course	Arena	Nonmajor Enterprise	
Transfer out:							
General Fund	\$ -	\$ -	\$ 1,848,294	\$ -	\$ -	\$ -	\$ 1,848,294
Construction Fund	-	1,000,000	-	-	1,045,070	2,321,533	4,366,603
Utilities Fund	-	-	184,476	-	-	-	184,476
Liquor Fund	-	-	200,000	285,000	200,000	100,000	785,000
Golf Course Fund	1,008,330	-	-	-	-	-	1,008,330
Nonmajor Governmental	-	-	-	156,871	-	100,298	257,169
	<u>\$ 1,008,330</u>	<u>\$ 1,000,000</u>	<u>\$ 2,232,770</u>	<u>\$ 441,871</u>	<u>\$ 1,245,070</u>	<u>\$ 2,521,831</u>	<u>\$ 8,449,872</u>

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 \$285,000, \$200,000 and \$100,000 to the golf course fund, arena, and art center funds, respectively, to subsidize operations.
2. The construction fund transferred \$125,574 and \$30,486 to the arena and edinborough park funds, respectively, to subsidize capital improvements to those facilities.
3. The environmental efficiency fund transferred \$100,298 to the edinborough fund to subsidize capital improvements.
4. The construction fund transferred \$919,496 and \$2,291,047, respectively, to the arena and sports dome funds to reimburse for debt proceeds initially received in the construction fund for capital projects at those facilities.
5. The utilities fund and liquor fund transferred \$100,000 and \$200,000, respectively, to the construction fund to fund the capital improvement program, as planned in the 2015 budget.
6. The general fund transferred \$708,294 of the 2014 unassigned fund balance to the construction fund to subsidize the capital improvement program.
7. The general fund transferred \$1,140,000 to the construction fund for use of park reserves from the parkland dedication money received in 2014 and 2015.
8. The braemar memorial fund transferred \$156,871 to the golf course fund to subsidize capital improvements.
9. The utilities fund transferred \$84,476 to the construction fund to fund a portion of the Utley park well house project.
10. The construction fund transferred \$1,000,000 of PIR assessment revenue to the debt service fund for related debt payments.
11. The golf course fund contributed land and buildings from the now closed Fred Richards golf course to the governmental activities capital assets; the assets have a net book value of \$1,008,330.

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**Note 9 TAX INCREMENT DISTRICTS**

The Housing Redevelopment Authority and City of Edina are the administering authorities for the following Tax Increment Districts:

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.

District number 1211 (Pentagon Park Increment Financing District) is an economic development district established in 2014 pursuant to Minnesota Statutes with a termination date of 2043.

The following table reflects values as of December 31, 2015:

	TIF #1208	TIF #1211	Total
Original tax capacity	\$ 8,772,449	\$ 902,428	\$ 9,674,877
Current tax capacity	12,000,565	902,428	12,902,993
Fiscal Disparities	734,748	-	734,748
Tax capacity change	2,493,368	-	2,493,368
Captured tax capacity value:			
Retained captured tax capacity	<u>\$ 2,493,368</u>	<u>\$ -</u>	<u>\$ 2,493,368</u>

**Note 10 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 was provided through the League of Minnesota Cities Insurance Trust. There is no deductible. The City has an annual deposit premium that is subject to adjustment based on the actual audited payroll.

A package policy; including property, general liability, and automobile coverage, is provided through the League of Minnesota Cities Insurance Trust. Under this policy, the City pays an annual premium and had a \$50,000 per occurrence deductible and is subject to an annual aggregate deductible of \$100,000, with a \$1,500,000 per occurrence maximum.

Liquor liability coverage is provided through the League of Minnesota Cities Insurance Trust. The City pays an annual premium for this coverage and has a \$1,000,000 annual maximum.

Settlement claims have not exceeded insurance coverage for each of the past three years. While there were no significant decreases in insurance coverage during 2015, there were significant increases in insurance coverage.

**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, 2015.

**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 11 CONDUIT DEBT OBLIGATION**

As of December 31, 2015, the City of Edina had five series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of \$51,595,000. 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 12 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 50<sup>th</sup> Street, Edina, MN 55424.

**CITY OF EDINA, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**Note 13 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, 2015, the City paid a total of \$53,027 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, 2015, the City paid a total of \$14,765 in membership fees to the I-494 Corridor Commission.

**Note 14 FUND BALANCES**

**A. Classifications**

At December 31, 2015, 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	\$ 529,513	\$ -	\$ -	\$ -	\$ -	\$ 529,513
Restricted						
Park dedication	417,673	-	-	-	-	417,673
Tax increments	-	8,021,960	-	-	-	8,021,960
Debt service	-	-	7,134,575	-	-	7,134,575
Unspent bond proceeds	-	-	-	222,461	-	222,461
Pedestrian and cyclist improvements	-	-	-	-	713,168	713,168
Energy efficiency projects	-	-	-	-	328,671	328,671
Forfeitures	-	-	-	-	440,065	440,065
Grant funds	-	-	-	-	85,588	85,588
Arts and culture	-	-	-	-	2,748	2,748
Donations	-	-	-	-	142,228	142,228
Total Restricted	<u>417,673</u>	<u>8,021,960</u>	<u>7,134,575</u>	<u>222,461</u>	<u>1,712,468</u>	<u>17,509,137</u>
Assigned						
Compensated absences	1,547,398	-	-	-	-	1,547,398
Construction commitments	-	-	-	738,262	-	738,262
Special projects	-	-	-	1,518,567	-	1,518,567
Equipment	-	-	-	2,761,731	-	2,761,731
PIR	-	-	-	3,070,057	-	3,070,057
Construction	-	-	-	5,039,264	-	5,039,264
Total Assigned	<u>1,547,398</u>	<u>-</u>	<u>-</u>	<u>13,127,881</u>	<u>-</u>	<u>14,675,279</u>
Unassigned	<u>11,825,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,825,799</u>
Total Fund Balance	<u>\$ 14,320,383</u>	<u>\$ 8,021,960</u>	<u>\$ 7,134,575</u>	<u>\$ 13,350,342</u>	<u>\$ 1,712,468</u>	<u>\$ 44,539,728</u>

**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 \$11,825,799 of unassigned fund balance in the general fund, or 47.3% of 2016 budgeted property tax revenue. This amount is \$64,542 above the goal range identified in the policy.

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**CITY OF EDINA, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
General property taxes	\$ 23,255,958	\$ 22,810,958	\$ 22,822,441	\$ 11,483
Franchise taxes	770,000	770,000	833,229	63,229
Lodging tax	-	-	22,716	22,716
Total taxes	<u>24,025,958</u>	<u>23,580,958</u>	<u>23,678,386</u>	<u>97,428</u>
Licenses and permits:	<u>3,230,080</u>	<u>3,830,080</u>	<u>4,827,634</u>	<u>997,554</u>
Intergovernmental:				
Federal:	36,000	36,000	184,418	148,418
State:				
Municipal state aid	195,000	195,000	246,744	51,744
Other	42,500	42,500	147,189	104,689
State aid - police	320,000	320,000	378,177	58,177
State aid - fire	420,000	420,000	402,247	(17,753)
Health programs	100,000	100,000	118,919	18,919
Total intergovernmental	<u>1,113,500</u>	<u>1,113,500</u>	<u>1,477,694</u>	<u>364,194</u>
Charges for services:				
Administration	-	-	67,816	67,816
Communications & Technology	115,349	115,349	93,325	(22,024)
Finance	661,680	661,680	651,625	(10,055)
Public Works	69,000	69,000	103,020	34,020
Engineering	418,400	418,400	197,379	(221,021)
Police	341,490	341,490	591,917	250,427
Fire	2,000,000	2,000,000	2,116,106	116,106
Parks & Recreation	278,275	278,275	344,294	66,019
Community Development	85,300	85,300	61,208	(24,092)
Total charges for services	<u>3,969,494</u>	<u>3,969,494</u>	<u>4,226,690</u>	<u>257,196</u>
Fines and forfeits	<u>950,000</u>	<u>950,000</u>	<u>1,033,116</u>	<u>83,116</u>
Miscellaneous:				
Investment income	150,000	150,000	78,713	(71,287)
Rental of property	450,000	450,000	416,522	(33,478)
Parkland dedication	-	-	800,000	800,000
Other	11,100	11,100	69,139	58,039
Total miscellaneous	<u>611,100</u>	<u>611,100</u>	<u>1,364,374</u>	<u>753,274</u>
Total revenues	<u>33,900,132</u>	<u>34,055,132</u>	<u>36,607,894</u>	<u>2,552,762</u>

**CITY OF EDINA, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)**  
For The Year Ended December 31, 2015

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Administration:				
Personal services	\$ 805,914	\$ 805,914	\$ 877,672	\$ 71,758
Contractual services	710,100	690,100	574,084	(116,016)
Commodities	17,000	17,000	26,192	9,192
Central services	106,224	106,224	103,343	(2,881)
Total administration	<u>1,639,238</u>	<u>1,619,238</u>	<u>1,581,291</u>	<u>(37,947)</u>
Communications & technology:				
Personal services	620,803	620,803	638,422	17,619
Contractual services	303,935	303,935	308,090	4,155
Commodities	46,000	46,000	40,810	(5,190)
Central services	69,936	69,936	65,958	(3,978)
Total communications & technology	<u>1,040,674</u>	<u>1,040,674</u>	<u>1,053,280</u>	<u>12,606</u>
Human Resources:				
Personal services	635,243	635,243	823,603	188,360
Contractual services	38,250	38,250	19,731	(18,519)
Commodities	2,500	2,500	1,014	(1,486)
Central services	19,644	19,644	18,380	(1,264)
Total human resources	<u>695,637</u>	<u>695,637</u>	<u>862,728</u>	<u>167,091</u>
Finance:				
Personal services	630,730	630,730	484,177	(146,553)
Contractual services	212,700	212,700	223,253	10,553
Commodities	4,500	4,500	12,707	8,207
Central services	56,988	56,988	55,467	(1,521)
Total finance	<u>904,918</u>	<u>904,918</u>	<u>775,604</u>	<u>(129,314)</u>
Community development:				
Personal services	1,276,864	1,276,864	1,243,885	(32,979)
Contractual services	206,720	206,720	138,458	(68,262)
Commodities	8,900	8,900	2,283	(6,617)
Central services	119,676	119,676	114,219	(5,457)
Total community development	<u>1,612,160</u>	<u>1,612,160</u>	<u>1,498,845</u>	<u>(113,315)</u>
Total general government	<u>5,892,627</u>	<u>5,872,627</u>	<u>5,771,748</u>	<u>(100,879)</u>
Public safety:				
Police:				
Personal services	8,144,312	8,144,312	7,970,349	(173,963)
Contractual services	957,500	957,500	985,312	27,812
Commodities	92,215	92,215	84,480	(7,735)
Central services	1,163,388	1,163,388	1,103,307	(60,081)
Total police	<u>10,357,415</u>	<u>10,357,415</u>	<u>10,143,448</u>	<u>(213,967)</u>
Fire:				
Personal services	5,694,114	5,774,114	5,862,955	88,841
Contractual services	507,600	515,600	518,838	3,238
Commodities	205,400	212,400	311,557	99,157
Central services	505,284	505,284	477,514	(27,770)
Total fire	<u>6,912,398</u>	<u>7,007,398</u>	<u>7,170,864</u>	<u>163,466</u>
Total public safety	<u>17,269,813</u>	<u>17,364,813</u>	<u>17,314,312</u>	<u>(50,501)</u>

**CITY OF EDINA, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)**  
For The Year Ended December 31, 2015

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget
	Original	Final		
Public works:				
Public works:				
Personal services	\$ 4,445,240	\$ 4,445,240	\$ 4,414,046	\$ (31,194)
Contractual services	1,182,350	1,182,350	1,265,694	83,344
Commodities	1,289,900	1,289,900	1,332,576	42,676
Central services	1,542,120	1,542,120	1,415,277	(126,843)
Total public works	<u>8,459,610</u>	<u>8,459,610</u>	<u>8,427,593</u>	<u>(32,017)</u>
Engineering:				
Personal services	1,422,195	1,502,195	1,342,034	(160,161)
Contractual services	87,000	87,000	82,932	(4,068)
Commodities	31,000	31,000	22,041	(8,959)
Central services	114,900	114,900	106,874	(8,026)
Total engineering	<u>1,655,095</u>	<u>1,735,095</u>	<u>1,553,881</u>	<u>(181,214)</u>
Total public works	<u>10,114,705</u>	<u>10,194,705</u>	<u>9,981,474</u>	<u>(213,231)</u>
Parks:				
Parks & recreation:				
Personal services	963,359	963,359	912,346	(51,013)
Contractual services	275,439	275,439	289,949	14,510
Commodities	68,877	68,877	84,649	15,772
Central services	80,412	80,412	78,476	(1,936)
Total parks & recreation	<u>1,388,087</u>	<u>1,388,087</u>	<u>1,365,420</u>	<u>(22,667)</u>
Total parks	<u>1,388,087</u>	<u>1,388,087</u>	<u>1,365,420</u>	<u>(22,667)</u>
Total expenditures	<u>34,665,232</u>	<u>34,820,232</u>	<u>34,432,954</u>	<u>(387,278)</u>
Revenues over (under) expenditures	<u>(765,100)</u>	<u>(765,100)</u>	<u>2,174,940</u>	<u>2,940,040</u>
Other financing sources (uses):				
Transfer from other funds	765,100	-	-	-
Transfer to other funds	-	(1,848,294)	(1,848,294)	-
Total financing sources (uses)	<u>765,100</u>	<u>(1,848,294)</u>	<u>(1,848,294)</u>	<u>-</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (2,613,394)</u>	<u>326,646</u>	<u>\$ 2,940,040</u>
Fund balance - January 1			<u>13,993,737</u>	
Fund balance - December 31			<u>\$ 14,320,383</u>	

**CITY OF EDINA, MINNESOTA**

## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE - HOUSING AND REDEVELOPMENT AUTHORITY (HRA) FUND

For The Year Ended December 31, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual Amounts	Final budget
<b>Revenues:</b>				
Tax increment collections	\$ 100,000	\$ 100,000	\$ 1,792,896	\$ 1,692,896
Investment income	94,000	94,000	27,564	(66,436)
Charges for services	-	-	44,308	44,308
Total revenues	<u>194,000</u>	<u>194,000</u>	<u>1,864,768</u>	<u>1,670,768</u>
<b>Expenditures:</b>				
Personal services	118,467	118,467	120,415	1,948
Contractual services	6,120	6,120	305,879	299,759
Commodities	200	200	422	222
Capital outlay	-	3,685,000	1,346,090	(2,338,910)
Total expenditures	<u>124,787</u>	<u>3,809,787</u>	<u>1,772,806</u>	<u>(2,036,981)</u>
Net increase (decrease) in fund balance	<u>\$ 69,213</u>	<u>\$ (3,615,787)</u>	91,962	<u>\$ 3,707,749</u>
Fund balance - January 1			<u>7,929,998</u>	
Fund balance - December 31			<u>\$ 8,021,960</u>	

**CITY OF EDINA, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**SCHEDULE OF FUNDING PROGRESS**  
For The Year Ended December 31, 2015

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Plan Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Payroll</u>
January 1, 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%
January 1, 2014	\$ 3,026,848	\$ -	\$ 3,026,848	0.0%	\$ 20,305,179	14.9%

**CITY OF EDINA, MINNESOTA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND  
 For The Year Ended December 31, 2015

**Schedule of City's Proportionate Share of Net Pension Liability**

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability (a)</u>	<u>City's Covered Payroll (b)</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the total Pension Liability</u>
12/31/2015	6/30/2015	0.2683%	\$ 13,765,652	\$ 16,651,642	82.67%	78.20%

**Schedule of Employer Contributions**

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>Statutorily Required Contributions (a)</u>	<u>Contributions in Relation to the Statutorily Required Contributions (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (d)</u>	<u>Contributions as a Percentage of Covered Payroll (b/d)</u>
12/31/2015	6/30/2015	\$ 1,248,845	\$ 1,248,845	\$ -	\$ 16,651,642	7.50%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This information is not available for previous fiscal years.

**CITY OF EDINA, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PUBLIC EMPLOYEES POLICE AND FIRE FUND**  
For The Year Ended December 31, 2015

**Schedule of City's Proportionate Share of Net Pension Liability**

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability (a)</u>	<u>City's Covered Payroll (b)</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the total Pension Liability</u>
12/31/2015	6/30/2015	0.8070%	\$ 9,169,408	\$ 7,797,803	117.59%	86.60%

**Schedule of Employer Contributions**

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>Statutorily Required Contributions (a)</u>	<u>Contributions in Relation to the Statutorily Required Contributions (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (d)</u>	<u>Contributions as a Percentage of Covered Payroll (b/d)</u>
12/31/2015	6/30/2015	\$ 1,268,476	\$ 1,268,476	\$ -	\$ 7,797,803	16.27%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This information is not available for previous fiscal years.

**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, PACS, arts & culture, and environmental efficiency 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.

**CITY OF EDINA, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2015

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**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.

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund			
General Government			
Communications & technology	\$ 1,040,674	\$ 1,053,280	\$ 12,606
Human resources	695,637	862,728	167,091
Public Safety			
Fire	7,007,398	7,170,864	163,466

Excess expenditures in the General Fund communications & technology services department are due to an increase in salaries primarily related to an increase in hours worked by interns throughout 2015.

Excess expenditures in the General Fund human resources department are due to an increase in salaries related to two factors. First, the payroll specialist, previously within the finance department, was reallocated here during 2014, with the change not being reflected until the 2016-2017 biennial budget. Second, severance pay for governmental employees was over budget; it is run through the human resources department and is difficult to budget for.

The HRA, debt service, construction, CDBG, police special revenue, and braemar memorial, PACS, arts & culture, and environmental efficiency 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.

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Debt Service Fund	\$ 6,654,894	\$ 15,651,988	\$ 8,997,094
Construction Fund	13,604,692	17,353,602	3,748,910
Police SR Fund	61,000	380,532	319,532
Arts and Culture Fund	22,907	25,902	2,995

Excess expenditures in the debt service fund are due to unbudgeted refunding's of debt.

Excess expenditures in the construction fund is the result of unbudgeted projects, with expenditures offset by alternative funding sources such as intergovernmental funding and state aid maintenance.

Excess expenditures in the Police SR fund are due to unbudgeted purchases of capital equipment related to the E911 call system and dispatch center.

Excess expenditures in arts and culture fund are due to more being spent on public art and music in Edina than anticipated.

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## 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.

Arts and Culture Fund - This fund was established to account for funds donated to the City for the purpose of enhancing public arts and culture related activities.

### 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, 2015

	Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
	Community Development Block Grant	Police Special Revenue	Braemar Memorial	Pedestrian and Cyclist Safety	Arts and Culture	Environmental Efficiency	
<b>Assets</b>							
Cash and investments	\$ -	\$ 516,833	\$ 141,494	\$ 431,575	\$ 2,788	\$ 340,014	\$ 1,432,704
Accrued interest	-	-	734	2,000	7	1,846	4,587
Accounts receivable	-	-	-	292,117	-	-	292,117
Due from other governments	78,360	9,338	-	49,778	91	-	137,567
<b>Total assets</b>	<b>\$ 78,360</b>	<b>\$ 526,171</b>	<b>\$ 142,228</b>	<b>\$ 775,470</b>	<b>\$ 2,886</b>	<b>\$ 341,860</b>	<b>\$ 1,866,975</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 78,360	\$ 518	\$ -	\$ 54,620	\$ 47	\$ 1,910	\$ 135,455
Salaries payable	-	-	-	1,708	-	-	1,708
Contracts payable	-	-	-	5,974	-	11,279	17,253
<b>Total liabilities</b>	<b>78,360</b>	<b>518</b>	<b>-</b>	<b>62,302</b>	<b>47</b>	<b>13,189</b>	<b>154,416</b>
<b>Deferred inflows of resources</b>							
Unavailable revenue - taxes	-	-	-	-	91	-	91
<b>Fund balance:</b>							
Restricted	-	525,653	142,228	713,168	2,748	328,671	1,712,468
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 78,360</b>	<b>\$ 526,171</b>	<b>\$ 142,228</b>	<b>\$ 775,470</b>	<b>\$ 2,886</b>	<b>\$ 341,860</b>	<b>\$ 1,866,975</b>

**CITY OF EDINA, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2015**

	Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
	Community Development Block Grant	Police Special Revenue	Braemar Memorial	Pedestrian and Cyclist Safety	Arts and Culture	Environmental Efficiency	
<b>Revenues:</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Franchise taxes	-	-	-	1,154,534	-	-	1,154,534
Intergovernmental	97,390	-	-	88,691	-	-	186,081
Fines and forfeitures	-	162,155	-	-	-	-	162,155
Investment income	-	22	1,544	5,252	-	-	6,818
Other revenues	-	-	2,973	49,778	3,066	-	55,817
Total revenues	<u>97,390</u>	<u>162,177</u>	<u>4,517</u>	<u>1,298,255</u>	<u>23,066</u>	<u>-</u>	<u>1,585,405</u>
<b>Expenditures:</b>							
Current:							
General government	97,390	-	-	-	-	-	97,390
Public safety	-	206,581	-	-	-	-	206,581
Public works	-	-	-	171,622	-	-	171,622
Parks	-	-	15,641	-	25,902	-	41,543
Capital Outlay:							
Public safety	-	173,951	-	-	-	22,516	196,467
Public works	-	-	-	1,142,961	-	367,441	1,510,402
Parks	-	-	-	-	-	-	-
Total expenditures	<u>97,390</u>	<u>380,532</u>	<u>15,641</u>	<u>1,314,583</u>	<u>25,902</u>	<u>389,957</u>	<u>2,224,005</u>
Revenues over (under) expenditures	<u>-</u>	<u>(218,355)</u>	<u>(11,124)</u>	<u>(16,328)</u>	<u>(2,836)</u>	<u>(389,957)</u>	<u>(638,600)</u>
Other financing sources (uses):							
Transfers out	-	-	(156,871)	-	-	(100,298)	(257,169)
Net increase (decrease) in fund balance	<u>-</u>	<u>(218,355)</u>	<u>(167,995)</u>	<u>(16,328)</u>	<u>(2,836)</u>	<u>(490,255)</u>	<u>(895,769)</u>
Fund balance - January 1	<u>-</u>	<u>744,008</u>	<u>310,223</u>	<u>729,496</u>	<u>5,584</u>	<u>818,926</u>	<u>2,608,237</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ 525,653</u>	<u>\$ 142,228</u>	<u>\$ 713,168</u>	<u>\$ 2,748</u>	<u>\$ 328,671</u>	<u>\$ 1,712,468</u>

**CITY OF EDINA, MINNESOTA**

**SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT**

**SCHEDULE OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For The Year Ended December 31, 2015

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	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
Intergovernmental	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 97,390</u>	<u>\$ (2,610)</u>
Expenditures:				
Current:				
Contractual services	<u>100,000</u>	<u>100,000</u>	<u>97,390</u>	<u>(2,610)</u>
Net increase (decrease) in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund balance - January 1			<u>-</u>	
Fund balance - December 31			<u><u>\$ -</u></u>	

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 115,325	\$ 115,325	\$ -	\$ (115,325)
Fines and forfeiture	57,821	57,821	162,155	104,334
Investment income	300	300	22	(278)
Total revenues	<u>173,446</u>	<u>173,446</u>	<u>162,177</u>	<u>(11,269)</u>
Expenditures:				
Current:				
Contractual services	56,000	56,000	96,488	40,488
Commodities	5,000	5,000	110,093	105,093
Capital outlay	-	-	173,951	173,951
Total expenditures	<u>61,000</u>	<u>61,000</u>	<u>380,532</u>	<u>319,532</u>
Net increase (decrease) in fund balance	<u>\$ 112,446</u>	<u>\$ 112,446</u>	<u>(218,355)</u>	<u>\$ (330,801)</u>
Fund balance - January 1			<u>744,008</u>	
Fund balance - December 31			<u>\$ 525,653</u>	

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
Investment income	\$ 200	\$ 200	\$ 1,544	\$ 1,344
Donations	7,000	7,000	2,973	(4,027)
Total revenues	<u>7,200</u>	<u>7,200</u>	<u>4,517</u>	<u>(2,683)</u>
Expenditures:				
Current:				
Contractual services	-	-	15,641	15,641
Capital outlay	275,000	240,000	-	(240,000)
Total expenditures	<u>275,000</u>	<u>240,000</u>	<u>15,641</u>	<u>(224,359)</u>
Revenues over (under) expenditures	<u>(267,800)</u>	<u>(232,800)</u>	<u>(11,124)</u>	<u>221,676</u>
Other financing sources (uses):				
Transfers out	-	-	(156,871)	(156,871)
Net increase (decrease) in fund balance	<u>\$ (267,800)</u>	<u>\$ (232,800)</u>	<u>(167,995)</u>	<u>\$ 64,805</u>
Fund balance - January 1			<u>310,223</u>	
Fund balance - December 31			<u>\$ 142,228</u>	

**CITY OF EDINA, MINNESOTA**  
**SPECIAL REVENUE FUND - PEDESTRIAN AND CYCLIST SAFETY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
Franchise taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,154,534	\$ (45,466)
Intergovernmental	-	-	88,691	88,691
Investment income	-	-	5,252	5,252
Other revenues	-	-	49,778	49,778
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,298,255</u>	<u>98,255</u>
Expenditures:				
Current:				
Personal services	-	-	1,684	1,684
Contractual services	23,000	23,000	72,310	49,310
Commodities	28,000	28,000	15,884	(12,116)
Central services	81,744	81,744	81,744	-
Capital outlay	1,100,000	1,418,559	1,142,961	(275,598)
Total expenditures	<u>1,232,744</u>	<u>1,551,303</u>	<u>1,314,583</u>	<u>(236,720)</u>
Net increase (decrease) in fund balance	<u>\$ (32,744)</u>	<u>\$ (351,303)</u>	<u>(16,328)</u>	<u>\$ 334,975</u>
Fund balance - January 1			<u>729,496</u>	
Fund balance - December 31			<u>\$ 713,168</u>	

**CITY OF EDINA, MINNESOTA**  
**SPECIAL REVENUE FUND - ARTS AND CULTURE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ 20,000	\$ 20,000	\$ -
Other revenues	-	23,000	3,066	(19,934)
Total revenues	-	43,000	23,066	(19,934)
Expenditures:				
Current:				
Personal services	-	-	274	274
Contractual services	-	21,057	24,554	3,497
Commodities	-	1,850	1,074	(776)
Total expenditures	-	22,907	25,902	2,995
Net increase (decrease) in fund balance	\$ -	\$ 20,093	(2,836)	\$ (22,929)
Fund balance - January 1			5,584	
Fund balance - December 31			\$ 2,748	

**CITY OF EDINA, MINNESOTA**  
**CAPITAL PROJECTS FUND - ENVIRONMENTAL EFFICIENCY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Expenditures:				
Current:				
Capital outlay	\$ -	\$ 518,951	\$ 389,957	\$ (128,994)
Other financing sources (uses):				
Transfers out	-	-	(100,298)	(100,298)
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (518,951)</u>	<u>(490,255)</u>	<u>\$ 28,696</u>
Fund balance - January 1			<u>818,926</u>	
Fund balance - December 31			<u>\$ 328,671</u>	

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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 General Obligation, Permanent Improvement Revolving, Public Project Revenue, and Edina Emerald Energy Program 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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
General property taxes	\$ 3,960,980	\$ 5,128,980	\$ 5,085,348	\$ (43,632)
Special assessments	2,083,699	2,083,699	47,491	(2,036,208)
Investment income	20,000	20,000	945	(19,055)
Total revenues	<u>6,064,679</u>	<u>7,232,679</u>	<u>5,133,784</u>	<u>(2,098,895)</u>
Expenditures:				
Debt Service	<u>6,179,315</u>	<u>6,654,894</u>	<u>15,651,988</u>	<u>8,997,094</u>
Revenues over (under) expenditures	<u>(114,636)</u>	<u>577,785</u>	<u>(10,518,204)</u>	<u>(11,095,989)</u>
Other financing sources (uses):				
Transfers in	-	-	1,000,000	1,000,000
Bonds issued	-	-	361,315	361,315
Refunding bonds issued	-	-	3,490,000	3,490,000
Premium on bonds issued	-	-	150,346	150,346
Discount on bonds issued	-	-	(27,173)	(27,173)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,974,488</u>	<u>4,974,488</u>
Net increase (decrease) in fund balance	<u>\$ (114,636)</u>	<u>\$ 577,785</u>	<u>(5,543,716)</u>	<u>\$ (6,121,501)</u>
Fund balance - January 1			<u>12,678,291</u>	
Fund balance - December 31			<u>\$ 7,134,575</u>	

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final budget
	Original	Final		
Revenues:				
General property taxes	\$ 1,192,072	\$ 1,617,072	\$ 1,607,481	\$ (9,591)
Franchise taxes	100,000	100,000	101,275	1,275
Special assessments	1,361,088	1,909,298	4,084,637	2,175,339
License and permits	25,000	50,000	79,730	29,730
Intergovernmental	880,000	3,725,000	4,430,191	705,191
Charges for services	50,000	50,000	143,993	93,993
Investment income	62,900	62,900	81,274	18,374
Other revenues	-	580,000	236,469	(343,531)
Total revenues	<u>3,671,060</u>	<u>8,094,270</u>	<u>10,765,050</u>	<u>2,670,780</u>
Expenditures:				
Personal services	106,559	106,559	120,094	13,535
Contractual services	146,721	146,721	344,381	197,660
Commodities	71,720	71,720	28,363	(43,357)
Central services	-	-	1,158	1,158
Capital outlay	10,200,412	13,279,692	16,859,606	3,579,914
Total expenditures	<u>10,525,412</u>	<u>13,604,692</u>	<u>17,353,602</u>	<u>3,748,910</u>
Revenues over (under) expenditures	<u>(6,854,352)</u>	<u>(5,510,422)</u>	<u>(6,588,552)</u>	<u>(1,078,130)</u>
Other financing sources (uses):				
Transfers in	300,000	300,000	2,232,770	1,932,770
Transfers out	(1,596,700)	(327,178)	(4,366,603)	(4,039,425)
Sale of capital assets	-	-	78,509	78,509
Insurance recovery	-	-	167,167	167,167
Bonds issued	3,619,200	4,599,895	8,678,685	4,078,790
Premium on bonds issued	-	-	342,492	342,492
Discount on bonds issued	-	-	(20,642)	(20,642)
Total other financing sources (uses)	<u>2,322,500</u>	<u>4,572,717</u>	<u>7,112,378</u>	<u>2,539,661</u>
Net increase (decrease) in fund balance	<u>\$ (4,531,852)</u>	<u>\$ (937,705)</u>	<u>523,826</u>	<u>\$ 1,461,531</u>
Fund balance - January 1			<u>12,826,516</u>	
Fund balance - December 31			<u>\$ 13,350,342</u>	

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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.

Edinburgh Park Fund - This fund accounts for activities related to Edinburgh 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, 2015

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 296,362	\$ 1,835,756	\$ 754,375	\$ 409,102	\$ 3,295,595
Interest receivable	726	4,480	2,201	-	7,407
Accounts receivable	-	7,721	-	146,184	153,905
Due from other funds	-	-	-	7,103	7,103
Inventory	8,651	-	-	-	8,651
Total current assets	<u>305,739</u>	<u>1,847,957</u>	<u>756,576</u>	<u>562,389</u>	<u>3,472,661</u>
Noncurrent assets:					
Net capital assets	<u>114,400</u>	<u>1,244,438</u>	<u>291,045</u>	<u>8,860,222</u>	<u>10,510,105</u>
Deferred outflows of resources:					
Defined benefit pension plans	<u>39,405</u>	<u>59,107</u>	<u>39,405</u>	<u>19,702</u>	<u>157,619</u>
Total assets and deferred outflows of resources	<u>459,544</u>	<u>3,151,502</u>	<u>1,087,026</u>	<u>9,442,313</u>	<u>14,140,385</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	15,368	24,580	12,227	66,723	118,898
Salaries payable	4,254	13,722	7,586	638	26,200
Contracts payable	-	143,584	-	324,027	467,611
Due to other governments	1,041	8,349	261	2,297	11,948
Unearned revenue	9,365	30	-	-	9,395
Compensated absences payable	6,820	9,382	32,363	-	48,565
Total current liabilities	<u>36,848</u>	<u>199,647</u>	<u>52,437</u>	<u>393,685</u>	<u>682,617</u>
Noncurrent liabilities:					
Net OPEB obligation	6,923	15,373	15,263	-	37,559
Net pension liability	278,094	417,141	278,094	139,047	1,112,376
Compensated absences payable	10,231	14,074	48,544	-	72,849
Total noncurrent liabilities	<u>295,248</u>	<u>446,588</u>	<u>341,901</u>	<u>139,047</u>	<u>1,222,784</u>
Deferred inflows of resources:					
Defined benefit pension plans	<u>34,314</u>	<u>51,471</u>	<u>34,314</u>	<u>17,157</u>	<u>137,256</u>
Total liabilities and deferred inflows of resources	<u>366,410</u>	<u>697,706</u>	<u>428,652</u>	<u>549,889</u>	<u>2,042,657</u>
<b>Net position:</b>					
Net investment in capital assets	114,400	1,100,854	291,045	8,536,195	10,042,494
Unrestricted	<u>(21,266)</u>	<u>1,352,942</u>	<u>367,329</u>	<u>356,229</u>	<u>2,055,234</u>
Total net position	<u>\$ 93,134</u>	<u>\$ 2,453,796</u>	<u>\$ 658,374</u>	<u>\$ 8,892,424</u>	<u>\$ 12,097,728</u>

**CITY OF EDINA, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
For The Year Ended December 31, 2015

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
<b>Operating revenues:</b>					
Sales - retail	\$ 46,175	\$ -	\$ -	\$ -	\$ 46,175
Sales - concessions	113	124,761	29,374	-	154,248
Memberships	21,467	89,769	-	-	111,236
Admissions	-	636,834	-	5,515	642,349
Building rental	-	244,465	109,467	459,548	813,480
Rental of equipment	-	12,060	160,573	-	172,633
Greens fees	-	-	221,618	-	221,618
Class registration & other fees	448,674	228,984	279,991	401	958,050
Total operating revenues	<u>516,429</u>	<u>1,336,873</u>	<u>801,023</u>	<u>465,464</u>	<u>3,119,789</u>
<b>Operating expenses:</b>					
Cost of sales and services	17	75,116	14,891	-	90,024
Personal services	460,511	661,123	587,012	44,266	1,752,912
Contractual services	82,767	297,821	164,067	178,103	722,758
Commodities	69,581	133,441	116,913	11,921	331,856
Central Services	34,990	51,649	49,679	-	136,318
Depreciation	25,717	175,223	39,215	162,302	402,457
Total operating expenses	<u>673,583</u>	<u>1,394,373</u>	<u>971,777</u>	<u>396,592</u>	<u>3,436,325</u>
Operating income (loss)	<u>(157,154)</u>	<u>(57,500)</u>	<u>(170,754)</u>	<u>68,872</u>	<u>(316,536)</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	-	-	-	250,000	250,000
Investment income	2,314	11,409	4,976	-	18,699
Donations	11,303	-	12,097	-	23,400
Miscellaneous	-	946	-	-	946
Total nonoperating revenues (expenses)	<u>13,617</u>	<u>12,355</u>	<u>17,073</u>	<u>250,000</u>	<u>293,045</u>
Income (loss) before transfers	<u>(143,537)</u>	<u>(45,145)</u>	<u>(153,681)</u>	<u>318,872</u>	<u>(23,491)</u>
<b>Transfers:</b>					
Transfers in	<u>100,000</u>	<u>130,784</u>	<u>-</u>	<u>2,291,047</u>	<u>2,521,831</u>
Change in net position	(43,537)	85,639	(153,681)	2,609,919	2,498,340
<b>Net position - January 1</b>					
as previously reported	404,432	2,769,799	1,079,816	6,416,386	10,670,433
Change in accounting principle	(267,761)	(401,642)	(267,761)	(133,881)	(1,071,045)
Net position - January 1 as restated	<u>136,671</u>	<u>2,368,157</u>	<u>812,055</u>	<u>6,282,505</u>	<u>9,599,388</u>
Net position - December 31	<u>\$ 93,134</u>	<u>\$ 2,453,796</u>	<u>\$ 658,374</u>	<u>\$ 8,892,424</u>	<u>\$ 12,097,728</u>

**CITY OF EDINA, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For The Year Ended December 31, 2015

	Art Center	Edinborough Park	Centennial Lakes	Sports Dome	Total Nonmajor Proprietary Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 516,169	\$ 1,337,705	\$ 803,468	\$ 363,669	\$ 3,021,011
Payment to suppliers	(183,078)	(569,098)	(341,155)	(139,657)	(1,232,988)
Payment to employees	(460,062)	(710,807)	(590,731)	(43,721)	(1,805,321)
Donations received	11,303	-	12,097	-	23,400
Miscellaneous received	-	946	-	-	946
Net cash provided by (used in) operating activities	<u>(115,668)</u>	<u>58,746</u>	<u>(116,321)</u>	<u>180,291</u>	<u>7,048</u>
<b>Cash flows from noncapital financing activities:</b>					
State Grant	-	-	-	250,000	250,000
Transfer from other funds	100,000	130,784	-	2,291,047	2,521,831
Proceeds from interfund borrowing	-	22,718	-	-	22,718
Payment of interfund borrowing	-	-	-	(29,821)	(29,821)
Net cash provided by noncapital financing activities	<u>100,000</u>	<u>153,502</u>	<u>-</u>	<u>2,511,226</u>	<u>2,764,728</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	-	(34,481)	(38,440)	(2,282,415)	(2,355,336)
<b>Cash flows from investing activities:</b>					
Interest received	<u>1,872</u>	<u>9,984</u>	<u>4,559</u>	<u>-</u>	<u>16,415</u>
Net increase (decrease) in cash and investments	(13,796)	187,751	(150,202)	409,102	432,855
Cash and investments - January 1	310,158	1,648,005	904,577	-	2,862,740
Cash and investments - December 31	<u>\$ 296,362</u>	<u>\$ 1,835,756</u>	<u>\$ 754,375</u>	<u>\$ 409,102</u>	<u>\$ 3,295,595</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (157,154)	\$ (57,500)	\$ (170,754)	\$ 68,872	\$ (316,536)
<b>Adjustments to reconcile operating loss to net cash flows from operating activities:</b>					
Depreciation	25,717	175,223	39,215	162,302	402,457
Donations	11,303	-	12,097	-	23,400
Miscellaneous revenue (expense)	-	946	-	-	946
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:</b>					
Decrease (increase) in receivables	-	832	2,625	(101,795)	(98,338)
Decrease (increase) in inventory	(391)	-	-	-	(391)
Decrease (increase) in deferred outflows of resources	(28,041)	(42,061)	(28,041)	(14,020)	(112,163)
Increase (decrease) in accounts payable	4,490	(10,959)	5,240	48,076	46,847
Increase (decrease) in salaries payable	(11,118)	(26,603)	(16,636)	(2,076)	(56,433)
Increase (decrease) in due to other governments	178	(112)	(845)	2,291	1,512
Increase (decrease) in unearned revenue	(260)	-	(180)	-	(440)
Increase (decrease) in net OPEB obligation	1,268	1,646	1,604	-	4,518
Increase (decrease) in net pension liability	(1,031)	(1,547)	(1,031)	(516)	(4,125)
Increase (decrease) in compensated absences	5,057	(32,590)	6,071	-	(21,462)
Increase (decrease) in deferred inflows of resources	34,314	51,471	34,314	17,157	137,256
Total adjustments	<u>41,486</u>	<u>116,246</u>	<u>54,433</u>	<u>111,419</u>	<u>323,584</u>
Net cash provided by (used in) operating activities	<u>\$ (115,668)</u>	<u>\$ 58,746</u>	<u>\$ (116,321)</u>	<u>\$ 180,291</u>	<u>\$ 7,048</u>
<b>Noncash investing activities:</b>					
Increase (decrease) in fair value of investments	(428)	(4,223)	(2,419)	-	(7,070)
<b>Noncash noncapital financing activities:</b>					
Acquisition of capital assets with contracts payable	-	(139,589)	25,040	1,318,550	1,204,001

## 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, 2015

	Balance January 1	Additions	Deductions	Balance December 31
<b>POLICE SEIZURE</b>				
Assets:				
Cash and investments	\$ 707	\$ -	\$ -	\$ 707
Liabilities:				
Due to other governmental units	\$ 707	\$ -	\$ -	\$ 707
<b>PUBLIC SAFETY TRAINING FACILITY</b>				
Assets:				
Cash and investments	\$ 370,007	\$ 646,685	\$ 641,077	\$ 375,615
Liabilities:				
Accounts payable	\$ 7,037	\$ 297,887	\$ 297,654	\$ 7,270
Salaries payable	13,050	244,329	253,114	4,265
Due to other governmental units	349,920	104,469	90,309	364,080
Total Liabilities	\$ 370,007	\$ 646,685	\$ 641,077	\$ 375,615
<b>PAYROLL</b>				
Assets:				
Cash and investments	\$ 19,293	\$ 18,797,406	\$ 18,801,659	\$ 15,040
Liabilities:				
Accounts payable	\$ 19,293	\$ 18,797,406	\$ 18,801,659	\$ 15,040
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 390,007	\$ 19,444,091	\$ 19,442,736	\$ 391,362
Liabilities:				
Accounts payable	\$ 26,330	\$ 19,095,293	\$ 19,099,313	\$ 22,310
Salaries payable	13,050	244,329	253,114	4,265
Due to other governmental units	350,627	104,469	90,309	364,787
Total Liabilities	\$ 390,007	\$ 19,444,091	\$ 19,442,736	\$ 391,362

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total tax capacity	\$ 109,012,566	\$ 106,529,983	\$ 108,069,277	\$ 117,907,214	\$ 125,663,820
Increment valuation	(3,917,958)	(4,194,083)	(4,948,237)	(1,618,920)	(2,493,368)
Contribution to fiscal disparities pool	<u>(10,283,433)</u>	<u>(8,831,694)</u>	<u>(9,513,808)</u>	<u>(9,626,075)</u>	<u>(10,679,187)</u>
Tax capacity used for rate calculation	<u>94,811,175</u>	<u>93,504,206</u>	<u>93,607,232</u>	<u>106,662,219</u>	<u>112,491,265</u>
Fiscal disparities distribution	<u>3,068,256</u>	<u>2,615,313</u>	<u>2,548,571</u>	<u>2,540,472</u>	<u>2,636,381</u>
Adjusted net tax capacity	<u>\$ 97,879,431</u>	<u>\$ 96,119,519</u>	<u>\$ 96,155,803</u>	<u>\$ 109,202,691</u>	<u>\$ 115,127,646</u>
Tax levies:					
General fund	\$ 21,604,402	\$ 21,824,894	\$ 22,509,403	\$ 22,933,958	\$ 25,023,952
Arts & culture fund	-	-	-	20,000	20,000
Equipment	992,072	992,072	992,072	1,617,072	1,680,000
Debt service	<u>3,040,890</u>	<u>3,314,581</u>	<u>3,325,597</u>	<u>4,510,380</u>	<u>4,503,521</u>
Total certified tax levies	<u>25,637,364</u>	<u>26,131,547</u>	<u>26,827,072</u>	<u>29,081,410</u>	<u>31,227,473</u>
Referendum market value levy	<u>610,862</u>	<u>615,837</u>	<u>627,800</u>	<u>618,600</u>	<u>571,650</u>
Total levy	<u>\$ 26,248,226</u>	<u>\$ 26,747,384</u>	<u>\$ 27,454,872</u>	<u>\$ 29,700,010</u>	<u>\$ 31,799,123</u>
Tax capacity rate:					
General fund revenue	23.131	23.762	24.458	22.477	23.223
Bonds & interest	<u>3.116</u>	<u>3.454</u>	<u>3.462</u>	<u>4.128</u>	<u>3.914</u>
Total tax capacity rate	<u>26.247</u>	<u>27.216</u>	<u>27.920</u>	<u>26.605</u>	<u>27.137</u>
Market value rate	<u>0.00667</u>	<u>0.00690</u>	<u>0.00695</u>	<u>0.00631</u>	<u>0.00550</u>

**CITY OF EDINA, MINNESOTA**  
**COMBINED SCHEDULE OF BONDED INDEBTEDNESS**  
December 31, 2015

	Interest Rates	Date	Final Maturity Date	Prior Years	
				Original Issue	Redeemed
<b>General Obligation Bonds:</b>					
GO Park & Recreation Refunding Bonds, Series 2005A	3.50 - 4.00	07/19/05	02/01/17	5,375,000	3,680,000
GO Capital Improvement Plan, Series 2007A	4.00 - 4.25	05/24/07	02/01/28	5,865,000	1,300,000
GO Capital Improvement Plan, Series 2009A	3.00 - 4.40	04/29/09	02/01/30	14,000,000	2,130,000
GO Capital Improvement Plan, Series 2010A	2.00 - 4.00	11/18/10	02/01/21	8,285,000	2,720,000
GO Capital Improvement Plan, Series 2013A - Refunding	3.00 - 3.50	10/10/13	02/01/30	5,710,000	310,000
GO Refunding, Series 2014B	3.00	12/11/14	02/01/17	<u>1,105,000</u>	<u>-</u>
Total General Obligation Bonds				<u>40,340,000</u>	<u>10,140,000</u>
<b>Permanent Improvement Revolving (PIR) Bonds:</b>					
GO Permanent Improvement Revolving Series 2008B	3.00 - 4.00	08/28/08	02/01/20	7,755,000	2,750,000
GO Permanent Improvement Revolving Series 2010B	2.00 - 3.00	11/18/10	02/01/22	2,305,000	425,000
GO Permanent Improvement Revolving Series 2011A	2.00 - 3.00	10/27/11	02/01/23	3,320,000	300,000
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	320,000
GO Permanent Improvement Revolving Series 2013A	3.00 - 3.50	10/10/13	02/01/30	2,555,000	-
GO Permanent Improvement Revolving Series 2014B - Refunding	2.00 - 3.00	12/11/14	02/01/20	4,075,000	-
GO Permanent Improvement Revolving Series 2015A	2.00 - 4.00	07/09/15	02/01/32	-	-
GO Permanent Improvement Revolving Series 2015A - Parking	2.00 - 4.00	07/09/15	02/01/36	-	-
Total PIR Bonds				<u>24,675,000</u>	<u>3,795,000</u>
<b>Public Project Revenue Bonds:</b>					
Public Project Revenue, Series 2005	3.00 - 4.13	09/13/05	05/01/26	5,425,000	1,665,000
Taxable Public Project Revenue, Series 2009A	2.10 - 4.55	11/24/09	02/01/30	2,595,000	950,000
HRA Public Project Revenue, Series 2014A	2.00 - 3.625	07/15/14	02/01/35	16,155,000	-
HRA Public Project Revenue, Series 2015A - Refunding	2.50 - 3.00	07/09/15	05/01/26	-	-
Total Public Project Revenue Bonds				<u>24,175,000</u>	<u>2,615,000</u>
<b>Edina Emerald Energy Program Revenue Bonds:</b>					
Edina Emerald Energy Program Revenue, 2012A	7.00	02/25/12	01/01/23	33,690	6,738
Edina Emerald Energy Program Revenue, 2012B	5.50	08/28/12	01/01/18	40,030	16,012
Total Public Project Revenue Bonds				<u>73,720</u>	<u>22,750</u>
<b>Revenue Bonds:</b>					
Recreational Facility Bonds, Series 2009B	2.00 - 3.00	04/29/09	01/01/17	2,010,000	1,770,000
Recreational Facility Bonds, Series 2009C	2.00 - 4.00	12/10/09	02/01/30	2,440,000	380,000
Recreational Facility Bonds, Series 2012B	.45 - 1.60	11/15/12	02/01/20	815,000	110,000
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	1,125,000	-
Recreational Facility Bonds, Series 2015B	2.00 - 3.25	07/09/15	02/01/31	-	-
Utility Revenue Bonds, Series 2007B	4.00	05/24/07	02/01/17	8,210,000	5,430,000
Utility Revenue Bonds, Series 2008A	3.00 - 4.00	08/28/08	02/01/19	13,985,000	6,640,000
Utility Revenue Bonds, Series 2011A	2.00 - 3.00	10/27/11	02/01/22	11,230,000	2,015,000
Utility Revenue Bonds, Series 2012A	3.00 - 4.00	11/15/12	02/01/23	6,100,000	470,000
Utility Revenue Bonds, Series 2014A	2.00 - 3.00	07/15/14	02/01/24	5,680,000	-
Utility Revenue Bonds, Series 2014B - Refunding	3.00	12/11/14	02/01/17	1,830,000	-
Utility Revenue Bonds, Series 2014B - Refunding	3.00	12/11/14	02/01/19	5,710,000	-
Utility Revenue Bonds, Series 2015A	2.00 - 4.00	07/09/15	02/01/25	-	-
Total Public Project Revenue Bonds				<u>61,235,000</u>	<u>16,815,000</u>
Total - Bonded indebtedness				<u>\$ 150,498,720</u>	<u>\$ 33,387,750</u>

Outstanding 12/31/2014	2015		Payable 12/31/2015	Principal Due In 2016	Interest Due In 2016	Interest Payable to Maturity
	Issued	Payments				
1,695,000	-	1,695,000	-	-	-	-
4,565,000	-	250,000	4,315,000	260,000	171,744	1,263,785
11,870,000	-	570,000	11,300,000	590,000	418,324	3,736,508
5,565,000	-	705,000	4,860,000	730,000	179,800	606,400
5,400,000	-	270,000	5,130,000	280,000	148,425	1,241,413
1,105,000	-	-	1,105,000	550,000	24,900	33,225
<u>30,200,000</u>	<u>-</u>	<u>3,490,000</u>	<u>26,710,000</u>	<u>2,410,000</u>	<u>943,193</u>	<u>6,881,331</u>
5,005,000	-	5,005,000	-	-	-	-
1,880,000	-	220,000	1,660,000	225,000	38,950	160,475
3,020,000	-	305,000	2,715,000	315,000	65,350	309,550
2,675,000	-	140,000	2,535,000	145,000	79,250	583,275
1,670,000	-	345,000	1,325,000	355,000	45,900	97,700
2,555,000	-	-	2,555,000	140,000	73,900	619,326
4,075,000	-	-	4,075,000	745,000	102,275	275,775
-	6,545,000	-	6,545,000	-	215,061	2,156,424
-	<u>2,495,000</u>	<u>-</u>	<u>2,495,000</u>	<u>-</u>	<u>84,942</u>	<u>1,032,843</u>
<u>20,880,000</u>	<u>9,040,000</u>	<u>6,015,000</u>	<u>23,905,000</u>	<u>1,925,000</u>	<u>705,628</u>	<u>5,235,368</u>
3,760,000	-	3,760,000	-	-	-	-
1,645,000	-	-	1,645,000	-	66,810	540,619
16,155,000	-	-	16,155,000	615,000	490,869	5,806,654
-	<u>3,490,000</u>	<u>-</u>	<u>3,490,000</u>	<u>285,000</u>	<u>96,800</u>	<u>570,313</u>
<u>21,560,000</u>	<u>3,490,000</u>	<u>3,760,000</u>	<u>21,290,000</u>	<u>900,000</u>	<u>654,479</u>	<u>6,917,586</u>
26,952	-	3,369	23,583	-	1,769	7,547
24,018	-	8,006	16,012	-	1,101	1,981
<u>50,970</u>	<u>-</u>	<u>11,375</u>	<u>39,595</u>	<u>-</u>	<u>2,870</u>	<u>9,528</u>
240,000	-	75,000	165,000	80,000	3,750	5,025
2,060,000	-	100,000	1,960,000	105,000	72,775	629,325
705,000	-	125,000	580,000	125,000	6,249	18,368
2,100,000	-	-	2,100,000	-	53,794	633,297
1,125,000	-	50,000	1,075,000	65,000	32,490	256,208
-	2,140,000	-	2,140,000	-	62,228	570,706
2,780,000	-	2,780,000	-	-	-	-
7,345,000	-	7,345,000	-	-	-	-
9,215,000	-	1,065,000	8,150,000	1,090,000	188,649	787,226
5,630,000	-	540,000	5,090,000	555,000	165,250	687,575
5,680,000	-	570,000	5,110,000	520,000	120,750	632,025
1,830,000	-	-	1,830,000	895,000	41,475	55,500
5,710,000	-	-	5,710,000	1,340,000	151,200	350,700
-	<u>5,235,000</u>	<u>-</u>	<u>5,235,000</u>	<u>525,000</u>	<u>146,913</u>	<u>851,464</u>
<u>44,420,000</u>	<u>7,375,000</u>	<u>12,650,000</u>	<u>39,145,000</u>	<u>5,300,000</u>	<u>1,045,523</u>	<u>5,477,419</u>
<u>\$ 117,110,970</u>	<u>\$ 19,905,000</u>	<u>\$ 25,926,375</u>	<u>\$ 111,089,595</u>	<u>\$ 10,535,000</u>	<u>\$ 3,351,693</u>	<u>\$ 24,521,232</u>

**CITY OF EDINA, MINNESOTA**  
**SCHEDULE OF BALANCE SHEET ACCOUNTS**  
**TAX INCREMENT FINANCING DISTRICTS**  
December 31, 2015

	District No. 1202	District No. 1203	District No. 1207	District No. 1208	District No. 1211	Total Tax Increment Financing Districts
<b>Assets</b>						
Cash and Investments	\$ 292,780	\$ 5,767,975	\$ 351,713	\$ 1,564,647	\$ 47,574	\$ 8,024,689
Accrued interest	931	16,122	919	2,471	-	20,443
Accounts receivable	-	-	-	-	44,308	44,308
Due from other districts	-	4,450,000	-	-	-	4,450,000
Due from other governments	-	-	-	3,411	-	3,411
Total assets	<u>\$ 293,711</u>	<u>\$ 10,234,097</u>	<u>\$ 352,632</u>	<u>\$ 1,570,529</u>	<u>\$ 91,882</u>	<u>\$ 12,542,851</u>
<b>Liabilities</b>						
Accounts payable	\$ 45,468	\$ 23,227	\$ 263	\$ 49	\$ -	\$ 69,007
Salaries payable	-	1,420	-	232	232	1,884
Due to other districts	-	-	-	4,350,000	100,000	4,450,000
Total liabilities	<u>45,468</u>	<u>24,647</u>	<u>263</u>	<u>4,350,281</u>	<u>100,232</u>	<u>4,520,891</u>
<b>Fund balance:</b>						
Restricted	<u>248,243</u>	<u>10,209,450</u>	<u>352,369</u>	<u>(2,779,752)</u>	<u>(8,350)</u>	<u>8,021,960</u>
Total liabilities and fund balance	<u>\$ 293,711</u>	<u>\$ 10,234,097</u>	<u>\$ 352,632</u>	<u>\$ 1,570,529</u>	<u>\$ 91,882</u>	<u>\$ 12,542,851</u>

**CITY OF EDINA, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TAX INCREMENT FINANCING DISTRICTS**  
For The Year Ended December 31, 2015

	District No. 1202	District No. 1203	District No. 1207	District No. 1208	District No. 1211	Total Tax Increment Financing Districts
<b>Revenues:</b>						
Tax increment collections	\$ -	\$ -	\$ -	\$ 1,792,896	\$ -	\$ 1,792,896
Charges for services	-	-	-	-	44,308	44,308
Investment income	1,732	16,500	2,103	7,229	-	27,564
Total revenues	<u>1,732</u>	<u>16,500</u>	<u>2,103</u>	<u>1,800,125</u>	<u>44,308</u>	<u>1,864,768</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	154,632	236,567	12,346	20,965	2,206	426,716
<b>Capital outlay:</b>						
General government	-	676,502	1,537	-	-	678,039
Public works	-	668,051	-	-	-	668,051
Total expenditures	<u>154,632</u>	<u>1,581,120</u>	<u>13,883</u>	<u>20,965</u>	<u>2,206</u>	<u>1,772,806</u>
Revenues over (under) expenditures	<u>(152,900)</u>	<u>(1,564,620)</u>	<u>(11,780)</u>	<u>1,779,160</u>	<u>42,102</u>	<u>91,962</u>
<b>Other financing sources (uses):</b>						
Interfund loan interest	-	190,000	-	(190,000)	-	-
Net increase (decrease) in fund balance	(152,900)	(1,374,620)	(11,780)	1,589,160	42,102	91,962
Fund balance - January 1	401,143	11,584,070	364,149	(4,368,912)	(50,452)	7,929,998
Fund balance - December 31	<u>\$ 248,243</u>	<u>\$ 10,209,450</u>	<u>\$ 352,369</u>	<u>\$ (2,779,752)</u>	<u>\$ (8,350)</u>	<u>\$ 8,021,960</u>

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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.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	112
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	120
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	124
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	129
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	131

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)*

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

<sup>a</sup> 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.

<sup>b</sup> The City implemented GASB 68 in fiscal year 2015. Prior year information has not been restated as a result of this change in accounting principle.

<b>Fiscal Year</b>					
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013<sup>a</sup></b>	<b>2014</b>	<b>2015<sup>b</sup></b>
\$ 69,783,162	\$ 75,045,018	\$ 78,644,392	\$ 83,842,970	\$ 85,708,114	\$ 85,838,618
9,952,443	22,915,776	23,215,910	20,289,579	18,268,724	16,925,171
41,709,528	29,544,149	29,587,700	33,242,317	31,316,605	21,957,830
<u>\$ 121,445,133</u>	<u>\$ 127,504,943</u>	<u>\$ 131,448,002</u>	<u>\$ 137,374,866</u>	<u>\$ 135,293,443</u>	<u>\$ 124,721,619</u>
\$ 48,807,806	\$ 56,877,100	\$ 63,766,144	\$ 66,126,387	\$ 75,803,672	\$ 83,395,794
618,852	623,099	876,909	611,377	619,295	793,664
17,041,122	12,926,674	14,390,609	16,867,459	21,176,026	16,405,405
<u>\$ 66,467,780</u>	<u>\$ 70,426,873</u>	<u>\$ 79,033,662</u>	<u>\$ 83,605,223</u>	<u>\$ 97,598,993</u>	<u>\$ 100,594,863</u>
\$ 118,590,968	\$ 131,922,118	\$ 142,410,536	\$ 149,969,357	\$ 161,511,786	\$ 169,234,412
10,571,295	23,538,875	24,092,819	20,900,956	18,888,019	17,718,835
58,750,650	42,470,823	43,978,309	50,109,776	52,492,631	38,363,235
<u>\$ 187,912,913</u>	<u>\$ 197,931,816</u>	<u>\$ 210,481,664</u>	<u>\$ 220,980,089</u>	<u>\$ 232,892,436</u>	<u>\$ 225,316,482</u>

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,414,961	\$ 7,039,298	\$ 6,836,248	\$ 7,362,560
Public safety	13,300,351	13,743,194	14,833,647	14,751,479
Public works	8,973,031	8,757,022	9,046,873	8,993,290
Parks	5,341,682	5,025,560	5,971,565	7,732,777
Interest on long-term debt	2,973,749	1,887,633	1,923,821	2,129,490
Total governmental activities expenses	<u>36,003,774</u>	<u>36,452,707</u>	<u>38,612,154</u>	<u>40,969,596</u>
Business-type activities:				
Utilities	9,234,651	10,036,844	10,625,811	11,833,994
Liquor	9,968,963	10,361,998	11,049,223	11,449,194
Aquatic center	795,614	780,981	787,663	798,369
Golf course	3,652,169	3,621,977	3,612,482	3,588,831
Arena	1,542,098	1,538,407	1,689,660	1,665,082
Community activity centers	2,506,551	2,630,127	2,813,189	2,971,293
Total business-type activities expenses	<u>27,700,046</u>	<u>28,970,334</u>	<u>30,578,028</u>	<u>32,306,763</u>
Total primary government expenses	<u>\$ 63,703,820</u>	<u>\$ 65,423,041</u>	<u>\$ 69,190,182</u>	<u>\$ 73,276,359</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 731,613	\$ 784,659	\$ 840,070	\$ 811,087
Public safety	6,146,114	5,632,642	5,839,683	5,081,563
Other activities	793,796	736,329	763,130	804,500
Operating grants and contributions	1,423,302	1,384,024	1,170,183	1,377,785
Capital grants and contributions	4,013,617	4,299,509	7,710,015	2,582,999
Total governmental activities program revenues	<u>13,108,442</u>	<u>12,837,163</u>	<u>16,323,081</u>	<u>10,657,934</u>
Business-type activities:				
Charges for services:				
Utilities	11,421,474	13,125,773	13,713,249	14,858,488
Liquor	11,029,445	11,436,175	12,122,599	12,655,777
Aquatic center	867,626	868,833	925,388	859,816
Golf course	3,646,620	3,630,538	3,680,584	3,660,466
Arena	1,418,555	1,414,173	1,399,599	1,414,410
Community activity centers	1,918,598	2,102,938	2,117,619	2,192,274
Operating grants and contributions	122,358	127,492	147,456	135,917
Total business-type activities program revenues	<u>30,424,676</u>	<u>32,705,922</u>	<u>34,106,494</u>	<u>35,777,148</u>
Total primary government program revenues	<u>\$ 43,533,118</u>	<u>\$ 45,543,085</u>	<u>\$ 50,429,575</u>	<u>\$ 46,435,082</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (22,895,332)	\$ (23,615,544)	\$ (22,289,073)	\$ (30,311,662)
Business-type activities	2,724,630	3,735,588	3,528,466	3,470,385
Total primary government net expense	<u>\$ (20,170,702)</u>	<u>\$ (19,879,956)</u>	<u>\$ (18,760,607)</u>	<u>\$ (26,841,277)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 20,414,298	\$ 21,459,001	\$ 22,242,276	\$ 23,834,274
Tax increment collections	7,228,002	7,793,577	8,578,434	7,587,386
Franchise taxes	499,206	570,871	647,466	667,791
Lodging taxes	-	-	-	-
Unrestricted investment earnings	1,230,264	1,581,702	1,185,899	387,177
Gain on disposal of capital assets	8,418	58,377	1,265	11,709
Insurance recovery	-	-	-	-
Transfers	838,230	919,625	967,800	743,025
Total governmental activities	<u>30,218,418</u>	<u>32,383,153</u>	<u>33,623,140</u>	<u>33,231,362</u>
Business-type activities:				
Property taxes	\$ -	\$ -	\$ -	\$ 300,372
Unrestricted investment earnings	283,771	510,678	607,312	209,371
Gain (loss) on disposal of capital assets	25,210	7,604	14,505	2,250
Transfers	(838,230)	(919,625)	(967,800)	(743,025)
Total business-type activities	<u>(529,249)</u>	<u>(401,343)</u>	<u>(345,983)</u>	<u>(231,032)</u>
Total primary government	<u>\$ 29,689,169</u>	<u>\$ 31,981,810</u>	<u>\$ 33,277,157</u>	<u>\$ 33,000,330</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 7,323,086	\$ 8,767,609	\$ 11,334,067	\$ 2,919,700
Business-type activities	2,195,381	3,334,245	3,182,483	3,239,353
Total primary government	<u>\$ 9,518,467</u>	<u>\$ 12,101,854</u>	<u>\$ 14,516,550</u>	<u>\$ 6,159,053</u>

<sup>a</sup> 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.

<sup>b</sup> The City completed a major departmental reorganization in 2014, moving parks maintenance activities from parks to public works. Prior year information has not been modified as a result of this change.

<sup>c</sup> The City implemented GASB 68 in fiscal year 2015. Prior year information has not been restated as a result of this change in accounting principle.

Fiscal Year						
2010	2011	2012	2013 <sup>a</sup>	2014 <sup>b</sup>	2015 <sup>c</sup>	
\$ 6,961,082	\$ 7,013,231	\$ 12,598,979	\$ 8,256,261	\$ 8,522,319	\$ 8,518,236	
15,543,594	16,024,575	16,598,423	17,117,693	18,145,498	19,507,770	
8,558,363	9,193,336	9,437,285	11,502,250	15,553,852	15,284,777	
5,608,758	5,540,585	5,904,724	6,132,709	3,330,781	3,385,367	
2,528,424	2,339,370	2,222,392	2,024,749	1,989,863	2,180,678	
<u>39,200,221</u>	<u>40,111,097</u>	<u>46,761,803</u>	<u>45,033,662</u>	<u>47,542,313</u>	<u>48,876,828</u>	
11,848,538	12,130,685	12,610,875	13,748,186	14,207,197	14,963,304	
11,594,643	11,727,106	11,740,744	12,261,413	12,393,218	11,818,602	
769,608	718,027	866,944	822,932	827,485	872,960	
3,561,573	3,390,949	3,293,192	3,199,815	3,342,544	3,409,343	
1,527,536	1,689,001	2,182,200	2,272,510	2,375,173	2,642,097	
2,965,243	2,998,915	2,842,139	2,967,115	2,975,782	3,436,325	
<u>32,267,141</u>	<u>32,654,683</u>	<u>33,536,094</u>	<u>35,271,971</u>	<u>36,121,399</u>	<u>37,142,631</u>	
<u>\$ 71,467,362</u>	<u>\$ 72,765,780</u>	<u>\$ 80,297,897</u>	<u>\$ 80,305,633</u>	<u>\$ 83,663,712</u>	<u>\$ 86,019,459</u>	
\$ 946,107	\$ 969,745	\$ 1,142,984	\$ 1,259,908	\$ 1,529,555	\$ 1,322,430	
5,448,505	5,988,485	6,549,929	7,410,755	8,102,352	8,683,465	
723,559	775,676	913,864	846,999	960,261	1,158,207	
1,162,411	1,392,892	1,685,026	2,283,007	1,578,538	3,122,178	
13,325,431	5,770,912	9,137,011	6,372,735	8,244,695	10,044,077	
<u>21,606,013</u>	<u>14,897,710</u>	<u>19,428,814</u>	<u>18,173,404</u>	<u>20,415,401</u>	<u>24,330,357</u>	
15,036,016	15,873,937	17,729,589	17,831,225	17,550,802	19,335,443	
12,857,064	13,172,484	13,230,941	13,711,557	13,515,168	12,462,387	
945,529	913,383	1,001,946	928,055	918,412	971,936	
3,443,204	3,285,741	3,225,591	2,711,743	3,229,348	2,857,190	
1,301,506	1,315,435	1,452,435	1,942,971	2,092,567	2,316,853	
2,194,476	2,331,136	2,399,090	2,625,633	2,583,257	3,119,789	
373,230	135,428	1,042,195	516,242	428,416	595,141	
<u>36,151,025</u>	<u>37,027,544</u>	<u>40,081,787</u>	<u>40,267,426</u>	<u>40,317,970</u>	<u>41,658,739</u>	
<u>\$ 57,757,038</u>	<u>\$ 51,925,254</u>	<u>\$ 59,510,601</u>	<u>\$ 58,440,830</u>	<u>\$ 60,733,371</u>	<u>\$ 65,989,096</u>	
\$ (17,594,208)	\$ (25,213,387)	\$ (27,332,989)	\$ (26,860,258)	\$ (27,126,912)	\$ (24,546,471)	
3,883,884	4,372,861	6,545,693	4,995,455	4,196,571	4,516,108	
<u>(13,710,324)</u>	<u>(20,840,526)</u>	<u>(20,787,296)</u>	<u>(21,864,803)</u>	<u>(22,930,341)</u>	<u>(20,030,363)</u>	
\$ 25,122,113	\$ 25,040,871	\$ 25,884,662	\$ 26,894,161	\$ 27,062,224	\$ 29,632,072	
4,488,073	4,083,345	3,536,935	3,981,938	5,052,705	1,792,896	
692,288	722,160	815,530	1,891,967	2,055,396	2,089,038	
-	-	-	-	11,301	22,716	
474,444	601,250	341,986	(96,390)	440,051	195,620	
35,594	131,365	-	16,654	29,037	41,900	
-	-	-	816,654	-	-	
765,994	694,206	696,935	133,907	(9,605,225)	(2,230,966)	
<u>31,578,506</u>	<u>31,273,197</u>	<u>31,276,048</u>	<u>33,638,891</u>	<u>25,045,489</u>	<u>31,543,276</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
205,965	280,438	113,177	(77,848)	191,974	91,907	
26,574	-	2,644,854	17,587	-	39,427	
(765,994)	(694,206)	(696,935)	(133,907)	9,605,225	2,230,966	
<u>(533,455)</u>	<u>(413,768)</u>	<u>2,061,096</u>	<u>(194,168)</u>	<u>9,797,199</u>	<u>2,362,300</u>	
<u>\$ 31,045,051</u>	<u>\$ 30,859,429</u>	<u>\$ 33,337,144</u>	<u>\$ 33,444,723</u>	<u>\$ 34,842,688</u>	<u>\$ 33,905,576</u>	
\$ 13,984,298	\$ 6,059,810	\$ 3,943,059	\$ 6,778,633	\$ (2,081,423)	\$ 6,996,805	
3,350,429	3,959,093	8,606,789	4,801,287	13,993,770	6,878,408	
<u>17,334,727</u>	<u>10,018,903</u>	<u>12,549,848</u>	<u>11,579,920</u>	<u>11,912,347</u>	<u>13,875,213</u>	

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

	Fiscal Year			
	2006	2007	2008	2009 <sup>a</sup>
General fund				
Reserved	\$ 36,849	\$ 28,637	\$ 13,982	\$ 18,241
Unreserved	13,797,189	14,078,220	14,365,021	12,031,358
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 13,834,038</u>	<u>\$ 14,106,857</u>	<u>\$ 14,379,003</u>	<u>\$ 12,049,599</u>
All other governmental funds				
Reserved	\$ 2,682,238	\$ 6,247,539	\$ 8,467,918	\$ 15,223,353
Unreserved, reported in:				
Special revenue funds	13,179,904	14,750,448	14,950,538	12,813,439
Capital projects funds	3,160,085	5,853,322	4,270,440	6,683,668
Restricted, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Construction funds	-	-	-	-
Assigned, reported in:				
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 19,022,227</u>	<u>\$ 26,851,309</u>	<u>\$ 27,688,896</u>	<u>\$ 34,720,460</u>

<sup>a</sup> 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.

<sup>b</sup> 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.

<sup>c</sup> The substantial increase in other governmental funds restricted fund balance in 2014 is due to unspent bond proceeds related to the current refunding that took place on February 1, 2015.

<b>Fiscal Year</b>					
<b>2010</b>	<b>2011<sup>b</sup></b>	<b>2012</b>	<b>2013</b>	<b>2014<sup>c</sup></b>	<b>2015</b>
\$ 10,258	\$ -	\$ -	\$ -	\$ -	\$ -
12,868,952	-	-	-	-	-
-	10,871	413,200	13,322	240,291	529,513
-	178,295	880,395	185,395	757,673	417,673
-	1,539,286	1,643,077	1,559,461	1,566,329	1,547,398
-	11,744,764	11,902,462	12,573,457	11,429,444	11,825,799
<u>\$ 12,879,210</u>	<u>\$ 13,473,216</u>	<u>\$ 14,839,134</u>	<u>\$ 14,331,635</u>	<u>\$ 13,993,737</u>	<u>\$ 14,320,383</u>
\$ 9,460,834	\$ -	\$ -	\$ -	\$ -	\$ -
15,333,460	-	-	-	-	-
12,150,968	-	-	-	-	-
-	17,178,857	13,185,962	13,040,516	9,719,309	9,405,757
-	8,068,183	9,704,408	6,246,769	12,678,291	7,134,575
-	2,087,548	2,759,463	3,318,947	6,598,832	551,132
-	8,098,935	7,159,890	8,354,268	7,046,610	13,127,881
<u>\$ 36,945,262</u>	<u>\$ 35,433,523</u>	<u>\$ 32,809,723</u>	<u>\$ 30,960,500</u>	<u>\$ 36,043,042</u>	<u>\$ 30,219,345</u>

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

	Fiscal Year			
	2006	2007 <sup>a</sup>	2008	2009
<b>Revenues</b>				
General property taxes	\$ 20,414,298	\$ 21,459,001	\$ 22,242,276	\$ 23,834,274
Tax increment collections	7,228,002	7,793,577	8,578,434	7,587,386
Special assessments	1,751,219	1,750,444	2,442,490	2,703,833
Franchise taxes	499,206	570,871	647,466	667,791
Lodging fees	-	-	-	-
License and permits	3,488,897	2,909,521	2,915,455	2,104,967
Intergovernmental	2,773,350	3,699,006	3,005,883	1,507,170
Charges for services	2,691,354	2,748,709	3,093,941	2,905,410
Fines and forfeitures	1,023,935	971,486	1,073,174	1,224,983
Investment income	1,230,264	1,581,702	1,185,899	387,177
Rental of property	310,145	355,734	255,607	343,616
Parkland dedication	-	-	-	-
Other revenues	246,797	225,839	126,723	160,035
Total revenues	<u>41,657,467</u>	<u>44,065,890</u>	<u>45,567,348</u>	<u>43,426,642</u>
<b>Expenditures</b>				
General government	5,995,804	6,544,307	6,235,352	6,895,329
Public safety	12,431,114	12,985,215	13,788,797	13,692,686
Public works	5,233,907	5,787,619	6,189,594	5,911,758
Parks	3,300,375	3,455,789	3,693,595	3,688,063
Capital outlay	8,980,526	11,991,122	14,666,907	22,997,065
Debt service				
Principal	5,985,000	6,190,000	7,090,000	7,415,000
Interest and other charges	2,107,036	1,677,770	1,967,021	1,841,342
Total expenditures	<u>44,033,762</u>	<u>48,631,822</u>	<u>53,631,266</u>	<u>62,441,243</u>
Revenues over (under) expenditures	(2,376,295)	(4,565,932)	(8,063,918)	(19,014,601)
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,865,258	7,290,391	7,983,585	11,347,773
Transfers out	(6,027,028)	(6,370,766)	(7,015,785)	(10,604,748)
Sale of capital assets	54,457	66,845	96,825	34,592
Insurance recovery	-	-	-	-
Bonds issued	-	11,735,000	7,755,000	22,950,000
Premium on bonds issued	-	-	-	64,765
Discount on bonds issued	-	(53,637)	(35,848)	(75,621)
Refunding bonds issued	-	-	-	-
Payment to refunding escrow	-	-	-	-
Principal paid by escrow	(9,035,000)	-	-	-
Total other financing sources (uses)	<u>(8,142,313)</u>	<u>12,667,833</u>	<u>8,783,777</u>	<u>23,716,761</u>
Net change in fund balances	<u>\$ (10,518,608)</u>	<u>\$ 8,101,901</u>	<u>\$ 719,859</u>	<u>\$ 4,702,160</u>
Debt service as a percentage of noncapital expenditures	23.1%	21.5%	22.6%	21.7%

<sup>a</sup> 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.

<b>Fiscal Year</b>					
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 25,122,113	\$ 24,972,166	\$ 25,838,422	\$ 26,891,756	\$ 26,988,493	\$ 29,535,270
4,488,073	4,083,345	3,536,935	3,981,938	5,052,705	1,792,896
6,746,186	4,502,112	4,975,641	4,884,510	4,606,010	4,132,128
692,288	722,160	815,530	1,891,967	2,055,396	2,089,038
-	-	-	-	11,301	22,716
2,410,314	2,724,763	3,155,351	4,150,512	4,583,183	4,907,364
3,726,849	3,059,964	2,032,966	2,509,166	3,961,509	6,093,966
3,014,894	3,181,961	3,708,482	3,667,612	4,270,720	4,414,991
1,203,767	1,243,426	1,195,054	1,109,710	1,163,907	1,195,271
474,444	601,250	341,986	(96,390)	440,051	195,314
426,517	539,091	506,276	518,862	546,874	416,522
-	-	702,100	-	757,278	800,000
413,400	156,231	240,841	278,607	78,775	361,425
<u>48,718,845</u>	<u>45,786,469</u>	<u>47,049,584</u>	<u>49,788,250</u>	<u>54,516,202</u>	<u>55,956,901</u>
6,523,398	5,739,481	6,624,573	7,351,556	7,625,826	6,337,944
14,177,387	14,668,772	14,985,068	15,859,622	16,647,821	17,537,528
5,898,023	6,000,539	6,277,506	7,018,614	10,201,335	10,578,472
3,524,950	3,633,922	3,852,260	3,915,568	1,341,884	1,416,858
13,505,827	14,235,496	13,622,443	10,690,207	19,883,144	19,912,565
2,975,000	4,480,000	6,620,000	14,531,375	4,096,375	13,276,375
2,584,006	2,278,068	2,292,394	2,270,259	1,923,647	2,375,613
<u>49,188,591</u>	<u>51,036,278</u>	<u>54,274,244</u>	<u>61,637,201</u>	<u>61,720,032</u>	<u>71,435,355</u>
(469,746)	(5,249,809)	(7,224,660)	(11,848,951)	(7,203,830)	(15,478,454)
2,903,762	5,615,669	4,495,940	3,472,964	1,404,975	3,232,770
(2,137,768)	(4,921,463)	(3,799,005)	(3,339,057)	(11,010,200)	(6,472,066)
134,329	209,773	94,975	61,642	70,603	78,509
-	-	-	816,654	-	167,167
2,535,000	3,320,000	2,748,720	2,555,000	16,155,000	9,040,000
898,658	108,097	436,148	275,360	327,987	492,838
-	-	-	(60,334)	(179,891)	(47,815)
8,285,000	-	1,990,000	5,710,000	5,180,000	3,490,000
(9,094,822)	-	-	-	-	-
-	-	-	-	-	-
<u>3,524,159</u>	<u>4,332,076</u>	<u>5,966,778</u>	<u>9,492,229</u>	<u>11,948,474</u>	<u>9,981,403</u>
<u>\$ 3,054,413</u>	<u>\$ (917,733)</u>	<u>\$ (1,257,882)</u>	<u>\$ (2,356,722)</u>	<u>\$ 4,744,644</u>	<u>\$ (5,497,051)</u>
15.4%	17.8%	19.4%	32.2%	13.7%	28.9%

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

Fiscal Year	Market Value (In Thousands) <sup>a</sup>			Tax Capacity (In Thousands)			City Tax Capacity Rate	City Referendum Rate	Estimated Direct Rate <sup>b</sup>
	Estimated	Limited	Taxable	Total	Used for Rate	Adjusted Net			
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
2014	9,065,550	9,065,550	8,911,695	108,069	93,607	96,156	27.920%	0.00695%	2.961
2015	9,837,972	9,837,972	9,701,677	117,907	106,662	109,203	26.605%	0.00631%	2.953

Source: Hennepin County Taxpayer Services.

<sup>a</sup> 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.

<sup>b</sup> 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**

Fiscal Year	City Rates				Overlapping Rates				Total Direct & Overlap
	Basic Rate	Debt Rate	Total Tax Capacity	RMV	Hennepin	ISD #273 Edina Tax Cap.	RMV	Other	
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%
2014	24.458%	3.462%	27.920%	0.007%	49.959%	27.556%	0.223%	12.051%	117.486%
2015	22.477%	4.128%	26.605%	0.006%	46.398%	27.344%	0.215%	11.100%	111.447%

Source: Hennepin County Taxpayer Services.  
 RMV: Referendum Market Value

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**

<b>Taxpayer</b>	<b>2015</b>			<b>2006</b>		
	<b>Tax Capacity</b>	<b>Rank</b>	<b>Percentage of Total Capacity</b>	<b>Tax Capacity</b>	<b>Rank</b>	<b>Percentage of Total Capacity</b>
Southdale Shopping Center	\$ 2,520,750	1	2.14%	\$ 3,497,098	1	3.43%
Galleria Shopping Center	1,977,317	2	1.68%	1,525,906	2	1.50%
Southdale Medical Building	904,365	3	0.77%	361,116	8	0.35%
Centennial Lakes Retail	831,684	4	0.71%	-		0.00%
Centennial Lakes Phase V	813,134	5	0.69%	581,944	4	0.57%
Centennial Lakes Phase IV	797,386	6	0.68%	570,650	5	0.56%
Southdale Office Park	775,872	7	0.66%	738,790	3	0.72%
The District	520,998	8	0.44%	-		0.00%
7700 France	520,046	9	0.44%	461,750	7	0.45%
Centennial Lakes Phase III	508,896	10	0.43%	356,748	9	0.35%
May Department Stores	-		0.00%	513,070	6	0.50%
Centennial Lakes Phase II	-		0.00%	344,800	10	0.34%
<b>Totals</b>	<b>\$10,170,448</b>		<b>8.63%</b>	<b>\$ 8,951,872</b>		<b>8.78%</b>

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
2006	\$ 20,820,130	\$ 20,310,889	97.55%	\$ 66,489	\$ 20,377,378	97.87%
2007	21,530,528	21,347,789 <sup>a</sup>	99.15%	<sup>a</sup> 65,836	21,413,625	99.46%
2008	22,605,669	22,178,719 <sup>b</sup>	98.11%	<sup>b</sup> 174,769	22,353,488	98.88%
2009	24,153,933	23,484,137 <sup>c</sup>	97.23%	<sup>c</sup> 69,437	23,553,574	97.51%
2010	25,492,973	24,904,346	97.69%	(310,913)	24,593,433	96.47%
2011	25,786,217	25,067,625	97.21%	(209,354)	24,858,271	96.40%
2012	26,248,226	25,983,685	98.99%	(148,530)	25,835,155	98.43%
2013	26,747,384	26,545,984	99.25%	(178,983)	26,367,001	98.58%
2014	27,454,872	27,326,092	99.53%	(28,622)	27,297,470	99.43%
2015	29,700,010	29,497,362	99.32%	-	29,497,362	99.32%

Source: Hennepin County Taxpayer Services.

<sup>a</sup> In 2007 the State of Minnesota reimbursed the City for MVHC after five years of not making payments.

<sup>b</sup> In 2008 the State of Minnesota reimbursed the City for only 50% of MVHC.

<sup>c</sup> In 2009 the State of Minnesota once again quit reimbursing the City for MVHC.

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

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita <sup>a</sup>
	General Obligation Debt	Public Project Revenue	Tax Increment Bonds	Permanent Improvement Revolving	EEEEP Revenue Bonds	Rec. Facility Bonds	Utility Revenue Bonds			
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	2.91%	1,885
2014	30,806	21,445	-	21,554	51	6,249	39,633	119,738	3.97%	2,382
2015	27,225	21,300	-	24,776	40	8,055	32,575	113,971	3.66%	2,268

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.

<sup>a</sup> Population data from U.S. Census Bureau/Metropolitan Council found on page 129.

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

<b>Fiscal Year</b>	<b>General Obligation Debt <sup>a</sup></b>	<b>Less: Amounts Available in Debt Service Fund <sup>b</sup></b>	<b>Total</b>	<b>Percentage of Property Value <sup>c</sup></b>	<b>Per Capita</b>
2006	\$ 5,687	\$ 2,194	\$ 3,493	0.04%	\$ 121
2007	10,963	2,891	8,072	0.08%	233
2008	10,393	3,669	6,724	0.07%	216
2009	24,057	5,454	18,603	0.18%	499
2010	32,595	6,105	26,490	0.27%	680
2011	30,417	8,068	22,349	0.24%	630
2012	28,318	9,704	18,614	0.20%	580
2013	32,035	6,247	25,788	0.29%	651
2014	30,806	12,678	18,128	0.20%	613
2015	27,225	7,135	20,090	0.20%	542

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

- <sup>a</sup> Presented net of related premiums, discounts, and adjustments.
- <sup>b</sup> This is the amount restricted for debt service principal payments.
- <sup>c</sup> 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, 2015**

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable in City<sup>a</sup></u>	<u>City Share of Debt</u>
<b>Overlapping Debt:</b>			
Hennepin County	\$ 689,516,184	8.30%	\$ 57,229,843
Hennepin Suburban Park District	49,596,497	11.32%	5,614,323
Hennepin Regional Rail Authority	34,389,498	11.32%	3,892,891
School Districts:			
ISD No. 273 (Edina)	174,826,586	98.35%	171,941,947
ISD No. 270 (Hopkins)	165,308,887	7.50%	12,398,167
ISD No. 271 (Bloomington)	13,964,814	0.02%	2,793
ISD No. 272 (Eden Prairie)	57,992,207	0.93%	539,328
ISD No. 280 (Richfield)	14,304,017	31.20%	4,462,853
ISD No. 283 (St. Louis Park)	39,266,728	0.02%	7,853
Metro Council	<u>67,164,480</u>	3.86%	<u>2,592,549</u>
Total Overlapping Debt	1,306,329,898		258,682,547
<b>Direct Debt:</b>			
City of Edina	<u>73,340,777</u>	100.00%	<u>73,340,777</u>
Total Overlapping and Direct Debt	<u>\$ 1,379,670,675</u>		<u>\$ 332,023,324</u>

**Debt Ratios:**

Ratio of debt per capita (50,261 population)	\$ 6,606
Ratio of debt to estimated market valuation of \$9,837,972,300	3.37%

Source: Hennepin County Taxpayer Services

<sup>a</sup> 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)*

	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008<sup>a</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Debt limit	\$ 191,974	\$ 199,775	\$ 302,385	\$ 301,369	\$ 298,494	\$ 282,958	\$ 270,767	\$ 263,958	\$ 267,351	\$ 291,050
Total net debt applicable to limit	<u>21,750</u>	<u>26,380</u>	<u>25,095</u>	<u>46,670</u>	<u>45,170</u>	<u>42,860</u>	<u>39,545</u>	<u>37,030</u>	<u>51,760</u>	<u>48,000</u>
Legal debt margin	<u>\$ 170,224</u>	<u>\$ 173,395</u>	<u>\$ 277,290</u>	<u>\$ 254,699</u>	<u>\$ 253,324</u>	<u>\$ 240,098</u>	<u>\$ 231,222</u>	<u>\$ 226,928</u>	<u>\$ 215,591</u>	<u>\$ 243,050</u>
Total net debt applicable to the limit as a percentage of debt limit	11.33%	13.20%	8.30%	15.49%	15.13%	15.15%	14.60%	14.03%	19.36%	16.49%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Market value (after fiscal disparities)	\$ 9,701,676,898
Debt limit (3% of market value)	291,050,307
Debt applicable to limit:	
General obligation bonds	26,710,000
Public project revenue bonds	<u>21,290,000</u>
Total debt applicable to limit	<u>48,000,000</u>
Legal debt margin	<u>\$ 243,050,307</u>

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

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

Fiscal Year	Less: operating		Net available	Debt service requirements			Coverage
	Revenue	expenses	revenue	Principal	Interest	Total	
<b>Public Project Revenue Bonds (Annual Appropriation Lease Revenue)</b>							
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
2014	1,356,844	-	1,356,844	235,000	223,754	458,754	2.96
2015	2,521,840	-	2,521,840	3,760,000	729,879	4,489,879	0.56
<b>Tax Increment Bonds</b>							
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
2014	5,052,705	-	5,052,705	-	-	-	-
2015	1,792,896	-	1,792,896	-	-	-	-
<b>Permanent Improvement Revolving Bonds (Special Assessment)</b>							
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
2014	2,870,102	-	2,870,102	1,555,000	548,927	2,103,927	1.36
2015	3,732,374	-	3,732,374	6,015,000	503,029	6,518,029	0.57
<b>Utility Bond</b>							
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
2014	17,548,883	13,443,940	4,104,943	3,670,000	884,075	4,554,075	0.90
2015	19,334,023	14,387,132	4,946,891	12,300,000	882,427	13,182,427	0.38
<b>Recreational Facility Bonds</b>							
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)
2014	6,239,445	6,358,030	(118,585)	290,000	176,197	466,197	(0.25)
2015	6,137,111	6,258,138	(121,027)	350,000	176,808	526,808	(0.23)

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Estimated Personal Income (In thousands)</b>	<b>Per Capita Personal Income</b>	<b>High School Graduation Rate</b>	<b>Unemployment Rate</b>
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	49,216	3,193,922	64,896	97.7%	3.98%
2014	50,261	3,018,676	60,060	97.8%	3.10%
2015	50,261	3,115,378	61,984	97.9%	2.82%

Sources:

Population data from U.S. Census Bureau/Metropolitan Council. 2014 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. 2014 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**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fairview Southdale Hospital	2,613	1	10.84%	2,500	2	11.32%
Edina Public Schools ISD #273	1,860	2	7.71%	1,172	4	5.31%
City of Edina	757	3	3.14%	262	7	1.19%
BI Worldwide	600	4	2.49%	DNA	DNA	DNA
Regis Corporation	600	5	2.49%	DNA	DNA	DNA
Barr Engineering	453	6	1.88%	DNA	DNA	DNA
Lund Food Holdings, Inc	405	7	1.68%	DNA	DNA	DNA
International Dairy Queen Inc.	400	8	1.66%	300	6	1.36%
Edina Realty	400	9	1.66%	210	9	0.95%
FilmTec Corporation	375	10	1.56%	DNA	DNA	DNA
Macy's (Marshall Field's or Dayton's)	-		0.00%	1,200	3	5.43%
Jerry's Enterprises, Inc.	-		0.00%	4,500	1	20.38%
Con Agra Foods	-		0.00%	196	10	0.89%
JC Penny Co.	-		0.00%	250	8	1.13%
Nash Finch Co.	-		0.00%	350	5	1.59%
<b>Totals</b>	<b>8,463</b>		<b>35.10%</b>	<b>10,940</b>		<b>49.54%</b>

Sources:

2015 data from ReferenceUSA, written and telephone survey (October 2014) done by Ehlers, and the Minnesota Department of Employment and Economic Development.  
2006 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**

Function	Budgeted Full-time Employees for Fiscal Year <sup>a</sup>									
	2006	2007	2008	2009	2010	2011	2012 <sup>b</sup>	2013 <sup>b</sup>	2014 <sup>b</sup>	2015
<b>Administration</b>										
General Fund	9.25	9.25	9.25	9.25	9.25	9.25	6.85	5.85	4.85	4.85
HRA Fund	-	-	-	-	-	-	-	-	1.00	1.00
Liquor Fund	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
<b>Communications and Technology Services</b>										
General Fund	1.00	2.00	2.00	3.00	3.00	3.50	4.65	5.15	6.15	6.15
Central Services	2.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00
<b>Community Development</b>										
General Fund	10.75	10.75	10.75	10.85	10.85	10.85	10.85	10.85	12.00	12.00
<b>Engineering</b>										
General Fund	7.50	8.50	8.50	8.50	8.50	8.50	10.50	12.00	12.00	13.00
<b>Finance</b>										
General Fund	5.50	5.50	5.50	5.50	5.50	5.25	5.25	5.25	6.00	6.00
Utilities Fund	1.75	1.75	1.75	2.75	2.75	2.00	2.00	1.00	1.00	1.00
Liquor Fund	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	-	-
<b>Fire Protection</b>										
General Fund	38.50	40.50	40.50	40.50	40.50	39.50	39.75	42.75	42.85	43.85
Utilities Fund	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
<b>Human Resources</b>										
General Fund	-	-	-	-	-	-	1.00	4.00	4.00	4.00
<b>Parks &amp; Recreation</b>										
General Fund	6.80	6.80	6.80	6.80	6.80	6.80	6.80	8.00	7.00	7.00
Aquatic Center	0.55	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	11.00	12.00	12.00	12.00	12.00
Arena	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Art Center	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Edinborough Park	6.00	7.00	7.00	7.00	7.00	7.00	7.00	5.80	5.80	5.80
Centennial Lakes	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Police Protection</b>										
General Fund	72.75	73.75	73.75	74.65	73.65	71.15	71.65	70.65	72.50	70.50
Utilities Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Public Works</b>										
General Fund	48.40	48.40	48.40	47.40	47.40	47.20	48.20	46.40	43.35	43.35
Construction Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utilities Fund	13.25	13.25	13.25	15.25	15.25	14.45	13.95	13.75	15.20	15.20
Central Services	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	11.00	11.00
<b>Other</b>	-	1.00	1.00	1.00	1.00	-	-	-	-	-
<b>Total</b>	270.00	278.00	278.00	281.00	280.00	274.00	278.00	281.00	285.00	285.00

Source: City of Edina 2016-2017 Budget

<sup>a</sup> Full-time employee counts do not include Council members, part-time, contract or seasonal employees. In a typical year the City will employ an additional 600-700 people in these categories.

<sup>b</sup> The City completed a major departmental reorganization that is reflected on this chart between years 2012-2014. 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**

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
Total City employees	887	890	918	885	869	892	989	1,040	1,093	1,077
Votes cast <sup>a</sup>	26,270	7,930	31,512	2,733	25,463	7,957	31,841	3,480	24,049	9,370
<b>Public Works</b>										
Asphalt placed (tons)	9,000	8,000	7,500	9,500	7,643	8,500	9,000	9,273	8,383	8,888
Concrete (cu. yds.)	650	850	480	640	503	558	667	560	396	670
<b>Public Safety</b>										
Crimes reported	1,937	2,010	2,025	1,985	1,890	1,590	1,628	1,594	1,571	N/A
Fire calls	963	1,012	913	852	910	960	858	893	926	1,251
Medical calls	3,470	3,510	3,516	3,496	3,599	3,652	3,946	3,803	3,982	3,818
<b>Central Services</b>										
Vehicle fixes	2,398	2,460	2,967	2,539	2,431	2,331	2,546	3,493	3,277	2,923
<b>Utilities</b>										
Daily consumption <sup>b</sup>	7,209	7,372	7,376	7,596	6,790	6,909	7,613	6,652	6,489	6,308
<b>Aquatic Center</b>										
Attendance	120,406	114,173	110,000	64,836	86,654	77,696	139,909	91,340	92,200	128,523
<b>Golf Course</b>										
Total rounds played	114,737	112,821	112,663	117,819	101,314	95,771	96,496	79,529	85,231	66,483

Source: Various City departments

N/A Data not available

<sup>a</sup> 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.

<sup>b</sup> Daily average of water pumped from city wells, measured in thousands of gallons.

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Works</b>										
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
<b>Public Safety</b>										
Fire stations	2	2	2	2	2	2	2	2	2	2
<b>Parks &amp; Recreation</b>										
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
<b>Utilities</b>										
Wells	18	18	19	19	19	18	18	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	13,933	13,933	13,933	13,979	13,979	13,979	13,979
<b>Arena</b>										
Ice sheets	3	3	3	3	3	3	3	3	3	4

Source: Various City departments



**CITY OF EDINA**  
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