



Photo by Tom Anderson

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**OF THE CITY OF
MINNETONKA, MINNESOTA**

For the Year Ended December 31, 2009

John Gunyou - City Manager

**Merrill King – Finance Director/Treasurer
Darin Nelson, CPA - Assistant Finance Director**

PREPARED BY: DEPARTMENT OF FINANCE

**Members of Government Finance Officers Association
of the United States and Canada**



City of
minnetonka
Where quality is our nature

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AND

SECTION I

INTRODUCTORY SECTION

CITY OF MINNETONKA
Hennepin County, Minnesota

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Hennepin County, Minnesota

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CITY OF MINNETONKA
Hennepin County, Minnesota

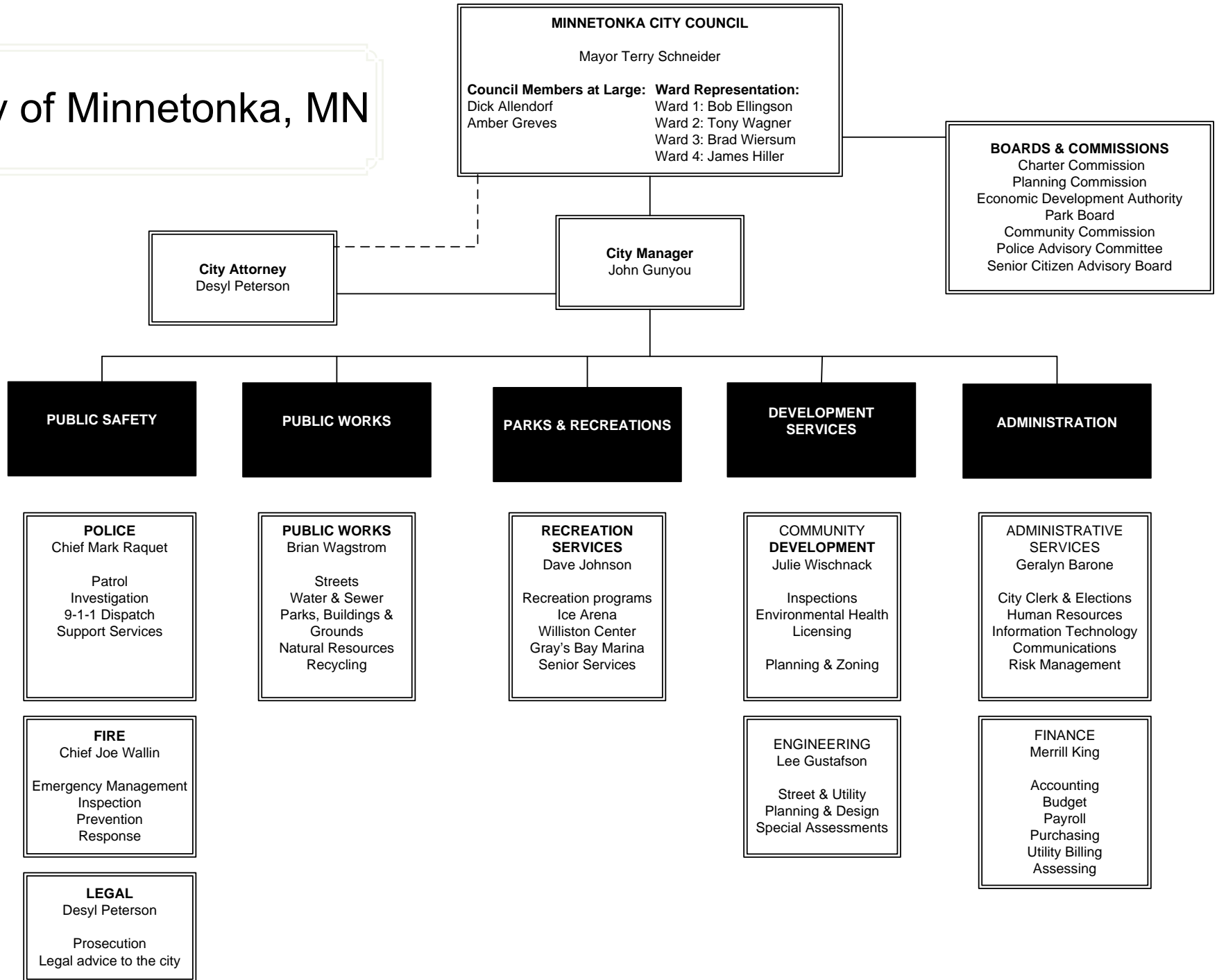
ELECTED OFFICIALS AND ADMINISTRATION

<u>Elected Officials</u>	<u>Position</u>	<u>Term Office Expires</u>
Terry Schneider	Mayor	December 31, 2013
Dick Allendorf	Council Member at Large	December 31, 2013
Amber Greves	Council Member at Large	December 31, 2013
Bob Ellingson	Council Member - Ward 1	December 31, 2011
Tony Wagner	Council Member - Ward 2	December 31, 2011
Brad Wiersum	Council Member - Ward 3	December 31, 2011
James Hiller	Council Member - Ward 4	December 31, 2011

Administration

John Gunyou	City Manager
Geralyn R. Barone	Assistant City Manager
Merrill King	Finance Director/Treasurer
Darin Nelson	Assistant Finance Director

City of Minnetonka, MN



June 16, 2010

Honorable Mayor and Members of the City Council
City of Minnetonka, Minnesota

Mayor and City Council Members:

The Comprehensive Annual Financial Report of the City of Minnetonka, Minnesota (the City) for the fiscal year ended December 31, 2009 is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and meets the requirements of the State Auditor's Office.

The report consists of management's representations concerning the finances of the City. Consequently management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established internal controls designed to protect the City's assets from loss, theft or misuse and to provide sufficient information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Kern DeWenter Viere, Ltd. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unqualified opinion that the City's financial statements, for the year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section of this report immediately following the report of the independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

With a staff of around 230 regular, full-time equivalent employees, the City provides its residents and businesses with a full range of municipal services consisting of public safety (police and fire), public

works, park and recreation, and general administrative services. It also operates six enterprises: a public water and sewer utility, a storm water utility, a municipal ice arena, a fitness center, a marina, and an environmental recycling program.

ECONOMIC CONDITION AND OUTLOOK

The City is a suburban community located eight miles west of Minneapolis in Hennepin County. The City has a land area of 28 square miles, and its 2009 population estimate of 51,756 makes it the seventeenth largest city in Minnesota. Minnetonka enjoys an excellent location, with convenient access to the Minneapolis-Saint Paul metropolitan area via interstate highways I-494 and I-394. Interstate I-394 runs from Minnetonka east to Minneapolis, and is a primary commuter route to downtown Minneapolis. Its reversible high-occupancy vehicle/toll lanes create a priority route for vehicles during peak traffic hours. The City is also just 15 minutes from the Minneapolis-Saint Paul International Airport.

Minnetonka serves as the corporate headquarters location for many national and international businesses, including Cargill, Carlson Companies, Data Card Corporation, American Medical Systems, GE Osmonics, Opus Northwest, Medica, United Health Group, and others. The City has three premier business parks - Carlson Center, Opus Center, and Minnetonka Corporate Center. These offer excellent locations for business and despite the recent economic downturn, are continuing to experience new development and major expansion of existing businesses.

Minnetonka also enjoys a large employment base. Hennepin County as a whole has experienced the greatest increase in jobs in Minnesota, and Minnetonka is one of five Minneapolis-Saint Paul suburban communities having the largest amount of job growth during the past ten years, increasing to approximately 52,000 jobs. The most common jobs held by Minnetonka residents are professional, managerial, and sales positions.

Minnetonka is also a key location for retailing. The City is home to Ridgedale, a 1.2-million-square-foot regional shopping center. Its anchor stores include Macy's, J. C. Penney, and Sears. A number of other retail centers are clustered near Ridgedale, including Ridgehaven Mall (which is anchored by a Target Greatland store and a Byerly's supermarket), Ridge Square North, Ridge Square South, Ridgedale Festival, and Sportmart Plaza. The Ridgedale area is also home to a Hennepin County Service Center, District Court, a Regional Library, and the Ridgedale YMCA.

Across Interstate 394 from the Ridgedale retail area other significant redevelopment has taken place in Minnetonka. With the assistance of using tax increment financing through the City's Economic Development Authority, the West Ridge Market project includes over 250,000 square feet of retail space and more than 400 townhomes, condominiums, and apartments. The nearby Crescent Ridge and Ridgebury office and housing redevelopments were completed soon after West Ridge, and include 550,000 square feet of office space and more than 160 townhomes and condominiums. These redevelopments reflect the metro-area Livable Communities principles of linking housing, jobs, and transit.

During the second half of 2005 and the beginning of 2006, the City negotiated redevelopment of the Glen Lake commercial center. Located near the intersection of Excelsior Boulevard and Woodhill Road, the three-site plan currently includes: the construction of 45 condominium units, 150 senior rental housing units and 52 apartments, approximately thirteen percent of which will be affordable units; new and renovated retail space, which includes a new grocery store and 20,000 square feet of new retail space; and improved pedestrian and traffic infrastructure. As of mid-2009, the apartment and commercial development portions of the project were completed and occupied.

Since 2008, the City has been experiencing substantial commercial redevelopment in the Opus District which is located in the extreme southeast corner of the City at the crossroads of Highways 169 and 62. In 2008, the Opus Group constructed a \$13.7 million expansion of its headquarters in the district that resulted in an additional 558,000 square feet of office space. In the same year, United Health Group (UHG) completed construction of a \$71.5 million phase one of a two-phase expansion of its headquarters in the district. The expansion is a ten-story, 350,000 square feet high rise office tower and associated parking facility that houses 1,750 additional employees. Phase two of the UHG expansion is slated to begin construction in Fall 2010 and will add a second eleven-story tower office building of an additional 342,000 square feet for 1,700 additional workers.

Initially developed in 2009 and finalized in 2010, the City created a unique funding partnership based on traffic generated by new commercial development in the Opus Business District. The partnership will finance a \$20 million capital expansion of its only state highway interchange entrance in conjunction with multiple public and private resources. The expanded interchange is necessary to accommodate the second phase of the UHG construction. It will also now provide capacity for an estimated twenty years of increased traffic and the economic development likely to be generated by the planned location for a metropolitan light rail station in the district in 2015-16.

Economic development continues to expand along the Interstate 394 corridor in Minnetonka in 2008 and 2009. The Crossroads Corporate redevelopment project completed construction in 2008 of phase one of a two-phase office complex to primarily house Syngenta, an agricultural R&D firm, in a location previously containing residential parcels. The total project consists of two office towers of a total 232,000 square feet and associated parking ramps and has a combined construction estimate of approximately \$20 million. In January 2010, BMW finished construction of a new large car dealership along the corridor. And finally, the City has begun to prepare for anticipated further development and related increase in density of the Ridgedale Shopping Center and its surrounding area at I-394 and Plymouth Road.

Minnetonka has worked hard to provide more affordable housing in the community and has added or preserved 605 affordable units since its decision to actively participate in the Metropolitan Councils' Livable Communities Program in 1996. In 2001, the City began financially assisting the West Hennepin Affordable Housing Land Trust (WHAHLT) to preserve scattered-site affordable homes in Minnetonka.

Despite recent downturns in the economy, Minnetonka continues to experience significant construction activity, including major new buildings and the expansion of existing buildings. In 2009, permits were issued for around \$80 million of construction work. Commercial construction included major remodeling and tenant improvements, as well as the previously mentioned auto dealership. Residential additions and remodeling continue to be a significant part of Minnetonka's current construction activity as well.

The City's healthy economic base and its sound financial condition have helped maintain the "Aaa" bond rating from Moody's Investors Services. Minnetonka is one of just seven Minnesota cities possessing the top bond rating from Moody's in 2009.

IMPORTANT EVENTS AND FUTURE PROSPECTS

In 2008, Minnetonka completed an update of its 20-year Comprehensive Plan which will guide the City's development, land use and how city services are structured and delivered through the year 2030. Community input into the project included leadership from a steering committee appointed by the City Council that represents a cross section of the City's residents as well as multiple public meetings, hearings and focus groups. The plan provides detailed analysis on seven specific geographic areas including the I-394 corridor and Ridgedale, Minnehaha Creek Corridor and Minnetonka Mills, the Glen Lake area, State Highway 7 (a major east-west thoroughfare through the City), Shady Oak Road (a north-

south county road bordering the City of Hopkins), and State Highway 169 and Minnetonka Boulevard (a primary entrance to the City).

The new comprehensive plan will impact a full array of city facilities. Minnetonka has a record of adding and/or refurbishing such major community facilities as they enhance the quality of life in the community. These facilities include:

Williston Center – The fitness center was acquired in 1995, and expansion and renovation projects were completed in 1998. The City’s most recent Capital Improvement Plan (CIP) includes a substantial investment for upgrading the facility’s infrastructure in 2010-11, which includes replacement of pool and facility mechanics, renovation and expansion of its locker rooms as well as the reconfiguration and reconstruction of its entrance and fitness room. The project includes new amenities to accommodate and retain families in the community with young children.

Shady Oak Beach – The beach has been operated jointly by the cities of Minnetonka and Hopkins for several decades. In 1999, a complete renovation was finished, including new buildings, a children’s water-play area, and new picnicking facilities. The City’s current CIP includes funding in 2010 for renovation of the facility’s play area and related equipment in order to meet new state standards.

Burwell Park – This park is designated on the National Register of Historic Places and represents the City’s pride in its rich past and serves as a community cultural site. The buildings were recently restored with great attention to historical accuracy. The City’s plans for integration of natural areas and amenities along the Minnehaha Creek corridor include an expansion of Burwell Park in 2009 and 2010 which would incorporate new trails, bridges, and the creation of a botanical garden west.

Parks Renewal – By the end of 2009, Minnetonka had nearly completed its parks renewal effort. This program was a city-wide, neighborhood-based initiative to renew and update all of Minnetonka’s 42 neighborhood and community parks. The parks renewal program, and related open space acquisitions, are funded through a \$15 million referendum passed in 2001.

As part of the federal government’s stimulus funding in 2009, the City was allocated \$530,000 from the U.S. Department of Energy under its Energy Efficiency and Conservation Block Grant Program. Because the City has been developing detailed energy conservation plans since 2007, it is well positioned to immediately add to the almost \$700,000 already programmed for energy conservation projects in its 2010-2014 Capital Improvement Plan. The initial capital investments of the slated projects will be returned multifold through operating cost savings into the future.

The City conducts an annual community-wide survey to gauge its citizens’ satisfaction of city services as well as help the organization direct those services towards the goals supported by its constituency. Recent results of the statistically significant survey indicate substantial support for prioritizing preservation of natural resources and open space. As a result, the comprehensive plan as well as other actions by the City will likely bolster its efforts in the areas of parks and open space.

For example, a source of great community pride, the city-wide trail system continues to be expanded. This interconnected system of trails provides safe, off-road pedestrian and bicycle access throughout the City. The system also includes trailhead buildings, which have restrooms, drinking water, and trail information at each of Minnetonka’s four large community parks. The trail system now includes approximately 45 miles of trail, and the most recently adopted Capital Improvement Program renewed the

City's commitment to the system by dedicating substantial resources to the construction of an additional 5.2 miles over five years.

Begun in 2006, the City has developed a long-term plan for the Minnehaha Creek Corridor, which runs primarily west to east from the creek headwaters at Lake Minnetonka through the entire city. Total city funding currently dedicated to the project is \$1.75 million. As mentioned previously, this corridor is one of the specific focus areas of analysis within the comprehensive plan. Divided into six sectors, the final design includes amenities such as open space purchases, facilities for recreation and environmental education, historic preservation, and improvements to the trail system. Having partnered with the Three Rivers Park District and the Minnehaha Creek Watershed District, two multi-jurisdictional governmental units, to plan and fund the project within the City's boundaries, in 2009, the City began specifically exploring the construction of a joint facility with the watershed district to house the district's headquarters as well as city meeting facilities.

The municipal and sanitary sewer system is also covered by the comprehensive plan to ensure that its capacity and funding meet future requirements over the next 20 years. By 2009, the City was well into its third year of efforts to reduce its water system costs through a five-year program to decrease clear water inflow and infiltration into the sanitary sewer system. At the end of 2009, the City completed an extensive three-year process to replace and upgrade all residential meters with electronic read capabilities. The new meters provide more accurate and timely information for the purposes of conveying to customers their water use as it relates to water conservation incentive pricing and leaks.

Both economic development and the high standard of living in the community are additionally supported and enhanced by the City's concerted effort to maintain and improve its transportation infrastructure. In 2006 and 2007, the City significantly increased its property tax levy to support a new road program. The program includes an innovative thin overlay pavement process and has a goal to reconstruct or overlay all streets that had not received major maintenance in the prior twenty years, by 2016. The City currently spends an average of over \$5 million annually on the program and does not special assess residential properties for road reconstruction.

Additionally, the City has participated with Hennepin County and the state to substantially upgrade some of the major transportation routes through the City. The costly reconstruction projects have included: Interstate 494 in 2006, the west end of Minnetonka Boulevard (CR5) in 2008, County Road 101 between State Highway 7 and Minnetonka Boulevard in 2008-09, and Shady Oak Road (CR61) from Excelsior Boulevard to County Road 62 under construction in 2009. Similar major projects in the next five years include: County Road 101 south of Excelsior Boulevard, County Road 101 north of Minnetonka Boulevard, and Shady Oak Road (CR61) from Excelsior Boulevard to State Highway 7.

Minnetonka conducts several significant cooperative programs with nearby cities, school districts, and the county. One program provides building inspection services to the cities of Deephaven, Greenwood, and Woodland. Another provides for the joint exchange of specialized building inspection services between Minnetonka and the City of St. Louis Park. The cities of Hopkins and Minnetonka also share recreation programs. Facilities and registrations are handled on a joint basis, allowing more efficient use of personnel and recreational facilities. Minnetonka also collaborates with the Hopkins and Minnetonka school districts to provide school liaison officers through the Police Department. These in-school officers have enhanced safety at the school buildings and have aided the Police Department in juvenile crime prevention. The City also has an innovative cost sharing arrangement with Hennepin County to house some of its trucks and road crew equipment at the City's 77,000 square foot public works facility.

OTHER FINANCIAL INFORMATION

Relevant Financial Policies

The City has a policy regarding General Fund balances to maintain a prudent level of financial resources to protect itself against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenses or mandates. It provides that the appropriate level is 33 percent of the next year's general fund budget plus a five percent reserve for delinquent taxes and a ten percent reserve for overestimates of other revenues. Over the last seven years, the city has approximated that target and has exceeded it since 2007.

The City Council also has established a written capital improvement policy that prioritizes funding and requires fund balance guidelines for each capital fund. Projects are ranked: first, those that are related to public health and safety and legal mandates; second, those that help maintain or make existing systems more efficient; and third, those that expand existing systems, provide new services, or for general community betterment. The policy further provides that fund balance guidelines be established to reflect subsequent-year budget needs, annual cash flow requirements, replacement reserves and potential contingencies. The guidelines are to be used to responsibly manage balances over the future five-year planning horizon.

The City maintains an adopted investment policy that is designed to preserve capital while attaining a market-average rate yield consistent with cash flow needs. The policy prioritizes safety, liquidity and yield in that order. The policy is consistent with Minnesota Statutes 118A which governs the investment of all public funds in the state, and the City's policy further delineates the specific instruments in which it may invest. Speculative investments are strictly prohibited, and the longevity of maturities is capped at ten years. Furthermore, no more than fifty percent of the dollar value of investments may mature more than two years from the date of purchase, excluding investable assets of the City's capital endowment fund.

Long-term Financial Planning

The City annually prepares an updated five-year capital improvement plan (CIP) that supports achievement of the City's long-term strategic goals of providing and maintaining public facilities and infrastructure for its citizens and businesses, balanced against the constraint of available resources. The city charter provides that amendments to the plan, including funding changes, require a higher threshold of approval through a five-vote majority rather than a simple four-vote majority.

As part of the City's annual process in developing both its capital and operating budgets, management forecasts costs and revenues over the same five-year planning horizon as the CIP, setting initial internal goals and thresholds for budget changes. The analysis led to strategic actions by the City in 2009 which are projected to maintain a balanced budget for the longer term. These actions included organization restructuring resulting in a six percent reduction in the number of full-time employees, joint service delivery with other cities, and insulating its finances from direct fiscal actions by the state which would result in a financial imbalance. Although the City does not receive any direct state financial aid, it previously assumed the state would continue to finance its own property tax credit program. After 2009, the City instead assumes that the burden of the state program will be borne by the City.

Accounting System and Reporting

During the year, the City's accounting system is maintained primarily on a modified cash basis with certain accruals to provide financial controls. Appropriations are encumbered for major purchase amounts prior to the release of purchase orders to vendors. This system provides budgetary control on all

operating funds at a minimum cost. At year-end, journal entries are prepared by the City's Finance Department staff as a preparatory step for completion of the annual financial report. The auditor's report on these financial statements accompanies the report following this letter. It should be noted that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Governmental Auditing Standards* and an unqualified opinion was issued.

The maintenance and development of the City's accounting system requires that consideration be given to the adequacy of internal accounting controls. These controls are designed to safeguard assets against loss or unauthorized use and produce fair, reliable, and accurate financial data. The internal control structure is designed to provide reasonable but not absolute assurances. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and the estimation of costs and benefits requires estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

CERTIFICATE OF ACHIEVEMENT

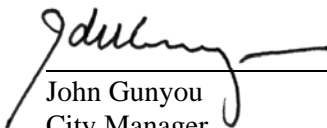
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minnetonka for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the 26th consecutive year that the City 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 GFOA to determine its eligibility for another certificate.

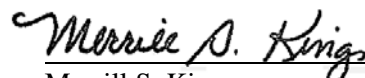
ACKNOWLEDGMENTS

We wish to express our appreciation to the Mayor and City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. We also want to express our appreciation to Darin Nelson, Assistant Finance Director, and the Finance Department staff for their work in preparing this report.

Respectfully submitted,



John Gunyou
City Manager



Merrill S. King
Finance Director/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Minnetonka
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

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

Executive Director

SECTION II
FINANCIAL SECTION



Expert advice. When you need it.SM

INDEPENDENT AUDITOR'S REPORT

June 16, 2010

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the City's 2008 financial statements and, in our report dated June 9, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General Fund for the year then ended in conformity with U.S. generally accepted accounting principles.



The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2008, from which such partial information was derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the Firefighters' Relief and Pension Association – Schedule of Funding Progress and the Schedule of Funding Progress for the retiree health plan as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the Table of Contents as the Introductory and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory and Statistical Sections have not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Kern, DeWenter, Viere, Ltd.".

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2009

This section of the City of Minnetonka's (the City) comprehensive annual financial report presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2009. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities by \$253 million. Of this amount, \$70.9 million may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets increased by \$3.8 million.
- The City's governmental funds reported combined ending fund balances of \$55.9 million. Of this total amount, approximately 50% is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$11.7 million, or 45%, of total General Fund expenditures of \$25.6 million.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

Our analysis of the City begins with the Statement of Net Assets and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These Statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the City's *net assets* and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the *overall health* of the City.

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

FUND FINANCIAL STATEMENTS

Our analysis of the City's major funds begins with the funds financial statements and provides detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants received). The City's three kinds of funds – *governmental, proprietary and fiduciary* – use different accounting approaches.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a separate reconciliation included after the fund financial statements.

Proprietary funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's Enterprise Funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds – The City is the trustee, or *fiduciary*, for resources collected from homeowners associations to support ecological stewardship programs. Deposits are also held in trust to guarantee the installation and maintenance of erosion and sediment control measures, along with deposits for privately sponsored traffic studies. The resources held in a fiduciary capacity are reported in the Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

STATEMENT OF NET ASSETS

The City's *combined* net assets increased from a year ago, and the City's overall financial position has remained stable and healthy. By far the largest portion of the City of Minnetonka's net assets, \$180.1 million or approximately 71%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure such as streets and the water and sewer systems) 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.

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

Although the City's investment in 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$1.9 million or less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$70.9 million or 28.0%, may be used to meet the City's ongoing obligations to residents and creditors. At the end of the current fiscal year, the City is able to report positive balances in both of the categories of net assets reported for the government as a whole.

Governmental Activities

Current and other assets increased by over \$600,000. This fluctuation is mainly attributed to sound fiscal control by all departments within the City's General Fund. Actual expenditures came in approximately \$1.1 million less than budget, which more than made up for the \$160,000 shortfall actual revenues experienced compared to budgeted revenues.

Capital assets increased by over \$5.5 million. This large fluctuation is due to the street reconstruction program implemented a number of years ago. The City is making a concerted effort to maintain its infrastructure investment. During 2009, the City undertook two large street reconstruction projects. These projects, the Dominick Drive and Sherwood Forest areas, accounted for approximately \$4.0 million and \$1.5 million respectively, in additions to capital assets.

Current and other liabilities increased over \$350,000 and long-term liabilities decreased approximately \$585,000. This shift in liabilities from long-term to current is a result of 2008 bond issuances for park renewal and street reconstruction. 2010 will be the first year that bond principal payments will be due on these bonds, thus shifting the upcoming principal payments from long-term to current.

Business-type Activities

Current and other assets of the City's business-type activities decreased by almost \$1.0 million compared to the prior year. The most significant cause for this decrease was the drop in interest revenue within the Water & Sewer Utility Fund, which accounted for about half of this decrease.

Capital assets decreased \$2.2 million over the past year. This deficit change in capital assets is primarily due to business-type activities not fully covering depreciation expenses.

Long-term liabilities decreased \$834,000 due to the continual reduction in bonds payable within the Water & Sewer Utility Fund.

Our analysis on the following page focuses on the net assets (Table 1) of the City's governmental and business-type activities.

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

Table 1

STATEMENT OF NET ASSETS

December 31, 2009

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 66,589	\$ 65,957	\$ 16,269	\$ 17,224	\$ 82,858	\$ 83,181
Capital assets	93,526	87,997	104,276	106,522	197,802	194,519
Total assets	\$ 160,115	\$ 153,954	\$ 120,545	\$ 123,746	\$ 280,660	\$ 277,700
Current and other liabilities	\$ 6,021	\$ 5,669	\$ 1,728	\$ 1,550	\$ 7,749	\$ 7,219
Long-term liabilities	12,834	13,419	7,103	7,937	19,937	21,356
Total liabilities	18,855	19,088	8,831	9,487	27,686	28,575
Net assets:						
Invested in capital assets, net of related debt	83,656	77,534	96,506	97,955	180,162	175,489
Restricted for:						
Capital Acquisitions	-	1,148	-	-	-	1,148
Debt Service	1,252	1,022	-	-	1,252	1,022
Development	151	28	-	-	151	28
Other Purposes	-	-	-	-	-	-
Public Safety	465	827	-	-	465	827
Unrestricted	55,736	54,307	15,208	16,304	70,944	70,611
Total net assets	141,260	134,866	111,714	114,259	252,974	249,125
Total liabilities and net assets	\$ 160,115	\$ 153,954	\$ 120,545	\$ 123,746	\$ 280,660	\$ 277,700

STATEMENT OF ACTIVITIES

Governmental Activities

The net assets of the City's governmental activities increased by \$6.4 million, or 4.7%. The City is in the fifth year of a ten-year road revitalization program, which is designed to overlay or reconstruct every local street. As a result, the City experienced and will continue to experience increases in infrastructure outlay. In 2009, the City accumulated an additional \$6.1 million of net assets, invested in capital assets net of related debt.

Property taxes increased by \$1.6 million, or 5.7%, due to inflationary increases in operating expenses, along with an increase in debt service obligations. In 2008, the City issued \$2.49 million in park improvement bonds. 2009 is the first year the City needed to increase its debt service levy to account for upcoming principal and interest payments.

Investment earnings decreased by over \$1.5 million due to the continued downturn in the nation's economy.

General services expenses decreased approximately \$750,000 in 2009. This decrease is directly related to fewer overhead utility lines being buried in the current year. The City coordinates overhead utility line burial with street reconstruction projects in order to minimize traffic congestion. In 2008, the Shady Oak Road street reconstruction project included a significant

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

amount of overhead utility line burial. The 2009 street reconstruction projects included much smaller burial projects.

Public works expenses decreased \$2.5 million in 2009. This large decrease is specifically due to the prior year's Shady Oak Road street reconstruction. This was a joint project between Hennepin County and the City. The City's share of the projects costs were approximately \$4.3 million, which were expensed in 2008.

Public safety expenses decreased almost \$1 million in 2009. This fluctuation is attributed to expensing the Minnetonka Fire Relief Association's \$1.2 million negative net pension obligation in the prior year.

Business-type Activities

Charges for services and investment earnings were the two most noticeable variances compared to the prior year. Charges for services decreased as a result of the recycling market bottoming out. In 2008, the Environmental fund reported just over \$500,000 of recycling revenue, compared to \$72,000 in the current year. Recycling revenues are entirely dependent upon the market. Market values for recyclables crashed towards the tail end of 2008 and did not recover much during 2009. Investment earnings also decreased in the current year from 823,000 in 2008 to \$279,000 in 2009, which is attributed to the continued downturn in the nation's economy.

2009 saw a decrease in water and sewer expenses. This decrease is directly attributable to the water meter replacement program which was implemented in late 2007 and was for the most part completed prior to 2009. 2008 water meter expenses amounted to \$1.9 million compared to only \$50,000 in 2009. This large decrease in expenses along with the normal inflationary changes in expenses throughout the rest of the Water & Sewer Utility fund accounts for the overall decrease in expenses of approximately \$750,000.

Grays Bay Marina expenses decreased by \$66,000 over the past year due to a shift in expenses related to the Lake Minnetonka Conservation District dues. In prior years, these dues had been accounted for entirely within the Grays Bay Marina fund. The Natural Resources division within the General Fund is now responsible for 70% percent of the annual dues. For 2009, this shifted approximately \$46,000 of expenses away from the Grays Bay Marina fund.

The following table (table 2) indicates the changes in net assets for the City's governmental and business-type activities:

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

Table 2

STATEMENT OF ACTIVITIES

December 31, 2009

(in thousands)

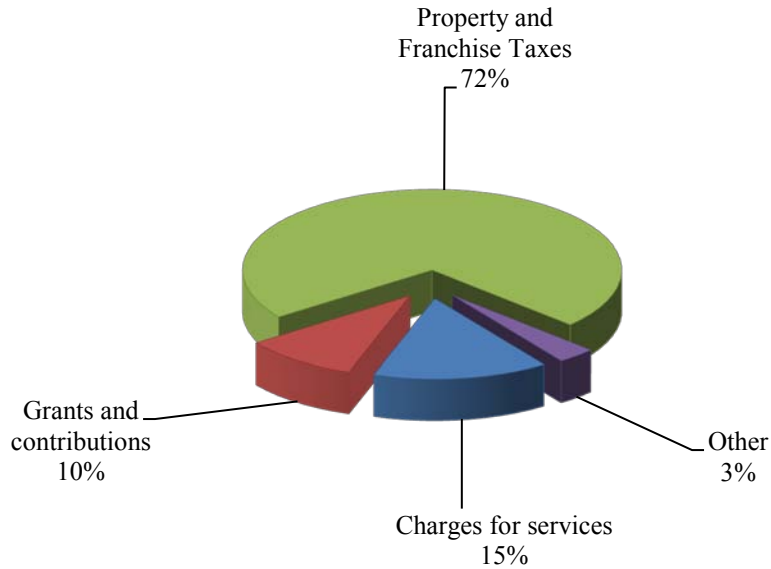
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 6,522	\$ 6,727	\$ 15,228	\$ 15,445	\$ 21,750	\$ 22,172
Operating grants and contributions	905	1,463	134	135	1,039	1,598
Capital grants and contributions	3,387	3,734	219	539	3,606	4,273
General revenues:						
Property taxes	30,005	28,384	-	-	30,005	28,384
Franchise taxes	1,477	1,484	-	-	1,477	1,484
State Aid - Unrestricted	90	322	-	-	90	322
Investment earnings	1,163	2,744	279	823	1,442	3,567
Sale of capital assets	132	-	-	-	132	-
Other general revenue	45	51	3	-	48	51
Total Revenues	\$ 43,726	\$ 44,909	\$ 15,863	\$ 16,942	\$ 59,589	\$ 61,851
Expenses						
General services	\$ 4,629	\$ 5,397	\$ -	\$ -	\$ 4,629	\$ 5,397
Development services	5,872	6,004	-	-	5,872	6,004
Public works	9,592	12,157	-	-	9,592	12,157
Public safety	11,988	12,977	-	-	11,988	12,977
Parks and recreation	6,053	5,674	-	-	6,053	5,674
Interest on long-term debt	458	467	-	-	458	467
Water and sewer utility	-	-	12,765	13,253	12,765	13,253
Ice arena	-	-	1,018	1,037	1,018	1,037
Environmental	-	-	849	880	849	880
Williston Center	-	-	1,181	1,181	1,181	1,181
Grays Bay Marina	-	-	174	240	174	240
Storm water fund	-	-	1,161	1,140	1,161	1,140
Total Expenses	38,592	42,676	17,148	17,731	55,740	60,407
Change in net assets						
before transfers	5,134	2,233	(1,285)	(789)	3,849	1,444
Transfers	1,260	1,065	(1,260)	(1,065)	-	-
Change in net assets	6,394	3,298	(2,545)	(1,854)	3,849	1,444
Net assets - Beginning of Year,	134,866	131,568	114,259	116,113	249,125	247,681
Net assets - Ending	\$ 141,260	\$ 134,866	\$ 111,714	\$ 114,259	\$ 252,974	\$ 249,125

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

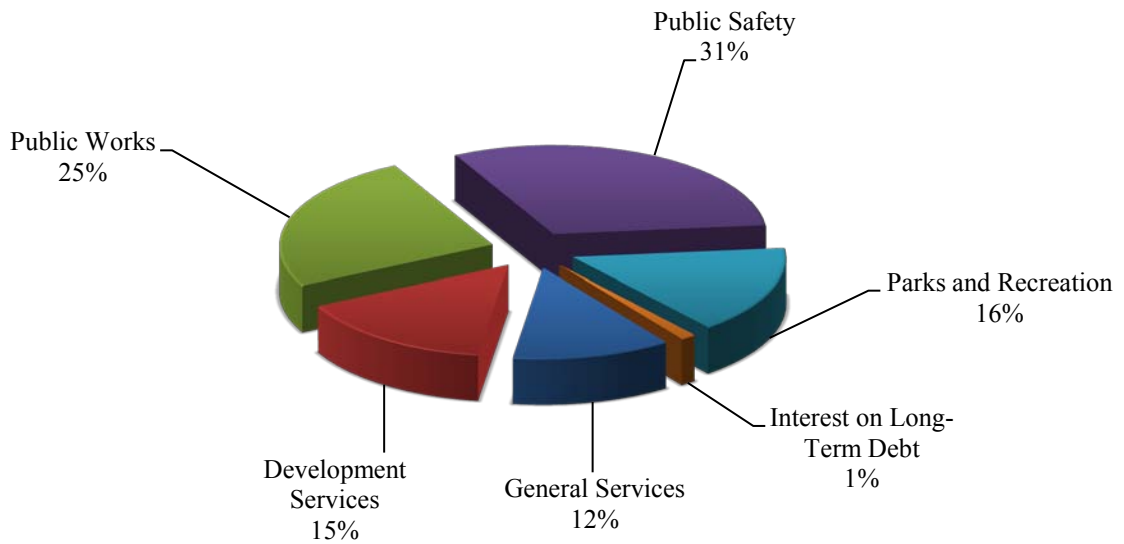
The following chart visually illustrates the City's revenue by source for its governmental activities:

Revenue by Source - Governmental Activities



The following chart visually illustrates the City's expense by function for its governmental activities:

Expense by Function - Governmental Activities



CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

General Fund

In 2009, the City's General Fund fund balance increased by approximately \$470,000. The increased fund balance is due to excess revenues and transfers in over expenditures. Sound fiscal control by all departments within the General Fund resulted in actual expenditures being \$1.1 million or 4.2%, under the final budget. This \$1.1 million was in addition to the almost \$1.1 million decrease in the revised budget compared to the original budget. During 2009, the City undertook a city-wide reorganization in order reposition itself for expected shortfalls in current and future revenues related to both development fees and state-aid allotments.

Actual revenues were approximately \$160,000 less than budget due to both unfavorable investment income rates of return, and lower than expected license and permit fees.

Investment income dropped approximately \$575,000 from 2008 to 2009. This large reduction in revenue was due to unfavorable financial market conditions over the past two years. In 2008, the City was able to maintain investment income at levels similar to prior years by having a portfolio of investments that matured after 2008. However, as these investments have started to mature and tax collections need to be invested, the current market conditions have infiltrated themselves into the City's investment portfolio. The City is no longer fortunate enough to be holding a large stockpile of investments that were purchased prior to the collapse of the financial markets.

Licenses and permits revenue was budgeted to decrease in 2009, also due to the downturn in the nation's economy. Actual licenses and permits revenue decreased almost \$700,000 or 27% in 2009 compared to 2008.

Community Investment Fund

The increase in available fund balance of approximately \$430,000 in the Community Investment Fund balance was due to minimal activity taking place in this fund for 2009. Investment earnings accounted for all the revenue, while the Williston Fitness Center rehabilitation accounted for the capital outlay of \$57,000. The Williston Fitness Center is in the beginning stages of a \$4.25 million rehabilitation that will be funded by the Community Investment fund. Current and prior year's investment earnings along with annual contributions from the Williston Fitness Center are expected to finance this project.

Special Assessment Construction Fund

The decrease in available fund balance of approximately \$500,000 in the Special Assessment Construction Fund was mainly due to the design and reconstruction of the I-394 and Hopkins Crossroad intersection. A majority of the costs associated with this project are being specially assessed back to the development that directly benefits from the intersection improvements.

State Municipal Aid

In 2008, the City issued \$2.2 million of G.O. State-Aid Street Bonds to partially fund the reconstruction of Shady Oak Road from Bren Road to Excelsior Boulevard. The projects costs

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2009

for years 2008 and 2009 totaled \$4.3 and \$1.5 million, respectively. The remaining balance between the bond issuance and the total expenditures will be funded through current and future Municipal State-Aid received from the State of Minnesota. The City receives approximately \$1.6 million of Municipal State-Aid per year.

Street Improvement Fund

The City ramped up its prior year's Street Improvement levy in order to sufficiently fund the road revitalization program. Many of the reconstruction projects cost more than the yearly street improvement levy allocation, forcing the city to build up reserves over multiple years to pay for upcoming reconstruction projects. In 2009, the Street Improvement fund expended over \$8.1 million on various street maintenance and reconstruction projects, forcing the fund to exhaust prior years' reserves. Future years' levies will replenish the current fund balance deficit.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City's budget once. This revision was performed in the fall, when the City prepared next year's budget. To meet current and future service needs of the Minnetonka community, various long-term strategies were enacted during 2009. The City repositioned itself to meet four objectives: achieve long-term budget balance, sustain direct core services, continue infrastructure investments, and moderate property tax growth.

The strategies involved various new ways of doing business including: cooperative services agreements with other agencies, productivity investments that help deliver core services more efficiently, and department reorganizations that reposition the City to better serve its constituents, both for 2009 and well into the future. Like any service business, the City's major expenses are personnel related. The departmental reorganization eliminated six percent of the city-wide workforce.

This repositioning reduced the 2009 original General Fund expenditure budget from \$27.7 million to a final expenditure budget of \$26.6 million. Savings were recognized across all divisions and departments. The City also placed \$525,000 of capital improvement projects on hold. These savings were transferred into the General Fund to alleviate pressure on the expected shortfall of actual revenues compared to budget.

The General Fund's final revenue budget decreased over \$900,000 from the original budget due in large part to two items. First, the State of Minnesota unallotted approximately \$500,000 of Market Value Homestead Credit that is budgeted within the property tax line item. Second, the licenses and permits budget was reduced \$275,000, which is a direct reaction to the continued slumping U.S. economy. Actual General Fund revenues came in \$160,000 under the final budget. The most significant variance was licenses and permits, which came in over \$325,000 less than even the revised budget.

CITY OF MINNETONKA
Hennepin County, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

CAPITAL ASSETS

At the end of 2009, the City had \$197.8 million invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of approximately \$3.3 million or 1.7%, over the prior year.

The City's fiscal year 2010 capital budget appropriates another \$12.5 million for capital projects, of which approximately \$6.4 million will be for infrastructure projects. The remainder will be spent on replacement vehicles, building improvements and future investments in technology and equipment.

Please refer to Note 4.C. for a schedule of the City's capital asset activity.

LONG-TERM DEBT

At year-end, the City had \$19.7 million in bonds outstanding versus \$21.1 million last year, a decrease of \$1.4 million. The decrease was due to bond principal payments of \$1.4 million. More detailed information about the City's long-term debt is presented in Note 4.E. to the financial statements.

The City continues to carry an "Aaa" bond rating from Moody's Investors Services.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City takes a responsible long-term perspective with financial planning and management. We make decisions with the future in mind to insure our ongoing capacity to provide quality services to our residents and businesses. Despite the challenges of the lingering economic downturn and added fiscal pressures created by the State of Minnesota, the 2010 budget continues to honor this commitment.

The 2010 budget continues to reflect the City's highest priorities: public safety, streets and utilities, natural resources, and parks. These functions continue to represent the focus of city programs and projects, accounting for more than seven out of every ten dollars in the combined 2010 budget.

Spending for the 2010 budget is capped at two percent below the adopted 2009 budget, and reflects \$2 million in permanent spending reductions implemented through staff reductions, reorganizations, and reallocations. Despite substantial economic pressures and state mandates, the 2010 city tax levy increased only 1.9%. That percentage includes 1.2% increase to cover a State mandate for fire pensions.

As a result of the City's responsible stewardship, services remain a good value. The City will continue to provide the quality public services our citizens have come to expect, and at a reasonable price.

**CITY OF MINNETONKA
Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Minnetonka Finance Department at 14600 Minnetonka Blvd., Minnetonka, Minnesota 55345, (952) 939-8200; or mking@eminnetonka.com.



**BASIC FINANCIAL
STATEMENTS**



CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF NET ASSETS
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Investments (Including Cash Equivalents)	\$ 57,240,292	\$ 13,814,100	\$ 71,054,392
Receivables:			
Accounts Receivable	1,183,648	1,962,905	3,146,553
Interest Receivable	464,149	140,404	604,553
Taxes Receivable	701,675	4,762	706,437
Special Assessments Receivable	2,870,814	300,292	3,171,106
Due from Other Governments	948,945	7,390	956,335
Internal Balances	45,620	(45,620)	-
Other Assets	80,736	-	80,736
Unamortized Bond Discount	26,231	-	26,231
Land Held for Resale	203,232	-	203,232
Prepays	20,795	15,333	36,128
Inventories	228,220	69,802	298,022
Investment in Joint Venture	2,091,429	-	2,091,429
Net Pension Obligation	465,009	-	465,009
Capital Assets, Net of Related Depreciation:			
Land - Nondepreciable	14,950,629	1,050,103	16,000,732
Construction in Progress - Nondepreciable	1,577,689	-	1,577,689
Buildings	8,486,360	10,262,658	18,749,018
Improvements Other than Buildings	1,557,484	1,566,855	3,124,339
Machinery and Equipment	3,375,026	1,685,523	5,060,549
Infrastructure	63,578,219	89,710,693	153,288,912
	\$ 160,096,202	\$ 120,545,200	\$ 280,641,402

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF NET ASSETS
December 31, 2009
(Continued)

	Governmental Activities	Business-Type Activities	Total
LIABILITIES AND NET ASSETS:			
Liabilities:			
Salaries and Wages Payable	\$ 325,374	\$ 35,499	\$ 360,873
Accounts and Contracts Payable	1,520,236	545,111	2,065,347
Accrued Interest Payable	176,340	125,752	302,092
Due to Other Governments	1,547,977	-	1,547,977
Unearned Revenue	406,591	71,063	477,654
Noncurrent Liabilities:			
Unamortized Bond Premium	46,074	134,636	180,710
Unfunded OPEB Obligation	453,192	53,846	507,038
Bonds Payable:			
Due Within One Year	930,000	840,000	1,770,000
Due in More than One Year	11,140,000	6,795,000	17,935,000
Compensated Absences/ Severance Payable:			
Due Within One Year	1,096,484	110,668	1,207,152
Due in More than One Year	1,194,425	119,777	1,314,202
Total Liabilities	18,836,693	8,831,352	27,668,045
Net Assets:			
Invested in Capital Assets, Net of Related Debt	83,655,961	96,506,196	180,162,157
Restricted for:			
Debt Service	1,252,169	-	1,252,169
Development	151,071	-	151,071
Public Safety	465,009	-	465,009
Unrestricted	55,735,299	15,207,652	70,942,951
Total Net Assets	141,259,509	111,713,848	252,973,357
Total Liabilities and Net Assets	\$ 160,096,202	\$ 120,545,200	\$ 280,641,402

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 4,628,824	\$ 280,815	\$ -	\$ 10,456	\$ (4,337,553)	\$ -	\$ (4,337,553)
Development Services	5,871,573	2,213,535	-	1,322,448	(2,335,590)	-	(2,335,590)
Public Works	9,591,740	1,772,247	172,728	1,881,599	(5,765,166)	-	(5,765,166)
Public Safety	11,988,138	1,027,156	732,313	41,375	(10,187,294)	-	(10,187,294)
Parks and Recreation	6,052,694	1,228,146	-	131,000	(4,693,548)	-	(4,693,548)
Unallocated Interest on Long-Term Debt	458,436	-	-	-	(458,436)	-	(458,436)
Total Governmental Activities	38,591,405	6,521,899	905,041	3,386,878	(27,777,587)	-	(27,777,587)
Business-Type Activities:							
Water and Sewer Utilities	12,764,705	10,513,551	-	110,610	-	(2,140,544)	(2,140,544)
Ice Arena	1,018,502	852,219	-	-	-	(166,283)	(166,283)
Environmental	848,867	559,958	133,780	-	-	(155,129)	(155,129)
Williston Fitness Center	1,180,890	1,133,859	-	35,021	-	(12,010)	(12,010)
Grays Bay Marina	173,979	200,664	-	-	-	26,685	26,685
Storm Water	1,161,573	1,967,659	-	73,740	-	879,826	879,826
Total Business-type Activities	17,148,516	15,227,910	133,780	219,371	-	(1,567,455)	(1,567,455)
Total Governmental and Business-Type Activities	\$ 55,739,921	\$ 21,749,809	\$ 1,038,821	\$ 3,606,249	(27,777,587)	(1,567,455)	(29,345,042)
General Revenues:							
Property Taxes					30,004,879	-	30,004,879
Franchise Taxes					1,477,059	-	1,477,059
State Aid - Unrestricted					89,789	-	89,789
Investment Earnings					1,162,580	278,519	1,441,099
Sale of Capital Assets					131,546	-	131,546
Other General Revenue					45,167	3,466	48,633
Transfers					1,260,000	(1,260,000)	-
Total General Revenues and Transfers					34,171,020	(978,015)	33,193,005
Change in Net Assets					6,393,433	(2,545,470)	3,847,963
Net Assets - Beginning					134,866,076	114,259,318	249,125,394
Net Assets - Ending					\$ 141,259,509	\$ 111,713,848	\$ 252,973,357

The Notes to the Financial Statements are an integral part of this statement.

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund accounts for all revenues and expenditures of a governmental unit which are not accounted for in other funds. It normally receives a greater variety and number of taxes and other general revenues than any other fund. This fund has flowing into it such revenues as general property taxes, licenses and permits, fines and penalties, intergovernmental revenues, charges for current services, and interest earnings. Most of the day-to-day operations of governmental units will be financed from this fund.

CAPITAL PROJECTS FUNDS

Community Investment Fund – This fund was established to account for residuals from special assessment funds where the bonds have been retired. Expenditures from this fund are for projects that have a city-wide benefit.

Special Assessment Construction Fund – This fund was established to account for the proceeds of bonds for the purpose of water, sewer, and street construction.

State Municipal Aid Fund – This fund was established to account for the revenues and expenditures for the construction of county state-aid roads and the municipal state-aid street system.

Street Improvement Fund – This fund was established to account for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

CITY OF MINNETONKA
Hennepin County, Minnesota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009

	Capital Projects		
General	Community Investment	Special Assessment Construction	
ASSETS:			
Cash and Investments (Including Cash Equivalents)	\$ 13,282,377	\$ 22,996,000	\$ 6,224,490
Accounts Receivable	29,767	-	-
Interest Receivable	136,059	214,214	-
Property Taxes Receivable:			
Unremitted	269,810	-	-
Delinquent	422,603	-	-
Special Assessments Receivable:			
Unremitted	-	-	3,002
Current	-	-	375,482
Delinquent	-	-	40,466
Deferred	-	-	2,451,864
Due from Other Governments	104,486	-	45,000
Due from Other Funds	669,739	-	1,219,519
Other Assets	80,736	-	-
Assets Held for Resale	-	-	-
Prepays	-	-	-
Inventories	171,795	-	-
	<u>\$ 15,167,372</u>	<u>\$ 23,210,214</u>	<u>\$ 10,359,823</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Salaries and Wages Payable	\$ 317,098	\$ -	\$ -
Accounts and Contracts Payable	371,848	-	64,887
Due to Other Governments	10,545	-	-
Due to Other Funds	-	-	-
Deferred Revenue	1,204,194	-	2,867,812
Total Liabilities	<u>1,903,685</u>	<u>-</u>	<u>2,932,699</u>
Fund Balances:			
Reserved for:			
Encumbrances	-	-	-
Fire Relief	377,000	-	-
Inventories	171,795	-	-
Prepays	-	-	-
Unreserved, Reported in:			
General Fund:			
Designated for:			
Compensated Absences	963,113	-	-
Recreation Scholarships	3,484	-	-
Senior Center	21,701	-	-
Undesignated	11,726,594	-	-
Special Revenue Funds:			
Designated for:			
Compensated Absences	-	-	-
Undesignated	-	-	-
Debt Service Funds:			
Undesignated	-	-	-
Capital Projects Funds:			
Designated for:			
Construction	-	23,210,214	-
Gray's Bay Causeway	-	-	-
Undesignated	-	-	7,427,124
Total Fund Balances	<u>13,263,687</u>	<u>23,210,214</u>	<u>7,427,124</u>
	<u>\$ 15,167,372</u>	<u>\$ 23,210,214</u>	<u>\$ 10,359,823</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

	Capital Projects			
	State Municipal Aid	Street Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Investments (Including Cash Equivalents)	\$ 537,255	\$ -	\$ 13,387,187	\$ 56,427,309
Accounts Receivable	-	-	1,143,781	1,173,548
Interest Receivable	5,155	(18,559)	120,973	457,842
Property Taxes Receivable:				
Unremitted	-	-	8,432	278,242
Delinquent	-	-	830	423,433
Special Assessments Receivable:				
Unremitted	-	-	-	3,002
Current	-	-	-	375,482
Delinquent	-	-	-	40,466
Deferred	-	-	-	2,451,864
Due from Other Governments	425,942	-	373,517	948,945
Due from Other Funds	-	-	-	1,889,258
Other Assets	-	-	-	80,736
Assets Held for Resale	-	-	203,232	203,232
Prepays	-	-	20,795	20,795
Inventories	-	-	-	171,795
	<u>\$ 968,352</u>	<u>\$ (18,559)</u>	<u>\$ 15,258,747</u>	<u>\$ 64,945,949</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Salaries and Wages Payable	\$ -	\$ -	\$ 2,277	\$ 319,375
Accounts and Contracts Payable	-	404,545	601,532	1,442,812
Due to Other Governments	1,537,174	-	258	1,547,977
Due to Other Funds	-	1,219,519	403,244	1,622,763
Deferred Revenue	18,278	-	830	4,091,114
Total Liabilities	<u>1,555,452</u>	<u>1,624,064</u>	<u>1,008,141</u>	<u>9,024,041</u>
Fund Balances:				
Reserved for:				
Encumbrances	-	659,888	44,780	704,668
Fire Relief	-	-	-	377,000
Inventories	-	-	-	171,795
Prepays	-	-	20,795	20,795
Unreserved, Reported in:				
General Fund:				
Designated for:				
Compensated Absences	-	-	-	963,113
Recreation Scholarships	-	-	-	3,484
Senior Center	-	-	-	21,701
Undesignated	-	-	-	11,726,594
Special Revenue Funds:				
Designated for:				
Compensated Absences	-	-	8,860	8,860
Undesignated	-	-	2,089,523	2,089,523
Debt Service Funds:				
Undesignated	-	-	1,252,169	1,252,169
Capital Projects Funds:				
Designated for:				
Construction	-	-	1,456,904	24,667,118
Gray's Bay Causeway	-	-	260,000	260,000
Undesignated	(587,100)	(2,302,511)	9,117,575	13,655,088
Total Fund Balances	<u>(587,100)</u>	<u>(1,642,623)</u>	<u>14,250,606</u>	<u>55,921,908</u>
Total Liabilities and Fund Balances	<u>\$ 968,352</u>	<u>\$ (18,559)</u>	<u>\$ 15,258,747</u>	<u>\$ 64,945,949</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
December 31, 2009

Total Fund Balances - Governmental Funds \$ 55,921,908

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

Capital assets used in governmental activities are not current financial
resources and, therefore, are not reported as assets in governmental funds.

Cost of Capital Assets	141,661,925
Less Accumulated Depreciation	(48,136,518)

Long-term investments in joint ventures are not available financial resources
and, therefore, are not reported as assets in governmental funds. 2,091,429

Long-term liabilities, including bonds payable, are not due and payable in
the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond Principal Payable	(12,070,000)
Unamortized Bond Discount/(Premium)	(19,843)
Compensated Absences and Severance Payable	(2,240,693)
Other Post Employment Benefits Payable	(443,268)

Delinquent property taxes and delinquent and deferred special
assessments receivable are deferred in the fund statements as these
amounts are not available in the current year. 3,666,245

Municipal State-Aid classified within Due from Other Governments receivable
that is not available in the current year. 18,278

Governmental funds do not report a liability for accrued interest until due
and payable. (176,340)

Governmental funds do not report an asset for net pension obligation 465,009

Internal Service Funds are used by management to charge the costs of
providing insurance and fleet maintenance services for the City (See Note 2.A). 521,377

Total Net Assets - Governmental Activities \$ 141,259,509

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**
For the Year Ended December 31, 2009

	Capital Projects		
	General	Community Investment	Special Assessment Construction
REVENUES:			
Taxes:			
Property	\$ 19,908,422	\$ -	\$ -
Franchise	-	-	-
Special Assessments	-	-	454,492
Licenses and Permits	1,876,184	-	-
Intergovernmental	776,757	-	149,787
Charges for Services	1,469,808	-	-
Fines and Forfeitures	539,920	-	-
Miscellaneous	831,327	488,298	96,800
Total Revenues	25,402,418	488,298	701,079
EXPENDITURES:			
Current:			
General Government	3,179,035	-	-
Development Services	2,932,739	-	-
Public Works	3,668,367	-	82,147
Public Safety	11,089,826	-	-
Park and Recreation	4,666,845	-	32,432
Debt Service	-	-	-
Capital Outlay	26,412	57,095	1,066,860
Total Expenditures	25,563,224	57,095	1,181,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	(160,806)	431,203	(480,360)
OTHER FINANCING SOURCES (USES):			
Transfers In	1,896,800	-	-
Transfers Out	(1,265,000)	-	(32,600)
Proceeds on Disposition of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	631,800	-	(32,600)
Net Change in Fund Balances	470,994	431,203	(512,960)
FUND BALANCES:			
Beginning of Year	12,792,693	22,779,011	7,940,084
End of Year	\$ 13,263,687	\$ 23,210,214	\$ 7,427,124

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**
For the Year Ended December 31, 2009
(Continued)

	Capital Projects		Other Governmental Funds	Total Governmental Funds
	State Municipal Aid	Street Improvement		
REVENUES:				
Taxes:				
Property	\$ -	\$ 5,000,000	\$ 5,179,919	\$ 30,088,341
Franchise	-	-	1,477,059	1,477,059
Special Assessments	-	-	-	454,492
Licenses and Permits	-	-	-	1,876,184
Intergovernmental	1,592,529	-	1,558,353	4,077,426
Charges for Services	-	-	-	1,469,808
Fines and Forfeitures	-	-	125,987	665,907
Miscellaneous	14,691	6,688	621,560	2,059,364
Total Revenues	<u>1,607,220</u>	<u>5,006,688</u>	<u>8,962,878</u>	<u>42,168,581</u>
EXPENDITURES:				
Current:				
General Government	-	-	805,849	3,984,884
Development Services	-	-	2,980,368	5,913,107
Public Works	-	1,159,801	9,080	4,919,395
Public Safety	-	-	282,740	11,372,566
Park and Recreation	-	-	363,591	5,062,868
Debt Service	-	-	1,070,020	1,070,020
Capital Outlay	1,556,629	6,988,870	2,249,750	11,945,616
Total Expenditures	<u>1,556,629</u>	<u>8,148,671</u>	<u>7,761,398</u>	<u>44,268,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,591	(3,141,983)	1,201,480	(2,099,875)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	1,265,000	3,161,800
Transfers Out	-	-	(604,200)	(1,901,800)
Proceeds on Disposition of Capital Assets	-	-	131,546	131,546
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>792,346</u>	<u>1,391,546</u>
Net Change in Fund Balances	50,591	(3,141,983)	1,993,826	(708,329)
FUND BALANCES:				
Beginning of Year	<u>(637,691)</u>	<u>1,499,360</u>	<u>12,256,780</u>	<u>56,630,237</u>
End of Year	<u>\$ (587,100)</u>	<u>\$ (1,642,623)</u>	<u>\$ 14,250,606</u>	<u>\$ 55,921,908</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**
For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (708,329)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Contributions	184,350
Capital Outlay	9,609,987
Depreciation Expense	(4,158,193)
Loss on Disposed Assets	(107,928)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,232,461

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 595,753

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in Compensated Absences and Severance Payable	(25,656)
Changes in Other Post Employment Benefits Payable	(204,527)
Changes in Accrued Interest Payable	15,831

Investment in Joint Venture activity is not recognized in the Governmental Funds but recognized as the expense/revenue is incurred in the Statement of Activities (281,193)

Net pension obligation activity is not recognized in the Governmental Funds but recognized as the expense/revenue is incurred in the Statement of Activities 465,009

Internal Service Funds are used by management to charge the costs of providing insurance for the City (See Note 2.B). (224,132)

Change in Net Assets of Governmental Activities \$ 6,393,433

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$20,221,268	\$19,731,709	\$19,908,422	\$ 176,713
Licenses and Permits	2,477,800	2,202,800	1,876,184	(326,616)
Intergovernmental Revenues	767,700	724,200	776,757	52,557
Charges for Services	1,503,900	1,409,900	1,469,808	59,908
Fines and Forfeitures	540,000	485,400	539,920	54,520
Other Revenues	984,132	1,009,100	831,327	(177,773)
Total Revenues	<u>26,494,800</u>	<u>25,563,109</u>	<u>25,402,418</u>	<u>(160,691)</u>
EXPENDITURES:				
General Government	3,506,900	3,436,900	3,179,035	257,865
Development Services	3,221,900	3,012,900	2,932,739	80,161
Public Works	4,155,800	3,923,000	3,668,367	254,633
Public Safety	11,737,800	11,367,900	11,089,826	278,074
Park and Recreation	5,121,100	4,927,200	4,666,845	260,355
Capital Outlay	25,000	26,500	26,412	88
Total Expenditures	<u>27,768,500</u>	<u>26,694,400</u>	<u>25,563,224</u>	<u>1,131,176</u>
Excess of Revenues over (under) Expenditures	(1,273,700)	(1,131,291)	(160,806)	970,485
OTHER FINANCING SOURCES (USES):				
Transfers In	1,273,700	1,896,800	1,896,800	-
Transfers Out	(1,265,000)	(1,265,000)	(1,265,000)	-
Total Other Financing Sources (Uses)	<u>8,700</u>	<u>631,800</u>	<u>631,800</u>	<u>-</u>
Net Change in Fund Balance	(1,265,000)	(499,491)	470,994	970,485
FUND BALANCES:				
Beginning of Year	<u>12,792,693</u>	<u>12,792,693</u>	<u>12,792,693</u>	<u>-</u>
End of Year	<u>\$11,527,693</u>	<u>\$12,293,202</u>	<u>\$13,263,687</u>	<u>\$ 970,485</u>

The Notes to the Financial Statements are an integral part of this statement.



PROPRIETARY FUNDS

ENTERPRISE FUNDS – These funds are established to account for the financing of self supporting activities of governmental units which render services on a user charge basis to the general public. Minnetonka’s enterprises include the public utility engaged in the provision of water and sewer services, and ice arena, an environmental fund, a fitness center, a storm water fund, and a marina and public access to Lake Minnetonka.

INTERNAL SERVICE FUNDS – The City has two internal service funds, the Self Insurance Fund and the Fleet Maintenance Fund, that respectively account for the risk management and fleet maintenance services provided to other City departments on a cost-reimbursement basis.



CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2009

Business-Type Activities - Enterprise Funds

	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$ 12,005,480	\$ 500	\$ 1,439,306	\$ 83,699	\$ 285,115	\$ -	\$ 13,814,100	\$ 812,983
Accounts Receivable	1,561,741	2,636	75,400	-	712	322,416	1,962,905	-
Interest Receivable	123,907	-	14,192	(182)	2,487	-	140,404	6,307
Taxes Receivable	4,762	-	-	-	-	-	4,762	-
Special Assessments Receivable	300,292	-	-	-	-	-	300,292	-
Due from Other Funds	605,420	-	-	-	-	-	605,420	-
Due from Other Governments	-	-	7,390	-	-	-	7,390	10,100
Prepays	15,333	-	-	-	-	-	15,333	-
Inventories	69,652	150	-	-	-	-	69,802	56,425
Total Current Assets	<u>14,686,587</u>	<u>3,286</u>	<u>1,536,288</u>	<u>83,517</u>	<u>288,314</u>	<u>322,416</u>	<u>16,920,408</u>	<u>885,815</u>
Noncurrent Assets:								
Capital Assets:								
Land	247,650	-	-	348,000	-	454,453	1,050,103	-
Buildings and Structures	6,675,368	4,709,336	-	2,889,681	-	352,240	14,626,625	-
Water Facilities	4,700,591	-	-	-	-	-	4,700,591	-
Water Mains and Lines	126,558,665	-	-	-	-	-	126,558,665	-
Sewer Lift Stations	2,823,196	-	-	-	-	-	2,823,196	-
Storm Drainage System	-	-	-	-	-	34,625,576	34,625,576	-
Improvements Other than								
Buildings	1,071,935	30,000	-	224,464	740,000	-	2,066,399	-
Machinery and Equipment	4,465,462	189,739	-	168,445	13,334	529,547	5,366,527	-
Total Cost	<u>146,542,867</u>	<u>4,929,075</u>	<u>-</u>	<u>3,630,590</u>	<u>753,334</u>	<u>35,961,816</u>	<u>191,817,682</u>	<u>-</u>
Less Accumulated Depreciation	<u>(70,352,125)</u>	<u>(3,372,921)</u>	<u>-</u>	<u>(2,114,396)</u>	<u>(205,343)</u>	<u>(11,497,065)</u>	<u>(87,541,850)</u>	<u>-</u>
Net Capital Assets	<u>76,190,742</u>	<u>1,556,154</u>	<u>-</u>	<u>1,516,194</u>	<u>547,991</u>	<u>24,464,751</u>	<u>104,275,832</u>	<u>-</u>
Total Noncurrent Assets	<u>76,190,742</u>	<u>1,556,154</u>	<u>-</u>	<u>1,516,194</u>	<u>547,991</u>	<u>24,464,751</u>	<u>104,275,832</u>	<u>-</u>
Total Assets	<u>\$ 90,877,329</u>	<u>\$ 1,559,440</u>	<u>\$ 1,536,288</u>	<u>\$ 1,599,711</u>	<u>\$ 836,305</u>	<u>\$ 24,787,167</u>	<u>\$ 121,196,240</u>	<u>\$ 885,815</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2009
(Continued)

Business-Type Activities - Enterprise Funds

	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
LIABILITIES AND NET ASSETS:								
Liabilities:								
Current Liabilities:								
Salaries and Wages Payable	\$ 19,119	\$ 6,189	\$ 1,108	\$ 9,083	\$ -	\$ -	\$ 35,499	\$ 5,999
Accounts Payable	415,005	6,973	60,193	11,257	879	50,804	545,111	77,424
Accrued Interest Payable	125,752	-	-	-	-	-	125,752	-
Due to Other Funds	-	266,495	-	-	-	605,420	871,915	-
Unearned Revenue	-	-	-	14,063	57,000	-	71,063	-
Current Portion of								
Compensated Absences	75,372	13,688	7,705	13,903	-	-	110,668	20,802
Bonds Payable	840,000	-	-	-	-	-	840,000	-
Total Current Liabilities	<u>1,475,248</u>	<u>293,345</u>	<u>69,006</u>	<u>48,306</u>	<u>57,879</u>	<u>656,224</u>	<u>2,600,008</u>	<u>104,225</u>
Long-Term Liabilities:								
Compensated Absences	59,478	39,259	11,830	9,210	-	-	119,777	29,414
Unamortized Bond Premium	134,636	-	-	-	-	-	134,636	-
Unfunded OPEB Obligation	27,078	8,568	3,435	13,316	363	1,086	53,846	9,924
Revenue Bonds Payable, Net	6,795,000	-	-	-	-	-	6,795,000	-
Total Noncurrent Liabilities	<u>7,016,192</u>	<u>47,827</u>	<u>15,265</u>	<u>22,526</u>	<u>363</u>	<u>1,086</u>	<u>7,103,259</u>	<u>39,338</u>
Total Liabilities	<u>8,491,440</u>	<u>341,172</u>	<u>84,271</u>	<u>70,832</u>	<u>58,242</u>	<u>657,310</u>	<u>9,703,267</u>	<u>143,563</u>
Net Assets:								
Invested in Capital Assets, Net of Related Debt	68,421,106	1,556,154	-	1,516,194	547,991	24,464,751	96,506,196	-
Unrestricted	13,964,783	(337,886)	1,452,017	12,685	230,072	(334,894)	14,986,777	742,252
Total Net Assets	<u>82,385,889</u>	<u>1,218,268</u>	<u>1,452,017</u>	<u>1,528,879</u>	<u>778,063</u>	<u>24,129,857</u>	<u>111,492,973</u>	<u>742,252</u>
Total Liabilities and Net Assets	<u>\$ 90,877,329</u>	<u>\$ 1,559,440</u>	<u>\$ 1,536,288</u>	<u>\$ 1,599,711</u>	<u>\$ 836,305</u>	<u>\$ 24,787,167</u>		<u>\$ 885,815</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds (See Note 2.C)							220,875	
Total Business-Type Activities Net Assets							<u>\$ 111,713,848</u>	

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS**
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center
OPERATING REVENUES:				
Water Sales and Sewer Charges	\$ 10,462,411	\$ -	\$ -	\$ -
Storm Water Charges	-	-	-	-
Ice Rental Charges	-	546,072	-	-
Memberships and Fees	-	-	-	1,082,088
Recycling Charges	-	-	487,588	-
Charges to City Departments	-	-	-	-
Other Revenue	51,140	306,147	72,370	51,771
Total Operating Revenues	<u>10,513,551</u>	<u>852,219</u>	<u>559,958</u>	<u>1,133,859</u>
OPERATING EXPENSES:				
Personal Services	1,325,777	427,632	161,356	676,853
Supplies, Repairs and Maintenance	752,182	59,583	6,923	80,750
Other Services and Charges	6,964,075	304,088	680,588	215,193
Total Operating Expenses	<u>9,042,034</u>	<u>791,303</u>	<u>848,867</u>	<u>972,796</u>
Operating Income (Loss) before Depreciation	1,471,517	60,916	(288,909)	161,063
Depreciation Expense	<u>3,365,541</u>	<u>209,350</u>	<u>-</u>	<u>189,747</u>
Operating Income (Loss)	(1,894,024)	(148,434)	(288,909)	(28,684)
NONOPERATING REVENUES (EXPENSES):				
Investment Income	237,004	-	33,377	(498)
Intergovernmental	-	-	133,780	-
Interest Expense	(282,485)	-	-	-
Proceeds on Disposition of Capital Assets	3,466	-	-	-
Other Revenues (Expenses)	(3,250)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(45,265)</u>	<u>-</u>	<u>167,157</u>	<u>(498)</u>
Income (Loss) before Contributions and Transfers	(1,939,289)	(148,434)	(121,752)	(29,182)
Capital Contributions	110,610	-	-	35,021
Transfers In	-	-	-	-
Transfers Out	<u>(1,035,100)</u>	<u>(51,300)</u>	<u>(187,740)</u>	<u>(51,300)</u>
Change in Net Assets	(2,863,779)	(199,734)	(309,492)	(45,461)
NET ASSETS:				
Net Assets - Beginning	<u>85,249,668</u>	<u>1,418,002</u>	<u>1,761,509</u>	<u>1,574,340</u>
Net Assets - Ending	<u>\$ 82,385,889</u>	<u>\$ 1,218,268</u>	<u>\$ 1,452,017</u>	<u>\$ 1,528,879</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 PROPRIETARY FUNDS**

For the Year Ended December 31, 2009
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:				
Water Sales and Sewer Charges	\$ -	\$ -	\$ 10,462,411	\$ -
Storm Water Charges	-	1,965,159	1,965,159	-
Ice Rental Charges	-	-	546,072	-
Memberships and Fees	113,457	-	1,195,545	-
Recycling Charges	-	-	487,588	-
Charges to City Departments	-	-	-	1,435,472
Other Revenue	87,207	2,500	571,135	65,188
Total Operating Revenues	<u>200,664</u>	<u>1,967,659</u>	<u>15,227,910</u>	<u>1,500,660</u>
OPERATING EXPENSES:				
Personal Services	27,248	27,062	2,645,928	420,501
Supplies, Repairs and Maintenance	70,852	81,584	1,051,874	631,228
Other Services and Charges	32,047	252,748	8,448,739	805,905
Total Operating Expenses	<u>130,147</u>	<u>361,394</u>	<u>12,146,541</u>	<u>1,857,634</u>
Operating Income (Loss) before Depreciation	70,517	1,606,265	3,081,369	(356,974)
Depreciation Expense	25,983	800,179	4,590,800	-
Operating Income (Loss)	44,534	806,086	(1,509,431)	(356,974)
NONOPERATING REVENUES (EXPENSES):				
Investment Income	8,138	-	278,021	7,900
Intergovernmental	-	-	133,780	-
Interest Expense	-	-	(282,485)	-
Proceeds on Disposition of Capital Assets	-	-	3,466	-
Other Revenues (Expenses)	-	-	(3,250)	-
Total Nonoperating Revenues (Expenses)	<u>8,138</u>	<u>-</u>	<u>129,532</u>	<u>7,900</u>
Income (Loss) before Contributions and Transfers	52,672	806,086	(1,379,899)	(349,074)
Capital Contributions	-	73,740	219,371	-
Transfers In	-	-	-	248,400
Transfers Out	(37,200)	(145,760)	(1,508,400)	-
Change in Net Assets	15,472	734,066	(2,668,928)	(100,674)
NET ASSETS:				
Net Assets - Beginning	<u>762,591</u>	<u>23,395,791</u>		<u>842,926</u>
Net Assets - Ending	<u>\$ 778,063</u>	<u>\$ 24,129,857</u>		<u>\$ 742,252</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Enterprise Funds (See Note 2.D.)			<u>123,458</u>	
Change in Net Assets - Business-Type Activities			<u>\$ (2,545,470)</u>	

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2009

Business-Type Activities - Enterprise Funds

	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center
CASH FLOWS - OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 10,494,537	\$ 865,568	\$ 576,410	\$ 1,134,081
Receipts from Interfund Services Provided	-	-	-	-
Other Revenues	-	-	-	-
Payments to Suppliers	(7,601,587)	(361,933)	(616,743)	(296,139)
Payments to Employees	(1,299,464)	(417,137)	(162,805)	(669,973)
Payments of Benefits on Behalf of Employees	-	-	-	-
Net Cash Flows - Operating Activities	<u>1,593,486</u>	<u>86,498</u>	<u>(203,138)</u>	<u>167,969</u>
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental	-	-	268,625	-
Advances from Other Funds	-	(7,839)	-	-
Advances to Other Funds	(84,491)	-	-	-
Transfers to Other Funds	(1,035,100)	(51,300)	(187,740)	(51,300)
Transfers from Other Funds	-	-	-	-
Net Cash Flows - Noncapital Financing Activities	<u>(1,119,591)</u>	<u>(59,139)</u>	<u>80,885</u>	<u>(51,300)</u>
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(548,652)	(27,359)	-	(97,964)
Advances from Other Funds	-	-	-	(10,000)
Proceeds on the Disposition of Capital Assets	3,466	-	-	-
Principal Paid on Capital Debt	(775,000)	-	-	-
Interest and Fiscal Charges Paid on Capital Debt	(335,974)	-	-	-
Net Cash Flows - Capital and Related Financing Activities	<u>(1,656,160)</u>	<u>(27,359)</u>	<u>-</u>	<u>(107,964)</u>
CASH FLOWS - INVESTING ACTIVITIES:				
Interest and Dividends Received	<u>216,076</u>	<u>-</u>	<u>30,791</u>	<u>(267)</u>
Net Change in Cash and Cash Equivalents	(966,189)	-	(91,462)	8,438
Cash and Cash Equivalents, January 1	<u>12,971,669</u>	<u>500</u>	<u>1,530,768</u>	<u>75,261</u>
Cash and Cash Equivalents, December 31	<u>\$ 12,005,480</u>	<u>\$ 500</u>	<u>\$ 1,439,306</u>	<u>\$ 83,699</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2009
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
CASH FLOWS - OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 205,652	\$ 1,956,705	\$ 15,232,953	\$ -
Receipts from Interfund Services Provided	-	-	-	1,436,045
Other Revenues	-	-	-	65,188
Payments to Suppliers	(102,269)	(416,887)	(9,395,558)	(840,216)
Payments to Employees	(27,248)	(26,875)	(2,603,502)	(413,807)
Payments of Benefits on Behalf of Employees	-	-	-	(643,901)
Net Cash Flows - Operating Activities	<u>76,135</u>	<u>1,512,943</u>	<u>3,233,893</u>	<u>(396,691)</u>
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental	-	-	268,625	-
Advances from Other Funds	-	84,491	76,652	-
Advances to Other Funds	-	-	(84,491)	-
Transfers to Other Funds	(37,200)	(145,760)	(1,508,400)	-
Transfers from Other Funds	-	-	-	248,400
Net Cash Flows - Noncapital Financing Activities	<u>(37,200)</u>	<u>(61,269)</u>	<u>(1,247,614)</u>	<u>248,400</u>
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	-	(1,451,674)	(2,125,649)	-
Advances from Other Funds	-	-	(10,000)	-
Proceeds on the Disposition of Capital Assets	-	-	3,466	-
Principal Paid on Capital Debt	-	-	(775,000)	-
Interest and Fiscal Charges Paid on Capital Debt	-	-	(335,974)	-
Net Cash Flows - Capital and Related Financing Activities	<u>-</u>	<u>(1,451,674)</u>	<u>(3,243,157)</u>	<u>-</u>
CASH FLOWS - INVESTING ACTIVITIES:				
Interest and Dividends Received	<u>7,176</u>	<u>-</u>	<u>253,776</u>	<u>8,035</u>
Net Change in Cash and Cash Equivalents	46,111	-	(1,003,102)	(140,256)
Cash and Cash Equivalents, January 1	<u>239,004</u>	<u>-</u>	<u>14,817,202</u>	<u>953,239</u>
Cash and Cash Equivalents, December 31	<u>\$ 285,115</u>	<u>\$ -</u>	<u>\$ 13,814,100</u>	<u>\$ 812,983</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2009
(Continued)

Business-Type Activities - Enterprise Funds

	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS - OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (1,894,024)	\$ (148,434)	\$ (288,909)	\$ (28,684)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities				
Depreciation Expense	3,365,541	209,350	-	189,747
Accounts Receivable	39,833	13,349	16,452	2,804
Due from Other Funds	-	-	-	-
Due from Other Governments	597	-	10,575	-
Special Assessments Receivable	(57,774)	-	-	-
Other Receivables	(1,670)	-	-	-
Inventories	(14,619)	-	-	-
Prepays	(15,333)	-	-	-
Accounts Payable	144,622	1,738	60,193	(196)
Salaries and Wages Payable	5,337	1,057	94	957
Severance Payable	-	-	-	-
Compensated Absences Payable	7,803	6,463	(3,073)	1,291
Unfunded OPEB Obligation	13,173	2,975	1,530	4,632
Deferred Revenue	-	-	-	(2,582)
Total Adjustments	<u>3,487,510</u>	<u>234,932</u>	<u>85,771</u>	<u>196,653</u>
Net Cash Flows - Operating Activities	<u>\$ 1,593,486</u>	<u>\$ 86,498</u>	<u>\$ (203,138)</u>	<u>\$ 167,969</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from Developers	110,610	-	-	-
Contributions of capital assets from other Governmental Funds	-	-	-	35,021

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2009
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Grays Bay Marina	Storm Water Fund	Total Enterprise Funds	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS - OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 44,534	\$ 806,086	\$ (1,509,431)	\$ (356,974)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities				
Depreciation Expense	25,983	800,179	4,590,800	-
Accounts Receivable	(712)	(10,954)	60,772	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	11,172	573
Special Assessments Receivable	-	-	(57,774)	-
Other Receivables	-	-	(1,670)	-
Inventories	-	-	(14,619)	6,363
Advances to Other Funds	-	-	(15,333)	-
Accounts Payable	630	(82,555)	124,432	(53,347)
Salaries and Wages Payable	-	-	7,445	875
Severance Payable	-	-	-	-
Compensated Absences Payable	-	-	12,484	1,501
Unfunded OPEB Obligation	-	187	22,497	4,318
Deferred Revenue	5,700	-	3,118	-
Total Adjustments	31,601	706,857	4,743,324	(39,717)
Net Cash Flows - Operating Activities	\$ 76,135	\$ 1,512,943	\$ 3,233,893	\$ (396,691)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from Developers	-	73,740	184,350	-
Contributions of capital assets from other Governmental Funds	-	-	35,021	-

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
December 31, 2009

	<u>Private-Purpose Trust</u>	<u>Agency</u>
ASSETS:		
Cash and Investments	\$ 207,949	\$ 393,005
Accounts Receivable	23,770	-
Interest Receivable	1,941	-
	<hr/>	<hr/>
Total Assets	<u>\$ 233,660</u>	<u>\$ 393,005</u>
LIABILITIES:		
Accounts Payable	<u>\$ -</u>	<u>\$ 393,005</u>
NET ASSETS:		
Net Assets, Held in Trust for Other Purposes	<u>\$ 233,660</u>	

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended December 31, 2009

ADDITIONS:		
Contributions from Participants	\$	35,525
Investment Earnings		
Interest		<u>6,880</u>
Total Additions		42,405
DEDUCTIONS:		
Benefits		<u>12,690</u>
Change in Net Assets		29,715
Net Assets - January 1		<u>203,945</u>
Net Assets - December 31	\$	<u><u>233,660</u></u>

The Notes to the Financial Statements are an integral part of this statement.



**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was formed and operates pursuant to applicable Minnesota laws and statutes. The governing body consists of a mayor and a six member City Council with four members elected by wards and two members elected at large by voters of the City to serve four year staggered terms.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and the City is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB Statement No. 14 and are presented in this report as follows:

- Blended Component Unit – Reported as if they were a part of the City
- Joint Ventures and Jointly Governed Organizations – The relationship of the City with the joint venture is disclosed

For each of the categories above, the specific entities are identified as follows:

Blended Component Unit

1. Economic Development Authority in and for the City of Minnetonka

This advisory board is appointed by the City Council. The Economic Development Authority (EDA) is a legally separate advisory board to the City Council regarding economic development, housing and redevelopment matters. All debt issued (if any) in connection with EDA advisory activities requires the prior approval of the City Council, all projects require City Council approval and all debt issued (if any) is solely a general obligation of the City. All of the services provided by the EDA are solely for the City; therefore, it is reported as if it were part of the City. The EDA has a December 31 year-end and does not issue Financial Statements. This unit is included within the Housing & Redevelopment Authority Special Revenue fund.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity (Continued)

Joint Ventures and Jointly Governed Organizations

The City has several agreements with governmental and other entities which provide reduced costs, better service and additional benefits to the participants. These programs, which the City participates in, are listed below and amounts recorded within the current year financial statements are disclosed.

1. Southwest Suburban Cable Commission

Five local cities oversee the franchise agreement with Time/Warner Cable, the local cable company. The Southwest Suburban Cable Commission (Commission) is legally separate; the City does not appoint a voting majority of the Board; and the Commission is fiscally independent of the City. During 2009, the City contributed approximately \$14,142 to the Commission, which is included as an expenditure in the Special Revenue – Cable TV Fund, a nonmajor fund included with the City's other nonmajor governmental funds. Financial information can be obtained at 1010 First Street South, Hopkins, Minnesota 55343.

2. LOGIS (a Jointly Governed Organization)

This consortium of approximately 20 governmental entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of the Board; and the consortium is fiscally independent of the City. During 2009, the City paid \$634,813 to this organization for services provided, which is included as expenditures/expenses of the General, Water and Sewer Utility, Capital Replacement and Technology Development Funds. Financial information can be obtained at 5750 Duluth Street, Golden Valley, Minnesota 55422-4036.

3. LOGIS Insurance Group

This group provides cooperative purchasing of health and life insurance benefits for approximately 44 governmental entities. The total amount paid in 2009 was \$1,545,400 for services provided, which includes the employee's contribution as well as the City's contribution. Financial information can be obtained at 5750 Duluth Street, Golden Valley, Minnesota 55422-4036.

4. Independent School District 270 (Hopkins Schools) Joint Venture

The City and Hopkins Schools entered into an agreement to jointly fund the Lindbergh Activity Center that was completed in 1996 at Hopkins High School. The facility is owned jointly by Hopkins Schools and the City as tenants-in-common, 71% and 29%, respectively. The City is responsible for 29% of the operating costs. The City has included \$1,421,000 in capital assets as its share of the Lindbergh Activity Center. The City's share of the operating costs of the Lindbergh Activity Center for 2008 was \$98,066, which is included in parks and recreation expenditures of the General Fund. Financial information can be obtained at 1001 West Highway 7, Hopkins, Minnesota 55305.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity (Continued)

Joint Ventures and Jointly Governed Organizations (Continued)

5. Independent School District 276 (Minnetonka Schools) Joint Venture

The City and Minnetonka Schools entered into an agreement to jointly fund a cultural arts center in 2000 at Minnetonka High School. The facility is jointly owned by Minnetonka Schools and the City as tenants-in-common, 55% and 45%, respectively, with the City being responsible for 50% of the annual operating costs. July 1, 2009 the joint venture agreement was modified to accommodate Minnetonka Schools purchasing the City's share of the facility over the next seven years. In return, the City will not be responsible for any future operating and capital expenditures, and will also maintain a guaranteed number of rehearsal hours through a 20-year operating lease with Minnetonka Schools. The City's operating lease costs for 2009 was \$51,000.

The City accounts for this investment as a joint venture in the government-wide financial statements. The joint venture does not represent current financial resources and is therefore not reported in the governmental funds. Financial information can be obtained at 5621 County Road 101, Minnetonka, Minnesota 55345.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The Fiduciary Funds are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level. 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 segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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, which include the Fiduciary Funds which utilize accrual basis but 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses 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 government.

Description of Funds:

Major Governmental Funds:

General Fund – This Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Capital Project Funds

Community Investment Fund – This Fund accounts for the government’s residuals from special assessment funds where the bond has been retired. Expenditures from this fund are for projects that have a government-wide benefit.

Special Assessment Construction Fund – This Fund accounts for the proceeds of bonds sold for the purpose of water, sewer and street construction.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

Major Governmental Funds: (Continued)

Capital Project Funds (Continued)

State Municipal Aid Fund – This Fund accounts for the revenues and expenditures related to the construction of county state-aid roads and the municipal state-aid street system.

Street Improvement Fund – This Fund accounts for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

Major Proprietary Funds:

Water and Sewer Utility Fund – This Fund accounts for the operations of the City’s water and sewer services.

Ice Arena Fund – This Fund accounts for the operations of the City’s ice arena.

Environmental Fund – This Fund accounts for the operations of the City’s recycling services.

Williston Fitness Center Fund – This Fund accounts for the operations of the City’s fitness center.

Grays Bay Marina Fund – This Fund accounts for the operations of the City’s marina.

Storm Water Fund – This Fund accounts for the operations of the City’s storm drainage services.

Additionally, the City reports the following fund types:

Internal Service Funds – These Funds account for the risk management and fleet maintenance provided to other departments of the City on a cost-reimbursement basis.

Private Purpose Trust Funds – These Funds account for resources legally held in trust for others. The City’s three stewardship trust funds are used to account for the collection and remittance of contributions for the maintaining of wetlands in each specific development area.

Agency Fund – This fund is custodial in nature and does not present results of operations or have a measurement focus. The Escrow agency fund is used to accounts for various deposits, mainly contractor deposits used to ensure the installment and maintenance of erosion and sediment control measures, required by the City.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's public utility fund and various other functions of the government. 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. General revenues include all taxes, franchise fees and investment income.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes require all deposits made by cities with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Net Assets or Equity (Continued)

1. Deposits and Investments (Continued)

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

The City's investment policy has addressed concentration risk as to diversification and is required to limit potential losses to no more than the income generated by the portfolio. The City's policy also addresses interest rate risk by not allowing the City to invest in securities maturing more than ten years from the date of purchase unless directly matched to a specific cash flow.

No more than 50% of the dollar value of the City's investments will mature more than two years from the date of purchase, excluding investable funds from the Community Investment Fund. The City will also not purchase investments that, at the time of the investment, cannot be held to maturity. In addition, the policy states the City will handle its investment transactions with several legal, competing, reputable investment security dealers. The City's policy addresses credit risk by stating investments in commercial paper must have a security rating of A-1 (Moody's), P-1 (Standard & Poors) or F-1 (Fitch) among at least two of the three rating agencies. The City's policy also addresses exposure to custodial credit risk; stating collateral shall be government securities in the amount of 110% of the excess over the current FDIC insurance amount of \$250,000.

Investments for the government are reported at fair value. The Minnesota Municipal Investment Pool is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds." Any residual balances are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued)

The City levies its property tax for the subsequent year during the month of December. December 29 is the last day the City can certify a tax levy to the County Auditor for collection during the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available.

Hennepin County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

3. Inventory and Other Assets

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.

Inventories of the governmental funds are valued at average cost using the weighted average method. Inventories of the proprietary funds are valued at the lower of average cost using the weighted average method or market. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased.

4. Capital Assets

Capital assets, which include; property, plant, equipment and infrastructure assets (i.e., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial cost of more than \$10,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Net Assets or Equity (Continued)

4. Capital Assets (Continued)

Assets	Capitalization Threshold
Buildings and Structures	\$ 25,000
Improvements other than Buildings	100,000
Machinery and Equipment	10,000
Infrastructure	
Streets	100,000
Parks	100,000
Storm Sewer System	100,000
Water & Sanitary Sewer Systems	100,000

Infrastructure has been capitalized retroactively to 1980. Carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Donated capital assets are recorded at estimated fair market value at the date of donation. It is the City's policy to not capitalize computer software or equipment. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Structures	40
Improvements other than Buildings	10-30
Machinery and Equipment	5-15
Infrastructure	
Streets	35
Parks	20
Storm Sewer System	50
Water & Sanitary Sewer Systems	40

5. Compensated Absences

Under terms of union contracts and personnel policies, the City's employees are granted vacations in varying amounts depending on length of service and union contract or employee classification. All full-time employees accumulate eight hours of sick leave per month of service. Upon termination, employees are paid for all unused vacation up to a maximum of

**CITY OF MINNETONKA
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**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009**

280 hours, depending on years of service. Employees with 10 or more years of service and leave the City in good standing are eligible for severance pay.

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Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. Compensated Absences (Continued)

Severance pay is the greater of 1/3 of unused sick leave or 4 weeks of pay plus 1 week of pay for every year of service over 10 years, up to a maximum of 13 weeks.

6. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize non-current liabilities to the extent they have matured or will be liquidated with expendable, available financial resources. Bond premiums, discounts, and bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while 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.

7. Reclassification

Certain amounts from the prior year have been reclassified to conform to the current year presentation. These amounts have no impact on total net assets as previously reported.

8. Use of Estimates

The preparation of the basic financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “Internal Service Funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$521,377 difference are as follows:

Net Assets of the Internal Service Fund	\$ 742,252
Less Net Adjustment to Increase Net Assets - Business-Type Activities - Prior Year	(97,417)
Less Internal Receivable Representing Charges to Business-Type Activities in Excess of Costs - Current Year	<u>(123,458)</u>
Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 521,377</u>

B. Explanation of Certain Differences between the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$595,753 difference are as follows:

Principal Repayments:	
General Obligation Debt	\$ 595,000
Amortization of Bond Discounts and Premiums:	
General Obligation Debt - Net	<u>753</u>
Net Adjustment to Increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive at <i>Changes in Net Assets of Governmental Activities</i>	<u>\$ 595,753</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Certain Differences between the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “Internal Service Funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$(224,132) difference are as follows:

Change in Net Assets of the Internal Service Fund	\$ (100,674)
Subtract Gain from Charges to Business-Type Activities	<u>(123,458)</u>
Net Adjustment to Decrease Net Change in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (224,132)</u>

C. Explanation of Certain Differences between the Proprietary Fund Statements of Net Assets and the Government-Wide Statement of Net Assets

The proprietary fund statement of net assets includes reconciliation between net assets – total enterprise funds and net assets of business-type activities as reported in the government-wide Statement of Net Assets. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$220,875 are as follows:

Add Net Adjustment to increase Net Assets - Business-Type Activities - Prior Year	\$ 97,417
Internal Receivable Representing Charges in Excess of Costs to Business-Type Activities - Current Year	<u>123,458</u>
Net Adjustment to Increase Net Assets - Total Enterprise Funds to Arrive at Net Assets - Business-Type Activities	<u>\$ 220,875</u>

D. Explanation of Certain Differences between the Proprietary Fund Statements of Revenues, Expenses, and Changes in Fund Net Assets and the Government-Wide Statement of Activities

The proprietary fund statement of revenues, expenses, and changes in fund net assets includes a reconciliation between change in net assets – total enterprise funds and change in net assets of business-type activities as reported in the government-wide Statement of Activities. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$123,458 are as follows:

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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

D. Explanation of Certain Differences between the Proprietary Fund Statements of Revenues, Expenses, and Changes in Fund Net Assets and the Government-Wide Statement of Activities (Continued)

Gain from Charges to Business-Type Activities	<u>\$ 123,458</u>
Net Adjustment to Increase <i>Net Change in Fund Balances - Total Enterprise Funds</i> to Arrive at <i>Changes in Net Assets of Business-Type Activities</i>	<u>\$ 123,458</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds.

Budget amounts for the originally adopted budget and the final amended budget are approved by the City Council. Encumbrance accounting is employed in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures of liabilities because the commitments will be reapportioned and honored during the subsequent year. Budgeted expenditure appropriations lapse at year-end.

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for all funds of the City. However, the General and Special Revenue Funds are the only funds that are legally adopted through the budgetary process as documented below.
2. Public hearings are conducted to obtain taxpayer comments.
3. The preliminary budget is legally enacted through passage of a City Council resolution by September 15.
4. The final budget is legally enacted through passage of a resolution by December 20.
5. The City Council may authorize transfer of budgeted amounts between funds.
6. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information (Continued)

7. General and Special Revenue Funds expenditures may not legally exceed budgeted appropriations at the total fund level without City Council approval. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, other services and charges, capital outlay) within each activity. Budgetary monitoring, by departments or divisions and by category, is required by the City Charter. Management may alter the budget within a fund but cannot exceed the total budgeted expenditures for the fund that was approved by the City Council.

B. Excess of expenditures over appropriations

For the year ended December 31, 2009, expenditures exceeded appropriations in the following funds.

Non-Major Funds

Community Development Block Grant	\$ 55,172
Electric Franchise Fees	199,374
Police Forfeiture/Seizure	49,576

These over-expenditures were funded by greater than expected revenues in each of these funds.

C. Deficit Fund Equity

The Electric Franchise Fees Special Revenue Fund had a deficit fund balance of \$289,538 as of December 31, 2009. In prior years this fund incurred expenditures in excess of revenues and available fund balance due to the completion of major overhead utility line burial projects. Future years franchise fee collections are scheduled to cover the deficit fund balance.

The State Municipal Aid Capital Projects Fund had a deficit fund balance of \$587,100 as of December 31, 2009. This fund incurred expenditures in excess of revenues and other financing sources due to the reconstruction of County State-Aid Road 61 (Shady Oak Road), which is a joint project with Hennepin County. Future years Municipal State-Aid allocations are scheduled to cover the deficit fund balance.

The Street Improvement Capital Projects Fund had a deficit fund balance of \$1,642,623 as of December 31, 2009. This fund incurred expenditures in excess of revenues and other financing sources due to the reconstruction of the Dominick Drive and Sherwood Forest areas. These were two large street reconstruction projects that were anticipated to be funded with both previous reserves and future Street Improvement levies.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Deposits

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of December 31, 2009, the City’s bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution’s trust department or agent and in the government’s name.

As of December 31, 2009, the City had deposits as follows:

Checking	\$ 108,937
Savings	1,713,061
Certificates of Deposit	<u>1,800,000</u>
 Total Deposits	 <u><u>\$ 3,621,998</u></u>

B. Investments

As of December 31, 2009, the City had the following investments:

Investment Type	Investment Maturities (In Years)			Ratings
	Fair Value	2 Years or Less	2-10	
FAMC	\$ 1,053,240	\$ -	\$ 1,053,240	AAA
FHLB	20,509,779	1,532,580	18,977,199	AAA
FHLMC	9,075,505	2,041,290	7,034,215	AAA
FHLMC Strip	430,207	-	430,207	N/A
FNMA	22,675,528	-	22,675,528	AAA
FNMA Strip	1,029,796	-	1,029,796	N/A
FICO Strips	474,121	-	474,121	N/A
Broker CD's	4,047,776	2,814,794	1,232,982	N/A
Local Gov't Obligations	735,893	-	735,893	AA - Aa2
4-M	10,048,170	10,048,170	-	N/A
Money Market	(2,049,167)	(2,049,167)	-	N/A
	<u>\$ 68,030,848</u>	<u>\$ 14,387,667</u>	<u>\$ 53,643,181</u>	

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturities of its portfolio. No more than 50% of its portfolio, excluding investable funds from the Community Investment Fund, may mature at more than two years from the date of purchase. The \$53,643,181 of investments with maturities from 2 to 10 years includes \$23,210,214 of investable funds from the Community Investment Fund.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

B. Investments (Continued)

The remaining amount of \$30,432,967 equates to 45% of total investments and is within the City's investment policy limit of no more than 50% of total investments maturing over 2 years from the date of purchase. Also, no investments have maturities of more than 10 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. As of December 31, 2009, the City's investments are rated in the above table.

Concentration of Credit Risk: The risk of loss attributed to the magnitude of the City's investments in a single issuer. The City places no limit on the amount that may be invested in any one issuer. As of December 31, 2009, more than 5 percent of the City's investments are in FHLB, FHLMC and FNMA. These investments are 30.15%, 13.34%, and 33.33%, respectively, of the City's total investments.

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2009, the City's investment balance was not exposed to custodial credit risk.

Summary of cash, deposits and investments as of December 31, 2009:

Petty Cash	\$ 2,500
Deposits	3,621,998
Investments	<u>68,030,848</u>
 Total	 <u><u>\$ 71,655,346</u></u>

Cash, deposits and investments are presented in the December 31, 2009 basic financial statements as follows:

Cash and Investments (Including Cash Equivalents)	\$ 71,054,392
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Statement of Fiduciary Net Assets:

Cash and Investments (Including Cash Equivalents)	
Private-Purpose Trust Funds	207,949
Agency Funds	<u>393,005</u>
 Total Deposits and Investments	 <u><u>\$ 71,655,346</u></u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

C. Capital Assets

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

	Balance January 1, 2009	Additions	Retirements	Transfers	Balance December 31, 2009
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 14,888,879	\$ 61,750	\$ -	\$ -	\$ 14,950,629
Work in Progress	2,724,840	712,197	-	(1,859,348)	1,577,689
Total Capital Assets, Not Being Depreciated	17,613,719	773,947	-	(1,859,348)	16,528,318
Capital Assets, Being Depreciated:					
Buildings and Structures	20,269,762	99,748	-	173,488	20,542,998
Improvements Other Than Buildings	6,858,549	-	-	-	6,858,549
Furniture and Equipment	1,144,728	110,343	(60,185)	-	1,194,886
Machinery and Auto	4,905,245	781,092	(389,148)	10,833	5,308,022
Infrastructure:					
Streets	67,623,487	7,481,088	-	1,675,027	76,779,602
Park Additions	13,901,431	548,119	-	-	14,449,550
Total Capital Assets, Being Depreciated	114,703,202	9,020,390	(449,333)	1,859,348	125,133,607
Less Accumulated Depreciation for					
Buildings and Structures	(11,446,205)	(610,433)	-	-	(12,056,638)
Improvements Other Than Buildings	(5,213,881)	(87,184)	-	-	(5,301,065)
Furniture and Equipment	(390,243)	(131,975)	60,185	-	(462,033)
Machinery and Auto	(2,162,846)	(784,223)	281,220	-	(2,665,849)
Infrastructure:					
Streets	(23,752,502)	(2,164,935)	-	-	(25,917,437)
Park Additions	(1,354,053)	(379,443)	-	-	(1,733,496)
Total Accumulated Depreciation	(44,319,730)	(4,158,193)	341,405	-	(48,136,518)
Total Capital Assets, Being Depreciated, Net	70,383,472	4,862,197	(107,928)	1,859,348	76,997,089
Governmental Activities Capital Assets, Net	<u>\$ 87,997,191</u>	<u>\$ 5,636,144</u>	<u>\$ (107,928)</u>	<u>\$ -</u>	<u>\$ 93,525,407</u>

Depreciation expense for governmental activities was charged to functions/programs of the government as follows:

General Services	\$ 329,137
Development Services	24,475
Public Works	2,478,716
Public Safety	626,277
Parks and Recreation	699,588
Total Depreciation Expense	<u>\$ 4,158,193</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

C. Capital Assets (Continued)

	Balance January 1, 2009	Additions	Retirements	Transfers	Balance December 31, 2009
Business-type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,050,103	\$ -	\$ -	\$ -	\$ 1,050,103
Construction in Progress	181,604	-	-	(181,604)	-
Total Capital Assets, Not Being Depreciated	1,231,707	-	-	(181,604)	1,050,103
Capital Assets, Being Depreciated:					
Buildings and Structures	14,629,266	27,359	-	(30,000)	14,626,625
Improvements Other Than Buildings	1,903,414	132,985	-	30,000	2,066,399
Water Facilities	4,700,591	-	-	-	4,700,591
Machinery and Equipment	5,179,364	206,652	(19,489)	-	5,366,527
Sewer Lift Stations	2,823,196	-	-	-	2,823,196
Distribution System	126,100,529	452,610	-	5,526	126,558,665
Storm Sewers	32,924,084	1,525,414	-	176,078	34,625,576
Total Capital Assets, Being Depreciated	188,260,444	2,345,020	(19,489)	181,604	190,767,579
Less Accumulated Depreciation for					
Buildings and Structures	(6,297,030)	(534,740)	-	2,251	(6,829,519)
Improvements Other Than Buildings	(417,350)	(79,943)	-	(2,251)	(499,544)
Water Facilities	(2,975,452)	(84,217)	-	-	(3,059,669)
Machinery and Equipment	(3,439,695)	(260,798)	19,489	-	(3,681,004)
Sewer Lift Stations	(1,926,889)	(71,677)	-	-	(1,998,566)
Distribution System	(57,438,463)	(2,823,275)	-	-	(60,261,738)
Storm Sewers	(10,475,660)	(736,150)	-	-	(11,211,810)
Total Accumulated Depreciation	(82,970,539)	(4,590,800)	19,489	-	(87,541,850)
Total Capital Assets, Being Depreciated, Net	105,289,905	(2,245,780)	-	181,604	103,225,729
Business-Type Activities Capital Assets, Net	\$ 106,521,612	\$ (2,245,780)	\$ -	\$ -	\$ 104,275,832

Depreciation expense for business-type activities was charged to functions/programs of the government as follows:

Water and Sewer Utilities	\$ 3,365,541
Ice Arena	209,350
Williston Fitness Center	189,747
Grays Bay Marina	25,983
Storm Water Fund	800,179
Total Depreciation Expense	\$ 4,590,800

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

D. Leases

Effective July 1, 2009 the City entered into a 20-year operating lease with Minnetonka School District to provide space within the Arts Center on 7 for an operational home for Music Association of Minnetonka (MAM). The lease can be terminated with at least one year's written notice. The total cost of the operating lease for the year for the year ended December 31, 2009 was \$51,000. The future minimum lease payments for the lease are as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2010	\$ 51,000
2011	51,000
2012	51,000
2013	51,000
2014	51,000
2015-2019	261,600
2020-2024	288,000
2025-2028	<u>230,400</u>
	<u><u>\$ 1,035,000</u></u>

E. Long-Term Debt

1. General Obligation Bonds

The City issues General Obligation (G.O.) Bonds to provide for financing of park improvements and municipal state-aid road improvements. G.O. Bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal debt service payments each year.

2. Revenue Bonds

The City has issued revenue bonds for water improvements. Debt service is covered through the revenue producing activities of this fund.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

E. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities

	Original Issue	Maturities	Rate	Balance
Governmental Activities:				
General Obligation Open Space and Park Improvement Bonds, Series 2002A	\$ 5,000,000	2004-2018	2.50%-4.30%	\$ 3,400,000
General Obligation Open Space and Park Improvement Bonds, Series 2004A	5,000,000	2006-2020	3.25%-4.10%	3,965,000
General Obligation State-Aid Street Bonds, Series 2008A	2,215,000	2010-2024	3.25%-4.00%	2,215,000
General Obligation Open Space and Park Improvement Bonds, Series 2008B	<u>2,490,000</u>	2010-2020	3.25%-4.00%	<u>2,490,000</u>
Total Governmental Activity Bonds	<u>14,705,000</u>			<u>12,070,000</u>
Business-Type Activities:				
General Obligation Water Revenue Bonds, Series 2000A	8,700,000	2002-2010	4.75%	595,000
General Obligation Water Revenue Bonds, Series 2004B	3,560,000	2006-2020	3.25%-4.10%	2,825,000
General Obligation Water Revenue Refunding Bonds, Series 2008C	<u>4,215,000</u>	2010-2016	4.00%	<u>4,215,000</u>
Total Business-Type Activity Bonds	<u>16,475,000</u>			<u>7,635,000</u>
Total General Obligation Bonds	<u>\$ 31,180,000</u>			<u>\$ 19,705,000</u>

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

	Balance at January 1, 2009	Issued	Retired	Balance at December 31, 2009	Due Within One Year
Governmental Activities:					
Unamortized Bond Premium	\$ 50,053	\$ -	\$ 3,979	\$ 46,074	\$ -
Unfunded OPEB Obligation	244,347	208,845	-	453,192	-
Bonds Payable:					
General Obligation Open Space and Park Improvement Bonds, Series 2002A	3,705,000	-	305,000	3,400,000	320,000
General Obligation Open Space and Park Improvement Bonds, Series 2004A	4,255,000	-	290,000	3,965,000	295,000
General Obligation State-Aid Street Bonds, Series 2008A	2,215,000	-	-	2,215,000	235,000
General Obligation Open Space and Park Improvement Bonds, Series 2008B	2,490,000	-	-	2,490,000	80,000
Total G.O. Bonds	<u>12,665,000</u>	<u>-</u>	<u>595,000</u>	<u>12,070,000</u>	<u>930,000</u>
Compensated Absences	2,263,752	1,123,641	1,096,484	2,290,909	1,096,484
Governmental Activity Long-Term Liabilities	<u>\$ 15,223,152</u>	<u>\$ 1,332,486</u>	<u>\$ 1,695,463</u>	<u>\$ 14,860,175</u>	<u>\$ 2,026,484</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

E. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

	Balance at January 1, 2009	Issued	Retired	Balance at December 31, 2009	Due Within One Year
Business-Type Activities:					
Unamortized Bond Premium	\$ 156,768	\$ -	\$ 22,132	\$ 134,636	\$ -
Unfunded OPEB Obligation	31,349	22,497	-	53,846	-
Bonds Payable:					
General Obligation Water Revenue Bonds, Series 2000A	1,165,000	-	570,000	595,000	595,000
General Obligation Water Revenue Bonds, Series 2004B	3,030,000	-	205,000	2,825,000	210,000
General Obligation Water Revenue Refunding Bonds, Series 2008C	4,215,000	-	-	4,215,000	35,000
Total Revenue Bonds	8,410,000	-	775,000	7,635,000	840,000
Compensated Absences	217,961	123,152	110,668	230,445	110,668
Business-Type Activity Long-Term Liabilities	<u>\$ 8,816,078</u>	<u>\$ 145,649</u>	<u>\$ 907,800</u>	<u>\$ 8,053,927</u>	<u>\$ 950,668</u>

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

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences, which are reported in the internal service funds, are included in the above amounts.

Maturities of bonds payable for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31	G.O. Bonds		Revenue Bonds		Total
	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	
2010	\$ 930,000	\$ 440,109	\$ 840,000	\$ 283,561	\$ 2,493,670
2011	935,000	408,434	870,000	248,562	2,461,996
2012	925,000	376,057	870,000	214,970	2,386,027
2013	955,000	342,331	895,000	180,820	2,373,151
2014	985,000	306,725	930,000	145,520	2,367,245
2015-2019	5,465,000	929,116	2,915,000	266,369	9,575,485
2020-2024	1,875,000	105,029	315,000	6,458	2,301,487
	<u>\$ 12,070,000</u>	<u>\$ 2,907,801</u>	<u>\$ 7,635,000</u>	<u>\$ 1,346,260</u>	<u>\$ 23,959,061</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

E. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

The G.O. Water Revenue Bonds of 2000A and 2004B along with the G.O. Water Revenue Refunding Bonds of 2008C are general obligations of the City backed by the full faith, credit and taxing power of the City. However, these Bonds were obtained for the specific purpose of repairing and replacing the utility system. For this reason, this liability is included within the Utility Enterprise Fund.

The G.O. Open Space and Park Improvement Bonds, Series 2002A, Series 2004A, and Series 2008B are general obligation bonds to be used to purchase open space and make park improvements to the existing park system.

The G.O. State-Aid Street Bonds, Series 2008A are general obligation bonds used for the reconstruction of County State-Aid Highway 61 (Shady Oak Road) between Bren Road and Excelsior Boulevard.

The unamortized bond discounts of \$25,467 and \$764 in respect to the G.O. Open Space and Park Improvement Bonds of 2002 and 2004 are reported as an asset within the Statement of Net Assets.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2009, the City is in compliance with all significant financial limitations and restrictions.

The voters of the City approved, by special election on September 11, 2001, the issuance and sale by the City of G.O. Bonds of the City in an aggregate amount not to exceed \$15,000,000. The purpose of the Bonds, as approved by the voters, is to provide financing for a Parks Renewal and Open Space Preservation Program. As of December 31, 2008, the City has issued \$12,490,000 G.O. Open Space and Park Improvement Bonds of the voter approved \$15,000,000. The remaining \$2,510,000 is scheduled to be issued in later years.

4. Conduit Debt Obligations

From time-to-time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the underlying property enhanced and are payable solely from payments received from the benefited entity. Neither the City, the State of Minnesota, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the Bonds are not reported as liabilities in the basic financial statements.

As of December 31, 2009, there were 10 series of Revenue Bonds outstanding, with an outstanding balance of \$71,807,126.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

F. Commitments

At December 31, 2009, the City had the following construction contract commitments outstanding:

Project	Contractor	Commitment
Safety Storage Building	Red Cedar Erectors	\$ 3,400
Safety Storage Building	Gresser Companies	22,500
Safety Storage Building	Dalbec Roofing	18,880
Ridgewood Road Street Reconstruction	Imperial Contractors	9,839
Dominick Drive Street Reconstruction	Park Construction	74,875
TH 7 North Frontage Road	S.M. Hentges & Sons	35,174
Woodland Road Property	W & B Clark	540,000
Water Meter Replacements	Dakota Supply Group	199,501
Manhole Rehabilitation	Infrastructure Technologies	24,423
Forest Hills Water Tower Removal	General Construction Services	38,000
Finger Hut Water Tower Removal	General Construction Services	44,000
Sherwood Forest Street Reconstruction	Wm. Mueller & Sons	49,463
		<u>\$ 1,060,055</u>

G. Interfund Transactions

1. Interfund Receivables and Payables

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor	\$ 403,244	[1]
General Fund	Ice Arena	266,495	[1]
Special Assessment Construction	Street Improvement	1,219,519	
Water and Sewer Utilities	Storm Water	605,420	[1]
		<u>\$ 2,494,678</u>	

[1] The interfund receivables and payables eliminated what would have been a negative cash balance in the City's Electric Franchise Fees, Ice Arena, Street Improvement, and Storm Water funds. The City expects these interfund transactions to be settled in January 2010.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

G. Interfund Transactions (Continued)

2. Transfers

Transfer To	Transfer From	Amount	Purpose
General Fund	Other Nonmajor	\$ 79,200	Administrative costs
General Fund	Other Nonmajor	525,000	Reapportion tax levy to account for reduced State funding
General Fund	Grays Bay Marina	27,900	Administrative costs
General Fund	Ice Arena	26,800	Administrative costs
General Fund	Environmental	187,740	Administrative costs
General Fund	Special Assessment Construction Fund	32,600	Administrative costs
General Fund	Storm Water Fund	127,360	Administrative costs
General Fund	Water and Sewer Utilities	863,400	Administrative costs
General Fund	Williston Center	26,800	Administrative costs
Internal Service Fund	Grays Bay Marina	9,300	Payment to Internal Service Fund for insurance costs
Internal Service Fund	Ice Arena	24,500	Payment to Internal Service Fund for insurance costs
Internal Service Fund	Water and Sewer Utilities	171,700	Payment to Internal Service Fund for insurance costs
Internal Service Fund	Williston Center	24,500	Payment to Internal Service Fund for insurance costs
Internal Service Fund	Storm Water	18,400	Payment to Internal Service Fund for insurance costs
Other Nonmajor	General Fund	<u>1,265,000</u>	One-time transfer of undesignated reserves to purchase four high priority capital projects
		<u>\$ 3,410,200</u>	

H. Segment Information

The City maintains six Enterprise Funds that account for the water and sewer utility, ice arena facilities, recycling activities, a fitness center, a recreational marina and the storm water utility. The City considers each of its Enterprise Funds to be a segment. Since the required segment information is already included in the City's proprietary funds' Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets balance, this information has not been repeated in the notes to the basic financial statements.

I. Contingencies

1. There are several lawsuits pending in which the City is involved. The City estimates the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

I. Contingencies (Continued)

2. The City entered into a purchase agreement dated August 28, 2004 for the purchase real property. The purchase price of the property is \$2,600,000, of which the City has paid \$100,000 in earnest money that will be applied towards the total purchase price. The closing of the date of the purchase will take place on or before 30 days after the seller's estate or heirs give notice to the City of the seller's death, or at such earlier or later date as mutually agreed upon by the seller and the City.

J. Fund Equity/Net Assets

Fund equity or net assets are the residual or "net" assets of a given fund. Fund equity is what is left over when the total liabilities of a fund are deducted from its total assets. Governmental funds refer to a fund's net assets as "fund balance." The government-wide Statement of Net Assets and the City's proprietary fund financial statements refer to a fund's residual assets as "net assets."

Governmental fund balance is divided into three major categories: reserved, designated and unreserved. Reservations of governmental fund balance are used to quantify the amount of a fund's net assets that are not available to meet the current financial needs of the City. Designations are used to indicate a future use has been identified for net assets that are both available for current financial needs. Finally, unreserved fund balance is a measure of a governmental fund's net resources available for current financial needs.

The government-wide Statement of Net Assets and the proprietary fund financial statements divided net assets into the following components: Net assets invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. Restricted net assets are required to be reported when external parties mandate their restriction.

Fund equity in the various funds has been reserved/designated for the following purposes as of December 31, 2009:

Reserved for:

Encumbrances:

Major Fund:

Street Improvement \$ 659,888

Nonmajor Capital Projects Fund:

Capital Replacement 44,780

Total Reserved for Encumbrances \$ 704,668

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

J. Fund Equity/Net Assets (Continued)

Reserved for:

Prepays

Nonmajor Special Revenue Fund:

Cable TV \$ 795

Nonmajor Capital Projects Fund:

Capital Replacement 20,000

Total Prepays \$ 20,795

Fire Relief:

General Fund \$ 377,000

Inventories:

General Fund \$ 171,795

General Fund Designated for:

Compensated Absences \$ 963,113

Recreation Scholarships \$ 3,484

Senior Center \$ 21,701

Special Revenue Funds Designated for:

Compensated Absences

Nonmajor Special Revenue Funds:

Cable TV \$ 8,860

Capital Projects Funds Designated for:

Construction:

Major Funds:

Community Investment \$ 23,210,214

Nonmajor Capital Projects Funds:

Tax Increment Financing 1,456,904

Total Designated for Construction \$ 24,667,118

Capital Projects Funds Designated for:

Gray's Bay Causeway

Nonmajor Capital Projects Funds:

Park Dedication \$ 260,000

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

A. Risk Management

The City is exposed to various risks typically associated with municipal operations, including: thefts, destruction of assets, errors and omissions, employee injuries, general liability and natural disasters. Since the early 1980's, the City has been a member of the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool. The LMCIT program best meets municipal needs from the perspective of coverage as well as cost. It is sustained through member premiums and reinsurance for catastrophic events. Coverage limits match statutory caps for claims against Minnesota cities of \$1,000,000 per claim. Insurance settlements have never exceeded coverage during the City's membership in the LMCIT program.

Certain risk management activities of the City (i.e., premiums and deductibles) are accounted for by the Insurance Fund, an internal service fund that charges its costs to user departments. Such reimbursements are recorded as interfund services provided. The liability recorded by the Insurance Fund includes estimated deductibles/premium adjustments not settled as of December 31, 2009, including an estimate for items incurred but not reported.

Changes in the insurance claims liability during 2009 and 2008, recorded within the City's Internal Service Fund, are as follows:

	2009	2008
Unpaid Claims at Beginning of Year	\$ 65,846	\$ 154,633
Incurred Claims	518,141	291,836
Premiums and Settlements	(581,021)	(380,623)
Unpaid Claims at End of Year	\$ 2,966	\$ 65,846

B. Employee Retirement Systems and Pension Plans

Pension Plans – Primary Government

1. Defined Benefit Pension Plans – State-wide

a. Plan Description

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

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – Statewide (Continued)

a. Plan Description (Continued)

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All employees of the City in PERF are members of the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

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

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for Basic Plan members is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For all PEPFF and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced social security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – Statewide (Continued)

a. Plan Description (Continued)

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the web at mnpera.org, by writing to PERA at 60, Empire Drive No. 200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

b. Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. *Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes.

PERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.0%, respectively, of their annual covered salary in 2009. PEPFF members were required to contribute 9.4% of their annual covered salary in 2009. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 6.75% for Coordinated Plan members, and 14.1% for PEPFF members. Employer contribution rates for the Coordinated Plan will increase to 7.0% effective January 1, 2010.

The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2009, 2008 and 2007 were \$752,611, \$727,321, and \$667,179, respectively. The City's contributions to Public Employees Police and Fire Fund for the years ending December 31, 2009, 2008 and 2007 were \$699,043, \$640,708, and \$543,614, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan

The Public Employees Defined Contribution Plan is a multiple-employer deferred compensation plan for local government officials, except elected county sheriffs. The Plan is established and administered in accordance with *Minnesota Statutes* Chapter 353D. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

2. Defined Contribution Plan (Continued)

The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the Plan plus investment earnings, less administrative expenses. *Minnesota Statutes* 353D.03 specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary, which is matched by the employer.

No vesting period is required to receive benefits in the Defined Contribution Plan. At the time of retirement or termination, the market value of the member's account is distributed to the member or another qualified plan. The City's contributions for the years ending December 31, 2008, 2007 and 2006 were \$1,800, \$1,800, and \$1,100, respectively, were equal to the contractually required contributions for each year as set by state statute.

3. Minnetonka Firefighters' Relief Association

a. Plan Description

The City contributes to a single-employer, public employee defined benefit retirement plan operated by the Minnetonka Firefighters' Relief Association (MFRA) for certain firefighters. Since volunteer firefighters of the City are members of the MFRA, contributions to the MFRA are not based on payroll, but rather on years of active service.

MFRA's actuarial accrued liability is determined as part of an actuarial valuation performed every other year on January 1. Significant methods are as follows:

1. The most recent actuarial valuation date is January 1, 2009.
2. Actuarial cost is determined using the Entry Age Normal Cost Method.
3. Actuarial value of assets is market value.
4. Any changes in the unfunded accrued liability are amortized at a level dollar amount over a 20 year open period.

Significant actuarial assumptions are as follows:

1. Investment rate of return is 6.0% per annum.
2. Discount rate used to determine the present value of plan benefits is 6.0% per annum.
3. Mortality assumptions are based upon the 1983 Group Annuity Mortality Table.
4. Inflation rate, and projected salary increases are not applicable and there is no cost of living adjustment.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters' Relief Association (Continued)

a. Plan Description (Continued)

A detailed financial report for the MFRA, including financial statements and required disclosures, is available from the City upon request.

The MFRA provides retirement benefits as well as death and disability benefits. At 10 years, members are 50% vested with 5% increases each year to 100% vesting at 20 years. Members who retire at or after age 50 with 10 years of credited service are entitled to an annual benefit, payable monthly for life, in an amount equal to the applicable vesting percentage times the full service pension available to a member with 20 years of service. Benefits for member with greater than 20 years of credited service are equal to 30 times the number of years of active service, to a maximum of 30 years.

Commencing January 1, 1997, at the time of application for pension members may elect to receive a lump sum payment equal to 130 times the earned monthly pension benefit in lieu of any other benefits. Commencing January 1, 2006, new members to the MFRA may only receive a lump sum payment at time of application for pension equal to 130 times the earned monthly pension benefit in lieu of any other benefits.

b. Funding Policy

Contribution requirements of the MFRA are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The minimum tax levy obligation of the City is the financial requirement for the year less anticipated member contributions and state aids. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resources to pay MFRA benefits on a timely basis. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The MFRA is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations.)

Total contributions to the MFRA Plan for the years ended December 31, 2009, 2008 and 2007 were \$246,160, \$290,975, and \$343,543, respectively, all contributed on-behalf of the State of Minnesota. The City receives the state aid contribution and is required by state statute to pass this through as a payment to the MFRA. This transaction is recorded as a revenue and an expenditure in the City's financial statements.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

b. Funding Policy (Continued)

The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of the beginning of the respective fiscal year. The contributions were for funding the normal cost for the years ended December 31, 2009, 2008 and 2007 of \$279,482, \$282,879, and \$282,879, respectively, and do not apply toward funding the amortization of any unfunded actuarial accrued liability.

Significant actuarial assumptions used to compute pension contribution requirements are substantially the same as those used to determine the standardized measure of the pension obligation. The computation of the pension contribution requirements for 2009, excluding the discount rate, was based on the same actuarial assumptions, benefit provision, actuarial funding method and other significant factors used to determine pension contribution requirements in previous years.

c. Annual Pension Cost and Net Pension Obligation

Three-year trend information for the MFRA is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contributions			Percentage Contributed	Net Pension Obligation
		City	State	Total		
December 31, 2007	\$ 218,127	\$ -	\$ 343,543	\$ 343,543	157.50%	\$ (852,979)
December 31, 2008	211,856	-	290,975	290,975	137.35%	(932,098)
December 31, 2009	713,249	-	246,160	246,160	34.51%	(465,009)
Annual Required Contribution						\$ 639,143
Interest on Net Pension Obligation						(46,605)
Adjustment to Annual Required Contribution						<u>120,711</u>
Annual Pension Cost						713,249
Contributions Made						(246,160)
Increase (decrease) in Net Pension Obligation						467,089
Negative Net Pension Obligation Beginning of Year						<u>(932,098)</u>
Negative Net Pension Obligation End of Year						<u>\$ (465,009)</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

d. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (A)	Actuarial Accrued Liability (AAL) (B)	Funded (Unfunded) AAL (A)-(B)	Funded Ratio (A)/(B)	Annual Covered Payroll (C)	AAL as a Percentage of Covered Payroll ((B-A)/C)
January 1, 2009	\$ 9,116,002	\$ 11,770,217	(2,654,215)	77.5	N/A	N/A
January 1, 2008	12,491,483	11,670,368	821,115	107.0	N/A	N/A
January 1, 2007	11,928,760	11,338,918	589,842	105.2	N/A	N/A

NOTE 5 – OTHER INFORMATION

C. Postemployment Healthcare Plan

Plan Description

The City provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by HealthPartners. It is the City’s policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

Funding Policy

Retirees and their spouses contribute to the healthcare plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with HealthPartners. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2009, the City contributed \$152,999 to the plan. As of January 1, 2008, there were approximately 20 retirees receiving health benefits from the City’s health plan.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the City (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

C. Postemployment Healthcare Plan (Continued)

The following table shows the components of the City’s annual OPEB cost of the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan.

Annual Required contribution	\$ 380,889
Interest on Net OPEB obligation	12,406
Adjustment to Annual Required Contribution	<u>(8,954)</u>
Annual OPEB Cost (Expense)	384,341
Contributions Made	<u>(152,999)</u>
Increase in net OPEB Obligation	231,342
Net OPEB Obligation - Beg of Year	<u>275,696</u>
Net OPEB Obligation - End of Year	<u><u>\$ 507,038</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 last two years was as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2009	\$ 384,341	\$ 152,999	40%	\$ 507,038
12/31/2008	380,889	105,193	28%	275,696

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the City had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$3,841,327 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,841,327. The covered payroll (annual payroll of active employees covered by the plan) was \$14,869,455, and the ratio of the UAAL to the covered payroll was 26 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of 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 the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF MINNETONKA
Hennepin County, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 – OTHER INFORMATION

C. Postemployment Healthcare Plan (Continued)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, consistent with the long-term perspective of the calculations.

In the January 1, 2008, the actuarial valuation date, the entry age normal cost method was used. The actuarial assumptions included a 4.5% discount rate, which is based on the investment yield expected to finance benefits depending on whether the plan is funded in a separate trust (about 7% to 8.5%, long-term, similar to a pension plan) or unfunded (3.5% to 5%, shorter term, based on City's general assets).

The City currently does not plan to prefund this benefit. At the actuarial valuation date, the annual healthcare cost trend rate was calculated to be 10 percent initially, reduced incrementally to an ultimate rate of 5 percent after ten years. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2008 was 30 years.



**REQUIRED SUPPLEMENTARY
INFORMATION**

Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Estimated Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	\$ -	\$ 3,841,327	3,841,327	0.0%	\$14,869,455	25.8%
January 1, 2008	\$ -	\$ 3,521,527	3,521,527	0.0%	\$14,161,386	24.9%

This schedule was implemented in 2008 and therefore, contains only two years of data. See Note 5C in the Notes to the Financial Statements for more detail on this schedule.



COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Cable Television Fund – This fund accounts for cable TV franchise fees as well as related cable TV expenditures. All expenditures by this fund are communications or cable TV related.

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.

Electric Franchise Fees – This fund was established to account for electric franchise fee revenues and the corresponding expenditures for the burial of overhead utility lines on major streets.

Grants Fund – This fund receives and expends amount for various grant programs.

Housing & Redevelopment Authority – This fund was established to account for activity of the Economic Development Authority (EDA) regarding economic development, housing and redevelopment matters.

Police Forfeiture and Seizure Fund – This fund was established to account for property and/or cash seized by police personnel. All expenditures by this fund must be public safety related.

Shady Oak Lane Cemetery Fund – This fund accounts for revenues and expenditures related to maintaining the cemetery.

DEBT SERVICE FUNDS

Park & Open Space Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of General Obligation park renewal and open space bonds.

2008 State-Aid Street Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of 2008 General Obligation state-aid street bonds.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

Capital Replacement Fund – This fund was established for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000.

Technology Development Fund – This fund was established to account for the revenues and expenditures for the adequate funding for essential investments in technology.

Development Fund – This fund was established to account for the revenues and expenditures related to housing, redevelopment, and economic development project areas.

Livable Communities Housing Fund – This fund was established to account for the revenues and expenditures related to affordable housing programs, and other activities designed to better link jobs, housing, transit and the Metropolitan Livable Communities Act.

Park and Open Space Bonds – This fund was established to account for the proceeds of bonds sold in 2002 and 2004 for the purpose of park renovations and open space purchases.

Park Dedication Fund – This fund was established to account for the purchase and development of park land throughout the city.

Tax Increment Financing Fund – This fund accounts for Tax Increment Financing activity in the city for TIF projects that were created on a pay-as-you-go basis.

INTERNAL SERVICE FUNDS

Self Insurance Fund - This fund accounts for the risk management activities of the City.

Fleet Maintenance Fund – This fund is responsible for the maintenance and repair of the city's motorized fleet and support equipment.

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue				
	Cable TV	Community Development Block Grant	Electric Franchise Fees	Grants	Housing & Redevelopment Authority
ASSETS:					
Cash and Investments	\$ 1,348,942	\$ 21,874	\$ -	\$ 84,416	\$ 96,893
Accounts Receivable	170,691	-	200,206	20,885	-
Interest Receivable	13,161	-	-	838	606
Property Taxes Receivable					
Unremitted	-	-	-	-	854
Delinquent	-	-	-	-	830
Due from Other Governments	7,459	56,117	-	146,820	-
Assets Held for Resale	-	-	-	-	-
Prepays	795	-	-	-	-
	<u>1,541,048</u>	<u>77,991</u>	<u>200,206</u>	<u>252,959</u>	<u>99,183</u>
Total Assets	\$ 1,541,048	\$ 77,991	\$ 200,206	\$ 252,959	\$ 99,183
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Wages Payable	\$ 2,277	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	22,810	25,273	86,500	-	-
Due to Other Governments	258	-	-	-	-
Due to Other Funds	-	-	403,244	-	-
Deferred Revenue	-	-	-	-	830
Total Liabilities	25,345	25,273	489,744	-	830
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Prepays	795	-	-	-	-
Unreserved, Designated for:					
Compensated Absences	8,860	-	-	-	-
Construction	-	-	-	-	-
Gray's Bay Causeway	-	-	-	-	-
Unreserved, Undesignated	1,506,048	52,718	(289,538)	252,959	98,353
Total Fund Balances	1,515,703	52,718	(289,538)	252,959	98,353
	<u>1,541,048</u>	<u>77,991</u>	<u>200,206</u>	<u>252,959</u>	<u>99,183</u>
Total Liabilities and Fund Balances	\$ 1,541,048	\$ 77,991	\$ 200,206	\$ 252,959	\$ 99,183

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

	Special Revenue (Continued)			Debt Service	
	Police Forfeiture/ Seizure	Shady Oak Lane Cemetery	Total Special Revenue Funds	Park and Open Space Bonds	2008 State-Aid Street Bonds
ASSETS:					
Cash and Investments	\$ 307,512	\$ 132,286	\$ 1,991,923	\$ 1,240,848	\$ 3,146
Accounts Receivable	-	-	391,782	-	-
Interest Receivable	2,911	1,274	18,790	8,175	-
Property Taxes Receivable					
Unremitted	-	-	854	-	-
Delinquent	-	-	830	-	-
Due from Other Governments	25,000	-	235,396	-	-
Assets Held for Resale	-	-	-	-	-
Prepays	-	-	795	-	-
	<u>\$ 335,423</u>	<u>\$ 133,560</u>	<u>\$ 2,640,370</u>	<u>\$ 1,249,023</u>	<u>\$ 3,146</u>
Total Assets					
	<u>\$ 335,423</u>	<u>\$ 133,560</u>	<u>\$ 2,640,370</u>	<u>\$ 1,249,023</u>	<u>\$ 3,146</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ 2,277	\$ -	\$ -
Accounts and Contracts Payable	-	-	134,583	-	-
Due to Other Governments	-	-	258	-	-
Due to Other Funds	-	-	403,244	-	-
Deferred Revenue	-	-	830	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>541,192</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Prepays	-	-	795	-	-
Unreserved, Designated for:					
Compensated Absences	-	-	8,860	-	-
Construction	-	-	-	-	-
Gray's Bay Causeway	-	-	-	-	-
Unreserved, Undesignated	335,423	133,560	2,089,523	1,249,023	3,146
Total Fund Balances	<u>335,423</u>	<u>133,560</u>	<u>2,099,178</u>	<u>1,249,023</u>	<u>3,146</u>
Total Liabilities and					
Fund Balances	<u>\$ 335,423</u>	<u>\$ 133,560</u>	<u>\$ 2,640,370</u>	<u>\$ 1,249,023</u>	<u>\$ 3,146</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

	Debt Service (Continued)	Capital Projects			
	Total Debt Service Funds	Capital Replacement	Technology Development	Development Fund	Livable Communities Housing Fund
ASSETS:					
Cash and Investments	\$ 1,243,994	\$ 2,380,413	\$ 414,578	\$ 1,450,182	\$ 1,390,309
Accounts Receivable	-	-	-	68,396	614,000
Interest Receivable	8,175	22,198	2,365	14,253	15,041
Property Taxes Receivable					
Unremitted	-	-	-	-	-
Delinquent	-	-	-	-	-
Due from Other Governments	-	-	2,997	135,124	-
Assets Held for Resale	-	-	-	-	203,232
Prepays	-	20,000	-	-	-
Total Assets	\$ 1,252,169	\$ 2,422,611	\$ 419,940	\$ 1,667,955	\$ 2,222,582
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	-	322,928	18,884	21,416	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	-	322,928	18,884	21,416	-
Fund Balances:					
Reserved for:					
Encumbrances	-	44,780	-	-	-
Prepays	-	20,000	-	-	-
Unreserved, Designated for:					
Compensated Absences	-	-	-	-	-
Construction	-	-	-	-	-
Gray's Bay Causeway	-	-	-	-	-
Unreserved, Undesignated	1,252,169	2,034,903	401,056	1,646,539	2,222,582
Total Fund Balances	1,252,169	2,099,683	401,056	1,646,539	2,222,582
Total Liabilities and Fund Balances	\$ 1,252,169	\$ 2,422,611	\$ 419,940	\$ 1,667,955	\$ 2,222,582

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

Capital Projects (Continued)

	Park and Open Space Bonds	Park Dedication	Tax Increment Financing	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS:					
Cash and Investments	\$ 2,007,129	\$ 1,068,249	\$ 1,440,410	\$ 10,151,270	\$ 13,387,187
Accounts Receivable	22,392	47,211	-	751,999	1,143,781
Interest Receivable	19,044	12,191	8,916	94,008	120,973
Property Taxes Receivable					
Unremitted	-	-	7,578	7,578	8,432
Delinquent	-	-	-	-	830
Due from Other Governments	-	-	-	138,121	373,517
Assets Held for Resale	-	-	-	203,232	203,232
Prepays	-	-	-	20,000	20,795
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,048,565</u>	<u>\$ 1,127,651</u>	<u>\$ 1,456,904</u>	<u>\$ 11,366,208</u>	<u>\$ 15,258,747</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,277
Accounts and Contracts Payable	6,853	96,868	-	466,949	601,532
Due to Other Governments	-	-	-	-	258
Due to Other Funds	-	-	-	-	403,244
Deferred Revenue	-	-	-	-	830
Total Liabilities	<u>6,853</u>	<u>96,868</u>	<u>-</u>	<u>466,949</u>	<u>1,008,141</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	44,780	44,780
Prepays	-	-	-	20,000	20,795
Unreserved, Designated for:					
Compensated Absences	-	-	-	-	8,860
Construction	-	-	1,456,904	1,456,904	1,456,904
Gray's Bay Causeway	-	260,000	-	260,000	260,000
Unreserved, Undesignated	2,041,712	770,783	-	9,117,575	12,459,267
Total Fund Balances	<u>2,041,712</u>	<u>1,030,783</u>	<u>1,456,904</u>	<u>10,899,259</u>	<u>14,250,606</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,048,565</u>	<u>\$ 1,127,651</u>	<u>\$ 1,456,904</u>	<u>\$ 11,366,208</u>	<u>\$ 15,258,747</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009**

	Special Revenue				
	Cable TV	Community Development Block Grant	Electric Franchise Fees	Grants	Housing & Redevelopment Authority
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ 97,492
Franchise	678,414	-	798,645	-	-
Intergovernmental:					
Federal Grants	-	191,164	-	190,297	-
State Grants	7,459	-	-	74,385	-
Local Grants	-	-	-	2,816	-
Miscellaneous:					
Investment Income	30,441	-	-	6,531	861
Other	24,363	25,000	-	20,885	-
Total Revenues	<u>740,677</u>	<u>216,164</u>	<u>798,645</u>	<u>294,914</u>	<u>98,353</u>
EXPENDITURES:					
Current:					
General Government	381,418	-	304,374	-	-
Development Services	-	191,338	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	99,937	-
Park and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
General Government	73,571	-	-	-	-
Development Services	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Park and Recreation	75,010	-	-	131,000	-
Total Expenditures	<u>529,999</u>	<u>191,338</u>	<u>304,374</u>	<u>230,937</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,678	24,826	494,271	63,977	98,353
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	-
Transfers Out	(26,800)	-	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(26,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>183,878</u>	<u>24,826</u>	<u>494,271</u>	<u>63,977</u>	<u>98,353</u>
FUND BALANCES:					
Beginning of Year	<u>1,331,825</u>	<u>27,892</u>	<u>(783,809)</u>	<u>188,982</u>	<u>-</u>
End of Year	<u>\$ 1,515,703</u>	<u>\$ 52,718</u>	<u>\$ (289,538)</u>	<u>\$ 252,959</u>	<u>\$ 98,353</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009
(Continued)**

	Special Revenue (Continued)			Debt Service	
	Police Forfeiture/ Seizure	Shady Oak Lane Cemetery	Total Special Revenue Funds	Park and Open Space Bonds	2008 State-Aid Street Bonds
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ 97,492	\$ 1,179,175	\$ -
Franchise	-	-	1,477,059	-	-
Intergovernmental:					
Federal Grants	-	-	381,461	-	-
State Grants	-	-	81,844	-	101,508
Local Grants	-	-	2,816	-	-
Miscellaneous:					
Investment Income	10,021	4,366	52,220	18,808	343
Other	125,987	-	196,235	-	-
Total Revenues	136,008	4,366	2,289,127	1,197,983	101,851
EXPENDITURES:					
Current:					
General Government	-	-	685,792	-	-
Development Services	-	-	191,338	-	-
Public Works	-	-	-	-	-
Public Safety	70,515	-	170,452	-	-
Park and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	595,000	-
Interest and Fiscal Charges	-	-	-	393,463	81,557
Capital Outlay:					
General Government	-	-	73,571	-	-
Development Services	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	15,861	-	15,861	-	-
Park and Recreation	-	-	206,010	-	-
Total Expenditures	86,376	-	1,343,024	988,463	81,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,632	4,366	946,103	209,520	20,294
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(26,800)	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(26,800)	-	-
Net Change in Fund Balances	49,632	4,366	919,303	209,520	20,294
FUND BALANCES:					
Beginning of Year	285,791	129,194	1,179,875	1,039,503	(17,148)
End of Year	<u>\$ 335,423</u>	<u>\$ 133,560</u>	<u>\$ 2,099,178</u>	<u>\$ 1,249,023</u>	<u>\$ 3,146</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009
(Continued)**

	Debt Service (Continued)	Capital Projects			
	Total Debt Service Funds	Capital Replacement	Technology Development	Development Fund	Livable Communities Housing Fund
REVENUES:					
Taxes:					
Property	\$ 1,179,175	\$ 1,325,000	\$ 600,000	\$ -	\$ -
Franchise	-	-	-	-	-
Intergovernmental:					
Federal Grants	-	-	-	-	-
State Grants	101,508	-	2,997	429,884	-
Local Grants	-	-	-	536,400	-
Miscellaneous:					
Investment Income	19,151	57,298	3,347	31,871	23,640
Other	-	45,167	40	163,667	-
Total Revenues	<u>1,299,834</u>	<u>1,427,465</u>	<u>606,384</u>	<u>1,161,822</u>	<u>23,640</u>
EXPENDITURES:					
Current:					
General Government	-	36,657	80,556	-	-
Development Services	-	-	-	806,996	333,350
Public Works	-	9,080	-	-	-
Public Safety	-	112,288	-	-	-
Park and Recreation	-	70,606	-	-	-
Debt Service:					
Principal	595,000	-	-	-	-
Interest and Fiscal Charges	475,020	-	-	-	-
Capital Outlay:					
General Government	-	-	239,677	-	-
Development Services	-	-	-	13,959	-
Public Works	-	265,130	-	-	-
Public Safety	-	954,023	-	-	-
Park and Recreation	-	32,686	-	-	-
Total Expenditures	<u>1,070,020</u>	<u>1,480,470</u>	<u>320,233</u>	<u>820,955</u>	<u>333,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	229,814	(53,005)	286,151	340,867	(309,710)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	1,265,000	-	-	-
Transfers Out	-	(335,000)	-	(52,400)	-
Proceeds on Disposition of Capital Assets	-	131,546	-	-	-
Total Other Financing Sources (Uses)	-	1,061,546	-	(52,400)	-
Net Change in Fund Balances	229,814	1,008,541	286,151	288,467	(309,710)
FUND BALANCES:					
Beginning of Year	<u>1,022,355</u>	<u>1,091,142</u>	<u>114,905</u>	<u>1,358,072</u>	<u>2,532,292</u>
End of Year	<u>\$ 1,252,169</u>	<u>\$ 2,099,683</u>	<u>\$ 401,056</u>	<u>\$ 1,646,539</u>	<u>\$ 2,222,582</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009
(Continued)**

	Capital Projects (Continued)				
	Park and Open Space Bonds	Park Dedication	Tax Increment Financing	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:					
Taxes:					
Property	\$ -	\$ 330,000	\$ 1,648,252	\$ 3,903,252	\$ 5,179,919
Franchise	-	-	-	-	1,477,059
Intergovernmental:					
Federal Grants	-	-	-	-	381,461
State Grants	-	-	21,443	454,324	637,676
Local Grants	-	-	-	536,400	539,216
Miscellaneous:					
Investment Income	40,073	28,148	24,408	208,785	280,156
Other	71	62,211	-	271,156	467,391
Total Revenues	<u>40,144</u>	<u>420,359</u>	<u>1,694,103</u>	<u>5,373,917</u>	<u>8,962,878</u>
EXPENDITURES:					
Current:					
General Government	-	-	2,844	120,057	805,849
Development Services	-	-	1,648,684	2,789,030	2,980,368
Public Works	-	-	-	9,080	9,080
Public Safety	-	-	-	112,288	282,740
Park and Recreation	77,762	215,223	-	363,591	363,591
Debt Service:					
Principal	-	-	-	-	595,000
Interest and Fiscal Charges	-	-	-	-	475,020
Capital Outlay:					
General Government	-	-	-	239,677	313,248
Development Services	-	-	-	13,959	13,959
Public Works	-	-	-	265,130	265,130
Public Safety	-	-	-	954,023	969,884
Park and Recreation	231,166	217,667	-	481,519	687,529
Total Expenditures	<u>308,928</u>	<u>432,890</u>	<u>1,651,528</u>	<u>5,348,354</u>	<u>7,761,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(268,784)	(12,531)	42,575	25,563	1,201,480
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	1,265,000	1,265,000
Transfers Out	-	(190,000)	-	(577,400)	(604,200)
Proceeds on Disposition of Capital Assets	-	-	-	131,546	131,546
Total Other Financing Sources (Uses)	<u>-</u>	<u>(190,000)</u>	<u>-</u>	<u>819,146</u>	<u>792,346</u>
Net Change in Fund Balances	<u>(268,784)</u>	<u>(202,531)</u>	<u>42,575</u>	<u>844,709</u>	<u>1,993,826</u>
FUND BALANCES:					
Beginning of Year	<u>2,310,496</u>	<u>1,233,314</u>	<u>1,414,329</u>	<u>10,054,550</u>	<u>12,256,780</u>
End of Year	<u>\$ 2,041,712</u>	<u>\$ 1,030,783</u>	<u>\$ 1,456,904</u>	<u>\$ 10,899,259</u>	<u>\$ 14,250,606</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - CABLE TV
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
Franchise Taxes	\$ 510,000	\$ 680,000	\$ 678,414	\$ (1,586)	\$ 682,285
Intergovernmental:					
State Grant	-	16,500	7,459	(9,041)	-
Miscellaneous:					
Investment Income	30,000	30,000	30,441	441	59,847
Other Income	-	10,000	24,363	14,363	7,581
Total Revenues	<u>540,000</u>	<u>736,500</u>	<u>740,677</u>	<u>4,177</u>	<u>749,713</u>
EXPENDITURES:					
General Services					
Personal Services	179,800	180,300	173,625	6,675	172,468
Materials and Supplies	5,500	5,500	2,838	2,662	3,009
Other Services and Charges	209,000	231,000	204,955	26,045	196,378
Total General Services	<u>394,300</u>	<u>416,800</u>	<u>381,418</u>	<u>35,382</u>	<u>371,855</u>
Capital Outlay	<u>215,500</u>	<u>165,500</u>	<u>148,581</u>	<u>16,919</u>	<u>69,257</u>
Total Expenditures	<u>609,800</u>	<u>582,300</u>	<u>529,999</u>	<u>52,301</u>	<u>441,112</u>
Excess of Revenues Over (Under) Expenditures	<u>(69,800)</u>	<u>154,200</u>	<u>210,678</u>	<u>56,478</u>	<u>308,601</u>
OTHER FINANCING (USES):					
Operating Transfers to Other Funds	<u>(26,800)</u>	<u>(26,800)</u>	<u>(26,800)</u>	<u>-</u>	<u>(25,600)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (96,600)</u>	<u>\$ 127,400</u>	183,878	<u>\$ 56,478</u>	283,001
FUND BALANCES:					
Beginning of Year			<u>1,331,825</u>		<u>1,048,824</u>
End of Year			<u>\$ 1,515,703</u>		<u>\$ 1,331,825</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
Intergovernmental:					
Federal Grant	\$ 122,000	\$ 116,166	\$ 191,164	\$ 74,998	\$ 262,255
Miscellaneous:					
Other Income	15,000	20,000	25,000	5,000	39,760
Total Revenues	<u>137,000</u>	<u>136,166</u>	<u>216,164</u>	<u>79,998</u>	<u>302,015</u>
EXPENDITURES;					
Development Services:					
Other Services and Charges	<u>136,566</u>	<u>136,166</u>	<u>191,338</u>	<u>(55,172)</u>	<u>400,357</u>
Excess of Revenues Over (Under) Expenditures	<u>434</u>	<u>-</u>	<u>24,826</u>	<u>24,826</u>	<u>(98,342)</u>
OTHER FINANCING SOURCES:					
Operating Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,800</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	<u>\$ 434</u>	<u>\$ -</u>	<u>24,826</u>	<u>\$ 24,826</u>	<u>23,458</u>
FUND BALANCES:					
Beginning of Year			<u>27,892</u>		<u>4,434</u>
End of Year			<u>\$ 52,718</u>		<u>\$ 27,892</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - ELECTRIC FRANCHISE FEES
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
Franchise Taxes	\$ 802,000	\$ 802,000	\$ 798,645	\$ (3,355)	\$ 801,446
Intergovernmental:					
Local Cost-Share	426,847	413,413	-	(413,413)	521,400
Miscellaneous:					
Investment Income	-	2,000	-	(2,000)	-
Total Revenues	<u>1,228,847</u>	<u>1,217,413</u>	<u>798,645</u>	<u>(418,768)</u>	<u>1,322,846</u>
EXPENDITURES:					
General Services:					
Other Services and Charges	-	105,000	304,374	(199,374)	1,003,495
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,228,847</u>	<u>\$ 1,112,413</u>	494,271	<u>\$ (618,142)</u>	319,351
FUND BALANCES:					
Beginning of Year			<u>(783,809)</u>		<u>(1,103,160)</u>
End of Year			<u>\$ (289,538)</u>		<u>\$ (783,809)</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - GRANTS
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
Intergovernmental:					
Federal Grants	\$ 14,000	\$ 590,321	\$ 190,297	\$ (400,024)	\$ 52,307
State Grants	74,000	74,000	74,385	385	74,385
Local Grants	1,000	1,000	2,816	1,816	68,249
Miscellaneous:					
Investment Income	4,000	4,000	6,531	2,531	5,462
Other Income	-	-	20,885	20,885	-
Total Revenues	<u>93,000</u>	<u>669,321</u>	<u>294,914</u>	<u>(374,407)</u>	<u>200,403</u>
EXPENDITURES:					
Public Safety:					
Police:					
Personal Services	15,000	15,000	25,396	(10,396)	85,098
Materials and Supplies	-	46,321	46,670	(349)	-
Other Services and Charges	74,000	74,000	27,871	46,129	64,146
Total Public Safety	<u>89,000</u>	<u>135,321</u>	<u>99,937</u>	<u>35,384</u>	<u>149,244</u>
Capital Outlay	-	530,000	131,000	399,000	-
Total Expenditures	<u>89,000</u>	<u>665,321</u>	<u>230,937</u>	<u>434,384</u>	<u>149,244</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 4,000</u>	<u>\$ 4,000</u>	63,977	<u>\$ 59,977</u>	51,159
FUND BALANCES:					
Beginning of Year			<u>188,982</u>		<u>137,823</u>
End of Year			<u>\$ 252,959</u>		<u>\$ 188,982</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - HOUSING & REDEVELOPMENT AUTHORITY
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
General Property Taxes	\$ 100,000	\$ 100,000	\$ 97,492	\$ (2,508)	\$ -
Miscellaneous:					
Investment Income	-	-	861	861	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>98,353</u>	<u>(1,647)</u>	<u>-</u>
EXPENDITURES:					
Development Services:					
Other Services and Charges	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	98,353	<u>\$ 98,353</u>	-
FUND BALANCES:					
Beginning of Year			<u>-</u>		<u>-</u>
End of Year			<u>\$ 98,353</u>		<u>\$ -</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - POLICE FORFEITURE/SEIZURE FUND
Year Ended December 31, 2009**

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
Miscellaneous:					
Investment Income	\$ -	\$ -	\$ 10,021	\$ 10,021	\$ 10,903
Other Income	50,000	36,800	125,987	89,187	102,719
Total Revenues	<u>50,000</u>	<u>36,800</u>	<u>136,008</u>	<u>99,208</u>	<u>113,622</u>
EXPENDITURES:					
Public Safety:					
Personal Services	-	10,500	10,462	38	-
Materials and Supplies	-	7,900	7,848	52	375
Other Services and Charges	25,000	2,500	52,205	(49,705)	42,545
Total Public Safety	<u>25,000</u>	<u>20,900</u>	<u>70,515</u>	<u>(49,615)</u>	<u>42,920</u>
Capital Outlay	25,000	15,900	15,861	39	50,891
Total Expenditures	<u>50,000</u>	<u>36,800</u>	<u>86,376</u>	<u>(49,576)</u>	<u>93,811</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	49,632	<u>\$ 49,632</u>	19,811
FUND BALANCES:					
Beginning of Year			<u>285,791</u>		<u>265,980</u>
End of Year			<u>\$ 335,423</u>		<u>\$ 285,791</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - SHADY OAK LANE CEMETERY
Year Ended December 31, 2009**

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance - Positive (Negative)	Actual
	Original	Final			
REVENUES:					
Miscellaneous:					
Investment Income	\$ 2,600	\$ 2,600	\$ 4,366	\$ 1,766	\$ 4,920
EXPENDITURES:					
General Services					
Other Services and Charges	2,600	2,600	-	2,600	2,300
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	4,366	\$ 4,366	2,620
FUND BALANCES:					
Beginning of Year			129,194		126,574
End of Year			\$ 133,560		\$ 129,194

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
December 31, 2009

	Self Insurance	Fleet Maintenance	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 575,855	\$ 237,128	\$ 812,983
Due from Other Governments	-	10,100	10,100
Interest Receivable	4,676	1,631	6,307
Inventories	-	56,425	56,425
Total Assets	\$ 580,531	\$ 305,284	\$ 885,815
 LIABILITIES AND NET ASSETS:			
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	\$ -	\$ 5,999	\$ 5,999
Accounts Payable	2,966	74,458	77,424
Current Portion of Compensated Absences	-	20,802	20,802
Total Current Liabilities	2,966	101,259	104,225
 Long-Term Liabilities:			
Compensated Absences	-	29,414	29,414
Unfunded OPEB Obligation	-	9,924	9,924
Total Noncurrent Liabilities	-	39,338	39,338
Total Liabilities	2,966	140,597	143,563
 Net Assets:			
Unrestricted	577,565	164,687	742,252
Total Net Assets	577,565	164,687	742,252
Total Liabilities and Net Assets	\$ 580,531	\$ 305,284	\$ 885,815

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS -
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009**

	Self Insurance	Fleet Maintenance	Total
OPERATING REVENUES:			
Charges to City Departments	\$ 140,200	\$ 1,295,272	\$ 1,435,472
Other Revenue	65,188	-	65,188
Total Operating Revenues	205,388	1,295,272	1,500,660
OPERATING EXPENSES:			
Personal Services	-	420,501	420,501
Supplies, Repairs and Maintenance	-	631,228	631,228
Other Services and Charges	581,021	224,884	805,905
Total Operating Expenses	581,021	1,276,613	1,857,634
Operating Income (Loss)	(375,633)	18,659	(356,974)
NONOPERATING REVENUES (EXPENSES):			
Investment Income	4,181	3,719	7,900
Income (Loss) before Transfers	(371,452)	22,378	(349,074)
Transfers In	248,400	-	248,400
Change in Net Assets	(123,052)	22,378	(100,674)
NET ASSETS:			
Net Assets - Beginning	700,617	142,309	842,926
Net Assets - Ending	\$ 577,565	\$ 164,687	\$ 742,252

CITY OF MINNETONKA
Hennepin County, Minnesota

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009

	Self Insurance	Fleet Maintenance	Total
CASH FLOWS - OPERATING ACTIVITIES:			
Receipts from Interfund Services Provided	\$ 140,200	\$ 1,295,845	\$ 1,436,045
Other Revenue	65,188	-	65,188
Payments to Suppliers	-	(840,216)	(840,216)
Payments to Employees	-	(413,807)	(413,807)
Payments of Benefits on Behalf of Employees	(643,901)	-	(643,901)
Net Cash Flows - Operating Activities	(438,513)	41,822	(396,691)
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:			
Transfers from Other Funds	248,400	-	248,400
CASH FLOWS - INVESTING ACTIVITIES:			
Interest and Dividends Received	5,193	2,842	8,035
Net Change in Cash and Cash Equivalents	(184,920)	44,664	(140,256)
Cash and Cash Equivalents, January 1	760,775	192,464	953,239
Cash and Cash Equivalents, December 31	\$ 575,855	\$ 237,128	\$ 812,983
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH FLOWS - OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (375,633)	\$ 18,659	\$ (356,974)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities			
Due from Other Governments	-	573	573
Inventories	-	6,363	6,363
Accounts Payable	(62,880)	9,533	(53,347)
Salaries and Wages Payable	-	875	875
Compensated Absences Payable	-	1,501	1,501
Unfunded OPEB Obligation	-	4,318	4,318
Total Adjustments	(62,880)	23,163	(39,717)
Net Cash Flows - Operating Activities	\$ (438,513)	\$ 41,822	\$ (396,691)

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
PRIVATE-PURPOSE TRUST FUNDS**
December 31, 2009

	<u>Clarion Hills Stewardship</u>	<u>Meadow Woods Stewardship</u>	<u>Stone Trace Stewardship</u>	<u>Total</u>
ASSETS:				
Cash and Investments	\$ 184,126	\$ 4,000	\$ 19,823	\$ 207,949
Accounts Receivable	6,270	17,500	-	23,770
Interest Receivable	<u>1,759</u>	<u>-</u>	<u>182</u>	<u>1,941</u>
 Total Assets	 <u>192,155</u>	 <u>21,500</u>	 <u>20,005</u>	 <u>233,660</u>
 NET ASSETS:				
Net Assets, Held in Trust	<u>\$ 192,155</u>	<u>\$ 21,500</u>	<u>\$ 20,005</u>	<u>\$ 233,660</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PRIVATE-PURPOSE TRUST FUNDS**
For the Year Ended December 31, 2009

	<u>Clarion Hills Stewardship</u>	<u>Meadow Woods Stewardship</u>	<u>Stone Trace Stewardship</u>	<u>Total</u>
ADDITIONS:				
Contributions from Participants	\$ 12,540	\$ 21,500	\$ 1,485	\$ 35,525
Investment Earnings Interest	<u>6,238</u>	<u>-</u>	<u>642</u>	<u>6,880</u>
Total Additions	18,778	21,500	2,127	42,405
DEDUCTIONS:				
Benefits	<u>10,840</u>	<u>-</u>	<u>1,850</u>	<u>12,690</u>
Change in Net Assets	7,938	21,500	277	29,715
Net Assets - January 1	<u>184,217</u>	<u>-</u>	<u>19,728</u>	<u>203,945</u>
Net Assets - December 31	<u><u>\$ 192,155</u></u>	<u><u>\$ 21,500</u></u>	<u><u>\$ 20,005</u></u>	<u><u>\$ 233,660</u></u>

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ESCROW FUND
Year Ended December 31, 2009

	<u>Balance at January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31, 2009</u>
ESCROW FUND:				
ASSETS:				
Cash and Investments	<u>\$ 320,491</u>	<u>\$ 130,544</u>	<u>\$ 58,030</u>	<u>\$ 393,005</u>
LIABILITIES:				
Accounts Payable	<u>\$ 320,491</u>	<u>\$ 130,544</u>	<u>\$ 58,030</u>	<u>\$ 393,005</u>



**OTHER SUPPLEMENTARY
INFORMATION**

CITY OF MINNETONKA
Hennepin County, Minnesota

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2009

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
REVENUES:					
General Property Taxes	\$ 20,221,268	\$ 19,731,709	\$ 19,908,422	\$ 176,713	\$ 18,554,815
Licenses and Permits:					
Licenses:					
Liquor Licenses	221,000	221,000	213,867	(7,133)	226,718
Food Handlers Licenses	169,000	169,000	178,228	9,228	142,220
Building Permits	1,300,000	1,100,000	811,610	(288,390)	1,373,220
Plumbing Permits	140,000	130,000	109,040	(20,960)	145,294
Electrical Permits	240,000	200,000	173,805	(26,195)	239,867
HVAC Permits	255,000	230,000	269,807	39,807	323,896
Other Licenses and Permits	152,800	152,800	119,827	(32,973)	123,651
Total Licenses and Permits	<u>2,477,800</u>	<u>2,202,800</u>	<u>1,876,184</u>	<u>(326,616)</u>	<u>2,574,866</u>
Intergovernmental Revenues:					
Homestead / Market Value Credit	-	-	2,912	2,912	240,149
Public Safety State Aid	654,000	610,500	636,790	26,290	657,088
Federal Grants	-	-	400	400	441
State Grants	42,500	42,500	65,435	22,935	64,675
Other	71,200	71,200	71,220	20	71,220
Total Intergovernmental Revenues	<u>767,700</u>	<u>724,200</u>	<u>776,757</u>	<u>52,557</u>	<u>1,033,573</u>
Charges for Services:					
Recreation Fees	1,170,000	1,095,000	1,084,398	(10,602)	1,051,260
Other	333,900	314,900	385,410	70,510	222,402
Total Charges for Services	<u>1,503,900</u>	<u>1,409,900</u>	<u>1,469,808</u>	<u>59,908</u>	<u>1,273,662</u>
Fines and Forfeitures	540,000	485,400	539,920	54,520	541,961
Other Revenues:					
Investment Income	425,000	425,000	364,780	(60,220)	943,500
Building and Equipment Rent	293,700	288,700	288,929	229	306,715
Other	265,432	295,400	177,618	(117,782)	411,457
Total Other Revenues	<u>984,132</u>	<u>1,009,100</u>	<u>831,327</u>	<u>(177,773)</u>	<u>1,661,672</u>
Total Revenues before Other Financing Sources	<u>26,494,800</u>	<u>25,563,109</u>	<u>25,402,418</u>	<u>(160,691)</u>	<u>25,640,549</u>
OTHER FINANCING SOURCES:					
Operating Transfers from Other Funds	1,273,700	1,896,800	1,896,800	-	1,213,600
Total Revenues and Other Financing Sources	<u>\$ 27,768,500</u>	<u>\$ 27,459,909</u>	<u>\$ 27,299,218</u>	<u>\$ (160,691)</u>	<u>\$ 26,854,149</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2009

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
EXPENDITURES:					
General Government:					
Mayor and Council:					
Personal Services	\$ 70,800	\$ 70,800	\$ 69,888	\$ 912	\$ 70,693
Other Services and Charges	147,700	141,000	111,061	29,939	177,223
Total Mayor and Council	<u>218,500</u>	<u>211,800</u>	<u>180,949</u>	<u>30,851</u>	<u>247,916</u>
General Administration:					
Personal Services	950,900	934,400	892,658	41,742	914,378
Supplies, Repairs and Maintenance	34,200	27,400	17,265	10,135	15,437
Other Services and Charges	240,300	217,100	184,214	32,886	183,656
Total General Administration	<u>1,225,400</u>	<u>1,178,900</u>	<u>1,094,137</u>	<u>84,763</u>	<u>1,113,471</u>
Information Technology:					
Personal Services	338,800	339,900	335,341	4,559	309,521
Supplies, Repairs and Maintenance	7,000	3,800	1,766	2,034	1,688
Other Services and Charges	256,100	252,400	217,088	35,312	225,025
Capital Outlay	-	-	-	-	12,818
Total Information Technology	<u>601,900</u>	<u>596,100</u>	<u>554,195</u>	<u>41,905</u>	<u>549,052</u>
Finance:					
Personal Services	573,300	561,900	558,381	3,519	549,982
Supplies, Repairs and Maintenance	6,400	6,400	6,346	54	3,712
Other Services and Charges	112,500	112,500	110,010	2,490	102,927
Total Finance	<u>692,200</u>	<u>680,800</u>	<u>674,737</u>	<u>6,063</u>	<u>656,621</u>
Assessing:					
Personal Services	580,900	581,700	575,498	6,202	559,286
Supplies, Repairs and Maintenance	7,100	6,800	4,314	2,486	5,415
Other Services and Charges	105,900	105,800	95,205	10,595	96,621
Capital Outlay	-	-	-	-	371
Total Assessing	<u>693,900</u>	<u>694,300</u>	<u>675,017</u>	<u>19,283</u>	<u>661,693</u>
Contingency:					
Other Services and Charges	75,000	75,000	-	75,000	-
Total General Government	<u>3,506,900</u>	<u>3,436,900</u>	<u>3,179,035</u>	<u>257,865</u>	<u>3,228,753</u>
Development Services:					
Planning:					
Personal Services	535,500	522,200	502,143	20,057	503,135
Supplies, Repairs and Maintenance	8,650	7,600	4,987	2,613	7,697
Other Services and Charges	21,150	21,100	19,025	2,075	22,621
Capital Outlay	-	-	-	-	8,066
Total Planning	<u>565,300</u>	<u>550,900</u>	<u>526,155</u>	<u>24,745</u>	<u>541,519</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2009
(Continued)

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
EXPENDITURES:					
Development Services: (Continued)					
Engineering:					
Personal Services	\$ 1,096,700	\$ 1,058,000	\$ 1,014,753	\$ 43,247	\$ 1,076,655
Supplies, Repairs and Maintenance	23,800	18,400	14,295	4,105	17,712
Other Services and Charges	137,400	132,300	119,391	12,909	109,759
Total Engineering	<u>1,257,900</u>	<u>1,208,700</u>	<u>1,148,439</u>	<u>60,261</u>	<u>1,204,126</u>
Community Development:					
Personal Services	1,242,300	1,132,100	1,140,806	(8,706)	1,264,038
Supplies, Repairs and Maintenance	34,100	17,600	14,657	2,943	23,360
Other Services and Charges	122,300	103,600	102,682	918	110,664
Capital Outlay	-	-	-	-	3,771
Total Community Development	<u>1,398,700</u>	<u>1,253,300</u>	<u>1,258,145</u>	<u>(4,845)</u>	<u>1,401,833</u>
Total Development Services	<u>3,221,900</u>	<u>3,012,900</u>	<u>2,932,739</u>	<u>80,161</u>	<u>3,147,478</u>
Public Works:					
Street:					
Personal Services	1,747,100	1,736,000	1,677,010	58,990	1,660,687
Supplies, Repairs and Maintenance	633,800	559,300	424,423	134,877	558,278
Other Services and Charges	827,900	765,600	783,275	(17,675)	892,398
Total Street	<u>3,208,800</u>	<u>3,060,900</u>	<u>2,884,708</u>	<u>176,192</u>	<u>3,111,363</u>
Building:					
Personal Services	450,100	369,500	381,284	(11,784)	437,412
Supplies, Repairs and Maintenance	72,850	79,550	77,319	2,231	98,202
Other Services and Charges	424,050	413,050	325,056	87,994	403,797
Total Building	<u>947,000</u>	<u>862,100</u>	<u>783,659</u>	<u>78,441</u>	<u>939,411</u>
Total Public Works	<u>4,155,800</u>	<u>3,923,000</u>	<u>3,668,367</u>	<u>254,633</u>	<u>4,050,774</u>
Public Safety:					
Police:					
Personal Services	7,326,900	7,228,600	7,209,914	18,686	7,027,361
Supplies, Repairs and Maintenance	469,800	348,900	254,397	94,503	306,233
Other Services and Charges	853,400	803,600	720,077	83,523	759,017
Capital Outlay	-	-	-	-	16,140
Total Police	<u>8,650,100</u>	<u>8,381,100</u>	<u>8,184,388</u>	<u>196,712</u>	<u>8,108,751</u>
Fire:					
Personal Services	1,312,100	1,206,700	1,206,822	(122)	916,487
Supplies, Repairs and Maintenance	184,600	191,900	139,580	52,320	171,723
Other Services and Charges	519,900	546,200	543,022	3,178	490,061
Capital Outlay	-	-	-	-	6,770
Total Fire	<u>2,016,600</u>	<u>1,944,800</u>	<u>1,889,424</u>	<u>55,376</u>	<u>1,585,041</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2009
(Continued)

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
EXPENDITURES:					
Public Safety: (Continued)					
Legal:					
Personal Services	\$ 641,400	\$ 643,300	\$ 642,612	\$ 688	\$ 620,026
Supplies, Repairs and Maintenance	8,000	7,000	5,037	1,963	4,691
Other Services and Charges	83,500	64,500	51,925	12,575	56,248
Capital Outlay	-	-	-	-	1,415
Total Legal	<u>732,900</u>	<u>714,800</u>	<u>699,574</u>	<u>15,226</u>	<u>682,380</u>
Environmental Health:					
Personal Services	320,300	313,400	306,137	7,263	296,807
Supplies, Repairs and Maintenance	9,100	5,600	4,142	1,458	3,007
Other Services and Charges	8,800	8,200	6,161	2,039	4,884
Capital Outlay	-	-	-	-	905
Total Environmental Health	<u>338,200</u>	<u>327,200</u>	<u>316,440</u>	<u>10,760</u>	<u>305,603</u>
Total Public Safety	<u>11,737,800</u>	<u>11,367,900</u>	<u>11,089,826</u>	<u>278,074</u>	<u>10,681,775</u>
Parks and Recreation:					
Joint Recreation:					
Personal Services	757,300	754,000	763,678	(9,678)	713,232
Supplies, Repairs and Maintenance	102,800	85,400	92,541	(7,141)	85,694
Other Services and Charges	506,300	472,300	504,676	(32,376)	502,312
Total Joint Recreation	<u>1,366,400</u>	<u>1,311,700</u>	<u>1,360,895</u>	<u>(49,195)</u>	<u>1,301,238</u>
Minnetonka Recreation:					
Personal Services	221,200	195,500	156,096	39,404	174,077
Supplies, Repairs and Maintenance	2,300	1,600	1,599	1	1,187
Other Services and Charges	303,800	251,100	248,782	2,318	243,279
Total Minnetonka Recreation	<u>527,300</u>	<u>448,200</u>	<u>406,477</u>	<u>41,723</u>	<u>418,543</u>
Parks and Trails:					
Personal Services	810,600	806,200	784,333	21,867	772,184
Supplies, Repairs and Maintenance	168,800	141,500	109,192	32,308	163,181
Other Services and Charges	387,200	406,000	395,700	10,300	364,022
Capital Outlay	-	-	-	-	2,858
Total Parks and Trails	<u>1,366,600</u>	<u>1,353,700</u>	<u>1,289,225</u>	<u>64,475</u>	<u>1,302,245</u>
Natural Resources:					
Personal Services	421,350	420,400	408,759	11,641	389,516
Supplies, Repairs and Maintenance	8,600	7,900	3,232	4,668	6,329
Other Services and Charges	518,650	519,000	393,297	125,703	410,021
Total Natural Resources	<u>948,600</u>	<u>947,300</u>	<u>805,288</u>	<u>142,012</u>	<u>805,866</u>

CITY OF MINNETONKA
Hennepin County, Minnesota

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2009
(Continued)

	2009			Variance - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
EXPENDITURES:					
Parks and Recreation: (Continued)					
Community Facility:					
Personal Services	\$ 431,700	\$ 411,400	\$ 392,394	\$ 19,006	\$ 401,366
Supplies, Repairs and Maintenance	19,000	18,000	18,043	(43)	13,607
Other Services and Charges	127,900	113,600	103,152	10,448	99,147
Capital Outlay	25,000	26,500	26,412	88	35,175
Total Community Facility	<u>603,600</u>	<u>569,500</u>	<u>540,001</u>	<u>29,499</u>	<u>549,295</u>
Senior Services:					
Personal Services	181,300	181,300	174,903	6,397	145,768
Supplies, Repairs and Maintenance	48,000	42,500	32,242	10,258	45,071
Other Services and Charges	104,300	99,500	84,226	15,274	85,165
Total Senior Services	<u>333,600</u>	<u>323,300</u>	<u>291,371</u>	<u>31,929</u>	<u>276,004</u>
Total Parks and Recreation	<u>5,146,100</u>	<u>4,953,700</u>	<u>4,693,257</u>	<u>260,443</u>	<u>4,653,191</u>
Total Expenditures before Other Financing Uses	27,768,500	26,694,400	25,563,224	1,131,176	25,761,971
OTHER FINANCING USES:					
Operating Transfers to Other Funds	<u>1,265,000</u>	<u>1,265,000</u>	<u>1,265,000</u>	<u>-</u>	<u>44,600</u>
Total Expenditures and Other Financing Uses	<u><u>\$ 29,033,500</u></u>	<u><u>\$ 27,959,400</u></u>	<u><u>\$ 26,828,224</u></u>	<u><u>\$ 1,131,176</u></u>	<u><u>\$ 25,806,571</u></u>



SECTION III

STATISTICAL SECTION

This part of the 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 overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

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.

CITY OF MINNETONKA
Hennepin County, Minnesota

NET ASSETS BY COMPONENT
Years 2001 Through 2009

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:									
Invested in Capital Asset, Net of Related Debt	\$ 76,706,683	\$ 77,502,103	\$ 60,918,780	\$ 58,589,188	\$ 68,094,182	\$ 71,804,372	\$ 74,653,377	\$ 77,534,541	\$ 83,655,961
Restricted	-	-	-	-	3,049,919	2,219,295	3,607,401	3,024,656	1,868,249
Unrestricted	47,459,236	49,986,660	47,854,746	51,929,349	42,987,244	49,882,234	53,307,749	54,306,879	55,735,299
Total Governmental Activities - Net Assets	<u>\$ 124,165,919</u>	<u>\$ 127,488,763</u>	<u>\$ 108,773,526</u>	<u>\$ 110,518,537</u>	<u>\$ 114,131,345</u>	<u>\$ 123,905,901</u>	<u>\$ 131,568,527</u>	<u>\$ 134,866,076</u>	<u>\$ 141,259,509</u>
Business-Type Activities:									
Invested in Capital Asset, Net of Related Debt	\$ 80,796,384	\$ 80,745,062	\$ 103,331,782	\$ 107,439,538	\$ 100,522,318	\$ 100,741,167	\$ 99,698,437	\$ 97,954,844	\$ 96,506,196
Unrestricted	14,880,164	15,306,590	14,711,066	10,284,759	16,184,568	16,232,539	16,414,397	16,304,474	15,207,652
Total Business-Type Activities - Net Assets	<u>\$ 95,676,548</u>	<u>\$ 96,051,652</u>	<u>\$ 118,042,848</u>	<u>\$ 117,724,297</u>	<u>\$ 116,706,886</u>	<u>\$ 116,973,706</u>	<u>\$ 116,112,834</u>	<u>\$ 114,259,318</u>	<u>\$ 111,713,848</u>
Primary Government:									
Invested in Capital Asset, Net of Related Debt	\$ 157,503,067	\$ 158,247,165	\$ 164,250,562	\$ 166,028,726	\$ 168,616,500	\$ 172,545,539	\$ 174,351,814	\$ 175,489,385	\$ 180,162,157
Restricted	-	-	-	-	3,049,919	2,219,295	3,607,401	3,024,656	1,868,249
Unrestricted	62,339,400	65,293,250	62,565,812	62,214,108	59,171,812	66,114,773	69,722,146	70,611,353	70,942,951
Total Primary Government - Net Assets	<u>\$ 219,842,467</u>	<u>\$ 223,540,415</u>	<u>\$ 226,816,374</u>	<u>\$ 228,242,834</u>	<u>\$ 230,838,231</u>	<u>\$ 240,879,607</u>	<u>\$ 247,681,361</u>	<u>\$ 249,125,394</u>	<u>\$ 252,973,357</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in the fiscal year 2001.

**CITY OF MINNETONKA
Hennepin County, Minnesota**

**CHANGES IN NET ASSETS
Years 2001 Through 2009**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
EXPENSES:									
Governmental Activities:									
General Services	\$ 3,408,856	\$ 3,263,957	\$ 3,368,527	\$ 5,577,616	\$ 3,845,767	\$ 5,008,340	\$ 6,123,720	\$ 5,396,909	\$ 4,628,824
Development Services	3,663,730	4,084,288	3,721,740	4,717,644	4,273,501	7,374,899	6,516,066	6,003,544	5,871,573
Public Works	5,924,789	5,532,420	5,650,257	4,450,843	7,976,618	5,953,730	7,259,467	12,157,209	9,591,740
Public Safety	7,572,622	8,037,610	8,278,875	8,347,066	9,182,954	10,576,665	10,986,149	12,977,197	11,988,138
Parks and Recreation	3,661,182	4,742,890	4,437,735	4,134,449	4,435,720	4,845,665	5,581,150	5,673,979	6,052,694
Interest on Long-Term Debt	5,486	71,321	186,354	240,717	356,151	343,799	330,724	466,715	458,436
Total Governmental Activities Expenses	24,236,665	25,732,486	25,643,488	27,468,335	30,070,711	34,103,098	36,797,276	42,675,553	38,591,405
Business-Type Activities:									
Water and Sewer Utility	9,664,450	9,710,497	10,354,264	9,081,488	10,111,076	10,686,176	12,076,575	13,252,488	12,764,705
Ice Arena	985,816	870,704	659,012	944,165	935,561	1,014,955	1,010,791	1,037,482	1,018,502
Environmental Operations	674,749	790,909	711,270	777,149	823,820	841,137	765,423	879,639	848,867
Williston Fitness Center	765,255	761,850	773,798	800,285	746,017	603,103	1,016,659	1,180,776	1,180,890
Grays Bay Marina	-	56,684	116,108	138,675	136,179	162,618	221,473	240,170	173,979
Storm Water Fund	-	-	705,075	647,179	952,982	1,001,338	1,370,055	1,139,945	1,161,573
Total Business-Type Activities	12,090,270	12,190,644	13,319,527	12,388,941	13,705,635	14,309,327	16,460,976	17,730,500	17,148,516
Total Primary Government Expenses	\$ 36,326,935	\$ 37,923,130	\$ 38,963,015	\$ 39,857,276	\$ 43,776,346	\$ 48,412,425	\$ 53,258,252	\$ 60,406,053	\$ 55,739,921
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services:									
General Services	\$ 935,212	\$ 1,146,635	\$ 859,817	\$ 800,969	\$ 585,079	\$ 505,749	\$ 244,369	\$ 242,723	\$ 280,815
Development Services	2,427,136	2,363,829	2,544,856	2,861,244	3,088,246	2,993,453	3,689,544	2,950,072	2,213,535
Public Works	427,379	549,422	199,570	785,330	606,946	766,629	545,023	1,094,941	1,772,247
Public Safety	341,659	322,468	342,681	400,287	682,324	852,120	963,542	1,032,899	1,027,156
Parks and Recreation	1,051,025	1,135,429	1,062,972	1,139,518	1,127,661	1,177,864	1,345,236	1,405,871	1,228,146
Operating Grants and Contributions	337,343	462,863	422,190	497,997	440,468	1,022,470	1,487,496	1,463,367	905,041
Capital Grants and Contributions	2,266,864	4,226,815	2,337,730	2,131,223	3,421,232	2,713,064	3,014,909	3,733,640	3,386,878
Total Governmental Activities Program Revenues	7,786,618	10,207,461	7,769,816	8,616,568	9,951,956	10,031,349	11,290,119	11,923,513	10,813,818

Hennepin County, Minnesota

**CHANGES IN NET ASSETS
Years 2001 Through 2009
(Continued)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type Activities:									
Charges for Services:									
Water and Sewer Utility	7,919,163	7,912,583	8,988,752	8,588,548	8,977,363	9,535,859	10,170,646	10,389,772	10,513,551
Ice Arena	639,471	677,127	624,212	707,204	744,882	772,935	854,833	876,255	852,219
Environmental Operations	520,347	612,720	434,483	711,790	653,323	727,241	1,024,257	994,102	559,958
Williston Fitness Center	489,183	561,137	670,167	894,223	833,233	802,312	935,528	1,105,237	1,133,859
Grays Bay Marina	-	1,400	129,500	157,224	165,361	182,397	204,056	225,851	200,664
Storm Water Fund	-	-	868,067	1,342,290	1,483,231	1,420,923	1,702,692	1,853,346	1,967,659
Operating Grants and Contributions	139,420	188,200	1,926,443	134,421	123,662	121,721	173,747	134,845	133,780
Capital Grants and Contributions	-	-	288,913	-	-	118,900	668,389	538,747	219,371
Total Business-Type Activities Program Revenues	9,707,584	9,953,167	13,930,537	12,535,700	12,981,055	13,682,288	15,734,148	16,118,155	15,581,061
Total Primary Government Program Revenues	\$ 17,494,202	\$ 20,160,628	\$ 21,700,353	\$ 21,152,268	\$ 22,933,011	\$ 23,713,637	\$ 27,024,267	\$ 28,041,668	\$ 26,394,879
NET EXPENSE (REVENUE)									
Governmental Activities	\$ (16,450,047)	\$ (15,525,025)	\$ (17,873,672)	\$ (18,851,767)	\$ (20,118,755)	\$ (24,071,749)	\$ (25,507,157)	\$ (30,752,040)	\$ (27,777,587)
Business-Type Activities	(2,382,686)	(2,237,477)	611,010	146,759	(724,580)	(627,039)	(726,828)	(1,612,345)	(1,567,455)
Total Primary Government Net Expense	\$ (18,832,733)	\$ (17,762,502)	\$ (17,262,662)	\$ (18,705,008)	\$ (20,843,335)	\$ (24,698,788)	\$ (26,233,985)	\$ (32,364,385)	\$ (29,345,042)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:									
Governmental Activities:									
Property Taxes	\$ 15,302,351	\$ 17,703,791	\$ 19,207,192	\$ 19,858,800	\$ 21,853,159	\$ 27,585,892	\$ 28,749,045	\$ 28,384,529	\$ 30,004,879
Franchise Taxes	-	-	-	-	-	-	-	1,483,731	1,477,059
State aid - Unrestricted	2,397,300	1,105,409	199,192	147,100	144,540	96,700	586,787	322,000	89,789
Investment earnings	2,772,313	1,823,679	819,490	717,525	975,889	2,032,157	2,745,739	2,744,051	1,162,580
Sale of Capital Assets	-	-	-	-	-	-	-	-	131,546
Other General Revenue	(3,555)	84,600	4,443	192,154	62,975	69,805	45,228	50,678	45,167
Transfers	413,086	(2,725,286)	(21,071,882)	727,000	695,000	895,100	1,042,984	1,064,600	1,260,000
Total Governmental Activities	20,881,495	17,992,193	(841,565)	21,642,579	23,731,563	30,679,654	33,169,783	34,049,589	34,171,020
Business-Type Activities:									
Property Taxes	-	-	50,000	-	-	-	-	-	-
Investment earnings	1,261,341	615,482	256,870	291,698	369,673	715,829	906,162	823,429	278,519
Other	76,395	127,489	1,434	77,809	32,496	3,357	2,778	-	3,466
Transfers	(413,086)	2,725,286	21,071,882	(727,000)	(695,000)	(895,100)	(1,042,984)	(1,064,600)	(1,260,000)
Total Business-Type Activities	924,650	3,468,257	21,380,186	(357,493)	(292,831)	(175,914)	(134,044)	(241,171)	(978,015)
Total Primary Government	\$ 21,806,145	\$ 21,460,450	\$ 20,538,621	\$ 21,285,086	\$ 23,438,732	\$ 30,503,740	\$ 33,035,739	\$ 33,808,418	\$ 33,193,005

**CITY OF MINNETONKA
Hennepin County, Minnesota**

**CHANGES IN NET ASSETS
Years 2001 Through 2009
(Continued)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
CHANGE IN NET ASSETS:									
Governmental Activities	\$ 4,431,448	\$ 2,467,168	\$ (18,715,237)	\$ 2,790,812	\$ 3,612,808	\$ 6,607,905	\$ 7,662,626	\$ 3,297,549	\$ 6,393,433
Business-Type Activities	<u>(1,458,036)</u>	<u>1,230,780</u>	<u>21,991,196</u>	<u>(210,734)</u>	<u>(1,017,411)</u>	<u>(802,953)</u>	<u>(860,872)</u>	<u>(1,853,516)</u>	<u>(2,545,470)</u>
Total Primary Government	<u>\$ 2,973,412</u>	<u>\$ 3,697,948</u>	<u>\$ 3,275,959</u>	<u>\$ 2,580,078</u>	<u>\$ 2,595,397</u>	<u>\$ 5,804,952</u>	<u>\$ 6,801,754</u>	<u>\$ 1,444,033</u>	<u>\$ 3,847,963</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2001.

CITY OF MINNETONKA
Hennepin County, Minnesota

FUND BALANCES-GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$ 207,420	\$ 284,693	\$ 421,536	\$ 239,355	\$ 252,143	\$ 334,709	\$ 550,755	\$ 440,696	\$ 525,579	\$ 548,795
Unreserved	6,757,568	6,818,064	6,599,464	5,928,684	6,938,153	7,966,059	9,137,243	11,304,419	12,267,114	12,714,892
Total General Fund	<u>6,964,988</u>	<u>7,102,757</u>	<u>7,021,000</u>	<u>6,168,039</u>	<u>7,190,296</u>	<u>8,300,768</u>	<u>9,687,998</u>	<u>11,745,115</u>	<u>12,792,693</u>	<u>13,263,687</u>
All Other Governmental Funds:										
Reserved	20,396,716	19,515,356	20,914,394	20,815,999	421,545	2,861,788	1,809,299	2,185,193	1,147,636	725,463
Unreserved, reported in:										
Special revenue funds	846,103	922,144	902,087	953,880	1,139,383	1,422,669	1,403,032	480,475	1,179,875	2,098,383
Capital projects funds	7,694,176	11,299,351	16,778,506	16,130,348	38,605,775	32,063,930	35,144,773	38,206,390	40,487,678	38,582,206
Debt service funds	884,631	-	13,849	-	-	-	-	-	1,022,355	1,252,169
Total All Other Governmental Funds	<u>29,821,626</u>	<u>31,736,851</u>	<u>38,608,836</u>	<u>37,900,227</u>	<u>40,166,703</u>	<u>36,348,387</u>	<u>38,357,104</u>	<u>40,872,058</u>	<u>43,837,544</u>	<u>42,658,221</u>
Total Governmental Funds	<u><u>\$ 36,786,614</u></u>	<u><u>\$ 38,839,608</u></u>	<u><u>\$ 45,629,836</u></u>	<u><u>\$ 44,068,266</u></u>	<u><u>\$ 47,356,999</u></u>	<u><u>\$ 44,649,155</u></u>	<u><u>\$ 48,045,102</u></u>	<u><u>\$ 52,617,173</u></u>	<u><u>\$ 56,630,237</u></u>	<u><u>\$ 55,921,908</u></u>

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES:										
Property Taxes	\$ 17,360,363	\$ 14,885,830	\$ 17,486,129	\$ 18,736,902	\$ 19,398,176	\$ 20,987,277	\$ 26,402,902	\$ 27,423,837	\$ 28,221,316	\$ 30,088,341
Franchise Taxes	-	425,640	474,687	482,225	-	865,882	1,118,887	1,229,276	1,483,731	1,477,059
Special Assessments	959,037	1,260,293	1,178,280	1,149,172	951,632	829,712	502,429	496,359	430,278	454,492
Licenses and Permits	2,187,777	2,323,380	2,246,066	2,394,113	2,711,392	2,893,336	2,804,370	3,306,961	2,574,866	1,876,184
Intergovernmental	4,431,940	4,455,554	3,969,232	2,449,660	2,335,902	3,949,865	3,467,784	3,575,400	3,827,767	4,077,426
Interest and Other Revenues	5,874,382	5,733,045	4,719,447	3,296,911	-	-	-	-	-	-
Net increase in fair value of investments	795,555	304,181	54,119	(277,186)	-	-	-	-	-	-
Redevelopment Payments	-	-	316,586	363,429	-	-	-	-	-	-
Charges for Services	-	-	-	-	1,673,527	1,745,159	1,933,531	1,501,794	1,534,637	1,469,808
Program Revenues	-	-	-	-	809,587	-	-	-	-	-
Metropolitan Council Grant	53,241	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	446,619	379,902	422,886	550,567	644,680	665,907
Miscellaneous	-	-	1,162,796	973,752	1,653,405	1,808,192	3,183,990	3,890,910	4,877,252	2,059,364
Total Revenues	31,662,295	29,387,923	31,607,342	29,568,978	29,980,240	33,459,325	39,836,779	41,975,104	43,594,527	42,168,581
EXPENDITURES:										
General Government	2,139,244	2,810,981	2,499,199	2,396,499	3,100,998	3,486,289	4,660,672	5,569,967	4,690,725	3,984,884
Development Services	3,108,509	3,248,619	3,413,862	3,385,705	3,312,022	4,166,237	7,266,134	6,394,870	5,926,346	5,913,107
Public Works	2,951,211	3,095,132	3,048,770	3,013,740	3,351,907	3,549,570	3,381,581	4,699,136	5,365,413	4,919,395
Public Safety	7,123,533	7,100,921	7,478,966	7,688,401	8,072,854	8,493,005	9,940,505	10,192,352	10,897,161	11,372,566
Park and Recreation	2,840,797	2,942,409	3,034,641	3,483,450	3,637,370	3,984,170	4,243,892	4,718,183	4,855,598	5,062,868
Debt Service:										
Principal retirement on bonded debt	1,666,079	245,000	-	-	165,000	270,000	470,000	560,000	575,000	595,000
Interest and other expenditures	1,780,769	14,357	4,677	183,205	180,063	340,376	346,392	334,605	406,959	475,020
Capital Outlay	11,373,597	7,560,151	7,826,751	10,329,212	11,244,335	12,572,522	8,888,421	6,249,304	12,685,903	11,945,616
Total Expenditures	32,983,739	27,017,570	27,306,866	30,480,212	33,064,549	36,862,169	39,197,597	38,718,417	45,403,105	44,268,456
Excess of Revenues Over (Under) Expenditures	(1,321,444)	2,370,353	4,300,476	(911,234)	(3,084,309)	(3,402,844)	639,182	3,256,687	(1,808,578)	(2,099,875)
OTHER FINANCING SOURCES (USES):										
Bond Proceeds	-	-	4,947,500	-	5,000,000	-	-	-	4,705,000	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	52,042	-
Transfers In	2,646,650	2,100,532	1,828,697	1,314,362	2,316,493	2,414,500	2,589,378	3,394,121	1,443,370	3,161,800
Transfers Out	(2,173,650)	(1,610,532)	(4,303,983)	(1,901,822)	(1,649,493)	(1,719,500)	(1,694,278)	(2,078,737)	(378,770)	(1,901,800)
Proceeds on Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	131,546
Total Other Financing Sources (Uses)	473,000	490,000	2,472,214	(587,460)	5,667,000	695,000	895,100	1,315,384	5,821,642	1,391,546
Net Change in Fund Balances	\$ (848,444)	\$ 2,860,353	\$ 6,772,690	\$ (1,498,694)	\$ 2,582,691	\$ (2,707,844)	\$ 1,534,282	\$ 4,572,071	\$ 4,013,064	\$ (708,329)
Debt Service as a Percentage of Noncapital Expenditures	16.0%	1.2%	0.0%	0.8%	1.4%	2.3%	2.6%	2.7%	2.6%	3.1%

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

TAX CAPACITY AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Industrial Property</u>	<u>Other Property</u>	<u>Less: Tax Increment Property</u>	<u>Less: Net Fiscal Disparities</u>	<u>Net Taxable Tax Capacity</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Taxable Market Value</u>	<u>Taxable Tax Capacity as a Percentage of Estimated Market Value</u>
2000	\$ 46,535,768	\$ 38,208,755	\$ 947,449	\$ 2,686,591	\$ 9,450,589	\$ 73,554,792	19.528%	\$ 4,823,801,500	1.52%
2001	52,504,769	43,247,643	938,958	3,798,525	10,705,376	82,187,469	18.012%	5,460,953,600	1.51%
2002	42,145,982	28,218,886	560,156	3,394,120	7,576,768	59,954,136	30.995%	5,923,738,600	1.01%
2003	44,946,906	28,603,369	569,801	3,404,148	8,418,844	62,297,084	30.945%	6,452,076,900	0.97%
2004	50,774,862	26,326,176	593,672	3,385,115	7,865,746	66,443,849	29.779%	6,895,750,900	0.96%
2005	55,905,178	26,245,084	620,634	3,407,742	7,438,384	71,924,770	28.810%	7,447,046,100	0.97%
2006	61,265,869	28,329,946	631,282	3,786,433	6,851,418	79,589,246	28.743%	8,113,917,400	0.98%
2007	70,730,520	24,476,432	651,972	(2,856,552)	7,442,502	91,272,974	28.525%	8,542,466,300	1.07%
2008	70,876,684	35,226,221	604,330	(1,760,011)	7,685,098	100,782,148	27.620%	8,581,940,800	1.17%
2009	67,304,037	34,937,234	621,716	(1,720,058)	8,387,874	96,195,171	27.620%	8,231,108,300	1.17%

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

PROPERTY TAX RATES PER \$10,000 OF TAX CAPACITY -
ALL DIRECT AND OVERLAPPING GOVERNMENTAL UNITS
Years 2000 Through 2009

Year Collectible	City Direct Rate		Overlapping					Totals		
	Operating	Debt Service	Hopkins School District No. 270	Minnetonka School District No. 276	Wayzata School District No. 284	Hennepin County	Misc. *	School District No. 270	School District No. 276	School District No. 284
2000	19.528	-	56.560	58.565	49.190	39.655	9.087	124.830	126.835	117.460
2001	18.012	-	44.401	47.484	46.589	37.624	8.767	108.804	111.887	110.992
2002**	30.995	-	14.967	20.868	26.793	50.409	9.548	105.919	111.820	117.745
2003	30.945	-	20.588	24.215	23.264	50.607	9.523	111.663	115.290	114.339
2004	29.779	-	22.097	23.158	22.038	47.195	9.892	108.963	110.024	108.904
2005	28.810	-	19.176	21.989	22.762	44.172	8.889	101.047	103.860	104.633
2006	28.597	-	21.565	22.952	21.893	41.016	8.389	99.567	100.954	99.895
2007	28.416	0.012	19.157	24.931	20.392	39.110	8.417	95.100	100.874	96.335
2008	27.567	0.011	19.218	17.980	19.668	38.571	8.546	93.902	92.664	94.352
2009	30.686	0.014	23.189	18.859	23.475	42.640	9.632	106.147	101.817	106.433

* - Includes Metropolitan Mosquito Control, Metropolitan Council, Metropolitan Transit Debt, Park Meseum, Hennepin Parks, Hennepin HRA, Hennepin County Regional Railroad Authority, Watershed Districts, Minnetonka HRA.

** - The 2001 Omnibus tax bill enacted sweeping reforms to the Minnesota state/local finance system, including continuation of compression of tax classification, the State takeover of the general education property taxes for school districts and the State takeover of transit levies.

Source: Hennepin County Taxpayer Services Department

**CITY OF MINNETONKA
Hennepin County, Minnesota**

**PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2009			2000		
		Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
General Growth (Ridgedale)	Regional Shopping Center	\$ 2,299,250	1	2.39%	\$ 3,355,592	1	4.08%
Carlson Companies	Office/Technical Center	2,104,566	2	2.19%	2,625,325	2	3.19%
United Health Group	Office Center	1,739,250	4	1.81%	1,123,652	7	1.37%
Cargill, Inc.	Office	977,131	3	1.02%	1,365,527	3	1.66%
CSM Investors	Retail	932,180	5	0.97%	1,250,838	6	1.52%
Piedmont Operating Partnership	Office Center	879,325	6	0.91%			
Property Reserve, Inc.	Office Center	799,250	7	0.83%			
Teachers Insurance	Office Center	839,250	8	0.87%	1,340,004	4	1.63%
Medica	Office Center	635,500	9	0.66%			
Target Corporation	Retail	682,500	10	0.71%	1,094,523	8	1.33%
Midway Warehouse Ltd.	Office Center				1,252,900	5	1.52%
Metropolitan Life	Office Center				1,002,754	9	1.22%
Olympia LLC	Office Center				942,782	10	1.15%
		<u>\$ 11,888,202</u>		<u>5.97%</u>	<u>\$ 14,411,115</u>		<u>8.88%</u>

Source: City of Minnetonka Assessor's Office

CITY OF MINNETONKA
Hennepin County, Minnesota

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

<u>Year Collected</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collection within the Fiscal Year of the Levy</u>		<u>Additions/ (Abatements)</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>			<u>Amount</u>	<u>Percentage of Levy</u>
2000	\$ 16,500,000	\$ 16,399,822	99.39%	\$ -	\$ 97,567	\$ 16,497,389	99.98%
2001	16,964,100	16,852,559	99.34%	-	103,355	16,955,914	99.95%
2002	18,571,800	18,330,240	98.70%	-	4,259	18,334,499	98.72%
2003	19,718,195	19,546,900	99.13%	-	53,566	19,600,466	99.40%
2004	19,502,896	19,419,919	99.57%	-	18,442	19,438,361	99.67%
2005	21,696,431	21,527,970	99.22%	(29,673)	146,098	21,644,395	99.76%
2006	23,819,419	23,486,300	98.60%	(147,862)	98,317	23,436,755	98.39%
2007	26,043,106	25,736,868	98.82%	(86,833)	114,110	25,764,145	98.93%
2008	27,268,554	26,625,195	97.64%	(93,769)	242,675	26,774,101	98.19%
2009	28,835,443	28,121,687	97.52%	(41,609)	-	28,080,078	97.38%

Source: Hennepin County Tax Settlement Reports

CITY OF MINNETONKA
Hennepin County, Minnesota

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type	Total Primary Government	General Obligation as a Percentage of Personal Income	Total Debt as a Percentage of Personal Income	General Obligation Debt Per Capita	Total Debt Per Capita
	General Obligation Bonds	Special Assessment Bonds	Water Revenue Bonds					
2000	\$ -	\$ 245,000	\$ -	\$ 245,000	0.00%	0.01%	\$ -	\$ 5
2001	-	-	8,700,000	8,700,000	0.45%	0.45%	169	169
2002	5,000,000	-	8,355,000	13,355,000	0.43%	0.68%	162	260
2003	5,000,000	-	7,920,000	12,920,000	0.39%	0.64%	153	250
2004	9,835,000	-	11,025,000	20,860,000	0.53%	1.00%	214	405
2005	9,565,000	-	10,550,000	20,115,000	0.41%	0.77%	205	391
2006	9,095,000	-	9,920,000	19,015,000	0.36%	0.70%	192	368
2007	8,535,000	-	9,205,000	17,740,000	0.34%	0.65%	179	344
2008	12,665,000	-	8,410,000	21,075,000	0.29%	0.73%	163	409
2009	12,070,000	-	7,635,000	19,705,000	0.26%	0.67%	148	381

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2009

<u>Governmental Units</u>	<u>Net Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
City of Minnetonka	\$ 9,855,000	100.00 %	<u>\$ 9,855,000</u>
Overlapping Debt:			
School Districts			
I.S.D. 270 - Hopkins	156,028,964	48.51	75,689,650
I.S.D. 276 - Minnetonka	87,212,819	24.70	21,541,566
I.S.D. 283 - St. Louis Park	54,914,328	0.01	5,491
I.S.D. 284 - Wayzata	57,473,485	16.05	9,224,494
Hennepin County	600,494,319	6.06	36,389,956
Hennepin County Parks	71,017,752	8.22	5,837,659
Hennepin County RR Authority	42,430,624	6.06	2,571,296
Regional:			
Metropolitan Council	131,613,280	2.79	<u>3,672,011</u>
Total Overlapping Debt			<u>154,932,123</u>
Total Direct and Overlapping Debt			<u><u>\$ 164,787,123</u></u>

Source: Hennepin County Taxpayer Services Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Minnetonka. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Minnetonka. This process recognizes that, when considering the City of Minnetonka's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each government.

(1) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Minnetonka's boundaries and dividing it by Hennepin County's total tax capacity.

CITY OF MINNETONKA
Hennepin County, Minnesota

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Market Value (Taxable)	\$ 4,823,801,500	\$ 5,460,953,600	\$ 5,923,738,600	\$ 6,452,076,900	\$ 6,895,750,900	\$ 7,447,046,100	\$ 8,113,917,400	\$ 8,542,466,300	\$ 8,581,940,800	\$ 8,231,108,300
Debt Limit 2% of Market Value (Note A)	96,632,622	100,533,946	107,645,816	115,441,204	124,423,360	148,306,200	162,278,348	170,849,326	171,638,816	164,622,166
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	-	-	5,000,000	5,000,000	9,835,000	9,565,000	9,095,000	8,535,000	12,665,000	12,070,000
Available in Debt Service Funds	-	-	(13,849)	(291,961)	(421,545)	(758,782)	(898,014)	(963,645)	(1,022,355)	(1,252,169)
Total Debt Applicable to Debt Limit	-	-	4,986,151	4,708,039	9,413,455	8,806,218	8,196,986	7,571,355	11,642,645	10,817,831
Legal Debt Margin	<u>\$ 96,632,622</u>	<u>\$ 100,533,946</u>	<u>\$ 102,659,665</u>	<u>\$ 110,733,165</u>	<u>\$ 115,009,905</u>	<u>\$ 139,499,982</u>	<u>\$ 154,081,362</u>	<u>\$ 163,277,971</u>	<u>\$ 159,996,171</u>	<u>\$ 153,804,335</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	4.63%	4.08%	7.57%	5.94%	5.05%	4.43%	6.78%	6.57%

NOTE (A):

M.S.A. Section 475.53 (Limit on Net Debt)

Subdivision 1. Generally, except of otherwise provided in Sections 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of two percent of the market value of taxable property in the municipality.

NOTE (B):

M.S.A. Section 475.51 Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the aggregate of the principal of the following

- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments
- (2) Warrants or orders having no definite or fixed maturity
- (3) Obligations payable wholly from the income of revenue-producing conveniences
- (4) Obligations issued to create or maintain a permanent improvement revolving fund
- (5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems and on any combination thereof or for any other public convenience from which a revenue is or may be derived
- (6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision

M.S.A. Section 469.178, subdivision 1. (tax increment bonds)"...The bonds are not included for purposes of computing the net debt of any municipality

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Utility Bonds						Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2000	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 959,037	\$ 250,000	\$ 15,987	3.61
2001	7,919,811	6,260,117	1,659,694	-	424,929	3.91	-	-	-	-
2002	7,939,372	6,169,558	1,769,814	345,000	409,897	2.34	-	-	-	-
2003	8,991,285	6,699,206	2,292,079	435,000	389,590	2.78	-	-	-	-
2004	8,588,548	5,548,448	3,040,100	455,000	411,001	3.51	-	-	-	-
2005	8,977,363	6,503,383	2,473,980	475,000	474,404	2.61	-	-	-	-
2006	9,535,859	6,905,401	2,630,458	630,000	446,949	2.44	-	-	-	-
2007	10,170,646	8,280,625	1,890,021	715,000	418,179	1.67	-	-	-	-
2008	10,389,772	9,365,605	1,024,167	745,000	488,037	0.83	-	-	-	-
2009	10,513,551	9,042,034	1,471,517	775,000	282,485	1.39	-	-	-	-

Note: Operating expenses do not include depreciation.

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	(1) Population	(2) School Enrollment	(3) Unemployment Rate	(4) Per Capita Income	Total Personal Income	(1) Total Employment
2000	51,301	25,200	2.5%	\$ 35,381	\$ 1,815,080,681	51,276
2001	51,607	25,523	3.2%	37,101	1,914,671,307	50,031
2002	51,420	25,142	4.5%	38,215	1,965,015,300	45,258
2003	51,658	25,231	4.7%	39,361	2,033,310,538	44,336
2004	51,480	25,603	4.5%	40,410	2,080,306,800	46,287
2005	51,500	25,583	3.7%	50,412	2,596,218,000	46,980
2006	51,657	25,633	3.5%	52,905	2,732,913,585	46,832
2007	51,519	25,636	2.9%	52,905	2,725,612,695	47,546
2008	51,499	25,769	5.3%	55,819	2,874,622,681	47,329
2009	51,756	26,174	5.8%	56,564	2,927,526,384	47,329

Sources:

(1) 2000 is a regular decennial census figure. All other years are best available estimates provided by the Metropolitan Council.

(2) School enrollment is the total number of students in schools located in Minnetonka for Independent School District No. 270 (Hopkins), 276 (Minnetonka), and 284 (Wayzata), each of which serves a portion of the City as well as other communities. Enrollment numbers obtained from the Minnesota Department of Education.

(3) Unemployment rates were compiled by the Minnesota Department of Economic Security, Research and Statistics Department, for Hennepin County.

(4) 2000 is a regular decennial census figure. All other years are best available estimates provided by the Minnesota State Demographic Center.

CITY OF MINNETONKA
Hennepin County, Minnesota

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment*
Cargill	3,400	1	7.18%	2,000	2	-
Carlson Companies, Inc.	3,100	2	6.55%	3,000	1	-
St. Jude Medical	1,300	3	2.75%	-		-
Allina Health System/Medica	1,200	4	2.54%	1,200	3	-
United Health Group	1,150	5	2.43%	-		-
DataCard Corporation	1,000	6	2.11%	1,000	5	-
Advantek, Inc.	600	7	1.27%	650	6	-
GE Osmonics, Inc.	520	8	1.10%	500	8	-
American Medical Systems	500	9	1.06%	450	9	-
Opportunity Partners	500	10	1.06%	-		-
Fingerhut Corporation	-		-	1,100	4	-
DAIG Corporation	-		-	650	7	-
ADC Telecommunications	-		-	375	10	-
	<u>13,270</u>		<u>28.04%</u>	<u>10,925</u>		<u>-</u>

Sources: Minnesota Department of Employment and Economic Development, and the 2000 Minnesota Directory of Manufacturers

* - City-wide employment numbers unavailable

CITY OF MINNETONKA
Hennepin County, Minnesota

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government:										
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
General Administration	8.00	8.00	8.00	8.00	8.00	8.50	8.50	9.00	9.00	8.72
Information Technology	2.25	2.50	2.50	2.75	2.75	2.75	2.75	2.75	3.75	3.75
Finance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Assessing	6.00	6.00	6.00	6.00	6.00	6.00	6.20	6.20	6.20	5.25
Development Services:										
Planning	6.60	7.60	7.70	6.70	5.63	5.88	6.97	6.97	6.97	6.25
Engineering	11.30	11.30	11.40	11.40	11.38	9.88	10.78	10.78	10.78	10.25
Community Development	13.80	14.55	14.55	14.55	14.55	14.55	14.55	15.55	15.55	10.40
Development Fund	-	-	-	-	-	-	-	0.20	0.20	0.20
Parks and Recreation:										
Recreation	6.25	6.30	6.80	6.80	6.80	6.80	6.70	6.70	6.70	5.90
Community Center	3.90	3.90	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.35
Parks and Trails	8.60	8.60	8.60	8.60	11.20	9.60	9.63	9.51	9.51	9.51
Senior Services	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2.50	2.50	2.50
Minnetonka Recreation	-	-	-	-	-	-	0.90	0.90	0.90	0.90
Natural Resources	-	-	-	-	-	3.60	4.63	4.51	4.51	4.51
Streets and Buildings:										
Buildings and Grounds	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	5.50
Street	23.60	23.60	23.60	22.60	22.60	22.60	22.63	22.53	22.53	22.53
Equipment	5.60	5.60	5.60	5.60	5.60	5.60	5.63	-	-	-
Public Safety:										
Police:										
Licensed	53.00	54.00	54.00	55.00	55.00	56.00	56.00	56.00	58.00	57.00
Other	20.80	20.20	20.20	20.20	20.20	20.20	20.35	20.35	20.35	19.35
Fire:										
Full-time	6.75	6.75	7.50	7.00	7.00	7.00	7.00	7.00	7.00	6.50
Paid on call	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Environmental Health	2.50	3.00	3.00	2.50	2.50	2.50	3.00	3.00	3.40	3.40
Legal	5.30	5.30	5.30	5.30	5.25	6.00	6.00	6.00	6.00	6.00
Cable Television	2.10	2.85	2.85	2.90	2.75	2.75	2.75	2.25	2.25	2.25
Forestry	2.60	2.60	2.60	2.60	-	-	-	-	-	-
Water and Sewer Utility	13.60	13.60	14.60	14.60	14.60	14.60	15.63	15.54	15.54	16.14
Ice Arena	5.45	5.40	4.60	4.60	4.60	4.60	4.60	4.60	3.80	3.80
Williston Center	4.57	3.90	3.90	3.90	3.90	3.90	3.90	3.95	6.95	6.95
Environmental	1.20	1.20	1.20	1.20	2.20	1.20	1.20	1.53	1.53	1.53
Storm Water	-	-	-	-	-	0.50	0.50	0.50	0.50	0.50
Fleet Maintenance Internal Service	-	-	-	-	-	-	-	5.53	5.53	4.53
Total	313.77	316.75	319.10	317.40	317.10	319.60	325.40	328.45	334.05	321.47

Source: City of Minnetonka financial records

CITY OF MINNETONKA
Hennepin County, Minnesota

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Safety:										
Police:										
Calls for service	34,834	35,603	35,043	35,248	35,604	34,721	34,364	35,133	43,532	44,305
Criminal offenses	2,605	2,558	2,458	2,568	2,971	3,233	3,225	3,366	3,006	2,372
Fire:										
Number of calls	769	695	779	634	573	603	549	568	566	768
Legal:										
Cases opened and processed by staff	-	-	-	2,295	1,296	1,313	1,371	1,218	1,009	959
Environmental Health:										
Number of licensed establishments	-	-	-	734	777	768	762	778	721	721
Number of nuisance complaints	-	-	-	480	421	532	526	562	473	602
Development Services:										
Engineering:										
Number of construction projects underway	22	20	23	13	14	1	12	14	13	17
Number of construction projects completed	18	10	29	9	12	5	6	9	8	11
Community Development:										
Permits issued	-	-	7,262	6,942	7,965	7,588	7,495	7,094	6,424	5,431
Planning:										
Number of planning applications received	-	-	-	149	171	168	164	149	153	110
Number of building permits reviewed	-	-	-	520	1,195	1,120	1,675	1,680	1,686	1,304
Public Works:										
Street Maintenance:										
Miles of city maintained	252.6	252.9	253.0	253.0	254.0	254.0	254.7	254.7	254.9	254.9
Street Improvement:										
Miles of street rehabilitated	14.5	10.0	11.8	9.7	6.2	2.9	2.5	2.7	2.4	4.5
Average pavement condition index	-	-	-	77	77	77	77	80	78	78
Park & Recreation:										
Joint Recreation:										
Nuer of program participants	40,363	34,792	35,927	34,707	33,492	33,385	35,243	42,369	46,357	45,101
Senior Services:										
Number of program participants	4,000	4,000	4,000	5,692	5,575	5,590	4,200	4,225	5,484	5,523

CITY OF MINNETONKA
Hennepin County, Minnesota

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Continued)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Park & Recreation: (Continued)										
Parks and Trails:										
Nuner of parks maintained	-	-	-	48	49	49	50	50	50	50
Park acreage:										
Active	313.5	313.5	313.5	313.5	313.5	313.5	315.3	315.3	315.3	315.3
Passive	740.9	740.9	740.9	740.9	740.9	740.9	740.9	740.9	740.9	740.9
Miles of trail and sidewalk maintained	-	-	-	77	79	79	86	86	86	92
Natural Resources:										
Number of diseased trees removed	723	492	806	1,523	2,944	2,406	2,520	1,977	2,055	1,794
Number of permits reviewed/inspected for natural resource compliance	-	-	215	222	292	302	319	225	530	465
General Government:										
Administrative Services:										
Number of registered voters	33,355	34,372	34,755	33,698	39,289	35,548	34,636	34,656	35,354	35,124
Water and Sewer Utility:										
Number of utility customer accounts	15,849	16,032	16,131	16,794	16,549	16,622	16,925	17,061	16,610	16,598
Water pumped (million gallons)	3,303	3,134	2,777	3,167	2,644	2,605	2,695	2,802	2,586	2,678
Utility locate requests completed	10,507	9,582	8,699	9,967	9,702	10,651	9,745	9,349	7,425	6,861
Ice Arena:										
Ice rental hours sold	3,295	3,300	3,063	2,818	3,298	3,255	3,220	3,283	3,302	3,133
Environmental:										
Curbside recycling picked up (tons)	6,201	6,338	6,300	6,420	6,460	6,417	6,356	5,672	5,655	5,256
Willston Center:										
Total memberships sold	1,372	1,410	1,358	1,781	1,706	1,777	1,981	2,021	2,047	1,985
Gray's Bay:										
Slip lease rate	\$ -	\$ -	\$ -	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,940	\$ 3,524	\$ 3,700	\$ 3,800
Storm Water:										
Number of storm sewer projects completed	5	4	3	4	1	5	4	5	4	4

Source: Various city departments

CITY OF MINNETONKA
Hennepin County, Minnesota

CAPITAL ASSEST STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Police:										
Stations	1	1	1	2	2	2	2	2	2	2
Number of police officers	54	54	54	55	54	56	56	56	58	57
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (miles)	253	253	253	253	254	255	255	255	255	255
Streetlights	1,672	1,640	1,644	1,659	1,670	1,670	1,670	1,670	1,670	1,670
Parks and Recreation:										
Parks acreage	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,056	1,056	1,056
Parks	-	-	-	48	49	49	50	50	50	50
Water and Sewer Utilities:										
Water mains (miles)	306	306	307	307	308	308	308	308	308	308
Fire hydrants	2,569	2,569	2,577	2,577	2,577	2,577	2,577	2,577	2,577	2,577
Water plant daily capacity	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,400,000	18,400,000	18,400,000	18,400,000
Storage capacity (gallons)	12,450,000	12,450,000	12,450,000	12,950,000	12,950,000	12,950,000	12,900,000	12,900,000	12,900,000	12,900,000
Sanitary sewers (miles)	254	255	255	255	256	256	256	256	256	256
Storm Water										
Storm sewers (miles)	77	79	81	82	84	86	87	88	88	88

Source: Various city departments

