

**CITY OF MINNETONKA
SUMMARY FINANCIAL REPORT**

Per M.S. 471.697, the purpose of this report is to provide a summary of financial information concerning the City of Minnetonka to interested citizens. The complete financial statements may be examined at the City Hall, 14600 Minnetonka Boulevard. Questions about this report should be directed to Merrill King, Director of Finance at (952) 939-8200.

**REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
(Governmental Funds)**

	<u>Total 2008</u>	<u>Total 2007</u>	<u>Percent Increase (Decrease)</u>
REVENUES:			
Taxes:			
Property	\$ 28,221,316	\$ 27,423,837	2.9%
Franchise	1,483,731	1,229,276	20.7%
Special Assessments	430,278	496,359	-13.3%
Licenses and Permits	2,574,866	3,306,961	-22.1%
Intergovernmental	3,827,767	3,575,400	7.1%
Charges for Services	1,534,637	1,501,794	2.2%
Fines and Forfeitures	644,680	550,567	17.1%
Miscellaneous	4,877,252	3,890,910	25.3%
	<u>\$ 43,594,527</u>	<u>\$ 41,975,104</u>	<u>3.9%</u>
Total Revenues	<u>847</u>	<u>813</u>	<u>4.2%</u>
Per Capita			
EXPENDITURES:			
Current:			
General Government	\$ 4,690,725	\$ 5,569,967	-15.8%
Development Services	5,926,346	6,394,870	-7.3%
Public Works	5,365,413	4,699,136	14.2%
Public Safety	10,897,161	10,192,352	6.9%
Park and Recreation	4,855,598	4,718,183	2.9%
Debt Service			
Principal	575,000	560,000	2.7%
Interest and Fiscal Charges	406,959	334,605	21.6%
Capital Outlay	<u>12,685,903</u>	<u>6,249,304</u>	<u>103.0%</u>
	<u>\$ 45,403,105</u>	<u>\$ 38,718,417</u>	<u>17.3%</u>
Total Expenditures	<u>882</u>	<u>750</u>	<u>17.6%</u>
Per Capita			
Total Long-term Indebtedness	\$ 15,173,099	\$ 10,693,168	41.9%
Per Capita	295	208	42.0%
General Fund and Special Revenue Funds Unreserved			
Fund Balance - December 31	\$ 13,446,989	\$ 11,784,894	14.1%
Per Capita	261	229	14.1%

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2008

	Business-Type Activities - Enterprise Funds						Total	Total
	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Enterprise Funds	Internal Service Funds
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$ 12,971,669	\$ 500	\$ 1,530,768	\$ 75,261	\$ 239,004	\$ -	\$ 14,817,202	\$ 953,239
Accounts Receivable	1,601,574	15,985	91,852	2,804	-	311,462	2,023,677	10,673
Interest Receivable	102,979	-	11,606	49	1,525	-	116,159	6,442
Taxes Receivable	3,092	-	-	-	-	-	3,092	-
Special Assessments Receivable	242,518	-	-	-	-	-	242,518	-
Due from Other Funds	520,929	-	-	-	-	-	520,929	-
Due from Other Governments	597	-	152,810	-	-	-	153,407	-
Inventories	55,033	150	-	-	-	-	55,183	62,788
Total Current Assets	15,498,391	16,635	1,787,036	78,114	240,529	311,462	17,932,167	1,033,142
Noncurrent Assets:								
Capital Assets:								
Land	247,650	-	-	348,000	-	454,453	1,050,103	-
Construction in Progress	5,526	-	-	-	-	176,078	181,604	-
Buildings and Structures	6,675,368	4,711,977	-	2,889,681	-	352,240	14,629,266	-
Water Supply Facilities	3,381,757	-	-	-	-	-	3,381,757	-
Water Storage Facilities	1,318,834	-	-	-	-	-	1,318,834	-
Water Mains and Lines	126,100,529	-	-	-	-	-	126,100,529	-
Sewer Lift Stations	2,823,196	-	-	-	-	-	2,823,196	-
Storm Drainage System	-	-	-	-	-	32,924,084	32,924,084	-
Improvements Other than Buildings	1,071,935	-	-	91,479	740,000	-	1,903,414	-
Machinery and Equipment	4,278,299	189,739	-	168,445	13,334	529,547	5,179,364	-
Total Cost	145,903,094	4,901,716	-	3,497,605	753,334	34,436,402	189,492,151	-
Less Accumulated Depreciation	(67,006,073)	(3,163,571)	-	(1,924,649)	(179,360)	(10,696,886)	(82,970,539)	-
Net Capital Assets	78,897,021	1,738,145	-	1,572,956	573,974	23,739,516	106,521,612	-
Total Noncurrent Assets	78,897,021	1,738,145	-	1,572,956	573,974	23,739,516	106,521,612	-
Total Assets	\$ 94,395,412	\$ 1,754,780	\$ 1,787,036	\$ 1,651,070	\$ 814,503	\$ 24,050,978	\$ 124,453,779	\$ 1,033,142
LIABILITIES AND NET ASSETS:								
Liabilities:								
Current Liabilities:								
Salaries and Wages Payable	\$ 13,782	\$ 5,132	\$ 1,014	\$ 8,126	\$ -	\$ -	\$ 28,054	\$ 5,124
Accounts Payable	270,383	5,235	-	11,453	249	133,359	420,679	130,771
Accrued Interest Payable	153,859	-	-	-	-	-	153,859	-
Due to Other Funds	-	274,334	-	-	-	520,929	795,263	-
Advances from Other Funds	-	-	-	10,000	-	-	10,000	-
Unearned Revenue	-	-	-	16,645	51,300	-	67,945	-
Current Portion of Compensated Absences	62,213	15,895	9,105	16,955	-	-	104,168	23,149
Bonds Payable	775,000	-	-	-	-	-	775,000	-
Total Current Liabilities	1,275,237	300,596	10,119	63,179	51,549	654,288	2,354,968	159,044
Long-Term Liabilities:								
Compensated Absences	64,834	30,589	13,503	4,867	-	-	113,793	25,566
Unamortized Bond Premium	156,768	-	-	-	-	-	156,768	-
Unfunded OPEB Obligation	13,905	5,593	1,905	8,684	363	899	31,349	5,606
Revenue Bonds Payable, Net	7,635,000	-	-	-	-	-	7,635,000	-
Total Noncurrent Liabilities	7,870,507	36,182	15,408	13,551	363	899	7,936,910	31,172
Total Liabilities	9,145,744	336,778	25,527	76,730	51,912	655,187	10,291,878	190,216
Net Assets:								
Invested in Capital Assets, Net of Related Debt	70,330,253	1,738,145	-	1,572,956	573,974	23,739,516	97,954,844	-
Unrestricted	14,919,415	(320,143)	1,761,509	1,384	188,617	(343,725)	16,207,057	842,926
Total Net Assets	85,249,668	1,418,002	1,761,509	1,574,340	762,591	23,395,791	114,161,901	842,926
Total Liabilities and Net Assets	\$ 94,395,412	\$ 1,754,780	\$ 1,787,036	\$ 1,651,070	\$ 814,503	\$ 24,050,978	\$ 124,453,779	\$ 1,033,142
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds (See Note 2.C)							97,417	
Total Business-Type Activities Net Assets							\$ 114,259,318	

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
For the Year Ended December 31, 2008

	Business-Type Activities - Enterprise Funds						Governmental	Total
	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:								
Water Sales and Sewer Charges	\$ 10,140,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,140,755	\$ -
Storm Water Charges	-	-	-	-	-	1,850,846	1,850,846	-
Ice Rental Charges	-	556,145	-	-	-	-	556,145	-
Memberships and Fees	-	-	-	1,059,764	107,300	-	1,167,064	-
Recycling Charges	-	-	487,668	-	-	-	487,668	-
Charges to City Departments	-	-	-	-	-	-	-	1,635,800
Other Revenue	249,017	320,110	506,434	45,473	118,551	2,500	1,242,085	23,408
Total Operating Revenues	<u>10,389,772</u>	<u>876,255</u>	<u>994,102</u>	<u>1,105,237</u>	<u>225,851</u>	<u>1,853,346</u>	<u>15,444,563</u>	<u>1,659,208</u>
OPERATING EXPENSES:								
Personal Services	1,207,541	428,468	149,051	673,574	26,029	64,968	2,549,631	454,733
Supplies, Repairs and Maintenance	696,494	70,874	15,579	59,073	101,547	63,733	1,007,300	803,252
Other Services and Charges	7,461,570	322,731	715,009	255,115	77,130	241,607	9,073,162	589,429
Total Operating Expenses	<u>9,365,605</u>	<u>822,073</u>	<u>879,639</u>	<u>987,762</u>	<u>204,706</u>	<u>370,308</u>	<u>12,630,093</u>	<u>1,847,414</u>
Operating Income (Loss) before Depreciation	1,024,167	54,182	114,463	117,475	21,145	1,483,038	2,814,470	(188,206)
Depreciation Expense	3,361,205	205,999	-	183,604	26,054	769,637	4,546,499	-
Operating Income (Loss)	(2,337,038)	(151,817)	114,463	(66,129)	(4,909)	713,401	(1,732,029)	(188,206)
NONOPERATING REVENUES (EXPENSES):								
Investment Income	732,402	-	82,656	600	7,771	-	823,429	40,779
Intergovernmental	-	-	134,845	-	-	67,474	202,319	-
Interest Expense	(362,294)	-	-	-	-	-	(362,294)	-
Bond Issuance Costs	(125,743)	-	-	-	-	-	(125,743)	-
Total Nonoperating Revenues (Expenses)	<u>244,365</u>	<u>-</u>	<u>217,501</u>	<u>600</u>	<u>7,771</u>	<u>67,474</u>	<u>537,711</u>	<u>40,779</u>
Income (Loss) before Contributions and Transfers	(2,092,673)	(151,817)	331,964	(65,529)	2,862	780,875	(1,194,318)	(147,427)
Capital Contributions	248,771	-	-	-	-	222,502	471,273	-
Transfers In	-	-	-	338,000	44,600	-	382,600	236,400
Transfers Out	(1,241,600)	(48,900)	(163,800)	(48,900)	(35,500)	(144,900)	(1,683,600)	-
Change in Net Assets	(3,085,502)	(200,717)	168,164	223,571	11,962	858,477	(2,024,045)	88,973
NET ASSETS:								
Net Assets - Beginning	88,335,170	1,618,719	1,593,345	1,350,769	750,629	22,537,314		753,953
Net Assets - Ending	<u>\$ 85,249,668</u>	<u>\$ 1,418,002</u>	<u>\$ 1,761,509</u>	<u>\$ 1,574,340</u>	<u>\$ 762,591</u>	<u>\$ 23,395,791</u>		<u>\$ 842,926</u>
							<u>170,529</u>	
							<u>\$ (1,853,516)</u>	

CITY OF MINNETONKA
Hennepin County, Minnesota

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2008

	Business-Type Activities - Enterprise Funds						Governmental	Total
	Water and Sewer Utilities	Ice Arena	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Enterprise Funds	Internal Service Funds
CASH FLOWS - OPERATING ACTIVITIES:								
Receipts from Customers and Users	\$ 10,538,975	\$ 861,510	\$ 1,010,330	\$ 1,132,209	\$ 214,251	\$ 1,633,396	\$ 15,390,671	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	-	-	1,639,788
Other Revenues	-	-	-	-	-	-	-	23,408
Payments to Suppliers	(8,286,825)	(396,974)	(764,496)	(331,645)	(178,761)	(265,002)	(10,223,703)	(1,025,199)
Payments to Employees	(1,192,675)	(429,599)	(147,154)	(672,742)	(25,666)	(64,069)	(2,531,905)	(450,729)
Payments of Benefits on Behalf of Employees	-	-	-	-	-	-	-	(469,410)
Net Cash Flows - Operating Activities	<u>1,059,475</u>	<u>34,937</u>	<u>98,680</u>	<u>127,822</u>	<u>9,824</u>	<u>1,304,325</u>	<u>2,635,063</u>	<u>(282,142)</u>
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:								
Intergovernmental	-	-	-	-	-	67,474	67,474	-
Advances from Other Funds	-	21,163	-	-	-	(384,793)	(363,630)	-
Advances to Other Funds	384,793	-	-	-	-	-	384,793	-
Transfers to Other Funds	(903,600)	(48,900)	(163,800)	(48,900)	(35,500)	(144,900)	(1,345,600)	-
Transfers from Other Funds	-	-	-	-	44,600	-	44,600	236,400
Net Cash Flows - Noncapital Financing Activities	<u>(518,807)</u>	<u>(27,737)</u>	<u>(163,800)</u>	<u>(48,900)</u>	<u>9,100</u>	<u>(462,219)</u>	<u>(1,212,363)</u>	<u>236,400</u>
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:								
Acquisition and Construction of Capital Assets	(819,455)	(7,200)	-	(24,642)	-	(842,106)	(1,693,403)	-
Advances from Other Funds	-	-	-	(11,000)	-	-	(11,000)	-
Proceeds on Bonds	4,309,150	-	-	-	-	-	4,309,150	-
Principal Paid on Capital Debt	(5,010,000)	-	-	-	-	-	(5,010,000)	-
Interest Paid on Capital Debt and Issuance Costs	(436,392)	-	-	-	-	-	(436,392)	-
Net Cash Flows - Capital and Related Financing Activities	<u>(1,956,697)</u>	<u>(7,200)</u>	<u>-</u>	<u>(35,642)</u>	<u>-</u>	<u>(842,106)</u>	<u>(2,841,645)</u>	<u>-</u>
CASH FLOWS - INVESTING ACTIVITIES:								
Interest and Dividends Received	755,381	-	84,592	551	7,763	-	848,287	41,585
Net Change in Cash and Cash Equivalents	(660,648)	-	19,472	43,831	26,687	-	(570,658)	(4,157)
Cash and Cash Equivalents, January 1	13,632,317	500	1,511,296	31,430	212,317	-	15,387,860	957,396
Cash and Cash Equivalents, December 31	<u>\$ 12,971,669</u>	<u>\$ 500</u>	<u>\$ 1,530,768</u>	<u>\$ 75,261</u>	<u>\$ 239,004</u>	<u>\$ -</u>	<u>\$ 14,817,202</u>	<u>\$ 953,239</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS - OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ (2,337,038)	\$ (151,817)	\$ 114,463	\$ (66,129)	\$ (4,909)	\$ 713,401	\$ (1,732,029)	\$ (188,206)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities								
Depreciation Expense	3,361,205	205,999	-	183,604	26,054	769,637	4,546,499	-
Accounts Receivable	147,548	(14,745)	16,228	20,853	-	(219,950)	(50,066)	3,988
Due from Other Governments	(597)	-	(17,965)	-	-	-	(18,562)	-
Special Assessments Receivable	(536)	-	-	-	-	-	(536)	-
Other Receivables	2,788	-	-	-	-	-	2,788	-
Inventories	12,977	-	-	-	-	-	12,977	11,087
Accounts Payable	(141,738)	(3,369)	(15,943)	(17,457)	(84)	40,338	(138,253)	(113,015)
Salaries and Wages Payable	(22,222)	(7,856)	(1,693)	(12,562)	-	-	(44,333)	(8,475)
Compensated Absences Payable	23,183	1,132	1,685	4,710	-	-	30,710	6,873
Unfunded OPEB Obligation	13,905	5,593	1,905	8,684	363	899	31,349	5,606
Deferred Revenue	-	-	-	6,119	(11,600)	-	(5,481)	-
Total Adjustments	<u>3,396,513</u>	<u>186,754</u>	<u>(15,783)</u>	<u>193,951</u>	<u>14,733</u>	<u>590,924</u>	<u>4,367,092</u>	<u>(93,936)</u>
Net Cash Flows - Operating Activities	<u>\$ 1,059,475</u>	<u>\$ 34,937</u>	<u>\$ 98,680</u>	<u>\$ 127,822</u>	<u>\$ 9,824</u>	<u>\$ 1,304,325</u>	<u>\$ 2,635,063</u>	<u>\$ (282,142)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Contributions of capital assets from Developers	248,771	-	-	-	-	222,502	471,273	-
Forgiveness of prior advance for the purchase of the Williston Center batting cages	(338,000)	-	-	338,000	-	-	-	-