

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 7, 2024

Interest on the Bonds is included in gross income for federal income tax purposes, taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and net income for purposes of the Minnesota franchise tax on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

New Issue

Rating Applications Made: Moody's Investors Service, Inc.
and S&P Global Ratings

CITY OF EDINA, MINNESOTA (Hennepin County)

\$3,220,000* TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT BONDS, SERIES 2024C

PROPOSAL OPENING: November 19, 2024, 10:30 A.M., C.T. **CONSIDERATION:** November 19, 2024, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,220,000* Taxable General Obligation Housing Improvement Bonds, Series 2024C (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 428A.11 through 428A.21, as amended, by the City of Edina, Minnesota (the "City"), to finance common area housing improvements within the Edina West Condominium Association Housing Improvement Area. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota.

DATE OF BONDS: December 12, 2024

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$90,000	2033	\$140,000	2040	\$190,000
2027	115,000	2034	145,000	2041	195,000
2028	115,000	2035	150,000	2042	205,000
2029	120,000	2036	160,000	2043	215,000
2030	125,000	2037	165,000	2044	225,000
2031	130,000	2038	170,000	2045	250,000
2032	135,000	2039	180,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2035 and thereafter are subject to call for prior optional redemption on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$3,181,360.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$64,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: U.S. Bank Trust Company, National Association.

BOND COUNSEL: Dorsey & Whitney LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

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CITY OF EDINA CITY COUNCIL

		<u>Term Expires</u>
James Hovland	Mayor	January 2025
Kate Agnew	Council Member	January 2027
Carolyn Jackson	Council Member	January 2025
James Pierce	Council Member	January 2025
Julie Risser	Council Member	January 2027

ADMINISTRATION

Scott Neal, City Manager
Pa Thao, Finance Director

PROFESSIONAL SERVICES

Campbell Knutson, P.A., City Attorney, Eagan, Minnesota

Dorsey & Whitney LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Edina, Minnesota (the "City") and the issuance of its \$3,220,000* Taxable General Obligation Housing Improvement Bonds, Series 2024C (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on November 19, 2024.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 12, 2024. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

Bonds maturing in 2035 and later years are each subject to redemption and prepayment at the option of the City, in whole or in part, and if in part in such order of maturity dates as the City may select and by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2034, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption.

Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the City will cause notice of the call for redemption to be published if and as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the Bond Register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of such Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 428A.11 through 428A.21, as amended, by the City, to finance common area housing improvements within the Edina West Condominium Association Housing Improvement Area ("HIA").

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	<u>\$3,220,000</u>	
Total Sources		\$3,220,000

Uses

Total Underwriter's Discount (1.200%)	\$38,640	
Costs of Issuance	54,000	
City HIA Fee (1% of Par)	32,200	
Deposit to Debt Service Reserve Fund (DSRF)	12,492	
Deposit to Project Fund	<u>3,082,668</u>	
Total Uses		\$3,220,000

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City to which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. In addition, the City will pledge proceeds of a housing improvement fee imposed against all units in the Edina West Condominium Association HIA and any additional funds received by the City from the Edina West Condominium Association (the "Association"), pursuant to that certain Development Agreement dated as of July 18, 2023 (the "Development Agreement") for the project between the City and the Association. Housing improvement fees are expected to be sufficient to pay not less than 105% of principal and interest on the Bonds as required by Minnesota law.

Should pledged housing improvement area fees and amounts received under the Development Agreement be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any fund of the City not pledged for another purpose and to levy a tax for this purpose upon all the taxable property in the City, which tax is not subject to any limitation as to rate or amount.

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the City will be offering for sale its General Obligation Capital Improvement Bonds, Series 2024B (the "Concurrent Obligations" or the "Series 2024B Bonds"), which are scheduled to close on December 12, 2024.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "Aaa"/Stable by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings ("S&P").

The City has requested an underlying rating on this issue from Moody's and S&P, and bidders will be notified as to the assigned ratings prior to the sale. Such ratings reflect only the views of such organizations and explanations of the significance of such ratings may be obtained from the respective organizations furnishing the same.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgement of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future.

In the Award Resolution, the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion in substantially the form attached hereto as Appendix B will be furnished by Dorsey & Whitney LLP, Minneapolis, Minnesota, bond counsel to the City.

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the sections entitled "TAX CONSIDERATIONS" in the Official Statement and the "FORM OF LEGAL OPINION" found in the Appendix B and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

The Bonds

Interest

Stated interest on the Bonds will be taxable as ordinary income at the time it is received or accrued, in accordance with the holder's regular method of accounting for U.S. federal income tax purposes.

Original Issue Discount

The Bonds are not expected to be issued with OID for U.S. federal income tax purposes. Bonds of a given maturity will be treated as issued with OID if their stated redemption price at maturity exceeds their issue price by at least a de minimis amount (0.25% of the principal amount multiplied by the number of complete years from the issue date of such Bonds until their maturity). If Bonds are treated as issued with OID pursuant to these rules, a holder of those Bonds would be required to include OID in income as it accrues based on a constant yield to maturity method before the receipt of corresponding cash payments. The remainder of this discussion assumes that the Bonds are issued with less than a de minimis amount of OID.

Market Discount

If a Bond is purchased for a cost that is less than the Bond's issue price, the purchaser will be treated as having purchased the Bond with market discount (unless a statutory de minimis rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

Bond Premium

A holder that acquires a Bond for an amount in excess of its stated redemption price at maturity may elect to treat the excess as amortizable bond premium, in which case the amount to be included in the holder's income each year with respect to interest on the Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond's yield to maturity) to that year and the holder's federal tax basis in the Bond will be reduced by a corresponding amount. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excluded from gross income for U.S. federal income tax purposes) held by the holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the holder, and is irrevocable without the consent of the IRS.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond (including in a deemed exchange resulting from a defeasance of the Bonds) equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest (which will be taxable as ordinary income to the extent not previously included in income) and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued OID) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2023 have been audited by CliftonLarsonAllen LLP, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds will be general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (housing improvement area fees) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2021/22	2022/23	2023/24
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - .75% Over \$174,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2023/24 Economic Market Value	<u><u>\$17,227,653,773¹</u></u>
2023/24 Assessor's Estimated Market Value	
Real Estate	\$16,606,950,300
Personal Property	40,090,200
Total Valuation	<u><u>\$16,647,040,500</u></u>
2023/24 Net Tax Capacity	
Real Estate	\$204,854,872
Personal Property	790,909
Net Tax Capacity	<u>\$205,645,781</u>
Less:	
Captured Tax Increment Tax Capacity ²	(3,221,622)
Fiscal Disparities Contribution ³	<u>(16,690,669)</u>
Taxable Net Tax Capacity	\$185,733,490
Plus: Fiscal Disparities Distribution ³	4,981,311
Adjusted Taxable Net Tax Capacity	<u><u>\$190,714,801</u></u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 97.51% of the actual selling prices of property most recently sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in a Economic Market Value ("EMV") for the City of \$17,227,653,773.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2023/24 NET TAX CAPACITY BY CLASSIFICATION

	2023/24 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$137,114,601	66.675%
Commercial/industrial	47,095,593	22.901%
Public utility	123,076	0.060%
Railroad operating property	199,732	0.097%
Non-homestead residential	20,266,642	9.855%
Commercial & residential seasonal/rec.	6,693	0.003%
Other	48,535	0.024%
Personal property	790,909	0.385%
Total	<u>\$205,645,781</u>	<u>100.000%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent Increase/Decrease in Estimated Market Value
2019/20	\$12,879,164,400	\$12,785,797,501	\$157,910,360	\$141,311,302	4.11%
2020/21	13,344,357,600	13,255,470,961	164,716,554	145,322,698	3.61%
2021/22	13,796,381,100	13,713,196,631	169,928,228	155,998,083	3.39%
2022/23	15,461,411,000	15,386,400,966	190,473,325	176,689,928	12.07%
2023/24	16,647,040,500	16,576,597,857	205,645,781	190,714,801	7.67%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGEST TAXPAYING PARCELS¹

Taxpayer	Type of Property	2023/24 Net Tax Capacity	Percent of City's Total Net Tax Capacity
70 th Street Properties LLC	Commercial	\$2,699,250	1.31%
Southdale Center LLC	Commercial	2,323,798	1.13%
MFG-Southdale Owner LLC	Apartment	1,326,631	0.65%
HSRE Minnesota Edina SMC LLC	Commercial	1,231,250	0.60%
Southdale Office Partnership	Commercial	979,612	0.48%
LMC Edina Holdings LLC	Apartment	943,040	0.46%
Edina Market Street LLC	Apartment	915,500	0.45%
Bel Loden I LLC	Apartment	881,860	0.43%
Harmony Heights Associates	Apartment	795,688	0.39%
CRP/TCC AA II Edina LLC	Apartment	795,000	0.39%
Total		\$12,891,629	6.27%

City's Total 2023/24 Net Tax Capacity \$205,645,781

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpaying Parcels have been furnished by Hennepin County.

¹ Hennepin County has provided only the ten largest taxpaying *parcels* which appear on the tax rolls of the County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by housing improvement area fees (includes the Series 2024C Bonds)*	\$3,220,000
Total G.O. debt secured by municipal revenues	8,397,000
Total G.O. debt secured by sales tax revenues (includes the Sales Tax Revenue Portion of the Series 2024B Bonds)*	12,150,000
Total G.O. debt secured by special assessments and taxes	26,719,000
Total G.O. debt secured by state aids	9,980,000
Total G.O. debt secured by tax increment revenues	12,410,000
Total G.O. debt secured by taxes (includes the CIP Portion of the Series 2024B Bonds)*	44,070,000
Total G.O. debt secured by utility revenues	43,630,000
Total General Obligation Debt*	<u>\$160,576,000</u>

Non-General Obligation Debt (see schedules following)

Total lease purchase obligations paid by annual appropriations ² (Edina Housing and Redevelopment Authority (HRA))	<u>\$10,760,000</u>
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*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has tentative plans to issue approximately \$34,000,000 general obligation debt to fund additional sales tax projects and the construction of the Community Health and Safety Center/Fire Station 2 project; and annual street bonding in the next 12 months.

¹ Outstanding debt is as of the dated date of the Bonds and the Concurrent Obligations.

² Non-general obligation debt has not been included in the debt ratios.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" means the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (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 to finance any revenue producing public convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance (includes the Sales Tax Revenue Portion of the Series 2024B Bonds and the Series 2024C Bonds).

2023/24 Assessor's Estimated Market Value	\$16,647,040,500
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$499,411,215
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the CIP Portion of the Series 2024A Bonds)*	(44,070,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations (HRA)	<u>(10,760,000)</u>
Unused Debt Limit*	<u><u>\$444,581,215</u></u>

* Preliminary, subject to change.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Improvement Area Fees
(As of 12/12/2024)

Taxable Housing
Improvement Area Bonds
Series 2024C

Dated	12/12/2024
Amount	\$3,220,000*
Maturity	02/01

Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	87,944	0	87,944	87,944	3,220,000	.00%	2025
2026	90,000	136,543	90,000	136,543	226,543	3,130,000	2.80%	2026
2027	115,000	132,734	115,000	132,734	247,734	3,015,000	6.37%	2027
2028	115,000	128,536	115,000	128,536	243,536	2,900,000	9.94%	2028
2029	120,000	124,218	120,000	124,218	244,218	2,780,000	13.66%	2029
2030	125,000	119,623	125,000	119,623	244,623	2,655,000	17.55%	2030
2031	130,000	114,713	130,000	114,713	244,713	2,525,000	21.58%	2031
2032	135,000	109,478	135,000	109,478	244,478	2,390,000	25.78%	2032
2033	140,000	103,943	140,000	103,943	243,943	2,250,000	30.12%	2033
2034	145,000	98,135	145,000	98,135	243,135	2,105,000	34.63%	2034
2035	150,000	92,013	150,000	92,013	242,013	1,955,000	39.29%	2035
2036	160,000	85,463	160,000	85,463	245,463	1,795,000	44.25%	2036
2037	165,000	78,515	165,000	78,515	243,515	1,630,000	49.38%	2037
2038	170,000	71,270	170,000	71,270	241,270	1,460,000	54.66%	2038
2039	180,000	63,613	180,000	63,613	243,613	1,280,000	60.25%	2039
2040	190,000	55,425	190,000	55,425	245,425	1,090,000	66.15%	2040
2041	195,000	46,761	195,000	46,761	241,761	895,000	72.20%	2041
2042	205,000	37,559	205,000	37,559	242,559	690,000	78.57%	2042
2043	215,000	27,740	215,000	27,740	242,740	475,000	85.25%	2043
2044	225,000	17,344	225,000	17,344	242,344	250,000	92.24%	2044
2045	250,000	6,000	250,000	6,000	256,000	0	100.00%	2045
	3,220,000	1,737,565	3,220,000	1,737,565	4,957,565			

* Preliminary, subject to change.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Municipal Revenues
(As of 12/12/2024)

Dated Amount	G.O. Bonds 1) Series 2015B		Recreational Revenue Bonds 2) Series 2017B		Recreational Revenue Refunding Bonds 3) Series 2017D		Recreational Revenue Refunding Bonds 4) Series 2021C		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	07/09/2015 \$2,140,000	06/29/2017 \$7,425,000	02/01	02/01	12/20/2017 \$1,640,000	02/01 & 08/01	12/16/2021 \$2,210,000	02/01						
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
2025	145,000	31,919	510,000	155,700	139,000	15,350	215,000	45,775	1,009,000	248,744	1,257,744	7,388,000	12.02%	2025
2026	150,000	27,494	530,000	134,900	142,000	12,550	225,000	39,175	1,047,000	214,119	1,261,119	6,341,000	24.48%	2026
2027	155,000	22,919	550,000	113,300	145,000	9,700	225,000	32,425	1,075,000	178,344	1,253,344	5,266,000	37.29%	2027
2028	160,000	18,194	470,000	92,900	148,000	6,780	235,000	25,525	1,013,000	143,399	1,156,399	4,253,000	49.35%	2028
2029	165,000	13,319	490,000	73,700	151,000	3,810	240,000	18,400	1,046,000	109,229	1,155,229	3,207,000	61.81%	2029
2030	165,000	8,266	510,000	56,250	77,000	770	160,000	12,400	912,000	77,686	989,686	2,295,000	72.67%	2030
2031	175,000	2,844	525,000	40,725			165,000	8,350	865,000	51,919	916,919	1,430,000	82.97%	2031
2032			540,000	24,750			165,000	5,050	705,000	29,800	734,800	725,000	91.37%	2032
2033			555,000	8,325			170,000	1,700	725,000	10,025	735,025	0	100.00%	2033
	1,115,000	124,953	4,680,000	700,550	802,000	48,960	1,800,000	188,800	8,397,000	1,063,263	9,460,263			

1) The City has pledged the net revenues from the municipal golf courses, ice arena, aquatic center and liquor stores for these issues.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Sales Tax Revenues
(As of 12/12/2024)

Sales Tax Revenue Bonds 1)
Series 2024B

Dated Amount	12/12/2024 \$12,150,000*							
Maturity	02/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	233,852	0	233,852	233,852	12,150,000	.00%	2025
2026	520,000	360,218	520,000	360,218	880,218	11,630,000	4.28%	2026
2027	585,000	345,203	585,000	345,203	930,203	11,045,000	9.09%	2027
2028	605,000	329,733	605,000	329,733	934,733	10,440,000	14.07%	2028
2029	620,000	313,808	620,000	313,808	933,808	9,820,000	19.18%	2029
2030	635,000	297,493	635,000	297,493	932,493	9,185,000	24.40%	2030
2031	650,000	280,463	650,000	280,463	930,463	8,535,000	29.75%	2031
2032	670,000	262,475	670,000	262,475	932,475	7,865,000	35.27%	2032
2033	685,000	243,501	685,000	243,501	928,501	7,180,000	40.91%	2033
2034	705,000	223,694	705,000	223,694	928,694	6,475,000	46.71%	2034
2035	725,000	203,135	725,000	203,135	928,135	5,750,000	52.67%	2035
2036	745,000	181,634	745,000	181,634	926,634	5,005,000	58.81%	2036
2037	770,000	158,903	770,000	158,903	928,903	4,235,000	65.14%	2037
2038	795,000	134,838	795,000	134,838	929,838	3,440,000	71.69%	2038
2039	820,000	109,805	820,000	109,805	929,805	2,620,000	78.44%	2039
2040	845,000	82,308	845,000	82,308	927,308	1,775,000	85.39%	2040
2041	870,000	51,860	870,000	51,860	921,860	905,000	92.55%	2041
2042	905,000	18,100	905,000	18,100	923,100	0	100.00%	2042
	12,150,000	3,831,018	12,150,000	3,831,018	15,981,018			

* Preliminary, subject to change.

- 1) This represents the \$12,150,000 Sales Tax Revenue Bonds Portion of the \$29,535,000 General Obligation Capital Improvement Plan and Sales Tax Revenue Bonds, Series 2024B.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 12/12/2024)

	Improvement Bonds 1) Series 2015A		Permanent Imp. Revolving Fund Bonds 2) Series 2016A		Permanent Imp. Revolving Fund Bonds 3) Series 2017A		Permanent Imp. Revolving Fund Bonds 4) Series 2018A		Permanent Imp. Revolving Fund Bonds 5) Series 2019A	
Dated	07/09/2015		07/06/2016		06/29/2017		06/27/2018		06/13/2019	
Amount	\$9,040,000		\$3,940,000		\$1,995,000		\$2,210,000		\$2,195,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	550,000	173,875	255,000	65,150	125,000	43,400	130,000	53,544	120,000	69,350
2026	565,000	157,150	260,000	59,675	130,000	38,300	135,000	48,244	125,000	63,225
2027	585,000	139,900	270,000	53,375	135,000	33,675	145,000	42,644	135,000	56,725
2028	605,000	121,294	275,000	46,563	140,000	29,550	150,000	37,494	140,000	49,850
2029	620,000	101,388	280,000	39,275	140,000	25,350	155,000	32,919	145,000	42,725
2030	640,000	80,913	290,000	31,438	145,000	21,075	155,000	28,269	155,000	35,225
2031	660,000	58,963	295,000	23,025	150,000	16,650	160,000	23,544	160,000	28,950
2032	685,000	35,425	305,000	14,025	155,000	12,075	165,000	18,669	165,000	24,075
2033	150,000	20,813	315,000	4,725	160,000	7,350	170,000	13,644	170,000	19,050
2034	155,000	15,281			165,000	2,475	175,000	8,359	175,000	13,875
2035	160,000	9,375					180,000	2,813	185,000	8,475
2036	170,000	3,188							190,000	2,850
2037										
2038										
2039										
2040										
2041										
	5,545,000	917,563	2,545,000	337,250	1,445,000	229,900	1,720,000	310,141	1,865,000	414,375

- 1) This represents the \$9,040,000 Improvement and Permanent Improvement Revolving Fund portions of the \$14,275,000 General Obligation Bonds, Series 2015A. This portion will be paid solely from special assessments and no tax levy.
- 2) This represents the \$3,940,000 Permanent Improvement Revolving Fund portion of the \$16,350,000 General Obligation Bonds, Series 2016A. This portion will be paid solely from special assessments and no tax levy.
- 3) This represents the \$1,995,000 Permanent Improvement Revolving Fund portion of the \$8,590,000 General Obligation Bonds, Series 2017A. This portion will be paid solely from special assessments and no tax levy.
- 4) This represents the \$2,210,000 Permanent Improvement Revolving Fund portion of the \$5,515,000 General Obligation Bonds, Series 2018A. This portion will be paid solely from special assessments and no tax levy.
- 5) This represents the \$2,195,000 Permanent Imp. Revolving Fund Bonds portion of the \$10,815,000 General Obligation Bonds, Series 2019A. This portion will be paid solely from special assessments and no tax levy.

--Continued on next page

City of Edina, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 12/12/2024)

	Permanent Imp. Revolving Fund Bonds 6) Series 2020A		Improvement Refunding Bonds 7) Series 2020B		Permanent Imp. Revolving Fund Bonds 8) Series 2021A		Permanent Imp. Revolving Fund Ref Bonds 9) Series 2021B		Permanent Imp. Revolving Fund Bonds 10) Series 2022A	
Dated	06/25/2020		12/30/2020		06/24/2021		12/16/2021		07/14/2022	
Amount	\$390,000		\$1,601,000		\$5,480,000		\$1,280,000		\$2,145,000	
Maturity	02/01		02/01 & 08/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	20,000	8,500	200,000	9,418	290,000	164,150	150,000	46,750	100,000	104,750
2026	25,000	7,600	203,000	7,232	300,000	152,350	155,000	39,125	105,000	99,625
2027	25,000	6,600	200,000	5,030	315,000	140,050	165,000	31,125	110,000	94,250
2028	25,000	5,600	206,000	2,834	325,000	127,250	170,000	22,750	115,000	88,625
2029	25,000	4,850	105,000	572	340,000	113,950	180,000	14,000	120,000	82,750
2030	25,000	4,350			350,000	100,150	190,000	4,750	125,000	76,625
2031	25,000	3,850			365,000	85,850			135,000	70,125
2032	30,000	3,300			380,000	72,850			140,000	63,250
2033	30,000	2,700			395,000	61,225			145,000	56,125
2034	30,000	2,100			405,000	49,225			155,000	48,625
2035	30,000	1,500			415,000	36,925			160,000	40,750
2036	30,000	900			430,000	24,250			170,000	32,500
2037	30,000	300			440,000	13,400			180,000	23,750
2038					450,000	4,500			190,000	14,500
2039									195,000	4,875
2040										
2041										
	350,000	52,150	914,000	25,086	5,200,000	1,146,125	1,010,000	158,500	2,145,000	901,125

- 6) This represents the \$390,000 Permanent Improvement Revolving Fund portion of the \$5,220,000 General Obligation Bonds, Series 2020A.
- 7) This represents the \$1,601,000 Improvement Refunding portion of the \$3,015,000 General Obligation Refunding Bonds, Series 2020B. This portion will be paid solely from special assessments, with no annual tax levy.
- 8) This represents the \$5,480,000 Permanent Improvement Revolving Fund portion of the \$13,025,000 General Obligation Bonds, Series 2021A. This portion will be paid solely from special assessments, with no annual tax levy.
- 9) This represents the \$1,280,000 Permanent Improvement Revolving Fund Refunding portion of the \$3,795,000 General Obligation Refunding Bonds, Series 2021B. This portion will be paid solely from special assessments and no tax levy.
- 10) This represents the \$2,145,000 Permanent Improvement Revolving Fund portion of the \$26,305,000 General Obligation Bonds, Series 2022A. This portion will be paid solely from special assessments and no tax levy.

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City of Edina, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 12/12/2024)

Dated Amount	Permanent Imp. Revolving Fund Bonds 11) Series 2023A		Permanent Imp. Revolving Fund Bonds 12) Series 2024A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated	Amount	Dated	Amount						
	07/13/2023	\$1,180,000	08/01/2024	\$2,800,000						
Maturity	02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	52,550	0	135,000	1,940,000	926,436	2,866,436	24,779,000	7.26%	2025
2026	55,000	51,175	0	135,000	2,058,000	858,701	2,916,701	22,721,000	14.96%	2026
2027	60,000	48,300	130,000	131,750	2,275,000	783,424	3,058,424	20,446,000	23.48%	2027
2028	60,000	45,300	135,000	125,125	2,346,000	702,234	3,048,234	18,100,000	32.26%	2028
2029	65,000	42,175	145,000	118,125	2,320,000	618,079	2,938,079	15,780,000	40.94%	2029
2030	70,000	38,800	150,000	110,750	2,295,000	532,344	2,827,344	13,485,000	49.53%	2030
2031	70,000	35,300	160,000	103,000	2,180,000	449,256	2,629,256	11,305,000	57.69%	2031
2032	75,000	31,675	165,000	94,875	2,265,000	370,219	2,635,219	9,040,000	66.17%	2032
2033	80,000	27,800	175,000	86,375	1,790,000	299,806	2,089,806	7,250,000	72.87%	2033
2034	80,000	24,200	185,000	77,375	1,525,000	241,516	1,766,516	5,725,000	78.57%	2034
2035	85,000	20,900	190,000	68,000	1,405,000	188,738	1,593,738	4,320,000	83.83%	2035
2036	90,000	17,400	200,000	58,250	1,280,000	139,338	1,419,338	3,040,000	88.62%	2036
2037	90,000	13,800	210,000	48,000	950,000	99,250	1,049,250	2,090,000	92.18%	2037
2038	95,000	10,100	220,000	37,250	955,000	66,350	1,021,350	1,135,000	95.75%	2038
2039	100,000	6,200	235,000	25,875	530,000	36,950	566,950	605,000	97.74%	2039
2040	105,000	2,100	245,000	15,100	350,000	17,200	367,200	255,000	99.05%	2040
2041			255,000	5,100	255,000	5,100	260,100	0	100.00%	2041
	1,180,000	467,775	2,800,000	1,374,950	26,719,000	6,334,940	33,053,940			

11) This represents the \$1,180,000 Permanent Improvement Revolving Fund portion of the \$10,270,000 General Obligation Bonds, Series 2023A. This portion will be paid solely from special assessments and no tax levy.

12) This represents the \$3,145,000 Permanent Improvement Revolving Fund Portion of the \$32,730,000 General Obligation Bonds, Series 2024A. This portion will be paid solely from special assessments and no tax levy.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by State Aids
(As of 12/12/2024)

State Aid Bonds 1) Series 2022A								
Dated	07/14/2022							
Amount	\$10,465,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	510,000	486,250	510,000	486,250	996,250	9,470,000	5.11%	2025
2026	535,000	460,125	535,000	460,125	995,125	8,935,000	10.47%	2026
2027	560,000	432,750	560,000	432,750	992,750	8,375,000	16.08%	2027
2028	590,000	404,000	590,000	404,000	994,000	7,785,000	21.99%	2028
2029	620,000	373,750	620,000	373,750	993,750	7,165,000	28.21%	2029
2030	650,000	342,000	650,000	342,000	992,000	6,515,000	34.72%	2030
2031	685,000	308,625	685,000	308,625	993,625	5,830,000	41.58%	2031
2032	715,000	273,625	715,000	273,625	988,625	5,115,000	48.75%	2032
2033	750,000	237,000	750,000	237,000	987,000	4,365,000	56.26%	2033
2034	790,000	198,500	790,000	198,500	988,500	3,575,000	64.18%	2034
2035	830,000	158,000	830,000	158,000	988,000	2,745,000	72.49%	2035
2036	870,000	115,500	870,000	115,500	985,500	1,875,000	81.21%	2036
2037	915,000	70,875	915,000	70,875	985,875	960,000	90.38%	2037
2038	960,000	24,000	960,000	24,000	984,000	0	100.00%	2038
	9,980,000	3,885,000	9,980,000	3,885,000	13,865,000			

1) This represents the \$10,465,000 State Aid portion of the \$26,305,000 General Obligation Bonds, Series 2022A.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 12/12/2024)

	Tax Increment Revenue Bonds 1) Series 2021A		Tax Increment Revenue Bonds 2) Series 2024A							Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity						
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	
2025	270,000	196,450	0	238,300	270,000	434,750	704,750	12,140,000	2.18%	2025
2026	280,000	185,450	0	238,300	280,000	423,750	703,750	11,860,000	4.43%	2026
2027	290,000	174,050	0	238,300	290,000	412,350	702,350	11,570,000	6.77%	2027
2028	300,000	162,250	0	238,300	300,000	400,550	700,550	11,270,000	9.19%	2028
2029	315,000	149,950	0	238,300	315,000	388,250	703,250	10,955,000	11.72%	2029
2030	325,000	137,150	0	238,300	325,000	375,450	700,450	10,630,000	14.34%	2030
2031	340,000	123,850	0	238,300	340,000	362,150	702,150	10,290,000	17.08%	2031
2032	355,000	111,725	0	238,300	355,000	350,025	705,025	9,935,000	19.94%	2032
2033	365,000	100,925	0	238,300	365,000	339,225	704,225	9,570,000	22.88%	2033
2034	375,000	89,825	0	238,300	375,000	328,125	703,125	9,195,000	25.91%	2034
2035	385,000	78,425	0	238,300	385,000	316,725	701,725	8,810,000	29.01%	2035
2036	395,000	66,725	540,000	224,800	935,000	291,525	1,226,525	7,875,000	36.54%	2036
2037	410,000	56,700	570,000	197,050	980,000	253,750	1,233,750	6,895,000	44.44%	2037
2038	415,000	48,450	595,000	167,925	1,010,000	216,375	1,226,375	5,885,000	52.58%	2038
2039	425,000	40,050	625,000	137,425	1,050,000	177,475	1,227,475	4,835,000	61.04%	2039
2040	435,000	31,450	660,000	108,600	1,095,000	140,050	1,235,050	3,740,000	69.86%	2040
2041	445,000	22,650	685,000	81,700	1,130,000	104,350	1,234,350	2,610,000	78.97%	2041
2042	450,000	13,700	710,000	53,800	1,160,000	67,500	1,227,500	1,450,000	88.32%	2042
2043	460,000	4,600	740,000	24,800	1,200,000	29,400	1,229,400	250,000	97.99%	2043
2044			250,000	5,000	250,000	5,000	255,000	0	100.00%	2044
	7,035,000	1,794,375	5,375,000	3,622,400	12,410,000	5,416,775	17,826,775			

1) This represents the \$7,545,000 Tax Increment Revenue portion of the \$13,025,000 General Obligation Bonds, Series 2021A.

2) This represents the \$5,410,000 Tax Increment Revenue Portion of the \$32,730,000 General Obligation Bonds, Series 2024A.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/12/2024)

	Capital Improvement Plan Refunding Bonds 1) Series 2016A		Capital Improvement Plan Refunding Bonds Series 2017C		Equipment Certificates 2) Series 2019A		Capital Improvement Plan Refunding Bonds 3) Series 2021B		Capital Improvement Plan Bonds 4) Series 2024A	
Dated	07/06/2016		12/14/2017		06/13/2019		12/16/2021		08/01/2024	
Amount	\$3,635,000		\$8,955,000		\$2,805,000		\$2,515,000		\$16,660,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	350,000	30,100	850,000	112,850	310,000	77,750	340,000	107,500	0	719,650
2026	360,000	22,550	885,000	78,150	325,000	61,875	360,000	90,000	0	719,650
2027	365,000	13,938	920,000	51,020	340,000	45,250	375,000	71,625	300,000	712,150
2028	375,000	4,688	935,000	31,539	360,000	27,750	395,000	52,375	315,000	696,775
2029			955,000	10,744	375,000	9,375	415,000	32,125	330,000	680,650
2030							435,000	10,875	350,000	663,650
2031									365,000	645,775
2032									385,000	627,025
2033									400,000	607,400
2034									425,000	586,775
2035									445,000	565,025
2036									465,000	542,275
2037									490,000	518,400
2038									515,000	493,275
2039									540,000	466,900
2040									565,000	442,100
2041									590,000	419,000
2042									615,000	394,900
2043									635,000	369,900
2044									660,000	344,000
2045									690,000	317,000
2046									715,000	288,900
2047									745,000	259,700
2048									775,000	229,300
2049									805,000	197,700
2050									840,000	164,800
2051									870,000	130,600
2052									905,000	95,100
2053									945,000	58,100
2054									980,000	19,600
	1,450,000	71,275	4,545,000	284,303	1,710,000	222,000	2,320,000	364,500	16,660,000	12,976,075

- 1) This represents the \$3,635,000 Series 2007A Refunding portion of the \$16,350,000 General Obligation Bonds, Series 2016A.
- 2) This represents the \$2,805,000 Equipment Certificates portion of the \$10,815,000 General Obligation Bonds, Series 2019A.
- 3) This represents the \$2,515,000 Capital Improvement Plan Refunding portion of the \$3,795,000 General Obligation Refunding Bonds, Series 2021B.
- 4) This represents the \$17,510,000 Capital Improvement Plan Portion of the \$32,730,000 General Obligation Bonds, Series 2024A.

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City of Edina, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/12/2024)

Capital Improvement
Plan Bonds 5)
Series 2024B

Dated Amount	12/12/2024 \$17,385,000*							
Maturity	02/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	409,075	1,850,000	1,456,925	3,306,925	42,220,000	4.20%	2025
2026	0	643,088	1,930,000	1,615,313	3,545,313	40,290,000	8.58%	2026
2027	395,000	637,953	2,695,000	1,531,935	4,226,935	37,595,000	14.69%	2027
2028	405,000	627,553	2,785,000	1,440,679	4,225,679	34,810,000	21.01%	2028
2029	415,000	616,893	2,490,000	1,349,786	3,839,786	32,320,000	26.66%	2029
2030	425,000	605,973	1,210,000	1,280,498	2,490,498	31,110,000	29.41%	2030
2031	435,000	594,575	800,000	1,240,350	2,040,350	30,310,000	31.22%	2031
2032	450,000	582,515	835,000	1,209,540	2,044,540	29,475,000	33.12%	2032
2033	460,000	569,773	860,000	1,177,173	2,037,173	28,615,000	35.07%	2033
2034	475,000	556,449	900,000	1,143,224	2,043,224	27,715,000	37.11%	2034
2035	490,000	542,575	935,000	1,107,600	2,042,600	26,780,000	39.23%	2035
2036	500,000	528,095	965,000	1,070,370	2,035,370	25,815,000	41.42%	2036
2037	515,000	512,866	1,005,000	1,031,266	2,036,266	24,810,000	43.70%	2037
2038	535,000	496,720	1,050,000	989,995	2,039,995	23,760,000	46.09%	2038
2039	550,000	479,903	1,090,000	946,803	2,036,803	22,670,000	48.56%	2039
2040	565,000	461,490	1,130,000	903,590	2,033,590	21,540,000	51.12%	2040
2041	585,000	441,073	1,175,000	860,073	2,035,073	20,365,000	53.79%	2041
2042	605,000	418,443	1,220,000	813,343	2,033,343	19,145,000	56.56%	2042
2043	630,000	393,585	1,265,000	763,485	2,028,485	17,880,000	59.43%	2043
2044	655,000	367,400	1,315,000	711,400	2,026,400	16,565,000	62.41%	2044
2045	685,000	339,759	1,375,000	656,759	2,031,759	15,190,000	65.53%	2045
2046	710,000	310,635	1,425,000	599,535	2,024,535	13,765,000	68.77%	2046
2047	740,000	280,185	1,485,000	539,885	2,024,885	12,280,000	72.14%	2047
2048	775,000	248,176	1,550,000	477,476	2,027,476	10,730,000	75.65%	2048
2049	805,000	214,601	1,610,000	412,301	2,022,301	9,120,000	79.31%	2049
2050	840,000	179,645	1,680,000	344,445	2,024,445	7,440,000	83.12%	2050
2051	875,000	142,983	1,745,000	273,583	2,018,583	5,695,000	87.08%	2051
2052	915,000	104,498	1,820,000	199,598	2,019,598	3,875,000	91.21%	2052
2053	955,000	64,054	1,900,000	122,154	2,022,154	1,975,000	95.52%	2053
2054	995,000	21,641	1,975,000	41,241	2,016,241	0	100.00%	2054
	17,385,000	12,392,169	44,070,000	26,310,321	70,380,321			

* Preliminary, subject to change.

- 5) A portion of this issue will refund the outstanding maturity of the City's \$17,000,000 General Obligation Temporary Capital Improvement Plan Bonds, Series 2022B, dated August 25, 2022. This represents the \$17,385,000 Capital Improvement Plan Bonds Portion of the \$29,535,000 General Obligation Capital Improvement Plan and Sales Tax Revenue Bonds, Series 2024B.

City of Edina, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 12/12/2024)

	Utility Revenue Bonds 1) Series 2015A		Utility Revenue Bonds 2) Series 2016A		Utility Revenue Bonds 3) Series 2017A		Utility Revenue Bonds 4) Series 2018A		Utility Revenue Bonds 5) Series 2019A	
Dated	07/09/2015		07/06/2016		06/29/2017		06/27/2018		06/13/2019	
Amount	\$5,235,000		\$8,775,000		\$6,595,000		\$3,305,000		\$5,815,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	590,000	8,850	940,000	55,613	695,000	88,800	330,000	57,450	565,000	177,125
2026			965,000	35,356	725,000	60,400	345,000	43,950	590,000	148,250
2027			980,000	12,250	750,000	34,650	360,000	29,850	620,000	118,000
2028					780,000	11,700	370,000	17,100	650,000	86,250
2029							385,000	5,775	685,000	52,875
2030									715,000	17,875
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
	590,000	8,850	2,885,000	103,219	2,950,000	195,550	1,790,000	154,125	3,825,000	600,375

- 1) This represents the \$5,235,000 Utility Improvement portions of the \$14,275,000 General Obligation Bonds, Series 2015A.
- 2) This represents the \$8,775,000 Utility Revenue portions of the \$16,350,000 General Obligation Bonds, Series 2016A.
- 3) This represents the \$6,595,000 Utility Revenue portions of the \$8,590,000 General Obligation Bonds, Series 2017A.
- 4) This represents the \$3,305,000 Utility Revenue portions of the \$5,515,000 General Obligation Bonds, Series 2018A.
- 5) This represents the \$5,815,000 Utility Revenue portion of the \$10,815,000 General Obligation Bonds, Series 2019A.

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City of Edina, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Utility Revenues
(As of 12/12/2024)

	Utility Revenue Bonds 6) Series 2020A		Utility Revenue Bonds 7) Series 2022A		Utility Revenue Bonds 8) Series 2023A		Utility Revenue Bonds 9) Series 2024A								
Dated	06/25/2020		07/14/2022		07/13/2023		08/01/2024								
Amount	\$4,830,000		\$13,695,000		\$9,090,000		\$5,900,000								
Maturity	02/01		02/01		02/01		02/01								
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2025	455,000	101,000	700,000	634,000	720,000	425,300	0	295,000	4,995,000	1,843,138	6,838,138	38,635,000	11.45%	2025	
2026	475,000	82,400	730,000	598,250	760,000	388,300	340,000	286,500	4,930,000	1,643,406	6,573,406	33,705,000	22.75%	2026	
2027	490,000	63,100	770,000	560,750	795,000	349,425	505,000	265,375	5,270,000	1,433,400	6,703,400	28,435,000	34.83%	2027	
2028	515,000	43,000	805,000	521,375	835,000	308,675	530,000	239,500	4,485,000	1,227,600	5,712,600	23,950,000	45.11%	2028	
2029	535,000	27,350	850,000	480,000	880,000	265,800	555,000	212,375	3,890,000	1,044,175	4,934,175	20,060,000	54.02%	2029	
2030	545,000	16,550	890,000	436,500	930,000	220,550	585,000	183,875	3,665,000	875,350	4,540,350	16,395,000	62.42%	2030	
2031	555,000	5,550	935,000	390,875	970,000	173,050	610,000	154,000	3,070,000	723,475	3,793,475	13,325,000	69.46%	2031	
2032			980,000	343,000	1,015,000	123,425	645,000	122,625	2,640,000	589,050	3,229,050	10,685,000	75.51%	2032	
2033			1,030,000	292,750	1,065,000	71,425	675,000	89,625	2,770,000	453,800	3,223,800	7,915,000	81.86%	2033	
2034			965,000	242,875	1,120,000	22,400	710,000	55,000	2,795,000	320,275	3,115,275	5,120,000	88.26%	2034	
2035			1,015,000	193,375			745,000	18,625	1,760,000	212,000	1,972,000	3,360,000	92.30%	2035	
2036			1,065,000	141,375					1,065,000	141,375	1,206,375	2,295,000	94.74%	2036	
2037			1,120,000	86,750					1,120,000	86,750	1,206,750	1,175,000	97.31%	2037	
2038			1,175,000	29,375					1,175,000	29,375	1,204,375	0	100.00%	2038	
	3,570,000	338,950	13,030,000	4,951,250	9,090,000	2,348,350	5,900,000	1,922,500	43,630,000	10,623,169	54,253,169				

6) This represents the \$4,830,000 Water, Sanitary Sewer and Storm Sewer Revenue portions of the \$5,220,000 General Obligation Bonds, Series 2020A.

7) This represents the \$13,695,000 Storm Sewer and Watermain portions of the \$26,305,000 General Obligation Bonds, Series 2022A.

8) This represents the \$9,090,000 Utility Revenue portion of the \$10,270,000 General Obligation Bonds, Series 2023A.

9) This represents the \$6,665,000 Utility Revenue Portion of the \$32,730,000 General Obligation Bonds, Series 2024A.

Edina Housing and Redevelopment Authority, Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 12/12/2024)

Dated Amount	Public Project Revenue Bonds Series 2014		Public Project Revenue Refunding Bonds Series 2015A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	07/15/2014 \$16,155,000		07/09/2015 \$3,490,000							
Maturity	02/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest						
2025	780,000	321,319	355,000	13,688	1,135,000	335,006	1,470,006	9,625,000	10.55%	2025
2026	800,000	297,619	370,000	4,625	1,170,000	302,244	1,472,244	8,455,000	21.42%	2026
2027	825,000	273,244			825,000	273,244	1,098,244	7,630,000	29.09%	2027
2028	850,000	247,588			850,000	247,588	1,097,588	6,780,000	36.99%	2028
2029	875,000	220,088			875,000	220,088	1,095,088	5,905,000	45.12%	2029
2030	905,000	191,163			905,000	191,163	1,096,163	5,000,000	53.53%	2030
2031	935,000	160,678			935,000	160,678	1,095,678	4,065,000	62.22%	2031
2032	965,000	128,013			965,000	128,013	1,093,013	3,100,000	71.19%	2032
2033	1,000,000	93,625			1,000,000	93,625	1,093,625	2,100,000	80.48%	2033
2034	1,030,000	57,456			1,030,000	57,456	1,087,456	1,070,000	90.06%	2034
2035	1,070,000	19,394			1,070,000	19,394	1,089,394	0	100.00%	2035
	10,035,000	2,010,184	725,000	18,313	10,760,000	2,028,497	12,788,497			

OVERLAPPING DEBT¹

Taxing District	2023/24 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
Hennepin County	\$2,859,451,218	6.6696%	\$1,211,355,000 ³	\$80,792,533
I.S.D. No. 270 (Hopkins Public Schools)	178,632,641	7.7388%	133,460,000 ⁴	10,328,202
I.S.D. No. 271 (Bloomington Public Schools)	200,636,041	0.0138%	180,385,000 ⁴	24,893
I.S.D. No. 272 (Eden Prairie Schools)	154,598,368	0.9678%	97,360,000 ⁴	942,250
I.S.D. No. 273 (Edina Public Schools)	154,831,339	98.9560%	174,640,000 ⁴	172,816,758
I.S.D. No. 280 (Richfield Public Schools)	76,805,996	28.8099%	128,130,000 ⁴	36,914,125
I.S.D. No. 283 (St. Louis Park Public Schools)	96,217,171	0.0251%	240,940,000 ⁴	60,476
Metropolitan Council	6,313,906,529	3.0206%	191,435,000 ⁵	5,782,486
Three Rivers Park District	2,052,772,775	9.2906%	54,980,000	5,107,972
City's Share of Total Overlapping Debt				<u>\$312,769,695</u>

¹ Overlapping debt is as of the dated date of the Bonds and the Concurrent Obligations. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Hennepin County also has General Obligation Sales Tax Revenue Bonds (Ballpark Project) outstanding which are payable entirely from the proceeds of a dedicated 0.15% county-wide sales tax; and General Obligation Sales Tax Revenue Bonds (Transportation Sales Tax) which are expected to be paid from a 0.50% sales and use tax and a \$20 per vehicle excise taxes. These issues have not been included in the overlapping debt or debt ratios.

⁴ Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aids for the purposes of the Bonds.

⁵ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$17,227,653,773	Debt/ Per Capita 54,480¹
Direct G.O. Debt Secured By:			
Housing Improvement Area Fees*	\$3,220,000		
Municipal Revenues	8,397,000		
Sales Tax Revenues*	12,150,000		
Special Assessments & Taxes	26,719,000		
State Aids	9,980,000		
Tax Increment Revenues	12,410,000		
Taxes*	44,070,000		
Utility Revenues	43,630,000		
Total General Obligation Debt*	<u>\$160,576,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(77,377,000)</u>		
Tax Supported General Obligation Debt*	\$83,199,000	0.48%	\$1,527.15
 City's Share of Total Overlapping Debt	 <u>\$312,769,695</u>	 <u>1.82%</u>	 <u>\$5,741.00</u>
 Total*	 <u><u>\$395,968,695</u></u>	 <u><u>2.30%</u></u>	 <u><u>\$7,268.15</u></u>

*Preliminary, subject to change.

¹ Estimated 2023 population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date	% Collected
2019/20	\$39,563,814	\$39,392,703	\$39,547,993	99.96%
2020/21	41,896,275	41,704,258	41,871,086	99.94%
2021/22	45,221,597	45,005,400	45,175,003	99.90%
2022/23	49,558,659	49,423,644	49,423,644	99.73%
2023/24	54,420,192	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.² Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

TAX CAPACITY RATES

	2019/20	2020/21	2021/22	2022/23	2023/24
Hennepin County	41.084%	38.210%	38.535%	34.542%	34.681%
City of Edina	28.082%	28.939%	29.088%	28.194%	28.544%
I.S.D. No. 270 (Hopkins Public Schools)	27.190%	26.478%	26.783%	25.006%	26.913%
I.S.D. No. 271 (Bloomington Public Schools)	19.858%	20.251%	21.511%	17.307%	18.085%
I.S.D. No. 272 (Eden Prairie Schools)	21.555%	21.717%	20.995%	19.243%	19.670%
I.S.D. No. 273 (Edina Public Schools)	30.589%	31.474%	29.975%	28.093%	28.248%
I.S.D. No. 280 (Richfield Public Schools)	32.658%	30.517%	28.708%	26.890%	26.604%
I.S.D. No. 283 (St. Louis Park Public Schools)	25.820%	25.846%	24.913%	30.545%	29.269%
Hennepin County HRA	0.801%	0.722%	0.771%	0.663%	0.624%
Hennepin County Regional Railroad Auth.	1.388%	1.323%	1.329%	1.188%	1.153%
Metro Mosquito	0.412%	0.381%	0.377%	0.331%	0.312%
Metropolitan Council	0.616%	0.631%	0.659%	0.576%	0.614%
Metropolitan Transit	1.433%	1.256%	1.204%	1.066%	0.927%
Park Museum	0.710%	0.707%	0.722%	0.647%	0.694%
Three Rivers Park District	2.859%	2.793%	2.787%	2.473%	2.399%

Continued on next page

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES Continued

	2019/20	2020/21	2021/22	2022/23	2023/24
<i>Referendum Market Value Rates:</i>					
I.S.D. No. 270 (Hopkins Public Schools)	0.16182%	0.14358%	0.14030%	0.14957%	0.13812%
I.S.D. No. 271 (Bloomington Public Schools)	0.19620%	0.18647%	0.17280%	0.18556%	0.18718%
I.S.D. No. 272 (Eden Prairie Schools)	0.20912%	0.20120%	0.20500%	0.21642%	0.20896%
I.S.D. No. 273 (Edina Public Schools)	0.21897%	0.21097%	0.21895%	0.22168%	0.20533%
I.S.D. No. 280 (Richfield Public Schools)	0.14849%	0.12789%	0.12760%	0.11669%	0.16971%
I.S.D. No. 283 (St. Louis Park Public Schools)	0.16574%	0.14818%	0.14838%	0.15920%	0.15544%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1888. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Manager and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 341 full-time, 274 part-time, and 293 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
International Association of Firefighters Local 1275	December 31, 2024
Minnesota Teamsters Public & Law Enforcement Local 486	December 31, 2025
Law Enforcement Labor Services, Local 498	December 31, 2025
IUOE Local 49 (AFL-CIO)	December 31, 2025
Law Enforcement Labor Services, Local 529	December 31, 2024
International Brotherhood of Electrical Workers Local 292	December 31, 2025

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$3,279,111 as of December 31, 2023. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds and the Concurrent Obligations or otherwise questioning the validity of the Bonds and the Concurrent Obligations.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of October 14, 2024)

Fund	Total Cash and Investments
General	\$27,468,454
Special Revenue	29,138,101
Debt Service	2,021,054
Capital Projects	52,467,205
Enterprise Funds	43,673,654
Internal Service Fund	<u>5,587,003</u>
Total Funds on Hand	<u>\$160,355,471</u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2021 Audited	2022 Audited	2023 Audited
Utilities			
Total Operating Revenues	\$27,663,593	\$32,297,449	\$30,426,494
Less: Operating Expenses	<u>(21,950,832)</u>	<u>(19,942,084)</u>	<u>(21,429,025)</u>
Operating Income	\$5,712,761	\$12,355,365	\$8,997,469
Plus: Depreciation	<u>5,931,178</u>	<u>5,935,306</u>	<u>5,999,136</u>
Revenues Available for Debt Service	<u><u>\$11,643,939</u></u>	<u><u>\$18,290,671</u></u>	<u><u>\$14,996,605</u></u>
Liquor			
Total Operating Revenues	\$14,313,232	\$14,427,474	\$13,330,018
Less: Operating Expenses	<u>(13,519,779)</u>	<u>(13,733,783)</u>	<u>(12,915,693)</u>
Operating Income	\$793,453	\$693,691	\$414,325
Plus: Depreciation	<u>120,830</u>	<u>125,293</u>	<u>125,134</u>
Revenues Available for Debt Service	<u><u>\$914,283</u></u>	<u><u>\$818,984</u></u>	<u><u>\$539,459</u></u>
Aquatic Center			
Total Operating Revenues	\$1,069,724	\$1,144,569	\$1,120,348
Less: Operating Expenses	<u>(1,079,317)</u>	<u>(1,212,514)</u>	<u>(1,333,282)</u>
Operating Income	(\$9,593)	(\$67,945)	(\$212,934)
Plus: Depreciation	<u>283,470</u>	<u>243,055</u>	<u>202,510</u>
Revenues Available for Debt Service	<u><u>\$273,877</u></u>	<u><u>\$175,110</u></u>	<u><u>(\$10,424)</u></u>
Golf Course			
Total Operating Revenues	\$5,384,684	\$6,063,172	\$6,306,176
Less: Operating Expenses	<u>(4,835,667)</u>	<u>(5,119,485)</u>	<u>(5,750,865)</u>
Operating Income	\$549,017	\$943,687	\$555,311
Plus: Depreciation	<u>894,499</u>	<u>955,346</u>	<u>929,185</u>
Revenues Available for Debt Service	<u><u>\$1,443,516</u></u>	<u><u>\$1,899,033</u></u>	<u><u>\$1,484,496</u></u>

Continued on next page

ENTERPRISE FUNDS Continued

	2021 Audited	2022 Audited	2023 Audited
Arena			
Total Operating Revenues	\$2,347,070	\$2,532,961	\$2,748,733
Less: Operating Expenses	(2,846,078)	(3,173,750)	(3,495,561)
Operating Income	<u>(\$499,008)</u>	<u>(\$640,789)</u>	<u>(\$746,828)</u>
Plus: Depreciation	657,745	590,898	522,451
Revenues Available for Debt Service	<u><u>\$158,737</u></u>	<u><u>(\$49,891)</u></u>	<u><u>(\$224,377)</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2024 Amended Budget ¹
	2020 Audited	2021 Audited	2022 Audited	2023 Audited	
Revenues					
Property taxes	\$31,901,482	\$33,827,443	\$36,497,426	\$39,267,933	\$43,744,165
Franchise fees	811,004	824,286	808,850	784,662	1,100,000
Lodging tax	8,313	17,214	25,751	28,675	20,000
License and permits	6,381,889	6,008,225	7,403,206	5,630,081	5,562,360
Intergovernmental	5,976,630	2,564,397	4,321,986	3,649,672	2,890,514
Charges for services	4,812,575	5,536,786	5,785,986	6,535,160	6,402,096
Fines and forfeitures	485,472	460,914	359,680	488,872	350,000
Investment income	597,073	(151,907)	(1,167,123)	1,373,705	250,000
Rental of property	479,148	491,579	711,100	34,017	0
Other revenues	132,657	186,591	180,557	256,529	2,465,050
Total Revenues	\$51,586,243	\$49,765,528	\$54,927,419	\$58,049,306	\$62,784,185
Expenditures					
Current:					
General government	\$7,626,995	\$8,825,723	\$10,339,058	\$10,824,368	\$12,116,749
Public safety	25,411,355	25,527,556	26,026,375	28,264,844	31,387,049
Public works	8,053,512	8,878,567	9,418,764	9,780,009	11,792,110
Parks	4,883,218	5,916,078	6,446,899	6,692,365	7,794,577
Capital outlay	75,047	26,676	295,762	300,248	0
Debt service	0	0	3,108	26,179	0
Total Expenditures	\$46,050,127	\$49,174,600	\$52,529,966	\$55,888,013	\$63,090,485
Excess of revenues over (under)	\$5,536,116	\$590,928	\$2,397,453	\$2,161,293	(\$306,300)
Other Financing Sources (Uses)					
Sale of capital assets	\$75	\$0	\$7,050	\$0	\$0
Transfers in	3,115,261	442,606	207,900	246,104	156,300
Transfers (out)	0	(4,503,106)	(750,482)	(963,280)	0
Total Other Financing Sources (Uses)	3,115,336	(4,060,500)	(535,532)	(717,176)	156,300
Net changes in Fund Balances	\$8,651,452	(\$3,469,572)	\$1,861,921	\$1,444,117	(\$150,000)
General Fund Balance January 1	\$18,591,661	\$27,243,113	\$23,773,541	\$25,635,462	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$27,243,113	\$23,773,541	\$25,635,462	\$27,079,579	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$28,403	\$85,083	\$80,509	\$96,823	
Restricted	58,086	58,086	58,086	58,086	
Assigned	6,679,877	5,627,113	5,592,639	5,684,253	
Unassigned	20,476,747	18,003,259	19,904,228	21,240,417	
Total	\$27,243,113	\$23,773,541	\$25,635,462	\$27,079,579	

¹ The 2024 amended budget was adopted on September 17, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 53,494 and a 2023 population estimate of 54,480, and comprising an area of 16.5 square miles, is located 20 miles west of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Edina Realty and Edina Realty Title	Residential realty services	2,106 ²
Coldwell Banker Realty	Residential realty services	1,870
I.S.D. 273 (Edina Public Schools)	Elementary and secondary education	1,681
Fairview Southdale Hospital	Hospital and medical services	1,624
The City	Municipal government and services	908
BI Worldwide	Marketing consulting services	736
Western National Insurance Company	Personal and commercial insurance	562
Lund Food Holdings	Corporate headquarters and retail grocery stores	500 ³
Dow Water & Process Solutions	Water purification/filtration	375
Target	Department store	375

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

² Total number of Realtors throughout Minnesota, Wisconsin and in remote offices, of which 288 are based in the City.

³ Includes total number of employees at both retail locations and corporate office in the City.

BUILDING PERMITS (as of October 10, 2024)

	2020	2021	2022	2023	2024
<u>Single Family Homes</u>					
No. of building permits	3,771	3,608	1,896	1,590	1,436
Valuation	\$142,742,249	\$168,306,886	\$167,250,767	\$130,739,627	\$99,407,552
<u>Multiple Family Buildings</u>					
No. of building permits	110	130	95	87	93
Valuation	\$126,955,104	\$30,203,796	\$184,213,064	\$10,125,488	\$58,892,976
<u>Commercial/Industrial</u>					
No. of building permits	254	291	311	286	227
Valuation	\$87,013,432	\$71,217,964	\$95,577,158	\$110,096,333	\$106,674,736
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	4,135	4,029	2,302	1,963	1,756
Valuation	\$357,710,785	\$269,662,046	\$447,040,989	\$250,961,448	\$264,975,264

Source: The City.

U.S. CENSUS DATA**Population Trend:** The City

2010 U.S. Census population	47,941
2020 U.S. Census population	53,494
Percent of Change 2010 - 2020	11.58%
2023 Metropolitan Council Population Estimate	54,480

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2022 per capita income	\$84,049	\$55,199	\$44,947	\$41,261
2022 median household income	\$125,506	\$92,595	\$74,313	\$75,149
2022 median family income	\$181,235	\$126,404	\$107,072	\$92,646
2022 median gross rent	\$1,700	\$1,373	\$1,178	\$1,268
2022 median value owner occupied units	\$601,700	\$358,000	\$286,800	\$281,900
2022 median age	44.8 yrs.	37.2 yrs.	38.5 yrs.	38.5 yrs.

	State of Minnesota	United States
City % of 2022 per capita income	187.00%	203.70%
City % of 2022 median family income	169.26%	195.62%

Housing Statistics

	<u>The City</u>		Percent of Change
	2020	2023	
All Housing Units	23,861	23,363	-2.09%

Source: 2010 and 2020 Census of Population and Housing, and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2023 Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Hennepin County	Hennepin County	State of Minnesota	
2020	667,782	6.6%	6.3%	
2021	668,831	3.8%	3.7%	
2022	685,129	2.4%	2.7%	
2023	689,878	2.6%	2.8%	
2024, August	675,625	3.8%	3.9%	

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse changes in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



City of Edina, Minnesota

Annual Comprehensive Financial Report

2023



CITY OF EDINA, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2023

Prepared by:
Department of Finance

Pa Thao – Finance Director
Tenzin Dongchung – Accounting Coordinator

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INTRODUCTORY SECTION



June 13, 2024

To the Honorable Mayor, City Council, and Citizens of the City of Edina (City):

Minnesota statutes require that every city publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, has issued an unmodified (clean) opinion on the City's financial statements for the year ended December 31, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City, incorporated in 1888, is a fully developed first-ring suburb of Minneapolis. The City currently occupies a land area of 16 square miles and serves a population of 54,048. Currently, 98% of the City is developed with 60% of the land attributed to residential uses, 4% to roadways, and 21% supporting the park and open spaces. The remainder of the land is used for commercial, industrial, and public/semi-public uses. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City has operated under the Council-Manager form of government since 1955. Policy-making and legislative authority are vested in a City Council (Council) consisting of the Mayor and four other members, all elected on a nonpartisan basis. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. Council members serve four-year terms, with two Council members elected every two years. The Mayor also serves a four-year term. The Council and Mayor are elected at large.

The City provides a full range of services, including police, fire and emergency medical services; the construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational and cultural activities and events.

The Council is required to adopt a final budget by no later than the close of the previous fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may use resources within a department as they see fit. The City Manager may authorize transfers of budgeted amounts between departments. The City adopts an annual appropriated budget for all governmental and proprietary funds.

Local Economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability. The region, while noted for a strong retail sector, enjoyed considerable re-development in recent years. The re-development consisted of varied manufacturing, medical and high-tech base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions within the government's boundaries or in close proximity include medical services, retail operations and banking services. Edina is home to over 50,000 jobs that are expected to remain stable over the coming years.

The City has become known for its quality residential housing stock and attractive neighborhoods. To date, approximately 98% of the available housing stock is in place. Although the emphasis has changed over the years from exclusively single-family housing to a more balanced mix of housing types, the City's concern for overall quality in residential development remains a top priority.

The City enjoys a AAA bond rating and a Aaa bond rating from Standard and Poor's and Moody's, respectively.

Long-Term Financial Planning

The Metropolitan Council requires all cities in the seven-county metropolitan area to have a Comprehensive Plan and state law requires cities to update their plans every 10 years. The last plan was adopted in 2020. The Comprehensive Plan guides development and redevelopment and addresses changes likely to occur due to various social and market forces.

The City continues to focus on quality-of-life improvements throughout Edina. These efforts cover a broad array of areas including protecting and improving the environment, revitalization of parks and public areas, expanding recreational opportunities, addressing race and equity disparities, and increasing communication between City representatives and the public.

The City is working closely with state government, federal government and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and well-placed pathways. Funding for most of the transportation improvements will need to come from state, county, and federal sources, with some minor portion supported by the local taxpayers.

Relevant Financial Policies

The City has adopted a set of financial management policies that focus on long-term financial planning. Policies cover areas such as cash and investments, the operating budget, revenue, fund balance, capital outlay, and debt management.

Assignments for fund balances and compensated absences are all calculated as specified in the policies. In addition, the City has \$21,240,417 unassigned fund balance in the general fund. It is the policy of the City that, to the extent possible, such excess funds will typically be transferred to the Construction Fund to support capital improvements and equipment. This amount is \$680,659 above the goal range identified in the policy.

Major Initiatives

The City is continually working to update our aging infrastructure. Our annually adopted six-year Capital Improvement Plan includes spending and financing projections for these projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Edina for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the thirteenth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Pa Thao
Finance Director



Tenzin Dongchung
Accounting Coordinator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Edina
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

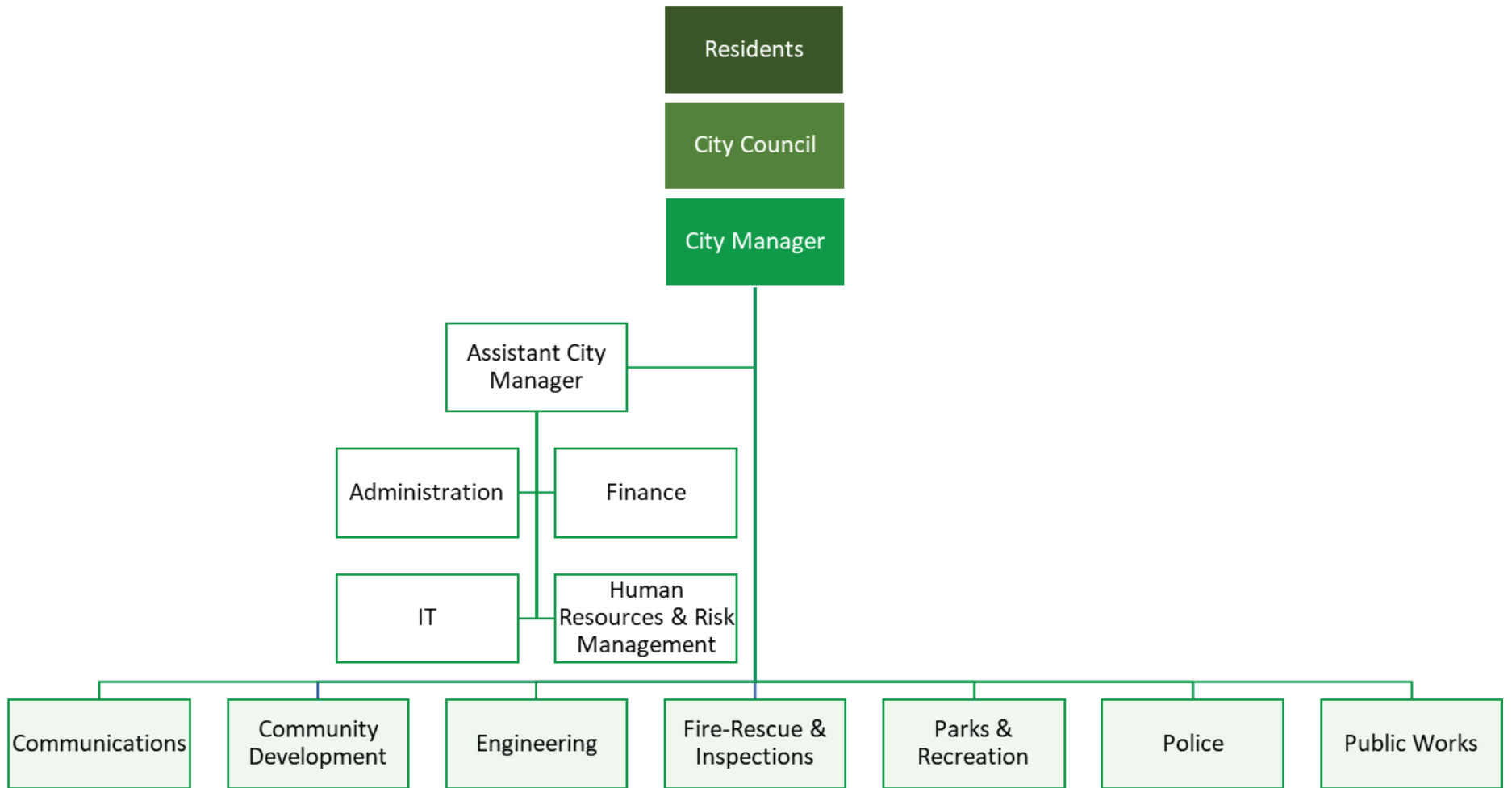
December 31, 2022

Christopher P. Morill

Executive Director/CEO

**CITY OF EDINA, MINNESOTA
ORGANIZATION
DECEMBER 31, 2023**

	<u>Term Expires</u>
Mayor: James Hovland	December 31, 2024
Council Members:	
Carolyn Jackson	December 31, 2024
James Pierce	December 31, 2024
Kate Agnew	December 31, 2026
Julie Risser	December 31, 2026
City Manager: Scott Neal	Appointed
Finance Director/Treasurer: Pa Thao	Appointed
City Clerk: Sharon Allison	Appointed



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council and Management
City of Edina, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Edina, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Edina's basic financial statements as listed in the table of contents.

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 Edina, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Edina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2023, the City adopted new accounting guidance for subscription-based information technology arrangements (SBITAs). The guidance requires subscribers to recognize a right-to-use subscription asset and corresponding subscription liability for all SBITAs with agreement terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Edina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Edina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Edina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Other Postemployment Benefits Plan Schedule of Changes in the City's Total OPEB liability and Related Ratios, and Defined Benefit Pension Plans Schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Edina's basic financial statements. The combining and individual fund financial statements and schedules, Tax Capacity, Tax Levies, and Tax Capacity Rates information, Combining Schedule of Bonded Indebtedness, and Tax Increment Financing District Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, Tax Capacity, Tax Levies, and Tax Capacity Rates information, Combining Schedule of Bonded Indebtedness, and Tax Increment Financing District Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2024, on our consideration of the City of Edina'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 solely 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 effectiveness of the City of Edina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Edina's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 13, 2024

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As management of the City of Edina (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which precedes this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$354,916,762 (net position). Of this amount, \$76,188,637 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$18,891,636 from the prior year. Of that total, \$10,588,561 is the increase in Governmental Activities net position and \$8,303,075 is the increase in Business-Type Activities net position.
- At the close of the 2023 fiscal year, the City's governmental funds reported combined ending fund balances of \$104,582,282, a decrease of \$4,582,906 from the prior year. The decrease can be attributed mostly to a decrease in the Housing and Redevelopment Authority fund.
 - Affordable housing buy-in fundings decreased by \$4,028,908 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$21,240,417, or 38% of total general fund expenditures.
- The City's total bonded debt increased by \$422,000 during the current fiscal year, from \$135,330,000 at the end of 2022 due to the debt issuance of General Obligation Bonds, Series 2023A, in the amount of \$10,270,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and parks. The business-type activities of the City include water, sewer, stormwater, recycling, liquor, aquatic center, golf course, arena, and community activity centers.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Housing and Redevelopment Authority fund, debt service fund, and the construction fund.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental and proprietary funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Proprietary funds. The City maintains five major enterprise funds and four internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City's major enterprise funds are used to account for its utility, liquor, aquatic center, golf, and arena operations.

Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds are provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City utilizes four internal service funds to account for insurance and risk management activities, equipment operations, IT services, and facilities management. These services have been allocated proportionately to governmental and business-type activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental and enterprise funds, as well as internal service funds, are presented immediately following the required supplementary information. Supplementary financial information and the statistical section are the final two items presented.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$354,914,691 at the close of the most recent fiscal year.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The largest portion of the City's net position (\$209,732,738 or 59%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Edina's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and						
Other Assets	\$ 151,752,797	\$ 154,046,671	\$ 56,806,788	\$ 56,433,015	\$ 208,559,585	\$ 210,479,686
Capital Assets	202,604,946	188,815,677	153,992,619	142,622,912	356,597,565	331,438,589
Total Assets	<u>\$ 354,357,743</u>	<u>\$ 342,862,348</u>	<u>\$ 210,799,407</u>	<u>\$ 199,055,927</u>	<u>\$ 565,157,150</u>	<u>\$ 541,918,275</u>
Deferred Outflows of Resources:						
OPEB Plan Deferments	\$ 1,452,367	\$ 1,627,575	\$ 153,888	\$ 165,311	\$ 1,606,255	\$ 1,792,886
Pension Plan Deferments	26,929,096	31,848,524	1,619,423	2,230,686	28,548,519	34,079,210
Total Deferred Outflows of Resources	<u>\$ 28,381,463</u>	<u>\$ 33,476,099</u>	<u>\$ 1,773,311</u>	<u>\$ 2,395,997</u>	<u>\$ 30,154,774</u>	<u>\$ 35,872,096</u>
Liabilities:						
Long-Term Liabilities:						
Due Within One Year	\$ 7,467,103	\$ 6,592,838	\$ 6,053,244	\$ 5,596,258	\$ 13,520,347	\$ 12,189,096
Due in More Than One Year	117,150,065	148,633,383	56,367,049	54,480,212	173,517,114	203,113,595
Other Liabilities	<u>14,736,063</u>	<u>13,784,251</u>	<u>6,261,070</u>	<u>7,372,903</u>	<u>20,997,133</u>	<u>21,157,154</u>
Total Liabilities	<u>\$ 139,353,231</u>	<u>\$ 169,010,472</u>	<u>\$ 68,681,363</u>	<u>\$ 67,449,373</u>	<u>\$ 208,034,594</u>	<u>\$ 236,459,845</u>
Deferred Inflows of Resources:						
OPEB Plan Deferments	\$ 2,086,714	\$ 1,944,408	\$ 212,493	\$ 203,215	\$ 2,299,207	\$ 2,147,623
Pension Plan Deferments	25,893,706	508,141	1,680,569	104,118	27,574,275	612,259
Leases	2,487,086	2,545,518	-	-	2,487,086	2,545,518
Total Deferred Inflows of Resources	<u>\$ 30,467,506</u>	<u>\$ 4,998,067</u>	<u>\$ 1,893,062</u>	<u>\$ 307,333</u>	<u>\$ 32,360,568</u>	<u>\$ 5,305,400</u>
Net Position:						
Net Investment in						
Capital Assets	\$ 112,750,230	\$ 102,453,359	\$ 96,982,508	\$ 90,405,666	\$ 209,732,738	\$ 192,859,025
Restricted	67,750,386	70,035,114	1,245,001	-	68,995,387	70,035,114
Unrestricted	<u>32,417,853</u>	<u>29,841,435</u>	<u>43,770,784</u>	<u>43,289,552</u>	<u>76,188,637</u>	<u>73,130,987</u>
Total Net Position	<u>\$ 212,918,469</u>	<u>\$ 202,329,908</u>	<u>\$ 141,998,293</u>	<u>\$ 133,695,218</u>	<u>\$ 354,916,762</u>	<u>\$ 336,025,126</u>

A portion of the City's net position (\$68,995,387) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$76,188,637) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all of the categories of net position reported, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$3,057,650 in unrestricted net position. This was mainly due to an increase in investment earnings.

The decreases in deferred outflows of resources and increases in deferred inflows of resources relate to the changes in the City's share of state pension plan amounts while the decrease in long-term liabilities is primarily attributable to regular scheduled payments on the City's outstanding bonds, partially offset by newly issued debt.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As shown below, the City's net position increased by \$18,891,636 during the current fiscal year. Factors contributing to this change are discussed in the next two sections.

City of Edina's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 14,709,292	\$ 19,453,141	\$ 57,070,404	\$ 59,483,228	\$ 71,779,696	\$ 78,936,369
Operating Grants and Contributions	6,926,971	6,792,587	428,035	271,640	7,355,006	7,064,227
Capital Grants and Contributions	4,673,918	4,943,744	-	-	4,673,918	4,943,744
General Revenues:						
Property Taxes	49,210,670	45,074,974	-	-	49,210,670	45,074,974
Other Taxes	10,720,379	4,817,545	-	-	10,720,379	4,817,545
Gain on Disposal of Assets	124,585	53,576	28,362	-	152,947	53,576
Unrestricted Investment Earnings	5,324,618	(2,903,247)	2,142,983	(980,198)	7,467,601	(3,883,445)
Total Revenues	<u>91,690,433</u>	<u>78,232,320</u>	<u>59,669,784</u>	<u>58,774,670</u>	<u>151,360,217</u>	<u>137,006,990</u>
Expenses:						
General Government	19,505,673	19,199,880	-	-	19,505,673	19,199,880
Public Safety	32,790,034	29,290,638	-	-	32,790,034	29,290,638
Public Works	18,755,764	23,018,094	-	-	18,755,764	23,018,094
Parks	8,354,807	7,928,925	-	-	8,354,807	7,928,925
Interest on Long-Term Debt	2,058,881	1,709,865	-	-	2,058,881	1,709,865
Water	-	-	7,500,796	7,449,657	7,500,796	7,449,657
Sewer	-	-	9,155,586	8,612,892	9,155,586	8,612,892
Stormwater	-	-	4,031,428	2,735,091	4,031,428	2,735,091
Recycling	-	-	1,671,424	1,838,148	1,671,424	1,838,148
Liquor	-	-	12,890,487	13,725,070	12,890,487	13,725,070
Aquatic Center	-	-	1,336,122	1,218,383	1,336,122	1,218,383
Golf Course	-	-	5,889,718	5,282,761	5,889,718	5,282,761
Arena	-	-	3,522,909	3,214,462	3,522,909	3,214,462
Community Activity Centers	-	-	5,004,952	4,537,612	5,004,952	4,537,612
Total Expenses	<u>81,465,159</u>	<u>81,147,402</u>	<u>51,003,422</u>	<u>48,614,076</u>	<u>132,468,581</u>	<u>129,761,478</u>
Increase in Net Position Before Transfers	10,225,274	(2,915,082)	8,666,362	10,160,594	18,891,636	7,245,512
Transfers	363,287	(3,080,537)	(363,287)	3,080,537	-	-
Change in Net Position	10,588,561	(5,995,619)	8,303,075	13,241,131	18,891,636	7,245,512
Net Position - January 1	202,329,908	208,325,527	133,695,218	120,454,087	336,025,126	328,779,614
Net Position - December 31	<u>\$ 212,918,469</u>	<u>\$ 202,329,908</u>	<u>\$ 141,998,293</u>	<u>\$ 133,695,218</u>	<u>\$ 354,916,762</u>	<u>\$ 336,025,126</u>

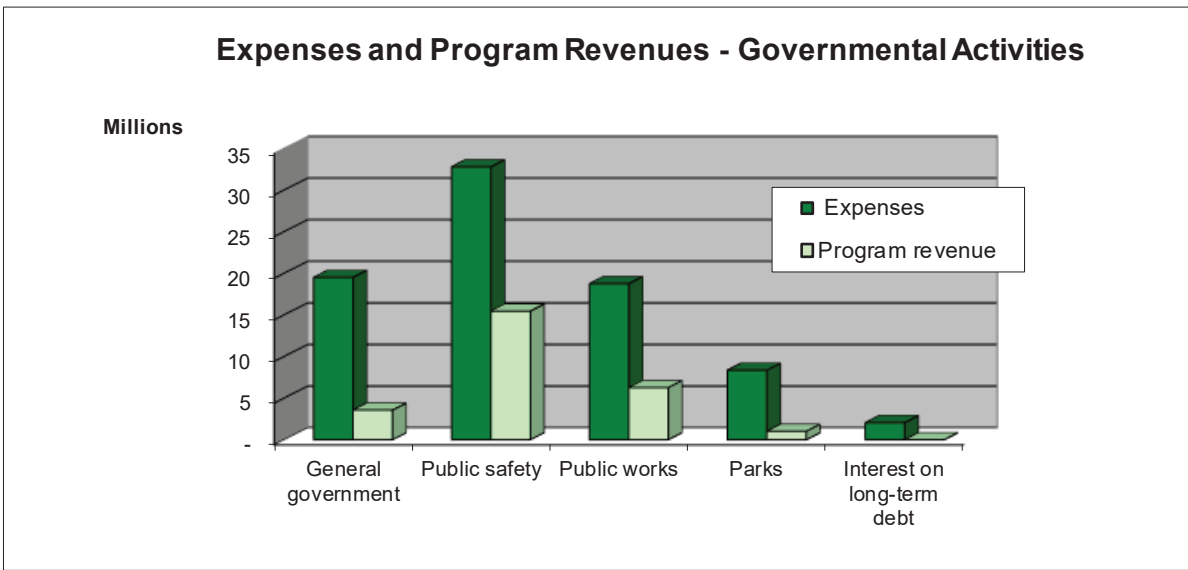
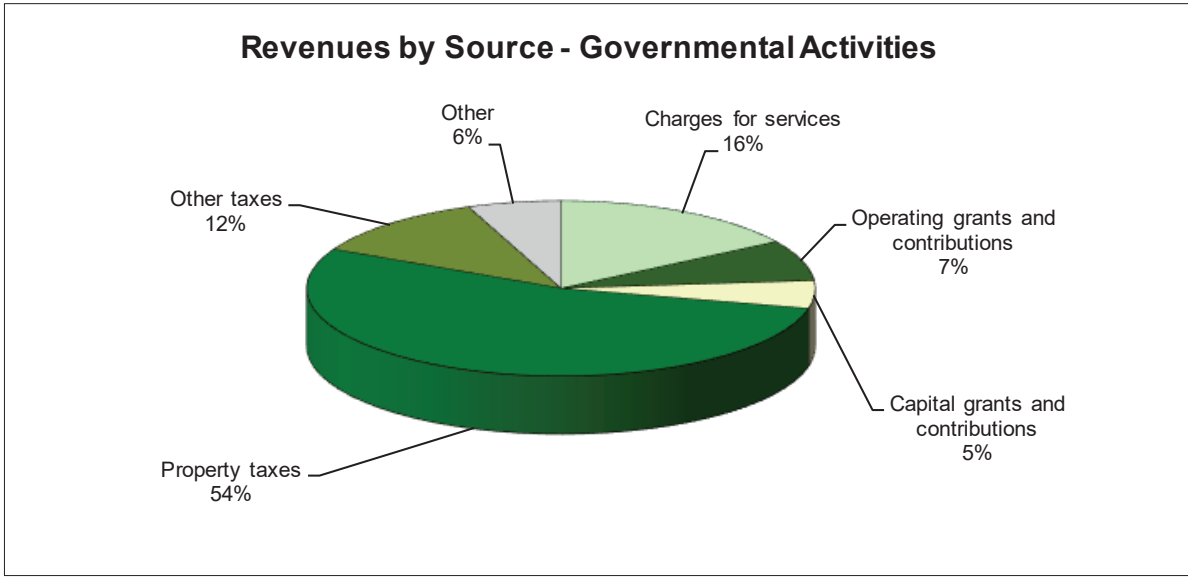
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$10,588,561, Key elements of the increase are as follows.

- Property taxes increased by \$4,135,696 as the result of an increased general operating levy that provides funding to continue existing service levels.
- Other taxes increased by \$5,902,834 due to the local sales tax.
- Investment earnings increased by \$8,227,865 in 2023 due to unrealized gains.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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

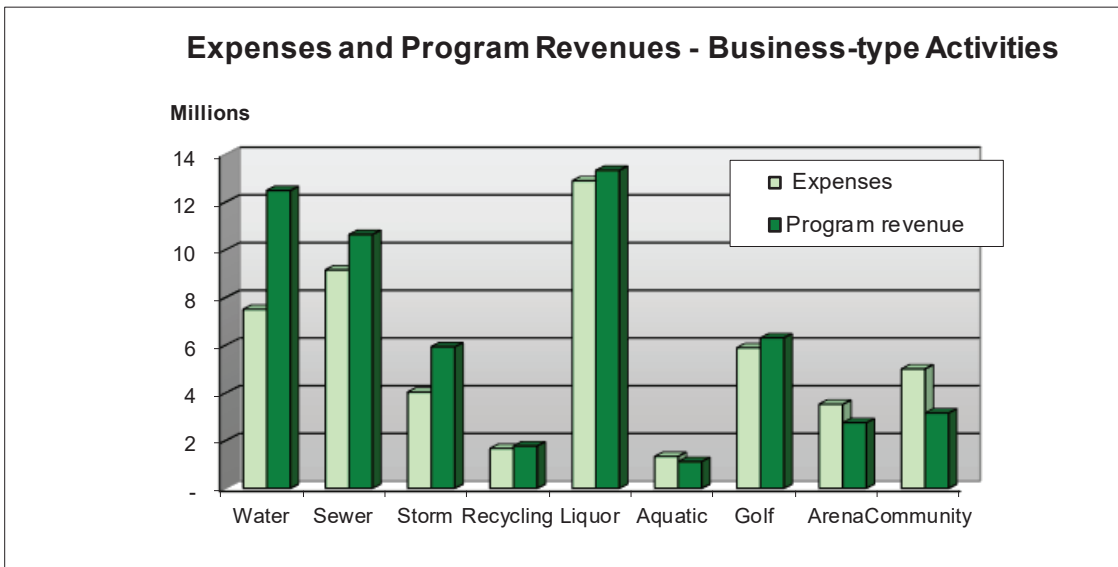
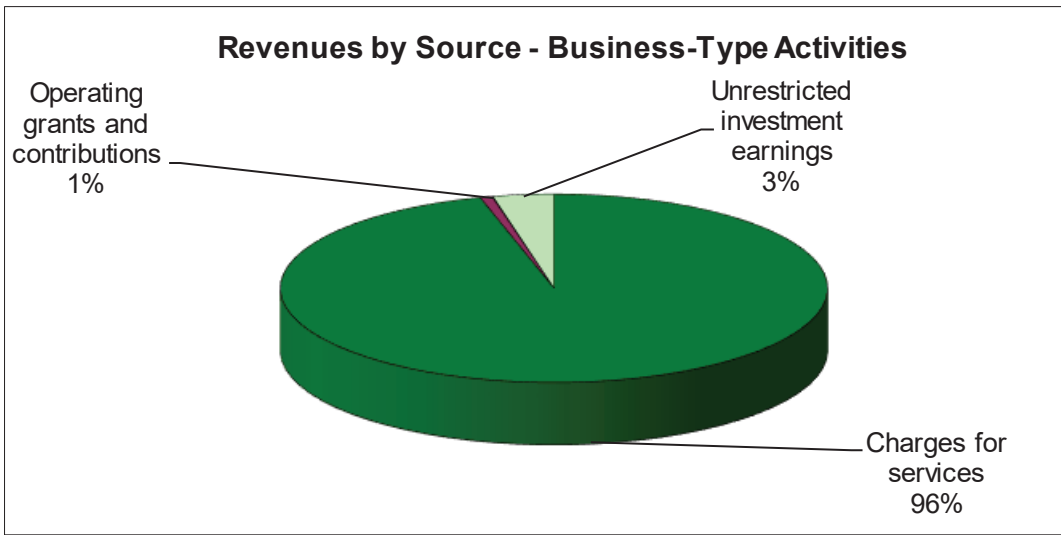


**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

BUSINESS-TYPE ACTIVITIES

Business-type activities increased net position by \$8,303,075, accounting for 44% of the City's growth in net position. Key elements of the current year increase are as follows:

- The utility fund had income before contributions and transfers of \$10,014,882 for 2023. This additional equity is used to maintain and invest in the utility infrastructure according to the City's CIP and utility rate study.
- The liquor fund had income before contributions and transfers of \$545,816 for 2023. This income is used to subsidize operations at other enterprise facilities.
- The golf course had income before contributions and transfers of \$549,524.
- The other enterprise funds had a loss before contributions and transfers of \$2,567,899 in total. These enterprises had operating expenses that exceeded revenues.



**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$104,582,282, a decrease of \$4,532,906 in comparison with the prior year. Approximately 20% of this total amount (\$21,240,417) constitutes unassigned fund balance. The remainder of the fund balance is 1) restricted by external creditors, grantors, laws, or regulations (\$44,004,911), or 2) assigned by internal constraints (\$39,237,935), or 3) nonspendable in the form of prepaid items (\$99,019).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,240,417. As a measure of the general fund's liquidity, unassigned fund balance represents 38% of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,444,117 during the current fiscal year. Key factors related to this increase include:

- Total investment income increased from the prior year due to favorable market conditions.
- Total general fund expenditures exceeded budget by \$587,762, but revenues were \$3,106,555 over budget. This is due to an increase in investment income as well as intergovernmental revenue related to federal response and recovery funding for COVID-19.
- The general fund transferred \$963,280 of 2022 surplus primarily to the construction fund for capital projects.

The Housing and Redevelopment Authority fund balance decreased by \$5,343,776 in the current fiscal year due to a decrease in other revenue and more spent on capital outlay.

The debt service fund has a total fund balance of \$6,724,091, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$22,053. Fund balance increased as the result of a \$3,182,907 in General Property Taxes, \$547,959 in intergovernmental revenue, and transfers in of \$3,466,164 and \$7,445,696 in debt service payments.

The construction fund balance decreased by \$2,064,651 in 2023 due to transfers out of \$2,753,822 to the debt service fund as well as expenditures exceeding revenues.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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

Unrestricted net position of the utility fund at the end of the year amounted to \$38,861,729. The total growth in net position from current year operations was \$9,397,773. Operating revenues in the utilities fund decreased by 5.8% while expenses increased by 7.5% in 2023. The revenue decrease was due to a decrease in the water, sewer, and storm rates as well as connection fees in 2023. Expenses increased because of higher spending on contractual services in 2023 than in 2022. The City invested \$19,870,862 in utility fund capital assets during 2023, a 17.7% increase from 2022.

Unrestricted net position of the liquor fund at the end of the year amounted to \$1,280,931. The liquor fund continues to transfer profits back into other City funds, including the arena, centennial lakes and art center funds. The liquor fund made transfers totaling \$1,000,000 to these other funds in 2023. The transfers out were greater than operating income of \$414,325 in 2023, leading to the reduction of \$449,311 in net position in the liquor fund in 2023.

Unrestricted net position of the aquatic center fund at the end of the year amounted to \$1,057,430. Restricted net position of the aquatic center fund at the end of the year amounted to \$1,245,001.

Unrestricted net position of the golf course fund at the end of the year amounted to \$974,326, an improvement of \$676,439 from the prior year. Operating income for the golf course fund was \$555,311 in 2023, compared to \$943,687 in 2022.

Unrestricted net position of the arena fund at the end of the year amounted to a deficit of (\$210,076) an increase in the deficit by \$118,298 from the prior year. Revenues increased by \$215,772 over 2022 while expenses increased by \$321,811. The operating loss for the arena was \$746,828 for 2023 compared to \$640,789 for 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, revenues were \$3,106,555 more than budget, as the continued commercial and residential redevelopment of the City increased our licenses and permits, which exceeded budget by \$163,921, charges for services exceeded budget by \$589,369, miscellaneous exceeded budget by \$1,038,751, and surpluses in state and federal aid of \$2,044,572 over budget. These increases offset deficits in fines and forfeits and tax revenues, which together came in (\$730,058) under budget.

During the year, expenditures were over budget by \$587,762 due to spending of federal ARPA funds. General government were over budget by \$1,371,630 and debt service was over budget by \$26,179, which was offset by public safety, public works and parks coming in under budget by \$810,047.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounted to \$356,597,565 (net of accumulated depreciation and amortization). This investment in capital assets included land, land improvements, intangible assets such as easements, infrastructure assets (roads, bridges, sidewalks, and similar items), buildings, vehicles, equipment, parks, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$25,158,976.

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

- A variety of utility infrastructure improvements, including water main, sanitary and storm sewer, construction in progress as of the close of the fiscal year reached \$41,802,493 in the utility fund.
- A variety of street construction, sidewalk and park projects; construction in progress as of the close of the fiscal year reached \$22,388,854 (PIR + PACS).
- The City has a number of public improvements underway in the Grandview district including rehabilitation of Grandview Pedestrian Bridge, and parking and road improvements in the district. The construction in process cost was \$10,332,480.
- The new fire station 2 construction in progress cost was \$16,562,787 as of the close of the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Land Improvements	\$ 24,744,751	\$ 26,172,688	\$ 9,446,353	\$ 10,024,568	\$ 34,191,104	\$ 36,197,256
Easements	253,000	253,000	35,600	35,600	288,600	288,600
Buildings and Structures	29,999,251	31,286,991	14,468,578	16,132,468	44,467,829	47,419,459
Machinery and Equipment	10,034,192	9,133,780	5,629,698	5,097,343	15,663,890	14,231,123
Infrastructure	72,092,387	76,378,237	81,672,966	86,643,381	153,765,353	163,021,618
Parks	8,282,105	9,001,056	925,290	981,368	9,207,395	9,982,424
Construction in Progress	56,829,073	36,576,896	41,802,493	23,683,873	98,631,566	60,260,769
Lease Assets	370,187	13,029	11,641	24,311	381,828	37,340
Total	<u>\$ 202,604,946</u>	<u>\$ 188,815,677</u>	<u>\$ 153,992,619</u>	<u>\$ 142,622,912</u>	<u>\$ 356,597,565</u>	<u>\$ 331,438,589</u>

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

Long-term debt. At the end of the current fiscal year, the total outstanding long-term debt is \$125,287,000, an increase of \$422,000 from 2022. \$28,585,000 is for general obligation improvement debt that is supported by property tax levies and special assessments. This amount decreased from 2022 due to regularly scheduled principal payments.

\$25,713,000 is for permanent improvement revolving (PIR) bonds, which finance the City's street reconstruction program. This amount decreased from 2022 due to regularly scheduled principal payments.

Also outstanding is \$11,860,000 HRA public project revenue bonds which financed two gymnasiums, the new public works facility, sports dome, outdoor rink at the arena, and improvements to Pamela Park. This amount decreased from 2022 due to regularly scheduled principal payments.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

City of Edina's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 28,585,000	\$ 30,065,000	\$ -	\$ -	\$ 28,585,000	\$ 30,065,000
Public Improvement Bonds	25,713,000	26,350,000	-	-	25,713,000	26,350,000
Public Project Revenue Bonds	11,860,000	12,930,000	-	-	11,860,000	12,930,000
Tax Increment Financing Bonds	7,295,000	7,545,000	-	-	7,295,000	7,545,000
Revenue Bonds	-	-	51,834,000	47,975,000	51,834,000	47,975,000
Total	<u>\$ 73,453,000</u>	<u>\$ 76,890,000</u>	<u>\$ 51,834,000</u>	<u>\$ 47,975,000</u>	<u>\$ 125,287,000</u>	<u>\$ 124,865,000</u>

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

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City is \$412,932,330. Only \$50,910,000 of the City's outstanding debt is counted within the statutory limitation.

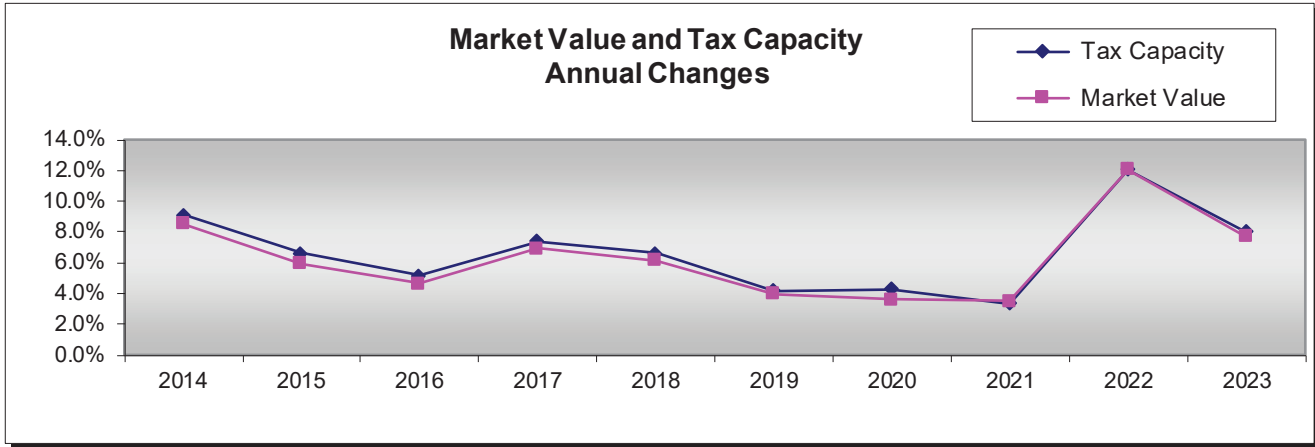
Additional information on the City's long-term debt can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City strives to provide an uncommonly high quality of life for our residents and businesses and the relatively healthy local economy helps to make this goal a reality. The unemployment rate in Edina has remained under 4% (not seasonally adjusted) since mid-2013, which is below the state and national levels. The City is home to Southdale Center, the nation's first fully enclosed climate-controlled regional shopping mall, Fairview Southdale hospital, as well as several corporate headquarters. In addition to its healthy economy, Edina is known for excellent public schools, as the Edina school system has been consistently selected as one of the best in the country. Ninety-eight percent of students graduate, with eighty-nine percent pursuing some sort of post-secondary education.

**CITY OF EDINA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Property values in Edina decreased for several years from 2009-2012 and have risen each year since. Estimated market value of real estate increased 12.0% for taxes payable in 2023 (market value in 2022).



The City collects property taxes based on tax capacity, which roughly equals estimated market value multiplied by class rates for different types of parcels (commercial, residential, etc.). Class rates are set by state statute. Tax capacity for real estate increased 12.1% in 2022 for taxes payable in 2023 and remained positive for the tenth consecutive year.

All these factors above were considered in preparing the City's budget for the 2023 fiscal year. The City's adopted 2023 budget includes a property tax levy of \$49,855,000 for all funds, an increase of 9.89% from the 2022 levy, with the increase being attributed to the introduction of the street reconstruction levy, which will eventually replace special assessments for road reconstruction. The increased levies are also for the City's equipment replacement expenditures, HRA operating expenditures, and general operating levy.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4801 West 50th Street, Edina, Minnesota 55424. The City's Annual Comprehensive Financial Report can also be found on the internet at www.edinamn.gov.

BASIC FINANCIAL STATEMENTS

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**CITY OF EDINA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and Investments	\$ 108,817,559	\$ 45,017,247	\$ 153,834,806
Restricted Cash and Investments	474,743	-	474,743
Accrued Interest	583,444	317,524	900,968
Accounts Receivable, Net	1,898,039	7,593,193	9,491,232
Special Assessments Receivable	19,821,456	434,186	20,255,642
Internal balances	(612,817)	612,817	-
Leases Receivable	2,551,601	-	2,551,601
Due from Other Governments	7,240,766	-	7,240,766
Prepaid Items	762,983	536,346	1,299,329
Inventory	-	2,295,475	2,295,475
Total Current Assets	<u>141,537,774</u>	<u>56,806,788</u>	<u>198,344,562</u>
Noncurrent Assets:			
Investment in Joint Powers Agreement	1,770,353	-	1,770,353
Loans Receivable	8,444,670	-	8,444,670
Nondepreciable Capital Assets	78,487,156	42,123,434	120,610,590
Depreciable Capital Assets (Net)	124,117,790	111,869,185	235,986,975
Total Noncurrent Assets	<u>212,819,969</u>	<u>153,992,619</u>	<u>366,812,588</u>
Total Assets	<u>354,357,743</u>	<u>210,799,407</u>	<u>565,157,150</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Plan Deferments	1,452,367	153,888	1,606,255
Defined Benefit Pension Plans	26,929,096	1,619,423	28,548,519
Total Deferred Outflows of Resources	<u>28,381,463</u>	<u>1,773,311</u>	<u>30,154,774</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,711,767	3,165,448	7,877,215
Salaries Payable	1,905,945	523,034	2,428,979
Accrued Interest Payable	1,152,319	907,475	2,059,794
Contracts Payable	1,104,269	968,149	2,072,418
Due to Other Governments	217,688	307,433	525,121
Deposits Payable	2,056,843	-	2,056,843
Unearned Revenue	3,587,232	389,531	3,976,763
Compensated Absences Payable	2,059,831	328,078	2,387,909
Bonds Payable	5,199,000	5,707,000	10,906,000
Leases Payable	2,938	18,166	21,104
Subscriptions Payable	205,334	-	205,334
Total Current Liabilities	<u>22,203,166</u>	<u>12,314,314</u>	<u>34,517,480</u>
Noncurrent Liabilities:			
Total OPEB Liability	2,999,519	279,592	3,279,111
Net Pension Liability	27,070,998	5,278,543	32,349,541
Compensated Absences Payable	3,089,746	492,118	3,581,864
Bonds and Loans Payable, Net	83,824,794	50,316,796	134,141,590
Leases Payable	5,570	-	5,570
Subscriptions Payable	159,438	-	159,438
Total Noncurrent Liabilities	<u>117,150,065</u>	<u>56,367,049</u>	<u>173,517,114</u>
Total Liabilities	<u>139,353,231</u>	<u>68,681,363</u>	<u>208,034,594</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB Plan Deferments	2,086,714	212,493	2,299,207
Defined Benefit Pension Plans	25,893,706	1,680,569	27,574,275
Leases	2,487,086	-	2,487,086
Total Deferred Inflows of Resources	<u>30,467,506</u>	<u>1,893,062</u>	<u>32,360,568</u>
NET POSITION			
Net Investment in Capital Assets	112,750,230	96,982,508	209,732,738
Restricted for Tax Increments	23,455,933	-	23,455,933
Restricted for Affordable Housing	4,555,430	-	4,555,430
Restricted for Debt Service	7,333,376	1,245,001	8,578,377
Restricted for Highway Construction	18,115,279	-	18,115,279
Restricted for Capital Projects	8,435,457	-	8,435,457
Restricted for Parkland Dedication	58,086	-	58,086
Restricted for Police	1,009,464	-	1,009,464
Restricted for Braemar Golf Donations	110,203	-	110,203
Restricted for Pedestrian and Cyclist Improvements	430,102	-	430,102
Restricted for Conservation and Sustainability Initiatives	1,791,578	-	1,791,578
Restricted for Public Safety	2,347,165	-	2,347,165
Restricted for Opioid Epidemic Response	108,313	-	108,313
Unrestricted	32,417,853	43,770,784	76,188,637
Total Net Position	<u>\$ 212,918,469</u>	<u>\$ 141,998,293</u>	<u>\$ 354,916,762</u>

See accompanying Notes to Financial Statements.

**CITY OF EDINA, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 19,505,673	\$ 1,893,976	\$ 1,677,181	\$ -	\$ (15,934,516)	\$ -	\$ (15,934,516)
Public Safety	32,790,034	11,324,457	4,131,061	-	(17,334,516)	-	(17,334,516)
Public Works	18,755,764	489,292	1,099,089	4,673,918	(12,493,465)	-	(12,493,465)
Parks	8,354,807	1,001,567	19,640	-	(7,333,600)	-	(7,333,600)
Interest on Long-Term Debt	2,058,881	-	-	-	(2,058,881)	-	(2,058,881)
Total Government Activities	81,465,159	14,709,292	6,926,971	4,673,918	(55,154,978)	-	(55,154,978)
Business-Type Activities:							
Water	7,500,796	12,483,445	-	-	-	4,982,649	4,982,649
Sewer	9,155,586	10,438,055	202,172	-	-	1,484,641	1,484,641
Stormwater	4,031,428	5,934,139	-	-	-	1,902,711	1,902,711
Recycling	1,671,424	1,584,965	190,243	-	-	103,784	103,784
Liquor	12,890,487	13,330,018	-	-	-	439,531	439,531
Aquatic Center	1,336,122	1,120,598	-	-	-	(215,524)	(215,524)
Golf Course	5,889,718	6,306,176	-	-	-	416,458	416,458
Arena	3,522,909	2,749,483	-	-	-	(773,426)	(773,426)
Community Activity Centers	5,004,952	3,123,525	35,620	-	-	(1,845,807)	(1,845,807)
Total Business-Type Activities	51,003,422	57,070,404	428,035	-	-	6,495,017	6,495,017
Total Primary Government	\$ 132,468,581	\$ 71,779,696	\$ 7,355,006	\$ 4,673,918	(55,154,978)	6,495,017	(48,659,961)
GENERAL REVENUES							
Property Taxes					49,210,670	-	49,210,670
Tax Increment Collections					2,078,687	-	2,078,687
Franchise Taxes					3,111,525	-	3,111,525
Lodging Taxes					28,675	-	28,675
General Sales Tax					5,501,492	-	5,501,492
Unrestricted Investment Earnings					5,324,618	2,142,983	7,467,601
Gain on Disposal of Capital Assets					124,585	28,362	152,947
Transfers - Internal Activities					363,287	(363,287)	-
Total General Revenues and Transfers					65,743,539	1,808,058	67,551,597
CHANGE IN NET POSITION					10,588,561	8,303,075	18,891,636
Net Position - Beginning of Year					202,329,908	133,695,218	336,025,126
NET POSITION - END OF YEAR					\$ 212,918,469	\$ 141,998,293	\$ 354,916,762

See accompanying Notes to Financial Statements.

**CITY OF EDINA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Housing and Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 33,211,516	\$ 22,368,604	\$ 6,985,264	\$ 36,316,169	\$ 5,504,006	\$ 104,385,559
Restricted Cash and Investments	-	-	474,743	-	-	474,743
Accrued Interest	147,950	112,813	321	295,770	26,590	583,444
Accounts Receivable	761,833	70,511	-	138,217	555,332	1,525,893
Taxes Receivable	294,428	4,463	16,299	39,128	-	354,318
Special Assessments Receivable	-	-	1,745,305	18,076,151	-	19,821,456
Leases Receivable	2,551,601	-	-	-	-	2,551,601
Due from Other Funds	-	-	-	2,000,000	-	2,000,000
Due from Other Governments	507,701	19,388	13,588	6,317,038	334,646	7,192,361
Prepaid items	96,823	-	-	-	2,196	99,019
Loans Receivable	-	8,444,670	-	-	-	8,444,670
Total Assets	\$ 37,571,852	\$ 31,020,449	\$ 9,235,520	\$ 63,182,473	\$ 6,422,770	\$ 147,433,064
LIABILITIES						
Accounts Payable	\$ 828,730	\$ 704,629	\$ 3,200	\$ 2,778,140	\$ 178,697	\$ 4,493,396
Salaries Payable	1,837,311	7,619	-	5,384	9,817	1,860,131
Contracts Payable	-	230,708	-	753,641	119,920	1,104,269
Due to Other Funds	-	2,000,000	-	-	-	2,000,000
Due to Other Governments	194,237	19,161	-	4,290	-	217,688
Deposits Payable	2,022,874	33,969	-	-	-	2,056,843
Unearned Revenue	2,827,607	13,000	746,625	-	-	3,587,232
Total Liabilities	7,710,759	3,009,086	749,825	3,541,455	308,434	15,319,559
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Taxes	294,428	4,463	16,299	39,128	-	354,318
Unavailable Revenue - Special Assessments	-	-	1,745,305	18,076,151	-	19,821,456
Unavailable Revenue - Other Leases	2,487,086	-	-	4,553,048	315,315	4,868,363
Total Deferred Inflows of Resources	2,781,514	4,463	1,761,604	22,668,327	315,315	27,531,223
FUND BALANCE						
Nonspendable	96,823	-	-	-	2,196	99,019
Restricted	58,086	28,006,900	6,724,091	3,419,009	5,796,825	44,004,911
Assigned	5,684,253	-	-	33,553,682	-	39,237,935
Unassigned	21,240,417	-	-	-	-	21,240,417
Total Fund Balance	27,079,579	28,006,900	6,724,091	36,972,691	5,799,021	104,582,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 37,571,852	\$ 31,020,449	\$ 9,235,520	\$ 63,182,473	\$ 6,422,770	\$ 147,433,064

See accompanying Notes to Financial Statements.

**CITY OF EDINA, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances - Governmental Funds \$ 104,582,282

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

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

Capital Assets and Right-to-Use Assets	365,579,607
Accumulated Depreciation and Amortization	(163,289,451)

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

Bonds Payable	(83,918,000)
Loans Payable	(750,000)
Premium on Bonds	(4,355,794)
Leases Payable	(8,508)
Subscriptions Payable	(44,224)
Compensated Absences Payable	(5,149,577)
Total OPEB Liability	(2,999,519)
Net Pension Liability	(27,070,998)

Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(1,152,319)
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Investment in joint powers agreement are not available to pay for current period expenditures, and therefore, are not reported in the funds.	1,770,353
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The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred Outflows - OPEB	1,452,367
Deferred Outflows - Pension	26,929,096
Deferred Inflows - OPEB	(2,086,714)
Deferred Inflows - Pension	(25,893,706)
Deferred Inflows - Property Taxes	354,318
Deferred Inflows - Special Assessments	19,821,456
Deferred Inflows - Other	4,868,363

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	4,279,437
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Total Net Position - Governmental Activities	\$ 212,918,469
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CITY OF EDINA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Housing and Redevelopment Authority	Debt Service	Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
General Property Taxes	\$ 39,267,933	\$ 241,116	\$ 3,182,907	\$ 6,464,975	\$ -	\$ 49,156,931
Tax Increment Collections	-	2,078,687	-	-	-	2,078,687
Franchise Taxes	784,662	-	-	127,727	2,199,136	3,111,525
Lodging Tax	28,675	-	-	-	-	28,675
General Sales Tax	-	-	-	5,450,871	-	5,450,871
Special Assessments	-	-	187,805	3,422,080	-	3,609,885
License and Permits	5,630,081	-	-	86,653	-	5,716,734
Intergovernmental	3,649,672	-	547,959	1,155,746	2,365,591	7,718,968
Charges for Services	6,535,160	1,452	-	584,936	-	7,121,548
Fines and Forfeitures	488,872	-	-	-	-	488,872
Investment Income	1,373,705	1,260,211	1,461	2,485,886	203,355	5,324,618
Rental of Property	34,017	-	-	-	-	34,017
Other Revenues	256,529	223,045	-	176,727	319,352	975,653
Total Revenues	<u>58,049,306</u>	<u>3,804,511</u>	<u>3,920,132</u>	<u>19,955,601</u>	<u>5,087,434</u>	<u>90,816,984</u>
EXPENDITURES						
Current:						
General Government	10,824,368	3,488,845	-	201,388	-	14,514,601
Public Safety	28,264,844	-	-	473,354	134,960	28,873,158
Public Works	9,780,009	-	-	2,180,755	846,684	12,807,448
Parks	6,692,365	-	-	159,735	35,473	6,887,573
Capital Outlay:						
General Government	300,248	4,947,100	-	2,141,284	-	7,388,632
Public Safety	-	-	-	3,052,210	12,667	3,064,877
Public Works	-	-	-	12,209,299	2,698,299	14,907,598
Parks	-	-	-	1,183,540	-	1,183,540
Debt Service:						
Principal	25,939	-	4,617,000	-	-	4,642,939
Interest and Fiscal Charges	240	-	2,828,696	-	-	2,828,936
Total Expenditures	<u>55,888,013</u>	<u>8,435,945</u>	<u>7,445,696</u>	<u>21,601,565</u>	<u>3,728,083</u>	<u>97,099,302</u>
REVENUES OVER (UNDER) EXPENDITURES	2,161,293	(4,631,434)	(3,525,564)	(1,645,964)	1,359,351	(6,282,318)
OTHER FINANCING SOURCES (USES)						
Transfers In	246,104	-	3,466,164	1,063,280	-	4,775,548
Transfers Out	(963,280)	(712,342)	-	(2,753,822)	-	(4,429,444)
Sale of Capital Assets	-	-	-	77,700	-	77,700
Bonds Issued	-	-	81,453	1,098,547	-	1,180,000
Premium on Bonds Issued	-	-	-	95,608	-	95,608
Total Other Financing Sources (Uses)	<u>(717,176)</u>	<u>(712,342)</u>	<u>3,547,617</u>	<u>(418,687)</u>	<u>-</u>	<u>1,699,412</u>
NET INCREASE (DECREASE) IN FUND BALANCE	1,444,117	(5,343,776)	22,053	(2,064,651)	1,359,351	(4,582,906)
Fund Balance - Beginning of Year	<u>25,635,462</u>	<u>33,350,676</u>	<u>6,702,038</u>	<u>39,037,342</u>	<u>4,439,670</u>	<u>109,165,188</u>
FUND BALANCE - END OF YEAR	<u>\$ 27,079,579</u>	<u>\$ 28,006,900</u>	<u>\$ 6,724,091</u>	<u>\$ 36,972,691</u>	<u>\$ 5,799,021</u>	<u>\$ 104,582,282</u>

See accompanying Notes to Financial Statements.

CITY OF EDINA, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Total Net Change in Fund Balances - Governmental Funds \$ (4,582,906)

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

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

Capital Outlays	23,895,406
Depreciation and Amortization Expense	(10,488,222)

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

Proceeds from the Sale of Capital Assets	(77,700)
Gain (Loss) on the Sale of Capital Assets	77,700

Revenues in the statement of activities that do not provide current financial resources (property taxes, special assessment, and other unavailable receivables) are not reported as revenues in the funds.

936,337

The amount of debt issued, principal as well as any issuance premiums or discounts, are reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.

(1,275,608)

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

4,642,939

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

37,996

Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. Amortization for the current year is included in interest expense on the Statement of Activities.

732,059

Pension and Other Postemployment Benefit (OPEB) expenditures in the governmental funds are measured by current year employ Fixed Statement of Activities are measured by the change in the net pension liability/total OPEB liability and the related deferred inflows and outflows of resources.

Pensions	(3,350,094)
OPEB	(157,755)

In the governmental funds, compensated absences expenditures are measured by the amount of financial resources used (amounts actually paid). In the Statement of Activities, however, compensated absences expenses are measured by the amounts earned during the year.

Compensated Absences	(217,152)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.

415,561

Change in Net Position - Governmental Activities

\$ 10,588,561

See accompanying Notes to Financial Statements.

**CITY OF EDINA, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds							Governmental Activities
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ 35,468,036	\$ 1,640,746	\$ 2,328,445	\$ 2,662,989	\$ 428,195	\$ 2,488,836	\$ 45,017,247	\$ 4,432,000
Interest Receivable	244,880	13,423	16,528	23,550	3,774	15,369	317,524	-
Accounts Receivable, Net	7,216,247	884	2,518	37,508	294,409	41,627	7,593,193	101,320
Special Assessments Receivable	434,186	-	-	-	-	-	434,186	-
Due from Other Governments	-	-	-	-	-	-	-	48,405
Prepaid Expenses	525,866	390	521	7,681	-	1,888	536,346	663,964
Inventory	43,921	2,106,394	-	145,160	-	-	2,295,475	-
Total Current Assets	43,933,136	3,761,837	2,348,012	2,876,888	726,378	2,547,720	56,193,971	5,245,689
Noncurrent Assets:								
Net Capital Assets	128,129,046	1,358,621	990,921	9,141,785	5,800,066	8,572,180	153,992,619	314,790
Total Assets	172,062,182	5,120,458	3,338,933	12,018,673	6,526,444	11,119,900	210,186,590	5,560,479
DEFERRED OUTFLOWS OF RESOURCES								
OPEB Deferred Outflows	46,109	24,948	-	24,081	24,013	34,737	153,888	-
Pension Deferred Outflows	449,436	411,079	10,175	288,524	187,846	272,363	1,619,423	-
Total Deferred Outflows of Resources	495,545	436,027	10,175	312,605	211,859	307,100	1,773,311	-
LIABILITIES								
Current Liabilities:								
Accounts Payable	2,277,330	542,100	3,513	77,930	137,734	126,841	3,165,448	242,688
Salaries Payable	142,208	118,682	2,183	91,558	63,871	104,532	523,034	104,989
Accrued Interest Payable	786,072	-	6,167	90,369	24,867	-	907,475	-
Contracts Payable	968,149	-	-	-	-	-	968,149	-
Due to Other Governments	81,395	170,186	-	26,922	16,761	12,169	307,433	-
Unearned Revenue	-	14,993	170	352,488	2,160	19,720	389,531	-
Compensated Absences Payable	89,154	81,533	-	95,579	13,248	48,564	328,078	-
Bonds Payable - Current	4,735,000	-	85,000	615,000	272,000	-	5,707,000	-
Leases Payable - Current	-	-	-	18,166	-	-	18,166	-
Subscriptions Payable - Current	-	-	-	-	-	-	-	181,597
Total Current Liabilities	9,079,308	927,494	97,033	1,368,012	530,641	311,826	12,314,314	529,274
Noncurrent Liabilities:								
Total OPEB Liability	69,049	52,397	-	63,026	30,517	64,603	279,592	-
Net Pension Liability	1,464,946	1,339,922	33,164	940,450	612,288	887,773	5,278,543	-
Compensated Absences Payable	133,732	122,299	-	143,369	19,873	72,845	492,118	-
Bonds Payable, Net of Unamortized Discounts and Premiums	41,489,359	-	302,967	6,224,525	2,299,945	-	50,316,796	-
Subscriptions Payable	-	-	-	-	-	-	-	138,951
Total Noncurrent Liabilities	43,157,086	1,514,618	336,131	7,371,370	2,962,623	1,025,221	56,367,049	138,951
Total Liabilities	52,236,394	2,442,112	433,164	8,739,382	3,493,264	1,337,047	68,681,363	668,225
DEFERRED INFLOWS OF RESOURCES								
OPEB Deferred Inflows	56,660	48,221	-	34,058	32,056	41,498	212,493	-
Pension Deferred Inflows	466,406	426,600	10,559	299,418	194,938	282,648	1,680,569	-
Total Deferred Inflows of Resources	523,066	474,821	10,559	333,476	226,994	324,146	1,893,062	-
Total Liabilities and Deferred Inflows of Resources	52,759,460	2,916,933	443,723	9,072,858	3,720,258	1,661,193	70,574,425	668,225
NET POSITION								
Net Investment in Capital Assets	80,936,538	1,358,621	602,954	2,284,094	3,228,121	8,572,180	96,982,508	314,790
Restricted for Edina Law Debt	-	-	1,245,001	-	-	-	1,245,001	-
Unrestricted	38,861,729	1,280,931	1,057,430	974,326	(210,076)	1,193,627	43,157,967	4,577,464
Total Net Position	\$ 119,798,267	\$ 2,639,552	\$ 2,905,385	\$ 3,258,420	\$ 3,018,045	\$ 9,765,807	\$ 141,385,476	\$ 4,892,254

Explanation of different between Proprietary Funds Statement of Revenue, Expenses, and Changes in Fund Net Position and the Statement of Activities:

The City uses internal service funds to charge the cost of its risk management, equipment operations, IT, and facilities management to individual funds. This amount represents the total income that has been allocated back to the business-type activities in the government-wide Statement of Activities that is attributable to the City's business-type activities each year:

Net Position of Business-Type Activities

612,817
\$ 141,998,293

CITY OF EDINA, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental	
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES								
Sales - Liquor	\$ -	\$ 13,115,074	\$ -	\$ -	\$ -	\$ -	\$ 13,115,074	\$ -
Sales - Retail	-	214,944	8,499	407,968	63,115	12,614	707,140	-
Sales - Utilities	29,766,124	-	-	-	-	-	29,766,124	-
Sales - Concessions	-	-	162,393	14,521	327,163	111,121	615,198	-
Memberships	-	-	364,807	341,264	-	175,542	881,613	-
Admissions	-	-	510,939	1,711,700	67,973	816,396	3,107,008	-
Lodging Tax	-	-	-	-	-	5,129	5,129	-
Building Rental	-	-	73,704	222,380	2,088,623	835,951	3,220,658	-
Rental of Equipment	-	-	-	430,201	5,102	169,306	604,609	-
Greens Fees	-	-	-	2,004,172	-	279,699	2,283,871	-
Other Fees	660,370	-	6	1,173,970	196,757	717,767	2,748,870	8,485,503
Total Operating Revenues	30,426,494	13,330,018	1,120,348	6,306,176	2,748,733	3,123,525	57,055,294	8,485,503
OPERATING EXPENSES								
Cost of Sales and Services	-	9,005,523	74,137	284,773	144,026	45,245	9,553,704	-
Personal Services	2,860,561	2,590,518	604,090	2,681,208	1,209,030	2,213,268	12,158,675	2,753,102
Contractual Services	9,838,720	741,277	298,011	1,015,007	1,283,396	1,079,178	14,255,589	3,768,289
Commodities	1,105,888	44,957	111,351	506,562	92,293	297,583	2,158,634	1,262,208
Internal Services	1,624,720	408,284	43,183	334,130	244,365	390,504	3,045,186	-
Depreciation and Amortization	5,999,136	125,134	202,510	929,185	522,451	997,759	8,776,175	182,210
Total Operating Expenses	21,429,025	12,915,693	1,333,282	5,750,865	3,495,561	5,023,537	49,947,963	7,965,809
OPERATING INCOME (LOSS)	8,997,469	414,325	(212,934)	555,311	(746,828)	(1,900,012)	7,107,331	519,694
NONOPERATING REVENUES (EXPENSES)								
Intergovernmental	395,715	-	-	-	-	-	395,715	2,723
Investment Income	1,569,830	129,012	137,357	149,046	29,533	128,205	2,142,983	-
Donations	-	-	-	-	-	35,620	35,620	-
Interest and Fiscal Charges	(1,602,813)	-	(15,083)	(224,990)	(60,898)	-	(1,903,784)	-
Amortization of Bond Premiums (Discounts)	619,519	-	9,688	70,157	22,443	-	721,807	-
Gain (Loss) on Sale of Capital Assets	24,352	-	-	-	-	4,010	28,362	-
Miscellaneous	10,810	2,479	250	-	750	-	14,289	-
Total Nonoperating Revenues (Expenses)	1,017,413	131,491	132,212	(5,787)	(8,172)	167,835	1,434,992	2,723
INCOME (LOSS) BEFORE TRANSFERS	10,014,882	545,816	(80,722)	549,524	(755,000)	(1,732,177)	8,542,323	522,417
TRANSFERS								
Transfers In	-	4,873	35,655	62,466	400,694	750,134	1,253,822	17,183
Transfers Out	(617,109)	(1,000,000)	-	-	-	-	(1,617,109)	-
Total Transfers	(617,109)	(995,127)	35,655	62,466	400,694	750,134	(363,287)	17,183
CHANGE IN NET POSITION	9,397,773	(449,311)	(45,067)	611,990	(354,306)	(982,043)	8,179,036	539,600
Net Position - Beginning of Year	110,400,494	3,088,863	2,950,452	2,646,430	3,372,351	10,747,850	133,206,440	4,352,654
NET POSITION - END OF YEAR	<u>\$ 119,798,267</u>	<u>\$ 2,639,552</u>	<u>\$ 2,905,385</u>	<u>\$ 3,258,420</u>	<u>\$ 3,018,045</u>	<u>\$ 9,765,807</u>	<u>\$ 141,385,476</u>	<u>\$ 4,892,254</u>

Explanation of difference between Proprietary Funds Statement of Revenue, Expenses, and Changes in Fund Net Position and the Statement of Activities:

The City uses internal service funds to charge the cost of its risk management, equipment operations, IT, and facilities management to individual funds. This amount represents the income that has been allocated back to the business-type activities in the government-wide Statement of Activities that is attributable to the City's business-type activities:

	124,039
Change in Net Position of Business-Type Activities	<u>\$ 8,303,075</u>

**CITY OF EDINA, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds						Governmental	
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers and Users	\$ 30,211,995	\$ 13,334,491	\$ 1,117,559	\$ 6,427,133	\$ 2,565,414	\$ 3,136,583	\$ 56,793,175	\$ -
Receipts from City Funds	-	-	-	-	-	-	-	8,504,543
Payment to Suppliers	(13,786,392)	(10,483,077)	(525,733)	(2,226,172)	(1,709,079)	(1,790,235)	(30,520,688)	(5,137,870)
Payment to Employees	(2,719,444)	(2,444,370)	(619,226)	(2,580,030)	(1,138,122)	(2,134,985)	(11,636,177)	(2,843,278)
Net Cash Provided (Used) by Operating Activities	13,706,159	407,044	(27,400)	1,620,931	(281,787)	(788,637)	14,636,310	523,395
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grants and Contributions	-	-	-	-	-	-	-	2,723
Transfer from Other Funds	-	4,873	35,655	62,466	400,694	750,134	1,253,822	17,183
Transfer to Other Funds	(617,109)	(1,000,000)	-	-	-	-	(1,617,109)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(617,109)	(995,127)	35,655	62,466	400,694	750,134	(363,287)	19,906
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
State Grant	395,715	-	-	-	-	-	395,715	-
Proceeds from Issuance of Debt	10,110,679	-	-	-	-	-	10,110,679	-
Acquisition of Capital Assets	(19,957,493)	-	-	(188,389)	-	-	(20,145,882)	67,295
Proceeds from Disposals of Capital Assets	24,352	-	-	-	-	4,010	28,362	-
Principal Paid on Bonds, Leases, and Subscriptions	(4,292,000)	-	(85,000)	(606,190)	(264,000)	-	(5,247,190)	(243,747)
Interest and Fiscal Charges on Debt	(1,491,444)	-	(16,499)	(236,112)	(63,639)	-	(1,807,694)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,210,191)	-	(101,499)	(1,030,691)	(327,639)	4,010	(16,666,010)	(176,452)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest Received	2,224,290	57,332	70,592	215,294	40,946	65,644	2,674,098	-
Purchase of Investments	-	-	-	(114,707)	(24,827)	-	(139,534)	-
Sale of Investments	4,307,868	-	-	-	-	-	4,307,868	-
Net Cash Flows Provided (Used) by Investing Activities	6,532,158	57,332	70,592	100,587	16,119	65,644	6,842,432	-
NET INCREASE (DECREASE) IN CASH	4,411,017	(530,751)	(22,652)	753,293	(192,613)	31,151	4,449,445	366,849
Cash - Beginning of Year	28,810,282	2,214,591	2,404,159	1,985,295	632,900	2,507,027	38,554,254	4,065,151
CASH - END OF YEAR	<u>\$ 33,221,299</u>	<u>\$ 1,683,840</u>	<u>\$ 2,381,507</u>	<u>\$ 2,738,588</u>	<u>\$ 440,287</u>	<u>\$ 2,538,178</u>	<u>\$ 43,003,699</u>	<u>\$ 4,432,000</u>
CASH AND INVESTMENTS PRESENTED IN THE STATEMENT OF NET POSITION								
Cash	\$ 33,221,299	\$ 1,683,840	\$ 2,381,507	\$ 2,738,588	\$ 440,287	\$ 2,538,178	\$ 43,003,699	\$ 4,432,000
Investments	2,246,737	(43,094)	(53,062)	(75,599)	(12,092)	(49,342)	2,013,548	-
Total Cash and Investments	<u>\$ 35,468,036</u>	<u>\$ 1,640,746</u>	<u>\$ 2,328,445</u>	<u>\$ 2,662,989</u>	<u>\$ 428,195</u>	<u>\$ 2,488,836</u>	<u>\$ 45,017,247</u>	<u>\$ 4,432,000</u>

See accompanying Notes to Financial Statements.

CITY OF EDINA, MINNESOTA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds							Governmental
	Utilities	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise Funds	Total Enterprise Funds	Risk Management Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ 8,997,469	\$ 414,325	\$ (212,934)	\$ 555,311	\$ (746,828)	\$ (1,900,012)	\$ 7,107,331	\$ 519,694
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation	5,999,136	125,134	202,510	929,185	522,451	997,759	8,776,175	182,210
Miscellaneous Income	10,810	2,479	250	-	750	35,620	49,909	-
(Increase) Decrease in:								
Accounts Receivable	(179,444)	497	(2,518)	59,585	(184,318)	(27,019)	(333,217)	61,092
Special Assessments Receivable	(45,865)	-	-	-	-	-	(45,865)	-
Due from Other Governments	-	-	-	-	-	654	654	(42,052)
Inventory	(22,151)	(22,148)	-	(48,815)	-	-	(93,114)	-
Prepaid Expenses	(21,030)	341	(521)	(5,098)	-	(1,888)	(28,196)	(97,914)
Deferred Outflows of Resources	174,343	152,149	11,788	117,711	51,975	114,720	622,686	-
Increase (Decrease) in:								
Accounts Payable	(1,223,435)	(263,669)	1,013	(39,854)	51,068	22,878	(1,451,999)	(9,281)
Salaries Payable	35,188	17,422	(122)	18,128	17,448	23,878	111,942	(90,176)
Due to Other Governments	49,552	2,440	(64)	8,067	3,933	(603)	63,325	(178)
Unearned Revenue	-	1,497	-	61,372	249	5,691	68,809	-
Total OPEB Liability	-	(4,547)	-	(2,070)	(1,171)	(2,628)	(10,416)	-
Net Pension Liability	(508,980)	(426,617)	(36,336)	(337,881)	(142,553)	(328,018)	(1,780,385)	-
Compensated Absences	3,275	3,146	-	22,883	(39,638)	3,276	(7,058)	-
Deferred Inflows of Resources	437,291	404,595	9,534	282,407	184,847	267,055	1,585,729	-
Total Adjustments	4,708,690	(7,281)	185,534	1,065,620	465,041	1,111,375	7,528,979	3,701
Net Cash Provided (Used) by Operating Activities	<u>\$ 13,706,159</u>	<u>\$ 407,044</u>	<u>\$ (27,400)</u>	<u>\$ 1,620,931</u>	<u>\$ (281,787)</u>	<u>\$ (788,637)</u>	<u>\$ 14,636,310</u>	<u>\$ 523,395</u>
NONCASH INVESTING ACTIVITIES								
Increase in Fair Value of Investments	<u>\$ 107,615</u>	<u>\$ 72,566</u>	<u>\$ 64,819</u>	<u>\$ 39,100</u>	<u>\$ 12,711</u>	<u>\$ 60,822</u>	<u>\$ 357,633</u>	<u>\$ -</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of Capital Assets with Contracts Payable	<u>\$ 968,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,149</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF EDINA, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023**

	Custodial Funds
ASSETS	
Cash and Investments	\$ 282,608
Due from Other Governmental Units	132,053
Total Assets	414,661
LIABILITIES	
Accounts Payable	24,780
Salaries Payable	25,333
Due to Other Governmental Units	132,823
Unearned Revenue	5,087
Total Liabilities	188,023
NET POSITION	
Restricted for Organizations and Other Governments	\$ 226,638

**CITY OF EDINA, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

ADDITIONS	
Collections on Behalf of Others	\$ 784,205
DEDUCTIONS	
Payments on Behalf of Others	746,101
NET INCREASE (DECREASE) IN FIDUCIARY NET POTITION	38,104
Net Position - Beginning of Year	188,534
NET POSITION - END OF YEAR	\$ 226,638

See accompanying Notes to Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity

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

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

Component Unit

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

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations for two reasons. First, the HRA's governing body is substantively the same as the governing body of the City. Specifically, the HRA board consists of five members, all of which are City Council members. Second, management of the City has operational responsibility for the HRA. Specifically, sales of bonds or other obligations of the HRA are approved by the City Council; the HRA follows the budget process for City departments in accordance with City policy; the annual HRA budget is approved by City Council; the HRA submits its plan for development and redevelopment to the City Council for approval; lastly, the administrative structure and management practices and policies of the HRA are approved by the City Council. The activity of the HRA is reported in the Special Revenue Funds. Separate financial statements are not prepared for the HRA.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental and enterprise funds is reported in a single column in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The City's only fiduciary fund type, custodial funds, are custodial in nature and use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits (OPEB), net pension liabilities, and claims and judgments are recorded only when payment is due.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

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

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

The capital projects *construction fund* accounts for the various special assessment and state aid projects throughout the City. This fund also provides financing for capital improvements as restricted in the City's capital improvement budget.

The City reports the following major proprietary funds:

The *utilities fund* accounts for the provision of water, sewer, storm, and recycling services to the City's residents.

The *liquor fund* accounts for the operation of the City's three liquor stores.

The *aquatic center fund* accounts for the operation of the City's aquatic center.

The *golf course fund* accounts for the operation of the City's two golf courses and a golf dome.

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

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

Internal service funds – the *risk management, equipment operations, information technology, and facilities management internal service funds* account for costs of insurance and risk management programs, equipment operations, IT services, and facilities management across all municipal departments. Internal service funds operate in a manner similar to enterprise funds; however, it provides services primarily to other departments within the City.

Custodial funds – the *Police Seizure, Public Safety Training Facility, and Minnesota Task Force 1 funds* account for fees collected for other government agencies.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City of Edina. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Aggregated information for the internal service funds is reported in a single column in the proprietary fund financial statements. These services have been allocated proportionately to governmental and business-type activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

Cash and Investments

The cash balances of the City and its component unit are pooled and invested for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at year-end, except for investments in external investment pools, which are stated at amortized cost. The City has the ability and intent to hold its investments to maturity. The individual funds' portions of the pool's fair value are presented as "Cash and investments." Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. The City provides temporary advances to funds that have insufficient cash and investment balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using evaluations based on various market and industry inputs. The City does not have Level 3 investments.

See Note 2 for the City's recurring fair value measurements as of the current year-end.

Restricted Cash and Investments

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

Cash Equivalents

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

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables at December 31, 2023 are planned to be eliminated in 2024. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government- wide financial statements as “internal balances.”

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

F. Revenue Recognition

1. Property Tax Revenue Recognition

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

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Revenue Recognition (Continued)

2. Special Assessment Revenue Recognition

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural, or seasonal recreational land in which event the property is subject to such sale after five years.

Government-Wide Financial Statements

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

Governmental Fund Financial Statements

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources. The following is a breakdown of special assessments receivable at December 31, 2023:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>
	<u>Debt Service</u>	<u>Construction</u>	<u>Utilities</u>
Special Assessments Receivable:			
Delinquent	\$ -	28,771	\$ 54,721
Deferred	1,745,305	18,047,380	379,465
Total	<u>\$ 1,745,305</u>	<u>\$ 18,076,151</u>	<u>\$ 434,186</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are recorded as expenditures or expenses when consumed.

H. Capital Assets

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

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

Infrastructure assets include all of the City’s assets since inception.

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

Assets	Life
Golf Course	10 to 35 Years
Land Improvements	15 to 50 Years
Building and Structures	15 to 40 Years
Furniture and Office Equipment	5 to 10 Years
Right-to-Use Assets	3 to 5 Years
Vehicles and Equipment	3 to 20 Years
Parks	5 to 100 Years
Utility Infrastructure	20 to 50 Years

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

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

I. Leases

The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of accounting principles generally accepted in the United States of America no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized in the government-wide and proprietary fund financial statements for that portion of accumulating sick leave benefits that is vested as severance pay. According to City policy, vested sick leave benefits are liquidated into a health care savings plan upon separation.

K. State-Wide Pension Plans

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

Pension liabilities are liquidated by various governmental funds based on where the corresponding employees' salaries are allocated.

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued plus any premium received is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items which qualifies for reporting in this category.

Deferred outflows of resources related to pensions and OPEB are reported in the government-wide and enterprise funds statement of net position. These deferred outflows result from differences between expected and actual experience, changes of assumptions, differences between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

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

Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and amounts due from other governments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Deferred inflows of resources related to leases are reported in the government-wide and fund financial statements. These deferred inflows represent future revenues related to long-term lease receivables.

Deferred inflows of resources related to pensions and OPEB are reported in the government-wide and enterprise fund statement of net position. These deferred inflows result from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual investment earnings, and are amortized as required under pension and OPEB standards.

N. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers and are eliminated to the extent possible on the government-wide statements.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance Classification

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

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

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

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

P. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position (Continued)

- **Unrestricted Net Position** – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Q. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

R. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); established that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City has adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the City reporting right-to-use subscription asset and subscription liability.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS POLICIES

A. Components of Cash and Investments

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

Deposits	\$ (733,454)
Cash on hand	30,659
Investments	155,294,952
Total	<u>\$ 154,592,157</u>

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

Cash and Investments - Statement of Net Position	\$ 153,834,806
Restricted Cash and Investments - Statement of Net Position	474,743
Cash and Investments - Statement of Fiduciary Net Position	282,608
Total	<u>\$ 154,592,157</u>

B. Deposits

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City’s investment policy does not contain further restrictions on the types of collateral required.

At year-end, the carrying amount of the City’s deposits was \$(1,322,498) while the balance on the bank records was \$17,804. At December 31, 2023, all of the City’s deposits were properly collateralized in accordance with state statutes.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS POLICIES (CONTINUED)

C. Investments

The City has the following investments at year-end:

Investment	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years				Total
	Rating	Agency		< 1	1 to 5	6 to 10	> 10	
U.S. Treasuries	N/A	N/A	Level 1	\$ 5,010,763	\$ 13,959,293	\$ 2,719,373	\$ 368,714	\$ 22,058,143
Negotiable CDs	N/R	N/R	Level 2	2,468,043	4,422,440	-	-	6,890,483
SBA Notes	AA+	S&P	Level 1	-	42,734	310,608	-	353,342
FHLB	AA+	S&P	Level 2	2,244,402	2,151,377	-	-	4,395,779
FHLMC	AA+	S&P	Level 2	509,664	5,043,121	1,024,001	1,051,610	7,628,396
FNMA	AA+	S&P	Level 2	992,021	2,115,731	671,655	5,192,171	8,971,578
FFCB	AA+	S&P	Level 2	-	2,024,738	-	-	2,024,738
Municipal Bonds	AA- to AAA	S&P	Level 2	12,011,360	40,526,300	460,378	-	52,998,038
Subtotal				<u>\$ 23,236,253</u>	<u>\$ 70,285,734</u>	<u>\$ 5,186,015</u>	<u>\$ 6,612,495</u>	
Money Market*								49,974,265
4M Fund*								190
Total investments								<u>\$ 155,294,952</u>

N/A - Not Applicable

N/R - Not Rated

* - The City's money market investments do not have maturities

The Minnesota Municipal Money Market Fund (4M Fund) is regulated by Minnesota Statutes and the board of directors of the League of Minnesota Cities. The 4M Fund is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The City's investment in the 4M Fund is measured at amortized cost which approximates fair value. The fair value of its position in the pool is the same as the value of the pool shares. The fund does not have any limitations or restrictions on participant withdrawals.

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy specifically addresses custodial credit risk, requiring the City to limit its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS POLICIES (CONTINUED)

C. Investments (Continued)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City’s investment policies specifically address credit risk, further limiting the City’s exposure to credit risk by requiring that all state and local government obligations to be rated “AA” or better by a national rating agency.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5% or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policies specifically address the City’s desire to limit concentration risk, but do not set specific guidelines for measurement of this risk. At year-end, the City’s investments include 5.78% in securities issued by FNMA.

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

CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 21,405,083	\$ -	\$ -	\$ -	\$ 21,405,083
Easements	253,000	-	-	-	253,000
Construction in Progress	36,576,896	21,669,565	-	(1,417,388)	56,829,073
Total Capital Assets Not Being Depreciated	58,234,979	21,669,565	-	(1,417,388)	78,487,156
Capital Assets Being Depreciated:					
Land Improvements	16,383,461	49,244	-	-	16,432,705
Buildings and Structures	55,934,726	-	-	271,188	56,205,914
Furniture and Office Equipment	4,062,341	18,626	-	-	4,080,967
Vehicles and Equipment	22,329,521	1,946,376	(276,296)	510,731	24,510,332
Infrastructure	159,622,671	11,145	-	623,578	160,257,394
Parks	25,311,298	200,450	-	11,891	25,523,639
Total Capital Assets Being Depreciated	283,644,018	2,225,841	(276,296)	1,417,388	287,010,951
Lease Assets, Being Amortized:					
Vehicles and Equipment	14,205	-	-	-	14,205
Subscription Based Information					
Technology Arrangement Assets	564,295	-	-	-	564,295
Total Lease Assets, Being Amortized	578,500	-	-	-	578,500
Less Accumulated Depreciation for:					
Land Improvements	(11,615,856)	(1,477,181)	-	-	(13,093,037)
Buildings and Structures	(24,916,076)	(1,520,719)	-	-	(26,436,795)
Furniture and Office Equipment	(3,794,000)	(56,835)	-	-	(3,850,835)
Vehicles and Equipment	(13,195,741)	(1,556,695)	276,296	-	(14,476,140)
Infrastructure	(83,244,434)	(4,920,573)	-	-	(88,165,007)
Parks	(16,310,242)	(931,292)	-	-	(17,241,534)
Total Accumulated Depreciation	(153,076,349)	(10,463,295)	276,296	-	(163,263,348)
Less Accumulated Amortization for:					
Vehicles and Equipment	(1,176)	(1,176)	-	-	(2,352)
Subscription Based Information					
Technology Arrangement Assets	-	(205,961)	-	-	(205,961)
Total Accumulated Amortization	(1,176)	(207,137)	-	-	(208,313)
Total Accumulated Depreciation and Amortization	(153,077,525)	(10,670,432)	276,296	-	(163,471,661)
Total Capital Assets Being Depreciated or Amortized, Net	131,144,993	(8,444,591)	-	1,417,388	124,117,790
Governmental Activities Capital Assets, Net	\$ 189,379,972	\$ 13,224,974	\$ -	\$ -	\$ 202,604,946

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 285,341	\$ -	\$ -	\$ -	\$ 285,341
Easements	35,600	-	-	-	35,600
Construction in Progress	23,683,873	18,658,918	(540,298)	-	41,802,493
Total Capital Assets Not Being Depreciated	24,004,814	18,658,918	(540,298)	-	42,123,434
Capital Assets Being Depreciated:					
Land Improvements and Golf Course	26,787,715	155,563	-	-	26,943,278
Buildings and Structures	48,667,709	-	-	-	48,667,709
Furniture and Office Equipment	140,448	-	-	-	140,448
Vehicles and Equipment	15,429,732	1,332,480	(86,630)	-	16,675,582
Utility Infrastructure	164,699,838	495,590	-	-	165,195,428
Parks	1,121,563	-	-	-	1,121,563
Total Capital Assets Being Depreciated	256,847,005	1,983,633	(86,630)	-	258,744,008
Lease Assets, Being Amortized:					
Vehicles and Equipment	95,832	43,629	-	-	139,461
Less Accumulated Depreciation for:					
Land Improvements and Golf Course	(17,048,488)	(733,778)	-	-	(17,782,266)
Buildings and Structures	(32,535,241)	(1,663,890)	-	-	(34,199,131)
Furniture and Office Equipment	(140,448)	(18,227)	-	-	(158,675)
Vehicles and Equipment	(10,332,389)	(781,898)	86,630	-	(11,027,657)
Utility Infrastructure	(78,056,457)	(5,466,005)	-	-	(83,522,462)
Parks	(140,195)	(56,078)	-	-	(196,273)
Total Accumulated Depreciation	(138,253,218)	(8,719,876)	86,630	-	(146,886,464)
Less Accumulated Amortization for:					
Vehicles and Equipment	(71,521)	(56,299)	-	-	(127,820)
Total Accumulated Depreciation and Amortization	(138,324,739)	(8,776,175)	86,630	-	(147,014,284)
Total Capital Assets Being Depreciated or Amortized, Net	118,618,098	(6,748,913)	-	-	111,869,185
Business-Type Activities Capital Assets, Net	\$ 142,622,912	\$ 11,910,005	\$ (540,298)	\$ -	\$ 153,992,619

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

Governmental Activities:	
General Government	\$ 694,947
Public Safety	923,107
Public Works	7,656,988
Parks	1,395,390
Total Depreciation/Amortization Expense - Governmental Activities	\$ 10,670,432
Business-Type Activities:	
Utilities	\$ 5,999,136
Liquor	125,134
Aquatic Center	202,510
Golf Course	929,185
Arena	522,451
Art Center	5,682
Edinborough Park	288,887
Centennial Lakes	168,419
Sports Dome	534,771
Total Depreciation/Amortization Expense - Business-Type Activities	\$ 8,776,175

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Construction Commitments

At December 31, 2023, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project #</u>	<u>Project Description</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
ENG22-15	Sanitary Lift Station #6 Replacement	\$ 7,474,769	\$ 1,470,031
ENG23-1	Morningside C Roadway Reconstruction	5,533,534	887,930
ENG22-2	Blake Road Reconstruction	11,364,322	847,551
ENG21-3	Sanitary Sewer Lift Station #3 Replacement	1,607,000	597,698
ENG21-6	Eden Avenue & Brookside Avenue Improvements	4,501,516	532,980
ENG22-3	Morningside D & E Roadway Reconstruction	8,016,532	404,562
ENG21-4	City Hall Energy & Lighting Improvements	1,087,570	309,416
ENG21-2	Melody & Grandview Avenue Street Reconstruction	10,536,643	295,474
ENG21-6	Grandview Pedestrian Bridge	2,216,658	268,346
ENG21057	Natural Areas Long-Term Maintenance	372,802	246,169
ENG22016	Eden Grange Roundabouts Construction	2,026,480	244,534
ENG21032	Morningside Flood Project Landscaping & Trees	494,708	159,507
ENG23-8	Cornelia Safe Routes to School Improvements	427,078	145,810
ENG23-5	Valley View Road Reconstruction	760,260	136,363
ENG20100	Fire Station #1 Renovation and HVAC Update	568,069	97,883
ENG23-7	France Avenue Sidewalk 58th to 60th Streets	618,331	96,166
ENG21-1	Creek Knoll A&B Street Reconstruction	2,904,014	55,831
ENG23-9	McCauley Trail Phase Two Improvements	385,511	19,276
ENG23-10	7121 Schey Drive Retaining Wall	144,349	8,986
	Total		<u>\$ 6,824,513</u>

Commitments above that are significant to the applicable fund include the Lift Station #6 project in the utilities fund.

NOTE 4 LEASES

The City, acting as lessor, leases hockey center space and tower and park spaces for cellular towers under various long-term, non-cancelable lease agreements. The leases expire at various dates through 2049 and contain discount rates ranging from 2.30% to 3.80%. During the year ended December 31, 2023, the City recognized \$319,180 and \$86,643 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM DEBT

The City has five types of bonded debt outstanding at December 31, 2023: general obligation bonds, permanent improvement revolving bonds, tax increment financing bonds, public project revenue bonds, and G.O. revenue bonds. The first type is payable from general property taxes. The second type is payable primarily from special assessments with any deficiency to be provided for by general property taxes. The third type is payable from future tax increment payments received. The fourth type is payable solely from annual appropriation lease payments received from the City of Edina pursuant to a lease between the Edina Housing and Redevelopment Authority and the City. The fifth type is payable primarily from enterprise revenue with any deficiency to be provided for by general property taxes. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of December 31, 2023, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2023
General Obligation Bonds:					
General Obligation, 2016A - Refunding	2.00-3.00%	7/6/2016	2/1/2028	\$ 3,635,000	\$ 1,790,000
General Obligation, 2017C - Refunding	2.05-4.00%	12/14/2017	2/1/2029	8,955,000	5,360,000
General Obligation Equipment Certificate, 2019A	3.00-5.00%	6/13/2019	2/1/2036	2,805,000	2,005,000
General Obligation, 2021B - Refunding	5.00%	12/16/2021	2/1/2030	2,515,000	2,430,000
General Obligation - Capital Improvement Plan, 2022B	2.00%	8/25/2022	2/1/2025	17,000,000	17,000,000
Total General Obligation Bonds				40,620,000	28,585,000
Permanent Improvement Revolving (PIR) Bonds:					
Permanent Improvement Revolving, 2011A	2.00-3.00%	10/27/2011	2/1/2023	3,320,000	-
Permanent Improvement Revolving, 2015A	2.00-4.00%	7/9/2015	2/1/2032	6,545,000	4,290,000
Permanent Improvement Revolving, 2015A - Parking	2.00-4.00%	7/9/2015	2/1/2036	2,495,000	1,790,000
Permanent Improvement Revolving, 2016A	2.00-3.00%	7/6/2016	2/1/2033	3,940,000	2,795,000
Permanent Improvement Revolving, 2017A	3.00-4.00%	6/29/2017	2/1/2034	1,995,000	1,565,000
Permanent Improvement Revolving, 2018A	3.00-4.00%	6/27/2018	2/1/2035	2,210,000	1,850,000
Permanent Improvement Revolving, 2019A	3.00-4.00%	6/13/2019	2/1/2036	2,195,000	1,980,000
Permanent Improvement Revolving, 2020A	2.00-4.00%	6/25/2020	2/1/2037	390,000	370,000
Permanent Improvement Revolving, 2020B	1.09%	12/30/2020	2/1/2029	1,601,000	1,113,000
Permanent Improvement Revolving, 2021A	2.00-4.00%	6/24/2021	2/1/2043	5,480,000	5,480,000
Permanent Improvement Revolving, 2021B	5.00%	12/16/2021	2/1/2030	1,280,000	1,155,000
Permanent Improvement Revolving, 2022A	5.00%	7/14/2022	2/1/2039	2,145,000	2,145,000
Permanent Improvement Revolving, 2023A	4.00-5.00%	7/13/2023	2/1/2040	1,180,000	1,180,000
Total PIR Bonds				36,766,000	25,713,000
Tax Increment Financing Bonds					
Tax Increment Financing, 2021A	2.00-4.00%	6/24/2021	2/1/2043	7,545,000	7,295,000
Minnesota State Aid Street Bonds					
MSA, 2022A	5.00%	7/14/2022	2/1/2039	10,465,000	10,465,000
Public Project Revenue Bonds:					
Public Project Revenue, 2014A	2.00-3.625%	7/15/2014	2/1/2035	16,155,000	10,790,000
Public Project Revenue, 2015A - Refunding	2.50-3.00%	7/9/2015	5/1/2026	3,490,000	1,070,000
Total Public Project Revenue Bonds				19,645,000	11,860,000
Total Bonded Indebtedness - Governmental Activities				\$ 115,041,000	\$ 83,918,000

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Business-Type Activities

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2023
Revenue Bonds:					
Recreational Facility Bonds, Series 2015B	2.00-325%	7/9/2015	2/1/2031	\$ 2,140,000	\$ 1,255,000
Recreational Facility Bonds, Series 2017B	3.00-4.00%	6/29/2017	2/1/2033	7,425,000	5,165,000
Recreational Facility Bonds, Series 2017D - Refunding	2.00%	12/20/2017	2/1/2030	1,640,000	939,000
Recreational Facility Bonds, Series 2021C - Refunding	2.00-3.00%	12/16/2021	2/1/2033	2,210,000	2,010,000
Utility Revenue Bonds, Series 2014A	2.00-3.00%	7/15/2014	2/1/2024	5,680,000	630,000
Utility Revenue Bonds, Series 2015A	2.00-4.00%	7/9/2015	2/1/2025	5,235,000	1,155,000
Utility Revenue Bonds, Series 2016A	2.00-3.00%	7/6/2016	2/1/2027	8,775,000	3,800,000
Utility Revenue Bonds, Series 2017A	3.00-4.00%	6/29/2017	2/1/2028	6,595,000	3,615,000
Utility Revenue Bonds, Series 2018A	3.00-4.00%	6/27/2018	2/1/2029	3,305,000	2,115,000
Utility Revenue Bonds, Series 2019A	3.00-4.00%	6/13/2019	2/1/2036	5,815,000	4,360,000
Utility Revenue Bonds, Series 2020A	2.00-4.00%	6/25/2020	2/1/2031	4,830,000	4,005,000
Utility Revenue Bonds, Series 2020B - Refunding	1.09%	12/30/2020	2/1/2023	1,414,000	-
Utility Revenue Bonds, Series 2022A	5.00%	7/14/2022	2/1/2039	13,695,000	13,695,000
Utility Revenue Bonds, Series 2023A	4.00-5.00%	7/13/2023	2/1/2040	9,090,000	9,090,000
Total Bonded Indebtedness - Business- Type Activities				<u>\$ 83,559,000</u>	<u>\$ 51,834,000</u>

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

Year Ending December 31,	General Obligation Bonds		Public Improvement Revolving Bonds		Public Project Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 1,560,000	\$ 736,475	\$ 1,794,000	\$ 858,888	\$ 1,100,000
2025	18,850,000	498,200	1,940,000	791,436	1,135,000	335,006
2026	1,930,000	252,575	2,058,000	723,701	1,170,000	302,244
2027	2,000,000	181,833	2,145,000	651,674	825,000	273,244
2028	2,065,000	116,350	2,211,000	577,109	850,000	247,588
2029-2033	2,180,000	63,119	10,055,000	1,756,579	4,680,000	793,567
2034-2038	-	-	5,110,000	446,316	2,100,000	76,850
2039-2043	-	-	400,000	13,175	-	-
Total	<u>\$ 28,585,000</u>	<u>\$ 1,848,552</u>	<u>\$ 25,713,000</u>	<u>\$ 5,818,878</u>	<u>\$ 11,860,000</u>	<u>\$ 2,396,143</u>

Year Ending December 31,	Tax Increment Financing Bonds		MSA Bonds		Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 260,000	\$ 207,050	\$ 485,000	\$ 511,125	\$ 2,938
2025	270,000	196,450	510,000	486,250	3,006	102
2026	280,000	185,450	535,000	460,125	2,564	26
2027	290,000	174,050	560,000	432,750	-	-
2028	300,000	162,250	590,000	404,000	-	-
2029-2033	1,700,000	623,600	3,420,000	1,535,000	-	-
2034-2038	1,980,000	340,125	4,365,000	566,875	-	-
2039-2043	2,215,000	112,450	-	-	-	-
Total	<u>\$ 7,295,000</u>	<u>\$ 2,001,425</u>	<u>\$ 10,465,000</u>	<u>\$ 4,396,125</u>	<u>\$ 8,508</u>	<u>\$ 298</u>

Year Ending December 31,	Direct Borrowing - Loans Payable		Subscriptions Payable	
	Principal	Interest	Principal	Interest
	2024	\$ -	\$ 15,000	\$ 205,334
2025	-	15,000	131,113	2,993
2026	-	15,000	15,958	794
2027	-	15,000	12,367	199
2028	-	15,000	-	-
2029-2033	750,000	15,000	-	-
Total	<u>\$ 750,000</u>	<u>\$ 90,000</u>	<u>\$ 364,772</u>	<u>\$ 14,208</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the City's business-type activities debt are as follows:

December 31,	Business-Type Activities			
	Revenue Bonds		Leases Payable	
	Principal	Interest	Principal	Interest
2024	\$ 5,707,000	\$ 2,041,171	\$ 18,233	\$ 91
2025	6,004,000	1,796,881	-	-
2026	5,637,000	1,571,025	-	-
2027	5,840,000	1,346,369	-	-
2028	4,968,000	1,131,499	-	-
2029-2033	17,218,000	3,202,009	-	-
2034-2038	6,460,000	716,150	-	-
Total	<u>\$ 51,834,000</u>	<u>\$ 11,805,104</u>	<u>\$ 18,233</u>	<u>\$ 91</u>

Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 30,065,000	\$ -	\$ (1,480,000)	\$ 28,585,000	\$ 1,560,000
Permanent Improvement Revolving	26,350,000	1,180,000	(1,817,000)	25,713,000	1,794,000
Public Project Revenue	12,930,000	-	(1,070,000)	11,860,000	1,100,000
Tax Increment Financing	7,545,000	-	(250,000)	7,295,000	260,000
Minnesota State Aid Streets	10,465,000	-	-	10,465,000	485,000
Less Deferred Amounts:					
Premiums on Bonds	4,992,245	95,608	(732,059)	4,355,794	-
Total Bonds Payable	92,347,245	1,275,608	(5,349,059)	88,273,794	5,199,000
Loans Payable	750,000	-	-	750,000	-
Leases Payable	11,376	-	(2,868)	8,508	2,938
Subscriptions Payable	564,295	-	(199,523)	364,772	205,334
Compensated Absences	4,932,425	3,988,750	(3,771,598)	5,149,577	2,059,831
Total Governmental Activities Long-Term Liabilities	<u>\$ 98,605,341</u>	<u>\$ 5,264,358</u>	<u>\$ (9,323,048)</u>	<u>\$ 94,546,651</u>	<u>\$ 7,467,103</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Revenue Bonds	\$ 47,975,000	\$ 9,090,000	\$ (5,231,000)	\$ 51,834,000	\$ 6,004,000
Less Deferred Amounts:					
Premiums on Bonds	3,890,924	1,020,680	(721,808)	4,189,796	-
Total Bonds Payable	51,865,924	10,110,680	(5,952,808)	56,023,796	6,004,000
Leases Payable	34,356	43,629	(59,819)	18,166	18,166
Compensated Absences	827,254	573,740	(580,798)	820,196	332,224
Total Business-Type Activities Long-Term Liabilities	<u>\$ 52,727,534</u>	<u>\$ 10,728,049</u>	<u>\$ (6,593,425)</u>	<u>\$ 56,862,158</u>	<u>\$ 6,354,390</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Change in Long-Term Liabilities (Continued)

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

On July 13, 2023, the City issued \$1,180,000 of Permanent Improvement Revolving Bonds, and \$9,090,000 of General Obligation Utility Revenue Bonds, Series 2023A. The proceeds of these bonds are being used to finance road reconstruction projects, the related storm sewer portions, and to finance watermain system improvements. The bonds include coupon rates of 5.00%, with final maturity dates ranging from February 1, 2034 to February 1, 2040.

The City leases various laundry and golf equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026.

The City has entered into subscription based-information technology arrangements (SBITAs) for various IT related applications. The SBITA arrangements expire at various dates through 2027.

Revenue Pledged

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

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Terms of Pledge		Principal Paid	Pledged Revenue Received
2015B Recreational Facility Bonds	Golf Course Improvements	Golf	100 %	2016-2031	\$ 1,416,147	\$ 175,319	\$ 6,306,176
2017B Recreational Facility Bonds	Golf Course Improvements	Golf	100	2018-2033	5,640,550	563,200	6,306,176
2017B Recreational Facility Bonds	Pool Improvements	Pool	100	2018-2027	400,600	101,500	1,120,348
2017D Recreational Facility Bonds	Arena Improvements	Arena	100	2018-2030	1,006,060	154,790	2,744,703
2021C Recreational Facility Bonds	Arena Improvements	Arena	100	2023-2033	1,726,550	172,850	2,744,703
2021C Recreational Facility Bonds	Golf Dome Improvements	Golf	100	2023-2033	524,400	85,450	6,306,176
2014A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2014-2024	639,450	632,975	30,426,494
2015A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2016-2025	1,192,850	601,300	30,426,494
2016A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2017-2027	3,981,957	1,000,888	30,426,494
2017A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2018-2028	3,926,550	787,200	30,426,494
2018A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2019-2029	2,338,050	393,525	30,426,494
2019A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2020-2036	5,165,000	735,625	30,426,494
2020A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2021-2031	4,462,750	555,900	30,426,494
2020B Utility Revenue Bonds	Utility Infrastructure	Utility	100	2021-2023	-	358,945	30,426,494
2022A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2023-2038	19,314,375	717,086	30,426,494
2023A Utility Revenue Bonds	Utility Infrastructure	Utility	100	2024-2040	11,903,816	-	30,426,494

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LEGAL DEBT MARGIN

The City is subject to a statutory limitation by the state of Minnesota for bonded indebtedness payable principally from property taxes. The City of Edina's legal debt margin for 2023 is computed as follows:

	December 31, 2023
Market Value (After Fiscal Disparities)	<u>\$ 15,461,411,000</u>
Debt Limit (3% of Market Value)	<u>\$ 463,842,330</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	\$ 135,752,000
Less:	
Public Improvement Revolving Bonds	(25,713,000)
Tax Increment Financing Bonds	(7,295,000)
Revenue Bonds	<u>(51,834,000)</u>
Total Debt Applicable to Debt Limit	<u>\$ 50,910,000</u>
Legal Debt Margin	<u>\$ 412,932,330</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

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

1. General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

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

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$1,851,192. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$2,116,552. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$17,149,631 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$472,717.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3093% at the end of the measurement period and 0.2927% for the beginning of the period.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

City's Proportionate Share of the Net Pension Liability	\$ 17,149,631
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>472,717</u>
Total	<u><u>\$ 17,622,348</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$3,177,453 for its proportionate share of the General Employees Plan's pension expense.

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 563,200	\$ 118,141
Changes in Actuarial Assumptions	2,776,290	4,700,572
Differences Between Projected and Actual Investment Earnings	-	641,337
Changes in Proportion	1,011,475	-
Contributions Paid to the PERA Subsequent to the Measurement Date	<u>910,425</u>	<u>-</u>
Total	<u><u>\$ 5,261,390</u></u>	<u><u>\$ 5,460,050</u></u>

The \$910,425 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 913,636
2025	(2,299,672)
2026	648,983
2027	(372,032)

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$15,199,910 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.8802% at the end of the measurement period and 0.8758% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$612,293.

The state of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, the City recognized pension expense of \$4,656,166 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$79,218 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Plan Pension Costs (Continued)

The state of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$36,878 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

City's Proportionate Share of the Net Pension Liability	\$ 15,199,910
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	612,293
Total	<u>\$ 15,812,203</u>

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 4,191,125	\$ -
Changes in Actuarial Assumptions	17,638,264	21,371,253
Differences Between Projected and Actual Investment Earnings	-	729,670
Changes in Proportion	381,528	13,302
Contributions Paid to the PERA Subsequent to the Measurement Date	1,076,212	-
Total	<u>\$ 23,287,129</u>	<u>\$ 22,114,225</u>

The \$1,076,212 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 878,880
2025	250,993
2026	3,715,382
2027	(988,312)
2028	(3,760,251)

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5 %	5.30
Fixed Income	25.0 %	0.75
Private Markets	25.0 %	5.90
Total	100.0 %	-

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.00 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

F. Actuarial Assumptions (Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by march 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
The City’s Proportionate Share of the GERF Net Pension Liability	<u>\$ 30,340,480</u>	<u>\$ 17,149,631</u>	<u>\$ 6,301,104</u>
	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
The City’s Proportionate Share of the PEPFF Net Pension Liability	<u>\$ 30,158,433</u>	<u>\$ 15,199,910</u>	<u>\$ 2,902,002</u>
	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
The City’s Proportionate Share of the Total Net Pension Liability	<u>\$ 60,498,913</u>	<u>\$ 32,349,541</u>	<u>\$ 9,203,106</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

I. Pension Plan Fiduciary Net Position

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

J. Public Employees Defined Contribution Plan (DCP)

Board members of the City are covered by the DCP, a multiemployer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the IRC 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, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.0% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary.

Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0% of employer contributions and twenty-five hundredths of 1.0% (0.0025) of the assets in each member’s account annually.

Total contributions made by the City during fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 3,347	\$ 3,347	5 %	5 %	5 %

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 MULTIEMPLOYER DEFINED BENEFIT PENSION PLAN

City employees belonging to International Union of Operating Engineers (IUOE) are participants in a multiemployer defined benefit pension plan Central Pension Fund of the International Union of Operating Engineers and Participating Employers (CRF) administered by the board of trustees of the Central Pension Fund. The plan is a cost-sharing pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employers that are not state or local governmental employers, and has no predominant state or local government employer. The plan issues a publicly available financial report located on their website at www.cpfuoe.org.

The City has 67 employees who are covered by the pension plan. The plan provides benefits such as monthly retirement income, special and early retirement benefits, postretirement surviving spouse benefits, and disability benefits. The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, 356.24, subdivision 1(9). The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.

The City's contributions to the plan are pursuant to a collective bargaining agreement with the IUOE which will expire December 31, 2023. The required contribution rate is \$1.25 per hour, which is applied to all compensated hours, and capped at \$5,000 per year. Total employer contributions for the year ended December 31, 2023 were \$139,316. With regard to withdrawal from the pension plan, the parties agree that the amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as pretax employer contributions.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides postemployment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the City upon retirement have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

For police officers and firefighters disabled in the line-of-duty, Minnesota Statutes require the City to continue payment of the employer’s contribution toward health coverage for the police officer or firefighter and their spouse, if the spouse was covered at the time of disability, until age 65.

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$164,310. Total OPEB liability will be paid by the general fund and enterprise funds.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	23
Active Plan Members	333
Total Members	<u>356</u>

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

E. Total OPEB Liability of the City

The City's total OPEB liability was determined by an actuarial valuation with a valuation date of December 31, 2021.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Discount Rate	4.05%
20-Year Municipal Bond Yield	4.05%
Salary Increases	2.50%
Medical Trend Rate	6.20% grading to 5.20% by 2028, then transitioning to 3.90% from 2027-2074

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 4.05%, which was set by considering published rate information for 20-year high quality, tax exempt, general obligation municipal bonds as of the measurement date. The City discount rate used in the prior measurement date was 2.06%.

Mortality rates were based on the RP-2014 mortality tables adjusted for white collar and mortality improvements using projection scale MP-2018, from a base year of 2014 for GERP members and MP-2018, from a base year of 2006 for PEPFF members.

Future retirees electing coverage is assumed to 55%. Married future retirees electing spouse coverage is assumed to range from 40% to 60% based on classification of employee.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning Balance	\$ 3,449,286
Changes for the Year:	
Service Cost	407,276
Interest	77,753
Difference Between Expected and Actual Experience	(7,355)
Changes of Assumptions	(483,539)
Benefit Payments	(164,310)
Total Net Changes	(170,175)
Ending Balance	\$ 3,279,111

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.06% to 4.05%.

H. Total OPEB Liability Sensitivity to Discount and Health Care Cost Trend Rate Changes

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Discount Rate	3.05 %	4.05 %	5.05 %
Total OPEB Liability	\$ 3,518,203	\$ 3,279,111	\$ 3,051,419

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Medical Trend Rate	Medical Trend Rate	1% Increase in Medical Trend Rate
OPEB Medical Trend Rate	5.20%	6.20%	7.20%
	Decreasing to 4.20% Over 3 Years	Decreasing to 5.20% Over 3 Years	Decreasing to 6.20% Over 3 Years
Total OPEB Liability	\$ 2,880,373	\$ 3,279,111	\$ 3,754,640

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$157,755. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,209,658	\$ 1,146,367
Changes of Assumptions	232,391	1,152,840
City Contributions Subsequent to the Measurement Date	164,206	-
Total	\$ 1,606,255	\$ 2,299,207

A total of \$164,206 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

Year Ended December 31,	OPEB Expense Amount
2024	\$ (146,972)
2025	(146,972)
2026	(146,972)
2027	(151,443)
2028	(146,979)
Thereafter	(117,820)

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

	Transfers In										
	General	Housing and Redevelopment Authority	Debt Service	Construction	Liquor	Aquatic Center	Golf Course	Arena	Nonmajor Enterprise	Internal Service Funds	Total
Transfer Out:											
General Fund	\$ -	\$ -	\$ -	\$ 963,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963,280
Housing and Redevelopment Authority	-	-	712,342	-	-	-	-	-	-	-	712,342
Construction Fund	-	-	2,753,822	-	-	-	-	-	-	-	2,753,822
Utilities Fund	246,104	-	-	100,000	4,873	35,655	62,466	50,694	100,134	17,183	617,109
Liquor Fund	-	-	-	-	-	-	-	350,000	650,000	-	1,000,000
Total	<u>\$ 246,104</u>	<u>\$ -</u>	<u>\$ 3,466,164</u>	<u>\$ 1,063,280</u>	<u>\$ 4,873</u>	<u>\$ 35,655</u>	<u>\$ 62,466</u>	<u>\$ 400,694</u>	<u>\$ 750,134</u>	<u>\$ 17,183</u>	<u>\$ 6,046,553</u>

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

1. The Liquor fund transferred \$300,000, \$350,000, and \$350,000 to the Art Center fund, Braemar Arena fund, and Centennial Lakes fund, respectively.
2. The Utilities fund and General fund transferred \$100,000 and \$963,260 to the construction fund to fund the capital improvement program, as planned in the 2023 budget.
3. The Housing and Redevelopment Authority fund and Construction fund transferred \$712,342 and \$2,753,822 of PIR assessment revenue to the debt service fund for related debt payments, respectively.
4. The Utilities fund transferred a total of \$517,109 to the general fund, other enterprise funds, and internal service funds to offset the cost of internal utilities.

NOTE 11 TAX INCREMENT DISTRICTS

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

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

District number 1212 (Grandview 2 Increment Financing District) is an economic development district established in 2016 pursuant to Minnesota Statutes with a termination date of 2045.

District number 1214 (66 West Increment Financing District) is an economic development district established in 2016 pursuant to Minnesota Statutes with a termination date of 2045.

District number 1215 (50th and France 2) is an economic development district established in 2017 pursuant to Minnesota Statutes with a termination date of 2045.

District number 1216 (44th and France 2) is a renewal and renovation development district established in 2019 pursuant to Minnesota Statutes with a termination date of 2036.

District number 1217 (West 76th Street) is a housing district established in 2019 pursuant to Minnesota Statutes with a termination date of 2042.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 TAX INCREMENT DISTRICTS (CONTINUED)

District number 1219 (Amundson Ave) is an affordable housing district established in 2019 pursuant to Minnesota Statutes with a termination date of 2042.

District number 1220 (West 70th) is an affordable senior housing district established in 2021 pursuant to Minnesota Statutes with a termination date of 2042.

District number 1221 (70th and France) is an urban renewal district established in 2022 pursuant to Minnesota Statutes with a termination date of 2042.

District number 1223 (72nd and France) is a housing district established in 2023 pursuant to Minnesota Statutes with a termination date of 2043.

The following table reflects values as of December 31, 2023:

	TIF #1211	TIF #1212	TIF #1214	TIF #1215	TIF #1216	TIF #1217	TIF #1219	TIF #1220	TIF #1221	TIF #1223	Total
Original Tax Capacity	\$ 691,608	\$ 39,890	\$ 15,315	\$ 57,986	\$ 29,735	\$ 16,364	\$ 6,637	\$ 69,270	\$ 323,484	\$ 217,506	\$ 1,467,795
Current Tax Capacity	2,118,336	866,598	31,456	992,500	300,325	72,599	62,206	79,375	323,484	199,250	5,046,129
Fiscal Disparities	487,166	24,788	-	102,566	22,590	-	-	-	111,994	68,983	818,087
Tax Capacity Change	939,562	801,920	16,141	831,948	248,000	56,235	55,569	10,105	(111,994)	(87,239)	2,760,247
Retained Captured Tax Capacity	\$ 939,562	\$ 801,920	\$ 16,141	\$ 831,948	\$ 248,000	\$ 56,235	\$ 55,569	\$ 10,105	\$ (111,994)	\$ (87,239)	\$ 2,760,247

NOTE 12 CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' compensation insurance was provided through the League of Minnesota Cities Insurance Trust. There is a \$50,000 deductible per occurrence and \$150,000 in aggregate. The City has an annual deposit premium that is subject to adjustment based on the actual audited payroll.

A package policy; including property, general liability, and automobile coverage, is provided through the League of Minnesota Cities Insurance Trust. Under this policy, the City pays an annual premium and had a \$75,000 per occurrence deductible and is subject to an annual aggregate deductible of \$150,000, with a \$1,000,000 per occurrence maximum.

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

Settlement claims have not exceeded insurance coverage for each of the past three years. There were no significant decreases in insurance coverage during 2023.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 CONTINGENCIES (CONTINUED)

B. Litigation

The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. Federal and State Funds

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

D. Tax Increment Districts

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management is not aware of any instances of noncompliance which would have a material effect on the financial statements.

NOTE 13 CONDUIT DEBT OBLIGATION

As of December 31, 2023, the City of Edina had four series of Housing and Health Care Revenue Bonds, with an aggregate principal amount payable of \$25,760,000. The bonds are payable solely from revenues of the respective organizations and do not constitute an indebtedness of the City and are not a charge against its general credit or taxing power. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 14 JOINT VENTURE

The City is a participant with the City of Bloomington, the City of Eden Prairie, and the Metropolitan Airport Commission in a joint venture to construct and operate a facility to be used for the training of law enforcement officers and firefighters. The South Metro Public Safety Training Facility Association (PSTF) is governed by a board consisting of one representative from each Member. On dissolution of the Association, the Facility shall revert to the City of Edina, and all remaining assets shall be divided among the members based on the Cost Sharing Formula. In accordance with the joint venture agreement, each member of the association will share in the cost of the construction and operation based on the Cost Sharing Formula. The City's equity interest in the capital assets of the PSTF was \$1,770,353. Complete financial statements for PSTF can be obtained from the City of Edina, 4801 West 50th Street, Edina, Minnesota 55424.

**CITY OF EDINA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 15 RELATED PARTY TRANSACTIONS

The City pays an annual membership fee to the South Metro Public Safety Training Facility as part of the joint venture agreement. The membership fee is paid by the Police and Fire departments and is based on a Cost Sharing Formula. For the year ended December 31, 2023, the City paid a total of \$76,136 in membership fees to the PSTF, equal to 18.92% of membership fees collected for the year.

NOTE 16 FUND BALANCES

A. Classifications

At December 31, 2023, a summary of the City's governmental fund balance classifications are as follows:

	General Fund	HRA Fund	Debt Service Fund	Construction Fund	Nonmajor Funds	Total
Nonspendable:	\$ 96,823	\$ -	\$ -	\$ -	\$ 2,196	\$ 99,019
Restricted:						
Park Dedication	58,086	-	-	-	-	58,086
Tax Increments	-	23,451,470	-	-	-	23,451,470
Affordable Housing	-	4,555,430	-	-	-	4,555,430
Debt Service	-	-	6,724,091	-	-	6,724,091
Capital Projects	-	-	-	3,419,009	-	3,419,009
Pedestrian and Cyclist Improvements	-	-	-	-	430,102	430,102
Forfeitures	-	-	-	-	1,009,464	1,009,464
Donations	-	-	-	-	110,203	110,203
Conservation and Sustainability Initiatives	-	-	-	-	1,791,578	1,791,578
Public Safety	-	-	-	-	2,347,165	2,347,165
Opioid Epidemic Response	-	-	-	-	108,313	108,313
Total Restricted	58,086	28,006,900	6,724,091	3,419,009	5,796,825	44,004,911
Assigned						
Compensated Absences	2,013,859	-	-	-	-	2,013,859
Budget Stabilization	3,589,331	-	-	-	-	3,589,331
Art and Culture	81,063	-	-	-	-	81,063
Special Projects	-	-	-	4,744,809	-	4,744,809
Equipment	-	-	-	4,635,812	-	4,635,812
PIR	-	-	-	13,499,665	-	13,499,665
Construction	-	-	-	10,673,396	-	10,673,396
Total Assigned	5,684,253	-	-	33,553,682	-	39,237,935
Unassigned	21,240,417	-	-	-	-	21,240,417
Total Fund Balance	<u>\$ 27,079,579</u>	<u>\$ 28,006,900</u>	<u>\$ 6,724,091</u>	<u>\$ 36,972,691</u>	<u>\$ 5,799,021</u>	<u>\$ 104,582,282</u>

B. Unassigned Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the desired range for unassigned fund balance for the general fund. The policy establishes a goal for unassigned general fund balance of 42% – 47% of the subsequent year's budgeted property tax revenue. As of December 31, 2023, the City has \$21,240,417 of unassigned fund balance in the general fund, or 48.56% of 2024 budgeted property tax revenue. This amount is \$680,659 above the top of the goal identified in the policy.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
General Property Taxes	\$ 39,820,200	\$ 39,820,200	\$ 39,267,933	\$ (552,267)
Franchise Taxes	810,000	810,000	784,662	(25,338)
Lodging Tax	20,000	20,000	28,675	8,675
Total Taxes	<u>40,650,200</u>	<u>40,650,200</u>	<u>40,081,270</u>	<u>(568,930)</u>
Licenses and Permits	5,466,160	5,466,160	5,630,081	163,921
Intergovernmental:				
Federal	146,100	146,100	1,489,191	1,343,091
State:				
Municipal State Aid	195,000	195,000	195,000	-
Other	175,000	175,000	746,539	571,539
State Aid - Police	520,000	520,000	556,268	36,268
State Aid - Fire	450,000	450,000	505,144	55,144
Health Programs	119,000	119,000	157,530	38,530
Total Intergovernmental	<u>1,605,100</u>	<u>1,605,100</u>	<u>3,649,672</u>	<u>2,044,572</u>
Charges for Services:				
Administration	151,700	151,700	98,935	(52,765)
Communications and Technology	71,220	71,220	81,240	10,020
Finance	1,432,472	1,432,472	1,431,972	(500)
Public Works	-	-	270	270
Engineering	230,400	230,400	70,600	(159,800)
Police	750,900	750,900	1,133,639	382,739
Fire	2,529,120	2,529,120	2,916,830	387,710
Parks and Recreation	709,303	709,303	756,434	47,131
Community Development	70,676	70,676	45,240	(25,436)
Total Charges for Services	<u>5,945,791</u>	<u>5,945,791</u>	<u>6,535,160</u>	<u>589,369</u>
Fines and Forfeits	650,000	650,000	488,872	(161,128)
Miscellaneous:				
Investment Income	250,000	250,000	1,373,705	1,123,705
Rental of Property	339,000	339,000	34,017	(304,983)
Other	36,500	36,500	256,529	220,029
Total Miscellaneous	<u>625,500</u>	<u>625,500</u>	<u>1,664,251</u>	<u>1,038,751</u>
Total Revenues	54,942,751	54,942,751	58,049,306	3,106,555

See accompanying Notes to Required Supplementary Information.

**CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Current:				
General Government:				
Administration:				
Personal Services	\$ 1,510,449	\$ 1,510,449	\$ 1,317,039	\$ 193,410
Contractual Services	1,111,040	1,111,040	812,636	298,404
Commodities	91,500	91,500	28,966	62,534
Internal Services	161,927	161,927	161,927	-
Total Administration	2,874,916	2,874,916	2,320,568	554,348
Communications:				
Personal Services	1,030,349	1,030,349	1,018,217	12,132
Contractual Services	395,270	395,270	444,404	(49,134)
Commodities	61,000	61,000	21,178	39,822
Internal Services	118,586	118,586	118,586	-
Total Communications	1,605,205	1,605,205	1,602,385	2,820
Human Resources:				
Personal Services	1,229,444	1,229,444	1,369,574	(140,130)
Contractual Services	213,220	213,220	192,659	20,561
Commodities	28,100	28,100	30,002	(1,902)
Internal Services	62,274	62,274	62,274	-
Total Human Resources	1,533,038	1,533,038	1,654,509	(121,471)
Finance:				
Personal Services	948,268	948,268	946,158	2,110
Contractual Services	313,218	313,218	1,222,979	(909,761)
Commodities	15,000	15,000	39,446	(24,446)
Internal Services	74,520	74,520	74,520	-
Total Finance	1,351,006	1,351,006	2,283,103	(932,097)
Community Development:				
Personal Services	1,710,136	1,710,136	1,852,786	(142,650)
Contractual Services	317,010	517,010	954,434	(437,424)
Commodities	7,000	7,000	1,908	5,092
Internal Services	154,675	154,675	154,675	-
Total Community Development	2,188,821	2,388,821	2,963,803	(574,982)
Total General Government	9,552,986	9,752,986	10,824,368	(1,071,382)
Public Safety:				
Police:				
Personal Services	12,276,781	12,276,781	12,487,901	(211,120)
Contractual Services	1,140,448	1,140,448	1,174,668	(34,220)
Commodities	129,902	129,902	195,743	(65,841)
Internal Services	1,600,848	1,600,848	1,600,848	-
Total Police	15,147,979	15,147,979	15,459,160	(311,181)
Fire:				
Personal Services	10,154,477	10,154,477	9,484,451	670,026
Contractual Services	974,080	974,080	1,051,981	(77,901)
Commodities	370,090	370,090	223,436	146,654
Internal Services	760,387	760,387	760,387	-
Total Fire	12,259,034	12,259,034	11,520,255	738,779

See accompanying Notes to Required Supplementary Information.

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Public Safety (Continued):				
Public Health:				
Personal Services	\$ 694,580	\$ 694,580	\$ 697,869	(3,289)
Contractual Services	453,996	453,996	516,964	(62,968)
Commodities	9,000	9,000	3,460	5,540
Internal Services	67,136	67,136	67,136	-
Total Public Health	<u>1,224,712</u>	<u>1,224,712</u>	<u>1,285,429</u>	<u>(60,717)</u>
Total Public Safety	28,631,725	28,631,725	28,264,844	366,881
Public Works:				
Public Works:				
Personal Services	2,961,413	2,961,413	3,233,405	(271,992)
Contractual Services	768,720	768,720	552,041	216,679
Commodities	1,181,500	1,181,500	1,022,180	159,320
Internal Services	1,238,084	1,238,084	1,238,084	-
Total Public Works	<u>6,149,717</u>	<u>6,149,717</u>	<u>6,045,710</u>	<u>104,007</u>
Engineering:				
Personal Services	2,294,718	2,294,721	2,233,907	60,814
Contractual Services	1,160,660	1,160,660	1,155,892	4,768
Commodities	115,500	115,500	64,522	50,978
Internal Services	279,978	279,978	279,978	-
Total Engineering	<u>3,850,856</u>	<u>3,850,859</u>	<u>3,734,299</u>	<u>116,560</u>
Total Public Works	10,000,573	10,000,576	9,780,009	220,567
Parks:				
Parks and Recreation:				
Personal Services	4,180,599	4,180,596	4,024,073	156,523
Contractual Services	1,693,248	1,693,248	1,647,988	45,260
Commodities	433,151	433,151	412,335	20,816
Internal Services	607,969	607,969	607,969	-
Total Parks and Recreation	<u>6,914,967</u>	<u>6,914,964</u>	<u>6,692,365</u>	<u>222,599</u>
Total Parks	6,914,967	6,914,964	6,692,365	222,599
Capital Outlay:				
General Government	-	-	300,248	(300,248)
Debt Service:				
Principal	-	-	25,939	(25,939)
Interest and Fiscal Charges	-	-	240	(240)
Total Debt Service	<u>-</u>	<u>-</u>	<u>26,179</u>	<u>(26,179)</u>
Total Expenditures	<u>55,100,251</u>	<u>55,300,251</u>	<u>55,888,013</u>	<u>(587,762)</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES OVER (UNDER) EXPENDITURES	\$ (157,500)	\$ (357,500)	\$ 2,161,293	\$ 3,694,317
OTHER FINANCING SOURCES (USES)				
Transfers In	157,500	157,500	246,104	88,604
Transfers Out	-	-	(963,280)	(963,280)
Total Financing Sources (Uses)	<u>157,500</u>	<u>157,500</u>	<u>(717,176)</u>	<u>(874,676)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ -</u>	<u>\$ (200,000)</u>	1,444,117	<u>\$ 2,819,641</u>
Fund Balance - January 1			<u>25,635,462</u>	
FUND BALANCE - DECEMBER 31			<u>\$ 27,079,579</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HOUSING AND REDEVELOPMENT AUTHORITY (HRA) FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General Property Taxes	\$ 244,400	\$ 244,400	\$ 241,116	\$ (3,284)
Tax increment Collections	1,723,245	1,723,245	2,078,687	355,442
Investment Income	186,000	186,000	1,260,211	1,074,211
Charges for Services	-	-	1,452	1,452
Other Revenues	-	-	223,045	223,045
Total Revenues	<u>2,153,645</u>	<u>2,153,645</u>	<u>3,804,511</u>	<u>1,650,866</u>
EXPENDITURES				
Current:				
Personal Services	207,455	207,455	168,409	39,046
Contractual Services	2,197,470	2,197,470	3,319,216	(1,121,746)
Commodities	3,000	3,000	1,220	1,780
Capital Outlay	-	-	4,947,100	(4,947,100)
Debt Service:				
Bond Principal	250,000	250,000	-	250,000
Interest and Fiscal Charges	222,250	222,250	-	222,250
Total Expenditures	<u>2,880,175</u>	<u>2,880,175</u>	<u>8,435,945</u>	<u>(5,555,770)</u>
REVENUES OVER (UNDER) EXPENDITURES	(726,530)	(726,530)	(4,631,434)	(3,904,904)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(712,342)	(712,342)
NET (DECREASE) IN FUND BALANCE	<u>\$ (726,530)</u>	<u>\$ (726,530)</u>	(5,343,776)	<u>\$ 6,494,294</u>
Fund Balance - January 1			<u>33,350,676</u>	
FUND BALANCE - DECEMBER 31			<u>\$ 28,006,900</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF CHANGES IN
THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2023**

	Measurement Date					
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability:						
Service Cost	\$ 407,276	\$ 280,452	\$ 239,792	\$ 192,093	\$ 296,634	\$ 270,435
Interest	77,753	58,062	65,302	154,222	128,559	127,096
Difference Between Expected and Actual Experience	(7,355)	1,503,227	9,714	(1,909,627)	-	-
Changes of Assumptions	(483,539)	(790,776)	105,246	212,364	(178,824)	87,259
Benefit Payments	(164,310)	(119,930)	(90,566)	(77,801)	(138,732)	(133,679)
Net Changes in Total OPEB Liability	(170,175)	931,035	329,488	(1,428,749)	107,637	351,111
Total OPEB Liability - Beginning of Year	3,449,286	2,518,251	2,188,763	3,617,512	3,509,875	3,158,764
Total OPEB Liability - End of Year	<u>\$ 3,279,111</u>	<u>\$ 3,449,286</u>	<u>\$ 2,518,251</u>	<u>\$ 2,188,763</u>	<u>\$ 3,617,512</u>	<u>\$ 3,509,875</u>
Covered-Employee Payroll	<u>\$ 36,100,000</u>	<u>\$ 30,100,000</u>	<u>\$ 26,700,000</u>	<u>\$ 25,800,000</u>	<u>\$ 24,800,000</u>	<u>\$ 23,900,000</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	<u>9.08%</u>	<u>11.46%</u>	<u>9.43%</u>	<u>8.48%</u>	<u>14.59%</u>	<u>14.69%</u>

Notes: The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
GERF SCHEDULE OF CITY'S AND NONEMPLOYER PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULE OF CITY CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2023

Schedule of City's and Nonemployer Proportionate Share of Net Pension Liability

City Fiscal Year End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	6/30/2015	0.2683%	\$ 13,765,652	\$ -	\$ 13,765,652	\$ 15,508,173	88.76%	78.20%
12/31/2016	6/30/2016	0.2656%	21,349,748	278,868	21,628,616	16,481,973	131.23%	68.91%
12/31/2017	6/30/2017	0.2772%	17,519,302	220,299	17,739,601	17,858,560	99.33%	75.90%
12/31/2018	6/30/2018	0.2679%	14,713,374	482,647	15,196,021	18,007,013	84.39%	79.53%
12/31/2019	6/30/2019	0.2694%	14,745,577	462,813	15,208,390	19,063,827	79.78%	80.00%
12/31/2020	6/30/2020	0.2764%	16,405,731	511,142	16,916,873	19,847,440	85.23%	79.06%
12/31/2021	6/30/2021	0.2911%	12,320,807	379,625	12,700,432	20,898,307	60.77%	87.00%
12/31/2022	6/30/2022	0.2927%	22,973,466	673,551	23,647,017	21,857,115	108.19%	76.70%
12/31/2023	6/30/2023	0.3093%	17,149,631	472,717	17,622,348	23,883,249	73.79%	83.10%

Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 1,248,845	\$ 1,248,845	\$ -	\$ 16,651,267	7.50%
12/31/2016	1,265,817	1,265,817	-	16,877,560	7.50%
12/31/2017	1,317,596	1,317,596	-	17,567,947	7.50%
12/31/2018	1,378,743	1,378,743	-	18,382,627	7.50%
12/31/2019	1,471,059	1,471,059	-	19,614,120	7.50%
12/31/2020	1,518,494	1,518,494	-	20,246,587	7.50%
12/31/2021	1,607,199	1,607,199	-	21,429,320	7.50%
12/31/2022	1,696,759	1,696,759	-	22,623,453	7.50%
12/31/2023	1,851,192	1,851,192	-	24,682,560	7.50%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

**CITY OF EDINA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
PEPFF SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SHEDULE OF CITY CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2023**

Schedule of City's Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	6/30/2015	0.8070%	\$ 9,169,408	\$ -	\$ 9,169,408	\$ 7,797,803	117.59%	86.60%
12/31/2016	6/30/2016	0.7990%	32,065,260	-	32,065,260	7,699,821	416.44%	63.88%
12/31/2017	6/30/2017	0.8110%	10,949,465	-	10,949,465	8,322,605	131.56%	85.43%
12/31/2018	6/30/2018	0.8022%	8,550,626	-	8,550,626	8,454,142	101.14%	88.84%
12/31/2019	6/30/2019	0.8479%	9,026,752	-	9,026,752	9,151,062	98.64%	89.30%
12/31/2020	6/30/2020	0.8704%	11,472,803	270,277	11,743,080	9,819,457	119.59%	87.19%
12/31/2021	6/30/2021	0.8688%	6,706,215	301,506	7,007,721	10,268,277	68.25%	93.70%
12/31/2022	6/30/2022	0.8758%	38,111,357	1,664,806	39,776,163	10,638,687	373.88%	70.50%
12/31/2023	6/30/2023	0.8802%	15,199,910	612,293	15,812,203	11,559,197	136.79%	86.50%

Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 1,268,476	\$ 1,268,476	\$ -	\$ 7,830,099	16.20%
12/31/2016	1,272,485	1,272,485	-	7,854,846	16.20%
12/31/2017	1,335,917	1,335,917	-	8,246,401	16.20%
12/31/2018	1,399,053	1,399,053	-	8,623,704	16.22%
12/31/2019	1,595,304	1,595,304	-	9,847,556	16.20%
12/31/2020	1,784,694	1,784,694	-	10,083,017	17.70%
12/31/2021	1,850,353	1,850,353	-	10,453,972	17.70%
12/31/2022	1,953,054	1,953,054	-	11,034,203	17.70%
12/31/2023	2,116,552	2,116,552	-	11,957,921	17.70%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 LEGAL COMPLIANCE – BUDGETS

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted by the passage of a resolution by the City Council.
4. Formal budgetary integration is employed as a management control device during the year.
5. Budgets for all governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Reported budget amounts are as originally adopted or as amended by Council-approved supplemental appropriations and budget transfers.
7. Expenditures may not legally exceed appropriations by department in the General Fund unless offset by increases in revenues. All unencumbered appropriations lapse at year-end.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund. The following is a listing of General Fund departments whose expenditures exceed budget appropriations.

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund:			
General Government:			
Human Resources	\$ 1,533,038	\$ 1,654,509	\$ 121,471
Finance	1,351,006	2,283,103	932,097
Community Development	2,388,821	2,963,803	574,982
Public Safety:			
Police	15,147,979	15,459,160	311,181
Public Health	1,224,712	1,285,429	60,717
Capital Outlay	-	300,248	300,248
Debt Service	-	26,179	26,179

Excess expenditures in Human Resources are due to an increase in severance. Severance varies from year to year. Excess expenditures in Finance are due to American Rescue Plan Act (ARPA) expenditures incurred in 2023. Excess expenditures in Community Development are due to pass-through expenses for 4040 W. 70th St. development. Remaining excess expenditures were due to slightly higher than anticipated costs.

The remaining governmental funds budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for these funds. The following is a listing of funds whose expenditures exceed budget appropriations.

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Housing and Redevelopment Authority	<u>\$ 2,880,175</u>	<u>\$ 8,435,945</u>	<u>\$ 5,555,770</u>

Excess expenditures in the Housing and Redevelopment Authority fund are due to project costs associated with parking ramp, pedestrian bridge, and road reconstruction. Additional expenses include TIF payments and write-off for forgivable loans.

CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 3 PENSION INFORMATION

General Employees Retirement Fund

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00% , effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 3 PENSION INFORMATION (CONTINUED)

General Employees Fund Retirement Fund (Continued)

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Public Employees Police and Fire Fund

2023 Changes

Change in Actuarial Assumptions:

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 3 PENSION INFORMATION (CONTINUED)

Public Employees Police and Fire Fund (Continued)

2022 Changes

Change in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 PENSION INFORMATION (CONTINUED)

Public Employees Police and Fire Fund (Continued)

2019 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and nonvested deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 PENSION INFORMATION (CONTINUED)

Public Employees Police and Fire Fund (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions:

- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.
- The single discount rate changed from 5.6% to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.05% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

**CITY OF EDINA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 4 OTHER POSTEMPLOYMENT BENEFITS INFORMATION

Other Postemployment Benefits Plan

2023 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.06% to 4.05%.

2022 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.12% to 2.06%.

2021 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.74% to 2.12%.
- The payroll growth rate was changed from 3.25% to 2.50%

2020 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.09% to 2.74%.
- The payroll growth rate was changed from 3.50% to 3.25%

2019 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.44% to 4.09%.

2018 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.50% to 3.44%.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are nonmajor special revenue funds:

Community Development Block Grant Fund – This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

Police Fund – This fund was established to account for funds received for specific purposes within the police department, including E-911 and Forfeiture funds.

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

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

Conservation and Sustainability Fund – This fund was established to account for funds received from gas and electric franchise fees to be used for initiatives focused on conservation and sustainability.

Opioid Settlement Fund – This fund was established to account for funds that will be received over the next 18 years for the City's share of national settlement agreements with several pharmaceutical companies related to opioid selling and distribution. These funds are restricted to be used for opioid epidemic response activities.

Public Safety Fund – This fund was established to account for the 2023 Omnibus tax bill that included \$210 million in one-time public safety aid to cities across the state. Unlike local government aid, this aid cannot be used for general purposes, but instead must be used to "provide public safety". The City received \$2,344,327 on December 26, 2023.

**CITY OF EDINA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue							Total Nonmajor Governmental Funds
	Community Development Block Grant	Police	Braemar Memorial	Pedestrian and Cyclist Safety	Conservation and Sustainability	Opioid Settlement	Public Safety	
Assets								
Cash and Investments	\$ -	\$ 1,010,938	\$ 109,437	\$ 210,362	\$ 1,719,836	\$ 107,645	\$ 2,345,788	\$ 5,504,006
Accrued Interest	-	-	766	8,165	15,614	668	1,377	26,590
Accounts Receivable	-	-	-	314,410	240,922	-	-	555,332
Due from Other Governments	-	19,331	-	-	-	315,315	-	334,646
Prepaid Items	-	2,196	-	-	-	-	-	2,196
Total Assets	\$ -	\$ 1,032,465	\$ 110,203	\$ 532,937	\$ 1,976,372	\$ 423,628	\$ 2,347,165	\$ 6,422,770
Liabilities, Deferred Inflows of Resources, and Fund Balance								
Liabilities:								
Accounts Payable	\$ -	\$ 20,805	\$ -	\$ 18,447	\$ 139,445	\$ -	\$ -	\$ 178,697
Salaries Payable	-	-	-	5,423	4,394	-	-	9,817
Contracts Payable	-	-	-	78,965	40,955	-	-	119,920
Total Liabilities	-	20,805	-	102,835	184,794	-	-	308,434
Deferred Inflows of Resources:								
Unavailable Revenue	-	-	-	-	-	315,315	-	315,315
Fund Balance:								
Nonspendable	-	2,196	-	-	-	-	-	2,196
Restricted	-	1,009,464	110,203	430,102	1,791,578	108,313	2,347,165	5,796,825
Total Fund Balance	-	1,011,660	110,203	430,102	1,791,578	108,313	2,347,165	5,799,021
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ -	\$ 1,032,465	\$ 110,203	\$ 532,937	\$ 1,976,372	\$ 423,628	\$ 2,347,165	\$ 6,422,770

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue						Total Nonmajor Governmental Funds	
	Community Development Block Grant	Police	Braemar Memorial	Pedestrian and Cyclist Safety	Conservation and Sustainability	Opioid Settlement		Public Safety
REVENUES								
Franchise Taxes	\$ -	\$ -	\$ -	\$ 1,236,066	\$ 963,070	\$ -	\$ -	\$ 2,199,136
Intergovernmental	-	-	-	-	-	21,264	2,344,327	2,365,591
Investment Income (Loss)	-	790	17,028	50,318	131,005	1,376	2,838	203,355
Other Revenues	-	305,666	683	-	13,003	-	-	319,352
Total Revenues	-	306,456	17,711	1,286,384	1,107,078	22,640	2,347,165	5,087,434
EXPENDITURES								
Current:								
Public Safety	-	134,960	-	-	-	-	-	134,960
Public Works	-	-	-	269,028	577,656	-	-	846,684
Parks	-	-	35,473	-	-	-	-	35,473
Capital Outlay:								
Public Safety	-	12,667	-	-	-	-	-	12,667
Public Works	-	-	-	1,593,118	1,105,181	-	-	2,698,299
Total Expenditures	-	147,627	35,473	1,862,146	1,682,837	-	-	3,728,083
NET INCREASE (DECREASE) IN FUND BALANCE	-	158,829	(17,762)	(575,762)	(575,759)	22,640	2,347,165	1,359,351
Fund Balance - January 1	-	852,831	127,965	1,005,864	2,367,337	85,673	-	4,439,670
FUND BALANCE - DECEMBER 31	\$ -	\$ 1,011,660	\$ 110,203	\$ 430,102	\$ 1,791,578	\$ 108,313	\$ 2,347,165	\$ 5,799,021

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 135,000	\$ 135,000	\$ -	\$ (135,000)
EXPENDITURES				
Current:				
General Government				
Contractual Services	<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>135,000</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ (270,000)</u></u>
Fund Balance - January 1			<u>-</u>	
FUND BALANCE - DECEMBER 31			<u><u>\$ -</u></u>	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – POLICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 790	\$ 790
Other Revenues	289,122	289,122	305,666	16,544
Total Revenues	289,122	289,122	306,456	17,334
EXPENDITURES				
Current:				
Public Safety:				
Contractual Services	129,500	129,500	104,251	25,249
Commodities	7,500	7,500	30,709	(23,209)
Capital Outlay:				
Public Safety	-	-	12,667	(12,667)
Total Expenditures	137,000	137,000	147,627	(10,627)
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 152,122	\$ 152,122	158,829	\$ 27,961
Fund Balance - January 1			852,831	
FUND BALANCE - DECEMBER 31			\$ 1,011,660	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – BRAEMAR MEMORIAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Income	\$ 1,000	\$ 1,000	\$ 17,028	\$ 16,028
Donations	2,500	2,500	683	(1,817)
Total Revenues	3,500	3,500	17,711	14,211
 EXPENDITURES				
Current:				
Parks and Recreation:				
Contractual Services	1,000	1,000	35,473	(34,473)
 NET INCREASE (DECREASE) IN FUND BALANCE	\$ 2,500	\$ 2,500	(17,762)	\$ (20,262)
 Fund Balance - January 1			127,965	
 FUND BALANCE - DECEMBER 31			\$ 110,203	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – PEDESTRIAN AND CYCLIST SAFETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Franchise Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,236,066	\$ 36,066
Investment Income	-	-	50,318	50,318
Total Revenues	1,200,000	1,200,000	1,286,384	86,384
EXPENDITURES				
Current:				
Public Works:				
Personal Services	131,506	131,506	141,814	(10,308)
Contractual Services	75,720	75,720	117,998	(42,278)
Commodities	13,000	13,000	147	12,853
Internal Services	9,069	9,069	9,069	-
Capital Outlay:				
Public Works:	1,030,000	1,030,000	1,593,118	(563,118)
Total Expenditures	1,259,295	1,259,295	1,862,146	(602,851)
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (59,295)	\$ (59,295)	(575,762)	\$ (516,467)
Fund Balance - January 1			1,005,864	
FUND BALANCE - DECEMBER 31			\$ 430,102	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – CONSERVATION AND SUSTAINABILITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Franchise Taxes	\$ 1,000,000	\$ 1,000,000	\$ 963,070	\$ (36,930)
Investment Income (Loss)	15,000	15,000	131,005	116,005
Other Revenues	-	-	13,003	13,003
Total Revenues	1,015,000	1,015,000	1,107,078	92,078
EXPENDITURES				
Current:				
Public Works:				
Personal Services	157,660	157,660	189,925	(32,265)
Contractual Services	66,020	66,020	354,761	(288,741)
Commodities	1,200	1,200	23,533	(22,333)
Internal Services	9,437	9,437	9,437	-
Capital Outlay:				
Public Works	500,000	500,000	1,105,181	(605,181)
Total Expenditures	734,317	734,317	1,682,837	(948,520)
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 280,683	\$ 280,683	(575,759)	\$ (856,442)
Fund Balance - January 1			2,367,337	
FUND BALANCE - DECEMBER 31			\$ 1,791,578	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – OPIOID SETTLEMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 21,264	\$ 21,264
Investment Income	-	-	1,376	1,376
Total Revenues	-	-	22,640	22,640
 NET INCREASE (DECREASE) IN FUND BALANCE	 \$ -	 \$ -	 22,640	 \$ 22,640
 Fund Balance - January 1			 85,673	
 FUND BALANCE - DECEMBER 31			 \$ 108,313	

**CITY OF EDINA, MINNESOTA
SPECIAL REVENUE FUND – PUBLIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,344,327	\$ 2,344,327
Investment Income	-	-	2,838	2,838
Total Revenues	-	-	2,347,165	2,347,165
 NET INCREASE (DECREASE) IN FUND BALANCE				
	<u>\$ -</u>	<u>\$ -</u>	2,347,165	<u>\$ 2,347,165</u>
 Fund Balance - January 1			-	
 FUND BALANCE - DECEMBER 31			<u>\$ 2,347,165</u>	

MAJOR GOVERNMENTAL FUNDS

Debt Service Fund – This fund was established to account for the payment of principal and interest on the General Obligation, Permanent Improvement Revolving, Public Project Revenue, and Edina Emerald Energy Program Bonds.

Construction Fund – This fund was established to account for various special assessment and state aid projects throughout the City. This fund also provides financing for capital improvements as designated in the City's capital improvement budget.

**CITY OF EDINA, MINNESOTA
GOVERNMENTAL FUND – DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General Property Taxes	\$ 3,230,000	\$ 3,230,000	\$ 3,182,907	\$ (47,093)
Special Assessments	-	-	187,805	187,805
Intergovernmental	-	-	547,959	547,959
Investment Income	-	-	1,461	1,461
Total Revenues	<u>3,230,000</u>	<u>3,230,000</u>	<u>3,920,132</u>	<u>690,132</u>
EXPENDITURES				
Debt Service	<u>6,013,727</u>	<u>6,013,727</u>	<u>7,445,696</u>	<u>(1,431,969)</u>
REVENUES (UNDER) EXPENDITURES	(2,783,727)	(2,783,727)	(3,525,564)	2,122,101
OTHER FINANCING SOURCES (USES)				
Transfers In	2,816,752	2,816,752	3,466,164	649,412
Bonds Issued	<u>-</u>	<u>-</u>	<u>81,453</u>	<u>81,453</u>
Total Other Financing Sources (Uses)	<u>2,816,752</u>	<u>2,816,752</u>	<u>3,547,617</u>	<u>730,865</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 33,025</u>	<u>\$ 33,025</u>	22,053	<u>\$ 2,852,966</u>
Fund Balance - January 1			<u>6,702,038</u>	
FUND BALANCE - DECEMBER 31			<u>\$ 6,724,091</u>	

CITY OF EDINA, MINNESOTA
GOVERNMENTAL FUND – CONSTRUCTION CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General Property Taxes	\$ 6,560,400	\$ 6,560,400	\$ 6,464,975	\$ (95,425)
Franchise Taxes	90,000	90,000	127,727	37,727
General Sales Tax	-	-	5,450,871	
Special Assessments	3,726,253	3,726,253	3,422,080	(304,173)
License and Permits	74,000	74,000	86,653	12,653
Intergovernmental	2,780,000	2,780,000	1,155,746	(1,624,254)
Charges for Services	195,000	195,000	584,936	389,936
Investment Income	203,000	203,000	2,485,886	2,282,886
Other Revenues	-	-	176,727	176,727
Total Revenues	<u>13,628,653</u>	<u>13,628,653</u>	<u>19,955,601</u>	<u>876,077</u>
EXPENDITURES				
Current:				
General Government:				
Contractual Services	-	-	167,977	(167,977)
Commodities	-	-	33,411	(33,411)
Public Safety:				
Personal Services	-	-	13,224	(13,224)
Contractual Services	-	-	148,399	(148,399)
Commodities	-	-	311,731	(311,731)
Public Works:				
Personal Services	118,207	118,207	118,898	(691)
Contractual Services	350,273	350,273	2,043,847	(1,693,574)
Commodities	58,375	58,375	17,134	41,241
Internal Services	876	876	876	-
Parks:				
Contractual Services	-	-	159,695	(159,695)
Capital Outlay:				
General Government	209,000	209,000	2,141,284	(1,932,284)
Public Safety	1,131,550	1,131,550	3,052,210	(1,920,660)
Public Works	9,877,393	9,877,393	12,209,299	(2,331,906)
Parks	1,641,325	1,641,325	1,183,540	457,785
Total Expenditures	<u>13,386,999</u>	<u>13,386,999</u>	<u>21,601,565</u>	<u>(8,214,486)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	241,654	241,654	(1,645,964)	9,090,563
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000	1,063,280	963,280
Transfers Out	(2,816,752)	(2,816,752)	(2,753,822)	62,930
Sale of Capital Assets	-	-	77,700	77,700
Bonds Issued	2,813,402	2,813,402	1,098,547	(1,714,855)
Premium on Bonds Issued	-	-	95,608	95,608
Total Other Financing Sources (Uses)	<u>96,650</u>	<u>96,650</u>	<u>(418,687)</u>	<u>(515,337)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 338,304</u>	<u>\$ 338,304</u>	<u>(2,064,651)</u>	<u>\$ 8,575,226</u>
Fund Balance - January 1			<u>39,037,342</u>	
FUND BALANCE - DECEMBER 31			<u>\$ 36,972,691</u>	

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NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds account for the financing of self-supporting activities of governmental units which render services to the general public on a user charge basis. The following are nonmajor enterprise funds:

Art Center Fund – This fund accounts for activities related to the City’s Art Center.

Edinburgh Park Fund – This fund accounts for activities related to Edinburgh Park.

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

Braemar Field Fund – This fund accounts for activities related to the Sports Dome.

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2023

	Art Center	Edinborough Park	Centennial Lakes	Braemar Field	Total Nonmajor Proprietary Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 166,422	\$ 555,502	\$ 360,692	\$ 1,406,220	\$ 2,488,836
Interest Receivable	253	3,608	1,620	9,888	15,369
Accounts Receivable	2,448	18,353	20,701	125	41,627
Prepays	-	-	1,888	-	1,888
Total Current Assets	<u>169,123</u>	<u>577,463</u>	<u>384,901</u>	<u>1,416,233</u>	<u>2,547,720</u>
Noncurrent Assets:					
Net Capital Assets	<u>25,297</u>	<u>1,659,113</u>	<u>1,899,538</u>	<u>4,988,232</u>	<u>8,572,180</u>
Total Assets	<u>194,420</u>	<u>2,236,576</u>	<u>2,284,439</u>	<u>6,404,465</u>	<u>11,119,900</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Deferred Outflows	532	22,266	11,939	-	34,737
Pension Deferred Outflows	<u>28,674</u>	<u>135,252</u>	<u>76,826</u>	<u>31,611</u>	<u>272,363</u>
Total Deferred Outflows of Resources	<u>29,206</u>	<u>157,518</u>	<u>88,765</u>	<u>31,611</u>	<u>307,100</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	3,810	44,399	26,042	52,590	126,841
Salaries Payable	11,437	46,224	36,982	9,889	104,532
Due to Other Governments	8	11,103	433	625	12,169
Unearned Revenue	886	7,986	10,848	-	19,720
Compensated Absences Payable	<u>12,048</u>	<u>25,189</u>	<u>11,327</u>	<u>-</u>	<u>48,564</u>
Total Current Liabilities	<u>28,189</u>	<u>134,901</u>	<u>85,632</u>	<u>63,104</u>	<u>311,826</u>
Noncurrent Liabilities:					
Total OPEB Liability	12,768	30,127	21,708	-	64,603
Net Pension Liability	93,464	440,856	250,416	103,037	887,773
Compensated Absences Payable	<u>18,072</u>	<u>37,783</u>	<u>16,990</u>	<u>-</u>	<u>72,845</u>
Total Noncurrent Liabilities	<u>124,304</u>	<u>508,766</u>	<u>289,114</u>	<u>103,037</u>	<u>1,025,221</u>
Total Liabilities	<u>152,493</u>	<u>643,667</u>	<u>374,746</u>	<u>166,141</u>	<u>1,337,047</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Deferred Inflows	400	24,970	16,128	-	41,498
Pension Deferred Inflows	<u>29,757</u>	<u>140,359</u>	<u>79,727</u>	<u>32,805</u>	<u>282,648</u>
Total Deferred Inflows of Resources	<u>30,157</u>	<u>165,329</u>	<u>95,855</u>	<u>32,805</u>	<u>324,146</u>
NET POSITION					
Net Investment in Capital Assets	25,297	1,659,113	1,899,538	4,988,232	8,572,180
Unrestricted	<u>15,679</u>	<u>(74,015)</u>	<u>3,065</u>	<u>1,248,898</u>	<u>1,193,627</u>
Total Net Position	<u>\$ 40,976</u>	<u>\$ 1,585,098</u>	<u>\$ 1,902,603</u>	<u>\$ 6,237,130</u>	<u>\$ 9,765,807</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Art Center	Edinborough Park	Centennial Lakes	Braemar Field	Total Nonmajor Proprietary Funds
OPERATING REVENUES					
Sales - Retail	\$ 2	\$ 12,612	\$ -	\$ -	\$ 12,614
Sales - Concessions	-	82,236	28,885	-	111,121
Memberships	-	175,542	-	-	175,542
Admissions	-	788,061	-	28,335	816,396
Lodging Tax	-	5,129	-	-	5,129
Building Rental	-	254,741	66,089	515,121	835,951
Rental of Equipment	-	-	169,306	-	169,306
Greens Fees	-	-	279,699	-	279,699
Class Registration and Other Fees	101,479	224,383	327,471	64,434	717,767
Total Operating Revenues	<u>101,481</u>	<u>1,542,704</u>	<u>871,450</u>	<u>607,890</u>	<u>3,123,525</u>
OPERATING EXPENSES					
Cost of Sales and Services	-	33,979	11,266	-	45,245
Personal Services	299,320	834,194	866,537	213,217	2,213,268
Contractual Services	63,272	407,235	276,755	331,916	1,079,178
Commodities	27,641	127,594	126,244	16,104	297,583
Internal Services	64,684	154,460	132,581	38,779	390,504
Depreciation	5,682	288,887	168,419	534,771	997,759
Total Operating Expenses	<u>460,599</u>	<u>1,846,349</u>	<u>1,581,802</u>	<u>1,134,787</u>	<u>5,023,537</u>
OPERATING INCOME (LOSS)	(359,118)	(303,645)	(710,352)	(526,897)	(1,900,012)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	520	33,852	15,726	78,107	128,205
Donations	1,500	-	34,120	-	35,620
Gain (Loss) on Sale of Capital Asset	-	-	4,010	-	4,010
Total Nonoperating Revenues (Expenses)	<u>2,020</u>	<u>33,852</u>	<u>53,856</u>	<u>78,107</u>	<u>167,835</u>
INCOME (LOSS) BEFORE TRANSFERS	(357,098)	(269,793)	(656,496)	(448,790)	(1,732,177)
TRANSFERS					
Transfers In	<u>300,000</u>	<u>21,151</u>	<u>427,739</u>	<u>1,244</u>	<u>750,134</u>
CHANGE IN NET POSITION	(57,098)	(248,642)	(228,757)	(447,546)	(982,043)
Net Position - January 1	<u>98,074</u>	<u>1,833,740</u>	<u>2,131,360</u>	<u>6,684,676</u>	<u>10,747,850</u>
NET POSITION - DECEMBER 31	<u>\$ 40,976</u>	<u>\$ 1,585,098</u>	<u>\$ 1,902,603</u>	<u>\$ 6,237,130</u>	<u>\$ 9,765,807</u>

CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Art Center	Edinborough Park	Centennial Lakes	Braemar Field	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 100,123	\$ 1,537,642	\$ 891,053	\$ 607,765	\$ 3,136,583
Payment to Suppliers	(156,923)	(738,777)	(553,012)	(341,523)	(1,790,235)
Payment to Employees	(274,507)	(784,293)	(886,223)	(189,962)	(2,134,985)
Net Cash Provided (Used) by Operating Activities	<u>(331,307)</u>	<u>14,572</u>	<u>(548,182)</u>	<u>76,280</u>	<u>(788,637)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from Other Funds	300,000	21,151	427,739	1,244	750,134
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipts from the Sale of Capital Assets	-	-	4,010	-	4,010
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	1,078	15,410	6,919	42,237	65,644
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(30,229)	51,133	(109,514)	119,761	31,151
Cash and Investments - January 1	197,462	515,952	475,407	1,318,206	2,507,027
CASH AND INVESTMENTS - DECEMBER 31	<u>\$ 167,233</u>	<u>\$ 567,085</u>	<u>\$ 365,893</u>	<u>\$ 1,437,967</u>	<u>\$ 2,538,178</u>
CASH AND INVESTMENTS PRESENTED ON THE STATEMENT OF NET POSITION					
Cash	\$ 167,233	\$ 567,085	\$ 365,893	\$ 1,437,967	\$ 2,538,178
Investments	(811)	(11,583)	(5,201)	(31,747)	(49,342)
Total Cash and Investments	<u>\$ 166,422</u>	<u>\$ 555,502</u>	<u>\$ 360,692</u>	<u>\$ 1,406,220</u>	<u>\$ 2,488,836</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (359,118)	\$ (303,645)	\$ (710,352)	\$ (526,897)	\$ (1,900,012)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by: Operating Activities:					
Depreciation	5,682	288,887	168,419	534,771	997,759
Miscellaneous Income	1,500	-	34,120	-	35,620
(Increase) Decrease in:					
Receivables	(2,273)	(7,344)	(17,277)	(125)	(27,019)
Due From Other Governments	-	-	654	-	654
Prepays	-	-	(1,888)	-	(1,888)
Deferred Outflows of Resources	7,463	43,231	57,315	6,711	114,720
Increase (Decrease) in:					
Accounts Payable	(1,215)	(18,006)	(3,201)	45,300	22,878
Salaries Payable	6,373	3,549	10,196	3,760	23,878
Due to Other Governments	(111)	2,497	(2,965)	(24)	(603)
Unearned Revenue	(585)	2,282	3,994	-	5,691
Total OPEB Liability	-	(1,562)	(1,066)	-	(2,628)
Net Pension Liability	(20,891)	(118,527)	(170,368)	(18,232)	(328,018)
Compensated Absences	3,798	(10,289)	9,767	-	3,276
Deferred Inflows of Resources	28,070	133,499	74,470	31,016	267,055
Total Adjustments	<u>27,811</u>	<u>318,217</u>	<u>162,170</u>	<u>603,177</u>	<u>1,111,375</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (331,307)</u>	<u>\$ 14,572</u>	<u>\$ (548,182)</u>	<u>\$ 76,280</u>	<u>\$ (788,637)</u>
NONCASH INVESTING ACTIVITIES					
Increase (Decrease) in Fair Value of Investments	<u>\$ (811)</u>	<u>\$ 18,564</u>	<u>\$ 8,936</u>	<u>\$ 34,133</u>	<u>\$ 60,822</u>

FIDUCIARY FUNDS

Custodial Funds

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

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

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

Minnesota Task Force 1 – This fund accounts for assets and liabilities of the Minnesota Task Force 1, which is comprised of personnel and equipment from public safety and specialist personnel from supporting entities that operates as part of a joint powers agreement that the City has administrative responsibilities for.

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**CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023**

	Police Seizure	Public Safety Training Facility	Minnesota Task Force 1	Total
ASSETS				
Cash and Investments	\$ 3,776	\$ 254,175	\$ 24,657	\$ 282,608
Due from Other Governmental Units	-	-	132,053	132,053
Total Assets	<u>3,776</u>	<u>254,175</u>	<u>156,710</u>	<u>414,661</u>
LIABILITIES				
Accounts Payable	-	11,782	12,998	24,780
Salaries Payable	-	14,260	11,073	25,333
Due to Other Governmental Units	235	535	132,053	132,823
Unearned Revenue	-	5,087	-	5,087
	<u>235</u>	<u>31,664</u>	<u>156,124</u>	<u>188,023</u>
NET POSITION				
Restricted for Organizations and Other Governments	<u>\$ 3,541</u>	<u>\$ 222,511</u>	<u>\$ 586</u>	<u>\$ 226,638</u>

**CITY OF EDINA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Police Seizure	Public Safety Training Facility	Minnesota Task Force 1	Total
ADDITIONS				
Collections on Behalf of Others	\$ 11,512	\$ 600,640	\$ 172,053	\$ 784,205
DEDUCTIONS				
Payments on Behalf of Others	-	611,459	134,642	746,101
Net Increase (Decrease) in Fiduciary Net Position	11,512	(10,819)	37,411	38,104
Net Position - Beginning	<u>(7,971)</u>	<u>233,330</u>	<u>(36,825)</u>	<u>188,534</u>
Net Position - Ending	<u>\$ 3,541</u>	<u>\$ 222,511</u>	<u>\$ 586</u>	<u>\$ 226,638</u>

CITY OF EDINA, MINNESOTA
TAX CAPACITY, TAX LEVIES, AND TAX CAPACITY RATES
(SHOWN BY YEAR OF TAX COLLECTIBILITY)

	2018	2019	2020	2021	2022	2023
Total Tax Capacity	\$ 141,934,212	\$ 151,279,391	\$ 157,910,360	\$ 164,716,554	\$ 169,928,228	\$ 190,473,325
Increment Valuation	(4,525,127)	(5,229,452)	(5,929,603)	(8,291,891)	(1,861,452)	(2,217,665)
Contribution to Fiscal Disparities Pool	<u>(12,166,916)</u>	<u>(13,440,625)</u>	<u>(14,369,737)</u>	<u>(15,151,282)</u>	<u>(16,575,905)</u>	<u>(16,067,200)</u>
Tax Capacity Used for Rate Calculation	125,242,169	132,609,314	137,611,020	141,273,381	151,490,871	172,188,460
Fiscal Disparities Distribution	<u>3,210,559</u>	<u>3,473,642</u>	<u>3,700,282</u>	<u>4,049,317</u>	<u>4,507,212</u>	<u>4,501,468</u>
Adjusted Net Tax Capacity	<u>\$ 128,452,728</u>	<u>\$ 136,082,956</u>	<u>\$ 141,311,302</u>	<u>\$ 145,322,698</u>	<u>\$ 155,998,083</u>	<u>\$ 176,689,928</u>
Tax Levies:						
General Fund	\$ 28,493,077	\$ 30,009,121	\$ 32,021,243	\$ 33,986,471	\$ 36,708,036	\$ 39,820,200
Arts and Culture Fund	20,000	20,000	20,000	20,000	-	-
Equipment	2,567,000	2,630,000	2,830,000	4,130,000	5,190,000	6,560,400
Debt Service	4,579,700	4,611,900	4,596,300	3,651,400	3,232,000	3,230,000
HRA Operating	<u>125,000</u>	<u>160,000</u>	<u>192,000</u>	<u>230,400</u>	<u>237,300</u>	<u>244,400</u>
Total Certified Tax Levies	35,784,777	37,431,021	39,659,543	42,018,271	45,367,336	49,855,000
Referendum Market Value Levy	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Levy	<u>\$ 35,784,777</u>	<u>\$ 37,431,021</u>	<u>\$ 39,659,543</u>	<u>\$ 42,018,271</u>	<u>\$ 45,367,336</u>	<u>\$ 49,855,000</u>
Tax Capacity Rate:						
General Fund Revenue	24.187%	23.992%	24.690%	26.264%	27.657%	26.936%
Bonds and Interest	3.564%	3.388%	3.255%	2.515%	2.133%	1.876%
HRA	<u>0.098%</u>	<u>0.119%</u>	<u>0.137%</u>	<u>0.163%</u>	<u>0.157%</u>	<u>0.142%</u>
Total Tax Capacity Rate	<u>27.849%</u>	<u>27.499%</u>	<u>28.082%</u>	<u>28.942%</u>	<u>29.947%</u>	<u>28.954%</u>
Market Value Rate	<u>0.00000%</u>	<u>0.00000%</u>	<u>0.00000%</u>	<u>0.00000%</u>	<u>0.00000%</u>	<u>0.00000%</u>

**CITY OF EDINA, MINNESOTA
COMBINING SCHEDULE OF BONDED INDEBTEDNESS
DECEMBER 31, 2023**

	Interest Rates	Date	Final Maturity Date	Prior Years	
				Original Issue	Redeemed
General Obligation Bonds:					
GO Refunding, Series 2016A	2.00 - 3.00	% 07/06/16	02/01/28	\$ 3,635,000	\$ 1,515,000
GO Refunding, Series 2017C	2.05 - 4.00	12/14/17	02/01/29	8,955,000	2,810,000
GO Equipment Certificate, Series 2019A	5.00	06/13/19	02/01/29	2,805,000	520,000
GO Refunding, Series 2021B	5.00	12/16/21	02/01/30	2,515,000	-
GO CIP Bonds, Series 2022B	2.00	08/05/22	02/01/25	17,000,000	-
Total General Obligation Bonds				34,910,000	4,845,000
Permanent Improvement Revolving (PIR) Bonds:					
GO Permanent Improvement Revolving Series 2011A	2.00 - 3.00	10/27/11	02/01/23	3,320,000	2,950,000
GO Permanent Improvement Revolving Series 2015A	2.00 - 4.00	07/09/15	02/01/32	6,545,000	1,855,000
GO Permanent Improvement Revolving Series 2015A - Parking	2.00 - 4.00	07/09/15	02/01/36	2,495,000	595,000
GO Permanent Improvement Revolving Series 2016A	2.00 - 3.00	07/06/16	02/01/33	3,940,000	900,000
GO Permanent Improvement Revolving Series 2017A	3.00 - 4.00	06/29/17	02/01/34	1,995,000	315,000
GO Permanent Improvement Revolving Series 2018A	3.00 - 3.125	06/27/18	02/01/35	2,210,000	235,000
GO Permanent Improvement Revolving Series 2019A	3.00 - 5.00	06/13/19	02/01/36	2,195,000	105,000
GO Permanent Improvement Revolving Series 2020A	2.00-4.00	06/25/20	02/01/37	390,000	-
GO Permanent Improvement Revolving Series 2020B - Refunding	1.09	12/30/20	02/01/29	1,601,000	291,000
GO Permanent Improvement Revolving Series 2021A	2.00 - 4.00	06/24/21	02/01/38	5,480,000	-
GO Permanent Improvement Revolving Series 2021B - Refunding	5.00	12/16/21	02/01/30	1,280,000	-
GO Permanent Improvement Revolving Series 2022A	5.00	07/14/22	02/01/39	2,145,000	-
GO Permanent Improvement Revolving Series 2023A	4.00 - 5.00	07/13/23	02/01/40	1,180,000	-
Total PIR Bonds				34,776,000	7,246,000
Tax Increment Financing Bonds"					
TIF, Series 2021A	2.00 - 4.00	06/24/21	02/04/43	7,545,000	-
Public Project Revenue Bonds:					
HRA Public Project Revenue, Series 2014A	2.00 - 3.625	07/15/14	02/01/35	16,155,000	4,630,000
HRA Public Project Revenue, Series 2015A - Refunding	2.50 - 3.00	07/09/15	05/01/26	3,490,000	2,085,000
Total Public Project Revenue Bonds				19,645,000	6,715,000
Minnesota State Aid Street Bonds					
MSA, Series 2022A	5.00	07/14/22	02/01/38	10,465,000	-
Revenue Bonds:					
Recreational Facility Bonds, Series 2015B	2.00 - 3.25	07/09/15	02/01/31	2,140,000	750,000
Recreational Facility Bonds, Series 2017B	3.00 - 4.00	06/29/17	02/01/33	7,425,000	1,790,000
Recreational Facility Bonds, Series 2017D - Refunding	2.00	12/20/17	02/01/30	1,640,000	567,000
Recreational Facility Bonds, Series 2021C - Refunding	2.00 - 3.00	12/16/21	02/01/33	2,210,000	-
Utility Revenue Bonds, Series 2014A	2.00 - 3.00	07/15/14	02/01/24	5,680,000	4,445,000
Utility Revenue Bonds, Series 2015A	2.00 - 4.00	07/09/15	02/01/25	5,235,000	3,530,000
Utility Revenue Bonds, Series 2016A	2.00 - 3.00	07/06/16	02/01/27	8,775,000	4,080,000
Utility Revenue Bonds, Series 2017A	3.00 - 4.00	06/29/17	02/01/28	6,595,000	2,335,000
Utility Revenue Bonds, Series 2018A	3.00 - 3.125	06/27/18	02/01/29	3,305,000	875,000
Utility Revenue Bonds, Series 2019A	5.00	06/13/19	02/01/30	5,815,000	950,000
Utility Revenue Bonds, Series 2020A	2.00-4.00	06/25/20	02/01/31	4,830,000	405,000
Utility Revenue Bonds, Series 2020B - Refunding	1.09	12/30/20	02/01/23	1,414,000	1,057,000
Utility Revenue Bonds, Series 2022A	5.00	07/14/22	02/01/38	13,695,000	-
Utility Revenue Bonds, Series 2023A	4.00 - 5.00	07/13/23	02/01/40	9,090,000	-
Total Public Project Revenue Bonds				77,849,000	20,784,000
Total - Bonded indebtedness				\$ 185,190,000	\$ 39,590,000

CITY OF EDINA, MINNESOTA
COMBINING SCHEDULE OF BONDED INDEBTEDNESS (CONTINUED)
DECEMBER 31, 2023

Outstanding 12/31/2022	2023		Payable 12/31/2023	Principal Due In 2024	Interest Due In 2024	Interest Payable to Maturity
	Issued	Payments				
\$ 2,120,000	\$ -	\$ 330,000	\$ 1,790,000	\$ 340,000	\$ 38,700	\$ 71,275
6,145,000	-	785,000	5,360,000	815,000	146,150	284,303
2,285,000	-	280,000	2,005,000	295,000	92,875	222,000
2,515,000	-	85,000	2,430,000	110,000	118,750	364,500
<u>17,000,000</u>	-	-	<u>17,000,000</u>	-	<u>340,000</u>	<u>170,000</u>
30,065,000	-	1,480,000	28,585,000	1,560,000	736,475	1,112,078
370,000	-	370,000	-	-	-	-
4,690,000	-	400,000	4,290,000	420,000	133,475	537,063
1,900,000	-	110,000	1,790,000	115,000	59,350	380,500
3,040,000	-	245,000	2,795,000	250,000	71,450	337,250
1,680,000	-	115,000	1,565,000	120,000	48,300	229,900
1,975,000	-	125,000	1,850,000	130,000	58,094	310,141
2,090,000	-	110,000	1,980,000	115,000	75,225	414,375
390,000	-	20,000	370,000	20,000	9,300	52,150
1,310,000	-	197,000	1,113,000	199,000	11,592	25,086
5,480,000	-	-	5,480,000	280,000	175,550	1,146,125
1,280,000	-	125,000	1,155,000	145,000	54,125	158,500
2,145,000	-	-	2,145,000	-	107,250	901,125
-	<u>1,180,000</u>	-	<u>1,180,000</u>	-	<u>55,178</u>	<u>467,775</u>
26,350,000	1,180,000	1,817,000	25,713,000	1,794,000	858,889	4,959,990
7,545,000	-	250,000	7,295,000	260,000	207,050	1,794,375
11,525,000	-	735,000	10,790,000	755,000	344,344	2,010,184
<u>1,405,000</u>	-	<u>335,000</u>	<u>1,070,000</u>	<u>345,000</u>	<u>23,300</u>	<u>18,313</u>
12,930,000	-	1,070,000	11,860,000	1,100,000	367,644	2,028,497
10,465,000	-	-	10,465,000	485,000	511,125	3,885,000
1,390,000	-	135,000	1,255,000	140,000	36,194	124,953
5,635,000	-	470,000	5,165,000	485,000	175,600	700,550
1,073,000	-	134,000	939,000	137,000	18,100	48,960
2,210,000	-	200,000	2,010,000	210,000	52,150	188,800
1,235,000	-	605,000	630,000	630,000	9,450	-
1,705,000	-	550,000	1,155,000	565,000	29,000	8,850
4,695,000	-	895,000	3,800,000	915,000	78,738	103,220
4,260,000	-	645,000	3,615,000	665,000	116,000	195,550
2,430,000	-	315,000	2,115,000	325,000	68,925	154,125
4,865,000	-	505,000	4,360,000	535,000	204,625	600,375
4,425,000	-	420,000	4,005,000	435,000	117,940	338,950
357,000	-	357,000	-	-	-	-
13,695,000	-	-	13,695,000	665,000	668,125	4,951,250
-	<u>9,090,000</u>	-	<u>9,090,000</u>	-	<u>465,466</u>	<u>2,348,350</u>
<u>47,975,000</u>	<u>9,090,000</u>	<u>5,231,000</u>	<u>51,834,000</u>	<u>5,707,000</u>	<u>2,040,313</u>	<u>9,763,933</u>
<u>\$ 135,330,000</u>	<u>\$ 10,270,000</u>	<u>\$ 9,848,000</u>	<u>\$ 135,752,000</u>	<u>\$ 10,906,000</u>	<u>\$ 4,721,496</u>	<u>\$ 23,543,873</u>

**CITY OF EDINA, MINNESOTA
SCHEDULE OF BALANCE SHEET ACCOUNTS
TAX INCREMENT FINANCING DISTRICTS
DECEMBER 31, 2023**

	Centennial No. 1203	Valley View No. 1207	Southdale 2 No. 1208	Pentagon Park No. 1211	Grandview 2 No. 1212	66th West No. 1214	50th and France 2 No. 1215	44th & France No. 1216	West 76th Street No. 1217	Amundson Avenue No. 1219	Eden / Wilson No. 1218	72nd and France 2 No. 1223	Total TIF Districts
ASSETS													
Cash and Investments	\$ 1,492,071	\$ -	\$ 5,819,020	\$ 1,062,826	\$ 1,728,316	\$ 1,270	\$ 438,448	\$ 128,309	\$ 19,369	\$ 72,770	\$ 203,751	\$ -	\$ 10,966,150
Accrued Interest	14,133	-	40,978	5,299	20,189	191	1,273	260	64	259	2,991	-	85,637
Loans Receivable	-	-	5,669,809	-	-	-	-	-	-	-	-	-	5,669,809
Due from Other Districts	5,150,000	-	212,037	-	-	-	-	-	-	-	-	-	5,362,037
Due from Other Governments	-	-	-	-	-	-	-	-	18,367	-	-	-	18,367
Total Assets	\$ 6,656,204	\$ -	\$ 11,741,844	\$ 1,068,125	\$ 1,748,505	\$ 1,461	\$ 439,721	\$ 128,569	\$ 37,800	\$ 73,029	\$ 206,742	\$ -	\$ 22,102,000
LIABILITIES													
Accounts Payable	\$ 33,054	\$ -	\$ -	\$ 92,663	\$ 10,672	\$ -	\$ 325,667	\$ 104,798	\$ 33,061	\$ -	\$ 142,748	\$ -	\$ 742,663
Salaries Payable	-	-	-	727	564	-	1,372	645	-	-	-	-	3,308
Contracts Payable	-	-	-	-	111,787	-	-	-	-	-	-	-	111,787
Due to Other Districts	-	-	-	-	500,000	212,037	4,150,000	-	-	-	2,500,000	-	7,362,037
Due to Other Governments	-	-	-	6,449	6,430	617	2,036	1,070	662	696	-	-	17,960
Unearned Revenue	13,000	-	-	-	-	-	-	-	-	-	-	-	13,000
Total Liabilities	46,054	-	-	99,839	629,453	212,654	4,479,075	106,513	33,723	696	2,642,748	-	8,250,755
FUND BALANCE													
Restricted	6,610,150	-	11,741,844	968,286	1,119,052	(211,193)	(4,039,354)	22,056	4,077	72,333	(2,436,006)	-	13,851,245
Total Liabilities and Fund Balance	\$ 6,656,204	\$ -	\$ 11,741,844	\$ 1,068,125	\$ 1,748,505	\$ 1,461	\$ 439,721	\$ 128,569	\$ 37,800	\$ 73,029	\$ 206,742	\$ -	\$ 22,102,000

CITY OF EDINA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TAX INCREMENT FINANCING DISTRICTS
YEAR ENDED DECEMBER 31, 2023

	Centennial District No. 1203	Valley View District No. 1207	Southdale 2 District No. 1208	Pentagon Park District No. 1211	Grandview 2 District No. 1211	66th West District No. 1214	50th and France France 2 District No. 1215	44th & France District No. 1216	West 76th Street District No. 1217	Amundson Avenue District No. 1219	Eden / Wilson District No. 1218	72nd and France 2 District No. 1218	Total Tax Increment Financing Districts
REVENUES													
Tax Increment Collections	\$ -	\$ -	\$ -	\$ 527,032	\$ 598,588	\$ 14,111	\$ 723,704	\$ 232,885	\$ 36,735	\$ 50,588	\$ -	\$ 320	\$ 2,183,963
Other Fees	-	-	-	-	-	-	-	-	1,452	-	-	-	1,452
Investment Income	147,844	-	655,571	59,012	161,086	1,626	10,659	1,562	133	806	6,163	-	1,044,462
Total Revenues	147,844	-	655,571	586,044	759,674	15,737	734,363	234,447	38,320	51,394	6,163	320	3,229,877
EXPENDITURES													
Current:													
General Government	27,709	-	105,279	204,629	19,733	618	686,328	218,176	33,725	955	455	320	1,297,927
Capital Outlay:													
General Government	718,377	-	-	-	1,612,197	-	-	-	-	-	2,307,751	-	4,638,325
Total Expenditures	746,086	-	105,279	204,629	1,631,930	618	686,328	218,176	33,725	955	2,308,206	320	5,936,252
REVENUES OVER (UNDER)	(598,242)	-	550,292	381,415	(872,256)	15,119	48,035	16,271	4,595	50,439	(2,302,043)	-	(2,706,375)
OTHER FINANCING SOURCES (USES)													
Transfers Out	-	-	-	-	(712,342)	-	-	-	-	-	-	-	(712,342)
NET INCREASE (DECREASE) IN FUND BALANCE	(598,242)	-	550,292	381,415	(1,584,598)	15,119	48,035	16,271	4,595	50,439	(2,302,043)	-	(3,418,717)
Fund Balance - January 1	7,208,392	-	11,191,552	586,871	2,703,650	(226,312)	(4,087,389)	5,785	(518)	21,894	(133,963)	-	17,269,962
FUND BALANCE - DECEMBER 31	\$ 6,610,150	\$ -	\$ 11,741,844	\$ 968,286	\$ 1,119,052	\$ (211,193)	\$ (4,039,354)	\$ 22,056	\$ 4,077	\$ 72,333	\$ (2,436,006)	\$ -	\$ 13,851,245

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	120
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	128
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	132
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	137
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	139

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

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**CITY OF EDINA, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2015a	2016	2017
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 85,708,114	\$ 85,838,618	\$ 93,247,973	\$ 96,149,011
Restricted	18,268,724	16,925,171	20,892,680	22,840,869
Unrestricted	31,316,605	21,957,830	22,146,168	26,412,441
Total Governmental Activities Net Position	<u>\$ 135,293,443</u>	<u>\$ 124,721,619</u>	<u>\$ 136,286,821</u>	<u>\$ 145,402,321</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 75,803,672	\$ 83,395,794	\$ 85,158,869	\$ 82,338,560
Restricted	619,295	793,664	804,393	1,338,276
Unrestricted	21,176,026	16,405,405	17,300,872	22,443,806
Total Business-Type Activities Net Position	<u>\$ 97,598,993</u>	<u>\$ 100,594,863</u>	<u>\$ 103,264,134</u>	<u>\$ 106,120,642</u>
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 161,511,786	\$ 169,234,412	\$ 178,406,842	\$ 178,487,571
Restricted	18,888,019	17,718,835	21,697,073	24,179,145
Unrestricted	52,492,631	38,363,235	39,447,040	48,856,247
Total Primary Government Net Position	<u>\$ 232,892,436</u>	<u>\$ 225,316,482</u>	<u>\$ 239,550,955</u>	<u>\$ 251,522,963</u>

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

^b The City implemented GASB 75 in fiscal year 2018. Prior year information has not been restated as a result of this change in accounting principle.

**CITY OF EDINA, MINNESOTA
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2018b	2019	2020	2021	2022	2023
\$ 107,133,225	\$ 110,670,335	\$ 117,052,475	\$ 116,754,295	\$ 102,453,359	\$ 112,750,230
25,017,586	36,999,647	60,063,244	76,262,266	70,035,114	67,750,386
31,277,308	27,680,337	16,475,796	15,308,966	29,841,435	32,417,853
<u>\$ 163,428,119</u>	<u>\$ 175,350,319</u>	<u>\$ 193,591,515</u>	<u>\$ 208,325,527</u>	<u>\$ 202,329,908</u>	<u>\$ 212,918,469</u>
\$ 81,980,815	\$ 80,452,583	\$ 81,135,647	\$ 86,975,121	\$ 90,405,666	\$ 96,982,508
1,360,336	1,360,336	1,268,479	1,225,093	-	1,245,001
27,285,949	32,045,171	33,086,023	32,253,873	43,289,552	43,770,784
<u>\$ 110,627,100</u>	<u>\$ 113,858,090</u>	<u>\$ 115,490,149</u>	<u>\$ 120,454,087</u>	<u>\$ 133,695,218</u>	<u>\$ 141,998,293</u>
\$ 189,114,040	\$ 191,122,918	\$ 198,188,122	\$ 203,729,416	\$ 192,859,025	\$ 209,732,738
26,377,922	38,359,983	61,331,723	77,487,359	70,035,114	68,995,387
58,563,257	59,725,508	49,561,819	47,562,839	73,130,987	76,188,637
<u>\$ 274,055,219</u>	<u>\$ 289,208,409</u>	<u>\$ 309,081,664</u>	<u>\$ 328,779,614</u>	<u>\$ 336,025,126</u>	<u>\$ 354,916,762</u>

**CITY OF EDINA, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014a	2015b	2016	2017
EXPENSES				
Governmental Activities:				
General Government	\$ 8,522,319	\$ 8,518,236	\$ 9,587,567	\$ 9,164,272
Public Safety	18,145,498	19,507,770	20,243,209	21,815,101
Public Works	15,553,852	15,284,777	19,444,472	17,750,505
Parks	3,330,781	3,385,367	3,822,716	4,222,431
Interest on Long-Term Debt	1,989,863	2,180,678	2,133,474	1,996,354
Total Governmental Activities Expenses	<u>47,542,313</u>	<u>48,876,828</u>	<u>55,231,438</u>	<u>54,948,663</u>
Business-Type Activities:				
Water	14,207,197	14,963,304	16,780,474	17,361,659
Sewer	-	-	-	-
Stormwater	-	-	-	-
Recycling	-	-	-	-
Liquor	12,393,218	11,818,602	12,130,254	12,007,885
Aquatic Center	827,485	872,960	915,560	1,015,328
Golf Course	3,342,544	3,409,343	3,041,169	3,469,121
Arena	2,375,173	2,642,097	2,842,660	2,961,787
Community Activity Centers	2,975,782	3,436,325	3,853,091	4,095,309
Total Business-Type Activities Expenses	<u>36,121,399</u>	<u>37,142,631</u>	<u>39,563,208</u>	<u>40,911,089</u>
Total Primary Government Expenses	<u>\$ 83,663,712</u>	<u>\$ 86,019,459</u>	<u>\$ 94,794,646</u>	<u>\$ 95,859,752</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 1,529,555	\$ 1,322,430	\$ 1,453,009	\$ 1,142,120
Public Safety	8,102,352	8,683,465	8,996,046	9,627,122
Other Activities	960,261	1,158,207	1,289,770	1,288,452
Operating Grants and Contributions	1,578,538	3,122,178	2,751,495	2,194,336
Capital Grants and Contributions	8,244,695	10,044,077	15,252,861	9,775,184
Total Governmental Activities Program Revenues	<u>20,415,401</u>	<u>24,330,357</u>	<u>29,743,181</u>	<u>24,027,214</u>
Business-Type Activities:				
Charges for Services:				
Water	17,550,802	19,335,443	19,505,905	21,361,972
Sewer	-	-	-	-
Stormwater	-	-	-	-
Recycling	-	-	-	-
Liquor	13,515,168	12,462,387	12,937,092	12,991,764
Aquatic Center	918,412	971,936	956,068	962,857
Golf Course	3,229,348	2,857,190	2,809,702	1,254,412
Arena	2,092,567	2,316,853	2,314,892	2,508,192
Community Activity Centers	2,583,257	3,119,789	3,190,775	3,348,628
Operating Grants and Contributions	428,416	595,141	445,464	179,086
Capital Grants and Contributions	-	-	-	904,201
Total Business-Type Activities Program Revenues	<u>40,317,970</u>	<u>41,658,739</u>	<u>42,159,898</u>	<u>43,511,112</u>
Total Primary Government Program Revenues	<u>\$ 60,733,371</u>	<u>\$ 65,989,096</u>	<u>\$ 71,903,079</u>	<u>\$ 67,538,326</u>
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (27,126,912)	\$ (24,546,471)	\$ (25,488,257)	\$ (30,921,449)
Business-Type Activities	4,196,571	4,516,108	2,596,690	2,600,023
Total Primary Government Net Expense	<u>\$ (22,930,341)</u>	<u>\$ (20,030,363)</u>	<u>\$ (22,891,567)</u>	<u>\$ (28,321,426)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Property Taxes	\$ 27,062,224	\$ 29,632,072	\$ 31,396,421	\$ 33,665,029
Tax Increment Collections	5,052,705	1,792,896	2,779,097	3,422,898
Franchise Taxes	2,055,396	2,089,038	2,346,423	2,408,884
Lodging Taxes	11,301	22,716	22,624	21,006
General Sales Tax	-	-	-	-
Unrestricted Investment Earnings	440,051	195,620	344,277	514,073
Gain on Disposal of Capital Assets	29,037	41,900	65,044	-
Insurance Recovery	-	-	-	-
Transfers	(9,605,225)	(2,230,966)	99,573	5,059
Total Governmental Activities	<u>25,045,489</u>	<u>31,543,276</u>	<u>37,053,459</u>	<u>40,036,949</u>
Business-Type Activities:				
Unrestricted Investment Earnings	191,974	91,907	136,208	254,990
Gain (Loss) on Disposal of Capital Assets	-	39,427	35,946	6,554
Transfers	9,605,225	2,230,966	(99,573)	(5,059)
Total Business-Type Activities	<u>9,797,199</u>	<u>2,362,300</u>	<u>72,581</u>	<u>256,485</u>
Total Primary Government	<u>\$ 34,842,688</u>	<u>\$ 33,905,576</u>	<u>\$ 37,126,040</u>	<u>\$ 40,293,434</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ (2,081,423)	\$ 6,996,805	\$ 11,565,202	\$ 9,115,500
Business-Type Activities	13,993,770	6,878,408	2,669,271	2,856,508
Total Primary Government	<u>\$ 11,912,347</u>	<u>\$ 13,875,213</u>	<u>\$ 14,234,473</u>	<u>\$ 11,972,008</u>

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

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

^c The City completed a major departmental reorganization in 2018, moving parks maintenance activities from public works to parks.

^d The City also implemented GASB 75 in fiscal year 2018. Prior year information has not been restated as a result of either change. The City broke out the various functions within the utilities fund for the first time in 2020. Prior year information has not been restated.

**CITY OF EDINA, MINNESOTA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2018c	2019	2020d	2021	2022	2023
\$ 10,964,266	\$ 11,252,538	\$ 11,698,533	\$ 14,844,785	\$ 19,199,880	\$ 19,505,673
20,971,184	27,496,563	27,058,719	24,288,956	29,290,638	32,790,034
14,170,463	10,979,180	16,117,060	11,497,445	23,018,094	18,755,764
7,235,405	7,554,919	6,798,866	7,365,756	7,928,925	8,354,807
1,726,901	1,999,318	1,561,462	1,282,299	1,709,865	2,058,881
<u>55,068,219</u>	<u>59,282,518</u>	<u>63,234,640</u>	<u>59,279,241</u>	<u>81,147,402</u>	<u>81,465,159</u>
18,045,516	19,303,212	9,592,913	9,094,274	7,449,657	7,500,796
-	-	7,641,660	7,690,708	8,612,892	9,155,586
-	-	3,424,049	3,146,475	2,735,091	4,031,428
-	-	1,392,003	1,956,546	1,838,148	1,671,424
11,995,159	11,970,986	11,500,971	13,435,305	13,725,070	12,890,487
996,671	979,376	386,026	1,052,346	1,218,383	1,336,122
2,464,563	4,009,097	4,257,484	4,822,338	5,282,761	5,889,718
2,996,844	2,982,674	2,876,897	2,882,067	3,214,462	3,522,909
4,096,452	4,286,773	3,412,784	3,231,622	4,537,612	5,004,952
<u>40,595,205</u>	<u>43,532,118</u>	<u>44,484,787</u>	<u>47,311,681</u>	<u>48,614,076</u>	<u>51,003,422</u>
<u>\$ 95,663,424</u>	<u>\$ 102,814,636</u>	<u>\$ 107,719,427</u>	<u>\$ 106,590,922</u>	<u>\$ 129,761,478</u>	<u>\$ 132,468,581</u>
\$ 2,395,535	\$ 1,204,947	\$ 4,172,729	\$ 2,207,889	\$ 5,873,349	\$ 1,893,976
9,978,816	9,747,031	10,152,772	9,970,031	11,909,539	11,324,457
1,202,732	1,265,918	1,007,903	1,351,458	1,670,253	1,490,859
4,028,247	4,271,243	7,626,236	2,721,724	6,792,587	6,926,971
6,695,172	6,625,040	7,318,687	4,030,108	4,943,744	4,673,918
<u>24,300,502</u>	<u>23,114,179</u>	<u>30,278,327</u>	<u>20,281,210</u>	<u>31,189,472</u>	<u>26,310,181</u>
22,697,468	21,875,655	9,236,665	10,302,974	12,717,867	12,483,445
-	-	10,622,411	10,732,193	12,706,062	10,438,055
-	-	4,773,432	5,207,295	5,389,214	5,934,139
-	-	1,148,338	1,447,226	1,485,925	1,584,965
13,401,754	13,094,407	12,117,414	14,280,055	14,427,474	13,330,018
997,727	996,778	-	1,071,692	1,144,569	1,120,598
1,396,173	3,395,815	3,968,529	5,290,109	6,080,771	6,306,176
2,629,945	2,516,629	1,638,011	2,347,678	2,551,853	2,749,483
3,303,278	3,240,000	1,499,060	2,106,088	2,979,493	3,123,525
545,682	44,953	47,780	404,419	271,640	428,035
-	692,281	396,103	-	-	-
<u>44,972,027</u>	<u>45,856,518</u>	<u>45,447,743</u>	<u>53,189,729</u>	<u>59,754,868</u>	<u>57,498,439</u>
<u>\$ 69,272,529</u>	<u>\$ 68,970,697</u>	<u>\$ 75,726,070</u>	<u>\$ 73,470,939</u>	<u>\$ 90,944,340</u>	<u>\$ 83,808,620</u>
\$ (30,767,717)	\$ (36,168,339)	\$ (32,956,313)	\$ (38,998,031)	\$ (49,957,930)	\$ (55,154,978)
4,376,822	2,324,400	962,956	5,878,048	11,140,792	6,495,017
<u>\$ (26,390,895)</u>	<u>\$ (33,843,939)</u>	<u>\$ (31,993,357)</u>	<u>\$ (33,119,983)</u>	<u>\$ (38,817,138)</u>	<u>\$ (48,659,961)</u>
\$ 35,616,432	\$ 37,133,269	\$ 39,545,279	\$ 41,826,967	\$ 45,074,974	\$ 49,210,670
4,997,706	5,447,108	6,452,819	8,295,756	1,720,243	2,078,687
2,559,443	2,881,726	3,071,392	3,090,322	3,071,551	3,111,525
25,298	24,119	8,313	17,214	25,751	28,675
-	-	-	-	-	5,501,492
901,405	2,037,306	1,835,870	(372,080)	(2,903,247)	5,324,618
5,032,815	408,659	-	101,404	53,576	124,585
-	-	-	-	-	-
305,428	158,352	283,836	772,460	(3,080,537)	363,287
<u>49,438,527</u>	<u>48,090,539</u>	<u>51,197,509</u>	<u>53,732,043</u>	<u>43,962,311</u>	<u>65,743,539</u>
481,754	1,064,942	945,580	(141,650)	(980,198)	2,142,983
-	-	7,359	-	-	28,362
(305,428)	(158,352)	(283,836)	(772,460)	3,080,537	(363,287)
<u>176,326</u>	<u>906,590</u>	<u>669,103</u>	<u>(914,110)</u>	<u>2,100,339</u>	<u>1,808,058</u>
<u>\$ 49,614,853</u>	<u>\$ 48,997,129</u>	<u>\$ 51,866,612</u>	<u>\$ 52,817,933</u>	<u>\$ 46,062,650</u>	<u>\$ 67,551,597</u>
\$ 18,670,810	\$ 11,922,200	\$ 18,241,196	\$ 14,734,012	\$ (5,995,619)	\$ 10,588,561
4,553,148	3,230,990	1,632,059	4,963,938	13,241,131	8,303,075
<u>\$ 23,223,958</u>	<u>\$ 15,153,190</u>	<u>\$ 19,873,255</u>	<u>\$ 19,697,950</u>	<u>\$ 7,245,512</u>	<u>\$ 18,891,636</u>

**CITY OF EDINA, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014 ^a	2015	2016 ^a	2017 ^a
GENERAL FUND				
Nonspendable	\$ 240,291	\$ 529,513	\$ 27,643	\$ 13,124
Restricted	757,673	417,673	927,673	961,133
Assigned	1,566,329	1,547,398	1,612,240	1,739,079
Unassigned	11,429,444	11,825,799	14,624,755	15,656,518
	<u>11,429,444</u>	<u>11,825,799</u>	<u>14,624,755</u>	<u>15,656,518</u>
Total General Fund	<u>\$ 13,993,737</u>	<u>\$ 14,320,383</u>	<u>\$ 17,192,311</u>	<u>\$ 18,369,854</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted, Reported in:				
Special Revenue Funds	9,719,309	9,405,757	12,673,995	14,453,556
Debt Service Funds	12,678,291	7,134,575	11,187,468	17,000,806
Construction Funds	6,598,832	551,132	209,510	78,702
Assigned, Reported in:				
Capital Projects Funds	7,046,610	13,127,881	13,109,438	15,710,621
Unassigned, Reported in:				
Special Revenue Funds	-	-	(190,845)	-
Total all Other Governmental Funds	<u>\$ 36,043,042</u>	<u>\$ 30,219,345</u>	<u>\$ 36,989,566</u>	<u>\$ 47,243,685</u>

^a The substantial increase in other governmental funds restricted fund balance is due to unspent bond proceeds related to the current refunding that took place on February 1 of the following year.

**CITY OF EDINA, MINNESOTA
 FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ -	\$ 28,403	\$ 28,403	\$ 85,083	\$ 80,509	\$ 96,823
961,133	58,086	58,086	58,086	58,086	58,086
2,105,741	2,093,760	6,679,877	5,627,113	5,592,639	5,684,253
16,812,851	16,411,412	20,476,747	18,003,259	19,904,228	21,240,417
<u>\$ 19,879,725</u>	<u>\$ 18,591,661</u>	<u>\$ 27,243,113</u>	<u>\$ 23,773,541</u>	<u>\$ 25,635,462</u>	<u>\$ 27,079,579</u>
\$ -	\$ -	\$ -	\$ 71,784	\$ 1,479	\$ 2,196
14,755,259	18,653,029	26,862,127	42,538,152	37,788,867	33,803,725
7,871,858	8,341,996	9,727,306	11,178,492	6,702,038	6,724,091
30,072	-	-	-	-	3,419,009
19,726,343	21,927,249	19,634,745	25,778,679	29,480,869	33,553,682
-	-	(50,610)	-	-	-
<u>\$ 42,383,532</u>	<u>\$ 48,922,274</u>	<u>\$ 56,173,568</u>	<u>\$ 79,567,107</u>	<u>\$ 73,973,253</u>	<u>\$ 77,502,703</u>

CITY OF EDINA, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
REVENUES				
General Property Taxes	\$ 26,988,493	\$ 29,535,270	\$ 31,354,023	\$ 33,696,550
Tax Increment Collections	5,052,705	1,792,896	2,779,097	3,422,898
Franchise Taxes	2,055,396	2,089,038	2,346,423	2,408,884
Lodging Fees	11,301	22,716	22,624	21,006
General Sales Tax	-	-	-	-
Special Assessments	4,606,010	4,132,128	5,276,194	5,330,766
License and Permits	4,583,183	4,907,364	5,268,519	5,403,222
Intergovernmental	3,961,509	6,093,966	5,775,114	3,687,262
Charges for Services	4,270,720	4,414,991	4,689,389	4,917,173
Fines and Forfeitures	1,163,907	1,195,271	1,016,817	1,135,986
Investment Income	440,051	195,314	344,344	512,448
Rental of Property	546,874	416,522	514,955	459,099
Parkland Dedication	757,278	800,000	1,250,000	33,460
Other Revenues	78,775	361,425	2,599,830	761,281
Total Revenues	<u>54,516,202</u>	<u>55,956,901</u>	<u>63,237,329</u>	<u>61,790,035</u>
EXPENDITURES				
General Government	7,625,826	6,337,944	6,815,725	7,065,729
Public Safety	16,647,821	17,537,528	18,554,507	19,233,386
Public Works	10,201,335	10,578,472	10,474,008	11,524,896
Parks	1,341,884	1,416,858	1,529,384	1,695,397
Capital Outlay	19,883,144	19,912,565	16,787,575	11,053,212
Debt Service:				
Principal	4,096,375	13,276,375	5,246,375	5,496,375
Interest and Other Charges	1,923,647	2,375,613	2,360,827	2,359,551
Total Expenditures	<u>61,720,032</u>	<u>71,435,355</u>	<u>61,768,401</u>	<u>58,428,546</u>
REVENUES OVER (UNDER) EXPENDITURES	(7,203,830)	(15,478,454)	1,468,928	3,361,489
OTHER FINANCING SOURCES (USES)				
Utility Contributions from Other Funds	-	-	-	-
Transfers In	1,404,975	3,232,770	3,504,542	5,130,405
Transfers Out	(11,010,200)	(6,472,066)	(3,404,969)	(5,057,263)
Sale of Capital Assets	70,603	78,509	65,044	84,388
Insurance Recovery	-	167,167	-	-
Loans Issued	-	-	-	-
Bonds Issued	16,155,000	9,040,000	3,940,000	1,995,000
Refunding Bonds Issued	5,180,000	3,490,000	3,635,000	8,955,000
Premium on Bonds Issued	327,987	492,838	450,409	798,791
Discount on Bonds Issued	(179,891)	(47,815)	(16,805)	(51,148)
Payment to Refunding Escrow	-	-	-	(3,785,000)
Total Other Financing Sources (Uses)	<u>11,948,474</u>	<u>9,981,403</u>	<u>8,173,221</u>	<u>8,070,173</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,744,644</u>	<u>\$ (5,497,051)</u>	<u>\$ 9,642,149</u>	<u>\$ 11,431,662</u>
Debt Service as a Percentage of Noncapital Expenditures	13.7%	28.9%	16.2%	15.9%

CITY OF EDINA, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 35,613,883	\$ 37,093,074	\$ 39,509,239	\$ 41,796,463	\$ 45,096,245	\$ 49,156,931
4,997,706	5,447,108	6,452,819	8,295,756	1,720,243	2,078,687
2,559,443	2,881,726	3,071,392	3,090,322	3,071,551	3,111,525
25,298	24,119	8,313	17,214	25,751	28,675
-	-	-	-	-	5,450,871
4,747,205	4,741,557	4,629,551	4,130,703	4,426,156	3,609,885
5,912,757	5,183,754	6,454,749	6,077,446	7,482,098	5,716,734
5,124,573	3,687,620	11,218,739	3,321,222	6,459,627	7,718,968
4,898,548	5,431,941	4,968,288	5,980,258	6,254,411	7,121,548
1,122,426	1,097,122	485,472	460,914	359,680	488,872
889,550	1,989,881	1,835,870	(372,080)	(2,903,247)	5,324,618
632,011	487,797	479,148	491,579	711,100	34,017
-	-	-	-	-	-
990,277	600,905	3,069,269	704,558	4,737,252	975,653
<u>67,513,677</u>	<u>68,666,604</u>	<u>82,182,849</u>	<u>73,994,355</u>	<u>77,440,867</u>	<u>90,816,984</u>
8,630,290	8,973,194	8,577,452	12,236,821	17,968,839	14,514,601
20,323,076	21,701,254	25,612,596	25,694,255	26,526,855	28,873,158
8,682,928	8,998,768	8,843,557	10,718,078	11,502,009	12,807,448
5,202,962	5,453,778	4,878,372	5,917,562	6,471,305	6,887,573
19,752,836	18,558,023	13,056,078	12,203,492	29,567,796	26,544,647
5,523,369	5,778,476	5,865,000	8,326,000	9,247,829	4,642,939
2,099,594	1,923,526	2,007,730	1,892,346	2,048,560	2,828,936
<u>70,215,055</u>	<u>71,387,019</u>	<u>68,840,785</u>	<u>76,988,554</u>	<u>103,333,193</u>	<u>97,099,302</u>
(2,701,378)	(2,720,415)	13,342,064	(2,994,199)	(25,892,326)	(6,282,318)
37,978	115,494	-	-	-	-
5,464,771	6,738,864	6,260,386	8,408,356	3,823,898	4,775,548
(5,139,771)	(6,604,736)	(5,976,550)	(7,639,656)	(3,515,998)	(4,429,444)
6,201,630	1,172,391	251,670	3,000,821	106,406	77,700
-	-	-	-	-	-
-	750,000	-	-	-	-
2,210,000	5,000,000	1,991,000	16,820,000	29,610,000	1,180,000
-	-	-	-	-	-
74,787	799,080	34,176	2,329,645	1,691,560	95,608
(18,299)	-	-	-	-	-
(9,480,000)	-	-	-	-	-
<u>(648,904)</u>	<u>7,971,093</u>	<u>2,560,682</u>	<u>22,919,166</u>	<u>31,715,866</u>	<u>1,699,412</u>
<u>\$ (3,350,282)</u>	<u>\$ 5,250,678</u>	<u>\$ 15,902,746</u>	<u>\$ 19,924,967</u>	<u>\$ 5,823,540</u>	<u>\$ (4,582,906)</u>
14.6%	13.8%	13.2%	15.6%	15.2%	10.2%

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

Fiscal Year	Market Value (In Thousands) ^a			Tax Capacity (In Thousands)			City Tax Capacity Rate	City Referendum Rate	Estimated Direct Rate ^b
	Estimated	Limited	Taxable	Total	Used for Rate	Adjusted Net			
2014	9,065,550	9,065,550	8,911,695	108,069	93,607	96,156	27.920%	0.00695%	2.961
2015	9,837,972	9,837,972	9,701,677	117,907	106,662	109,203	26.605%	0.00631%	2.953
2016	10,420,339	10,420,339	10,296,342	125,664	112,491	115,128	27.137%	0.00550%	2.998
2017	10,902,621	10,902,621	10,785,198	132,180	116,854	119,756	28.271%	0.00000%	3.105
2018	11,655,318	11,655,318	11,547,520	141,934	125,242	128,453	27.849%	0.00000%	3.069
2019	12,370,205	12,370,205	12,271,673	151,279	132,609	136,083	27.499%	0.00000%	3.025
2020	12,879,164	12,879,164	12,785,798	157,910	137,611	141,311	28.082%	0.00000%	3.081
2021	13,344,357	13,344,357	13,255,470	164,716	141,273	145,322	28.939%	0.00000%	3.151
2022	13,796,381	13,796,381	13,713,197	169,928	151,491	155,998	29.947%	0.00000%	3.386
2023	15,461,411	15,461,411	15,386,401	190,473	172,188	176,690	28.056%	0.00000%	3.206

Source: Hennepin County Taxpayer Services.

^a Property in the City is assessed annually. Assessed value is equal to market value, although taxable value may be different, as shown. The City receives reports from Hennepin County showing total market value, but not separated by property classification.

^b This value is estimated by the City Finance Department by taking City taxes as a rate of estimated market value (rate per \$1,000 of assessed value). The property tax system in Minnesota uses a tax capacity system whereby each parcel is assigned a tax capacity based on taxable value and class. In Minnesota, local taxes are usually expressed as a percentage of this calculated tax capacity (see column titled "City Tax Capacity Rate"). Therefore, this rate is only theoretical and shown for comparative purposes only.

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

Fiscal Year	City Rates					Overlapping Rates				Total Direct and Overlap
	Basic Rate	Debt Rate	HRA Rate	Total Tax Capacity	RMV	Hennepin	ISD #273 Edina		Other	
							Tax Cap.	RMV		
2014	24.458%	3.462%	0.000%	27.920%	0.007%	49.959%	27.556%	0.223%	12.051%	117.486%
2015	22.477%	4.128%	0.000%	26.605%	0.006%	46.398%	27.344%	0.215%	11.100%	111.447%
2016	23.223%	3.914%	0.000%	27.137%	0.006%	45.356%	34.898%	0.201%	11.254%	118.645%
2017	24.348%	3.841%	0.082%	28.271%	0.000%	44.087%	34.798%	0.188%	11.057%	118.213%
2018	24.187%	3.564%	0.098%	27.849%	0.000%	42.808%	30.972%	0.222%	10.667%	112.296%
2019	23.992%	3.388%	0.119%	27.499%	0.000%	41.861%	30.589%	0.210%	9.714%	109.663%
2020	24.690%	3.255%	0.137%	28.082%	0.000%	41.084%	30.589%	0.219%	9.330%	109.085%
2021	26.264%	2.515%	0.160%	28.939%	0.000%	38.210%	31.474%	0.211%	8.833%	107.456%
2022	26.863%	2.073%	0.152%	29.088%	0.000%	38.535%	29.975%	0.219%	8.830%	106.428%
2023	26.229%	1.827%	0.138%	28.194%	0.000%	34.542%	28.093%	0.222%	7.879%	98.708%

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

Geographic boundaries for overlapping district are not identical to the City's boundaries. City boundaries contain six different school districts but only ISD #273 is shown here. Other districts include Mosquito Control, Met Council, Metro Transit, Hennepin Parks, Park Museum and Regional Railroad Authority. In addition, there are two watershed districts in the City, Nine Mile Creek and Minnehaha Creek, and rates for Nine Mile are included in Other. Total rates do not include RMV rates.

**CITY OF EDINA, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Tax Capacity	Rank	Percentage of Total Capacity	Tax Capacity	Rank	Percentage of Total Capacity
Galleria Shopping Center	\$ 3,071,117	1	1.61%	\$ 1,978,800	2	1.69%
Centennial Lakes Office	2,983,378	2	1.57%	-	DNA	0.00%
Southdale Shopping Center	2,758,724	3	1.45%	2,506,810	1	2.14%
Southdale Medical Building	1,338,311	4	0.70%	620,285	7	0.53%
Centennial Lakes Plaza	1,410,390	5	0.74%	DNA	DNA	DNA
The Bower Residences	1,326,631	6	0.70%	DNA	DNA	DNA
Cedars of Edina	1,297,928	7	0.68%	DNA	DNA	DNA
Southdale Office Center	1,044,740	8	0.55%	701,274	5	0.60%
71 France Apartments	970,613	9	0.51%	DNA	DNA	DNA
Onyx Apartments	943,040	10	0.50%	DNA	DNA	DNA
Centennial Lakes Retail	DNA	DNA	DNA	788,526	3	0.67%
Centennial Lakes Phase V	DNA	DNA	DNA	704,848	4	0.60%
Centennial Lakes Phase IV	DNA	DNA	DNA	691,196	6	0.59%
National Car	DNA	DNA	DNA	508,794	8	0.43%
Centennial Lakes Phase III	DNA	DNA	DNA	439,470	9	0.37%
Target	DNA	DNA	DNA	439,250	10	0.37%
Totals	<u>\$ 17,144,872</u>		9.00%	<u>\$ 9,379,253</u>		7.99%

Source: City of Edina Assessing Office
DNA: Data is not available

**CITY OF EDINA, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Taxes Payable	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	27,454,872	27,326,092	99.53%	(44,905)	27,281,187	99.37%
2015	29,700,010	29,497,362	99.32%	(80,678)	29,416,684	99.05%
2016	31,799,123	31,383,415	98.69%	47,887	31,431,302	98.84%
2017	33,822,369	33,645,085	99.48%	(49,937)	33,595,148	99.33%
2018	35,784,777	35,551,096	99.35%	(30,283)	35,520,813	99.26%
2019	37,431,021	37,104,274	99.13%	67,144	37,171,418	99.31%
2020	39,659,543	39,392,703	99.33%	(19,546)	39,373,157	99.28%
2021	42,018,271	41,704,258	99.25%	(64,021)	41,640,237	99.10%
2022	45,367,336	45,005,400	99.20%	(46,258)	44,959,143	99.10%
2023	49,855,000	49,423,644	99.13%	-	49,423,644	99.13%

Source: Hennepin County Taxpayer Services.

CITY OF EDINA, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities								Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Debt	Public Project Revenue	Tax Increment Bonds	Permanent Improvement Revolving	EEEEP Revenue Bonds	Notes Payable	Leases Payable	Subscriptions Payable	Rec. Facility Bonds	Utility Revenue Bonds	Leases Payable			
2014	30,806	21,445	-	21,554	51	-	-	-	6,249	39,633	-	119,738	3.84%	2,382
2015	27,225	21,300	-	24,776	40	-	-	-	8,055	32,575	-	113,971	3.53%	2,245
2016	28,560	20,395	-	26,874	28	-	-	-	7,677	36,691	-	120,225	3.68%	2,321
2017	31,748	19,485	-	26,772	17	-	-	-	16,946	38,661	-	133,629	3.75%	2,545
2018	20,115	18,434	-	26,415	13	-	-	-	14,696	36,768	-	116,441	3.35%	2,216
2019	21,211	17,495	-	26,323	-	750	-	-	12,423	39,230	-	117,432	3.16%	2,205
2020	18,917	16,363	-	25,559	-	750	-	-	12,945	39,618	-	114,152	2.78%	2,134
2021	19,087	14,071	8,293	29,502	-	750	-	-	14,241	31,733	-	117,677	3.04%	2,197
2022	43,000	12,976	8,252	28,167	-	750	11	-	10,841	41,025	34	145,057	3.45%	2,684
2023	41,108	11,894	7,935	27,375	-	750	9	365	9,799	46,224	18	145,476	3.20%	2,692

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

All figures are presented net of related premiums, discounts, and adjustments if applicable.

^a Population and personal income data from U.S. Census Bureau/Metropolitan Council.

**CITY OF EDINA, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year	General Obligation Debt ^a	Less: Amounts Available in Debt Service Fund ^b	Total	Percentage of Property Value ^c	Per Capita ^d
2014	30,200	12,678	17,522	0.19%	349
2015	26,710	7,135	19,575	0.20%	386
2016	27,935	11,187	16,748	0.16%	323
2017	30,630	17,001	13,629	0.13%	260
2018	19,155	7,872	11,283	0.10%	215
2019	19,905	8,342	11,563	0.09%	217
2020	18,917	9,727	9,190	0.07%	172
2021	19,087	11,178	7,909	0.06%	148
2022	43,000	6,702	36,298	0.26%	672
2023	41,108	6,724	34,384	0.22%	636

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

^a Presented net of related premiums, discounts, and adjustments.

^b This is the amount restricted for debt service principal payments.

^c See statistical schedule titled "Assessed Value, Actual Value and Tax Capacity of Taxable Property" for estimated property value data.

^d Population from U.S. Census Bureau/Metropolitan Council.

**CITY OF EDINA, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2023**

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable in City^a</u>	<u>City Share of Debt</u>
Overlapping Debt:			
Hennepin County	\$ 1,056,334,526	7.01%	\$ 74,049,050
Hennepin Suburban Park District	49,655,074	9.67%	4,801,646
Hennepin Regional Rail Authority	80,622,443	7.01%	5,651,633
School Districts:			
ISD No. 273 (Edina)	170,241,095	98.94%	168,436,539
ISD No. 270 (Hopkins)	139,056,123	7.93%	11,027,151
ISD No. 271 (Bloomington)	148,519,688	0.01%	14,852
ISD No. 272 (Eden Prairie)	98,606,125	1.02%	1,005,782
ISD No. 280 (Richfield)	121,208,981	31.47%	38,144,466
ISD No. 283 (St. Louis Park)	244,574,896	0.03%	73,372
Metro Council	<u>89,723,130</u>	3.47%	<u>3,113,393</u>
Total Overlapping Debt	2,198,542,081		306,317,885
Direct Debt:			
City of Edina	<u>89,397,074</u>	100.00%	<u>89,397,074</u>
Total Overlapping and Direct Debt	<u><u>\$ 2,287,939,155</u></u>		<u><u>\$ 395,714,959</u></u>

Debt Ratios:

Ratio of Debt Per Capita (54,048 Population)	\$ 7,322
Ratio of Debt to Estimated Market Valuation of \$15,461,411,000	2.56%

Source: Hennepin County Taxpayer Services

^a The percentage of overlapping debt applicable is estimated using tax capacity. Applicable percentages were estimated by determining the portion of another governmental unit's tax capacity that is within the City's boundaries and dividing it by each unit's total tax capacity.

**CITY OF EDINA, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 267,351	\$ 291,050	\$ 308,890	\$ 323,556	\$ 346,426	\$ 368,150	\$ 383,574	\$ 400,331	\$ 413,891	\$ 463,842
Total Net Debt Applicable to Limit	<u>51,760</u>	<u>48,000</u>	<u>48,325</u>	<u>50,115</u>	<u>37,595</u>	<u>37,265</u>	<u>33,970</u>	<u>31,705</u>	<u>53,460</u>	<u>50,910</u>
Legal Debt Margin	<u>\$ 215,591</u>	<u>\$ 243,050</u>	<u>\$ 260,565</u>	<u>\$ 273,441</u>	<u>\$ 308,831</u>	<u>\$ 330,885</u>	<u>\$ 349,604</u>	<u>\$ 368,626</u>	<u>\$ 360,431</u>	<u>\$ 412,932</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.36%	16.49%	15.64%	15.49%	10.85%	10.12%	8.86%	7.92%	12.92%	10.98%

Legal Debt Margin Calculation for Fiscal Year 2023

Market Value (After Fiscal Disparities)	\$ 15,461,411,000
Debt Limit (3% of Market Value)	463,842,330
Debt Applicable to Limit:	
General Obligation Bonds	39,050,000
Public Project Revenue Bonds	<u>11,860,000</u>
Total Debt Applicable to Limit	<u>50,910,000</u>
Legal Debt Margin	<u>\$ 412,932,330</u>

**CITY OF EDINA, MINNESOTA
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Public Project Revenue Bonds (Annual Appropriation Lease Revenue)							
2014	1,356,844	-	1,356,844	235,000	223,754	458,754	2.96
2015	2,521,840	-	2,521,840	3,760,000	729,879	4,489,879	0.56
2016	2,499,521	-	2,499,521	900,000	654,473	1,554,473	1.61
2017	2,496,500	-	2,496,500	905,000	633,527	1,538,527	1.62
2018	2,507,700	-	2,507,700	1,045,000	607,148	1,652,148	1.52
2019	2,510,900	-	2,510,900	1,080,000	574,566	1,654,566	1.52
2020	2,506,300	-	2,506,300	1,115,000	540,690	1,655,690	1.51
2021	1,554,400	-	1,554,400	1,145,000	521,504	1,666,504	0.93
2022	1,560,000	-	1,560,000	1,040,000	428,269	1,468,269	1.06
2023	1,558,000	-	1,558,000	1,070,000	400,194	1,470,194	1.06
Tax Increment Bonds							
2014	5,052,705	-	5,052,705	-	-	-	-
2015	1,792,896	-	1,792,896	-	-	-	-
2016	2,779,097	-	2,779,097	-	-	-	-
2017	3,422,898	-	3,422,898	-	-	-	-
2018	4,997,706	-	4,997,706	-	-	-	-
2019	5,447,108	-	5,447,108	-	-	-	-
2020	6,452,819	-	6,452,819	-	-	-	-
2021	8,295,756	-	8,295,756	-	-	-	-
2022	1,720,243	-	1,720,243	-	245,092	245,092	7.02
2023	2,078,687	-	2,078,687	250,000	217,250	467,250	4.45
Permanent Improvement Revolving Bonds (Special Assessment)							
2014	2,870,102	-	2,870,102	1,555,000	548,927	2,103,927	1.36
2015	3,732,374	-	3,732,374	6,015,000	503,029	6,518,029	0.57
2016	4,727,881	-	4,727,881	1,925,000	705,628	2,630,628	1.80
2017	4,746,414	-	4,746,414	2,105,000	745,783	2,850,783	1.66
2018	4,121,203	-	4,121,203	2,480,000	746,023	3,226,023	1.28
2019	4,097,625	-	4,097,625	2,630,000	745,697	3,375,697	1.21
2020	4,075,208	-	4,075,208	2,570,000	771,215	3,341,215	1.22
2021	2,338,866	-	2,338,866	1,961,000	699,572	2,660,572	0.88
2022	2,167,201	-	2,167,201	2,133,000	840,238	2,973,238	0.73
2023	2,410,414	-	2,410,414	1,817,000	872,103	2,689,103	0.90
Utility Bond							
2014	17,548,883	13,443,940	4,104,943	3,670,000	884,075	4,554,075	0.90
2015	19,334,023	14,387,132	4,946,891	12,300,000	882,427	13,182,427	0.38
2016	19,472,645	16,222,211	3,250,434	4,925,000	814,238	5,739,238	0.57
2017	21,360,262	16,718,288	4,641,974	5,040,000	930,123	5,970,123	0.78
2018	22,757,745	17,411,983	5,345,762	4,980,000	1,049,101	6,029,101	0.89
2019	21,846,239	18,457,754	3,388,485	5,685,000	999,754	6,684,754	0.51
2020	25,731,887	21,401,340	4,330,547	4,580,000	1,169,779	5,749,779	0.75
2021	27,663,593	21,984,700	5,678,893	6,920,000	1,143,996	8,063,996	0.70
2022	32,297,449	19,942,083	12,355,366	6,112,000	939,616	7,051,616	1.75
2023	30,426,494	21,429,025	8,997,469	4,292,000	1,491,444	5,783,444	1.56
Recreational Facility Bonds							
2014	6,239,445	6,358,030	(118,585)	290,000	176,197	466,197	(0.25)
2015	6,137,111	6,258,138	(121,027)	350,000	176,808	526,808	(0.23)
2016	6,080,529	6,593,312	(512,783)	375,000	231,285	606,285	(0.85)
2017	4,724,288	6,247,649	(1,523,361)	500,000	217,958	717,958	(2.12)
2018	5,019,374	6,069,584	(1,050,210)	2,197,000	494,192	2,691,192	(0.39)
2019	6,908,708	7,516,553	(607,845)	849,000	430,733	1,279,733	(0.47)
2020	5,585,853	7,213,408	(1,627,555)	876,000	404,703	1,280,703	(1.27)
2021	8,801,478	8,759,248	42,230	909,000	376,723	1,285,723	0.03
2022	9,740,702	9,505,749	234,953	992,000	353,691	1,345,691	0.17
2023	10,171,227	10,579,708	(408,481)	939,000	314,108	1,253,108	(0.33)

**CITY OF EDINA, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Estimated Personal Income (In thousands)	Per Capita Personal Income	High School Graduation Rate	Unemployment Rate
2014	50,261	3,117,991	62,036	97.8%	3.10%
2015	50,766	3,231,154	63,648	97.9%	2.82%
2016	51,804	3,264,895	63,024	97.7%	3.08%
2017	52,497	3,567,906	67,964	97.9%	2.83%
2018	52,535	3,480,339	66,248	98.0%	2.26%
2019	53,268	3,711,714	69,680	98.2%	2.63%
2020	53,494	4,111,335	76,856	98.2%	5.10%
2021	53,572	3,873,041	72,296	98.4%	2.50%
2022	54,048	4,209,637	77,887	98.5%	2.10%
2023	54,048	4,542,680	84,049	98.4%	2.30%

Sources:

Population data from U.S. Census Bureau/Metropolitan Council. 2022 is the most recent.

Personal income and per capita income estimates based on MN Department of Employment and Economic Development Quarterly Census of Employment and Wages. 2022 is the most recent.

High school graduation rate data from U.S. Census Bureau for the City of Edina.

Unemployment rate data from State of Minnesota Department of Employment and Economic Development.

**CITY OF EDINA, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Edina Realty	2,400	1	9.42%	400	9	1.68%
Edina Public Schools ISD #273	1,374	2	5.39%	1,860	2	7.81%
Coldwell Banker Realty	1,870	3	7.34%	DNA	DNA	DNA
Fairview Southdale Hospital	1,624	4	6.37%	2,613	1	10.98%
City of Edina	996	5	3.91%	811	3	3.41%
BI Worldwide	735	6	2.88%	600	4	2.52%
Lund Food Holdings, Inc	500	7	1.96%	405	7	1.70%
Western National Insurance Company	430	8	1.69%	DNA	DNA	DNA
Dow Water & Process Solutions	375	9	1.47%	DNA	DNA	DNA
Target	375	10	1.47%	DNA	DNA	DNA
Regis Corporation	DNA	DNA	DNA	600	5	2.52%
International Dairy Queen Inc.	DNA	DNA	DNA	400	8	1.68%
Barr Engineering	DNA	DNA	DNA	453	6	1.90%
FilmTec Corporation	DNA	DNA	DNA	375	10	1.58%
Totals	<u>10,679</u>		<u>41.90%</u>	<u>8,517</u>		<u>35.78%</u>

Sources:

Data Axle Reference Solutions, written and telephone survey,
and the Minnesota Department of Employment and Economic Development.
2014 data from previous ACFR.

DNA: Data is not available

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

Function	Budgeted Full-Time Employees for Fiscal Year ^a									
	2014 b	2015	2016 b	2017 b	2018	2019	2020 b	2021	2022	2023
Administration										
General Fund	4.85	4.85	5.00	5.00	5.00	5.00	7.00	7.00	8.00	8.00
Communications										
General Fund	6.15	6.15	6.00	6.00	6.00	6.00	6.80	6.80	7.00	7.00
Internal Services	-	-	-	-	-	-	0.20	0.20	-	-
Information Technology Services										
Internal Services	5.00	5.00	5.00	5.00	6.00	6.00	7.00	7.00	9.00	9.00
Community Development										
General Fund	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00
HRA Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering										
General Fund	10.00	11.00	11.00	11.00	12.00	12.00	17.30	17.30	15.00	15.00
PACS Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utilities Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.35	1.35	1.00	1.00
CAS Fund	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Construction Fund	1.00	1.00	1.10	1.10	1.10	1.10	1.00	1.00	-	-
Internal Services	-	-	-	-	-	-	4.35	5.35	8.00	8.00
Finance										
General Fund	6.00	6.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	8.00
Utilities Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Liquor Fund	-	-	-	-	-	-	-	-	-	-
Fire Protection										
General Fund	42.85	43.85	45.90	45.90	45.80	49.80	63.35	63.35	66.55	71.55
Utilities Fund	0.25	0.25	-	-	-	-	1.65	1.65	1.45	1.45
Human Resources										
General Fund	4.00	4.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00
Internal Services	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Parks & Recreation										
General Fund	23.65	23.65	25.05	25.05	25.30	25.30	24.65	24.65	24.00	25.00
Aquatic Center	0.55	0.55	0.60	0.60	0.70	0.70	0.70	0.70	0.33	1.03
Golf Course	12.00	12.00	8.05	8.05	9.00	9.00	11.00	11.18	12.15	12.15
Arena	5.00	5.00	4.85	4.85	6.25	6.25	5.95	6.03	6.58	7.08
Sports Dome	-	-	0.15	0.15	1.00	1.00	1.05	1.08	0.53	0.03
Art Center	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.08	2.08	1.08
Edinborough Park	5.80	5.80	5.80	5.80	5.65	5.65	5.65	5.75	6.80	5.10
Centennial Lakes	5.00	5.00	5.00	5.00	5.05	5.05	5.00	5.03	5.03	5.03
Liquor Fund	9.00	9.00	9.00	9.00	9.00	9.00	8.50	9.50	9.50	9.50
Enterprise Funds	-	-	-	-	-	-	0.50	-	-	-
Police Protection										
General Fund	72.50	70.50	72.55	72.55	76.55	76.55	77.00	78.00	78.00	80.00
Public Works										
General Fund	26.70	26.70	25.40	25.40	23.30	23.30	19.15	19.15	24.00	26.00
Utilities Fund	15.20	15.20	16.85	16.85	18.65	18.65	19.05	20.05	15.00	16.00
Internal Services	11.00	11.00	10.25	10.25	10.20	10.20	6.60	6.60	7.00	7.00
Enterprise Funds	-	-	-	-	-	-	0.20	0.20	-	-
Other										
-	-	-	-	-	-	-	-	-	-	-
Total	284.50	284.50	286.55	286.55	296.55	300.55	324.00	330.00	337.00	349.00

Source: City of Edina 2024-2025 Budget Book

^a Full-time employee counts do not include Council members, part-time, contract or seasonal employees. In a typical year the City will employ an additional 700-800 people in these categories.

^b The City completed departmental reorganizations that are reflected on this chart between years 2013-2014, 2016-2017, and 2020. In some cases, data for years before the reorganization has been modified from what was originally reported to improve comparisons.

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Total City Employees	1,093	1,077	1,155	1,067	1,136	1,174	953	1,021	1,099	1,148
Votes Cast ^a	24,049	9,370	31,986	11,440	30,774	10,990	36,088	14,881	29,250	5,928
Public Works										
Asphalt Placed (Tons)	8,383	8,888	9,298	11,176	14,419	9,847	10,593	10,962	10,300	12,664
Concrete (cu. yds.)	396	670	897	708	868	963	816	435	455	525
Public Safety										
Fire Calls	926	1,251	1,276	1,220	1,321	1,600	1,265	1,419	1,431	1,577
Medical Calls	3,982	3,818	4,063	4,508	4,572	4,727	4,288	5,337	5,811	5,643
Police Calls for Service ^d	49,053	50,735	61,325	71,738	62,981	60,975	47,833	48,757	46,191	36,350
Internal Services										
Vehicle Fixes	3,277	2,923	2,721	2,478	2,336	1,910	1,780	1,555	1,048	1,414
Utilities										
Daily Consumption ^b	6,489	6,308	6,047	5,950	6,101	5,394	5,785	6,705	6,587	6,768
Aquatic Center										
Attendance	92,200	128,523	108,609	89,318	88,342	83,499	-	88,217	81,184	80,225
Golf Course										
Total Rounds Played ^c	85,231	66,483	61,256	23,241	20,679	60,561	74,180	76,383	75,437	75,684

Source: Various City departments

N/A Data not available

^a The City elections department runs general elections in even-numbered years and school district elections in odd-numbered years. Number of votes cast tend to vary between even and odd-numbered years and based on presidential election cycles.

^b Daily average of water pumped from city wells, measured in thousands of gallons.

^c 27-hole golf course was closed and reconstructed into an 18-hole championship course from 2017-2018

^d Changed from Crimes reported to provide full data of police service calls. In 2023, changed system where only serviced calls are tracked.

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Works										
Miles of Streets	224	224	224	224	224	224	224	224	224	224
City Parking Ramps	4	4	4	4	4	4	4	4	4	4
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
City Parks	40	40	40	40	40	40	40	40	40	40
Acreage of Parks	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Park Buildings	27	27	27	27	27	27	27	27	27	27
Utilities										
Wells	18	18	18	18	18	18	18	18	18	18
Watermain Miles	199	199	199	199	199	199	199	199	199	199
Sanitary Sewer Miles	186	186	186	186	186	186	186	186	186	186
Sewer Connections	13,979	13,979	13,979	13,979	13,979	13,979	13,979	13,979	13,979	13,979
Arena										
Ice Sheets	3	4	4	4	4	4	4	4	4	4

Source: Various City departments



FORM OF LEGAL OPINION

(See following pages)

Form of Legal Opinion

City of Edina
Edina, Minnesota

[Purchaser]
[City, State]

Re: \$[PAR] Taxable General Obligation Housing Improvement Bonds, Series 2024C
 City of Edina, Hennepin County, Minnesota

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Edina, Hennepin County, Minnesota (the “City”), of the obligations described above, dated, as originally issued, as of December [___], 2024 (the “Bonds”). In that capacity, we have reviewed copies of certain proceedings taken by the City Council in the authorization, sale, and issuance of the Bonds, including the form of the Bonds and certain other proceedings and documents furnished by the City and others. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits, and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from housing improvement fees from a housing improvement area, which fees are expected to produce amounts sufficient to pay the principal and interest on the Bonds when due; but, if necessary for the payment of such principal and interest, ad valorem taxes are required by law to be levied on all taxable property in the City without limitation as to rate or amount.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors’ rights and the application of equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [___]th day of December, 2024.

Very truly yours,

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE COVENANTS
(EXCERPTS FROM AWARD RESOLUTION)**

(See following pages)

FORM OF CONTINUING DISCLOSURE COVENANTS

Excerpt from Resolutions

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before twelve months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2024, the following financial information and operating data in respect of the City (the Disclosure Information):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect

thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: “VALUATIONS – Current Property Valuations;” “DEBT – Direct Debt;” “TAX LEVIES, COLLECTIONS AND RATES – Tax Levies and Collections;” “GENERAL INFORMATION – U.S. Census Data – Population Trend;” and “– Employment/Unemployment Data;” which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board (MSRB). If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a Material Fact):
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue

- (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
 - (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over

substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
 - (C) the termination of the obligations of the City under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

TERMS OF PROPOSAL

**\$3,220,000* TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT BONDS,
SERIES 2024C
CITY OF EDINA, MINNESOTA**

Proposals for the purchase of \$3,220,000* Taxable General Obligation Housing Improvement Bonds, Series 2024C (the "Bonds") of the City of Edina, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on November 19, 2024, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 428A.11 through 428A.21, as amended, by the City, to finance common area housing improvements within the Edina West Condominium Association Housing Improvement Area. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 12, 2024, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$90,000	2033	\$140,000	2040	\$190,000
2027	115,000	2034	145,000	2041	195,000
2028	115,000	2035	150,000	2042	205,000
2029	120,000	2036	160,000	2043	215,000
2030	125,000	2037	165,000	2044	225,000
2031	130,000	2038	170,000	2045	250,000
2032	135,000	2039	180,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

The Bonds maturing on and after February 1, 2035 are be subject to redemption and prepayment at the option of the City, in whole or in part, in such order as the City shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, on February 1, 2034, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption.

The Clerk shall cause notice of the call for redemption thereof to be published as required by law and, at least thirty (30) days prior to the designated redemption date, shall cause notice of the call for redemption to be mailed, by first class mail, to the registered owners of any Bonds to be redeemed at their addresses as they appear on the bond register but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

DELIVERY

On or about December 12, 2024, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion in substantially the form attached hereto as Appendix B will be furnished by Dorsey & Whitney LLP, Minneapolis, Minnesota, bond counsel to the City.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$3,181,360 plus accrued interest on the principal sum of \$3,220,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:30 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a submission.

A good faith deposit ("Deposit") in the amount of \$64,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), in the Award Resolution, the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of Edina, Minnesota

PROPOSAL FORM

The City Council
City of Edina, Minnesota (the "City")

November 19, 2024

RE: \$3,220,000* Taxable General Obligation Housing Improvement Bonds, Series 2024C (the "Bonds")
DATED: December 12, 2024

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$3,181,360) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038	_____ % due	2045
_____ % due	2032	_____ % due	2039		

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$64,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about December 12, 2024.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: NO: .

If the competitive sale requirements are not met, we elect to use either the: 10% test, or the hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 12, 2024 of the above proposal is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Edina, Minnesota, on November 19, 2024.

By: _____ By: _____
Title: _____ Title: _____