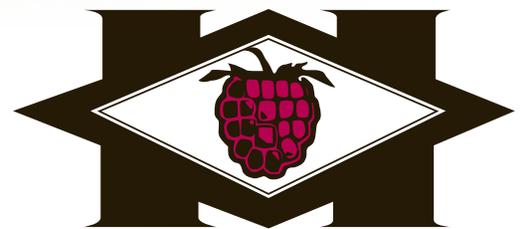
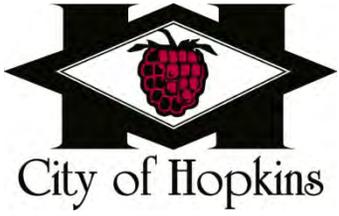

13



City of Hopkins, Minnesota

Comprehensive Annual Financial Report

for year ended December 31, 2013



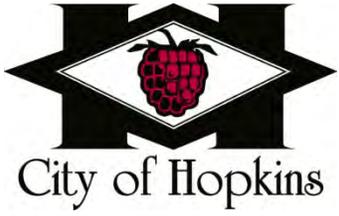
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

CITY OF HOPKINS, MN

For The Year Ended
December 31, 2013

Prepared by the Department of Finance



**THE CITY OF HOPKINS, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013**

TABLE OF CONTENTS

I	INTRODUCTORY SECTION	
		<u>Page</u>
	Letter of Transmittal from the City Manager and Finance Director	3
	Certificate of Achievement for Excellence in Financial Reporting	8
	Administrative Organization Chart	9
	City Officials	10
II	FINANCIAL SECTION	
	Independent Auditors' Report	12
	Management's Discussion and Analysis (Unaudited)	15
	A. Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	28
	Statement of Activities	29
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	30
	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	34
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	37
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Economic Development Special Revenue Fund	38
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Arts Center Special Revenue Fund	39
	Statement of Net Position - Proprietary Funds	40
	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	42
	Statement of Cash Flows - Proprietary Funds	43
	Notes to Financial Statements	45

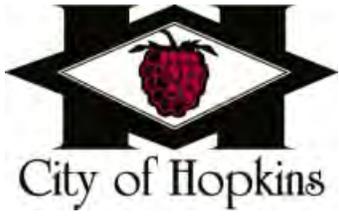
**THE CITY OF HOPKINS, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2013**

	<u>Page</u>
B. Required Supplementary Information	
Schedule of Funding Progress - Other Postemployment Benefit Plan	71
C. Combining and Individual Nonmajor Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	82
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Special Revenue Funds:	
State Chemical Assessment	90
Real Estate Purchases & Sales	91
Parking	92
Communications	93
Depot Coffee House	94
Tax Increment District Entertainment Center	95
Tax Increment District Sonoma Project	96
Tax Increment District Oaks of Mainstreet	97
Tax Increment District Super Valu	98
5th Avenue Flats	99
Tax Increment District Marketplace & Main	100
Combining Statement of Net Position - Nonmajor Enterprise Funds	102
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	103
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	104
Combining Statement of Net Position - Internal Service Funds	106
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	107
Combining Statement of Cash Flows - Internal Service Funds	108

**THE CITY OF HOPKINS, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2013**

III STATISTICAL SECTION

	<u>Page</u>
A. Financial Trends	
Net Position by Component	112
Changes in Net Position	114
Fund Balances, Governmental Funds	116
Changes in Fund Balances, Governmental Funds	118
B. Revenue Capacity	
Assessed and Actual Value of Taxable Property	120
Direct and Overlapping Property Tax Rates	121
Principal Property Taxpayers	122
Property Tax Levies and Collections	123
C. Debt Capacity	
Ratios of Outstanding Debt by Type	124
Ratios of Net General Bonded Debt Outstanding	125
Direct and Overlapping Governmental Activities Debt	126
Legal Debt Margin Information	127
Pledged-Revenue Coverage	128
D. Demographic and Economic Information	
Demographic and Economic Statistics	129
Principal Employers	130
E. Operating Information	
Full-time Equivalent City Employees by Type	131
Operating Indicators by Function/Program	132
Capital Asset Statistics by Function/Program	134

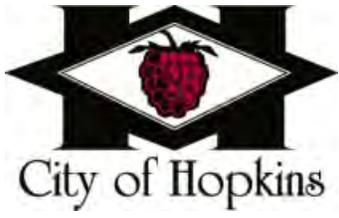


CITY OF HOPKINS, MINNESOTA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

SECTION I

INTRODUCTORY SECTION





City of Hopkins

1010 First Street South • Hopkins, MN 55343-7573 • Phone: 952-935-8474 • Fax: 952-935-1834
Web address: www.hopkinsmn.com

June 13, 2014

To the Honorable Mayor, Members of the Hopkins City Council and the Citizens of the City of Hopkins, Minnesota:

The Comprehensive Annual Financial Report (CAFR) of the City of Hopkins, Minnesota (the City) for the fiscal year ended December 31, 2013 is hereby submitted. This report was prepared in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and meets the requirements of the Minnesota State Auditor's Office.

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

The City of Hopkins financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Hopkins for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Hopkins financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Government

Hopkins was first settled in 1853 and was incorporated as the Village of West Minneapolis in 1893. The name was changed in 1928 to Hopkins after one of the early residents. The original territory of incorporation was three square miles, but successive annexation since 1946 has enlarged this area by one-third. In 1947, the residents of the area adopted a City Charter with a Council/Manager form of government. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the government's manager and the government's attorney. The government's manager is responsible for carrying out the policies and ordinances of the government, for overseeing day-to-day operations of the government and for appointing the heads of the government's departments.

The report includes all funds of the City, including the City's Housing and Redevelopment Authority (HRA). The City provides a full range of services including general government, public safety, highways and streets, urban redevelopment and housing, culture and recreation, and health and welfare. In addition to general municipal activities, the City provides water, sewer, storm sewer and refuse services and operates an ice arena. Low-income rental housing is a function of the HRA. The Hopkins Fire Relief Association has not met the established criteria for inclusion in the reporting entity, and accordingly is excluded from this report.

The annual budget serves as the foundation for the City of Hopkins financial planning and control. All departments of the City of Hopkins are required to submit requests for appropriation to the Finance Director by July of each year. The Finance Director uses these requests as the starting point for developing a proposed budget. The Finance Director then presents this proposed budget to the Council for review prior to September 15th. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31, the close of the City of Hopkins fiscal year.

The appropriated budget is prepared by fund and department. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds require approval of the City Council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and the major Special Revenue Funds this comparison is presented on pages 37-39 as part of the basic financial statements for the governmental funds. For governmental funds, other than the General fund and major Special Revenue Funds, with annual budgets, this comparison is presented in the combining and individual fund statements and schedules subsection of this report on pages 90-100.

Factors Affecting Financial Condition

The City of Hopkins, consisting of 2,504 acres, is located in Hennepin County on the westerly fringe of the Minneapolis urban area. The City, as part of the Minneapolis-St. Paul metropolitan complex, is readily accessible by the many highways and railways leading into the area. This easy access prompted steady growth for the City of Hopkins during its formative years. In response to this growth the City developed goals of working towards a planned community, with its policies directed toward sound ratios of residential, commercial and industrial components, with the current tax base approximately 76% single family residential and apartments, and 24% commercial-industrial. The city's population has stabilized due to the fact that the City is largely developed and the national trend toward the lowering of persons per household.

The City Council and staff along with an organized group of concerned partners determined what the Vision and the Mission of the City of Hopkins should be. Participation in this project was very high and the resulting Vision and Mission are as follows:

Community Vision

Creating a Spirit of Unity – Hopkins will be a community where

- People are treated with respect
- People participate in building culture, character and common bonds
- Business growth throughout the City is supported while maintaining a vibrant City center
- People feel safe, support outstanding schools and celebrate cultural heritages
- People enjoy quality public services, parks and housing

City of Hopkins Mission

Partnering with the Community to enhance the quality of life,

- Inspire, Educate, Involve, Communicate

Economic Condition and Outlook

Hopkins continues to show strong economic and redevelopment activities within the city. The valuation of new non-residential construction in 2013 was \$36.6 million dollars. This development activity has been the result of a good development market in the Hopkins area along with successful planning on the part of the city council and city staff.

Significant projects completed or begun in 2013 include the following:

<u>Activity</u>	<u>Valuation</u>
Commercial Additions/Alterations:	
Marketplace & Main Townhomes	\$ 2,500,000
Mayon Plastics site redevelopment	\$ 3,000,000
BP Gas Station site redevelopment	\$ 4,000,000
Gallery Flats Apartments	\$24,000,000

Efforts are being made for continued development and growth for 2014 and beyond. It is anticipated that approximately \$149,000,000 of construction will also take place in the City of Hopkins during the next several years.

Some anticipated projects for 2014-2017 include the following:

<u>Project</u>	<u>Valuation</u>
Hopkins Cold Storage Site Redevelopment	\$62,000,000
Fifth Avenue Flats	\$40,000,000
Johnson Building redevelopment	\$30,000,000
EBCO Site redevelopment	\$10,000,000
Oxford Green Apartments	\$ 7,000,000

Long-term financial planning

The City of Hopkins has a strategic plan for economic development and has completed extensive planning work in anticipation of the Southwest Light Rail Transit (SWLRT) line and the three Hopkins LRT stations. As a part of the plans, the City of Hopkins intends to pursue various development and redevelopment efforts throughout the City. Several projects are anticipated.

In 2014, projects being completed include the redevelopment of the Park Nicollet Clinic site into a retail/housing development of 163 housing units and Phase II of Market Place & Main project with the addition of townhomes. These developments will have major impacts on the community. Specialized planning is taking place to ensure that these developments occur so as to benefit the community and residential neighborhoods.

Major improvements continue to be made along the Hopkins section of Excelsior Boulevard (County Road 3). The first phase of improvements occurred in 1998 - 2000 between Shady Oak Road and 9th Avenue South. The second phase occurred in 2002 – 2004 between Highway 169 and Blake Road. The third phase occurred in 2007 on the segment between Highway 169 and 8th Avenue. The final phase is the section from Blake Road to Meadowbrook Road, has provisional county funding and is tentatively scheduled for 2016-2017.

Significant improvements are in the planning stage for Shady Oak Road (County Road 61). This project is a joint effort between Hennepin County and the Cities of Minnetonka and Hopkins. A number of neighborhood and town meetings have been held to gather input on this project that is projected to re-align the road and facilitate re-development of the area. The project began in earnest in 2013 with the acquisition of right of way property with major road construction starting in 2014 and finishing in 2015.

Another project in the planning stages is the 14-mile Southwest Corridor Light Rail Transit (SWLRT) line that will go from Eden Prairie to downtown Minneapolis passing through Hopkins and providing development potential at three transit stations that are planned for Hopkins. In downtown Minneapolis the Southwest LRT will connect with the Hiawatha and Central LRT lines. Construction of the light rail line is expected to begin in 2015 and is expected to be funded with the Counties Transit Improvement Board's transit sales tax in the metro area (30%), and with Hennepin County Regional Railroad Authority (10%), Federal (50%), and State (10%) dollars.

Relevant Financial Policies

The City of Hopkins has adopted a comprehensive set of financial policies. During the current year, the City revised the conduit debt policy into a new private activity bond policy. This policy sets forth guidelines for the issuance of bonds for private development of multi-family housing projects which use the city's bonding authority to receive lower interest rates.

In addition the City of Hopkins' Fund Balance policy requires that the General Fund's Unassigned portion of fund balance be equivalent to a minimum of five months expenditures or 42% of the prior fiscal year General Fund operating expenses. At December 31, 2013 the General Fund unassigned fund balance is at 44.1% or \$4,823,141 which represents slightly more than five months expenditures of the 2014 budget. Due to sound fiscal policy and close monitoring of budgets we remain at the targeted General Fund balance goal.

Major Initiatives

For 2013, the staff, following specific directives of the council and the city manager, has been involved in a variety of projects throughout the year. These projects reflect the government's commitment to ensuring that its citizens are able to live and work in a safe environment and that the needs for services are met.

In 2013, we accomplished our annual street repair and improvements, at a cost of approximately \$2,050,000. This included the Presidential Avenue South neighborhood, a two year project done

in one as a result of favorable bids. In addition preliminary work was begun on the 2014 street improvement project.

The sewer department began sewer improvements to Cottageville Park at a cost of \$119,400 and the water, sewer and storm sewer departments also completed in conjunction with the street improvements, infrastructure reconstruction projects totaling \$1,512,000.

Other miscellaneous improvement projects in 2013 included kitchen upgrade at the Activity Center at a cost of \$28,500, various city park improvements at a total cost of \$120,158, and building controls upgrade at a cost of \$24,725 along with other smaller projects.

Future projects

A systematic citywide sidewalk rehab program was initiated in 1992. Each year one quadrant is inspected and necessary repairs made. A sidewalk/trail plan was developed and implemented in 2003, which guides future improvements and connections to regional trails.

The City has established a street reconstruction and storm sewer program based on a street condition survey and storm water management program. The streets found in poor condition and future problem streets will be systematically included for repairs in the five-year Capital Improvement Plan.

Certificate of Achievement For Excellence in Financial Reporting

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 Hopkins for its comprehensive annual finance report for the fiscal year ended December 31, 2012. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Michael J. Mornson
City Manager



Christine M. Harkess, CPA, CGFM
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

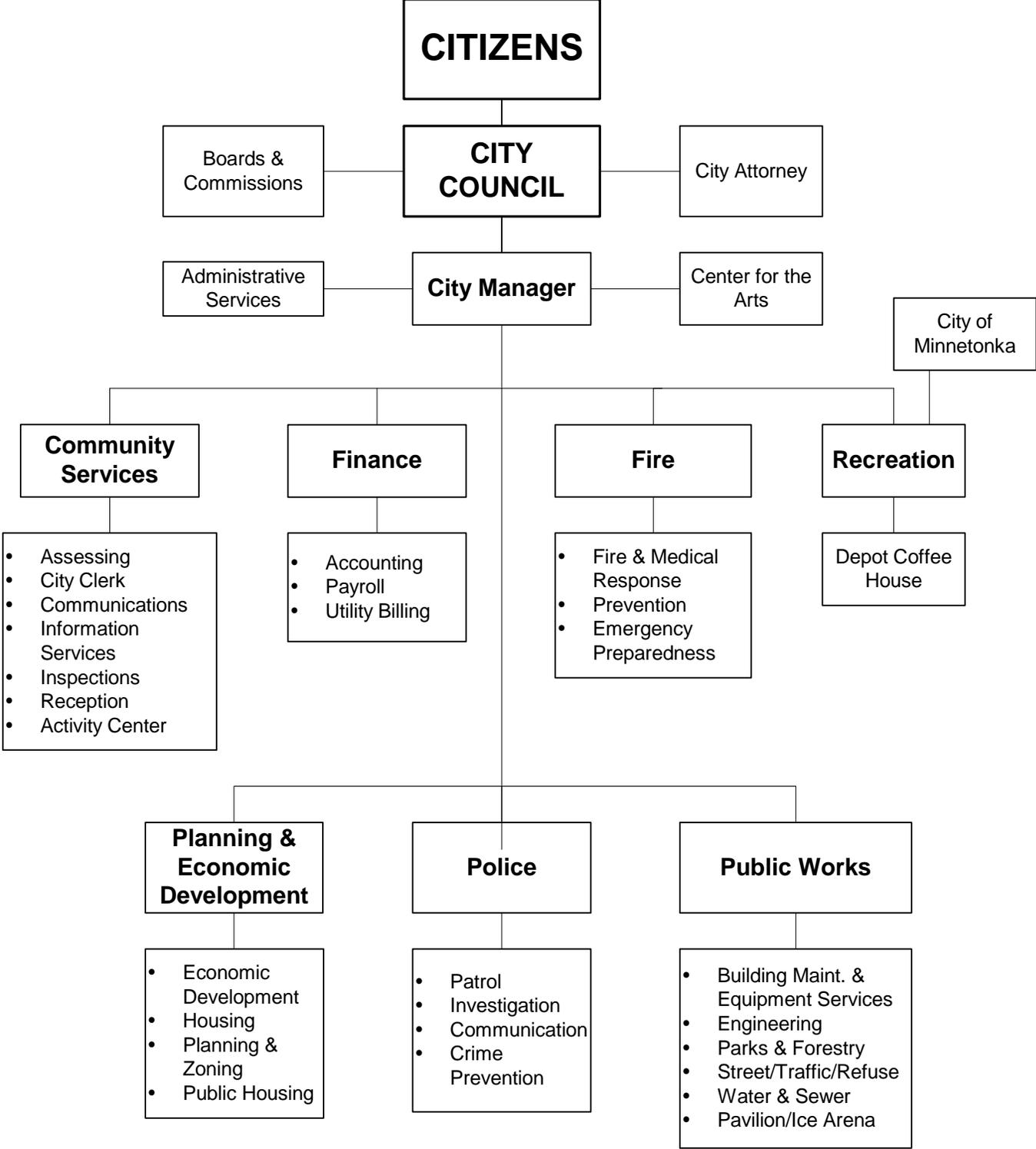
**City of Hopkins
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

Organizational Chart



**THE CITY OF HOPKINS, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

CITY OFFICIALS

December 31, 2013

CITY COUNCIL

		<u>Term Expires</u>
Eugene Maxwell	Mayor	12-31-15
Molly Cummings	Councilmember	12-31-15
Jason Gadd	Councilmember	12-31-15
Kristi Halverson	Councilmember	12-31-17
Cheryl Youakim	Councilmember	12-31-17

CITY MANAGER

Michael J. Mornson Appointed

FINANCE DIRECTOR

Christine M. Harkess Appointed

CITY OF HOPKINS, MINNESOTA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

SECTION II

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 Hopkins (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Mayor and
Members of the City Council
City of Hopkins

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Honorable Mayor and
Members of the City Council
City of Hopkins

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 10, 2014

CITY OF HOPKINS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

This section of the City's comprehensive annual financial report presents a discussion and analysis of the City's financial activities during the fiscal year ended December 31, 2013. This discussion and analysis should be read in conjunction with the letter of transmittal in the introductory section of this report.

Financial Highlights

- The assets of the City of Hopkins exceeded liabilities by approximately \$69.3 million. Of this amount, (unrestricted net position), approximately \$12.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by approximately \$2.2 million.
- As of the close of the current fiscal year, the City of Hopkins governmental funds reported combined ending fund balances of approximately \$16.5 million, a decrease of approximately \$(2.1) million in comparison with the prior year. The decrease was primarily due to payment on refunded bonds and use of fund balance for construction projects. Approximately \$6.6 million of fund balance is available for spending at the City's discretion (assigned or unassigned fund balance).
- As of December 31, 2013, unassigned fund balance for the General Fund was approximately \$4.8 million, or 45% of total general fund expenditures.
- The City of Hopkins total debt decreased by approximately \$150 thousand during the current fiscal year due to the net effect of the refunding payment of the 2002A tax increment redevelopment bonds and the 2013A bond sale for street improvements.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Hopkins assets, deferred outflows of resources and liabilities, 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 of Hopkins is improving or deteriorating.

The statement of activities presents information showing how the City 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 of Hopkins 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 of Hopkins include general, public safety, highways, streets, culture, recreation, urban redevelopment, housing, health and welfare. The business-type activities of the City of Hopkins include water, sewer, refuse, storm sewer utilities, an ice arena, and a housing and redevelopment authority.

The government-wide financial statements include the City of Hopkins itself, but also a legally separate Hopkins Housing and Redevelopment Authority. Although the Hopkins Housing and Redevelopment Authority is legally separate, it functions for all practical purposes as a department of the City of Hopkins, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 28-29 of this report.

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 of Hopkins, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Hopkins can be divided into two categories: governmental funds and proprietary 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 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 City's near-term financing 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 statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Hopkins maintains thirty-five individual 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, Economic Development, Arts Center, 2009B Housing Improvement Bonds of 1999A Refunding Bonds, 2009B Housing Improvement Bonds of 1999B Refunding Bonds, Municipal State Aid Construction, and Permanent Improvement Revolving fund all of which are considered to be major funds. Data from the other twenty-eight funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Hopkins adopts an annual appropriated budget for its general fund and all of its special revenue funds except for the Community Development Block Grant fund. A budgetary comparison

statement has been provided for the General fund and major special revenue funds and schedules are provided for other funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 30-39 of this report.

Proprietary funds. The City of Hopkins maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Hopkins uses enterprise funds to account for its water, sewer, refuse, storm sewer utilities, the pavilion ice arena, and the housing and redevelopment authority. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Hopkins various functions. The City of Hopkins uses internal service funds to account for replacement of equipment, insurance deductibles and compensated absences. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, storm sewer utility funds, all of which are considered to be major funds of the City of Hopkins. Data from the other three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is also provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40-44 of this report.

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. The notes to the financial statements can be found on pages 46-69 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on page 71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 74-108 of this report.

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 of Hopkins, assets exceeded liabilities by \$69,346,353 at the close of the most recent fiscal year.

Approximately two thirds (67%) of the City of Hopkins net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Hopkins uses these capital assets to provide services to citizens. The net capital assets are not available for future spending. Although the City of Hopkins 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.

City of Hopkins Net Position
December 31

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 26,492,632	\$ 27,970,866	\$ 3,655,687	\$ 2,937,340	\$ 30,148,319	\$ 30,908,206
Capital assets	50,841,438	47,524,794	22,101,134	21,060,724	72,942,572	68,585,518
Total assets	77,334,070	75,495,660	25,756,821	23,998,064	103,090,891	99,493,724
Deferred Outflows of Resources						
Deferred charges on refunding	349,800	386,857	-	-	349,800	386,857
Liabilities						
Other liabilities	3,346,837	2,079,463	406,259	300,911	3,753,096	2,380,374
Long-term liabilities outstanding	24,078,397	25,372,537	6,259,967	5,029,422	30,338,364	30,401,959
Total liabilities	27,425,234	27,452,000	6,666,226	5,330,333	34,091,460	32,782,333
Net Position						
Net investment in capital assets	30,666,268	31,891,229	16,621,198	16,405,495	47,287,466	48,296,724
Restricted	10,014,203	8,684,347	-	-	10,014,203	8,684,347
Unrestricted	9,575,287	7,854,941	2,469,397	2,262,236	12,044,684	10,117,177
Total net position	\$ 50,255,758	\$ 48,430,517	\$ 19,090,595	\$ 18,667,731	\$ 69,346,353	\$ 67,098,248

A portion of the City of Hopkins net position represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$12,044,684) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Hopkins is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities. The City’s net position increased by \$2,248,105 during the current fiscal year.

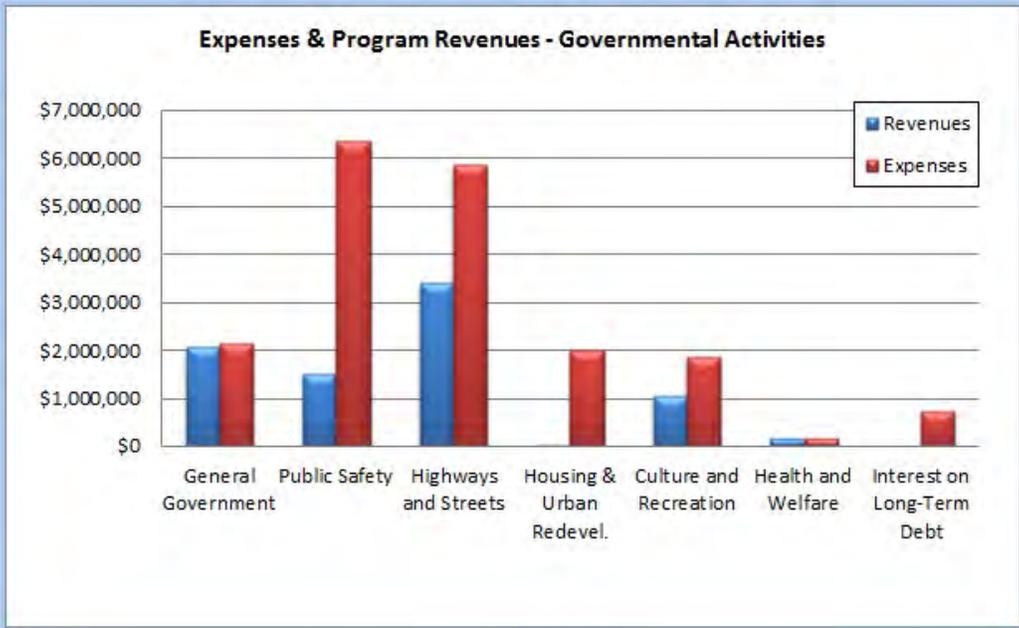
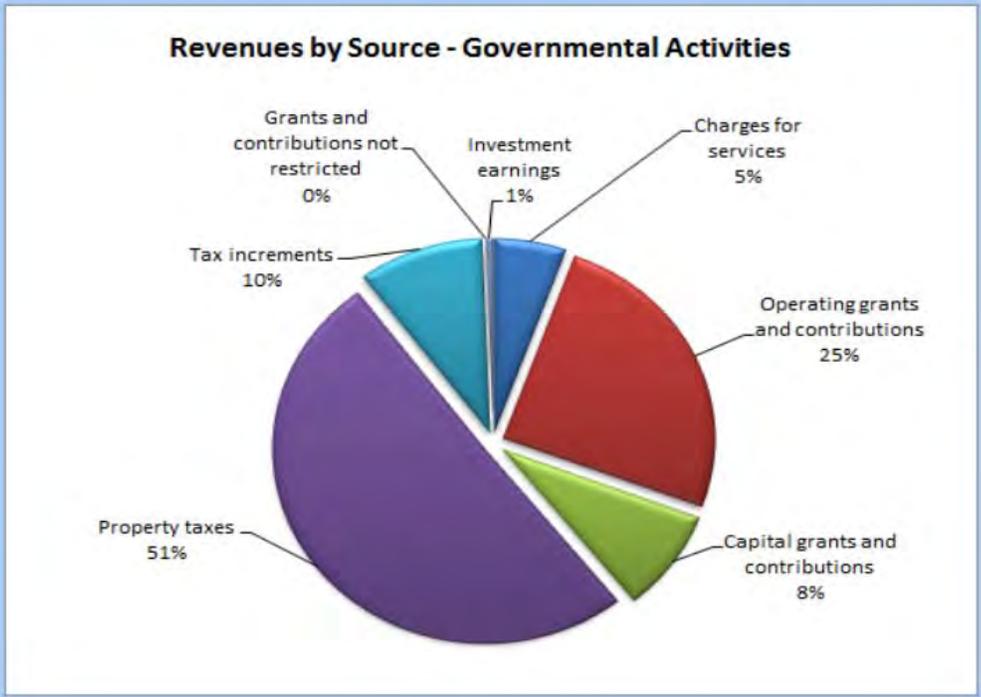
(remainder of page is left blank intentionally)

Governmental and business-type activities. Governmental activities increased the City of Hopkins net position by \$1,825,241 and business-type activities increased net position by \$422,864. Key elements of the increases are as follows:

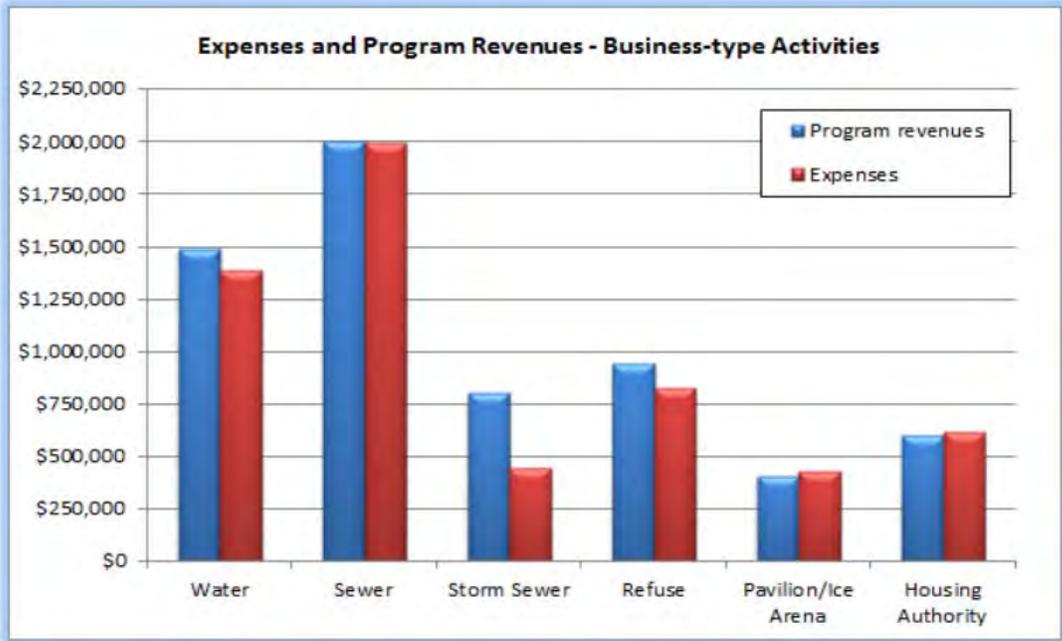
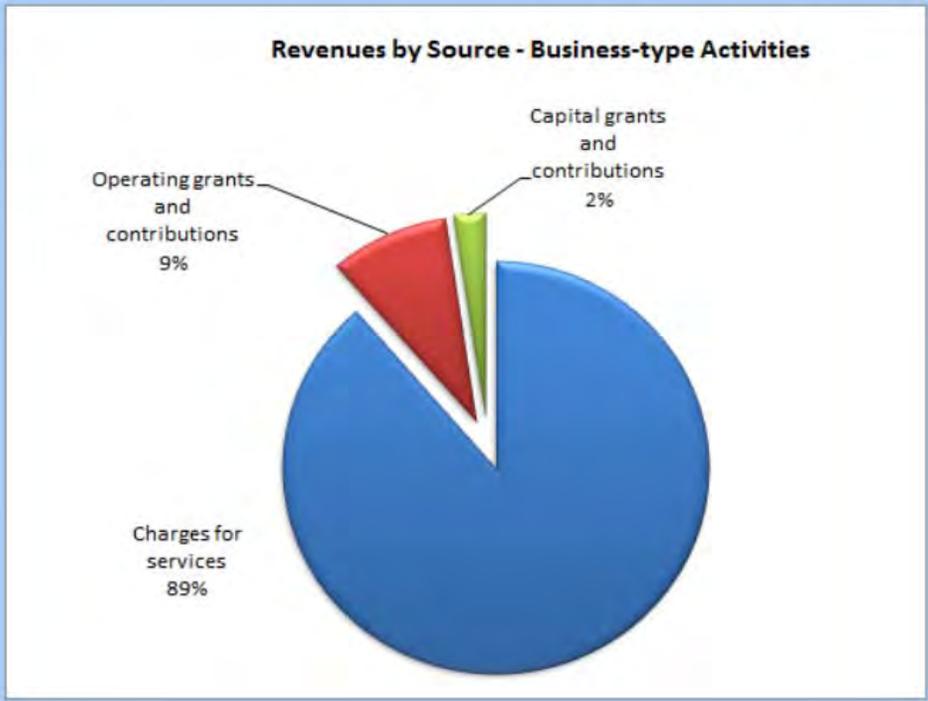
**City of Hopkins Changes in Net Position
For the Year Ended December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,146,136	\$ 1,021,021	\$ 5,520,903	\$ 5,572,013	\$ 6,667,039	\$ 6,593,034
Operating grants and contributions	5,273,474	3,499,465	561,111	698,769	5,834,585	4,198,234
Capital grants and contributions	1,775,717	1,350,147	144,076	206,681	1,919,793	1,556,828
General revenues:						
Property taxes	10,565,115	10,354,188	-	-	10,565,115	10,354,188
Tax increments	2,002,607	2,332,863	-	-	2,002,607	2,332,863
Grants and contributions not restricted	21,152	20,724	-	-	21,152	20,724
Investment earnings	105,213	76,762	18,788	9,040	124,001	85,802
Net increase (decrease) in fair value of investments	(129,970)	29,542	(22,449)	760	(152,419)	30,302
Gain on sale of capital assets	34,651	38,427	21,855	8,000	56,506	46,427
Total revenues	<u>20,794,095</u>	<u>18,723,139</u>	<u>6,244,284</u>	<u>6,495,263</u>	<u>27,038,379</u>	<u>25,218,402</u>
Expenses:						
General government	2,108,141	2,056,756	-	-	2,108,141	2,056,756
Public safety	6,357,722	6,382,270	-	-	6,357,722	6,382,270
Health and welfare	165,649	136,528	-	-	165,649	136,528
Highways and streets	5,845,437	3,226,807	-	-	5,845,437	3,226,807
Urban redevelopment and housing	2,000,868	2,362,030	-	-	2,000,868	2,362,030
Culture and recreation	1,857,743	1,726,812	-	-	1,857,743	1,726,812
Interest on long-term debt	778,294	811,914	-	-	778,294	811,914
Water	-	-	1,384,116	1,365,542	1,384,116	1,365,542
Sewer	-	-	1,991,274	1,816,058	1,991,274	1,816,058
Storm sewer	-	-	440,459	451,659	440,459	451,659
Refuse	-	-	819,715	862,286	819,715	862,286
Pavilion/ice arena	-	-	425,813	430,082	425,813	430,082
Housing and redevelopment authority	-	-	615,043	563,863	615,043	563,863
Total expenses	<u>19,113,854</u>	<u>16,703,117</u>	<u>5,676,420</u>	<u>5,489,490</u>	<u>24,790,274</u>	<u>22,192,607</u>
Increase in net position before transfers	1,680,241	2,020,022	567,864	1,005,773	2,248,105	3,025,795
Transfers	145,000	145,000	(145,000)	(145,000)	-	-
Increase in net position	1,825,241	2,165,022	422,864	860,773	2,248,105	3,025,795
Net position - January 1	48,430,517	46,265,495	18,667,731	17,806,958	67,098,248	64,072,453
Net position - December 31	<u>\$ 50,255,758</u>	<u>\$ 48,430,517</u>	<u>\$ 19,090,595</u>	<u>\$ 18,667,731</u>	<u>\$ 69,346,353</u>	<u>\$ 67,098,248</u>

Governmental activities: Property taxes increased in 2013 as a result of debt service levies and increased operating costs. The City also received a number of program grants for specific programs in addition to state municipal aid for a major street improvement project. Net position increased primarily due to conservative spending, grants for public safety & development activities and increased fee and license revenue.



Business-type activities. Business-type activities had an increase in net position due to an ongoing effort to ensure that rates are adequate to fund all expenditures. A utility master plan was developed in 2007 with scheduled rate increases that are designed to cover operations, debt and capital needs over the next 15 years. As a result the utility funds are in a stronger financial position than they were a couple years ago.



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Hopkins governmental funds reported combined ending fund balances of \$16,493,325, a decrease of \$(2,105,520) in comparison with the prior year. The key factor of the decrease is the payment of project costs on the Shady Oak Road reconstruction project and payment on refunded bonds.

Approximately 40% of fund balance or \$6,551,781, constitutes assigned and unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is non-spendable, restricted or committed to indicate that it is not available for new spending because it is either in a non-spendable form (inventory, prepaid expenses, rehabilitative loans, or property held for resale); restricted (debt service, tax increment projects) or has already been committed (for economic development, property purchases, parking, and communication activities).

The general fund is the chief operating fund of the City of Hopkins. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,823,141. This represents 88.0% of the general fund's total fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 44.8% of total general fund expenditures while total fund balance represents approximately 50.9% of that same amount.

The fund balance of the City of Hopkins general fund increased by \$287,374 during the current fiscal year. Revenues exceeded expenditures by \$320,954 before transfers. This increase was a result of conservative spending and an increase in public safety program grants for specific programs.

The Economic Development fund has a total fund balance of \$3,839,261 of which \$1,050 is non-spendable and \$2,198,283 is committed for economic development. The fund balance increased by \$158,198 primarily as a result of an increase in the tax levy and conservative spending.

The Arts Center fund has a total fund balance of (\$1,089,972) of which \$135 is non-spendable and (\$1,090,107) is unassigned. The fund balance deficit decreased by \$19,627 as the Arts Center received a programming grant from the Minnesota State Arts Board. Staff and the Friends of the Hopkins Center for the Arts, a non-profit associated with the Arts Center, continue working to identify significant donors and corporate sponsors to underwrite arts programming and decrease the deficit.

The 2009B Housing Improvement refunding bonds of 1999A bond fund has a total fund balance of \$318,668, all of which is restricted for the payment of debt service. The fund balance increased by \$32,098 as special assessment revenues exceeded current debt payment requirements.

The 2009B Housing Improvement refunding bonds of 1999B bond fund has a total fund balance of \$593,114, all of which is restricted for the payment of debt service. The fund balance increased by \$47,733 as special assessment revenues exceeded current debt payment requirements.

The Municipal State Aid Construction fund has a total fund balance of \$467,787 which is assigned for construction projects. The fund balance decreased by \$(1,596,361) as a result of project payments on the Shady Oak Road reconstruction project.

The Permanent Improvement Revolving fund has a total fund balance of \$2,341,089 which is assigned for construction projects. The fund balance decreased by \$(48,613) as a result of the 2013 bond sale and related project costs for the South Presidential neighborhood street reconstruction project. Revenues in this fund are derived from special assessments and taxes.

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

Unrestricted net position of the Water fund at the end of the year amounted to \$213,543. The unrestricted net position is used to pay for infrastructure improvements. The increase in net position amounted to \$121,161 and is due to operating revenues exceeding operating expenses. A utility master plan was prepared in 2007 to address the funding shortage and prepare a rate structure that will sustain the water fund in addition to providing for future capital expenditures. The new rate structure which calls for modest annual increases in water rates was implemented in 2008 and along with conservative spending we are seeing the results of the study impacting the water funds financial status.

Unrestricted net position of the Sewer fund at the end of the year amounted to \$242,211. The unrestricted net position will be used to pay for infrastructure improvements. The increase in net position amounted to \$8,242 and is due to operating revenues exceeding operating expenses. A utility master plan was prepared in 2007 to address the funding shortage and prepare a rate structure that will sustain the sewer fund in addition to providing for future capital expenditures. The new rate structure which calls for modest annual increases in sewer rates was implemented in 2008 and along with conservative spending we are seeing the results of the study impacting the sewer funds financial status.

Unrestricted net position of the Storm Sewer Utility fund at the end of the year amounted to \$883,733. The unrestricted net position will be used to pay for infrastructure improvements. The growth in net position amounted to \$237,427 and is due to operating revenues exceeding operating costs.

General Fund Budgetary Highlights

The difference between the general fund original budget and the final amended budget resulted in departmental budget changes but did not increase the total expenditure budget when transfers out are included. The reason for the inter-departmental amendments was a transfer between expenditure categories to match actual expenditures. The budget changes can be summarized as follows:

- Several departments had small budget modifications, however when departments were combined for reporting purposes the budget changes balanced out and no change was noted.

During the year revenues were over budgetary estimates by \$516,498 due to increases in license and permit revenue, fines, federal grants, recreation fees and donations. This was offset by a decrease in tax revenues, interest income and miscellaneous items.

Expenditures were over budget by \$(229,124) and was due to increased personnel costs in the fire department as a result of the fire prevention and safety grant inspection program, increased costs in the public works department as a result of increased snow removal costs, and increased costs in culture and recreation as a result of increases in programming

The net effect of these budget impacts was a net budgetary increase in fund balance of \$287,374 after transfers.

Capital Asset and Debt Administration

Capital assets. The City of Hopkins investment in capital assets for its governmental and business type activities as of December 31, 2013, amounts to \$72,942,572 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, park facilities, roads, highways, bridges, distribution systems and construction in progress.

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

- Construction in progress additions totaled \$5,835,927 for infrastructure projects.
- A total of \$2,188,965 of assets was transferred from construction in progress to other improvements as infrastructure projects were completed and put into service.
- Vehicle and equipment purchases totaled \$756,998. Major purchases included public works equipment, public safety vehicles and equipment.
- Vehicle and equipment deletions totaled \$150,400. Deletions were a result of scheduled replacements of public works, public safety vehicles and equipment.

City of Hopkins Capital Assets
(net of depreciation)
December 31

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 5,805,711	\$ 5,805,711	\$ 228,463	\$ 228,463	\$ 6,034,174	\$ 6,034,174
Buildings	14,342,478	14,837,699	3,514,530	3,643,644	17,857,008	18,481,343
Infrastructure	-	-	7,748,760	8,095,435	7,748,760	8,095,435
Improvements	22,929,495	21,985,176	8,229,312	7,934,815	31,158,807	29,919,991
Vehicles	2,104,954	1,616,141	322,327	383,623	2,427,281	1,999,764
Equipment	1,470,865	1,465,495	205,936	196,538	1,676,801	1,662,033
Construction in progress	4,187,935	1,814,572	1,851,806	578,206	6,039,741	2,392,778
	<u>\$ 50,841,438</u>	<u>\$ 47,524,794</u>	<u>\$ 22,101,134</u>	<u>\$ 21,060,724</u>	<u>\$ 72,942,572</u>	<u>\$ 68,585,518</u>

Additional information on the City of Hopkins capital assets can be found in note 5 on pages 57-58 of this report.

Long-term debt. At the end of the current fiscal year, the City of Hopkins had total bonded debt outstanding of \$28,805,000. Of this amount \$1,890,000 comprises tax increment redevelopment debt, and \$18,110,000 comprises general obligation and special assessment debt, all of which is backed by the full faith and credit of the government. Another \$2,830,000 is special fees debt for which the government is liable in the event of default by the property owners subject to the fees. The remainder of the City of Hopkins debt, \$5,975,000, represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of Hopkins Outstanding Debt
General Obligation and Revenue Bonds
December 31**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
G.O. Tax increment bonds	\$ 1,890,000	\$ 3,590,000	\$ -	\$ -	\$ 1,890,000	\$ 3,590,000
G.O. Housing fee bonds	2,830,000	3,175,000	-	-	2,830,000	3,175,000
G.O. Equipment certificates	740,000	795,000	-	-	740,000	795,000
G.O. Capital improvement bonds	8,695,000	9,385,000	-	-	8,695,000	9,385,000
G.O. Special assessment bonds	8,675,000	7,230,000	-	-	8,675,000	7,230,000
Revenue bonds	-	-	5,975,000	4,780,000	5,975,000	4,780,000
	<u>\$ 22,830,000</u>	<u>\$ 24,175,000</u>	<u>\$ 5,975,000</u>	<u>\$ 4,780,000</u>	<u>\$ 28,805,000</u>	<u>\$ 28,955,000</u>

The City of Hopkins total bonded debt decreased by \$150,000 or .05% during the current fiscal year. The decrease is a result of the combination of debt payments totaling \$3,800,000 which included a bond call payment of \$1,605,000 and the issuance of \$3,650,000 in G.O. Improvement Bonds that financed street, water, sewer and storm sewer infrastructure improvements in the South Presidential neighborhood.

General Obligation Bonds are backed by the full faith, credit and taxing power of the City, and are serviced by General and Tax Increment levies and also by fees assessed against benefited properties.

Revenue Bonds are backed by the full faith, credit and taxing power of the City, and are serviced by the Water, Sewer, and Storm Sewer Utility Funds and the Pavilion Fund current revenues.

City Special Assessment Bonds are backed by the full faith, credit and taxing power of the City, and repayment monies are generated by the collection of special assessments and general levies.

The City is subject to a statutory limit of bonded indebtedness equaling 3.0 percent of taxable market value. At December 31, 2013, the debt limit for the City is \$46,161,361. Of the total debt, \$9,435,000 of general obligation and revenue bonds is applicable to the limit. The legal debt margin is \$36,726,361.

The City of Hopkins was upgraded to a “AA+” rating from Standard & Poor’s in January 2014 and maintains an “A1” rating from Moody’s.

Additional information on the City of Hopkins long-term debt can be found in note 9 on pages 60-63 of this report.

Economic Factors and Next Year’s Budgets and Rates

A number of factors were taken into consideration when preparing the City of Hopkins 2014 budget. Utility charges were reviewed and as a result of the utility master plan, rates for the water and sewer will be increased by modest amounts annually at least through 2017. The tax capacity rate increased as a result of economic conditions. Property values are starting to increase and this was taken into consideration when determining estimated tax revenues. Also taken into consideration is that the City’s population would remain constant. In addition during late 2012 the City transferred its dispatch operation to the County which results in an annual savings of approximately \$300,000. This savings

has helped keep the budget down for 2014. As a result of these factors the City prepared a budget for 2014 that included an overall increase of 3.46% in expenditures.

During the current fiscal year, unassigned fund balance in the general fund increased to \$4,823,141 or 45% of general fund expenditures. The Office of the State Auditor recommends unassigned fund balances no less than five months of operating expenditures. The City is meeting the recommendation for the general fund. The unassigned fund balance is used to pay for the City's general fund obligations until it receives its property tax levy revenues in June.

Requests for Information

This financial report is designed to provide a general overview of the City of Hopkins 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 Finance Director, City of Hopkins, 1010 First Street South, Hopkins, MN 55343.

BASIC FINANCIAL STATEMENTS

City of Hopkins

Statement of Net Position
December 31, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 18,394,846	\$ 3,165,674	\$ 21,560,520
Taxes receivable	167,337	-	167,337
Special assessments receivable	4,858,372	-	4,858,372
Accounts receivable	292,514	415,410	707,924
Intergovernmental receivable	1,451,517	28,186	1,479,703
Interest receivable	46,811	10,134	56,945
Internal balances	26,315	(26,315)	-
Inventories	104,718	30,118	134,836
Prepaid items	128,385	16,057	144,442
Long-term receivables	3,000	16,423	19,423
Land held for resale	1,018,817	-	1,018,817
Capital assets, non depreciable	9,993,645	2,080,269	12,073,914
Capital assets, net of depreciation	40,847,793	20,020,865	60,868,658
Total Assets	<u>77,334,070</u>	<u>25,756,821</u>	<u>103,090,891</u>
Deferred Outflows of Resources			
Deferred charge on refunding	349,800	-	349,800
Total Deferred Outflows of Resources	<u>349,800</u>	<u>-</u>	<u>349,800</u>
Liabilities			
Accounts payable	738,462	266,526	1,004,988
Salaries payable	373,364	39,919	413,283
Due to other governments	1,821,826	25,072	1,846,898
Accrued interest payable	303,537	71,038	374,575
Unearned revenue	112,526	3,704	116,230
Non current liabilities:			
Compensated absences due within one year	745,081	95,443	840,524
Compensated absences due in more than one year	77,542	72,280	149,822
Net OPEB liability	191,488	37,538	229,026
Capital lease due within one year	21,301	-	21,301
Capital lease due in more than one year	216,689	-	216,689
Bonds due within one year	1,970,000	555,000	2,525,000
Bonds due in more than one year	20,856,296	5,499,706	26,356,002
Total Liabilities	<u>27,428,112</u>	<u>6,666,226</u>	<u>34,094,338</u>
Net Position			
Net investment in capital assets	30,666,268	16,621,198	47,287,466
Restricted for:			
Economic development	2,002,941	-	2,002,941
Park improvements	139,650	-	139,650
Debt service	7,871,612	-	7,871,612
Unrestricted	9,575,287	2,469,397	12,044,684
Total Net Position	<u>\$ 50,255,758</u>	<u>\$ 19,090,595</u>	<u>\$ 69,346,353</u>

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,108,141	\$ 76,477	\$ 648,722	\$ 1,329,774	\$ (53,168)	\$ -	\$ (53,168)
Public safety	6,357,722	180,548	1,314,013	-	(4,863,161)	-	(4,863,161)
Health and welfare	165,649	57,032	107,523	-	(1,094)	-	(1,094)
Highways and streets	5,845,437	75,840	2,865,382	445,943	(2,458,272)	-	(2,458,272)
Urban redevelopment and housing	2,000,868	228	44,828	-	(1,955,812)	-	(1,955,812)
Culture and recreation	1,857,743	756,011	293,006	-	(808,726)	-	(808,726)
Interest on long-term debt	778,294	-	-	-	(778,294)	-	(778,294)
Total Governmental Activities	19,113,854	1,146,136	5,273,474	1,775,717	(10,918,527)	-	(10,918,527)
Business-Type Activities:							
Water	1,384,116	1,483,133	150	-	-	99,167	99,167
Sewer	1,991,274	1,999,333	150	-	-	8,209	8,209
Storm sewer	440,459	799,603	-	-	-	359,144	359,144
Refuse	819,715	901,670	36,717	-	-	118,672	118,672
Pavilion/Ice arena	425,813	65,055	340,130	-	-	(20,628)	(20,628)
Housing and redevelopment authority	615,043	272,109	183,964	144,076	-	(14,894)	(14,894)
Total Business-type Activities	5,676,420	5,520,903	561,111	144,076	-	549,670	549,670
Total Government	\$ 24,790,274	\$ 6,667,039	\$ 5,834,585	\$ 1,919,793	(10,918,527)	549,670	(10,368,857)
General revenues:							
Property taxes					10,565,115	-	10,565,115
Tax increments					2,002,607	-	2,002,607
Grants & contributions not restricted					21,152	-	21,152
Unrestricted investment earnings					105,213	18,788	124,001
Net increase (decrease) in fair value of investments					(129,970)	(22,449)	(152,419)
Gain on disposal of capital assets					34,651	21,855	56,506
Transfers					145,000	(145,000)	-
Total General Revenues					12,743,768	(126,806)	12,616,962
Change in net position					1,825,241	422,864	2,248,105
Net position - January 1					48,430,517	18,667,731	67,098,248
Net position - December 31					\$ 50,255,758	\$ 19,090,595	\$ 69,346,353

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Economic Development	Arts Center	Housing Improvement Bonds of 1999A Refunding Bonds of 2009B	Housing Improvement Bonds of 1999B Refunding Bonds of 2009B
Assets					
Cash and cash equivalents	\$ 4,297,880	\$ 2,203,035	\$ 100	\$ 316,120	\$ 587,943
Taxes receivable	140,531	3,534	-	-	-
Special assessments receivable	-	-	-	873,801	1,554,398
Accounts receivable	136,878	-	3,098	-	-
Rehabilitation loans receivable	-	-	-	-	-
Due from other governments	178,458	-	-	-	-
Interest receivable	14,073	5,499	-	793	1,474
Due from other funds	1,155,789	942,830	-	-	-
Inventories	104,718	-	-	-	-
Prepaid items	126,890	1,050	135	-	-
Long-term receivable	-	-	-	-	-
Property held for resale	-	697,098	-	-	-
Total Assets	\$ 6,155,217	\$ 3,853,046	\$ 3,333	\$ 1,190,714	\$ 2,143,815
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 168,605	\$ 6,038	\$ 26,048	\$ 180	\$ 338
Salaries payable	340,773	5,461	14,150	-	-
Accrued interest payable	-	-	-	-	-
Due to other funds	-	-	1,037,648	-	-
Due to other governments	5,934	-	217	-	-
Unearned revenue	53,678	-	15,242	-	-
Total Liabilities	568,990	11,499	1,093,305	180	338
Deferred inflows of resources:					
Taxes and special assessments	104,710	2,286	-	871,866	1,550,363
Total Deferred Inflows of Resources	104,710	2,286	-	871,866	1,550,363
Fund balances:					
Non-spendable	231,608	1,050	135	-	-
Restricted	-	-	-	318,668	593,114
Committed	-	3,838,211	-	-	-
Assigned	426,768	-	-	-	-
Unassigned	4,823,141	-	(1,090,107)	-	-
Total Fund Balances	5,481,517	3,839,261	(1,089,972)	318,668	593,114
Total Liabilities and Fund Balances	\$ 6,155,217	\$ 3,853,046	\$ 3,333	\$ 1,190,714	\$ 2,143,815

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Balance Sheet
Governmental Funds
December 31, 2013

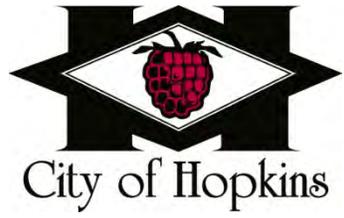
	Municipal State Aid Construction	Permanent Improvement Revolving	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,216,125	\$ 2,550,770	\$ 5,164,316	\$ 16,336,289
Taxes receivable	-	79	23,193	167,337
Special assessments receivable	-	159,057	2,271,116	4,858,372
Accounts receivable	-	-	126,702	266,678
Rehabilitation loans receivable	-	-	25,816	25,816
Due from other governments	1,257,834	-	15,225	1,451,517
Interest receivable	3,128	3,034	13,646	41,647
Due from other funds	-	-	-	2,098,619
Inventories	-	-	-	104,718
Prepaid items	-	-	310	128,385
Long-term receivable	-	-	3,000	3,000
Property held for resale	-	-	321,719	1,018,817
Total Assets	\$ 2,477,087	\$ 2,712,940	\$ 7,965,043	\$ 26,501,195
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 194,626	\$ 214,400	\$ 43,240	\$ 653,475
Salaries payable	-	-	12,980	373,364
Accrued interest payable	-	-	961	961
Due to other funds	-	-	1,037,724	2,075,372
Due to other governments	1,814,674	-	1,001	1,821,826
Unearned revenue	-	-	43,606	112,526
Total Liabilities	2,009,300	214,400	1,139,512	5,037,524
Deferred inflows of resources:				
Taxes and special assessments	-	157,451	2,283,670	4,970,346
Total Deferred Inflows of Resources	-	157,451	2,283,670	4,970,346
Fund balances:				
Non-spendable	-	-	310	233,103
Restricted	-	-	4,287,633	5,199,415
Committed	-	-	670,815	4,509,026
Assigned	467,787	2,341,089	504,210	3,739,854
Unassigned	-	-	(921,107)	2,811,927
Total Fund Balances	467,787	2,341,089	4,541,861	16,493,325
Total Liabilities and Fund Balances	\$ 2,477,087	\$ 2,712,940	\$ 7,965,043	\$ 26,501,195

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 December 31, 2013

Fund balances of governmental funds	\$ 16,493,325
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	70,360,011
Less accumulated depreciation	(22,846,655)
Other long-term assets not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	
	4,970,346
Internal service funds are used by the City to charge the costs of certain activities, such as replacement of City vehicles and equipment. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	
	4,247,113
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities	(23,318,182)
Less deferred charges	349,800
Net position of governmental activities	<u>\$ 50,255,758</u>



City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2013

	General Fund	Economic Development	Arts Center	Housing Improvement Bonds of 1999A Refunding Bonds of 2009B	Housing Improvement Bonds of 1999B Refunding Bonds of 2009B
Revenues					
Property taxes	\$ 8,785,784	\$ 399,705	\$ -	\$ -	\$ -
Tax increments	-	-	-	-	-
Special assessments	-	-	-	150,988	256,983
Intergovernmental	759,694	7,500	62,964	-	-
Fees, licenses and permits	649,672	-	-	-	-
Charges for services	354,390	-	377,421	-	-
Fines	228,963	-	-	-	-
Investment earnings	12,484	32,049	-	1,096	2,012
Net increase (decrease) in fair value of investments	(29,323)	(13,969)	-	(1,858)	(3,541)
Other miscellaneous revenues	335,163	31,119	187,885	-	-
Total Revenues	11,096,827	456,404	628,270	150,226	255,454
Expenditures					
Current:					
General government	1,706,419	-	-	1,130	746
Public safety	5,955,884	-	-	-	-
Health and welfare	164,237	-	-	-	-
Highways and streets	2,280,215	-	-	-	-
Urban redevelopment and housing	81,729	237,206	-	-	-
Culture and recreation	576,358	-	756,563	-	-
Debt service:					
Principal retirement	-	-	-	85,000	150,000
Interest and fiscal fees	-	-	-	31,998	56,975
Capital Outlay	11,031	-	-	-	-
Total Expenditures	10,775,873	237,206	756,563	118,128	207,721
Excess (deficiency) of revenues over expenditures	320,954	219,198	(128,293)	32,098	47,733
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Transfer in	-	-	147,920	-	-
Transfer out	(33,580)	(61,000)	-	-	-
Total Other Financing Sources (Uses)	(33,580)	(61,000)	147,920	-	-
Net change in fund balances	287,374	158,198	19,627	32,098	47,733
Fund balance (deficit) - January 1	5,194,143	3,681,063	(1,109,599)	286,570	545,381
Fund balance (deficit) - December 31	\$ 5,481,517	\$ 3,839,261	\$ (1,089,972)	\$ 318,668	\$ 593,114

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2013

	Municipal State Aid Construction	Permanent Improvement Revolving	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ -	\$ 558	\$ 1,414,807	\$ 10,600,854
Tax increments	-	-	2,002,607	2,002,607
Special assessments	-	305,129	921,803	1,634,903
Intergovernmental	2,718,571	-	226,443	3,775,172
Fees, licenses and permits	-	-	-	649,672
Charges for services	-	-	152,543	884,354
Fines	-	-	22,207	251,170
Investment earnings	10,332	13,924	22,127	94,024
Net increase (decrease) in fair value of investments	(16,205)	(14,487)	(33,341)	(112,724)
Other miscellaneous revenues	3,698	-	785,727	1,343,592
Total Revenues	2,716,396	305,124	5,514,923	21,123,624
Expenditures				
Current:				
General government	-	-	311,637	2,019,932
Public safety	-	-	133,547	6,089,431
Health and welfare	-	-	-	164,237
Highways and streets	2,307,386	24,940	96,836	4,709,377
Urban redevelopment and housing	-	-	1,660,066	1,979,001
Culture and recreation	-	-	355,955	1,688,876
Debt service:				
Principal retirement	-	-	3,030,000	3,265,000
Interest and fiscal fees	-	-	651,736	740,709
Capital Outlay	2,005,371	2,049,571	206,764	4,272,737
Total Expenditures	4,312,757	2,074,511	6,446,541	24,929,300
Excess (deficiency) of revenues over expenditures	(1,596,361)	(1,769,387)	(931,618)	(3,805,676)
Other Financing Sources (Uses)				
Improvement bonds issued	-	-	1,920,000	1,920,000
Premium on improvement bonds	-	-	42,010	42,010
Transfer in	-	1,924,779	875,857	2,948,556
Transfer out	-	(204,005)	(2,911,825)	(3,210,410)
Total Other Financing Sources (Uses)	-	1,720,774	(73,958)	1,700,156
Net change in fund balances	(1,596,361)	(48,613)	(1,005,576)	(2,105,520)
Fund balance (deficit) - January 1	2,064,148	2,389,702	5,547,437	18,598,845
Fund balance (deficit) - December 31	\$ 467,787	\$ 2,341,089	\$ 4,541,861	\$ 16,493,325

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended December 31, 2013

Net change in fund balances total governmental funds	\$ (2,105,520)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,768,093
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is a decrease to net position.	(1,834)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(350,658)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded in the statement of net position and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items.	1,254,467
External revenues and expenditures of the internal service funds reported in the statement of activities are not reported as revenues and expenditures in governmental funds.	260,693
Change in net position of governmental activities	<u>\$ 3,670,068</u>

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Property taxes	\$ 8,954,274	\$ 8,954,274	\$ 8,785,784	\$ (168,490)
Intergovernmental	498,510	498,510	759,694	261,184
Fees, licenses and permits	382,595	382,595	649,672	267,077
Charges for services	187,850	187,850	354,390	166,540
Fines	144,000	144,000	228,963	84,963
Investment earnings	15,000	15,000	12,484	(2,516)
Net increase (decrease) in fair value of investments	-	-	(29,323)	(29,323)
Other miscellaneous revenues	398,100	398,100	335,163	(62,937)
Total Revenues	10,580,329	10,580,329	11,096,827	516,498
Expenditures				
General government	1,733,459	1,707,969	1,706,419	1,550
Public safety	5,775,198	5,775,944	5,955,884	(179,940)
Health and welfare	162,261	162,261	164,237	(1,976)
Highways and streets	2,236,002	2,237,166	2,280,215	(43,049)
Urban redevelopment and housing	88,926	88,926	81,729	7,197
Culture and recreation	544,483	544,483	576,358	(31,875)
Capital Outlay	30,000	30,000	11,031	18,969
Total Expenditures	10,570,329	10,546,749	10,775,873	(229,124)
Excess (deficiency) of revenues over expenditures	10,000	33,580	320,954	287,374
Other Financing Sources (Uses):				
Transfer out	(10,000)	(33,580)	(33,580)	-
Net change in fund balance	-	-	287,374	287,374
Fund balance - January 1	5,032,211	5,032,211	5,194,143	161,932
Fund balance - December 31	\$ 5,032,211	\$ 5,032,211	\$ 5,481,517	\$ 449,306

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Major Special Revenue Funds
 Economic Development
 Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Property taxes	\$ 225,000	\$ 225,000	\$ 399,705	\$ 174,705
Intergovernmental	-	-	7,500	7,500
Investment earnings	3,000	3,000	32,049	29,049
Net increase (decrease) in fair value of investments	-	-	(13,969)	(13,969)
Other miscellaneous revenues	12,000	12,000	31,119	19,119
Total Revenues	<u>240,000</u>	<u>240,000</u>	<u>456,404</u>	<u>216,404</u>
Expenditures				
Current:				
Urban redevelopment and housing	<u>225,814</u>	<u>225,814</u>	<u>237,206</u>	<u>(11,392)</u>
Total Expenditures	<u>225,814</u>	<u>225,814</u>	<u>237,206</u>	<u>(11,392)</u>
Other Financing Sources (Uses)				
Transfer out	<u>(61,000)</u>	<u>(61,000)</u>	<u>(61,000)</u>	<u>-</u>
Net change in fund balance	<u>(46,814)</u>	<u>(46,814)</u>	<u>158,198</u>	<u>205,012</u>
Fund balance (deficit) - January 1	<u>2,864,266</u>	<u>2,864,266</u>	<u>3,681,063</u>	<u>816,797</u>
Fund balance (deficit) - December 31	<u>\$ 2,817,452</u>	<u>\$ 2,817,452</u>	<u>\$ 3,839,261</u>	<u>\$ 1,021,809</u>

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Major Special Revenue Funds
 Arts Center
 Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 56,000	\$ 56,000	\$ 62,964	\$ 6,964
Charges for services	362,540	362,540	377,421	14,881
Other miscellaneous revenues	199,850	199,850	187,885	(11,965)
Total Revenues	<u>618,390</u>	<u>618,390</u>	<u>628,270</u>	<u>9,880</u>
Expenditures				
Current:				
Culture and recreation	765,418	765,418	756,563	8,855
Total Expenditures	<u>765,418</u>	<u>765,418</u>	<u>756,563</u>	<u>8,855</u>
Other Financing Sources (Uses)				
Transfer in	147,920	147,920	147,920	-
Net change in fund balance	<u>892</u>	<u>892</u>	<u>19,627</u>	<u>18,735</u>
Fund balance (deficit) - January 1	<u>(1,067,889)</u>	<u>(1,067,889)</u>	<u>(1,109,599)</u>	<u>(41,710)</u>
Fund balance (deficit) - December 31	<u>\$ (1,066,997)</u>	<u>\$ (1,066,997)</u>	<u>\$ (1,089,972)</u>	<u>\$ (22,975)</u>

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer Utility	Nonmajor Proprietary Funds	Totals	
Assets						
Current assets:						
Cash and investments	\$ 690,150	\$ 136,302	\$ 946,714	\$ 1,392,508	\$ 3,165,674	\$ 2,058,557
Accounts receivable	124,350	201,385	10,555	79,120	415,410	20
Accrued interest receivable	2,703	2,210	3,247	1,974	10,134	5,164
Due from other governments	-	-	-	28,186	28,186	-
Advances to other funds	-	-	-	-	-	3,068
Loan receivable	-	-	-	16,423	16,423	-
Inventory	13,151	12,489	731	3,747	30,118	-
Prepaid expenses	173	23	-	15,861	16,057	-
Total current assets	830,527	352,409	961,247	1,537,819	3,682,002	2,066,809
Noncurrent assets:						
Capital Assets, non depreciable:						
Land	16,447	5,150	26,800	180,066	228,463	-
Construction in progress	430,456	780,203	506,718	134,429	1,851,806	-
Capital Assets, depreciable						
Building and structures	44,486	-	-	7,863,276	7,907,762	-
Distribution system	11,048,038	7,390,097	10,487,689	130,826	29,056,650	-
Machinery and equipment	357,847	382,900	11,264	804,247	1,556,258	7,619,849
Less accumulated depreciation	(5,934,025)	(4,089,624)	(3,543,370)	(4,932,786)	(18,499,805)	(4,291,767)
Total noncurrent assets	5,963,249	4,468,726	7,489,101	4,180,058	22,101,134	3,328,082
Total Assets	6,793,776	4,821,135	8,450,348	5,717,877	25,783,136	5,394,891
Liabilities						
Current liabilities:						
Accounts payable	90,026	19,312	51,375	105,813	266,526	84,987
Salaries payable	13,113	6,840	1,767	18,199	39,919	-
Due to other funds	-	-	-	23,247	23,247	-
Due to other governments	1,356	17,140	-	6,576	25,072	-
Compensated absences	32,063	13,169	5,181	45,030	95,443	745,081
Unearned revenue	3,704	-	-	-	3,704	-
Accrued interest payable	31,888	20,691	17,004	1,455	71,038	2,178
Capital lease - current	-	-	-	-	-	21,301
Revenue bonds - current	265,000	70,000	205,000	15,000	555,000	-
Total current liabilities	437,150	147,152	280,327	215,320	1,079,949	853,547

City of Hopkins

Statement of Net Position
 Proprietary Funds
 December 31, 2013

	Business-Type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer Utility	Nonmajor Proprietary Funds	Totals	
Noncurrent liabilities:						
Compensated absences	\$ 35,109	\$ 20,660	\$ 2,187	\$ 14,324	\$ 72,280	\$ 77,542
Net OPEB liability	12,386	12,386	-	12,766	37,538	-
Advance from other funds	-	-	-	3,068	3,068	-
Capital lease payable	-	-	-	-	-	216,689
Revenue bonds payable (net of unamortized discounts and premium)	2,402,219	1,450,822	1,484,235	162,430	5,499,706	-
Total noncurrent liabilities	2,449,714	1,483,868	1,486,422	192,588	5,612,592	294,231
Total Liabilities	2,886,864	1,631,020	1,766,749	407,908	6,692,541	1,147,778
Net Position						
Net investment in capital assets	3,693,369	2,947,904	5,799,866	4,180,059	16,621,198	3,090,092
Unrestricted	213,543	242,211	883,733	1,129,910	2,469,397	1,157,021
Total Net Position	\$ 3,906,912	\$ 3,190,115	\$ 6,683,599	\$ 5,309,969	\$ 19,090,595	\$ 4,247,113

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended December 31, 2013

	Business-Type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer Utility	Nonmajor Proprietary Funds	Total	
Operating revenues						
Charges for services	\$ 1,468,956	\$ 1,981,580	\$ 794,630	\$ 1,546,569	\$ 5,791,735	\$ 397,976
Other	14,327	17,903	4,973	44,528	81,731	-
Total operating revenues	<u>1,483,283</u>	<u>1,999,483</u>	<u>799,603</u>	<u>1,591,097</u>	<u>5,873,466</u>	<u>397,976</u>
Operating expenses						
Cost of sales and services	891,006	1,624,416	93,965	1,052,951	3,662,338	51,701
Administration	178,734	150,239	83,691	521,377	934,041	9,387
Depreciation	249,756	171,604	227,366	283,113	931,839	493,264
Total operating expenses	<u>1,319,496</u>	<u>1,946,259</u>	<u>405,022</u>	<u>1,857,441</u>	<u>5,528,218</u>	<u>554,352</u>
Operating income (loss)	<u>163,787</u>	<u>53,224</u>	<u>394,581</u>	<u>(266,344)</u>	<u>345,248</u>	<u>(156,376)</u>
Nonoperating revenues (expenses)						
Investment earnings	3,830	4,645	5,994	4,319	18,788	11,189
Net increase (decrease) in fair value of investments	(3,691)	(4,612)	(7,711)	(6,435)	(22,449)	(17,246)
Interest/fiscal agent expense	(64,620)	(45,015)	(35,437)	(3,130)	(148,202)	(12,748)
Intergovernmental grants	-	-	-	208,548	208,548	-
Gain on sale of assets	21,855	-	-	-	21,855	29,020
Total nonoperating revenues (expenses)	<u>(42,626)</u>	<u>(44,982)</u>	<u>(37,154)</u>	<u>203,302</u>	<u>78,540</u>	<u>10,215</u>
Income (loss) before contributions and transfers	<u>121,161</u>	<u>8,242</u>	<u>357,427</u>	<u>(63,042)</u>	<u>423,788</u>	<u>(146,161)</u>
Transfers and contributions						
Capital contributions	-	-	-	144,076	144,076	-
Transfers in	-	-	-	-	-	475,349
Transfers out	-	-	(120,000)	(25,000)	(145,000)	(68,495)
Change in net position	<u>121,161</u>	<u>8,242</u>	<u>237,427</u>	<u>56,034</u>	<u>422,864</u>	<u>260,693</u>
Total net position - January 1	<u>3,785,751</u>	<u>3,181,873</u>	<u>6,446,172</u>	<u>5,253,935</u>	<u>18,667,731</u>	<u>3,986,420</u>
Total net position - December 31	<u>\$ 3,906,912</u>	<u>\$ 3,190,115</u>	<u>\$ 6,683,599</u>	<u>\$ 5,309,969</u>	<u>\$ 19,090,595</u>	<u>\$ 4,247,113</u>

The notes to the financial statements are an integral part of this statement.

City of Hopkins

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer Utility	Nonmajor Proprietary Funds	Totals	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 1,478,517	1,990,185	\$ 798,242	\$ 1,646,144	\$ 5,913,088	\$ 77,819
Receipts from interfund services provided	-	-	-	-	-	338,889
Internal activity-payments to other funds	-	-	-	(18,752)	(18,752)	-
Payments to suppliers	(452,216)	(1,409,802)	1,263	(835,393)	(2,696,148)	(23,148)
Payments to employees	(391,558)	(212,884)	(66,851)	(560,635)	(1,231,928)	-
Payments for interfund services used	-	-	-	-	-	67,098
Payments for interfund services used	(178,734)	(150,239)	(83,691)	(155,141)	(567,805)	(9,387)
Net cash provided by (used in) by operating activities	<u>456,009</u>	<u>217,260</u>	<u>648,963</u>	<u>76,223</u>	<u>1,398,455</u>	<u>451,271</u>
Cash Flows from Noncapital Financing Activities						
Intergovernmental grants	-	-	-	352,624	352,624	-
Transfers in (out)	-	-	(120,000)	(25,000)	(145,000)	406,854
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>327,624</u>	<u>207,624</u>	<u>406,854</u>
Cash Flows from Capital and Related Financing Activities:						
Proceeds from capital debt	860,000	490,000	380,000	-	1,730,000	-
Purchases of capital assets	-	-	-	(7,833)	(7,833)	(1,043,649)
Construction of capital assets	(462,660)	(773,923)	(506,675)	(237,019)	(1,980,277)	-
Proceeds from sales of capital assets	21,855	-	-	-	21,855	29,020
Interest and other payments	(41,309)	(29,449)	(25,891)	(3,092)	(99,741)	(13,124)
Capital lease payments	-	-	-	-	-	(41,093)
Bond payments	(260,000)	(70,000)	(205,000)	-	(535,000)	-
Net cash provided by (used in) capital and related financing activities	<u>117,886</u>	<u>(383,372)</u>	<u>(357,566)</u>	<u>(247,944)</u>	<u>(870,996)</u>	<u>(1,068,846)</u>
Cash Flows From Investing Activities						
Interest received	<u>1,643</u>	<u>3,053</u>	<u>4,132</u>	<u>3,281</u>	<u>12,109</u>	<u>9,193</u>
Net increase (decrease) in cash and cash equivalents	575,538	(163,059)	175,529	159,184	747,192	(201,528)
Cash and cash equivalents - January 1	<u>(373,075)</u>	<u>203,045</u>	<u>102,200</u>	<u>569,717</u>	<u>501,887</u>	<u>805,428</u>
Cash and cash equivalents - December 31	<u>\$ 202,463</u>	<u>\$ 39,986</u>	<u>\$ 277,729</u>	<u>\$ 728,901</u>	<u>\$ 1,249,079</u>	<u>\$ 603,900</u>

City of Hopkins

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer Utility	Nonmajor Proprietary Funds	Totals	
Reconciliation of Cash and Cash Equivalents at End of Year to Cash and Investments per Statement of Net Position						
Ending cash and cash equivalents per cash flow statement	\$ 202,463	\$ 39,986	\$ 277,729	\$ 728,901	\$ 1,249,079	\$ 603,900
Investments	487,687	96,316	668,985	663,607	1,916,595	1,454,657
Cash and Investments per Statement of Net Position	<u>\$ 690,150</u>	<u>\$ 136,302</u>	<u>\$ 946,714</u>	<u>\$ 1,392,508</u>	<u>\$ 3,165,674</u>	<u>\$ 2,058,557</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 163,787	\$ 53,224	\$ 394,581	\$ (266,344)	\$ 345,248	\$ (156,376)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	249,756	171,604	227,366	283,113	931,839	493,264
(Increase) decrease in:						
Accounts receivable	(4,942)	(9,298)	(1,361)	57,215	41,614	(20)
Due from other funds	-	-	-	-	-	18,752
Inventory	52	90	372	120	634	-
Prepaid expense	(173)	(23)	-	16,925	16,729	-
Increase (decrease) in:						
Accounts, compensated absences and accrued interest payable	47,268	(743)	28,005	16,995	91,525	95,651
Due to other funds	-	-	-	(30,041)	(30,041)	-
Due to other governments	85	2,406	-	408	2,899	-
Unearned revenue	176	-	-	(2,168)	(1,992)	-
Net cash provided (used) by operating activities	<u>\$ 456,009</u>	<u>\$ 217,260</u>	<u>\$ 648,963</u>	<u>\$ 76,223</u>	<u>\$ 1,398,455</u>	<u>\$ 451,271</u>
Noncash investing, capital, and financing activities:						
Capital contributions	\$ -	\$ -	\$ -	\$ 144,076	\$ 144,076	\$ -

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The City of Hopkins, Minnesota (the City) is a charter City, which was approved December 2, 1947. The City operates pursuant to applicable Minnesota laws and statutes. The governing body of the City is a Council – Manager form of government.

The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Government Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

A. REPORTING ENTITY

In accordance with GASB pronouncements, the City's financial statements include all funds and departments of the City and its component units, for which the City is considered to be financially accountable. A blended component unit, although legally separate entity is, in substance, part of the City's operations and so data from this unit is combined with data of the primary government. The City's blended component unit has a March 31 year-end, however when blended with the City it is shown with a December 31 year-end.

Blended Component Unit

Housing and Redevelopment Authority in and for the City of Hopkins (HRA)

The HRA was created by the City to carry out certain redevelopment projects and low-income rental housing. Individuals on the City Council represent the governing board of the HRA. The housing activity is supported in part by federal subsidies. There is an extensive trust agreement between the HRA and HUD regarding the facility. The HRA is included in the City's enterprise funds. Separate financials are not prepared.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all activities of the primary government and its component units. The interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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 financial statements. 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 have been met. Unbilled utility service receivables are recorded at year-end.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or within sixty days thereafter to be used to pay liabilities of the current period.

Major revenues that are susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and investment earnings. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences that are recognized when due and payable.

The City reports the following major governmental funds:

The *general fund* is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *economic development special revenue fund* accounts for development opportunities of the city. Sources of funds are derived from the administration of loans and an annual tax levy.

The *arts center special revenue fund* accounts for the activities of the Hopkins Center for the Arts. Sources of funds are derived from leases, ticket sales, admission fees, grants and donations

The *2009B taxable housing improvement bonds of 1999A refunding bond debt service fund* accounts for resources accumulated and payments made for principal and interest on long-term debt issued to pay for Valley View Home improvements. The owners of these town homes pay an annual fee, which in turn pays for the bond issue.

The *2009B taxable housing improvement bonds of 1999B refunding bond debt service fund* accounts for resources accumulated and payments made for principal and interest on long-term debt issued to pay for Westbrook Patio Home improvements. The owners of these town homes pay an annual fee, which in turn pays for the bond issue.

The *municipal state aid construction fund* accounts for the City's allocation of the state collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

The *permanent improvement revolving capital projects fund* accounts for resources and accumulated payments for street improvements funded with bonds and special assessments levied on benefited property.

The City reports the following major proprietary funds:

The *water utility fund* accounts for the operations of the City-owned water distribution system. The water bonds of 2009A, 2012B and 2013A are included as part of this fund since revenues of the water fund are pledged to pay principal and interest on this bond.

The *sewer utility fund* accounts for the operations of the City-owned sewer lift stations and disposal system. The sewer bonds of 2009A, 2012B and 2013A are included as part of this fund since revenues of the sewer fund are pledged to pay principal and interest on this bond.

The *storm sewer utility fund* accounts for the operations and improvements of the storm water drainage system. The storm water bond issues of 2009A, 2010B, 2012B and 2013A are included as part of this fund since revenues of the storm sewer fund are pledged to pay principal and interest on these bonds.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed by Council to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure, other than those financed by proprietary funds or special revenue funds.

Proprietary Funds

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

Internal Service Funds – Internal service funds are used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis. Internal service funds are used for equipment replacement, insurance deductions and employee benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however interfund services provided and used are not eliminated in the process of consolidation.

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

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

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in authorized investments pursuant to Minnesota Statutes (see note 4). Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments in certificates of deposit and commercial paper with a maturity date of less than one year at the date of purchase are reported at cost or amortized cost, which approximates fair value. Investments other than commercial paper held longer than one year are reported at fair value, based on quoted market prices.

The City accounts for its cash, cash equivalents and investments in an entity-wide cash management pool, which is used essentially as a demand deposit account. For purposes of the statement of cash flows, the proprietary

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

funds consider all investments to be cash equivalents. Restricted cash and investments are reported separately on the financial statement.

E. INTERFUND RECEIVABLES/PAYABLES

Activity between funds that is representative of lending/borrowing arrangements and transactions between funds that are outstanding at the end of the fiscal year are referred to "due to/from other funds" Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The non-current portion of due from other funds is offset by nonspendable fund balance in the general fund to indicate that this portion of fund balance is not available for appropriation and is not expendable available financial resources.

F. INVENTORIES AND PREPAID ITEMS

All inventories are accounted for using the consumption method and are valued at cost using 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. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

G. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Assets not being depreciated include land and construction in progress. Buildings, equipment, and infrastructure of the City and the HRA are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings	30 - 40 years
Mains and Lines	40 - 50 years
Streets	20 - 25 years
Improvements	10 - 20 years
Vehicles	3 - 30 years
Equipment	3 - 20 years

H. COMPENSATED ABSENCES

The City compensates all employees upon termination for unused vacation or flex leave. Employees hired prior to August 1, 1998 may opt to have sick leave, at the rate of 8 hours for each calendar month of full-time service, instead of flex leave.

Employees hired prior to August 1, 1998, that have not opted for flex leave, shall be entitled to severance pay, after completion of five years of continuous City employment. Severance pay is calculated by multiplying the total number of continuous years in the City employ and/or accumulated sick leave by the daily wage rate prevailing at date of severance, at one day per year of such employment, to a maximum of 20 days. Such

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

severance money shall be paid in case of separation caused by death, eligible retirements, or medically attested disability preventing an employee from performing the major duties of the position or separation for non-disciplinary reasons.

Accumulated vacation, flex and vested severance pay is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements. The employee benefits internal service fund reports the governmental funds' liability for compensated absences on the accrual basis.

I. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary 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, amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

J. NET POSITION/FUND EQUITY

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net position invested 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. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and land held for resale.

Restricted – funds are constrained by external parties (statute, grantors, bond agreements, etc.).

Committed – fund constraints are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints. These constraints are established by the City Council and/or management. The City Council also delegates the authority to assign fund balance to the Finance Director per City Legislative Policy 6-G, Fund Balance.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

The City formally adopted a fund balance policy for the General Fund. The policy establishes an unassigned fund of a minimum of 5 months or 42% of the previous year's budgeted expenditures.

K. INTERFUND TRANSACTIONS

Inter-fund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

L. PROPERTY TAXES

Property tax levies are set by the City Council in December of each year, and are certified to Hennepin County (the County) for collection in the following year. In the State of Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over assessable property. 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 taxpayers in two equal installments, on May 15 and October 15. Personal property taxes are also payable by taxpayers in two equal installments, on February 28 and June 30. The County provides tax settlements to cities and other local governments three times a year, on or before January 25, July 5 and December 5.

In the governmental fund financial statements property taxes are accrued and recognized as revenue for collections within 60 days of year-end. Taxes that remain unpaid at the County on December 31 are classified as delinquent taxes receivable, and are fully offset by deferred inflows of resources because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

M. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Commercial Development Revenue Notes/Bonds in accordance with the Minnesota Municipal Industrial Development Act. These obligations are issued to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The obligations are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the obligations, ownership of the acquired facilities transfers from the bond holder to the private-sector entity served by the debt issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the obligations. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2013, there were 9 notes/bond issues outstanding, with an aggregate principal amount payable of approximately \$33.3 million.

N. USE OF ESTIMATES

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

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Details of this difference are as follows:

Bonds payable	\$ 22,826,296
Accrued interest payable	300,398
Net OPEB obligation	<u>191,488</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 23,318,182</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 4,272,737
Depreciation expense	<u>(1,504,644)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,768,093</u>

Another element of that reconciliation explains that, “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses financial resources of the governmental funds. Neither of these transactions has any effect on the net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of these differences are as follows:

Principal repayments	\$ (3,265,000)
Issuance of general obligation bonds	1,920,000
Add premium	42,010
OPEB expense	23,686
Amortization of deferred losses on refunding	37,057
Amortization of bond premium and discount	2,689
Prior year interest expense	(315,307)
Accrue interest expense for current year	<u>300,398</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>(1,254,467)</u>

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds except the Section 8 and Hennepin County CDBG special revenue funds, the debt service funds and the capital projects funds, which are not budgeted. A capital improvement plan is reviewed annually by the City Council for the capital projects funds and utility funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements and set forth in Section 7.04 of the City Charter.

1. The City Manager shall, at the first regular council meeting in September, submit to the Council a proposed budget and an explanatory budget message in a form and manner as prescribed by the City Charter.
2. The Council shall determine the plan and time of the public hearings on the budget to obtain taxpayer comments.
3. The Council shall adopt the tax levy by resolution no later than a December date, which is annually established by law for the county auditor to levy taxes. The budget shall set forth the total for each budgeted fund with such segregation as to objects and purposes of expenditures as the Council deems necessary for purposes of budget control.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council and are limited to the amount revenues exceed the budgets or authorize the transfer of sums from unexpended balances to other purposes. Budgeted expenditure appropriations lapse at year-end. The level of legal control is at the fund level.
5. The Council made no supplemental budgetary appropriation throughout the year.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2013, actual expenditures exceeded the budgeted amounts in the following funds:

General Fund	\$ 229,124
Economic Development	11,392
State Chemical Assessment Team	22,770
Parking	50,138
Depot Coffee House	31,450
Tax Increment District Entertainment District	11,475
Tax Increment District Sonoma	10,064
Tax Increment District Super Valu	624,024
5th Avenue Flats	1,770
Tax Increment Marketplace & Main	135

These over expenditures were funded by greater than anticipated revenues of the General, Economic Development, State Chemical Assessment Team, and Tax Increment District Sonoma funds, from fund balance in the State Chemical Assessment Team and Depot Coffee House funds, and by future revenues in the Depot Coffee House, Tax Increment District Entertainment District, 5th Avenue Flats and Tax Increment District Marketplace & Main funds.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Budgets are adopted for some special revenue fund types but not all. Excluded from the budget adoption process are funds that are completely reimbursable from the federal and state governments. The Community Development Block Grant Funds is a non-budgeted fund.

C. FUND BALANCE DEFICITS

At December 31, 2013, the following funds had deficit fund balances or net position. These deficits will be funded through future tax levies, contributions, grants, charges for services or developer payments:

Art Center	\$ 1,089,972
Depot Coffee House	10,094
Tax Increment District Entertainment District	113,792
Tax Increment District Sonoma	207,885
5th Avenue Flats	378,185
Tax Increment District Marketplace & Main	211,016

D. NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$2,002,941 in restricted net position for economic development, of which \$1,550,357 is restricted by enabling legislation.

4. DEPOSITS AND INVESTMENTS

As of December 31, 2013 the City had the following deposits and investments:

<u>Investment Type</u>	<u>Fair Value</u>
Government securities	\$ 1,210,340
Municipal obligations	6,859,697
Negotiable certificates of deposit	6,845,076
Money market	6,221,120
Deposits	424,287
Total fair value cash and investments	<u>\$ 21,560,520</u>

Interest rate risk – Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. In accordance with City of Hopkins Legislative Policy 6-B, Standards of Investments, the city manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

At December 31, 2013 the City had the following investment maturities:

Investment Type:	Fair Value	Investment Maturities (in Years)			
		Less than One	1-5	6-10	16-20
Government securities					
FNMA	\$ 712,879	\$ -	\$ 489,149	\$ -	\$ 223,730
FHLB	497,461	-	497,461	-	-
Municipal obligations	6,859,697	2,288,065	4,091,417	480,215	-
Negotiable certificates of deposit	6,845,076	4,655,000	1,960,069	230,007	-
Money market	6,221,120	6,221,120	-	-	-
	<u>\$ 21,136,233</u>	<u>\$ 13,164,185</u>	<u>\$ 7,038,096</u>	<u>\$ 710,222</u>	<u>\$ 223,730</u>

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Credit risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor’s and Moody’s. According to the City’s investment policy commercial paper shall be restricted to issues, which mature in 270 days or less with a rating of A-1 (Moody’s), P-1 (Standard & Poor’s) or F-1 (Fitch) among at least two of the three rating agencies.

The City is authorized by Minnesota Statutes to invest in the following:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies
- (b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above
- (c) General obligations in the State of Minnesota or any of its municipalities
- (d) Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System
- (e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturity in 270 days or less; and
- (f) Guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their subsidiaries
- (g) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. Government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The following table lists the credit quality ratings per Moody’s and/or Standard and Poor’s and/or Fitch of the City’s investments at December 31, 2013.

Investment Type:	Fair Value	Quality Ratings			
		AAA	AA	A	Not Rated
Government securities					
FNMA	\$ 712,879	\$ -	\$ 712,879	\$ -	\$ -
FHLB	497,461	-	497,461	-	-
Municipal obligations	6,859,697	1,047,153	5,308,079	504,465	-
Negotiable certificates of deposit	6,845,076	-	-	-	6,845,076
Money market	6,221,120	-	-	-	6,221,120
	<u>\$ 21,136,233</u>	<u>\$ 1,047,153</u>	<u>\$ 6,518,419</u>	<u>\$ 504,465</u>	<u>\$ 13,066,196</u>

Custodial credit risk

Deposits – For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes the legal investments described above, as well as certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasurer or in a financial institution other than that furnishing the collateral. At December 31, 2013 the City had no deposits that were uninsured or uncollateralized. The deposits were insured or collateralized by securities held by the City’s agent in the City’s name.

Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the City are insured or registered or are held by the City or its agent in the City’s name. The City has no investments that are uninsured or unregistered nor are any investments held by a counterparty or a counterparty’s trust department or agent that is not in the city’s name.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Concentration of credit risk – This is the risk associated with investing a significant portion of the City’s investments (considered 5% or more) in the securities of a single issuer, excluding U.S. explicitly guaranteed investments (Treasuries), investment pools, and mutual funds. As of December 31, 2013, the city had no investments exceeding 5% or more for a single issuer.

5. CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2013 were as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 5,805,711	\$ -	\$ -	\$ -	\$ 5,805,711
Construction in progress	1,814,572	4,079,660	-	(1,706,298)	4,187,934
Total not being depreciated	<u>7,620,283</u>	<u>4,079,660</u>	<u>-</u>	<u>(1,706,298)</u>	<u>9,993,645</u>
Capital assets, being depreciated					
Buildings	20,042,280	-	-	-	20,042,280
Other Improvements	36,327,425	165,944	-	1,706,298	38,199,667
Vehicles	3,474,781	756,998	(150,400)	-	4,081,379
Machinery & equipment	5,401,163	313,785	(52,057)	-	5,662,891
Total being depreciated	<u>65,245,649</u>	<u>1,236,727</u>	<u>(202,457)</u>	<u>1,706,298</u>	<u>67,986,217</u>
Less accumulated depreciation					
Buildings	(5,204,581)	(495,220)	-	-	(5,699,801)
Other Improvements	(14,342,249)	(927,921)	-	-	(15,270,170)
Vehicles	(1,858,640)	(268,185)	150,400	-	(1,976,425)
Machinery & equipment	(3,935,668)	(306,583)	50,223	-	(4,192,028)
Total accumulated depreciation	<u>(25,341,138)</u>	<u>(1,997,909)</u>	<u>200,623</u>	<u>-</u>	<u>(27,138,424)</u>
Total capital assets, being depreciated, net	<u>39,904,511</u>	<u>(761,182)</u>	<u>(1,834)</u>	<u>1,706,298</u>	<u>40,847,793</u>
Governmental activities capital assets, net	<u>\$ 47,524,794</u>	<u>\$ 3,318,478</u>	<u>\$ (1,834)</u>	<u>\$ -</u>	<u>\$ 50,841,438</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated					
Land	\$ 228,463	\$ -	\$ -	\$ -	\$ 228,463
Construction in progress	578,206	1,756,267	-	(482,667)	1,851,806
Total not being depreciated	<u>806,669</u>	<u>1,756,267</u>	<u>-</u>	<u>(482,667)</u>	<u>2,080,269</u>
Capital assets, being depreciated					
Buildings	7,813,889	93,872	-	-	7,907,761
Infrastructure	19,150,463	56,094	-	-	19,206,557
Other Improvements	9,347,347	20,081	-	482,667	9,850,095
Vehicles	754,107	-	-	-	754,107
Machinery & equipment	841,216	45,935	(85,000)	-	802,151
Total being depreciated	<u>37,907,022</u>	<u>215,982</u>	<u>(85,000)</u>	<u>482,667</u>	<u>38,520,671</u>
Less accumulated depreciation					
Buildings	(4,170,245)	(222,986)	-	-	(4,393,231)
Infrastructure	(11,055,028)	(402,769)	-	-	(11,457,797)
Other Improvements	(1,412,532)	(208,251)	-	-	(1,620,783)
Vehicles	(370,484)	(61,296)	-	-	(431,780)
Machinery & equipment	(644,678)	(36,537)	85,000	-	(596,215)
Total accumulated depreciation	<u>(17,652,967)</u>	<u>(931,839)</u>	<u>85,000</u>	<u>-</u>	<u>(18,499,806)</u>
Total capital assets, being depreciated, net	<u>20,254,055</u>	<u>(715,857)</u>	<u>-</u>	<u>482,667</u>	<u>20,020,865</u>
Business-type activities capital assets, net	<u>\$ 21,060,724</u>	<u>\$ 1,040,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,101,134</u>

City of Hopkins, Minnesota
 NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Depreciation expense was charged to City functions as follows:

Governmental activities:	
General government	\$ 61,297
Public safety	221,060
Highways and streets	1,073,437
Urban redevelopment and housing	613
Culture and recreation	148,238
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	493,264
Total depreciation expense - governmental activities	<u>\$ 1,997,909</u>

Business-type activities:	
Water	\$ 249,756
Sewer	171,604
Storm Sewer	227,366
Refuse	53,673
Pavilion/Ice arena	71,619
Housing and Redevelopment Authority	157,821
Total depreciation expense - business-type activities	<u>\$ 931,839</u>

Construction commitments

The City has active construction projects as of December 31, 2013. The projects include street improvements. The City's commitment with contractors related to these projects is \$114,114.

On October 15, 2013 the City Council entered into a 14 year maintenance agreement with SEH Design/Build, Inc. for inspection, maintenance, cleaning and painting of the city's two water towers. The contract commitment totals \$1,529,400 and will be paid in annual installments beginning in 2014.

6. INTERFUND RECEIVABLES AND PAYABLES

The following funds had amounts receivable from other funds, and the respective funds had equal amounts payable to other funds at December 31, 2013:

	Due from Other Funds		
	General	Economic Development	Total
Due to other funds:			
Non-major governmental	\$ 394,894	\$ 642,830	\$ 1,037,724
Arts Center	737,648	300,000	1,037,648
Non-major proprietary	23,247	-	23,247
Total due to other funds	<u>\$ 1,155,789</u>	<u>\$ 942,830</u>	<u>\$ 2,098,619</u>

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

Advances from other funds	Internal Service	Total
Advanced to other funds:		
Nonmajor proprietary	\$ 3,068	\$ 3,068
Total advances to other funds	\$ 3,068	\$ 3,068

The interfund receivables and payables are to eliminate negative cash between funds and to allow for development loans or to facilitate a project or operations of another fund.

7. INTERFUND TRANSFERS

The following is a summary of transfers between funds as of December 31, 2013:

	Transfers in					Total
	Art Center	Permanent Improvement Revolving	Non-major Governmental	Internal Service		
Transfers out:						
General	\$ -	\$ -	\$ 10,000	\$ 23,580	\$ 33,580	
Economic Development	61,000	-	-	-	61,000	
Permanent Improvement Revolving	-	-	204,005	-	204,005	
Storm Sewer	-	-	120,000	-	120,000	
Non-major governmental	-	1,924,779	448,357	451,769	2,824,905	
Non-major business-type	86,920	-	25,000	-	111,920	
Internal service	-	-	68,495	-	68,495	
Total transfers in	\$ 147,920	\$ 1,924,779	\$ 875,857	\$ 475,349	\$ 3,423,905	

Interfund transfers allow the City to allocate financial resources to debt service funds that are paying the general obligation debt.

Non-routine transfers include the following:

- 6) Annual transfers from storm sewer and refuse funds for lease payments on new public works facility.
- 7) An annual transfer, from the Economic Development and non-major governmental Communication funds to the Art Center Fund totaling \$147,920 to pay the original debt for building the facility.
- 8) Annual transfers from Tax Increment Special Revenue funds to Debt Service funds for debt payments.
- 9) Transfers from non-major governmental funds to Permanent Improvement Revolving and Internal Service Fund for bond proceeds.

(remainder of page left blank intentionally)

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

8. LEASES

The city has entered into a lease agreement as a lessee for financing the acquisition of an aerial lift fire truck with a down payment of \$445,427. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 870,427
Less: Accumulated depreciation	<u>(224,797)</u>
Total	<u>\$ 645,630</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013 are as follows:

Year Ending December 31,	<u>Governmental Activities</u>
2014	\$ 54,217
2015	54,217
2016	54,217
2017	54,217
2018	<u>54,217</u>
Total minimum lease payments	271,085
Less: amount representing interest	<u>(33,095)</u>
Present value of minimum lease payments	<u>\$ 237,990</u>

9. LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General Obligation Bonds are backed by the full faith, credit and taxing power of the City, and are serviced by General and Tax Increment levies and also by fees assessed against benefited properties. These bonds generally are issued as 20-year serial bonds.

Refunding

On November 17, 2010 the City issued \$1,585,000 General Obligation Refunding Bonds, Series 2010B for a crossover refunding of \$1,490,000 General Obligation Tax Increment Bonds, Series 2002A. Future debt service payments will be reduced by \$109,172 with a present value savings of \$92,997. The refunded bonds were called and paid on February 1, 2013.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Current Amount</u>
Governmental activities	0.35 – 5.00%	\$12,620,000	\$9,435,000
Governmental activities – refunding	0.50 – 5.15%	6,275,000	4,720,000

City of Hopkins, Minnesota
 NOTES TO FINANCIAL STATEMENTS, (CONT.)
 December 31, 2013

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2014	\$ 1,415,000	\$ 471,592
2015	1,450,000	427,143
2016	1,525,000	378,359
2017	1,455,000	327,681
2018	1,495,000	275,501
2019-2023	6,815,000	604,724
	<u>\$ 14,155,000</u>	<u>\$ 2,485,000</u>

The City also has special assessment bonds, which are backed by the full faith, credit and taxing power of the City, and repayment monies are generated by the collection of special assessments and general levies. On April 25, 2013 the City issued \$1,920,000 series 2013A General Obligation Improvement Bonds for the 2013 street improvements.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Amount	Current Amount
Street Improvements	0.50 – 4.25%	\$9,870,000	\$ 8,675,000

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2014	\$ 555,000	\$ 212,132
2015	680,000	185,959
2016	700,000	168,453
2017	715,000	150,009
2018	740,000	130,502
2019-2023	2,650,000	459,655
2024-2028	2,490,000	150,121
2029	145,000	1,813
	<u>\$ 8,675,000</u>	<u>\$ 1,458,644</u>

(remainder of page left blank intentionally)

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

Revenue Bonds

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. On April 25, 2013 the City issued \$1,730,000 General Obligation Bonds, Series 2013A for the water (\$860,000), sewer (\$490,000) and storm sewer (\$380,000) portion of the 2013 street improvement project.

Revenue bonds outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Current Amount</u>
Water refunding	2.0 – 4.0%	\$ 850,000	\$ 355,000
Water construction & replacement	2.0 – 4.0%	820,000	685,000
Water construction & replacement	2.0 – 2.2%	760,000	720,000
Water construction & replacement	2.0 - 2.5%	860,000	860,000
Sanitary sewer construction & replacement	2.0 – 4.0%	1,020,000	850,000
Sanitary sewer construction & replacement	2.0 – 2.2%	170,000	160,000
Sanitary sewer construction & replacement	2.0 - 2.5%	490,000	490,000
Storm sewer – refunding	2.0 – 4.0%	605,000	250,000
Storm sewer – refunding	0.5 – 2.9%	875,000	745,000
Storm sewer construction & replacement	2.0 – 2.2%	320,000	305,000
Storm sewer construction & replacement	2.0 - 2.5%	380,000	380,000
Pavilion equipment certificates	2.0 – 2.0%	175,000	175,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>December 31</u>		
2014	\$ 555,000	\$ 154,992
2015	675,000	130,556
2016	380,000	117,794
2017	385,000	108,969
2018	395,000	99,494
2019-2023	2,095,000	335,585
2024-2028	1,355,000	88,089
2029	135,000	1,687
	<u>\$ 5,975,000</u>	<u>\$ 1,037,166</u>

The City is subject to a statutory limit of bonded indebtedness equaling 3.0 percent of taxable market value. At December 31, 2013, the debt limit for the City is \$46,161,361. Of the total debt, \$9,435,000 of general obligation and revenue bonds is applicable to the limit. The legal debt margin is \$36,726,361.

Advance Refunding

On August 14, 2007 the City issued \$9,920,000 in General Obligation Capital Improvement Bonds, Series 2007A for the purpose of refunding the \$10,760,000 HRA Lease Revenue Bonds, Series 2002A. Future debt service payments will be reduced by \$120,340 with a present value savings of \$89,973. As of December 31, 2013, \$6,930,000 remained outstanding.

On September 13, 2012 the City issued \$1,905,000 in General Obligation Capital Improvement Bonds, Series 2012A for the purpose of refunding the \$3,050,000 HRA Lease Revenue Bonds, Series 2003. Future debt service payments will be reduced by \$214,280 with a present value savings of \$206,557. As of December 31, 2013, \$1,765,000 remained outstanding.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
G.O. tax increment bonds	\$ 6,765,000	\$ -	\$ 2,045,000	\$ 4,720,000	\$ 600,000
General obligation bonds	10,180,000	-	745,000	9,435,000	815,000
Total general obligation bonds	16,945,000	-	2,790,000	14,155,000	1,415,000
Special assessment bonds	7,230,000	1,920,000	475,000	8,675,000	555,000
Less deferred amounts					
For issuance discounts	(116,687)	-	10,148	(106,539)	-
For issuance premiums	68,285	42,010	(7,460)	102,835	-
Total bonds payable	24,126,598	1,962,010	3,267,688	22,826,296	1,970,000
Compensated absences	799,054	768,650	745,081	822,623	745,081
Net OPEB liability	167,802	151,639	127,953	191,488	-
Capital lease payable	279,083	-	41,093	237,990	21,301
Governmental activity long-term liabilities	<u>\$ 25,372,537</u>	<u>\$ 2,882,299</u>	<u>\$ 4,181,815</u>	<u>\$ 24,078,397</u>	<u>\$ 2,736,382</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 4,780,000	\$ 1,730,000	\$ 535,000	\$ 5,975,000	\$ 555,000
Less deferred amounts					
For issuance discounts	(7,227)	-	717	(6,510)	-
For issuance premiums	60,187	37,852	(11,823)	86,216	-
Compensated absences	165,186	97,978	95,441	167,723	95,443
Net OPEB liability	31,276	31,345	25,083	37,538	-
Business-type activity long-term liabilities	<u>\$ 5,029,422</u>	<u>\$ 1,897,175</u>	<u>\$ 644,418</u>	<u>\$ 6,259,967</u>	<u>\$ 650,443</u>

For the governmental activities, compensated absences and the net OPEB liability are generally liquidated by the general and special revenue funds.

(remainder of page left blank intentionally)

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

10. FUND BALANCES

At December 31, 2013, the City had various fund balances through legal restriction and City Council authorization. Major fund balance appropriations at December 31, 2013 are shown on the various balance sheets as segregations of the fund balance. The fund balances are as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 4,823,141	\$ -	\$ -	\$ -	\$ -	\$ 4,823,141
Inventories	104,718	104,718	-	-	-	-
Prepaid items	126,890	126,890	-	-	-	-
Community development	426,768	-	-	-	426,768	-
Total General Fund	<u>5,481,517</u>	<u>231,608</u>	<u>-</u>	<u>-</u>	<u>426,768</u>	<u>4,823,141</u>
Economic Development						
Long term receivable	942,830	-	-	942,830	-	-
Property held for resale	697,098	-	-	697,098	-	-
Prepaid items	1,050	1,050	-	-	-	-
Economic Development	2,198,283	-	-	2,198,283	-	-
Total Economic Development Fund	<u>3,839,261</u>	<u>1,050</u>	<u>-</u>	<u>3,838,211</u>	<u>-</u>	<u>-</u>
Arts Center						
Prepaid items	135	135	-	-	-	-
Deficit Fund Balance	(1,090,107)	-	-	-	-	(1,090,107)
Total Arts Center Fund	<u>(1,089,972)</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,090,107)</u>
Housing Improvement Bonds of 1999A Refunding						
Bonds of 2009B						
Debt service	318,668	-	318,668	-	-	-
Housing Improvement Bonds of 1999B Refunding						
Bonds of 2009B						
Debt service	593,114	-	593,114	-	-	-
Municipal State Aid Construction						
Capital asset replacement	467,787	-	-	-	467,787	-
Permanent Improvement Revolving						
Capital asset replacement	2,341,089	-	-	-	2,341,089	-
Nonmajor Governmental Funds						
Prepaid items	310	310	-	-	-	-
Rehab loans	25,816	-	25,816	-	-	-
Long term receivable	3,000	-	3,000	-	-	-
Property held for resale	321,719	-	321,719	-	-	-
Debt service	2,558,965	-	2,558,965	-	-	-
Public safety	2,929	-	2,929	-	-	-
Tax increment	1,238,638	-	1,238,638	-	-	-
Park improvements	136,566	-	136,566	-	-	-
Economic development	123,114	-	-	123,114	-	-
Parking improvements	129,219	-	-	129,219	-	-
Communications	418,482	-	-	418,482	-	-
Capital asset replacement	504,210	-	-	-	504,210	-
Deficit fund balance	(921,107)	-	-	-	-	(921,107)
Total Nonmajor Funds	<u>4,541,861</u>	<u>310</u>	<u>4,287,633</u>	<u>670,815</u>	<u>504,210</u>	<u>(921,107)</u>
Total Fund Balances	<u>\$ 16,493,325</u>	<u>\$ 233,103</u>	<u>\$ 6,839,343</u>	<u>\$ 2,869,098</u>	<u>\$ 3,739,854</u>	<u>\$ 2,811,927</u>

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

11. PENSION PLAN OBLIGATIONS

1. Defined Benefit Pension Plans - Statewide

A. Plan Description

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

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers that qualify for membership by statute are covered by PEPFF.

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

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

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the web at mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

City of Hopkins, Minnesota
 NOTES TO FINANCIAL STATEMENTS, (CONT.)
 December 31, 2013

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.6% of their annual covered salary in 2013. The City of Hopkins is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERS members, 7.25% for Coordinated Plan GERS members and 14.4% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2013, 2012 and 2011 were \$334,204, \$341,474, and \$343,546, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2013, 2012 and 2011 were \$339,831, \$317,772, and \$311,058, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. The City's pension obligation is funded by the General, Special Revenue and Enterprise Funds.

2. Hopkins Fire Relief Association (HFRA)

A. Plan Description

The City contributes to the Hopkins Fire Relief Association (Association); a single employer defined benefit plan. The Association administers the plan and issues separate financial statements that can be obtained by contacting the Association.

Volunteer firefighters of the City are members of the Association. The plan provides for permanent and short term disability benefits, death benefits and pensions with a set value for the annual withdrawal amount. Full vesting in the plan requires a member to have served for at least 5 years, to have reached the age of 50 years and to have been a member of the Association for at least 20 years. These benefit provisions and all other requirements are consistent with enabling statutes.

B. Funding Policy and Annual Pension Information

The governing board of the Association requests changes in benefit levels and contribution requirements that must be approved by the City Council. The funding policy provides that contributions from the City and from the State of Minnesota are in amounts sufficient to accumulate assets to pay benefits when due. The City passes through state aids allocated to the plan, in accordance with state statutes. The annual pension information is as follows:

2013 Contributions:	City	\$ 32,166
	State	\$ 98,843
Actuarial valuation date:	12/31/12	
Actuarial cost method:	Entry age normal	
Amortization method	Level dollar – closed	
Remaining amortization period		
Normal cost	20 years	
Prior year service cost	5 years	
Asset valuation method	Market	
Actuarial assumptions		
Investment rate of return	11%	
Projected salary increases	N/A	
Inflation rate	N/A	
Cost of living adjustments	None	

City of Hopkins, Minnesota
 NOTES TO FINANCIAL STATEMENTS, (CONT.)
 December 31, 2013

Annual Pension Benefit Cost for Past Three Years (the most current available)

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>% of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation At Year Ended</u>
12/31/2012	\$ 98,335	100%	\$ 0
12/31/2011	\$ 100,105	100%	\$ 0
12/31/2010	\$ 263,957	100%	\$ 0

The estimated accrued liability of \$1,988,396 at December 31, 2012 was calculated using the State of Minnesota Schedule I form for lump sum pension plans. This results in excess (deficit) net position available for benefits of \$224,728 as of December 31, 2012. The Hopkins Fire Department is a volunteer organization and therefore does not have payroll to disclose.

12. OTHER POST EMPLOYMENT BENEFIT PLAN

At December 31, 2008, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City engaged an actuary to determine the City's liability for postemployment healthcare benefits other than pensions as of January 1, 2013, for this single employer defined benefit OPEB plan.

1. Plan Description

The City, a single-employer postemployment benefit plan, provides benefits for retirees as required by *Minnesota Statute* §471.61 subdivision 2b. Active employees, who were hired prior to July 1, 1993 and have been with the City for at least ten years and are either (1) age 60 years or older or (2) eligible for full PERA retirement benefits. Employees retiring by June 30, 2007 will receive full single health and life insurance coverage until age 65; employees retiring between July 1, 2007 and December 31, 2009 will receive \$500 per month towards the cost of single health and life insurance until age 65; and employees retiring after December 31, 2009 will receive \$15 per month times years of service (maximum of \$500 per month) towards the cost of single health and life insurance until age 65. Currently 17 employees meet those eligibility requirements. As of December 31, 2013 there were approximately 85 active participants and 16 retired participants receiving benefits from the City's health plans.

2. Funding Policy

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2013, the City contributed \$171,142 to the plan. The City's OPEB pension obligation is funded by the General and Enterprise Funds.

(remainder of page left blank intentionally)

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2013

3. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 204,517
Interest on Net OPEB Obligation	8,959
Adjustment to Annual Required Contribution	<u>(12,386)</u>
Annual OPEB Cost (Expense)	201,090
Contributions Made	<u>(171,142)</u>
Increase in Net OPEB Obligation	29,948
Net OPEB Obligation - Beginning of Year	<u>199,078</u>
Net OPEB Obligation - End of Year	<u><u>\$ 229,026</u></u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 199,657	76.8 %	\$ 152,972
12/31/2012	199,142	76.8 %	199,078
12/31/2013	201,090	87.8 %	229,026

4. Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$2,029,907. The annual payroll for active employees covered by the plan in the actuarial valuation was \$6,583,173 for a ratio of UAAL to covered payroll of 30.83%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Hopkins, Minnesota
NOTES TO FINANCIAL STATEMENTS, (CONT.)
December 31, 2013

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 7.5%, reduced by decrements to an ultimate rate of 5% after six years. Both rates include a 2.5% inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an closed basis over a period not to exceed 30 years.

13. REHABILITATION LOANS RECEIVABLE

The City makes rehabilitation loans to residential and commercial entities within the City. Residential loans are made for 20 year periods at 3% interest. A mortgage against the property improved is required and City staff is responsible to follow-up any delinquent accounts. Loan repayments are made to Matrix Financial Services, a loan service bureau, which charges a fee of \$5.95 per month per loan. Principal and interest are forwarded to the City monthly with loan collection and loan status reports. Rehabilitation loan activity is a function of the Economic Development Fund, and the Hennepin County CDBG Funds. Loans become due in full upon sale of property. Rehabilitation loans receivable amounted to \$ 25,816 at December 31, 2013 and are recorded in the Hennepin County CDBG non-major special revenue funds.

14. CLAIMS AND LITIGATION

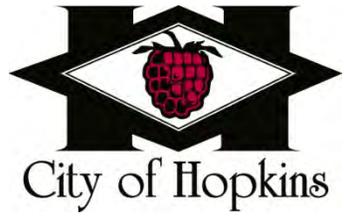
The City had the usual and customary types of miscellaneous claims pending at year-end, which are of a minor nature and usually all covered by insurance carried for that purpose. The City carries a \$1,000,000 Public Official Liability Insurance policy with public entity and employee endorsement.

15. 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. The City participates in a public entity risk pool to mitigate its exposure to these risks. Workers compensation and property and liability coverage are provided through a pooled self-insurance plan with other cities. Settled claims have not exceeded insurance coverage in any of the past three fiscal years and no significant reductions in coverage from the prior year. The City pays an annual premium based on prior claims history for its workers compensation coverage. The public entity risk pool is responsible for the payment of all associated claims. The City has a \$20,000 deductible per occurrence with a maximum per year out of pocket of \$40,000, for its property and liability coverage. The public entity risk pool is responsible for all losses in excess of \$20,000 per occurrence and all losses occurring after the \$40,000 maximum City out of pocket costs.

16. SUBSEQUENT EVENT

On May 6, 2014, the government authorized the issuance of street reconstruction bonds in the amount of \$1,940,000 to fund the 2014 street improvement project. The anticipated interest rate is .75-3.25% with an expected maturity date of February 1, 2030. The scheduled closing date is July 1, 2014.



REQUIRED SUPPLEMENTARY INFORMATION

City of Hopkins, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
December 31, 2013

OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/07	\$ -	\$ 2,297,909	\$ 2,297,909	-	\$ 5,621,587	41 %
01/01/10	-	2,145,617	2,145,617	-	6,244,081	34 %
01/01/13	-	2,029,907	2,029,907	-	6,583,173	31 %

Hopkins Fire Relief Association Schedule of Funding Progress (the most recent available)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess (Under) of Assets over AAL	Funded Ratio (a/b)
12/31/2012	\$ 2,213,124	\$ 1,988,396	\$ 224,728	111 %
12/31/2011	1,935,986	1,791,803	144,183	108 %
12/31/2010	1,913,421	1,636,772	276,649	117 %

CITY OF HOPKINS, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS STATEMENTS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. Expenditures are restricted by law or administrative regulation for specified purposes.

State Chemical Assessment Fund – This fund is entirely supported by state aid for the purpose of chemical assessment training and activity for the State of Minnesota.

Real Estate Purchases and Sales Fund - This fund records the acquisition and disposition of various properties with the proceeds used to improve city buildings.

Hennepin County CDBG - This fund accounts for receipt for Community Development Block Grant funds and the issuance of loans and grants for housing rehabilitation.

Parking Fund - This fund acquired land, improves and maintains parking lots and a parking ramp and collects monthly maintenance fees from users.

Communications Fund - This fund records the City's share of a five-city joint venture cable TV franchise administered under the Southwest Suburban Cable Commission.

Depot Coffee House Fund – This fund accounts for the operations of the coffee house business and the teen center operations that are supported through grant funds.

Tax Increment Funds - These funds were established to record the use of tax increment receipts and bond proceeds as applied in various Tax Increment Districts.

5th Avenue Flats Fund - This fund was established to account for the project costs of the 5th Avenue Flats project. Originally shown as a tax increment fund the project changed scope and is no longer in a tax increment district.

DEBT SERVICE FUNDS

Debt Service Funds are established to finance and account for the payment of interest and principal on all general obligation debt other than debt issued for and serviced by a governmental enterprise. Provisions are made in the City's general property tax levy for money sufficient to meet the general obligation debt.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for the resources expended to acquire assets of a relatively permanent nature. (Special revenue and enterprise fund resources are not included in this category.) These funds evolve from the needs for special accounting for bond proceeds, grants and contributions for the acquisition of capital assets.

Park Improvements Fund - This fund was established to record construction and improvement costs for park facilities.

Capital Improvement Fund - This fund accounts for funds set aside for the construction and improvement of City facility and infrastructure.

Street Improvement Franchise Fees Fund - This fund accounts for funds set aside for street improvements from the 2012 increase in gas and electric franchise fees. Funds will be used to decrease the annual debt levy for street improvement bonds.

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds				
	State Chemical Assessment	Real Estate Purchases & Sales	Hennepin County CDBG	Parking	Communications
Assets					
Cash and cash equivalents	\$ -	\$ 119,110	\$ -	\$ 174,475	\$ 357,134
Taxes receivable	-	-	-	-	-
Accounts receivable	-	3,700	-	-	65,176
Rehabilitation loans receivable	-	-	25,816	-	-
Due from other governments	13,994	-	-	1,231	-
Interest receivable	-	304	-	387	930
Prepaid items	-	-	-	-	175
Property held for resale	-	-	-	-	-
Total Assets	<u>\$ 13,994</u>	<u>\$ 123,114</u>	<u>\$ 25,816</u>	<u>\$ 176,093</u>	<u>\$ 423,415</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 329	\$ -	\$ -	\$ 1,092	\$ 3,427
Salaries payable	588	-	-	2,176	1,331
Accrued interest payable	-	-	-	-	-
Due to other funds	10,148	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	43,606	-
Total Liabilities	<u>11,065</u>	<u>-</u>	<u>-</u>	<u>46,874</u>	<u>4,758</u>
Fund balances:					
Non-spendable	-	-	-	-	175
Restricted	2,929	-	25,816	-	-
Committed	-	123,114	-	129,219	418,482
Unassigned	-	-	-	-	-
Total Fund Balances	<u>2,929</u>	<u>123,114</u>	<u>25,816</u>	<u>129,219</u>	<u>418,657</u>
Total Liabilities and Fund Balances	<u>\$ 13,994</u>	<u>\$ 123,114</u>	<u>\$ 25,816</u>	<u>\$ 176,093</u>	<u>\$ 423,415</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds				
	Depot Coffee House	Tax Increment District Entertainment District	Tax Increment District Sonoma	Tax Increment District Oaks of Mainstreet	Tax Increment District Super Valu
Assets					
Cash and cash equivalents	\$ 5,133	\$ 111,260	\$ -	\$ 454,001	\$ 781,681
Taxes receivable	-	-	-	1,144	-
Accounts receivable	1,075	-	6,437	-	-
Rehabilitation loans receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interest receivable	19	279	27	1,155	2,803
Prepaid items	135	-	-	-	-
Property held for resale	-	-	-	-	321,719
Total Assets	\$ 6,362	\$ 111,539	\$ 6,464	\$ 456,300	\$ 1,106,203
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 6,570	\$ 60	\$ 3	\$ 340	\$ 1,806
Salaries payable	8,885	-	-	-	-
Accrued interest payable	-	-	-	-	-
Due to other funds	-	225,271	214,346	-	-
Due to other governments	1,001	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	16,456	225,331	214,349	340	1,806
Fund balances:					
Non-spendable	135	-	-	-	-
Restricted	-	-	-	455,960	1,104,397
Committed	-	-	-	-	-
Unassigned	(10,229)	(113,792)	(207,885)	-	-
Total Fund Balances	(10,094)	(113,792)	(207,885)	455,960	1,104,397
Total Liabilities and Fund Balances	\$ 6,362	\$ 111,539	\$ 6,464	\$ 456,300	\$ 1,106,203

City of Hopkins

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2013

	<u>Special Revenue Funds</u>		
	<u>5th Ave Flats</u>	<u>Tax Increment District Marketplace & Main</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 2,002,794
Taxes receivable	-	-	1,144
Accounts receivable	-	-	76,388
Rehabilitation loans receivable	-	-	25,816
Due from other governments	-	-	15,225
Interest receivable	-	-	5,904
Prepaid items	-	-	310
Property held for resale	-	-	321,719
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,449,300</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 285	\$ 1	\$ 13,913
Salaries payable	-	-	12,980
Accrued interest payable	954	2	956
Due to other funds	376,946	211,013	1,037,724
Due to other governments	-	-	1,001
Unearned revenue	-	-	43,606
Total Liabilities	<u>378,185</u>	<u>211,016</u>	<u>1,110,180</u>
Fund balances:			
Non-spendable	-	-	310
Restricted	-	-	1,589,102
Committed	-	-	670,815
Unassigned	<u>(378,185)</u>	<u>(211,016)</u>	<u>(921,107)</u>
Total Fund Balances	<u>(378,185)</u>	<u>(211,016)</u>	<u>1,339,120</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,449,300</u>

City of Hopkins

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2013

	Debt Service Funds				
	Housing Bonds of 1995	Tax Increment Bonds of 2002	Tax Increment Bonds of 1996C Refunding Bonds of 2005A	Taxable Tax Increment Bonds of 1997 Refunding Bonds of 2005B	Capital Improvement Bonds of 2007A
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 168,926	\$ 432,144	\$ 351,797
Taxes receivable	-	-	-	-	11,707
Special assessments receivable	-	-	-	711,302	-
Interest receivable	-	-	419	1,083	818
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,345</u>	<u>\$ 1,144,529</u>	<u>\$ 364,322</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 255</u>	<u>\$ 97</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>75</u>	<u>255</u>	<u>97</u>
Deferred inflows of resources:					
Accrued interest payable	-	-	-	-	-
Taxes and special assessments	-	-	-	709,005	8,636
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,005</u>	<u>8,636</u>
Fund balances:					
Restricted	-	-	169,270	435,269	355,589
Total Fund Balances	<u>-</u>	<u>-</u>	<u>169,270</u>	<u>435,269</u>	<u>355,589</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,345</u>	<u>\$ 1,144,529</u>	<u>\$ 364,322</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

Debt Service Funds

	Improvement Revolving Bonds of 2007B	Improvement Revolving Bonds of 2010A	Improvement Bonds of 2002 Refunding Bonds of 2010B	Tax Increment Bonds of 2002 Refunding Bonds of 2010B	Capital Improvement Bonds of 2012A
Assets					
Cash and cash equivalents	\$ 241,030	\$ 238,158	\$ -	\$ 196,179	\$ 129,107
Taxes receivable	2,870	1,145	-	-	3,395
Special assessments receivable	109,367	560,647	-	-	-
Interest receivable	590	586	-	487	310
Total Assets	<u>\$ 353,857</u>	<u>\$ 800,536</u>	<u>\$ -</u>	<u>\$ 196,666</u>	<u>\$ 132,812</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 69	\$ 3,664	\$ -	\$ 63	\$ 2
Total Liabilities	<u>69</u>	<u>3,664</u>	<u>-</u>	<u>63</u>	<u>2</u>
Deferred inflows of resources:					
Accrued interest payable	-	-	-	-	-
Taxes and special assessments	110,790	561,310	-	-	2,512
Total Deferred Inflows of Resources	<u>110,790</u>	<u>561,310</u>	<u>-</u>	<u>-</u>	<u>2,512</u>
Fund balances:					
Restricted	242,998	235,562	-	196,603	130,298
Total Fund Balances	<u>242,998</u>	<u>235,562</u>	<u>-</u>	<u>196,603</u>	<u>130,298</u>
Total Liabilities and Fund Balances	<u>\$ 353,857</u>	<u>\$ 800,536</u>	<u>\$ -</u>	<u>\$ 196,666</u>	<u>\$ 132,812</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Debt Service Funds			
	Equipment Certificates of 2012B	Improvement Bonds of 2012B	Improvement Bonds of 2013A	Total
Assets				
Cash and cash equivalents	\$ 227	\$ 499,554	\$ 291,229	\$ 2,548,351
Taxes receivable	-	867	-	19,984
Special assessments receivable	-	889,800	-	2,271,116
Interest receivable	-	1,214	673	6,180
Total Assets	<u>\$ 227</u>	<u>\$ 1,391,435</u>	<u>\$ 291,902</u>	<u>\$ 4,845,631</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 33	\$ 131	\$ 99	\$ 4,488
Total Liabilities	<u>33</u>	<u>131</u>	<u>99</u>	<u>4,488</u>
Deferred inflows of resources:				
Accrued interest payable	5	-	-	5
Taxes and special assessments	-	889,920	-	2,282,173
Total Deferred Inflows of Resources	<u>5</u>	<u>889,920</u>	<u>-</u>	<u>2,282,178</u>
Fund balances:				
Restricted	189	501,384	291,803	2,558,965
Total Fund Balances	<u>189</u>	<u>501,384</u>	<u>291,803</u>	<u>2,558,965</u>
Total Liabilities and Fund Balances	<u>\$ 227</u>	<u>\$ 1,391,435</u>	<u>\$ 291,902</u>	<u>\$ 4,845,631</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

Capital Project Funds

	Park Improvements	Capital Improvement	Street Improvement Franchise Fees	Total
Assets				
Cash and cash equivalents	\$ 136,350	\$ 217,805	\$ 259,016	\$ 613,171
Taxes receivable	84	1,981	-	2,065
Accounts receivable	-	-	50,314	50,314
Interest receivable	352	543	667	1,562
Long-term receivable	3,000	-	-	3,000
Total Assets	<u>\$ 139,786</u>	<u>\$ 220,329</u>	<u>\$ 309,997</u>	<u>\$ 670,112</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 136	\$ 24,703	\$ -	\$ 24,839
Total Liabilities	<u>136</u>	<u>24,703</u>	<u>-</u>	<u>24,839</u>
Deferred inflows of resources:				
Taxes and special assessments	84	1,413	-	1,497
Total Deferred Inflows of Resources	<u>84</u>	<u>1,413</u>	<u>-</u>	<u>1,497</u>
Fund balances:				
Restricted	139,566	-	-	139,566
Assigned	-	194,213	309,997	504,210
Total Fund Balances	<u>139,566</u>	<u>194,213</u>	<u>309,997</u>	<u>643,776</u>
Total Liabilities and Fund Balances	<u>\$ 139,786</u>	<u>\$ 220,329</u>	<u>\$ 309,997</u>	<u>\$ 670,112</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total Non-major Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,002,794	\$ 2,548,351	\$ 613,171	\$ 5,164,316
Taxes receivable	1,144	19,984	2,065	23,193
Special assessments receivable	-	2,271,116	-	2,271,116
Accounts receivable	76,388	-	50,314	126,702
Rehabilitation loans receivable	25,816	-	-	25,816
Due from other governments	15,225	-	-	15,225
Interest receivable	5,904	6,180	1,562	13,646
Prepaid items	310	-	-	310
Long-term receivable	-	-	3,000	3,000
Property held for resale	321,719	-	-	321,719
Total Assets	\$ 2,449,300	\$ 4,845,631	\$ 670,112	\$ 7,965,043
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 13,913	\$ 4,488	\$ 24,839	\$ 43,240
Salaries payable	12,980	-	-	12,980
Accrued interest payable	956	5	-	961
Due to other funds	1,037,724	-	-	1,037,724
Due to other governments	1,001	-	-	1,001
Unearned revenue	43,606	-	-	43,606
Total Liabilities	1,110,180	4,493	24,839	1,139,512
Deferred inflows of resources:				
Taxes and special assessments	-	2,282,173	1,497	2,283,670
Total Deferred Inflows of Resources	-	2,282,173	1,497	2,283,670
Fund balances:				
Non-spendable	310	-	-	310
Restricted	1,589,102	2,558,965	139,566	4,287,633
Committed	670,815	-	-	670,815
Assigned	-	-	504,210	504,210
Unassigned	(921,107)	-	-	(921,107)
Total Fund Balances	1,339,120	2,558,965	643,776	4,541,861
Total Liabilities and Fund Balances	\$ 2,449,300	\$ 4,845,631	\$ 670,112	\$ 7,965,043

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

Special Revenue Funds

	State Chemical Assessment	Real Estate Purchases & Sales	Hennepin County CDBG	Parking	Communications
Revenues					
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,443	-	-	-	-
Charges for services	-	7,400	-	70,167	-
Fines	-	-	-	22,207	-
Investment earnings	-	638	-	918	2,054
Net increase (decrease) in fair value of investments	-	(965)	-	(1,562)	(2,985)
Other miscellaneous revenues	10,309	-	-	-	252,707
Total Revenues	<u>71,752</u>	<u>7,073</u>	<u>-</u>	<u>91,730</u>	<u>251,776</u>
Expenditures					
Current:					
General government	-	-	-	-	127,379
Public safety	71,770	-	-	61,777	-
Highways and streets	-	-	-	77,455	-
Urban redevelopment and housing	-	-	2,282	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Interest and fiscal fees	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>71,770</u>	<u>-</u>	<u>2,282</u>	<u>139,232</u>	<u>127,379</u>
Excess (deficiency) of revenues over expenditures	<u>(18)</u>	<u>7,073</u>	<u>(2,282)</u>	<u>(47,502)</u>	<u>124,397</u>
Other Financing Sources (Uses)					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	(86,920)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,920)</u>
Net change in fund balances	<u>(18)</u>	<u>7,073</u>	<u>(2,282)</u>	<u>(47,502)</u>	<u>37,477</u>
Fund balance (deficit) - January 1	<u>2,947</u>	<u>116,041</u>	<u>28,098</u>	<u>176,721</u>	<u>381,180</u>
Fund balance (deficit) - December 31	<u>\$ 2,929</u>	<u>\$ 123,114</u>	<u>\$ 25,816</u>	<u>\$ 129,219</u>	<u>\$ 418,657</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds				
	Depot Coffee House	Tax Increment District Entertainment District	Tax Increment District Sonoma	Tax Increment District Oaks of Mainstreet	Tax Increment District Super Valu
Revenues					
Tax increments	\$ -	\$ 58,172	\$ 12,587	\$ 133,980	\$ 1,794,734
Intergovernmental	15,000	-	-	-	-
Charges for services	74,976	-	-	-	-
Fines	-	-	-	-	-
Investment earnings	66	378	-	2,358	4,597
Net increase (decrease) in fair value of investments	(116)	(589)	-	(3,631)	(9,577)
Other miscellaneous revenues	240,235	-	6,437	-	-
Total Revenues	330,161	57,961	19,024	132,707	1,789,754
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	2,895	2,271	4,165	1,640,792
Culture and recreation	355,955	-	-	-	-
Debt service:					
Interest and fiscal fees	-	11,580	9,743	-	-
Capital Outlay	2,795	-	-	-	-
Total Expenditures	358,750	14,475	12,014	4,165	1,640,792
Excess (deficiency) of revenues over expenditures	(28,589)	43,486	7,010	128,542	148,962
Other Financing Sources (Uses)					
Transfer in	10,000	-	26,204	-	-
Transfer out	-	-	-	(117,000)	(214,204)
Total Other Financing Sources (Uses)	10,000	-	26,204	(117,000)	(214,204)
Net change in fund balances	(18,589)	43,486	33,214	11,542	(65,242)
Fund balance (deficit) - January 1	8,495	(157,278)	(241,099)	444,418	1,169,639
Fund balance (deficit) - December 31	<u>\$ (10,094)</u>	<u>\$ (113,792)</u>	<u>\$ (207,885)</u>	<u>\$ 455,960</u>	<u>\$ 1,104,397</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds		
	5th Ave Flats	Tax Increment District Marketplace & Main	Total
Revenues			
Tax increments	\$ -	\$ 3,134	\$ 2,002,607
Intergovernmental	-	-	76,443
Charges for services	-	-	152,543
Fines	-	-	22,207
Investment earnings	-	-	11,009
Net increase (decrease) in fair value of investments	-	-	(19,425)
Other miscellaneous revenues	-	-	509,688
Total Revenues	-	3,134	2,755,072
Expenditures			
Current:			
General government	-	-	127,379
Public safety	-	-	133,547
Highways and streets	-	-	77,455
Urban redevelopment and housing	2,285	5,376	1,660,066
Culture and recreation	-	-	355,955
Debt service:			
Interest and fiscal fees	1,985	9	23,317
Capital Outlay	-	-	2,795
Total Expenditures	4,270	5,385	2,380,514
Excess (deficiency) of revenues over expenditures	(4,270)	(2,251)	374,558
Other Financing Sources (Uses)			
Transfer in	-	-	36,204
Transfer out	-	-	(418,124)
Total Other Financing Sources (Uses)	-	-	(381,920)
Net change in fund balances	(4,270)	(2,251)	(7,362)
Fund balance (deficit) - January 1	(373,915)	(208,765)	1,346,482
Fund balance (deficit) - December 31	<u>\$ (378,185)</u>	<u>\$ (211,016)</u>	<u>\$ 1,339,120</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Debt Service Funds				
	Housing Bonds of 1995	Tax Increment Bonds of 2002	Tax Increment Bonds of 1996C Refunding Bonds of 2005A	Taxable Tax Increment Bonds of 1997 Refunding Bonds of 2005B	Capital Improvement Bonds of 2007A
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 754,752
Special assessments	1,123	-	-	174,025	-
Investment earnings	547	2,565	334	1,527	-
Net increase (decrease) in fair value of investments	(279)	(93)	(787)	(2,687)	-
Total Revenues	<u>1,391</u>	<u>2,472</u>	<u>(453)</u>	<u>172,865</u>	<u>754,752</u>
Expenditures					
Current:					
General government	138,747	-	75	2,030	768
Debt Service:					
Principal retirement	-	1,605,000	95,000	110,000	550,000
Interest and fiscal fees	-	53,669	13,600	35,678	309,057
Total Expenditures	<u>138,747</u>	<u>1,658,669</u>	<u>108,675</u>	<u>147,708</u>	<u>859,825</u>
Excess (deficiency) of revenues over expenditures	<u>(137,356)</u>	<u>(1,656,197)</u>	<u>(109,128)</u>	<u>25,157</u>	<u>(105,073)</u>
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Transfer in	-	31,533	117,000	-	145,000
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>31,533</u>	<u>117,000</u>	<u>-</u>	<u>145,000</u>
Net change in fund balances	<u>(137,356)</u>	<u>(1,624,664)</u>	<u>7,872</u>	<u>25,157</u>	<u>39,927</u>
Fund balance (deficit) - January 1	<u>137,356</u>	<u>1,624,664</u>	<u>161,398</u>	<u>410,112</u>	<u>315,662</u>
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,270</u>	<u>\$ 435,269</u>	<u>\$ 355,589</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Debt Service Funds				
	Improvement Revolving Bonds of 2007B	Improvement Revolving Bonds of 2010A	Improvement Bonds of 2002 Refunding Bonds of 2010B	Tax Increment Bonds of 2002 Refunding Bonds of 2010B	Capital Improvement Bonds of 2012A
Revenues					
Property taxes	\$ 184,300	\$ 76,090	\$ 50	\$ -	\$ 217,405
Special assessments	47,971	78,360	-	-	-
Investment earnings	108	222	-	323	-
Net increase (decrease) in fair value of investments	(703)	(798)	-	(580)	-
Total Revenues	<u>231,676</u>	<u>153,874</u>	<u>50</u>	<u>(257)</u>	<u>217,405</u>
Expenditures					
Current:					
General government	69	3,664	294	2,183	673
Debt Service:					
Principal retirement	190,000	165,000	100,000	-	140,000
Interest and fiscal fees	50,650	57,309	508	16,991	17,546
Total Expenditures	<u>240,719</u>	<u>225,973</u>	<u>100,802</u>	<u>19,174</u>	<u>158,219</u>
Excess (deficiency) of revenues over expenditures	<u>(9,043)</u>	<u>(72,099)</u>	<u>(100,752)</u>	<u>(19,431)</u>	<u>59,186</u>
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Transfer in	39,117	95,911	-	188,000	-
Transfer out	-	-	(18,483)	(31,533)	-
Total Other Financing Sources (Uses)	<u>39,117</u>	<u>95,911</u>	<u>(18,483)</u>	<u>156,467</u>	<u>-</u>
Net change in fund balances	<u>30,074</u>	<u>23,812</u>	<u>(119,235)</u>	<u>137,036</u>	<u>59,186</u>
Fund balance (deficit) - January 1	212,924	211,750	119,235	59,567	71,112
Fund balance (deficit) - December 31	<u>\$ 242,998</u>	<u>\$ 235,562</u>	<u>\$ -</u>	<u>\$ 196,603</u>	<u>\$ 130,298</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Debt Service Funds			Total
	Equipment Certificates of 2012B	Improvement Bonds of 2012B	Improvement Bonds of 2013A	
Revenues				
Property taxes	\$ -	\$ 58,461	\$ -	\$ 1,291,058
Special assessments	-	362,198	258,126	921,803
Investment earnings	-	982	877	7,485
Net increase (decrease) in fair value of investments	-	(3,070)	(798)	(9,795)
Total Revenues	-	418,571	258,205	2,210,551
Expenditures				
Current:				
General government	992	1,325	22,116	172,936
Debt Service:				
Principal retirement	55,000	20,000	-	3,030,000
Interest and fiscal fees	14,864	58,547	-	628,419
Total Expenditures	70,856	79,872	22,116	3,831,355
Excess (deficiency) of revenues over expenditures	(70,856)	338,699	236,089	(1,620,804)
Other Financing Sources (Uses)				
Improvement bonds issued	-	-	1,920,000	1,920,000
Premium on improvement bonds	-	-	42,010	42,010
Transfer in	68,495	154,597	-	839,653
Transfer out	(451,769)	-	(1,906,296)	(2,408,081)
Total Other Financing Sources (Uses)	(383,274)	154,597	55,714	393,582
Net change in fund balances	(454,130)	493,296	291,803	(1,227,222)
Fund balance (deficit) - January 1	454,319	8,088	-	3,786,187
Fund balance (deficit) - December 31	\$ 189	\$ 501,384	\$ 291,803	\$ 2,558,965

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Capital Projects Funds			
	Park Improvements	Capital Improvement	Street Improvement Franchise Fees	Total
Revenues				
Property taxes	\$ 62	\$ 123,687	\$ -	\$ 123,749
Intergovernmental	150,000	-	-	150,000
Investment earnings	1,535	700	1,398	3,633
Net increase (decrease) in fair value of investments	(1,223)	(1,346)	(1,552)	(4,121)
Other miscellaneous revenues	76,449	-	199,590	276,039
Total Revenues	226,823	123,041	199,436	549,300
Expenditures				
Current:				
General government	-	11,322	-	11,322
Highways and streets	19,381	-	-	19,381
Capital outlay	150,777	53,192	-	203,969
Total Expenditures	170,158	64,514	-	234,672
Excess (deficiency) of revenues over expenditures	56,665	58,527	199,436	314,628
Other Financing Sources (Uses)				
Transfer out	-	-	(85,620)	(85,620)
Total Other Financing Sources (Uses)	-	-	(85,620)	(85,620)
Excess (deficiency) of revenues over expenditures	56,665	58,527	113,816	229,008
Fund balance (deficit) - January 1	82,901	135,686	196,181	414,768
Fund balance (deficit) - December 31	<u>\$ 196,231</u>	<u>\$ 252,740</u>	<u>\$ 338,193</u>	<u>\$ 787,164</u>

City of Hopkins

Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 1,291,058	\$ 123,749	\$ 1,414,807
Tax increments	2,002,607	-	-	2,002,607
Special assessments	-	921,803	-	921,803
Intergovernmental	76,443	-	150,000	226,443
Charges for services	152,543	-	-	152,543
Fines	22,207	-	-	22,207
Investment earnings	11,009	7,485	3,633	22,127
Net increase (decrease) in fair value of investments	(19,425)	(9,795)	(4,121)	(33,341)
Other miscellaneous revenues	509,688	-	276,039	785,727
Total Revenues	2,755,072	2,210,551	549,300	5,514,923
Expenditures				
Current:				
General government	127,379	172,936	11,322	311,637
Public safety	133,547	-	-	133,547
Highways and streets	77,455	-	19,381	96,836
Urban redevelopment and housing	1,660,066	-	-	1,660,066
Culture and recreation	355,955	-	-	355,955
Debt service:				
Principal retirement	-	3,030,000	-	3,030,000
Interest and fiscal fees	23,317	628,419	-	651,736
Capital outlay	2,795	-	203,969	206,764
Total Expenditures	2,380,514	3,831,355	234,672	6,446,541
Excess (deficiency) of revenues over expenditures	374,558	(1,620,804)	314,628	(931,618)
Other Financing Sources (Uses)				
Improvement bonds issued	-	1,920,000	-	1,920,000
Premium on improvement bonds	-	42,010	-	42,010
Transfer in	36,204	839,653	-	875,857
Transfer out	(418,124)	(2,408,081)	(85,620)	(2,911,825)
Total Other Financing Sources (Uses)	(381,920)	393,582	(85,620)	(73,958)
Net change in fund balances	(7,362)	(1,227,222)	229,008	(1,005,576)
Fund balance (deficit) - January 31	1,346,482	3,786,187	414,768	5,547,437
Fund balance (deficit) - December 31	\$ 1,339,120	\$ 2,558,965	\$ 643,776	\$ 4,541,861

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 State Chemical Assessment
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 61,443	\$ 16,443
Other miscellaneous revenues	-	-	10,309	10,309
TOTAL REVENUES	45,000	45,000	71,752	26,752
Expenditures				
Current:				
Public safety	45,000	45,000	71,770	(26,770)
Total Expenditures	45,000	45,000	71,770	(26,770)
 Net change in fund balance	 -	 -	 (18)	 (18)
 Fund balance (deficit) - January 1	 2,947	 2,947	 2,947	 -
Fund balance (deficit) - December 31	\$ 2,947	\$ 2,947	\$ 2,929	\$ (18)

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Real Estate Purchases & Sales
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for services	\$ 3,700	\$ 3,700	\$ 7,400	\$ 3,700
Investment earnings	500	500	638	138
Net increase (decrease) in fair value of investments	-	-	(965)	(965)
TOTAL REVENUES	4,200	4,200	7,073	2,873
Net change in fund balance	4,200	4,200	7,073	2,873
Fund balance (deficit) - January 1	117,306	117,306	116,041	(1,265)
Fund balance (deficit) - December 31	<u>\$ 121,506</u>	<u>\$ 121,506</u>	<u>\$ 123,114</u>	<u>\$ 1,608</u>

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Parking
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for services	\$ 73,000	\$ 73,000	\$ 70,167	\$ (2,833)
Fines	20,000	20,000	22,207	2,207
Investment earnings	1,000	1,000	918	(82)
Net increase (decrease) in fair value of investments	-	-	(1,562)	(1,562)
TOTAL REVENUES	94,000	94,000	91,730	(2,270)
Expenditures				
Current:				
Public safety	59,368	59,368	61,777	(2,409)
Highways and streets	29,726	29,726	77,455	(47,729)
Total Expenditures	89,094	89,094	139,232	(50,138)
Net change in fund balance	4,906	4,906	(47,502)	(52,408)
Fund balance (deficit) - January 1	171,422	171,422	176,721	5,299
Fund balance (deficit) - December 31	\$ 176,328	\$ 176,328	\$ 129,219	\$ (47,109)

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Communications
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Investment earnings	\$ 1,500	\$ 1,500	\$ 2,054	\$ 554
Net increase (decrease) in fair value of investments	-	-	(2,985)	(2,985)
Other miscellaneous revenues	222,000	222,000	252,707	30,707
TOTAL REVENUES	223,500	223,500	251,776	28,276
Expenditures				
Current:				
General government	126,344	126,344	127,379	(1,035)
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	131,344	131,344	127,379	3,965
Excess (deficiency) of revenues over expenditures	92,156	92,156	124,397	32,241
Other Financing Sources (Uses)				
Transfer out	(86,920)	(86,920)	(86,920)	-
Total Other Financing Sources (Uses)	(86,920)	(86,920)	(86,920)	-
Net change in fund balance	5,236	5,236	37,477	32,241
Fund balance (deficit) - January 1	392,897	392,897	381,180	(11,717)
Fund balance (deficit) - December 31	\$ 398,133	\$ 398,133	\$ 418,657	\$ 20,524

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Depot Coffee House
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Charges for services	78,000	78,000	74,976	(3,024)
Investment earnings	-	-	66	66
Net increase (decrease) in fair value of investments	-	-	(116)	(116)
Other miscellaneous revenues	227,000	227,000	240,235	13,235
TOTAL REVENUES	320,000	320,000	330,161	10,161
Expenditures				
Current:				
Culture and recreation	317,300	317,300	355,955	(38,655)
Capital Outlay	10,000	10,000	2,795	7,205
Total Expenditures	327,300	327,300	358,750	(31,450)
Excess (deficiency) of revenues over expenditures	(7,300)	(7,300)	(28,589)	(21,289)
Other Financing Sources (Uses)				
Transfer in	10,000	10,000	10,000	-
Total Other Financing Sources (Uses)	10,000	10,000	10,000	-
Net change in fund balance	2,700	2,700	(18,589)	(21,289)
Fund balance (deficit) - January 1	24,138	24,138	8,495	(15,643)
Fund balance (deficit) - December 31	\$ 26,838	\$ 26,838	\$ (10,094)	\$ (36,932)

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Tax Increment District Entertainment District
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 58,000	\$ 58,000	\$ 58,172	\$ 172
Investment earnings	100	100	378	278
Net increase (decrease) in fair value of investments	-	-	(589)	(589)
TOTAL REVENUES	58,100	58,100	57,961	(139)
Expenditures				
Current:				
Urban redevelopment and housing	3,000	3,000	2,895	105
Debt Service:				
Interest and fiscal fees	-	-	11,580	(11,580)
Total Expenditures	3,000	3,000	14,475	(11,475)
Net change in fund balance	55,100	55,100	43,486	(11,614)
Fund balance (deficit) - January 1	(148,146)	(148,146)	(157,278)	(9,132)
Fund balance (deficit) - December 31	<u>\$ (93,046)</u>	<u>\$ (93,046)</u>	<u>\$ (113,792)</u>	<u>\$ (20,746)</u>

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Tax Increment District Sonoma
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 9,500	\$ 9,500	\$ 12,587	\$ 3,087
Investment earnings	100	100	-	(100)
Other miscellaneous revenues	9,524	9,524	6,437	(3,087)
TOTAL REVENUES	19,124	19,124	19,024	(100)
Expenditures				
Urban redevelopment and housing	1,950	1,950	2,271	(321)
Debt service:				
Interest and fiscal fees	-	-	9,743	(9,743)
Total Expenditures	1,950	1,950	12,014	(10,064)
Excess (deficiency) of revenues over expenditures	17,174	17,174	7,010	(10,164)
Other Financing Sources (Uses)				
Transfer in	-	-	26,204	26,204
Total Other Financing Sources (Uses)	-	-	26,204	26,204
Net change in fund balance	17,174	17,174	33,214	16,040
Fund balance (deficit) - January 1	(255,481)	(255,481)	(241,099)	14,382
Fund balance (deficit) - December 31	\$ (238,307)	\$ (238,307)	\$ (207,885)	\$ 30,422

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Tax Increment District Oaks of Mainstreet
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 140,000	\$ 140,000	\$ 133,980	\$ (6,020)
Investment earnings	2,000	2,000	2,358	358
Net increase (decrease) in fair value of investments	-	-	(3,631)	(3,631)
TOTAL REVENUES	142,000	142,000	132,707	(9,293)
Expenditures				
Current:				
Urban redevelopment and housing	4,471	4,471	4,165	306
Total Expenditures	4,471	4,471	4,165	306
Excess (deficiency) of revenues over expenditures	137,529	137,529	128,542	(8,987)
Other Financing Sources (Uses)				
Transfer out	(117,000)	(117,000)	(117,000)	-
Total Other Financing Sources (Uses)	(117,000)	(117,000)	(117,000)	-
Net change in fund balance	20,529	20,529	11,542	(8,987)
Fund balance (deficit) - January 1	451,580	451,580	444,418	(7,162)
Fund balance (deficit) - December 31	\$ 472,109	\$ 472,109	\$ 455,960	\$ (16,149)

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Tax Increment District Super Valu
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 2,030,000	\$ 2,030,000	\$ 1,794,734	\$ (235,266)
Investment earnings	3,000	3,000	4,597	1,597
Net increase (decrease) in fair value of investments	-	-	(9,577)	(9,577)
TOTAL REVENUES	2,033,000	2,033,000	1,789,754	(243,246)
Expenditures				
Urban redevelopment and housing	1,016,768	1,016,768	1,640,792	(624,024)
Total Expenditures	1,016,768	1,016,768	1,640,792	(624,024)
Excess (deficiency) of revenues over expenditures	1,016,232	1,016,232	148,962	(867,270)
Other Financing Sources (Uses)				
Transfer out	(188,000)	(188,000)	(214,204)	(26,204)
Total Other Financing Sources (Uses)	(188,000)	(188,000)	(214,204)	(26,204)
Net change in fund balance	828,232	828,232	(65,242)	(893,474)
Fund balance (deficit) - January 1	814,797	814,797	1,169,639	354,842
Fund balance (deficit) - December 31	<u>\$ 1,643,029</u>	<u>\$ 1,643,029</u>	<u>\$ 1,104,397</u>	<u>\$ (538,632)</u>

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 5th Ave Flats
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Expenditures				
Urban redevelopment and housing	\$ 2,500	\$ 2,500	\$ 2,285	\$ 215
Debt service:				
Interest and fiscal fees	-	-	1,985	(1,985)
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>4,270</u>	<u>(1,770)</u>
Net change in fund balance	(2,500)	(2,500)	(4,270)	(1,770)
Fund balance (deficit) - January 1	<u>(360,855)</u>	<u>(360,855)</u>	<u>(373,915)</u>	<u>(13,060)</u>
Fund balance (deficit) - December 31	<u>\$ (363,355)</u>	<u>\$ (363,355)</u>	<u>\$ (378,185)</u>	<u>\$ (14,830)</u>

City of Hopkins

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Tax Increment District Marketplace & Main
 For the Year Ended December 31, 2013

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 5,000	\$ 5,000	\$ 3,134	\$ (1,866)
TOTAL REVENUES	5,000	5,000	3,134	(1,866)
Expenditures				
Current:				
Urban redevelopment and housing	4,500	4,500	5,376	(876)
Debt service:				
Interest and fiscal fees	750	750	9	741
Total Expenditures	5,250	5,250	5,385	(135)
Net change in fund balance	(250)	(250)	(2,251)	(2,001)
Fund balance (deficit) - January 1	(13,247)	(13,247)	(208,765)	(195,518)
Fund balance (deficit) - December 31	\$ (13,497)	\$ (13,497)	\$ (211,016)	\$ (197,519)

CITY OF HOPKINS, MINNESOTA

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds are established to account for the financing of self-supporting activities of governmental units, which render services to the general public on a user charge basis. Records are maintained on the accrual basis of accounting.

The Authority for these types of funds is derived from Section 11.01 of the City Charter, which allows for utility or other public service enterprise funds.

The City has six Enterprise Funds, three of which are considered to be nonmajor, they are:

Refuse Utility Fund – This fund accounts for the operations of the city owned refuse service.

Pavilion/Ice Arena – This fund accounts for the operations of the city owned ice arena.

Housing Authority Fund – This fund accounts for the operations of the city owned federally subsidized apartment building.

City of Hopkins

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 December 31, 2013

	Nonmajor Business-type Activities-Enterprise Funds			
	Refuse Utility	Pavilion	Housing Authority	Total
Assets				
Current assets:				
Cash and investments	\$ 792,037	\$ 147,067	\$ 453,404	\$ 1,392,508
Accounts receivable	43,691	35,414	15	79,120
Accrued interest receivable	1,974	-	-	1,974
Due from other governments	-	-	28,186	28,186
Loan receivable	-	16,423	-	16,423
Inventory	3,747	-	-	3,747
Prepaid expenses	-	135	15,726	15,861
Total current assets	<u>841,449</u>	<u>199,039</u>	<u>497,331</u>	<u>1,537,819</u>
Noncurrent assets:				
Capital assets, nondepreciable:				
Land	-	-	180,066	180,066
Construction in progress	-	-	134,429	134,429
Capital assets, depreciable:				
Building and structures	302,727	3,283,581	4,276,968	7,863,276
Distribution system	2,584	128,242	-	130,826
Machinery and equipment	662,933	89,633	51,681	804,247
Less accumulated depreciation	(513,312)	(1,331,448)	(3,088,026)	(4,932,786)
Total noncurrent assets	<u>454,932</u>	<u>2,170,008</u>	<u>1,555,118</u>	<u>4,180,058</u>
Total Assets	<u>1,296,381</u>	<u>2,369,047</u>	<u>2,052,449</u>	<u>5,717,877</u>
Liabilities				
Current liabilities:				
Accounts payable	32,418	26,266	47,129	105,813
Salaries payable	7,321	10,878	-	18,199
Due to other funds	-	-	23,247	23,247
Due to other governments	6,012	564	-	6,576
Compensated absences	13,006	16,625	15,399	45,030
Accrued interest payable	-	1,455	-	1,455
Revenue bonds - current	-	15,000	-	15,000
Total current liabilities	<u>58,757</u>	<u>70,788</u>	<u>85,775</u>	<u>215,320</u>
Noncurrent liabilities:				
Compensated absences	5,922	2,215	6,187	14,324
Net OPEB liability	-	-	12,766	12,766
Advance from other funds	-	3,068	-	3,068
Revenue bonds payable (net of unamortized discounts)	-	162,430	-	162,430
Total Liabilities	<u>64,679</u>	<u>238,501</u>	<u>104,728</u>	<u>407,908</u>
Net Position				
Net investment in capital assets	454,932	2,170,008	1,555,119	4,180,059
Unrestricted	776,770	(39,462)	392,602	1,129,910
Total Net Position	<u>\$ 1,231,702</u>	<u>\$ 2,130,546</u>	<u>\$ 1,947,721</u>	<u>\$ 5,309,969</u>

City of Hopkins

Combining Statement of Revenues, Expenses and Changes in Net Position
 Nonmajor Enterprise Activities
 For the Year Ended December 31, 2013

	Nonmajor Business-type Activities-Enterprise Funds			Nonmajor Enterprise Funds Total
	Refuse Utility	Pavilion	Housing Authority	
Operating revenues				
Charges for services	\$ 901,797	\$ 397,961	\$ 246,811	\$ 1,546,569
Other	12,006	7,224	25,298	44,528
Total operating revenues	<u>913,803</u>	<u>405,185</u>	<u>272,109</u>	<u>1,591,097</u>
Operating expenses				
Cost of sales and services	631,928	341,326	79,697	1,052,951
Administration	134,114	9,738	377,525	521,377
Depreciation	53,673	71,619	157,821	283,113
Total operating expenses	<u>819,715</u>	<u>422,683</u>	<u>615,043</u>	<u>1,857,441</u>
Operating income (loss)	<u>94,088</u>	<u>(17,498)</u>	<u>(342,934)</u>	<u>(266,344)</u>
Nonoperating revenues (expenses)				
Investment earnings	3,823	496	-	4,319
Net increase (decrease) in fair value of investments	(5,614)	(821)	-	(6,435)
Interest/fiscal agent expense	-	(3,130)	-	(3,130)
Intergovernmental grants	24,584	-	183,964	208,548
Total nonoperating revenues (expenses)	<u>22,793</u>	<u>(3,455)</u>	<u>183,964</u>	<u>203,302</u>
Income (loss) before contributions and transfers	116,881	(20,953)	(158,970)	(63,042)
Capital contributions				
Building improvements	-	-	144,076	144,076
Transfers	(25,000)	-	-	(25,000)
Change in net position	91,881	(20,953)	(14,894)	56,034
Total net position - January 1	<u>1,139,821</u>	<u>2,151,499</u>	<u>1,962,615</u>	<u>5,253,935</u>
Total net position - December 31	<u>\$ 1,231,702</u>	<u>\$ 2,130,546</u>	<u>\$ 1,947,721</u>	<u>\$ 5,309,969</u>

City of Hopkins

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2013

	<u>Nonmajor Business-type Activities-Enterprise Funds</u>			Nonmajor Enterprise Funds Total
	<u>Refuse Utility</u>	<u>Pavilion/ Ice Arena</u>	<u>Housing Authority</u>	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 911,754	\$ 484,406	\$ 249,984	\$ 1,646,144
Internal activity - payments to other funds	-	(18,752)	-	(18,752)
Payments to suppliers	(380,558)	(115,172)	(339,663)	(835,393)
Payments to employees	(267,223)	(219,933)	(73,479)	(560,635)
Payments for interfund services used	(134,114)	(9,738)	(11,289)	(155,141)
Net cash used by operating activities	<u>129,859</u>	<u>120,811</u>	<u>(174,447)</u>	<u>76,223</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental grants	24,584	-	328,040	352,624
Transfers (to) from other funds	(25,000)	-	-	(25,000)
Net cash provided (used) by noncapital and related financing activities	<u>(416)</u>	<u>-</u>	<u>328,040</u>	<u>327,624</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	-	(7,833)	(237,019)	(244,852)
Interest and other payments	-	(3,092)	-	(3,092)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(10,925)</u>	<u>(237,019)</u>	<u>(247,944)</u>
Cash Flows From Investing Activities				
Interest received	2,785	496	-	3,281
Net increase (decrease) in cash and cash equivalents	132,228	110,382	(83,426)	159,184
Cash and cash equivalents - January 1	<u>100,125</u>	<u>(67,238)</u>	<u>536,830</u>	<u>569,717</u>
Cash and cash equivalents - December 31	<u>\$ 232,353</u>	<u>\$ 43,144</u>	<u>\$ 453,404</u>	<u>\$ 728,901</u>
Reconciliation of Cash and Cash Equivalents at End of Year to Cash and Investments per Statement of Net Position				
Ending cash and cash equivalents per cash flow statement	\$ 232,353	\$ 43,144	\$ 453,404	\$ 728,901
Investments	559,684	103,923	-	663,607
Cash and Investments per Statement of Net Position	<u>\$ 792,037</u>	<u>\$ 147,067</u>	<u>\$ 453,404</u>	<u>\$ 1,392,508</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating income (loss)	94,088	(17,498)	(342,934)	(266,344)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	53,673	71,619	157,821	283,113
(Increase) decrease in:				
Accounts receivable	(2,049)	81,389	(22,125)	57,215
Inventory	120	-	-	120
Prepaid expense	-	292	16,633	16,925
Increase (decrease) in:				
Accounts, compensated absences and accrued interest payable	(16,213)	5,761	27,447	16,995
Due to other funds	-	(18,752)	(11,289)	(30,041)
Due to other governments	240	168	-	408
Unearned revenue	-	(2,168)	-	(2,168)
Net cash used by operating activities	<u>\$ 129,859</u>	<u>\$ 120,811</u>	<u>\$ (174,447)</u>	<u>\$ 76,223</u>
Noncash investing, capital and financing activities				
Capital contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,076</u>	<u>\$ 144,076</u>

CITY OF HOPKINS, MINNESOTA

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government, on a cost reimbursement basis. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become objectively measurable; expenses are recognized in the period incurred, if objectively measurable.

Equipment Replacement Fund – This fund accounts for the acquisition of machinery and equipment. User charges are billed to the various City departments.

Insurance Risk Fund – This fund accounts for the dividends and deductibles relating to property and casualty insurance coverage. Deductibles are paid from past dividends. Users are charged only if the fund has a shortfall.

Employee Benefits Fund – This fund accounts for accrued employee benefits within the governmental funds. User charges are billed to the various departments.

City of Hopkins

Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Equipment Replacement	Insurance Risk	Employee Benefits	Total
Assets				
Current assets:				
Cash and investments	\$ 806,821	\$ 289,633	\$ 962,103	\$ 2,058,557
Accounts receivable	20	-	-	20
Accrued interest receivable	2,083	692	2,389	5,164
Advances to other funds	3,068	-	-	3,068
Total current assets	811,992	290,325	964,492	2,066,809
Property and equipment:				
Machinery and equipment	7,619,849	-	-	7,619,849
Less accumulated depreciation	(4,291,767)	-	-	(4,291,767)
Net property and equipment	3,328,082	-	-	3,328,082
Total Assets	4,140,074	290,325	964,492	5,394,891
Liabilities				
Current liabilities:				
Accounts payable	80,586	4,401	-	84,987
Compensated absences	-	-	745,081	745,081
Accrued interest payable	2,178	-	-	2,178
Capital lease - current	21,301	-	-	21,301
Total current liabilities	104,065	4,401	745,081	853,547
Noncurrent liabilities:				
Compensated absences payable	-	-	77,542	77,542
Capital lease payable	216,689	-	-	216,689
Total noncurrent liabilities	216,689	-	77,542	294,231
Total Liabilities	320,754	4,401	822,623	1,147,778
Net Position				
Net investment in capital assets	3,090,092	-	-	3,090,092
Unrestricted	729,228	285,924	141,869	1,157,021
Total Net Position	\$ 3,819,320	\$ 285,924	\$ 141,869	\$ 4,247,113

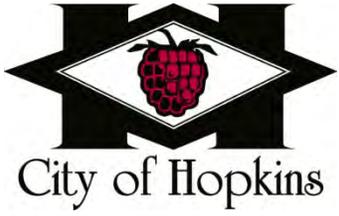
City of Hopkins

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended December 31, 2013

	Equipment Replacement	Insurance Risk	Employee Benefits	Total
Operating revenues				
Charges for services	\$ 320,157	\$ 77,819	\$ -	\$ 397,976
Operating expenses				
Materials, supplies and services	24,152	27,549	-	51,701
Administration	8,574	813	-	9,387
Depreciation expense	493,264	-	-	493,264
Total operating expenses	525,990	28,362	-	554,352
Operating income (loss)	(205,833)	49,457	-	(156,376)
Nonoperating revenues (expenses)				
Investment earnings	4,843	1,323	5,023	11,189
Net increase (decrease) in fair value of investments	(7,689)	(1,902)	(7,655)	(17,246)
Interest/fiscal agent expense	(12,748)	-	-	(12,748)
Gain on sale of assets	29,020	-	-	29,020
Total nonoperating revenues (expenses)	13,426	(579)	(2,632)	10,215
Income (loss) before contributions and transfers	(192,407)	48,878	(2,632)	(146,161)
Transfers and contributions				
Transfers in	475,349	-	-	475,349
Transfers out	(68,495)	-	-	(68,495)
Total transfers and contributions	406,854	-	-	406,854
Change in net position	214,447	48,878	(2,632)	260,693
Net position - January 1	3,604,873	237,046	144,501	3,986,420
Net position - December 31	\$ 3,819,320	\$ 285,924	\$ 141,869	\$ 4,247,113

City of Hopkins
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Equipment Replacement	Insurance Risk	Employee Benefits	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ -	\$ 77,819	\$ -	\$ 77,819
Receipts from interfund services provided	338,889	-	-	338,889
Payments to suppliers	-	(23,148)	-	(23,148)
Payments for interfund services used	43,529	-	23,569	67,098
Payments for interfund services used	(8,574)	(813)	-	(9,387)
Net cash provided (used) by operating activities	<u>373,844</u>	<u>53,858</u>	<u>23,569</u>	<u>451,271</u>
Cash Flows from Noncapital Financing Activities				
Transfers in	<u>406,854</u>	-	-	<u>406,854</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	(1,043,649)	-	-	(1,043,649)
Proceeds from sales of capital assets	29,020	-	-	29,020
Interest and other payments	(13,124)	-	-	(13,124)
Capital lease payments	(41,093)	-	-	(41,093)
Net cash used by capital and related financing activities	<u>(1,068,846)</u>	-	-	<u>(1,068,846)</u>
Cash Flows From Investing Activities				
	<u>4,305</u>	<u>964</u>	<u>3,924</u>	<u>9,193</u>
Net increase (decrease) in cash and cash equivalents	(283,843)	54,822	27,493	(201,528)
Cash and Cash Equivalents - January 1	<u>520,533</u>	<u>30,145</u>	<u>254,750</u>	<u>805,428</u>
Cash and Cash Equivalents - December 31	<u>\$ 236,690</u>	<u>\$ 84,967</u>	<u>\$ 282,243</u>	<u>\$ 603,900</u>
Reconciliation of Cash and Cash Equivalents at End of Year to Cash and Investments per Statement of Net Position				
Ending cash and cash equivalents per cash flow statement	\$ 236,690	\$ 84,967	\$ 282,243	\$ 603,900
Investments	<u>570,131</u>	<u>204,666</u>	<u>679,860</u>	<u>1,454,657</u>
Cash and Investments per Statement of Net Position	<u>\$ 806,821</u>	<u>\$ 289,633</u>	<u>\$ 962,103</u>	<u>\$ 2,058,557</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (205,833)	\$ 49,457	\$ -	\$ (156,376)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	493,264	-	-	493,264
(Increase) decrease in:				
Accounts receivable	(20)	-	-	(20)
Due from other funds	18,752	-	-	18,752
Increase (decrease) in:				
Accounts, compensated absences and accrued interest payable	<u>67,681</u>	<u>4,401</u>	<u>23,569</u>	<u>95,651</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 373,844</u>	<u>\$ 53,858</u>	<u>\$ 23,569</u>	<u>\$ 451,271</u>



CITY OF HOPKINS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION III

STATISTICAL SECTION

CITY OF HOPKINS, MINNESOTA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	112
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	120
Debt Capacity These schedules present 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.	124
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	129
Operating Information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	131

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

City of Hopkins
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 11,950,343	\$ 22,318,027	\$ 25,315,084	\$ 28,941,120
Restricted	9,009,337	9,921,122	6,189,025	13,879,837
Unrestricted	20,189,189	9,056,853	10,849,585	2,006,418
Total governmental activities net position	<u>\$ 41,148,869</u>	<u>\$ 41,296,002</u>	<u>\$ 42,353,694</u>	<u>\$ 44,827,375</u>
Business-type activities				
Net investment in capital assets	\$ \$ 14,380,391	\$ 14,321,166	\$ \$ 14,612,000	\$ \$ 15,688,414
Restricted	250,000	250,000	-	-
Unrestricted	1,778,422	1,464,913	1,917,071	733,298
Total business-type activities net position	<u>\$ 16,408,813</u>	<u>\$ 16,036,079</u>	<u>\$ 16,529,071</u>	<u>\$ 16,421,712</u>
Primary Government				
Net investment in capital assets	\$ 26,330,734	\$ 36,639,193	\$ 39,927,084	\$ 44,629,534
Restricted	9,259,337	10,171,122	6,189,025	13,879,837
Unrestricted	21,967,611	10,521,766	12,766,656	2,739,716
Total primary government net position	<u>\$ 57,557,682</u>	<u>\$ 57,332,081</u>	<u>\$ 58,882,765</u>	<u>\$ 61,249,087</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 30,769,922	\$ 32,759,480	\$ 32,823,582	\$ 31,666,432	\$ 31,891,229	\$ 30,666,268
10,074,674	11,952,783	8,613,114	8,250,360	8,684,347	10,014,203
3,663,772	10,022	3,590,101	6,348,703	7,854,941	9,575,287
<u>\$ 44,508,368</u>	<u>\$ 44,722,285</u>	<u>\$ 45,026,797</u>	<u>\$ 46,265,495</u>	<u>\$ 48,430,517</u>	<u>\$ 50,255,758</u>
\$ 16,081,209	\$ 14,994,311	\$ 16,279,028	\$ 17,075,284	\$ 16,405,495	\$ 16,223,858
-	-	-	-	-	-
280,214	1,655,927	1,073,329	731,674	2,262,236	2,866,737
<u>\$ 16,361,423</u>	<u>\$ 16,650,238</u>	<u>\$ 17,352,357</u>	<u>\$ 17,806,958</u>	<u>\$ 18,667,731</u>	<u>\$ 19,090,595</u>
\$ 46,851,131	\$ 47,753,791	\$ 49,102,610	\$ 48,741,716	\$ 48,296,724	\$ 46,890,126
10,074,674	11,952,783	8,613,114	8,250,360	8,684,347	10,014,203
3,943,986	1,665,949	4,663,430	7,080,377	10,117,177	12,442,024
<u>\$ 60,869,791</u>	<u>\$ 61,372,523</u>	<u>\$ 62,379,154</u>	<u>\$ 64,072,453</u>	<u>\$ 67,098,248</u>	<u>\$ 69,346,353</u>

City of Hopkins

Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities:						
General Government	\$ 1,150,064	\$ 1,380,540	\$ 1,402,448	\$ 1,679,630	\$ 1,721,624	\$ 1,679,040
Public Safety	4,750,296	4,883,279	5,039,235	5,665,419	6,171,249	6,249,519
Health and Welfare	180,314	176,590	176,275	188,483	236,858	278,002
Highways and Streets	2,114,601	2,334,756	2,380,252	2,870,426	3,154,762	3,069,078
Urban Development and Housing	939,846	913,645	1,022,476	1,903,295	1,037,927	1,690,861
Culture and Recreation	1,193,801	1,277,501	1,123,334	1,277,539	1,565,184	1,482,349
Interest on long-term debt	1,604,523	1,480,148	1,282,328	1,069,863	1,090,341	1,025,771
Total governmental activities expenses	11,933,445	12,446,459	12,426,348	14,654,655	14,977,945	15,474,620
Business-type activities:						
Water	1,053,600	1,080,393	1,117,037	1,240,760	1,356,448	1,209,508
Sewer	1,410,200	1,475,587	1,608,116	1,784,001	1,756,489	1,741,115
Storm Sewer	429,768	457,183	408,252	416,479	417,595	403,231
Refuse	686,883	739,490	714,389	732,239	771,107	786,522
Pavilion/Ice Arena	367,367	395,722	371,845	385,062	411,134	401,598
Skate Park	44,056	90,268	-	-	-	-
Housing and Redevelopment Authority	425,024	501,731	525,588	483,944	573,070	528,542
Total business-type activities	4,416,898	4,740,374	4,745,227	5,042,485	5,285,843	5,070,516
Total primary government expenses	\$ 16,350,343	\$ 17,186,833	\$ 17,171,575	\$ 19,697,140	\$ 20,263,788	\$ 20,545,136
Program Revenues						
Governmental activities:						
Charges for services:						
General Government	\$ 28,792	\$ 34,760	\$ 19,727	\$ 38,595	\$ 19,239	\$ 30,797
Public Safety	65,692	70,597	70,604	219,121	262,194	284,160
Health and Welfare	14,183	13,560	15,817	13,866	16,560	9,265
Highways and Streets	51,233	225,523	60,698	59,791	59,803	42,150
Urban Development and Housing	200,000	200,054	90,727	30,363	-	-
Culture and Recreation	482,549	557,973	401,860	397,992	514,592	509,098
Operating grants and contributions	2,110,441	1,471,449	1,422,575	2,123,438	1,949,375	2,441,622
Capital grants and contributions	1,466,971	58,871	687,552	1,677,841	170,393	745,505
Total governmental activities program revenues	4,419,861	2,632,787	2,769,560	4,561,007	2,992,156	4,062,597
Business-type activities:						
Charges for services:						
Water	826,129	987,913	1,063,361	1,133,248	1,188,610	1,339,390
Sewer	1,253,772	1,277,724	1,645,661	1,427,675	1,474,474	1,598,717
Storm Sewer	717,691	666,848	735,183	724,778	725,029	800,843
Refuse	590,885	705,138	687,127	692,222	713,270	821,628
Pavilion/Ice Arena	361,297	347,343	672,739	459,003	358,645	368,228
Skate Park	-	-	-	-	-	-
Housing and Redevelopment Authority	267,646	270,723	265,277	256,104	348,938	279,860
Operating grants and contributions	232,689	158,270	209,533	299,126	251,885	150,814
Capital grants and contributions	975	16,298	1,850	-	394,913	142,691
Total business-type activities program revenues	4,251,084	4,430,257	5,280,731	4,992,156	5,455,764	5,502,171
Total primary government program revenues	\$ 8,670,945	\$ 7,063,044	\$ 8,050,291	\$ 9,553,163	\$ 8,447,920	\$ 9,564,768
Net (Expense)/Revenue						
Governmental activities	\$ (7,513,584)	\$ (9,813,672)	\$ (9,656,788)	\$ (10,093,648)	\$ (11,985,789)	\$ (11,412,023)
Business-type activities	(165,814)	(310,117)	535,504	(50,329)	169,921	431,655
Total primary government net expense	\$ (7,679,398)	\$ (10,123,789)	\$ (9,121,284)	\$ (10,143,977)	\$ (11,815,868)	\$ (10,980,368)
General Revenues and Other Changes in Net Position						
Governmental activities:						
Property taxes	\$ 7,289,973	\$ 7,845,641	\$ 8,200,725	\$ 8,732,711	\$ 9,497,650	\$ 9,353,966
Tax Increments	2,177,518	970,846	990,776	1,050,601	1,186,395	1,636,609
Unrestricted grants and contributions	566,514	603,307	579,440	564,396	434,163	309,609
Unrestricted investment earnings	439,128	579,615	708,217	571,982	344,816	173,003
Net increase (decrease) in fair value of investments	(99,245)	(190,067)	81,862	182,356	42,608	(2,043)
Gain on sale of capital assets	-	43,955	8,460	9,456	16,150	9,796
Transfers	126,240	107,508	145,000	145,000	145,000	145,000
Total governmental activities	10,500,128	9,960,805	10,714,480	11,256,502	11,666,782	11,625,940
Business-type activities:						
Unrestricted investment earnings	100,606	69,369	84,181	59,296	17,700	12,796
Net increase (decrease) in fair value of investments	(22,226)	(24,478)	18,307	25,374	4,014	45
Gain on sale of capital assets	-	-	-	3,300	-	367
Loss on disposal of capital assets	-	-	-	-	(106,924)	(12,048)
Transfers	(126,240)	(107,508)	(145,000)	(145,000)	(145,000)	(145,000)
Total business-type activities	(47,860)	(62,617)	(42,512)	(57,030)	(230,210)	(143,840)
Total primary government	\$ 10,452,268	\$ 9,898,188	\$ 10,671,968	\$ 11,199,472	\$ 11,436,572	\$ 11,482,100
Change in Net Position						
Governmental activities	2,986,544	147,133	1,057,692	1,162,854	(319,007)	213,917
Business-type activities	(213,674)	(372,734)	492,992	(107,359)	(60,289)	287,815
Total primary government	\$ 2,772,870	\$ (225,601)	\$ 1,550,684	\$ 1,055,495	\$ (379,296)	\$ 501,732

		Fiscal Year					
		2010	2011	2012	2013		
\$	1,693,275	\$	1,719,970	\$	2,056,756	\$	2,108,141
	6,243,813		6,213,995		6,382,270		6,357,722
	180,895		170,018		136,528		165,649
	3,062,507		3,332,067		3,226,807		5,845,437
	1,914,779		2,859,900		2,362,030		2,000,868
	1,505,513		1,644,834		1,726,812		1,857,743
	895,873		871,902		811,914		778,294
	<u>15,496,655</u>		<u>16,812,686</u>		<u>16,703,117</u>		<u>19,113,854</u>
	1,196,947		1,263,835		1,365,542		1,384,116
	1,844,309		1,800,126		1,816,058		1,991,274
	420,619		407,057		451,659		440,459
	738,398		778,044		862,286		819,715
	398,354		416,166		430,082		425,813
	-		-		-		-
	542,324		607,090		563,863		615,043
	5,140,951		5,272,318		5,489,490		5,676,420
\$	<u>20,637,606</u>	\$	<u>22,085,004</u>	\$	<u>22,192,607</u>	\$	<u>24,790,274</u>
\$	17,169	\$	42,112	\$	40,360	\$	76,477
	124,338		186,611		159,642		180,548
	32,135		41,815		55,331		57,032
	56,902		73,519		78,226		75,840
	-		206,916		3,444		228
	560,702		623,147		684,018		756,011
	1,894,777		2,325,158		3,499,465		5,273,474
	567,370		1,751,464		1,350,147		1,775,717
	<u>3,253,393</u>		<u>5,250,742</u>		<u>5,870,633</u>		<u>8,195,327</u>
	1,343,153		1,395,306		1,534,071		1,483,133
	1,812,585		1,838,949		2,015,166		1,999,333
	803,889		803,417		801,345		799,603
	852,215		939,421		894,534		901,670
	363,591		385,748		70,976		65,055
	-		-		-		-
	258,388		255,188		255,921		272,109
	216,596		190,442		698,769		561,111
	328,515		28,250		206,681		144,076
	5,978,932		5,836,721		6,477,463		6,226,090
\$	<u>9,232,325</u>	\$	<u>11,087,463</u>	\$	<u>12,348,096</u>	\$	<u>14,421,417</u>
\$	(12,243,262)	\$	(11,561,944)	\$	(10,832,484)	\$	(10,918,527)
	837,981		564,403		987,973		549,670
\$	<u>(11,405,281)</u>	\$	<u>(10,997,541)</u>	\$	<u>(9,844,511)</u>	\$	<u>(10,368,857)</u>
\$	9,827,813	\$	9,952,156	\$	10,354,188	\$	10,565,115
	2,147,517		2,239,668		2,332,863		2,002,607
	306,215		312,519		20,724		21,152
	132,293		92,528		99,689		105,213
	(11,064)		16,428		6,615		(129,970)
	-		42,343		38,427		34,651
	145,000		145,000		145,000		145,000
	<u>12,547,774</u>		<u>12,800,642</u>		<u>12,997,506</u>		<u>12,743,768</u>
	9,598		6,958		9,040		18,788
	(460)		1,361		760		(22,449)
	-		26,879		8,000		21,855
	-		-		-		-
	(145,000)		(145,000)		(145,000)		(145,000)
	(135,862)		(109,802)		(127,200)		(126,806)
\$	<u>12,411,912</u>	\$	<u>12,690,840</u>	\$	<u>12,870,306</u>	\$	<u>12,616,962</u>
	304,512		1,238,698		2,165,022		1,825,241
	702,119		454,601		860,773		422,864
\$	<u>1,006,631</u>	\$	<u>1,693,299</u>	\$	<u>3,025,795</u>	\$	<u>2,248,105</u>

City of Hopkins

Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 97,740	\$ 943,474	\$ 974,517	\$ 1,157,142
Unreserved	3,973,556	3,367,721	3,345,606	3,304,729
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 4,071,296</u>	<u>\$ 4,311,195</u>	<u>\$ 4,320,123</u>	<u>\$ 4,461,871</u>
All other Governmental Funds				
Reserved reported in:				
Special Revenue Funds	\$ 4,326,291	\$ 6,010,974	\$ 5,625,355	\$ 3,137,313
Capital Projects Funds	1,526,732	-	-	-
Debt Service Funds	3,789,322	6,303,112	2,852,655	12,982,623
Unreserved reported in:				
Special Revenue Funds	2,901,921	969,812	1,539,404	1,070,230
Capital Projects Funds	3,993,720	3,945,500	1,718,021	1,808,708
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 16,537,986</u>	<u>\$ 17,229,398</u>	<u>\$ 11,735,435</u>	<u>\$ 18,998,874</u>
Total all funds	<u>\$ 20,609,282</u>	<u>\$ 21,540,593</u>	<u>\$ 16,055,558</u>	<u>\$ 23,460,745</u>

Note: The City began to use new categories of fund balance when it implemented GASB 54 in 2011.

Prior years were not retroactively reclassified.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 111,806	\$ 196,790	\$ 182,211	\$ -	\$ -	\$ -
3,884,309	3,930,996	4,071,049	-	-	-
-	-	-	174,487	196,500	231,608
-	-	-	591,676	508,767	426,768
-	-	-	4,266,048	4,488,876	4,823,141
<u>\$ 3,996,115</u>	<u>\$ 4,127,786</u>	<u>\$ 4,253,260</u>	<u>\$ 5,032,211</u>	<u>\$ 5,194,143</u>	<u>\$ 5,481,517</u>
\$ 3,189,829	\$ 3,528,529	\$ 2,844,901	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,250,202	6,021,748	4,850,159	-	-	-
955,772	(24,957)	590,281	-	-	-
1,381,657	1,264,405	3,572,002	-	-	-
-	-	-	2,674,342	1,718,341	1,991,958
-	-	-	5,823,862	6,312,043	4,848,880
-	-	-	926,349	2,679,389	2,869,098
-	-	-	2,502,336	4,785,717	3,313,086
-	-	-	(1,916,865)	(2,090,788)	(2,011,214)
<u>\$ 8,777,460</u>	<u>\$ 10,789,725</u>	<u>\$ 11,857,343</u>	<u>\$ 10,010,024</u>	<u>\$ 13,404,702</u>	<u>\$ 11,011,808</u>
<u>\$ 12,773,575</u>	<u>\$ 14,917,511</u>	<u>\$ 16,110,603</u>	<u>\$ 15,042,235</u>	<u>\$ 18,598,845</u>	<u>\$ 16,493,325</u>

City of Hopkins

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Property Taxes	\$ 7,283,712	\$ 7,788,557	\$ 8,134,915	\$ 8,473,516
Tax Increments	2,177,518	970,846	990,776	1,050,601
Special Assessments	1,441,885	1,368,262	1,288,437	1,172,977
Intergovernmental	1,758,573	1,177,016	1,036,645	2,115,670
Licenses and Permits	686,933	643,811	540,120	880,443
Charges for Services	792,280	1,017,343	631,655	729,365
Fines and Forfeits	197,337	207,454	203,830	215,051
Investment Earnings	429,706	527,469	629,580	563,533
Net increase (decrease) in fair value of investments	(89,823)	(169,133)	76,011	75,263
Miscellaneous	700,012	558,575	692,649	851,203
Total revenues	<u>15,378,133</u>	<u>14,090,200</u>	<u>14,224,618</u>	<u>16,127,622</u>
Expenditures				
Current:				
General Government	1,094,526	1,332,796	1,366,246	1,597,503
Public Safety	4,695,803	4,848,336	4,994,273	5,290,802
Health and Welfare	180,314	176,552	176,502	184,541
Highways and Streets	1,681,484	1,812,403	1,824,658	2,091,043
Urban Redevelopment and Housing	937,849	911,005	944,577	1,787,131
Culture and Recreation	1,074,587	1,093,699	997,987	1,122,891
Other	-	-	-	-
Capital outlay	6,651,109	2,489,137	3,055,815	5,830,516
Debt Service				
Principal	1,644,908	2,306,152	4,926,284	1,610,000
Interest and fiscal charges	1,780,620	1,535,171	1,418,311	1,131,514
Bond Issuance Costs	-	41,906	-	81,109
Total expenditures	<u>19,741,200</u>	<u>16,547,157</u>	<u>19,704,653</u>	<u>20,727,050</u>
Excess (deficiency) of revenues over expenditures	<u>(4,363,067)</u>	<u>(2,456,957)</u>	<u>(5,480,035)</u>	<u>(4,599,428)</u>
Other Financing Sources (Uses)				
Sale of Property	-	-	-	-
Proceeds from Issuance of Debt	-	3,385,000	-	11,875,000
Discount on Debt	-	(4,240)	-	(72,905)
Premium on Debt	-	-	-	7,520
Refunded bond payment	-	-	-	-
Transfer In	2,594,787	1,625,994	5,273,592	14,940,055
Transfer Out	(2,468,547)	(1,618,486)	(5,278,592)	(14,745,055)
Total other financing sources (uses)	<u>126,240</u>	<u>3,388,268</u>	<u>(5,000)</u>	<u>12,004,615</u>
Net change in fund balances	<u>\$ (4,236,827)</u>	<u>\$ 931,311</u>	<u>\$ (5,485,035)</u>	<u>\$ 7,405,187</u>
Debt service as a percentage of noncapital expenditures	26.2 %	27.3 %	38.1 %	18.4 %

Note: Capital outlay has been adjusted for items not shown as capital expenditures on the entity wide statements and reclassified to their respective expenditure category.

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	8,844,113	\$	9,377,127	\$	9,795,318	\$	10,038,514	\$	10,403,945	\$	10,600,854
	1,186,395		1,636,535		2,147,517		2,239,668		2,332,863		2,002,607
	1,120,741		1,071,406		1,128,467		1,446,922		1,307,949		1,634,903
	1,053,405		1,220,766		1,215,163		1,931,333		1,549,464		3,775,172
	744,502		820,031		623,492		691,962		476,296		649,672
	872,388		875,470		800,115		908,106		787,724		884,354
	188,003		148,172		138,894		174,303		253,530		251,170
	283,164		137,780		114,686		80,141		88,657		94,024
	34,910		(2,211)		(8,558)		14,268		5,578		(112,724)
	709,915		1,024,879		589,604		701,683		1,881,347		1,343,592
	15,037,536		16,309,955		16,544,698		18,226,900		19,087,353		21,123,624
	1,590,347		1,552,712		1,576,676		1,598,885		4,038,893		2,019,932
	5,779,047		5,888,481		5,881,633		5,895,640		6,144,206		6,089,431
	232,163		273,760		177,732		168,202		136,169		164,237
	2,224,338		2,139,351		2,082,853		2,337,018		2,193,209		4,709,377
	935,402		1,586,083		1,881,610		2,826,172		2,348,694		1,979,001
	1,289,323		1,278,108		1,339,695		1,510,024		1,581,886		1,688,876
	-		-		-		-		-		-
	1,228,755		1,556,121		1,358,792		1,972,143		2,470,049		4,272,737
	1,705,000		1,805,000		4,665,000		2,065,000		1,635,000		3,265,000
	1,100,211		1,037,372		953,232		852,184		819,238		740,709
	-		34,972		49,233		-		-		-
	16,084,586		17,151,960		19,966,456		19,225,268		21,367,344		24,929,300
	(1,047,050)		(842,005)		(3,421,758)		(998,368)		(2,279,991)		(3,805,676)
	-		341		-		-		-		-
	-		2,865,000		4,515,000		-		5,985,000		1,920,000
	-		(24,400)		(45,150)		-		(12,830)		-
	-		-		-		-		65,705		42,010
	-		-		-		(215,000)		-		-
	1,043,155		1,088,875		7,808,068		1,504,822		4,788,179		2,948,556
	(898,155)		(943,875)		(7,663,068)		(1,359,822)		(4,989,453)		(3,210,410)
	145,000		2,985,941		4,614,850		(70,000)		5,836,601		1,700,156
\$	(902,050)	\$	2,143,936	\$	1,193,092	\$	(1,068,368)	\$	3,556,610	\$	(2,105,520)
	18.90 %		18.20 %		30.20 %		16.90 %		13.00 %		19.40 %

City of Hopkins

Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

<u>Payable Year</u>	<u>Residential Property</u>	<u>Apartment Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Market Value</u>	<u>Total Direct Tax Rate</u>
2004	\$ 924,590	\$ 256,511	\$ 264,953	\$ 154,778	\$ 225	\$ 182,899	\$ 1,418,158	56.664
2005	1,000,569	256,942	277,231	163,616	243	182,899	1,515,702	48.944
2006	1,062,213	256,559	305,233	176,812	288	182,899	1,618,206	48.262
2007	1,080,591	257,658	329,601	188,941	306	182,899	1,674,198	45.862
2008	1,061,645	257,275	352,028	198,808	306	182,899	1,687,163	45.570
2009	1,017,790	266,458	395,842	192,138	1,815	182,899	1,691,144	47.574
2010	922,267	251,418	404,674	168,803	1,503	177,975	1,570,690	49.377
2011	883,348	251,141	397,506	173,349	1,272	179,699	1,526,917	56.463
2012	816,431	252,968	422,769	174,254	1,492	179,699	1,488,215	59.718
2013	867,012	269,812	405,840	174,255	1,492	179,699	1,538,712	63.819

Notes:

- (1) The direct tax rate is applied to the tax capacity of the property which is calculate by applying a statutory formula to the estimated market value of the property. The tax capacity is then multiplied by the direct tax rate to determine the city taxes payable on a specific parcel.
- (2) Tax exempt property is revalued on a six-year cycle. All other property is revalued on a three year cycle.

City of Hopkins

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	School District	Hennepin County	Metro Council	Other		Total Overlapping
2004	49.028	7.636	56.664	22.200	47.320	3.500	5.260	78.280	134.944
2005	44.049	4.895	48.944	19.176	44.172	3.304	5.243	71.895	120.839
2006	41.300	6.962	48.262	21.565	41.016	2.924	5.180	70.685	118.947
2007	39.574	6.288	45.862	19.019	39.110	2.671	5.746	66.546	112.408
2008	39.237	6.333	45.570	19.218	38.571	2.562	5.984	66.335	111.905
2009	41.346	6.228	47.574	20.080	40.413	2.579	5.834	68.906	116.480
2010	43.121	6.256	49.377	22.944	42.561	2.612	6.825	74.942	124.319
2011	49.638	6.825	56.463	26.456	45.840	2.949	7.540	82.785	139.248
2012	52.238	7.480	59.718	29.270	48.231	3.084	7.827	88.412	148.130
2013	55.902	7.917	63.819	29.730	49.461	3.242	8.241	90.674	154.493

Source: Hennepin County, Minnesota Taxpayer Services Department

Notes: The City's basic rate is determined by the city's annual budget requirements as set by the City Council. Rates for debt service are based on each year's requirements.

City of Hopkins

Principal Property Tax Payers,
Current Year and Ten Years Ago

Taxpayer	2013			2004		
	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value
Super Valu	\$ 969,890	1	5.10 %	\$ 1,038,000	1	6.17 %
Excelsior Crossings Investments LLC	741,650	2	3.90	-	-	-
Hines Global Reit 9320 Excel	740,770	3	3.90	-	-	-
American Fund US Invest LP	738,510	4	3.89	-	-	-
Southwest Real Estate, Inc.	222,163	5	1.17	-	-	-
Ramsgate Apartments LLC	210,613	6	1.11	235,413	5	1.40
Hopkins Real Estate, LLC	210,250	7	1.11	-	-	-
Duke Realty Ltd Partnership	199,490	8	1.05	292,500	3	1.74
Hines Reit Mpls Ind LLC	199,250	9	1.05	-	-	-
City Center Ventures, LLC	185,450	10	0.98	-	-	-
St. Therese	-	-	-	318,125	2	1.89
Greenfield Apartments, LLP	-	-	-	272,951	4	1.62
Auburn Limited Partnership	-	-	-	150,663	6	0.90
Westside Village	-	-	-	131,178	7	0.78
Rosewood West	-	-	-	124,138	8	0.74
Creekwood Estates	-	-	-	120,588	9	0.72
Kollwood Towers West	-	-	-	112,538	10	0.67
Total	\$ 4,418,036		23.26 %	\$ 2,796,094		16.63 %
 Total City 2013/2004 tax capacity	 \$ 18,999,651			 \$ 16,811,416		

Source: Hennepin County, Minnesota Assessor's Office

Notes: Tax capacity is a percentage of total market value. For taxes payable in 2011 and forward these class rates are 1% for residential, 1.25% for apartments and 1.5% of first \$150,000 with balance at 2.0% for commercial/industrial properties.

City of Hopkins

Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date			
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy	Outstanding Delinquent Taxes	Percentage of Levy Outstanding
2004	\$ 6,666,136	\$ 1,038,000	\$ 7,704,136	\$ 7,582,356	98.4 %	\$ 72,387	\$ 7,654,743	99.8 %	\$ 49,393	0.6 %
2005	7,308,078	812,000	8,120,078	7,990,781	98.4 %	95,602	8,086,383	99.4 %	33,695	0.4 %
2006	7,221,078	1,217,000	8,438,078	8,282,797	98.2 %	121,084	8,403,881	99.6 %	34,197	0.4 %
2007	7,598,758	1,207,000	8,805,758	8,620,427	97.9 %	141,204	8,761,631	99.6 %	44,127	0.5 %
2008	7,942,380	1,282,000	9,224,380	8,831,737	95.7 %	133,369	8,965,106	99.5 %	259,274	2.8 % (1)
2009	8,346,114	1,257,000	9,603,114	9,101,458	94.8 %	162,994	9,264,452	97.3 %	338,662	3.5 % (2)
2010	8,733,685	1,267,000	10,000,685	9,533,671	95.3 %	43,482	9,577,153	96.4 %	423,532	4.2 % (3)
2011	9,022,414	1,241,000	10,263,414	9,828,089	95.8 %	23,872	9,851,961	96.8 %	411,453	4.0 % (4)
2012	9,119,591	1,306,400	10,425,991	10,181,764	97.7 %	33,546	10,215,310	96.4 %	210,681	2.0 %
2013	9,219,774	1,306,400	10,526,174	10,319,805	98.0 %	47,834	10,367,639	98.0 %	158,535	1.5 %

Notes:

- (1) In December 2008 the State of MN unallotted \$126,391 in Market Value Homestead Credit that is included in the total levy. Had the City received those funds, outstanding delinquent taxes would be reduced to \$132,883 and the percentage of levy outstanding would be 1.4%.
- (2) For the year 2009 State of MN unallotted \$246,865 in Market Value Homestead Credit that is included in the total levy. Had the City received those funds, outstanding delinquent taxes would be reduced to \$91,797 and the percentage of levy outstanding would be 0.9%.
- (3) For the year 2010 State of MN unallotted \$241,193 in Market Value Homestead Credit that is included in the total levy. Had the City received those funds, outstanding delinquent taxes would be reduced to \$182,339 and the percentage of levy outstanding would be 1.8%.
- (4) For the year 2011 State of MN unallotted \$257,696 in Market Value Homestead Credit that is included in the total levy. Had the City received those funds, outstanding delinquent taxes would be reduced to \$153,757 and the percentage of levy outstanding would be 1.5%.
- (5) During the years 2010-2012 there were a significant number of tax court challenges that resulted in taxes being rebated to taxpayers resulting in higher delinquent taxes for the years 2008-2012.

City of Hopkins

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	HRA Lease Revenue Bonds	Tax Increment Bonds	Special Assessments Bonds	Capital Lease	Revenue Bonds			
2004	\$ 985,000	\$ 13,810,000	\$ 11,307,436	\$ 1,980,000	\$ -	\$ 5,270,000	\$ 33,352,436	17.71 %	1,890
2005	830,000	13,290,000	13,366,284	1,675,000	-	4,830,000	33,991,284	17.52 %	1,923
2006	675,000	12,770,000	9,420,000	1,370,000	-	4,380,000	28,615,000	13.90 %	1,658
2007	10,450,000	12,235,000	8,805,000	3,010,000	-	3,905,000	38,405,000	17.71 %	2,211
2008	9,855,000	2,565,000	8,135,000	2,690,000	425,000	3,410,000	27,080,000	11.69 %	1,521
2009	9,182,508	2,404,246	10,263,615	2,335,972	391,115	6,262,966	30,840,422	12.97 %	1,742
2010	8,566,973	2,281,799	8,290,713	4,861,298	355,556	5,133,954	29,490,293	12.94 %	1,656
2011	7,951,437	2,154,353	7,265,336	4,362,694	318,241	3,843,183	25,895,244	11.03 %	1,454
2012	10,130,650	-	6,733,274	7,262,674	279,083	4,832,960	29,238,641	12.09 %	1,636
2013	9,388,707	-	4,691,998	8,745,591	237,990	6,054,706	29,118,992	11.80 %	1,610

Notes: Details regarding the District's outstanding debt can be found in note 9 of the notes to the financial statements. See the Demographic and Economic Statistics schedule on schedule 14 for personal income and population data.

City of Hopkins

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds					Less Debt Service Fund Balance	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Improvement Bonds	Revenue Bonds	Tax Increment Bonds	Total				
2004	\$ 14,795,000	\$ 1,980,000	\$ 19,080,000	\$ 11,307,436	\$ 47,162,436	\$ 3,789,322	\$ 43,373,114	3.058 %	2,458.38
2005	14,120,000	1,675,000	18,120,000	13,366,284	47,281,284	6,303,112	40,978,172	2.704 %	2,318.43
2006	13,445,000	1,370,000	17,150,000	9,420,000	41,385,000	2,852,655	38,532,345	2.381 %	2,232.08
2007	13,135,000	3,010,000	16,140,000	8,805,000	41,090,000	12,982,623	28,107,377	1.679 %	1,618.44
2008	12,420,000	2,690,000	5,975,000	8,135,000	29,220,000	3,250,202	25,969,798	1.539 %	1,481.79
2009	11,586,754	2,335,972	8,667,212	10,263,615	32,853,553	6,021,748	26,831,805	1.587 %	1,534.91
2010	10,848,772	4,861,298	7,415,753	8,290,713	31,416,536	4,850,159	26,566,377	1.691 %	1,510.23
2011	10,105,790	4,362,694	5,997,536	7,265,336	27,731,356	4,275,717	23,455,639	1.536 %	1,333.39
2012	10,130,650	7,262,674	4,832,960	6,733,274	28,959,558	4,618,138	24,341,420	1.636 %	1,375.14
2013	9,388,707	8,745,591	6,054,706	4,691,998	28,881,002	3,470,747	25,410,255	1.651 %	1,418.48

Notes:

Details regarding the city's outstanding debt can be found in note 9 of the notes to the financial statements.
See the *Assessed and Actual Value of Taxable Property* schedule 5 for taxable market value of property data
See the *Demographic and Economic Statistics* schedule 14 for population data

City of Hopkins

Direct and Overlapping Governmental Activities Debt
As of December 31, 2013

	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
School Districts:			
Hopkins ISD 270	\$ 169,181,538	16.23 %	\$ 27,458,164
St. Louis Park ISD 283	39,643,656	0.35 %	138,753
Other Debt:			
Hennepin County	723,264,582	1.16 %	8,389,869
Hennepin Suburban Park District	54,166,123	1.58 %	855,825
Hennepin Regional RR Authority	37,350,216	1.58 %	590,133
Metropolitan Council	158,664,771	0.53 %	840,923
Subtotal - overlapping debt			<u>38,273,667</u>
City of Hopkins Direct Debt (b,c)	17,648,688	100 %	<u>17,648,688</u>
Total Direct and Overlapping Debt:			<u><u>\$ 55,922,355</u></u>

Source: Hennepin County, Minnesota Taxpayer Services

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

(a) The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

(b) City of Hopkins direct debt includes long-term debt instruments of the City which are bonds and capital leases of the government.

(c) Net Debt Outstanding includes G.O. debt including capital leases and special assessment debt and takes into consideration any sinking funds obligated for the repayment of the bonds. It does not include revenue debt or tax increment debt which is an obligation of developers and paid with tax increment revenues collected by the county and remitted to the city as part of the developers tax obligations.

City of Hopkins

Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2013

Market value	\$ 1,538,712
Debt limit (3% of market value)	46,161
Debt applicable to limit:	
General Obligation Bonds	9,389
Less: Amount set aside for repayment of general obligation debt	(486)
Total net debt applicable to limit	<u>8,903</u>
Legal debt margin	<u><u>\$ 37,258</u></u>

	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 25,601	\$ 29,036	\$ 31,603	\$ 33,252	\$ 50,615	\$ 50,734	\$ 47,121	\$ 43,806	\$ 42,189	\$ 46,161
Total net debt applicable to limit	<u>810</u>	<u>649</u>	<u>495</u>	<u>9,768</u>	<u>9,263</u>	<u>8,772</u>	<u>10,144</u>	<u>9,549</u>	<u>9,402</u>	<u>8,903</u>
Legal debt margin	<u><u>\$ 24,791</u></u>	<u><u>\$ 28,387</u></u>	<u><u>\$ 31,108</u></u>	<u><u>\$ 23,484</u></u>	<u><u>\$ 41,352</u></u>	<u><u>\$ 41,962</u></u>	<u><u>\$ 36,977</u></u>	<u><u>\$ 34,257</u></u>	<u><u>\$ 32,787</u></u>	<u><u>\$ 37,258</u></u>
Total net debt applicable to the limit as a percentage of debt limit	3.16%	2.24%	1.57%	29.38%	18.30%	17.29%	21.53%	21.80%	22.29%	19.29%

City of Hopkins
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds				Sewer Revenue Bonds				Storm Sewer Revenue Bonds			
	Revenue	Debt Service		Coverage	Revenue	Debt Service		Coverage	Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2004	\$ 844,017	\$ 110,000	\$ 42,912	5.52	\$ -	\$ -	\$ -	-	\$ 741,831	\$ 330,000	\$ 141,647	1.57
2005	998,129	115,000	79,532	5.13	-	-	-	-	682,497	325,000	130,213	1.50
2006	1,083,675	120,000	75,733	5.54	-	-	-	-	775,261	330,000	119,445	1.72
2007	1,133,248	125,000	69,699	5.82	-	-	-	-	724,778	350,000	111,605	1.57
2008	1,188,610	130,000	69,699	5.95	-	-	-	-	725,029	365,000	98,846	1.56
2009	1,339,390	140,000	53,440	6.92	-	-	-	-	800,843	365,000	79,437	1.80
2010	1,342,073	1,000,000	56,211	1.27	1,812,585	-	21,501	84.30	803,889	280,000	46,791	2.46
2011	1,395,306	200,000	45,225	5.69	1,838,949	50,000	33,750	21.96	803,417	1,025,000	41,050	0.75
2012	1,534,221	210,000	41,125	6.11	2,150,594	60,000	32,650	23.21	799,938	180,000	26,823	3.87
2013	1,483,283	260,000	50,010	4.78	1,999,483	70,000	34,396	19.15	799,603	205,000	29,585	3.41

Notes: Details regarding the City's outstanding debt can be found in Note 9 of the notes to the financial statements.

City of Hopkins

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u> <i>(thousands of dollars)</i>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2004	17,643	\$ 188,330	\$ 37,017	9,964	4.3
2005	17,675	193,990	37,892	9,444	3.7
2006	17,263	205,857	39,867	9,376	3.9
2007	17,367	216,840	41,642	9,318	4.5
2008	17,526	228,069	43,446	9,308	6.4
2009	17,481	217,609	41,204	9,333	6.7
2010	17,591	227,288	42,798	9,241	6.5
2011	17,591	238,768	44,672	9,107	5.5
2012	17,701	238,165	44,560	8,556	5.1
2013	17,939	244,719	45,494	8,555	4.3

Sources: (1) Metropolitan Council, except for 2010 and 2011 which is per the U.S. Census.

(2) U.S. Department of Commerce Bureau of Economic Analysis data for Minnesota

(3) Minnesota Department of Education and is for public and non-public schools in Hopkins School District #270

(4) Minnesota Department of Employment and Economic Development, based on December rates

City of Hopkins
Principal Employers,
Current Year and Ten Years Ago

Taxpayer	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Cargil	2,313	1	16.428 %	-	-	- %
SuperValu	1,249	2	8.871	1,457	1	13.207
ISD 270 Hopkins (1)	707	3	5.021	740	2	6.708
US Post Office	314	4	2.230	-	-	-
Viro Med Labrotories	200	5	1.420	-	-	-
Oak Ridge Country Club	195	6	1.385	190	4	1.722
Thermotech	190	7	1.349	324	3	2.937
US Bank	185	8	1.314	-	-	-
Augustana Chapel View Homes	185	9	1.314	167	5	1.514
City of Hopkins	160	10	1.136	145	7	1.314
Walser Chrysler Jeep	-	-	-	150	6	1.360
Golden Living Center	-	-	-	135	8	1.224
EDCO Products	-	-	-	132	9	1.197
Rudy Luther's Hopkins Honda	-	-	-	125	10	1.133
Total	<u>5,698</u>		<u>40.468 %</u>	<u>3,565</u>		<u>32.316 %</u>

Source: Minnesota Department of Employment and Economic Development, Metropolitan Council and Minnesota State Business Directory

Notes:

(1) Includes total number of employees located in facilities throughout Independent School District 270, Hopkins.

City of Hopkins

Full-Time Equivalent City Employees by Type
Last Ten Fiscal Years

	Full-time-Equivalent Employees as of December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administrative Services	3.53	5.55	5.55	5.15	5.05	4.95	4.80	4.80	4.95	5.00
Finance	4.30	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Municipal Building	0.85	1.40	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Community Services	9.74	8.90	8.90	9.48	9.85	9.95	9.95	9.95	9.80	9.70
Public Safety										
Police	39.00	37.50	38.50	39.40	39.45	40.00	39.00	40.00	39.50	34.50
Fire	0.90	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.25
Public Works	20.00	19.50	18.60	18.59	18.60	18.70	17.77	17.25	17.69	17.09
Recreation										
Activity Center	2.55	4.10	4.10	4.00	3.30	3.30	3.30	3.30	3.20	3.20
Skate Park	-	-	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Planning & Zoning	1.20	1.20	1.20	1.20	1.15	1.15	1.35	1.35	1.35	1.35
Community Development	-	-	-	-	-	-	-	-	0.85	0.85
Total General Government	<u>82.07</u>	<u>83.95</u>	<u>84.15</u>	<u>85.12</u>	<u>84.70</u>	<u>85.35</u>	<u>83.47</u>	<u>83.95</u>	<u>84.64</u>	<u>79.04</u>
Special Revenue Funds										
Economic Development	2.40	1.60	1.60	1.60	1.78	1.75	1.75	1.60	1.60	1.60
Paratransit	0.20	0.20	0.20	0.20	0.20	0.20	-	-	-	-
Housing Rehabilitation	0.65	0.70	0.70	0.70	0.85	0.85	0.85	0.85	-	-
Parking	1.20	2.00	2.00	1.00	1.00	1.00	1.00	1.00	0.72	0.72
Section 8	1.40	1.40	1.40	1.35	-	-	-	-	-	-
Communication	0.07	0.05	0.05	0.10	0.10	0.10	0.40	0.25	0.25	0.25
Depot Coffee House	1.08	1.93	-	0.05	1.00	1.00	1.00	1.50	1.50	2.50
Art Center	3.72	4.22	4.05	4.05	4.05	4.05	4.05	4.55	4.30	3.80
Total Special Revenue Funds	<u>10.72</u>	<u>12.10</u>	<u>10.00</u>	<u>9.05</u>	<u>8.98</u>	<u>8.95</u>	<u>9.05</u>	<u>9.75</u>	<u>8.37</u>	<u>8.87</u>
Enterprise Funds										
Water	3.56	3.24	3.25	3.25	3.76	3.67	3.11	3.11	3.13	3.13
Sanitary Sewer	3.23	3.55	3.56	3.56	4.07	4.08	3.44	3.44	3.46	3.46
Refuse	3.89	4.15	4.08	4.08	4.09	4.12	3.40	3.58	3.89	3.89
Storm Sewer	0.47	0.47	0.46	0.46	0.46	0.46	0.42	0.42	0.63	0.63
Pavilion/Ice Arena	2.44	2.44	2.90	2.72	3.80	3.80	3.05	2.45	2.40	2.40
Art Center	-	-	-	-	-	-	-	-	-	-
Skate Park	-	-	-	-	-	-	-	-	-	-
Housing and Redevelopment	1.90	1.90	2.40	2.45	2.05	2.05	2.05	2.20	2.20	2.20
Total Enterprise Funds	<u>15.49</u>	<u>15.75</u>	<u>16.65</u>	<u>16.52</u>	<u>18.23</u>	<u>18.18</u>	<u>15.47</u>	<u>15.20</u>	<u>15.71</u>	<u>15.71</u>
Total	<u>108.28</u>	<u>111.80</u>	<u>110.80</u>	<u>110.69</u>	<u>111.91</u>	<u>112.48</u>	<u>107.99</u>	<u>108.90</u>	<u>108.72</u>	<u>103.62</u>

Source: City Finance Office

City of Hopkins

Operating Indicators by Function/Program
Last Ten Years

Function/Program	Fiscal Year				
	2004	2005	2006	2007	2008
General Government					
Elections	2	1	2	1	2
Registered voters	11,518	9,708	10,621	8,330	11,233
Number of votes cast	8,880	2,601	6,279	1,146	8,835
Voter participation (registered)	77.1%	26.8%	59.1%	13.80%	78.70%
Public Safety					
Police					
Total Calls for Service	19,648	19,049	18,567	19,137	19,440
Sworn Officers	25	26	26	26	26
Traffic Stops	3,044	2,916	3,321	4,287	3,042
Parking Citations	1,506	1,122	841	747	647
Fire					
Fires	48	76	59	70	45
False Alarm	103	107	101	70	101
Fire Runs	326	337	297	350	291
Medical Runs	113	121	68	59	67
Average Response Time (minutes)	5.3	5.3	5.3	4.3	4.0
Inspections					
Building Permits	542	365	494	377	897
Value of Building Permits	\$ 34,316,423	\$ 32,333,498	\$ 14,272,117	\$ 50,544,210	\$ 45,074,024
Public Works					
Miles of seal coating	4	4	4	3.2	2.60
Miles of crack sealing	3.25	3.25	3.25	2.88	4.97
Sidewalk repairs in square feet	2,875	2,875	2,875	4,279	4,930
Alley repairs in square yards	157	143	130	253	238
Culture and Recreation					
Art Center					
Bookings	5,598	5,598	5,570	6,054	5,593
Reserved Hours	36,950	36,950	35,710	39,060	34,760
Customer Visits for Events/Activities	182,800	182,800	202,000	203,000	212,000
Water					
Gallons of water pumped (in millions)	732.0	744.0	786.0	794.7	774
Number of well house inspections	2,488	2,488	2,488	2,488	2,488
Number of hydrants flushed	100+	100+	100+	100+	100+
Water Rate	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.65
Sanitary Sewer					
Sanitary sewage flow (in millions of gallons)	653.2	647.0	638.0	641.3	626.2
Miles of sewer lines jettied	14.7	15.0	14.6	17.3	14.6
Number of manholes checked/cleaned	292	222	262	441	344
Lift Station Maintenance checks	4,374	4,374	4,374	4,374	3,855
Sewer Rate	\$ 2.25	\$ 2.25	\$ 2.50	\$ 2.50	\$ 2.70
Refuse					
Number of refuse accounts	2,670	2,673	2,766	2,670	2,678
Tons of refuse collected	2,671	2,643	2,549	2,448	2,393
Tons of recycled material (residential)	1,248	1,185	1,118	1,138	1,080
Refuse rate	\$ 11.00-14.45	\$ 12.50-15.90	\$ 12.50-15.90	\$ 12.50-15.90	\$ 17.25
Recycling rate	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 3.25
Pavilion/Ice Arena					
Ice time rental hours	1,521	1,433	1,443	1,458	1,469
Turf use hours	464	362	407	442	479
Mezzanine rental use	162	351	339	345	400

Source: Various City Departments

Notes:

- (1) Information not available is labeled N/A..
- (2) In 2009 the Sewer Department began checking manholes on a monthly basis.

Fiscal Year					
2009	2010	2011	2012	2013	
1	2	1	2	1	
9,548	9,393	9,691	10,912	9,917	
861	5,761	961	9,130	1,674	
9.10%	61.30%	9.90%	83.70%	16.90%	
19,238	19,141	21,257	25,379	25,286	
26	26	26	26	26	
2,698	2,597	5,231	7,602	6,333	
925	914	865	958	979	
38	58	40	36	38	
107	98	95	91	101	
220	370	331	382	382	
56	66	77	141	178	
4.0	4.0	4.0	4.0	4.2	
381	422	631	501	509	
\$ 54,688,290	\$ 10,968,955	\$ 19,211,258	\$ 9,804,196	\$ 44,183,445	
0.55	0.95	0.85	5.36	5.49	
3.71	1.99	7.26	4.13	3.75	
6,228	5,252	5,831	5,770	5,172	
142	170	200	201	190	
5,392	4,913	4,307	4,307	4,440	
33,780	30,414	26,406	26,406	27,442	
203,100	205,319	219,975	219,975	213,487	
813	794	744	781	817	
2,484	2,501	2,446	2,480	2,465	
130	144	151	142	138	
\$ 1.86	\$ 1.90	\$ 1.90	\$ 1.96	\$ 2.02	
580.2	567.8	606.5	601.9	579.0	
14.2	15.4	14.6	14.7	16.2	
1,290	1,301	1,421	1,337	1,413	
4,312	4,310	4,321	4,314	4,307	
\$ 3.10	\$ 3.40	\$ 3.60	\$ 3.75	\$ 3.90	
2,689	2,695	2,687	2,681	2,706	
2,335	2,298	2,265	2,470	2,136	
1,194	1,148	1,222	1,182	757	
\$ \$15.85 - 21.85	\$ \$15.85 - 21.85	\$ \$16.85 - 23.15	\$ \$16.85 - 24.30	\$ \$16.85 - 24.30	
\$ 3.50	\$ 3.75	\$ 3.75	\$ 4.00	\$ 4.25	
1,456	1,455	1,407	1,429	1,401	
624	624	758	869	865	
495	776	1,150	1,260	1,386	

City of Hopkins

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10	10	10	10	11	11	11	11	11	11
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Highways (miles)	3.57	3.57	3.57	3.57	3.57	3.57	3.57	3.57	3.57	3.57
County Highways	5.69	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32
City Streets (miles)	47.13	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50
Alleys (miles)	9.52	9.52	9.52	9.52	9.52	9.52	9.52	9.52	9.52	9.52
Streetlights	350	360	360	398	398	398	398	398	398	398
Traffic Signals	44	44	44	44	44	44	44	44	44	44
Refuse collection trucks	3	3	3	3	3	3	3	3	3	3
Culture & Recreation										
Parks										
Parks	16	16	16	16	16	16	16	16	16	16
Park Trails	3	3	4	4	4	4	4	4	4	4
Park Acres	102	102	104	104	104	104	104	104	104	104
Park Shelters	10	10	10	10	10	11	11	11	11	11
Playgrounds	11	11	11	11	11	11	11	11	11	11
Skateboard Park/Inline Skating	1	1	1	1	1	1	1	1	1	1
Skating Rinks	7	7	7	7	7	7	7	7	7	7
Hockey Rinks	6	6	6	6	5	5	5	5	5	5
Basketball Courts	6	6	6	6	6	6	6	6	6	6
Softball Fields	4	4	4	4	4	4	4	4	4	4
Swimming Beach	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	8	8	8	8	8	8	8	8
Volleyball Courts	2	2	2	2	2	2	2	2	2	2
Watermains										
Distribution System (miles)	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60
Fire Hydrants	560	560	560	560	560	560	560	560	560	560
Storage Capacity (gallons in thous)	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Water Connections	3,144	3,157	3,163	3,163	3,168	3,168	3,168	3,168	3,168	3,168
Sanitary Sewer										
Collection System (miles)	45.46	45.46	45.46	45.46	45.46	45.46	45.46	45.46	45.46	45.46
Sewer Connections	3,064	3,077	3,081	3,081	3,086	3,086	3,086	3,086	3,086	3,086
Storm Sewer										
Pipe (miles)	21.40	21.40	21.40	21.40	21.40	21.40	21.40	21.40	21.40	21.40
Parking										
Parking Lots	7	7	7	7	7	7	7	7	7	7
Parking Ramp	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments