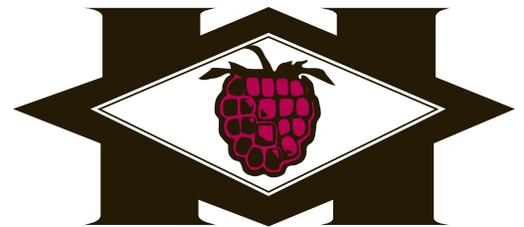


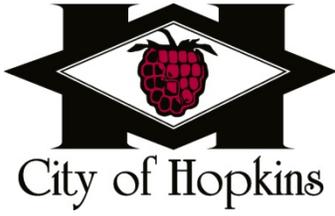


City of Hopkins, Minnesota

Comprehensive Annual Financial Report

for year ended December 31, 2014





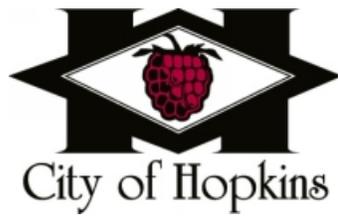
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

CITY OF HOPKINS, MN

For The Year Ended
December 31, 2014

Prepared by the Department of Finance



**THE CITY OF HOPKINS, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2014**

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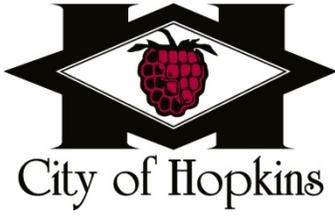
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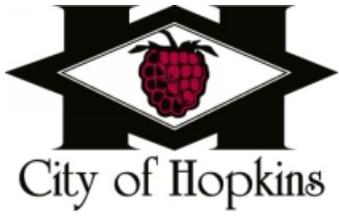


CITY OF HOPKINS, MINNESOTA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 29, 2015

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, 2014 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, 2014, 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, 2014, 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 38-41 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 94-103.

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

- 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 2014 was \$9.067 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 2014 include the following:

<u>Activity</u>	<u>Valuation</u>
Commercial Additions/Alterations:	
Super Valu – test kitchens	\$ 1,300,000
Hopkin Honda – addition	\$ 1,423,500
Walser Jeep Chrysler – addition	\$ 1,600,000
Marketplace & Main Townhomes	\$ 2,353,000
Gallery Flats Apartments	\$25,180,082

Efforts are being made for continued development and growth for 2015 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 2015-2018 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 for Shady Oak Road (County Road 61) began in 2013 and will be completed in 2015. This project is a joint effort between Hennepin County and the Cities of Minnetonka and Hopkins. A number of neighborhood and town meetings were held to gather input on this project that will 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. While no new policies were developed in 2014 staff continues to review current policies to ensure they remain relevant.

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, 2014 the General Fund unassigned fund balance is at 46.7% or \$5,184,081 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 2014, 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 2014, we accomplished our annual street repair and improvements, at a cost of approximately \$2,872,000. This included the city's share of the Shady Oak Road project, along with improvements to West Park Road and 21st Ave N. In addition preliminary work was begun on the 2015 street improvement project.

The sewer department is in the second year of sewer improvements to Cottageville Park. Park project costs for 2014 totaled \$162,706. The water department began work on the Nine Mile Cove watermain project at a cost of \$87,350 and the water, sewer and storm sewer departments also completed in conjunction with the street improvements, infrastructure reconstruction projects totaling \$660,000 along with several other small projects.

Other miscellaneous improvement projects in 2014 included the purchase of land to expand Cottageville Park at a cost of \$351,966, various other city park improvements at a total cost of \$136,775 and the completion of the building controls upgrade at 2014 costs totaling \$38,387 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, 2013. 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

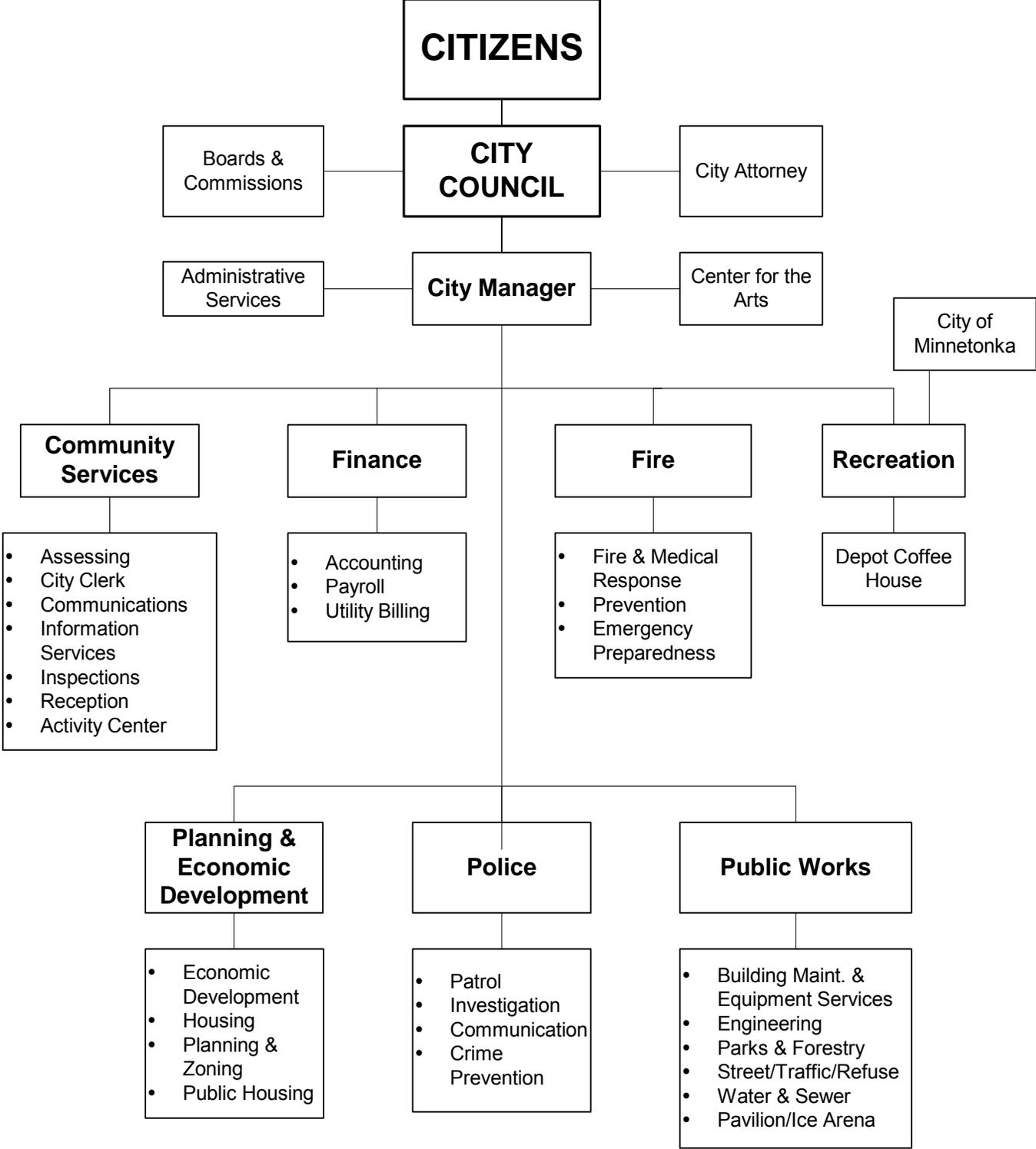
**City of Hopkins
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Organizational Chart



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

CITY OFFICIALS

December 31, 2014

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
Aaron Kuznia	Councilmember	12-31-15

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, 2014

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, 2014, 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, 2014, 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.

Change in Accounting Principle

As discussed in Note 16 to the basic financial statements, net position as of January 1, 2014 has been restated to reflect cumulative effect of a change in the City's capitalization threshold from \$1,000 to \$5,000.

Correction of an Error

As discussed in Note 16 to the basic financial statements, net position and fund balance of the Economic Development fund as of January 1, 2014 has been restated to properly reflect 2013 grant revenue and removal of construction in progress that was improperly capitalized.

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.

Honorable Mayor and
Members of the City Council
City of Hopkins

Supplementary and Other Information (continued)

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2015, 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 24, 2015

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, 2014. 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 \$69.0 million. Of this amount, (unrestricted net position), approximately \$3.86 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by approximately \$1.6 million.
- As of the close of the current fiscal year, the City of Hopkins governmental funds reported combined ending fund balances of approximately \$25.1 million, an increase of approximately \$8.6 million in comparison with the prior year. The increase was primarily due to sale of refunding bonds late in the year that will be used to refund debt in February 2015. Approximately \$7.7 million of fund balance is available for spending at the City's discretion (assigned or unassigned fund balance).
- As of December 31, 2014, unassigned fund balance for the General Fund was approximately \$5.2 million, or 47% of total general fund expenditures.
- The City of Hopkins total debt increased by approximately \$5.7 million during the current fiscal year due to the sale of improvement and refunding bonds for two bond issues. Total new debt totaled \$8.24 million and bond maturities totaled \$2.525 million.

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 30-31 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-four 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, Tax Increment District Super Valu, 2009B Housing Improvement Bonds of 1999B Refunding Bonds, Capital Improvement Bonds of 2007A, Municipal State Aid Construction, and Permanent Improvement Revolving fund all of which are considered to be major funds. Data from the other twenty-six 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 32-41 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 42-46 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 48-72 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 75 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 78-112 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 \$69,034,552 at the close of the most recent fiscal year.

Slightly over two thirds (70%) 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	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 35,773,666	\$ 26,492,632	\$ 2,682,760	\$ 3,655,687	\$ 38,456,426	\$ 30,148,319
Capital assets	<u>49,314,501</u>	<u>50,841,438</u>	<u>22,425,930</u>	<u>22,101,134</u>	<u>71,740,431</u>	<u>72,942,572</u>
Total assets	<u>85,088,167</u>	<u>77,334,070</u>	<u>25,108,690</u>	<u>25,756,821</u>	<u>110,196,857</u>	<u>103,090,891</u>
Deferred Outflows of Resources						
Deferred charges on refunding	312,743	349,800	-	-	312,743	349,800
Liabilities						
Other liabilities	4,731,255	3,346,837	517,572	406,259	5,248,827	3,753,096
Long-term liabilities outstanding	<u>30,527,243</u>	<u>24,078,397</u>	<u>5,698,978</u>	<u>6,259,967</u>	<u>36,226,221</u>	<u>30,338,364</u>
Total liabilities	<u>35,258,498</u>	<u>27,425,234</u>	<u>6,216,550</u>	<u>6,666,226</u>	<u>41,475,048</u>	<u>34,091,460</u>
Net Position						
Net investment in capital assets	31,272,253	30,666,268	16,937,928	16,621,198	48,210,181	47,287,466
Restricted	16,967,889	10,014,203	-	-	16,967,889	10,014,203
Unrestricted	<u>1,902,270</u>	<u>9,575,287</u>	<u>1,954,212</u>	<u>2,469,397</u>	<u>3,856,482</u>	<u>12,044,684</u>
Total net position	<u>\$ 50,142,412</u>	<u>\$ 50,255,758</u>	<u>\$ 18,892,140</u>	<u>\$ 19,090,595</u>	<u>\$ 69,034,552</u>	<u>\$ 69,346,353</u>

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 (\$3,856,482) 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 \$1,636,446 during the current fiscal year.

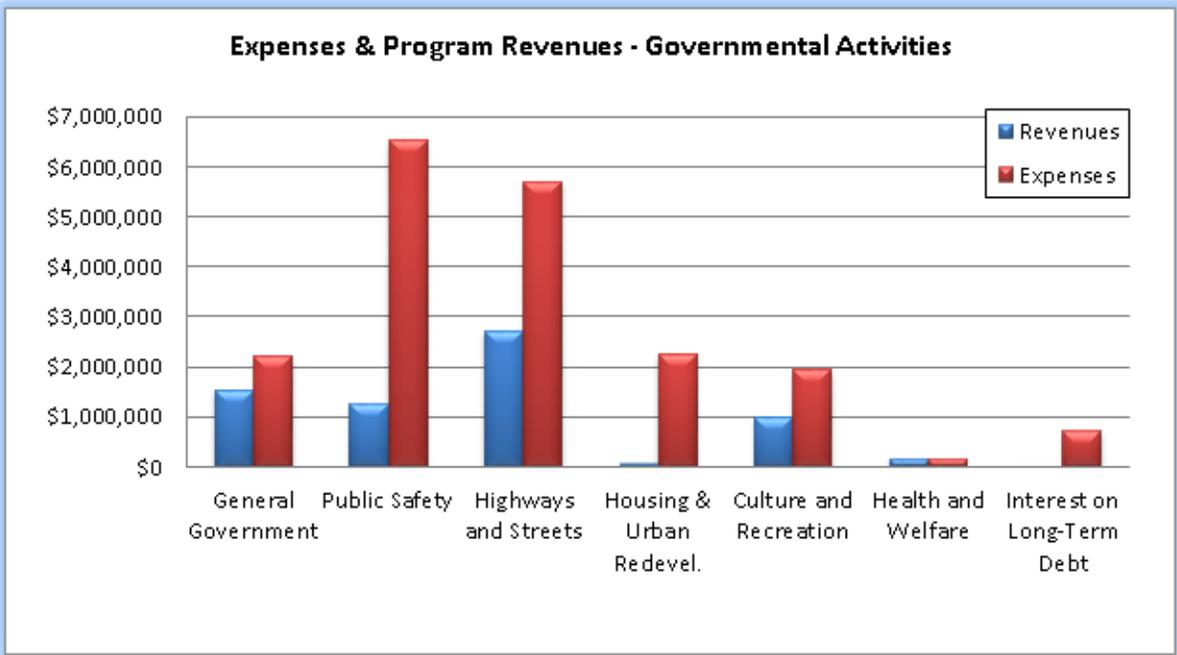
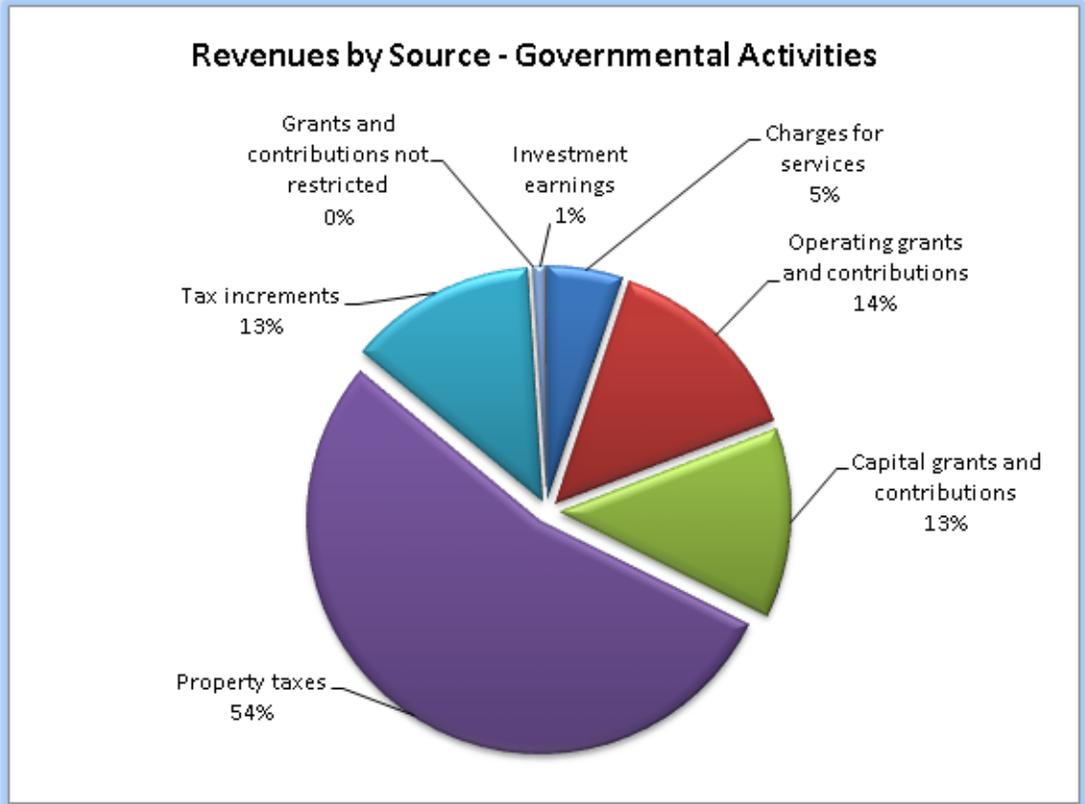
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Governmental and business-type activities. Governmental activities increased the City of Hopkins net position by \$1,800,500 and business-type activities decreased net position by \$163,604. Key elements of the increases are as follows:

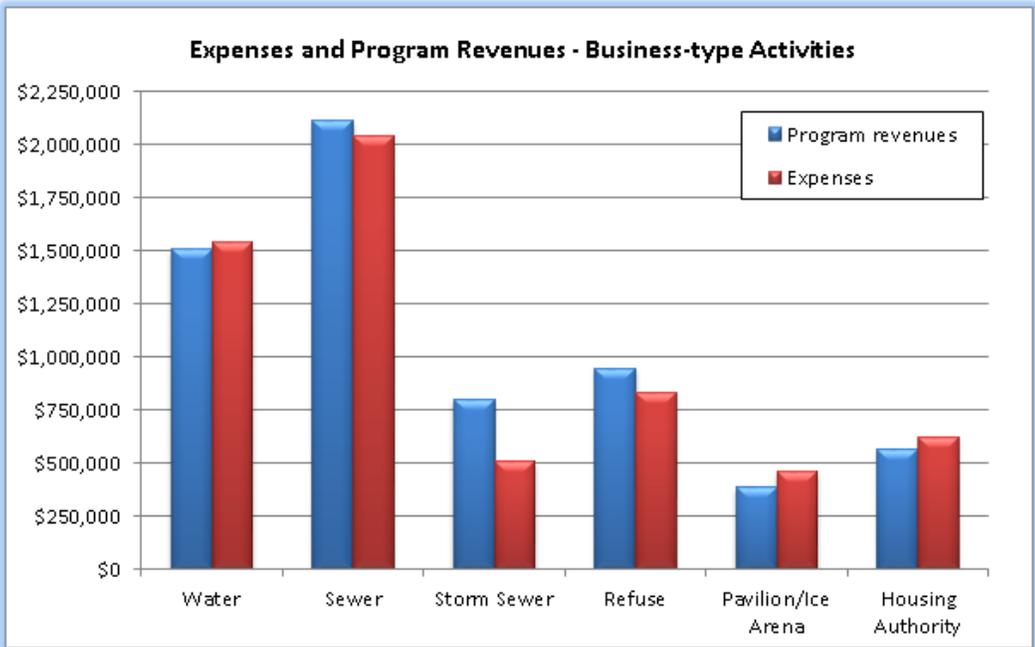
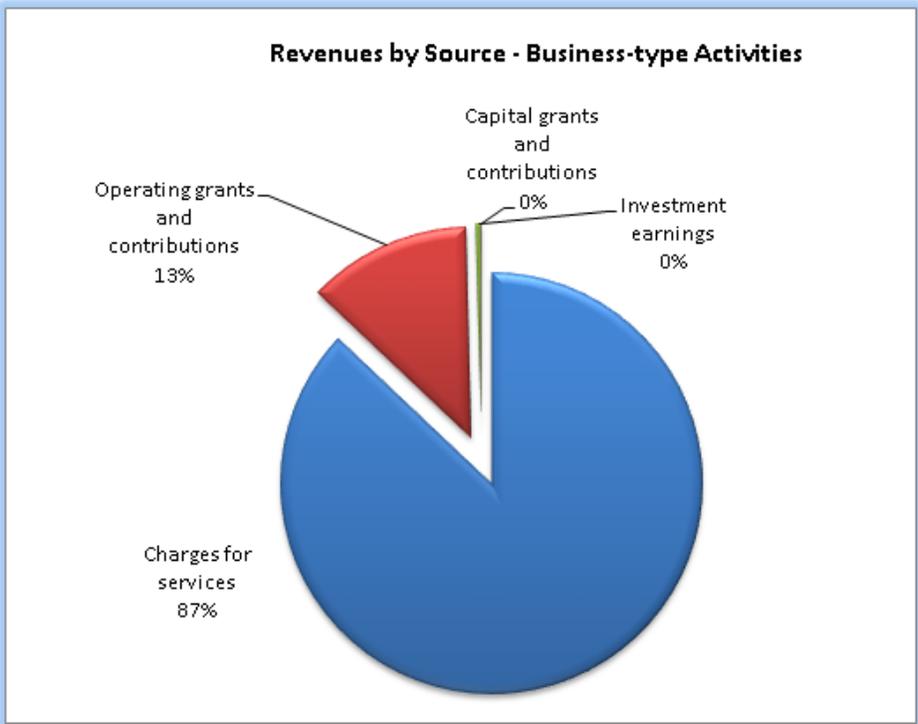
**City of Hopkins Changes in Net Position
For the Year Ended December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,069,080	\$ 1,146,136	\$ 5,521,545	\$ 5,520,903	\$ 6,590,625	\$ 6,667,039
Operating grants and contributions	2,943,889	5,273,474	795,199	561,111	3,739,088	5,834,585
Capital grants and contributions	2,728,416	1,775,717	-	144,076	2,728,416	1,919,793
General revenues:						
Property taxes	11,207,914	10,565,115	-	-	11,207,914	10,565,115
Tax increments	2,700,110	2,002,607	-	-	2,700,110	2,002,607
Grants and contributions not restricted	20,510	21,152	-	-	20,510	21,152
Investment earnings	193,546	105,213	24,503	18,788	218,049	124,001
Net increase (decrease) in fair value of investments	-	(129,970)	-	(22,449)	-	(152,419)
Gain on sale of capital assets	27,235	34,651	-	21,855	27,235	56,506
Total revenues	<u>20,890,700</u>	<u>20,794,095</u>	<u>6,341,247</u>	<u>6,244,284</u>	<u>27,231,947</u>	<u>27,038,379</u>
Expenses:						
General government	2,276,155	2,108,141	-	-	2,276,155	2,108,141
Public safety	6,526,230	6,357,722	-	-	6,526,230	6,357,722
Health and welfare	171,187	165,649	-	-	171,187	165,649
Highways and streets	5,709,009	5,845,437	-	-	5,709,009	5,845,437
Urban redevelopment and housing	2,247,553	2,000,868	-	-	2,247,553	2,000,868
Culture and recreation	1,941,912	1,857,743	-	-	1,941,912	1,857,743
Interest on long-term debt	711,697	778,294	-	-	711,697	778,294
Water	-	-	1,540,940	1,384,116	1,540,940	1,384,116
Sewer	-	-	2,042,106	1,991,274	2,042,106	1,991,274
Storm sewer	-	-	508,686	440,459	508,686	440,459
Refuse	-	-	834,113	819,715	834,113	819,715
Pavilion/ice arena	-	-	460,246	425,813	460,246	425,813
Housing and redevelopment authority	-	-	625,667	615,043	625,667	615,043
Total expenses	<u>19,583,743</u>	<u>19,113,854</u>	<u>6,011,758</u>	<u>5,676,420</u>	<u>25,595,501</u>	<u>24,790,274</u>
Increase in net position before transfers	1,306,957	1,680,241	329,489	567,864	1,636,446	2,248,105
Transfers	493,093	145,000	(493,093)	(145,000)	-	-
Increase in net position	1,800,050	1,825,241	(163,604)	422,864	1,636,446	2,248,105
Net position - January 1, as previously reported	50,255,758	48,430,517	19,090,595	18,667,731	69,346,353	67,098,248
Prior period adjustment	(1,790,073)	-	-	-	(1,790,073)	-
Cumulative effect of change in accounting principle	(123,323)	-	(34,851)	-	(158,174)	-
Net position - January 1, as restated	<u>48,342,362</u>	<u>48,430,517</u>	<u>19,055,744</u>	<u>18,667,731</u>	<u>67,398,106</u>	<u>67,098,248</u>
Net position - December 31	<u>50,142,412</u>	<u>50,255,758</u>	<u>18,892,140</u>	<u>19,090,595</u>	<u>69,034,552</u>	<u>69,346,353</u>

Governmental activities: Property taxes increased in 2014 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 a decrease in net position due to larger than expected expenses in the Water, Pavilion and Housing Authority. 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 \$25,127,491, a increase of \$8,584,171 in comparison with the prior year. The key factor of the increase is the sale of refunding bonds that will be used to liquidate the 2007A & B bonds in February 2015.

Approximately 30% of fund balance or \$7,655,816, 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 \$5,184,081. This represents 90.4% 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 46.7% of total general fund expenditures while total fund balance represents approximately 51.7% of that same amount.

The fund balance of the City of Hopkins general fund increased by \$255,118 during the current fiscal year. Revenues exceeded expenditures by \$265,118 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 \$4,122,046 of which \$3,827,046 is committed for economic development. The fund balance increased by \$232,790 primarily as a result of an increase in the tax levy and conservative spending.

The Arts Center fund has a total fund balance of (\$1,171,911) of which \$67 is non-spendable and (\$1,171,978) is unassigned. The fund balance deficit increased by \$81,939. While the Arts Center received a programming grant from the Minnesota State Arts Board to offset programming costs those costs still exceeded budgeted revenues due to higher performing artist fees and expenses. 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 Tax Increment District Super Valu fund has a total fund balance of \$1,603,543 of which all is restricted for tax increment. The fund balance increased by \$499,146 due higher than expected tax increment revenues exceeded required developer payments.

The 2009B Housing Improvement refunding bonds of 1999B bond fund has a total fund balance of \$642,807, all of which is restricted for the payment of debt service. The fund balance increased by \$49,693 as special assessment revenues exceeded current debt payment requirements.

The Capital Improvement Bonds of 2007A bond fund has a total fund balance of \$6,183,511 all of which is restricted for the payment of debt service. The fund balance increased by \$5,827,922 as refunding bonds were sold in November 2014 to call these bonds in February 2015.

The Municipal State Aid Construction fund has a total fund balance of \$513,074 which is assigned for construction projects. The fund balance increased by \$45,287 as a result of project revenues currently exceeding project payments on the Shady Oak Road reconstruction project.

The Permanent Improvement Revolving fund has a total fund balance of \$2,785,317 which is assigned for construction projects. The fund balance increased by \$444,228 as a result of unspent project costs for the street reconstruction project that is being done adjacent to the Shady Oak Road 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 \$86,732. The unrestricted net position is used to pay for infrastructure improvements. The decrease in net position amounted to \$74,775 and is due to operating expenses slightly exceeding operating revenues. 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 \$128,769. The unrestricted net position will be used to pay for infrastructure improvements. The increase in net position amounted to \$23,604 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 \$509,132. The unrestricted net position will be used to pay for infrastructure improvements. The decrease in net position amounted to \$74,595 and is due to a transfer to the Park Dedication fund for land acquisition for Cottageville Park.

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 \$408,313 due to increases in license and permit revenue, fines, federal grants, recreation fees and donations. This was offset by a decrease in miscellaneous items.

Expenditures were over budget by \$(153,195) and was due to increased costs in for professional services as consultants and the city attorney were utilized to a greater extent, in the police department as a result of the expenditures for several grant programs that were not budgeted, increased costs in the public works department as a result of structural repairs needed to the public works building, 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 \$255,118 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, 2014, amounts to \$71,740,431 (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:

- A change in capitalization threshold from \$1,000 to \$5,000 applied retroactively resulted in a prior period adjustment of \$158,174.
- A correction of construction in progress deleting \$1,840,068 from a multi-jurisdictional road project that will ultimately be recognized by the County rather than the City.
- Construction in progress additions totaled \$2,784,241 for infrastructure projects and enhancements to a undeveloped city park.
- A total of \$301,505 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 \$562,461. Major purchases included public works equipment, public safety vehicles and equipment.
- Vehicle and equipment deletions totaled \$116,522. 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,157,677	\$ 5,805,711	\$ 254,299	\$ 228,463	\$ 6,411,976	\$ 6,034,174
Buildings	13,838,575	14,342,478	3,412,915	3,514,530	17,251,490	17,857,008
Infrastructure	-	-	7,332,186	7,748,760	7,332,186	7,748,760
Improvements	22,167,426	22,929,495	7,999,437	8,229,312	30,166,863	31,158,807
Vehicles	1,869,078	2,104,954	260,750	322,327	2,129,828	2,427,281
Equipment	1,384,675	1,470,865	381,005	205,936	1,765,680	1,676,801
Construction in progress	3,897,070	4,187,935	2,785,338	1,851,806	6,682,408	6,039,741
	<u>\$ 49,314,501</u>	<u>\$ 50,841,438</u>	<u>\$ 22,425,930</u>	<u>\$ 22,101,134</u>	<u>\$ 71,740,431</u>	<u>\$ 72,942,572</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 \$34,520,000. Of this amount \$1,650,000 comprises tax increment redevelopment debt, and \$24,980,000 comprises general obligation and special assessment debt, all of which is backed by the full faith and credit of the government. Of this amount \$6,345,00 is refunding debt that will pay the 2007A and B bonds on February 1, 2015. Another \$2,470,000 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, \$5,420,000, 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	
	2014	2013	2014	2013	2014	2013
G.O. Tax increment bonds	\$ 1,650,000	\$ 1,890,000	\$ -	\$ -	\$ 1,650,000	\$ 1,890,000
G.O. Housing fee bonds	2,470,000	2,830,000	-	-	2,470,000	2,830,000
G.O. Equipment certificates	665,000	740,000	-	-	665,000	740,000
G.O. Capital improvement bonds	14,300,000	8,695,000	-	-	14,300,000	8,695,000
G.O. Special assessment bonds	10,015,000	8,675,000	-	-	10,015,000	8,675,000
Revenue bonds	-	-	5,420,000	5,975,000	5,420,000	5,975,000
	<u>\$ 29,100,000</u>	<u>\$ 22,830,000</u>	<u>\$ 5,420,000</u>	<u>\$ 5,975,000</u>	<u>\$ 34,520,000</u>	<u>\$ 28,805,000</u>

The City of Hopkins total bonded debt increased by \$5,715,000 or 20% during the current fiscal year. The increase is a result of the issuance of \$1,895,000 in G.O. Improvement Bonds that financed street, water, sewer and storm sewer infrastructure improvements in the neighborhoods adjacent to Shady Oak Road and the issuance of \$6,345,000 in refunding bonds to refund the 2007 A & B bonds that will be called February 12, 2015.

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, 2014, the debt limit for the City is \$46,036,321. Of the total debt, \$14,965,000 of general obligation and revenue bonds is applicable to the limit. The legal debt margin is \$31,071,321.

The City of Hopkins was upgraded to a “AA+” rating from Standard & Poor’s in January 2014 which was reaffirmed in November 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.

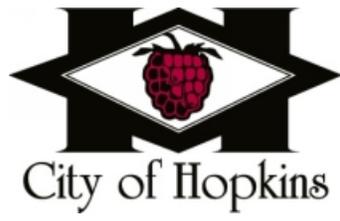
Economic Factors and Next Year's Budgets and Rates

A number of factors were taken into consideration when preparing the City of Hopkins 2015 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. As a result of these factors the City prepared a budget for 2015 that included an overall increase of 3.66% in expenditures.

During the current fiscal year, unassigned fund balance in the general fund increased to \$5,184,081 or 47% 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, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 29,303,518	\$ 2,213,842	\$ 31,517,360
Taxes receivable	199,593	-	199,593
Special assessments receivable	4,361,886	-	4,361,886
Accounts receivable	361,629	402,746	764,375
Intergovernmental receivable	203,703	57,315	261,018
Interest receivable	70,671	5,705	76,376
Internal balances	40,149	(40,149)	-
Inventories	110,504	26,727	137,231
Prepaid items	103,196	16,574	119,770
Land held for resale	1,018,817	-	1,018,817
Capital assets, non depreciable	10,054,747	3,039,637	13,094,384
Capital assets, net of depreciation	39,259,754	19,386,293	58,646,047
Total Assets	85,088,167	25,108,690	110,196,857
Deferred Outflows of Resources			
Deferred charge on refunding	312,743	-	312,743
Total Deferred Outflows of Resources	312,743	-	312,743
Liabilities			
Accounts payable	1,668,444	413,641	2,082,085
Salaries payable	122,661	11,684	134,345
Due to other governments	2,579,091	26,708	2,605,799
Accrued interest payable	294,741	57,840	352,581
Unearned revenue	66,318	7,699	74,017
Non current liabilities:			
Compensated absences due within one year	836,441	104,441	940,882
Compensated absences due in more than one year	-	68,420	68,420
Net OPEB liability	184,540	38,115	222,655
Capital lease due within one year	22,353	-	22,353
Capital lease due in more than one year	172,515	-	172,515
Bonds due within one year	8,570,000	675,000	9,245,000
Bonds due in more than one year	20,741,394	4,813,002	25,554,396
Total Liabilities	35,258,498	6,216,550	41,475,048
Net Position			
Net investment in capital assets	31,272,253	16,937,928	48,210,181
Restricted for:			
Economic development	2,453,136	-	2,453,136
Park improvements	141,305	-	141,305
Debt service	14,373,448	-	14,373,448
Unrestricted	1,902,270	1,954,212	3,856,482
Total Net Position	\$ 50,142,412	\$ 18,892,140	\$ 69,034,552

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, 2014

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,276,155	\$ 56,635	\$ 962,763	\$ 524,668	\$ (732,089)	\$ -	\$ (732,089)
Public safety	6,526,230	118,248	1,126,377	-	(5,281,605)	-	(5,281,605)
Health and welfare	171,187	57,235	112,752	-	(1,200)	-	(1,200)
Highways and streets	5,709,009	96,573	417,930	2,203,748	(2,990,758)	-	(2,990,758)
Urban redevelopment and housing	2,247,553	242	65,442	-	(2,181,869)	-	(2,181,869)
Culture and recreation	1,941,912	740,147	258,625	-	(943,140)	-	(943,140)
Interest on long-term debt	711,697	-	-	-	(711,697)	-	(711,697)
Total Governmental Activities	19,583,743	1,069,080	2,943,889	2,728,416	(12,842,358)	-	(12,842,358)
Business-Type Activities:							
Water	1,540,940	1,497,699	9,730	-	-	(33,511)	(33,511)
Sewer	2,042,106	2,025,763	86,595	-	-	70,252	70,252
Storm sewer	508,686	802,898	-	-	-	294,212	294,212
Refuse	834,113	906,387	39,902	-	-	112,176	112,176
Pavilion/Ice arena	460,246	31,914	352,112	-	-	(76,220)	(76,220)
Housing and redevelopment authority	625,667	256,884	306,860	-	-	(61,923)	(61,923)
Total Business-type Activities	6,011,758	5,521,545	795,199	-	-	304,986	304,986
Total Government	\$ 25,595,501	\$ 6,590,625	\$ 3,739,088	\$ 2,728,416	(12,842,358)	304,986	(12,537,372)
General revenues:							
Property taxes					11,207,914	-	11,207,914
Tax increments					2,700,110	-	2,700,110
Grants & contributions not restricted					20,510	-	20,510
Unrestricted investment earnings					193,546	24,503	218,049
Gain on disposal of capital assets					27,235	-	27,235
Transfers					493,093	(493,093)	-
Total General Revenues					14,642,408	(468,590)	14,173,818
Change in net position					1,800,050	(163,604)	1,636,446
Net position - January 1, as previously reported							
Prior period adjustment					50,255,758	19,090,595	69,346,353
Cumulative effect of change in accounting principle					(1,790,073)	-	(1,790,073)
Net position - January 1, as restated					(123,323)	(34,851)	(158,174)
Net position - January 1, as restated					48,342,362	19,055,744	67,398,106
Net position - December 31					\$ 50,142,412	\$ 18,892,140	\$ 69,034,552

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

City of Hopkins

Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Economic Development	Arts Center	Tax Increment District Super Valu	Housing Improvement Bonds of 1999B Refunding Bonds of 2009B
Assets					
Cash and cash equivalents	\$ 4,260,470	\$ 2,525,926	\$ 100	\$ 2,408,378	\$ 640,259
Taxes receivable	166,898	4,784	-	-	-
Special assessments receivable	-	-	-	-	1,293,464
Accounts receivable	113,692	-	12,751	-	-
Rehabilitation loans receivable	-	-	-	-	-
Due from other governments	68,988	1,000	-	-	-
Interest receivable	13,964	5,858	-	5,698	1,485
Due from other funds	1,334,647	899,185	-	-	-
Inventories	110,504	-	-	-	-
Prepaid items	102,995	-	67	-	-
Property held for resale	-	697,098	-	321,719	-
Total Assets	\$ 6,172,158	\$ 4,133,851	\$ 12,918	\$ 2,735,795	\$ 1,935,208
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 216,933	\$ 7,214	\$ 32,219	\$ 1,132,252	\$ 411
Salaries payable	112,540	1,802	3,629	-	-
Accrued interest payable	-	-	-	-	-
Due to other funds	-	-	1,148,017	-	-
Due to other governments	4,559	-	27	-	-
Unearned revenue	2,570	-	937	-	-
Total Liabilities	336,602	9,016	1,184,829	1,132,252	411
Deferred inflows of resources:					
Taxes and special assessments	98,921	2,789	-	-	1,291,990
Total Deferred Inflows of Resources	98,921	2,789	-	-	1,291,990
Fund balances:					
Non-spendable	213,499	-	67	-	-
Restricted	-	-	-	1,603,543	642,807
Committed	-	3,827,046	-	-	-
Assigned	339,055	295,000	-	-	-
Unassigned	5,184,081	-	(1,171,978)	-	-
Total Fund Balances	5,736,635	4,122,046	(1,171,911)	1,603,543	642,807
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,172,158	\$ 4,133,851	\$ 12,918	\$ 2,735,795	\$ 1,935,208

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

City of Hopkins

Balance Sheet
Governmental Funds
December 31, 2014

	Capital Improvement Bonds of 2007A	Municipal State Aid Construction	Permanent Improvement Revolving	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 6,165,223	\$ 2,970,112	\$ 2,900,620	\$ 5,626,034	\$ 27,497,122
Taxes receivable	12,549	-	-	15,362	199,593
Special assessments receivable	-	-	134,110	2,934,312	4,361,886
Accounts receivable	-	-	35,374	151,963	313,780
Rehabilitation loans receivable	-	-	-	47,849	47,849
Due from other governments	-	122,186	-	11,529	203,703
Interest receivable	14,281	6,895	5,542	12,781	66,504
Due from other funds	-	-	-	-	2,233,832
Inventories	-	-	-	-	110,504
Prepaid items	-	-	-	134	103,196
Property held for resale	-	-	-	-	1,018,817
Total Assets	\$ 6,192,053	\$ 3,099,193	\$ 3,075,646	\$ 8,799,964	\$ 36,156,786
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 482	\$ 12,716	\$ 130,914	\$ 64,888	\$ 1,598,029
Salaries payable	-	-	-	4,690	122,661
Accrued interest payable	-	-	-	929	929
Due to other funds	-	-	34,243	1,011,423	2,193,683
Due to other governments	-	2,573,403	-	1,102	2,579,091
Unearned revenue	-	-	-	62,811	66,318
Total Liabilities	482	2,586,119	165,157	1,145,843	6,560,711
Deferred inflows of resources:					
Taxes and special assessments	8,060	-	125,172	2,941,652	4,468,584
Total Deferred Inflows of Resources	8,060	-	125,172	2,941,652	4,468,584
Fund balances:					
Non-spendable	-	-	-	134	213,700
Restricted	6,183,511	-	-	4,253,381	12,683,242
Committed	-	-	-	747,687	4,574,733
Assigned	-	513,074	2,785,317	568,908	4,501,354
Unassigned	-	-	-	(857,641)	3,154,462
Total Fund Balances	6,183,511	513,074	2,785,317	4,712,469	25,127,491
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,192,053	\$ 3,099,193	\$ 3,075,646	\$ 8,799,964	\$ 36,156,786

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, 2014

Fund balances of governmental funds	\$ 25,127,491
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	70,062,890
Less accumulated depreciation	(23,856,035)
Other long-term assets not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	
	4,468,584
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.	
	3,814,702
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	(29,787,963)
Less deferred charges	312,743
Net position of governmental activities	<u>\$ 50,142,412</u>

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Economic Development	Arts Center	Tax Increment District Super Valu	Housing Improvement Bonds of 1999B Refunding Bonds of 2009B
Revenues					
Property taxes	\$ 8,953,480	\$ 537,077	\$ -	\$ -	\$ -
Tax increments	-	-	-	2,403,449	-
Special assessments	-	-	-	-	254,340
Intergovernmental	963,017	1,000	41,998	-	-
Fees, licenses and permits	569,585	-	-	-	-
Charges for services	294,732	-	379,379	-	-
Fines	210,996	-	-	-	-
Investment earnings	36,353	42,484	-	-	4,545
Other miscellaneous revenues	326,279	20,747	122,884	-	-
Total Revenues	11,354,442	601,308	544,261	2,403,449	258,885
Expenditures					
Current:					
General government	1,829,394	-	-	-	819
Public safety	6,017,278	-	-	-	-
Health and welfare	167,088	-	-	-	-
Highways and streets	2,382,756	-	-	-	-
Urban redevelopment and housing	88,698	307,518	-	1,666,347	-
Culture and recreation	598,850	-	774,120	-	-
Debt service:					
Principal retirement	-	-	-	-	155,000
Interest and fiscal fees	-	-	-	-	53,373
Capital Outlay	5,260	-	-	-	-
Total Expenditures	11,089,324	307,518	774,120	1,666,347	209,192
Excess (deficiency) of revenues over expenditures	265,118	293,790	(229,859)	737,102	49,693
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Transfer in	-	-	147,920	-	-
Transfer out	(10,000)	(61,000)	-	(237,956)	-
Total Other Financing Sources (Uses)	(10,000)	(61,000)	147,920	(237,956)	-
Net change in fund balances	255,118	232,790	(81,939)	499,146	49,693
Fund balance (deficit) - January 1, as previously reported	5,481,517	3,839,261	(1,089,972)	1,104,397	593,114
Prior period adjustment	-	49,995	-	-	-
Fund balance (deficit) - January 1, as restated	5,481,517	3,889,256	(1,089,972)	1,104,397	593,114
Fund balance (deficit) - December 31	\$ 5,736,635	\$ 4,122,046	\$ (1,171,911)	\$ 1,603,543	\$ 642,807

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, 2014

	Capital Improvement Bonds of 2007A	Municipal State Aid Construction	Permanent Improvement Revolving	Non-major Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 771,215	\$ -	\$ 8,247	\$ 942,315	\$ 11,212,334
Tax increments	-	-	-	296,661	2,700,110
Special assessments	-	-	181,546	766,515	1,202,401
Intergovernmental	-	2,144,388	-	122,574	3,272,977
Fees, licenses and permits	-	-	-	-	569,585
Charges for services	-	-	-	161,849	835,960
Fines	-	-	-	18,811	229,807
Investment earnings	2,960	23,763	28,400	33,507	172,012
Other miscellaneous revenues	-	-	-	678,595	1,148,505
Total Revenues	774,175	2,168,151	218,193	3,020,827	21,343,691
Expenditures					
Current:					
General government	1,110	-	-	294,681	2,126,004
Public safety	-	-	-	137,042	6,154,320
Health and welfare	-	-	-	-	167,088
Highways and streets	-	1,994,241	39,273	79,389	4,495,659
Urban redevelopment and housing	-	-	-	129,890	2,192,453
Culture and recreation	-	-	-	374,644	1,747,614
Debt service:					
Principal retirement	570,000	-	-	1,245,000	1,970,000
Interest and fiscal fees	285,143	-	-	370,851	709,367
Capital Outlay	-	128,623	1,510,807	500,024	2,144,714
Total Expenditures	856,253	2,122,864	1,550,080	3,131,521	21,707,219
Excess (deficiency) of revenues over expenditures	(82,078)	45,287	(1,331,887)	(110,694)	(363,528)
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	1,895,000	1,895,000
Refunding bonds issued	-	-	-	6,345,000	6,345,000
Premium on improvement bonds	-	-	-	44,250	44,250
Premium on refunding bonds	-	-	-	170,356	170,356
Transfer in	5,910,000	-	1,849,466	1,444,273	9,351,659
Transfer out	-	-	(73,351)	(8,476,259)	(8,858,566)
Total Other Financing Sources (Uses)	5,910,000	-	1,776,115	1,422,620	8,947,699
Net change in fund balances	5,827,922	45,287	444,228	1,311,926	8,584,171
Fund balance (deficit) - January 1, as previously reported	355,589	467,787	2,341,089	3,400,543	16,493,325
Prior period adjustment	-	-	-	-	49,995
Fund balance (deficit) - January 1, as restated	355,589	467,787	2,341,089	3,400,543	16,543,320
Fund balance (deficit) - December 31	\$ 6,183,511	\$ 513,074	\$ 2,785,317	\$ 4,712,469	\$ 25,127,491

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, 2014

Net change in fund balances total governmental funds	\$	8,584,171
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.		598,972
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(501,760)
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.		(6,506,838)
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.		(374,495)
Change in net position of governmental activities	<u>\$</u>	<u>1,800,050</u>

City of Hopkins

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Property taxes	\$ 8,952,774	\$ 8,952,774	\$ 8,953,480	\$ 706
Intergovernmental	813,410	813,410	963,017	149,607
Fees, licenses and permits	387,395	387,395	569,585	182,190
Charges for services	201,250	201,250	294,732	93,482
Fines	177,000	177,000	210,996	33,996
Investment earnings	15,000	15,000	36,353	21,353
Other miscellaneous revenues	399,300	399,300	326,279	(73,021)
Total Revenues	10,946,129	10,946,129	11,354,442	408,313
Expenditures				
General government	1,791,195	1,791,195	1,829,394	(38,199)
Public safety	5,915,704	5,915,704	6,017,278	(101,574)
Health and welfare	170,507	170,507	167,088	3,419
Highways and streets	2,348,544	2,348,544	2,382,756	(34,212)
Urban redevelopment and housing	88,250	88,250	88,698	(448)
Culture and recreation	586,329	586,329	598,850	(12,521)
Capital Outlay	35,600	35,600	5,260	30,340
Total Expenditures	10,936,129	10,936,129	11,089,324	(153,195)
Excess (deficiency) of revenues over expenditures	10,000	10,000	265,118	255,118
Other Financing Sources (Uses):				
Transfer out	(10,000)	(10,000)	(10,000)	-
Net change in fund balance	-	-	255,118	255,118
Fund balance - January 1	5,032,211	5,032,211	5,481,517	449,306
Fund balance - December 31	<u>\$ 5,032,211</u>	<u>\$ 5,032,211</u>	<u>\$ 5,736,635</u>	<u>\$ 704,424</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
 Economic Development
 Year Ended December 31, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Property taxes	\$ 273,980	\$ 273,980	\$ 537,077	\$ 263,097
Intergovernmental	-	-	1,000	1,000
Investment earnings	2,000	2,000	42,484	40,484
Other miscellaneous revenues	11,500	11,500	20,747	9,247
Total Revenues	287,480	287,480	601,308	313,828
Expenditures				
Current:				
Urban redevelopment and housing	219,488	219,488	307,518	(88,030)
Total Expenditures	219,488	219,488	307,518	(88,030)
Other Financing Sources (Uses)				
Transfer out	(61,000)	(61,000)	(61,000)	-
Net change in fund balance	6,992	6,992	232,790	225,798
Fund balance (deficit) - January 1, as previously reported	2,864,266	2,864,266	3,839,261	974,995
Prior period adjustment	-	-	49,995	49,995
Fund balance (deficit) - January 1, as restated	2,864,266	2,864,266	3,889,256	1,024,990
Fund balance (deficit) - December 31	<u>\$ 2,871,258</u>	<u>\$ 2,871,258</u>	<u>\$ 4,122,046</u>	<u>\$ 1,250,788</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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 52,000	\$ 52,000	\$ 41,998	\$ (10,002)
Charges for services	374,156	374,156	379,379	5,223
Other miscellaneous revenues	203,300	203,300	122,884	(80,416)
Total Revenues	<u>629,456</u>	<u>629,456</u>	<u>544,261</u>	<u>(85,195)</u>
Expenditures				
Current:				
Culture and recreation	744,428	744,428	774,120	(29,692)
Total Expenditures	<u>744,428</u>	<u>744,428</u>	<u>774,120</u>	<u>(29,692)</u>
Other Financing Sources (Uses)				
Transfer in	147,920	147,920	147,920	-
Net change in fund balance	<u>32,948</u>	<u>32,948</u>	<u>(81,939)</u>	<u>(114,887)</u>
Fund balance (deficit) - January 1	<u>(1,067,889)</u>	<u>(1,067,889)</u>	<u>(1,089,972)</u>	<u>(22,083)</u>
Fund balance (deficit) - December 31	<u>\$ (1,034,941)</u>	<u>\$ (1,034,941)</u>	<u>\$ (1,171,911)</u>	<u>\$ (136,970)</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
 Tax Increment District Super Valu
 Year Ended December 31, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 1,307,000	\$ 1,307,000	\$ 2,403,449	\$ 1,096,449
Investment earnings	3,000	3,000	-	(3,000)
Total Revenues	<u>1,310,000</u>	<u>1,310,000</u>	<u>2,403,449</u>	<u>1,093,449</u>
Expenditures				
Urban redevelopment and housing	1,150,484	1,150,484	1,666,347	(515,863)
Total Expenditures	<u>1,150,484</u>	<u>1,150,484</u>	<u>1,666,347</u>	<u>(515,863)</u>
Other Financing Sources (Uses)				
Transfer out	(212,654)	(212,654)	(237,956)	(25,302)
Net change in fund balance	<u>(53,138)</u>	<u>(53,138)</u>	<u>499,146</u>	<u>552,284</u>
Fund balance (deficit) - January 1	<u>814,797</u>	<u>814,797</u>	<u>1,104,397</u>	<u>289,600</u>
Fund balance (deficit) - December 31	<u>\$ 761,659</u>	<u>\$ 761,659</u>	<u>\$ 1,603,543</u>	<u>\$ 841,884</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, 2014

	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 cash equivalents	\$ 205,255	\$ 72,346	\$ 577,229	\$ 1,359,012	\$ 2,213,842	\$ 1,806,396
Accounts receivable	122,680	193,398	9,361	77,307	402,746	-
Accrued interest receivable	1,240	630	1,654	2,181	5,705	4,167
Due from other governments	-	-	-	57,315	57,315	-
Due from other funds	-	-	34,243	-	34,243	-
Inventory	13,151	12,489	456	631	26,727	-
Prepaid expenses	-	-	-	16,574	16,574	-
Total current assets	342,326	278,863	622,943	1,513,020	2,757,152	1,810,563
Noncurrent assets:						
Capital Assets, non depreciable:						
Land	14,097	5,150	26,800	208,252	254,299	-
Construction in progress	852,721	981,932	828,777	121,908	2,785,338	-
Capital Assets, depreciable						
Building and structures	33,089	-	-	7,986,364	8,019,453	-
Distribution system	10,986,496	7,383,626	10,480,214	125,614	28,975,950	-
Machinery and equipment	318,685	396,870	9,000	942,960	1,667,515	7,498,905
Less accumulated depreciation	(6,085,078)	(4,235,101)	(3,769,278)	(5,187,168)	(19,276,625)	(4,391,259)
Total noncurrent assets	6,120,010	4,532,477	7,575,513	4,197,930	22,425,930	3,107,646
Total Assets	6,462,336	4,811,340	8,198,456	5,710,950	25,183,082	4,918,209
Liabilities						
Current liabilities:						
Accounts payable	137,617	66,933	92,652	116,439	413,641	70,415
Salaries payable	4,754	1,579	501	4,850	11,684	-
Due to other funds	-	-	-	74,392	74,392	-
Due to other governments	1,280	17,099	-	8,329	26,708	-
Compensated absences	26,710	16,860	3,790	57,081	104,441	836,441
Unearned revenue	-	-	-	7,699	7,699	-
Accrued interest payable	25,241	17,719	13,550	1,330	57,840	1,783
Capital lease - current	-	-	-	-	-	22,353
Revenue bonds - current	320,000	100,000	235,000	20,000	675,000	-
Total current liabilities	515,602	220,190	345,493	290,120	1,371,405	930,992

City of Hopkins

Statement of Net Position
Proprietary Funds
December 31, 2014

	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	\$ 47,487	\$ 17,400	\$ 3,318	\$ 215	\$ 68,420	\$ -
Net OPEB liability	12,505	12,504	-	13,106	38,115	-
Capital lease payable	-	-	-	-	-	172,515
Revenue bonds payable (net of unamortized discounts and premium)	2,075,656	1,349,230	1,245,987	142,129	4,813,002	-
Total noncurrent liabilities	2,135,648	1,379,134	1,249,305	155,450	4,919,537	172,515
Total Liabilities	2,651,250	1,599,324	1,594,798	445,570	6,290,942	1,103,507
Net Position						
Net investment in capital assets	3,724,354	3,083,247	6,094,526	4,035,801	16,937,928	2,912,778
Unrestricted	86,732	128,769	509,132	1,229,579	1,954,212	901,924
Total Net Position	\$ 3,811,086	\$ 3,212,016	\$ 6,603,658	\$ 5,265,380	\$ 18,892,140	\$ 3,814,702

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, 2014

	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	\$ 1,487,451	\$ 2,011,897	\$ 797,899	\$ 1,524,327	\$ 5,821,574	\$ 385,769
Other	10,398	14,016	4,999	38,227	67,640	-
Total operating revenues	<u>1,497,849</u>	<u>2,025,913</u>	<u>802,898</u>	<u>1,562,554</u>	<u>5,889,214</u>	<u>385,769</u>
Operating expenses						
Cost of sales and services	1,016,435	1,673,032	162,276	1,127,391	3,979,134	285,257
Administration	221,234	154,164	85,672	484,720	945,790	10,214
Depreciation	247,327	173,014	230,299	304,978	955,618	502,864
Total operating expenses	<u>1,484,996</u>	<u>2,000,210</u>	<u>478,247</u>	<u>1,917,089</u>	<u>5,880,542</u>	<u>798,335</u>
Operating income (loss)	<u>12,853</u>	<u>25,703</u>	<u>324,651</u>	<u>(354,535)</u>	<u>8,672</u>	<u>(412,566)</u>
Nonoperating revenues (expenses)						
Investment earnings	3,736	3,352	8,159	9,256	24,503	21,535
Interest/fiscal agent expense	(55,944)	(41,896)	(30,439)	(2,937)	(131,216)	(10,699)
Intergovernmental grants	9,580	86,445	-	331,505	427,530	-
Gain on sale of assets	-	-	-	-	-	27,235
Total nonoperating revenues (expenses)	<u>(42,628)</u>	<u>47,901</u>	<u>(22,280)</u>	<u>337,824</u>	<u>320,817</u>	<u>38,071</u>
Income (loss) before contributions and transfers	<u>(29,775)</u>	<u>73,604</u>	<u>302,371</u>	<u>(16,711)</u>	<u>329,489</u>	<u>(374,495)</u>
Transfers and contributions						
Transfers in	-	-	-	3,873	3,873	-
Transfers out	<u>(45,000)</u>	<u>(50,000)</u>	<u>(376,966)</u>	<u>(25,000)</u>	<u>(496,966)</u>	<u>-</u>
Change in net position	<u>(74,775)</u>	<u>23,604</u>	<u>(74,595)</u>	<u>(37,838)</u>	<u>(163,604)</u>	<u>(374,495)</u>
Total net position - January 1, as previously reported	3,906,912	3,190,115	6,683,599	5,309,969	19,090,595	4,247,113
Cumulative effect of change in accounting principle	<u>(21,051)</u>	<u>(1,703)</u>	<u>(5,346)</u>	<u>(6,751)</u>	<u>(34,851)</u>	<u>(57,916)</u>
Net position (deficit) - January 1, as restated	<u>3,885,861</u>	<u>3,188,412</u>	<u>6,678,253</u>	<u>5,303,218</u>	<u>19,055,744</u>	<u>4,189,197</u>
Total net position - December 31	<u>\$ 3,811,086</u>	<u>\$ 3,212,016</u>	<u>\$ 6,603,658</u>	<u>\$ 5,265,380</u>	<u>\$ 18,892,140</u>	<u>\$ 3,814,702</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, 2014

	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	\$ 1,495,815	2,033,900	\$ 804,092	\$ 1,559,360	\$ 5,893,167	\$ 41,977
Receipts from interfund services provided	-	-	-	-	-	346,880
Internal activity-payments from other funds	-	-	(34,243)	-	(34,243)	-
Internal activity-payments to other funds	-	-	-	33,330	33,330	-
Payments to suppliers	(549,037)	(1,393,621)	(61,878)	(943,032)	(2,947,568)	(299,829)
Payments to employees	(420,925)	(236,520)	(60,372)	(575,097)	(1,292,914)	-
Payments for interfund services used	-	-	-	14,747	14,747	13,818
Payments for interfund services used	(221,234)	(154,164)	(85,672)	(110,128)	(571,198)	(10,214)
Net cash provided by (used in) by operating activities	<u>304,619</u>	<u>249,595</u>	<u>561,927</u>	<u>(20,820)</u>	<u>1,095,321</u>	<u>92,632</u>
Cash Flows from Noncapital Financing Activities						
Intergovernmental grants	9,580	86,445	-	331,505	427,530	-
Transfers in (out)	(45,000)	(50,000)	(376,966)	(21,127)	(493,093)	-
Net cash provided by (used in) noncapital financing activities	<u>(35,420)</u>	<u>36,445</u>	<u>(376,966)</u>	<u>310,378</u>	<u>(65,563)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:						
Purchases of capital assets	-	-	-	(179,983)	(179,983)	(340,344)
Construction of capital assets	(425,139)	(238,468)	(322,057)	(133,757)	(1,119,421)	-
Proceeds from sales of capital assets	-	-	-	-	-	27,235
Interest and other payments	(69,154)	(46,460)	(37,141)	(3,363)	(156,118)	(11,094)
Capital lease payments	-	-	-	-	-	(43,122)
Bond payments	(265,000)	(70,000)	(205,000)	(15,000)	(555,000)	-
Net cash provided by (used in) capital and related financing activities	<u>(759,293)</u>	<u>(354,928)</u>	<u>(564,198)</u>	<u>(332,103)</u>	<u>(2,010,522)</u>	<u>(367,325)</u>
Cash Flows From Investing Activities						
Interest received	<u>5,199</u>	<u>4,932</u>	<u>9,752</u>	<u>9,049</u>	<u>28,932</u>	<u>22,532</u>
Net increase (decrease) in cash and cash equivalents	(484,895)	(63,956)	(369,485)	(33,496)	(951,832)	(252,161)
Cash and cash equivalents - January 1	<u>485,014</u>	<u>63,998</u>	<u>369,819</u>	<u>443,257</u>	<u>1,362,088</u>	<u>253,208</u>
Cash and cash equivalents - December 31	<u>\$ 119</u>	<u>\$ 42</u>	<u>\$ 334</u>	<u>\$ 409,761</u>	<u>\$ 410,256</u>	<u>\$ 1,047</u>

City of Hopkins

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	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	\$ 119	\$ 42	\$ 334	\$ 409,761	\$ 410,256	\$ 1,047
Investments	205,136	72,304	576,895	949,251	1,803,586	1,805,349
Cash and Investments per Statement of Net Position	<u>\$ 205,255</u>	<u>\$ 72,346</u>	<u>\$ 577,229</u>	<u>\$ 1,359,012</u>	<u>\$ 2,213,842</u>	<u>\$ 1,806,396</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 12,853	\$ 25,703	\$ 324,651	\$ (354,535)	\$ 8,672	\$ (412,566)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	247,327	173,014	230,299	304,978	955,618	502,864
(Increase) decrease in:						
Accounts receivable	1,670	7,987	1,194	(10,893)	(42)	20
Due from other funds	-	-	(34,243)	-	(34,243)	3,068
Inventory	-	-	275	3,116	3,391	-
Prepaid expense	173	23	-	(16,574)	(16,378)	-
Increase (decrease) in:						
Accounts, compensated absences and accrued interest payable	46,376	42,909	39,751	(4,441)	124,595	(754)
Due to other funds	-	-	-	48,077	48,077	-
Due to other governments	(76)	(41)	-	1,753	1,636	-
Unearned revenue	(3,704)	-	-	7,699	3,995	-
Net cash provided (used) by operating activities	<u>\$ 304,619</u>	<u>\$ 249,595</u>	<u>\$ 561,927</u>	<u>\$ (20,820)</u>	<u>\$ 1,095,321</u>	<u>\$ 92,632</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENT

December 31, 2014

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. The HRA's governing body is the same as the governing body of the primary government in that all members of the Hopkins City Council are also the Hopkins Housing and Redevelopment Authority Commissioners. Therefore there is a burden relationship between the primary government and the component unit. 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

NOTES TO FINANCIAL STATEMENTS (CONT.)

December 31, 2014

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.

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 *tax increment district super valu special revenue fund* accounts for the activities of the Super Valu tax increment development district. Sources of funds are a tax increment levy.

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 *2007A general obligation capital improvement bonds debt service fund* accounts for resources accumulated and payments made for principal and interest on long-term debt issued for improvements to the public works building and the construction of a new fire station.

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.

NOTES TO FINANCIAL STATEMENTS (CONT.)

December 31, 2014

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.

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.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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 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 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 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 \$5,000 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

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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 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.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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.

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,

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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, 2014, there were 8 notes/bond issues outstanding, with an aggregate principal amount payable of approximately \$31 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.

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	\$ 29,311,394
Accrued interest payable	292,029
Net OPEB obligation	<u>184,540</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 29,787,963</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	\$ 2,144,714
Depreciation expense	<u>(1,545,742)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 598,972</u>

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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	\$ (1,970,000)
Issuance of general obligation bonds	8,240,000
Add premium	214,606
OPEB expense	(6,948)
Amortization of deferred losses on refunding	37,057
Amortization of bond premium and discount	492
Prior year interest expense	(300,398)
Accrue interest expense for current year	<u>292,029</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,506,838</u>

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 yearend.

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.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2014, actual expenditures exceeded the budgeted amounts in the following funds:

General Fund	\$	153,195
Economic Development		88,030
Arts Center		29,692
Tax Increment District Super Valu		515,863
State Chemical Assessment Team		32,433
Parking		11,862
Depot Coffee House		20,188
Tax Increment District Entertainment District		10,848
Tax Increment District Oaks of Mainstreet		647
5th Avenue Flats		2,553
Tax Increment Marketplace & Main		60,378

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

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, 2014, 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	\$	1,171,911
Depot Coffee House		24,421
Tax Increment District Entertainment District		68,435
Tax Increment District Sonoma		173,873
5th Avenue Flats		382,738
Tax Increment District Marketplace & Main		208,107

D. NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$2,453,136 in restricted net position for economic development, of which \$2,066,232 is restricted by enabling legislation.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

4. DEPOSITS AND INVESTMENTS

As of December 31, 2014 the City had the following deposits and investments:

<u>Investment Type</u>	<u>Fair Value</u>
Government sponsored entities	\$ 2,243,757
Municipal obligations	8,785,448
Negotiable certificates of deposit	8,539,141
Money market	11,521,778
Deposits	427,236
Total fair value cash and investments	<u>\$ 31,517,360</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, 2014 the City had the following investment maturities:

Investment Type:	Fair Value	Investment Maturities (in Years)				
		Less than One	1-5	6-10	16-20	No Maturity
Government sponsored entities						
FNMA	\$ 1,244,904	\$ -	\$ 995,001	\$ -	\$ 249,903	\$ -
FHLB	498,807	-	498,807	-	-	-
FAMC	500,046	500,046	-	-	-	-
Municipal obligations	8,785,448	2,878,004	5,308,288	599,156	-	-
Negotiable certificates of deposit	8,539,141	3,677,000	4,862,141	-	-	-
Repurchase agreement	11,521,778	-	-	-	-	11,521,778
Demand deposits	427,236	-	-	-	-	427,236
	<u>\$ 31,517,360</u>	<u>\$ 7,055,050</u>	<u>\$ 11,664,237</u>	<u>\$ 599,156</u>	<u>\$ 249,903</u>	<u>\$ 11,949,014</u>

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

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

- (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, 2014.

Investment Type:	Fair Value	Quality Ratings			
		AAA	AA	A	Not Rated
Government securities					
FNMA	\$ 1,244,904	\$ -	\$ 1,244,904	\$ -	\$ -
FHLB	498,807	-	498,807	-	-
FAMC	500,046	-	-	-	500,046
Municipal obligations	8,785,448	1,163,957	5,980,343	1,641,148	-
Negotiable certificates of deposit	8,539,141	-	-	-	8,539,141
Money market	11,521,778	-	-	-	11,521,778
Deposits	427,236	-	-	-	427,236
	<u>\$ 31,517,360</u>	<u>\$ 1,163,957</u>	<u>\$ 7,724,054</u>	<u>\$ 1,641,148</u>	<u>\$ 20,988,201</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, 2014 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.

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, 2014, the city had no investments exceeding 5% or more for a single issuer.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

5. CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2014 were as follows:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Transfers	Ending Balance
Governmental activities:						
Capital assets, not being depreciated						
Land	\$ 5,805,711	\$ -	\$ 351,966	\$ -	\$ -	\$ 6,157,677
Construction in progress	4,187,934	(1,840,068)	1,716,280	-	(167,076)	3,897,070
Total not being depreciated	<u>9,993,645</u>	<u>(1,840,068)</u>	<u>2,068,246</u>	<u>-</u>	<u>(167,076)</u>	<u>10,054,747</u>
Capital assets, being depreciated						
Buildings	20,042,280	(35,686)	-	-	-	20,006,594
Other Improvements	38,199,667	(96,170)	71,208	-	167,076	38,341,781
Vehicles	4,081,379	(4,508)	28,279	(116,522)	-	3,988,628
Machinery & equipment	5,662,891	(810,171)	317,326	-	-	5,170,046
Total being depreciated	<u>67,986,217</u>	<u>(946,535)</u>	<u>416,813</u>	<u>(116,522)</u>	<u>167,076</u>	<u>67,507,049</u>
Less accumulated depreciation						
Buildings	(5,699,801)	26,411	(494,629)	-	-	(6,168,019)
Other Improvements	(15,270,170)	68,384	(972,569)	-	-	(16,174,355)
Vehicles	(1,976,425)	4,508	(264,155)	116,522	-	(2,119,550)
Machinery & equipment	(4,192,028)	723,909	(317,252)	-	-	(3,785,371)
Total accumulated depreciation	<u>(27,138,424)</u>	<u>823,212</u>	<u>(2,048,605)</u>	<u>116,522</u>	<u>-</u>	<u>(28,247,295)</u>
Total capital assets, being depreciated, net	<u>40,847,793</u>	<u>(123,323)</u>	<u>(1,631,792)</u>	<u>-</u>	<u>167,076</u>	<u>39,259,754</u>
Governmental activities capital assets, net	<u>\$ 50,841,438</u>	<u>\$ (1,963,391)</u>	<u>\$ 436,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,314,501</u>

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City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:						
Capital assets, not being depreciated						
Land	\$ 228,463	\$ (2,350)	\$ -	\$ -	\$ 28,186	\$ 254,299
Construction in progress	1,851,806	-	1,067,961	-	(134,429)	2,785,338
Total not being depreciated	<u>2,080,269</u>	<u>(2,350)</u>	<u>1,067,961</u>	<u>-</u>	<u>(106,243)</u>	<u>3,039,637</u>
Capital assets, being depreciated						
Buildings	7,907,761	(22,127)	27,575	-	106,243	8,019,452
Infrastructure	19,206,557	(67,520)	2,873	-	-	19,141,910
Other Improvements	9,850,095	(16,054)	-	-	-	9,834,041
Vehicles	754,107	-	-	-	-	754,107
Machinery & equipment	802,151	(105,599)	216,856	-	-	913,408
Total being depreciated	<u>38,520,671</u>	<u>(211,300)</u>	<u>247,304</u>	<u>-</u>	<u>106,243</u>	<u>38,662,918</u>
Less accumulated depreciation						
Buildings	(4,393,231)	19,530	(232,836)	-	-	(4,606,537)
Infrastructure	(11,457,797)	52,040	(403,967)	-	-	(11,809,724)
Other Improvements	(1,620,783)	4,937	(218,758)	-	-	(1,834,604)
Vehicles	(431,780)	-	(61,577)	-	-	(493,357)
Machinery & equipment	(596,215)	102,292	(38,480)	-	-	(532,403)
Total accumulated depreciation	<u>(18,499,806)</u>	<u>178,799</u>	<u>(955,618)</u>	<u>-</u>	<u>-</u>	<u>(19,276,625)</u>
Total capital assets, being depreciated, net	<u>20,020,865</u>	<u>(32,501)</u>	<u>(708,314)</u>	<u>-</u>	<u>106,243</u>	<u>19,386,293</u>
Business-type activities capital assets, net	<u>\$ 22,101,134</u>	<u>\$ (34,851)</u>	<u>\$ 359,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,425,930</u>

Depreciation expense was charged to City functions as follows:

Governmental activities:	
General government	\$ 60,717
Public safety	220,175
Highways and streets	1,113,175
Urban redevelopment and housing	613
Culture and recreation	151,061
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	502,864
Total depreciation expense - governmental activities	<u>\$ 2,048,605</u>
Business-type activities:	
Water	\$ 247,327
Sewer	173,014
Storm Sewer	230,299
Refuse	52,264
Pavilion/Ice arena	83,327
Housing and Redevelopment Authority	169,387
Total depreciation expense - business-type activities	<u>\$ 955,618</u>

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Construction commitments

The City has active construction projects as of December 31, 2014. The projects include street improvements. The City's commitment with contractors related to these projects is \$70,153.

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, 2014:

	Due from Other Funds			
	General	Economic Development	Storm Sewer	Total
Due to other funds:				
Non-major governmental	\$ 412,238	\$ 599,185	\$ -	\$ 1,011,423
Arts Center	848,017	300,000	-	1,148,017
Permanent Improvement Revolving	-	-	34,243	34,243
Non-major proprietary	74,392	-	-	74,392
Total due to other funds	\$ 1,334,647	\$ 899,185	\$ 34,243	\$ 2,268,075

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, 2014:

	Transfers in					Total
	Art Center	Capital Improvement Bonds of 2007A	Permanent Improvement Revolving	Non-major Governmental	Non-major Proprietary	
Transfers out:						
General	\$ -	-	\$ -	\$ 10,000	\$ -	\$ 10,000
Economic Development	61,000	-	-	-	-	61,000
Tax Increment District Super Valu	-	-	-	237,956	-	237,956
Permanent Improvement Revolving	-	-	-	73,351	-	73,351
Water	-	-	-	45,000	-	45,000
Sewer	-	-	-	50,000	-	50,000
Storm Sewer	-	-	-	376,966	-	376,966
Non-major governmental	86,920	5,910,000	1,849,466	626,090	3,873	8,476,259
Non-major business-type	-	-	-	25,000	-	25,000
Total transfers in	\$ 147,920	5,910,000	\$ 1,849,466	\$ 1,444,363	\$ 3,873	\$ 9,355,532

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

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Non-routine transfers include the following:

- 6) Annual transfers from water, sewer, 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.
- 10) Transfer from the storm sewer fund to a non-major governmental Park Dedication fund of \$351,966 for purchase of property for park expansion.

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:

Asset:	<u>Governmental Activities</u>
Machinery and equipment	\$ 870,427
Less: Accumulated depreciation	<u>(268,323)</u>
Total	<u>\$ 602,104</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014 are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2015	\$ 54,217
2016	54,217
2017	54,217
2018	<u>54,217</u>
Total minimum lease payments	216,868
Less: amount representing interest	<u>(22,000)</u>
Present value of minimum lease payments	<u>\$ 194,868</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.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Refunding

On November 20, 2014 the City issued \$6,345,000 General Obligation Refunding Bonds, Series 2014B for a refunding of \$5,700,000 General Obligation Capital Improvement Bonds, Series 2007A and \$645,000 of General Obligation Permanent Improvement Revolving Bonds, Series 2007B. Future combined debt service payments will be reduced by \$691,761 with a present value savings of \$651,072. The refunded bonds will be called and paid on February 1, 2015.

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	\$ 8,620,000
Governmental activities – refunding	0.50 – 5.15%	12,620,000	10,465,000

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 7,215,000	\$ 391,902
2016	1,760,000	262,448
2017	1,705,000	221,151
2018	1,735,000	178,921
2019	1,410,000	140,149
2020-2023	5,260,000	221,871
	<u>\$ 19,085,000</u>	<u>\$ 1,416,442</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 July 10, 2014 the City issued \$1,895,000 series 2014A General Obligation Improvement Bonds for the 2014 street improvements.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Current Amount</u>
Street Improvements	0.50 – 4.25%	11,765,000	\$ 10,015,000

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,355,000	\$ 226,086
2016	595,000	194,703
2017	600,000	183,409
2018	620,000	171,428
2019	635,000	158,646
2020-2024	3,295,000	571,938
2025-2029	2,765,000	173,421
2030	150,000	2,344
	<u>\$ 10,015,000</u>	<u>\$ 1,681,975</u>

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Revenue Bonds

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

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	\$ 180,000
Water construction & replacement	2.0 – 4.0%	820,000	635,000
Water construction & replacement	2.0 – 2.2%	760,000	680,000
Water construction & replacement	2.0 - 2.5%	860,000	860,000
Sanitary sewer construction & replacement	2.0 – 4.0%	1,020,000	790,000
Sanitary sewer construction & replacement	2.0 – 2.2%	170,000	150,000
Sanitary sewer construction & replacement	2.0 - 2.5%	490,000	490,000
Storm sewer – refunding	2.0 – 4.0%	605,000	125,000
Storm sewer – refunding	0.5 – 2.9%	875,000	680,000
Storm sewer construction & replacement	2.0 – 2.2%	320,000	290,000
Storm sewer construction & replacement	2.0 - 2.5%	380,000	380,000
Pavilion equipment certificates	2.0 – 2.0%	175,000	160,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>December 31</u>		
2015	\$ 675,000	\$ 130,556
2016	380,000	117,794
2017	385,000	108,969
2018	395,000	99,494
2019	405,000	89,563
2020-2024	2,035,000	278,718
2025-2029	1,145,000	57,080
	<u>\$ 5,420,000</u>	<u>\$ 882,174</u>

The City is subject to a statutory limit of bonded indebtedness equaling 3.0 percent of taxable market value. At December 31, 2014, the debt limit for the City is \$46,036,321. Of the total debt, \$14,965,000 of general obligation and revenue bonds is applicable to the limit. The legal debt margin is \$31,071,321.

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, 2014, \$6,360,000 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, 2014, \$1,595,000 remained outstanding.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
G.O. tax increment bonds	\$ 4,720,000	\$ -	\$ 600,000	\$ 4,120,000	\$ 610,000
General obligation bonds	9,435,000	6,345,000	815,000	14,965,000	6,605,000
Total general obligation bonds	14,155,000	6,345,000	1,415,000	19,085,000	7,215,000
Special assessment bonds	8,675,000	1,895,000	555,000	10,015,000	1,355,000
Less deferred amounts					
For issuance discounts	(106,539)	-	11,201	(95,338)	-
For issuance premiums	102,835	214,606	(10,709)	306,732	-
Total bonds payable	22,826,296	8,454,606	1,970,492	29,311,394	8,570,000
Compensated absences	822,623	957,886	944,068	836,441	836,441
Net OPEB liability	191,488	166,105	173,053	184,540	-
Capital lease payable	237,990	-	43,122	194,868	22,353
Governmental activity long-term liabilities	<u>\$ 24,078,397</u>	<u>\$ 9,578,597</u>	<u>\$ 3,130,735</u>	<u>\$ 30,527,243</u>	<u>\$ 9,428,794</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 5,975,000	\$ -	\$ 555,000	\$ 5,420,000	\$ 675,000
Less deferred amounts					
For issuance discounts	(6,510)	-	717	(5,793)	-
For issuance premiums	86,216	-	(12,421)	73,795	-
Total bonds payable	6,054,706	-	543,296	5,488,002	675,000
Compensated absences	167,723	115,990	110,852	172,861	104,441
Net OPEB liability	37,538	34,312	33,735	38,115	-
Business-type activity long-term liabilities	<u>\$ 6,259,967</u>	<u>\$ 150,302</u>	<u>\$ 687,883</u>	<u>\$ 5,698,978</u>	<u>\$ 779,441</u>

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

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City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

10. FUND BALANCES

At December 31, 2014, the City had various fund balances through legal restriction and City Council authorization. Major fund balance appropriations at December 31, 2014 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	\$ 5,184,081	\$ -	\$ -	\$ -	\$ -	\$ 5,184,081
Inventories	110,504	110,504	-	-	-	-
Prepaid items	102,995	102,995	-	-	-	-
Community development	339,055	-	-	-	339,055	-
Total General Fund	5,736,635	213,499	-	-	339,055	5,184,081
Economic Development						
Long term receivable	899,185	-	-	899,185	-	-
Property held for resale	697,098	-	-	697,098	-	-
Prepaid items	-	-	-	-	-	-
Economic Development	2,525,763	-	-	2,230,763	295,000	-
Total Economic Development Fund	4,122,046	-	-	3,827,046	295,000	-
Arts Center						
Prepaid items	67	67	-	-	-	-
Deficit Fund Balance	(1,171,978)	-	-	-	-	(1,171,978)
Total Arts Center Fund	(1,171,911)	67	-	-	-	(1,171,978)
Tax Increment District Super Valu						
Property held for resale	321,719	-	321,719	-	-	-
Tax Increment	1,281,824	-	1,281,824	-	-	-
Total Tax Increment District Super Valu	1,603,543	-	1,603,543	-	-	-
Housing Improvement Bonds of 1999B						
Refunding Bonds of 2009B						
Debt service	642,807	-	642,807	-	-	-
Capital Improvement Bonds of 2007A						
Debt service	6,183,511	-	6,183,511	-	-	-
Municipal State Aid Construction						
Capital asset replacement	513,074	-	-	-	513,074	-
Permanent Improvement Revolving						
Capital asset replacement	2,785,317	-	-	-	2,785,317	-
Nonmajor Governmental Funds						
Prepaid items	134	134	-	-	-	-
Rehab loans	47,849	-	47,849	-	-	-
Debt service	3,601,538	-	3,601,538	-	-	-
Tax increment	462,689	-	462,689	-	-	-
Park improvements	141,305	-	141,305	-	-	-
Economic development	128,104	-	-	128,104	-	-
Parking improvements	129,579	-	-	129,579	-	-
Communications	490,004	-	-	490,004	-	-
Capital asset replacement	568,908	-	-	-	568,908	-
Deficit fund balance	(857,641)	-	-	-	-	(857,641)
Total Nonmajor Funds	4,712,469	134	4,253,381	747,687	568,908	(857,641)
Total Fund Balances	\$ 25,127,491	\$ 213,700	\$ 12,683,242	\$ 4,574,733	\$ 4,501,354	\$ 3,154,462

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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.

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 9.6% of their annual covered salary in 2014. The City of Hopkins is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members, 7.25% for Coordinated Plan GERF members and 14.4% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$360,049, \$334,204, and \$341,474, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2014, 2013 and 2012 were \$391,756, \$339,831, and \$317,772, 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

Firefighters of the City of Hopkins (the City) are members of the Hopkins Fire Department Relief Association (the Association). The Association is the administrator of a single-employer defined benefit pension plan (the Plan) available to firefighters. The Plan was established in 1909 under the provisions of Minnesota Laws 1965, chapter 446 as amended and Minnesota statute, chapters 69 and 424. It is governed by a Board of Trustees made up of six members elected by the members of the Association for three year terms, and the Mayor, City Clerk and Fire Chief, who serve as ex-officio voting members of the Board of Trustees.

The Association issues a publically available financial report that includes financial statements and required supplementary information of the Hopkins Fire Relief Association. That report may be obtained by writing to the Hopkins Fire Relief Association, 1010 First St S, Hopkins, MN 55343.

For financial reporting purposes, the Association's financial statements are not included with the City financial statements because the Association is not a component unit of the City. The Association does not have any component units.

The Association operates under a defined benefit plan. The pension liability is calculated by the number of active service years multiplied by a set benefit level. The Association's current level is at \$6,100 per active year. According to the bylaws of the Association and pursuant to Minnesota statute 424A.02, subdivisions 2 and 4, members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least ten years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension. The defined retirement benefits are based on members' years of service. Vesting begins after the 10th year of service with a 60% benefit increasing by 4% per year to 100% after the 20th year of service.

If a member of the Association shall become totally and permanently disabled, with a service related disability (injured in the line of duty) to the extent that a physician or surgeon acceptable to the Board shall certify that such disability will permanently prevent said member from performing said member's duties in the Department, the Association shall pay to such member the sum of the current pension amount for each year and fractions of a year that the member has served as an active member of the Department, without regard to minimum or partial vesting requirements. If a member who has received such a disability pension should subsequently recover and return to active duty in the Department, any amount paid to said member as a disability pension shall be deducted from said member's service pension.

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

Upon the death of any member of the Association who is in good standing at the time of said member's death, the Association shall pay to the surviving spouse, if any, and if there is no surviving spouse, to child or children, if any, and if no child or children survive, to the estate of such deceased member, the credited sum of said member's pension.

B. Funding Policy

The Association's funding policy provided for contributions from the State and the City in amounts sufficient to accumulate sufficient assets to pay benefits when due. The annual contribution is the sum of the normal cost, the State contribution payment and the provision for administrative expenses.

The Association is comprised of volunteers; therefore, there are no payroll expenditures or covered payroll percentage calculations.

A required contribution of \$94,308 was made by the State in accordance with Minnesota statute for the year ended December 31, 2014. A voluntary contribution of \$32,166 was made by the City for the year ended December 31, 2014.

Under state statutes, if the City fails to provide the required funding, the Association may submit a levy to the county auditor in an amount equal to the city requirement, to be levied on all property within the city. A three-year schedule of contributions is set out below.

Schedule of Contributions				
Three-year Period				
	Minnesota	City of Hopkins	Total	Percent
Year	State Aid	Required		
	Contributions	Contributions	Contributions	Contributed
2014	\$ 94,308	\$ 29,589	\$ 123,897	100 %
2013	98,843	9,786	108,629	100 %
2012	67,169	-	67,169	100 %

The actuarial accrued liability of \$2,218,291 at December 31, 2014 was calculated using the State of Minnesota Schedule I form for Lump sum Pension plans.

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 16 employees meet those eligibility requirements. As of December 31, 2014 there were approximately 91 active participants and 16 retired participants receiving benefits from the City's health plans.

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

2. Funding Policy

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2014, the City contributed \$206,789 to the plan. The City's OPEB pension obligation is funded by the General and Enterprise Funds.

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	10,306
Adjustment to Annual Required Contribution	<u>(14,405)</u>
Annual OPEB Cost (Expense)	200,418
Contributions Made	<u>(206,789)</u>
Increase in Net OPEB Obligation	(6,371)
Net OPEB Obligation - Beginning of Year	229,026
Net OPEB Obligation - End of Year	<u><u>\$ 222,655</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 2014:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 199,142	76.8 %	\$ 199,078
12/31/2013	201,090	85.1 %	229,026
12/31/2014	200,416	103.2 %	222,655

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.

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

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.

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 a 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 \$ 47,849 at December 31, 2014 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.

City of Hopkins, Minnesota

NOTES TO FINANCIAL STATEMENTS, (CONT.)

December 31, 2014

16. EQUITY RESTATEMENT

1. Correction

For the year ended December 31, 2014, a correction to the prior year financial statements was made to record errors in prior year construction in progress due to recognizing street project costs for a multi-jurisdictional road project that will be owned by the County and not the City and to recognize grant revenue relating to a prior year.

2. Change in Accounting Principal

For the year ended December 31, 2014 the City increased their capitalization threshold from \$1,000 to \$5,000 eliminating all items under \$5,000 from the capital assets listing. The capital assets table in footnote 5 show the detail of the changes among asset classes of the governmental activities and business-type activities.

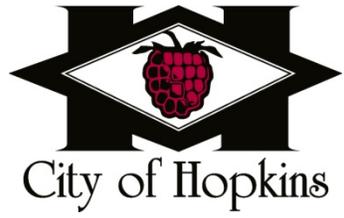
The restatement of beginning fund balance and net position as of January 1, 2014 due to these prior period adjustments is shown below.

	Economic Development	Water	Sewer	Storm Sewer	Refuse	Pavilion	Internal Service
Fund balance/Net Position - as previously reported	\$ 3,839,261	\$ 3,906,912	\$ 3,190,115	\$ 6,683,599	\$ 1,231,702	\$ 2,130,546	\$ 4,247,113
Change in accounting principle	-	(21,051)	(1,703)	(5,346)	(1,817)	(4,934)	(57,916)
Prior period adjustment							
Revenue recognition correction	49,995	-	-	-	-	-	-
Construction in progress correction	-	-	-	-	-	-	-
Fund balance/Net Position - as restated	<u>\$ 3,889,256</u>	<u>\$ 3,885,861</u>	<u>\$ 3,188,412</u>	<u>\$ 6,678,253</u>	<u>\$ 1,229,885</u>	<u>\$ 2,125,612</u>	<u>\$ 4,189,197</u>

	Governmental Activities	Business-type Activities
Net Position - as previously reported	50,255,758	\$ 19,090,595
Change in accounting principle	(123,323)	(34,851)
Prior period adjustment		
Revenue recognition correction	49,995	-
Construction in progress correction	(1,840,068)	-
Net Position - as restated	<u>48,342,362</u>	<u>19,055,744</u>

17. SUBSEQUENT EVENT

On March 16, 2015, the government authorized the issuance of street reconstruction bonds in the amount of \$4,100,000 to fund the 2015 Mainstreet rehabilitation improvement project and issuance of tax abatement bonds in the amount of \$2,940,000 to fund municipal parking lot and Cottageville Park improvements. The interest rate on the 2015A Street Reconstruction Bonds is 2.0-3.0% with a maturity date of February 1, 2031. The interest rate on the 2015B Tax Abatement Bonds is 2.0-3.2% with a maturity date of February 1, 2036. Both bonds closed on May 28, 2015.



REQUIRED SUPPLEMENTARY INFORMATION

City of Hopkins, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
December 31, 2014

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, 2014

	Special Revenue Funds				
	State Chemical Assessment	Real Estate Purchases & Sales	Hennepin County CDBG	Parking	Communications
Assets					
Cash and cash equivalents	\$ -	\$ 124,116	\$ -	\$ 192,098	\$ 423,033
Taxes receivable	-	-	-	-	-
Accounts receivable	-	3,700	-	-	67,101
Rehabilitation loans receivable	-	-	47,849	-	-
Due from other governments	10,192	-	-	1,337	-
Interest receivable	-	288	-	428	1,098
Prepaid items	-	-	-	-	67
Total Assets	\$ 10,192	\$ 128,104	\$ 47,849	\$ 193,863	\$ 491,299
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,402	\$ -	\$ -	\$ 1,322	\$ 459
Salaries payable	1,217	-	-	669	769
Accrued interest payable	-	-	-	-	-
Due to other funds	7,573	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	62,293	-
Total Liabilities	10,192	-	-	64,284	1,228
Fund balances:					
Non-spendable	-	-	-	-	67
Restricted	-	-	47,849	-	-
Committed	-	128,104	-	129,579	490,004
Unassigned	-	-	-	-	-
Total Fund Balances	-	128,104	47,849	129,579	490,071
Total Liabilities and Fund Balances	\$ 10,192	\$ 128,104	\$ 47,849	\$ 193,863	\$ 491,299

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds				
	Depot Coffee House	Tax Increment District Entertainment District	Tax Increment District Sonoma	Tax Increment District Oaks of Mainstreet	5th Ave Flats
Assets					
Cash and cash equivalents	\$ 1,600	\$ 147,742	\$ -	\$ 458,901	\$ -
Taxes receivable	-	-	-	3,104	-
Accounts receivable	1,098	-	6,437	-	-
Rehabilitation loans receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interest receivable	-	343	25	1,062	-
Prepaid items	67	-	-	-	-
Total Assets	\$ 2,765	\$ 148,085	\$ 6,462	\$ 463,067	\$ -
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 8,249	\$ 94	\$ 2	\$ 378	\$ -
Salaries payable	2,035	-	-	-	-
Accrued interest payable	45	-	-	-	884
Due to other funds	15,237	216,426	180,333	-	381,854
Due to other governments	1,102	-	-	-	-
Unearned revenue	518	-	-	-	-
Total Liabilities	27,186	216,520	180,335	378	382,738
Fund balances:					
Non-spendable	67	-	-	-	-
Restricted	-	-	-	462,689	-
Committed	-	-	-	-	-
Unassigned	(24,488)	(68,435)	(173,873)	-	(382,738)
Total Fund Balances	(24,421)	(68,435)	(173,873)	462,689	(382,738)
Total Liabilities and Fund Balances	\$ 2,765	\$ 148,085	\$ 6,462	\$ 463,067	\$ -

City of Hopkins

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

	Special Revenue Funds	
	Tax Increment District Markeplace & Main	Total
Assets		
Cash and cash equivalents	\$ 49,547	\$ 1,397,037
Taxes receivable	-	3,104
Accounts receivable	-	78,336
Rehabilitation loans receivable	-	47,849
Due from other governments	-	11,529
Interest receivable	115	3,359
Prepaid items	-	134
Total Assets	<u>\$ 49,662</u>	<u>\$ 1,541,348</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 47,769	\$ 59,675
Salaries payable	-	4,690
Accrued interest payable	-	929
Due to other funds	210,000	1,011,423
Due to other governments	-	1,102
Unearned revenue	-	62,811
Total Liabilities	<u>257,769</u>	<u>1,140,630</u>
Fund balances:		
Non-spendable	-	134
Restricted	-	510,538
Committed	-	747,687
Unassigned	<u>(208,107)</u>	<u>(857,641)</u>
Total Fund Balances	<u>(208,107)</u>	<u>400,718</u>
Total Liabilities and Fund Balances	<u>\$ 49,662</u>	<u>\$ 1,541,348</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Debt Service Funds				
	Tax Increment Bonds of 1996C Refunding Bonds of 2005A	Taxable Tax Increment Bonds of 1997 Refunding Bonds of 2005B	Improvement Revolving Bonds of 2007B	Housing Improvement Bonds of 1999A Refunding Bonds of 2009B	Improvement Revolving Bonds of 2010A
Assets					
Cash and cash equivalents	\$ 180,533	\$ 462,483	\$ 896,247	\$ 337,457	\$ 244,277
Taxes receivable	-	-	3,081	-	1,283
Special assessments receivable	-	534,218	74,581	727,317	491,909
Interest receivable	419	1,073	2,073	783	535
Total Assets	<u>\$ 180,952</u>	<u>\$ 997,774</u>	<u>\$ 975,982</u>	<u>\$ 1,065,557</u>	<u>\$ 738,004</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 91	\$ 301	\$ 149	\$ 215	\$ 94
Total Liabilities	<u>91</u>	<u>301</u>	<u>149</u>	<u>215</u>	<u>94</u>
Deferred inflows of resources:					
Taxes and special assessments	-	533,630	76,560	727,317	492,734
Total Deferred Inflows of Resources	<u>-</u>	<u>533,630</u>	<u>76,560</u>	<u>727,317</u>	<u>492,734</u>
Fund balances:					
Restricted	180,861	463,843	899,273	338,025	245,176
Total Fund Balances	<u>180,861</u>	<u>463,843</u>	<u>899,273</u>	<u>338,025</u>	<u>245,176</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 180,952</u>	<u>\$ 997,774</u>	<u>\$ 975,982</u>	<u>\$ 1,065,557</u>	<u>\$ 738,004</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

Debt Service Funds

	Tax Increment Bonds of 2002 Refunding Bonds of 2010B	Capital Improvement Bonds of 2012A	Equipment Certificates of 2012B	Improvement Bonds of 2012B	Improvement Bonds of 2013A
Assets					
Cash and cash equivalents	\$ 231,245	\$ 159,769	\$ 6,887	\$ 590,655	\$ 431,710
Taxes receivable	-	3,607	1,211	915	181
Special assessments receivable	-	-	-	719,269	387,018
Interest receivable	536	370	16	1,154	901
Total Assets	<u>\$ 231,781</u>	<u>\$ 163,746</u>	<u>\$ 8,114</u>	<u>\$ 1,311,993</u>	<u>\$ 819,810</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 86	\$ 24	\$ -	\$ 298	\$ 248
Total Liabilities	<u>86</u>	<u>24</u>	<u>-</u>	<u>298</u>	<u>248</u>
Deferred inflows of resources:					
Taxes and special assessments	-	2,315	738	719,863	387,126
Total Deferred Inflows of Resources	<u>-</u>	<u>2,315</u>	<u>738</u>	<u>719,863</u>	<u>387,126</u>
Fund balances:					
Restricted	<u>231,695</u>	<u>161,407</u>	<u>7,376</u>	<u>591,832</u>	<u>432,436</u>
Total Fund Balances	<u>231,695</u>	<u>161,407</u>	<u>7,376</u>	<u>591,832</u>	<u>432,436</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 231,781</u>	<u>\$ 163,746</u>	<u>\$ 8,114</u>	<u>\$ 1,311,993</u>	<u>\$ 819,810</u>

City of Hopkins

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

Debt Service Funds

	<u>Improvement Bonds of 2014A</u>	<u>Refunding Bonds of 2014B</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 49,306	\$ 252	\$ 3,590,821
Taxes receivable	-	-	10,278
Special assessments receivable	-	-	2,934,312
Interest receivable	<u>67</u>	<u>-</u>	<u>7,927</u>
Total Assets	<u>\$ 49,373</u>	<u>\$ 252</u>	<u>\$ 6,543,338</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 1,517</u>
Total Liabilities	<u>11</u>	<u>-</u>	<u>1,517</u>
Deferred inflows of resources:			
Taxes and special assessments	<u>-</u>	<u>-</u>	<u>2,940,283</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,940,283</u>
Fund balances:			
Restricted	<u>49,362</u>	<u>252</u>	<u>3,601,538</u>
Total Fund Balances	<u>49,362</u>	<u>252</u>	<u>3,601,538</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 49,373</u>	<u>\$ 252</u>	<u>\$ 6,543,338</u>

City of Hopkins

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

	<u>Capital Project Funds</u>			
	<u>Park Improvements</u>	<u>Capital Improvement</u>	<u>Street Improvement Franchise Fees</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 70,791	\$ 255,176	\$ 312,209	\$ 638,176
Taxes receivable	8	1,972	-	1,980
Accounts receivable	73,627	-	-	73,627
Interest receivable	176	594	725	1,495
Total Assets	<u>\$ 144,602</u>	<u>\$ 257,742</u>	<u>\$ 312,934</u>	<u>\$ 715,278</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,297	\$ 399	\$ -	\$ 3,696
Total Liabilities	<u>3,297</u>	<u>399</u>	<u>-</u>	<u>3,696</u>
Deferred inflows of resources:				
Taxes and special assessments	-	1,369	-	1,369
Total Deferred Inflows of Resources	<u>-</u>	<u>1,369</u>	<u>-</u>	<u>1,369</u>
Fund balances:				
Restricted	141,305	-	-	141,305
Assigned	-	255,974	312,934	568,908
Total Fund Balances	<u>141,305</u>	<u>255,974</u>	<u>312,934</u>	<u>710,213</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 144,602</u>	<u>\$ 257,742</u>	<u>\$ 312,934</u>	<u>\$ 715,278</u>

City of Hopkins

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue	Debt Service	Capital Projects	Total Non-major Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,397,037	\$ 3,590,821	\$ 638,176	\$ 5,626,034
Taxes receivable	3,104	10,278	1,980	15,362
Special assessments receivable	-	2,934,312	-	2,934,312
Accounts receivable	78,336	-	73,627	151,963
Rehabilitation loans receivable	47,849	-	-	47,849
Due from other governments	11,529	-	-	11,529
Interest receivable	3,359	7,927	1,495	12,781
Prepaid items	134	-	-	134
Total Assets	\$ 1,541,348	\$ 6,543,338	\$ 715,278	\$ 8,799,964
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 59,675	\$ 1,517	\$ 3,696	\$ 64,888
Salaries payable	4,690	-	-	4,690
Accrued interest payable	929	-	-	929
Due to other funds	1,011,423	-	-	1,011,423
Due to other governments	1,102	-	-	1,102
Unearned revenue	62,811	-	-	62,811
Total Liabilities	1,140,630	1,517	3,696	1,145,843
Deferred inflows of resources:				
Taxes and special assessments	-	2,940,283	1,369	2,941,652
Total Deferred Inflows of Resources	-	2,940,283	1,369	2,941,652
Fund balances:				
Non-spendable	134	-	-	134
Restricted	510,538	3,601,538	141,305	4,253,381
Committed	747,687	-	-	747,687
Assigned	-	-	568,908	568,908
Unassigned	(857,641)	-	-	(857,641)
Total Fund Balances	400,718	3,601,538	710,213	4,712,469
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,541,348	\$ 6,543,338	\$ 715,278	\$ 8,799,964

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds				
	State Chemical Assessment	Real Estate Purchases & Sales	Hennepin County CDBG	Parking	Communications
Revenues					
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	70,074	-	37,500	-	-
Charges for services	-	3,700	-	87,291	-
Fines	-	-	-	18,811	-
Investment earnings	-	1,290	-	1,989	4,380
Other miscellaneous revenues	4,430	-	-	-	262,930
Total Revenues	74,504	4,990	37,500	108,091	267,310
Expenditures					
Current:					
General government	-	-	-	-	108,976
Public safety	77,433	-	-	59,609	-
Highways and streets	-	-	-	48,122	-
Urban redevelopment and housing	-	-	15,467	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Interest and fiscal fees	-	-	-	-	-
Total Expenditures	77,433	-	15,467	107,731	108,976
Excess (deficiency) of revenues over expenditures	(2,929)	4,990	22,033	360	158,334
Other Financing Sources (Uses)					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	(86,920)
Total Other Financing Sources (Uses)	-	-	-	-	(86,920)
Net change in fund balances	(2,929)	4,990	22,033	360	71,414
Fund balance (deficit) - January 1	2,929	123,114	25,816	129,219	418,657
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ 128,104</u>	<u>\$ 47,849</u>	<u>\$ 129,579</u>	<u>\$ 490,071</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds				
	Depot Coffee House	Tax Increment District Entertainment District	Tax Increment District Sonoma	Tax Increment District Oaks of Mainstreet	5th Ave Flats
Revenues					
Tax increments	\$ -	\$ 58,173	\$ 12,587	\$ 122,734	\$ -
Intergovernmental	15,000	-	-	-	-
Charges for services	70,858	-	-	-	-
Fines	-	-	-	-	-
Investment earnings	-	1,032	13	4,769	-
Other miscellaneous revenues	264,459	-	6,437	-	-
Total Revenues	<u>350,317</u>	<u>59,205</u>	<u>19,037</u>	<u>127,503</u>	<u>-</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	2,693	2,025	4,774	4,553
Culture and recreation	374,644	-	-	-	-
Debt service:					
Interest and fiscal fees	-	11,155	8,302	-	-
Total Expenditures	<u>374,644</u>	<u>13,848</u>	<u>10,327</u>	<u>4,774</u>	<u>4,553</u>
Excess (deficiency) of revenues over expenditures	<u>(24,327)</u>	<u>45,357</u>	<u>8,710</u>	<u>122,729</u>	<u>(4,553)</u>
Other Financing Sources (Uses)					
Transfer in	10,000	-	25,302	-	-
Transfer out	-	-	-	(116,000)	-
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>-</u>	<u>25,302</u>	<u>(116,000)</u>	<u>-</u>
Net change in fund balances	<u>(14,327)</u>	<u>45,357</u>	<u>34,012</u>	<u>6,729</u>	<u>(4,553)</u>
Fund balance (deficit) - January 1	<u>(10,094)</u>	<u>(113,792)</u>	<u>(207,885)</u>	<u>455,960</u>	<u>(378,185)</u>
Fund balance (deficit) - December 31	<u>\$ (24,421)</u>	<u>\$ (68,435)</u>	<u>\$ (173,873)</u>	<u>\$ 462,689</u>	<u>\$ (382,738)</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds	
	Tax Increment District Marketplace & Main	Total
Revenues		
Tax increments	\$ 103,167	\$ 296,661
Intergovernmental	-	122,574
Charges for services	-	161,849
Fines	-	18,811
Investment earnings	120	13,593
Other miscellaneous revenues	-	538,256
Total Revenues	<u>103,287</u>	<u>1,151,744</u>
Expenditures		
Current:		
General government	-	108,976
Public safety	-	137,042
Highways and streets	-	48,122
Urban redevelopment and housing	100,378	129,890
Culture and recreation	-	374,644
Debt service:		
Interest and fiscal fees	-	19,457
Total Expenditures	<u>100,378</u>	<u>818,131</u>
Excess (deficiency) of revenues over expenditures	<u>2,909</u>	<u>333,613</u>
Other Financing Sources (Uses)		
Transfer in	-	35,302
Transfer out	-	(202,920)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(167,618)</u>
Net change in fund balances	<u>2,909</u>	<u>165,995</u>
Fund balance (deficit) - January 1	<u>(211,016)</u>	<u>234,723</u>
Fund balance (deficit) - December 31	<u>\$ (208,107)</u>	<u>\$ 400,718</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Debt Service Funds				
	Tax Increment Bonds of 1996C Refunding Bonds of 2005A	Taxable Tax Increment Bonds of 1997 Refunding Bonds of 2005B	Improvement Revolving Bonds of 2007B	Housing Improvement Bonds of 1999A Refunding Bonds of 2009B	Improvement Revolving Bonds of 2010A
Revenues					
Property taxes	\$ -	\$ -	\$ 189,342	\$ -	\$ 79,626
Special assessments	-	172,501	39,269	138,027	92,536
Investment earnings	861	3,386	1,070	2,378	683
Total Revenues	861	175,887	229,681	140,405	172,845
Expenditures					
Current:					
General government	91	1,988	777	1,121	722
Debt Service:					
Principal retirement	95,000	115,000	200,000	90,000	165,000
Interest and fiscal fees	10,179	30,325	42,444	29,927	56,045
Total Expenditures	105,270	147,313	243,221	121,048	221,767
Excess (deficiency) of revenues over expenditures	(104,409)	28,574	(13,540)	19,357	(48,922)
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Transfer in	116,000	-	669,815	-	58,536
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	116,000	-	669,815	-	58,536
Net change in fund balances	11,591	28,574	656,275	19,357	9,614
Fund balance (deficit) - January 1	169,270	435,269	242,998	318,668	235,562
Fund balance (deficit) - December 31	\$ 180,861	\$ 463,843	\$ 899,273	\$ 338,025	\$ 245,176

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Debt Service Funds				
	Tax Increment Bonds of 2002 Refunding Bonds of 2010B	Capital Improvement Bonds of 2012A	Equipment Certificates of 2012B	Improvement Bonds of 2012B	Improvement Bonds of 2013A
Revenues					
Property taxes	\$ -	\$ 221,508	\$ 97,170	\$ 140,321	\$ 89,911
Special assessments	-	-	-	203,339	100,281
Investment earnings	605	-	-	2,166	2,159
Total Revenues	605	221,508	97,170	345,826	192,351
Expenditures					
Current:					
General government	86	652	629	928	876
Debt Service:					
Principal retirement	145,000	170,000	75,000	190,000	-
Interest and fiscal fees	33,081	19,747	14,354	64,450	50,842
Total Expenditures	178,167	190,399	89,983	255,378	51,718
Excess (deficiency) of revenues over expenditures	(177,562)	31,109	7,187	90,448	140,633
Other Financing Sources (Uses)					
Improvement bonds issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on improvement bonds	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Transfer in	212,654	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	212,654	-	-	-	-
Net change in fund balances	35,092	31,109	7,187	90,448	140,633
Fund balance (deficit) - January 1	196,603	130,298	189	501,384	291,803
Fund balance (deficit) - December 31	\$ 231,695	\$ 161,407	\$ 7,376	\$ 591,832	\$ 432,436

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	<u>Debt Service Funds</u>		
	<u>Improvement Bonds of 2014A</u>	<u>Refunding Bonds of 2014B</u>	<u>Total</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 817,878
Special assessments	20,562	-	766,515
Investment earnings	143	-	13,451
Total Revenues	<u>20,705</u>	<u>-</u>	<u>1,597,844</u>
Expenditures			
Current:			
General government	61,127	95,104	164,101
Debt Service:			
Principal retirement	-	-	1,245,000
Interest and fiscal fees	-	-	351,394
Total Expenditures	<u>61,127</u>	<u>95,104</u>	<u>1,760,495</u>
Excess (deficiency) of revenues over expenditures	<u>(40,422)</u>	<u>(95,104)</u>	<u>(162,651)</u>
Other Financing Sources (Uses)			
Improvement bonds issued	1,895,000	-	1,895,000
Refunding bonds issued	-	6,345,000	6,345,000
Premium on improvement bonds	44,250	-	44,250
Premium on refunding bonds	-	170,356	170,356
Transfer in	-	-	1,057,005
Transfer out	<u>(1,849,466)</u>	<u>(6,420,000)</u>	<u>(8,269,466)</u>
Total Other Financing Sources (Uses)	<u>89,784</u>	<u>95,356</u>	<u>1,242,145</u>
Net change in fund balances	<u>49,362</u>	<u>252</u>	<u>1,079,494</u>
Fund balance (deficit) - January 1	<u>-</u>	<u>-</u>	<u>2,522,044</u>
Fund balance (deficit) - December 31	<u>\$ 49,362</u>	<u>\$ 252</u>	<u>\$ 3,601,538</u>

City of Hopkins

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Capital Projects Funds			
	Park Improvements	Capital Improvement	Street Improvement Franchise Fees	Total
Revenues				
Property taxes	\$ 495	\$ 123,942	\$ -	\$ 124,437
Investment earnings	1,843	1,683	2,937	6,463
Other miscellaneous revenues	140,339	-	-	140,339
Total Revenues	<u>142,677</u>	<u>125,625</u>	<u>2,937</u>	<u>271,239</u>
Expenditures				
Current:				
General government	-	21,604	-	21,604
Highways and streets	31,267	-	-	31,267
Capital outlay	461,637	38,387	-	500,024
Total Expenditures	<u>492,904</u>	<u>59,991</u>	<u>-</u>	<u>552,895</u>
Excess (deficiency) of revenues over expenditures	<u>(350,227)</u>	<u>65,634</u>	<u>2,937</u>	<u>(281,656)</u>
Other Financing Sources (Uses)				
Transfer in	351,966	-	-	351,966
Transfer out	-	(3,873)	-	(3,873)
Total Other Financing Sources (Uses)	<u>351,966</u>	<u>(3,873)</u>	<u>-</u>	<u>348,093</u>
Net change in fund balances	<u>1,739</u>	<u>61,761</u>	<u>2,937</u>	<u>66,437</u>
Fund balance (deficit) - January 1	<u>139,566</u>	<u>194,213</u>	<u>309,997</u>	<u>643,776</u>
Fund balance (deficit) - December 31	<u>\$ 141,305</u>	<u>\$ 255,974</u>	<u>\$ 312,934</u>	<u>\$ 710,213</u>

City of Hopkins

Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 817,878	\$ 124,437	\$ 942,315
Tax increments	296,661	-	-	296,661
Special assessments	-	766,515	-	766,515
Intergovernmental	122,574	-	-	122,574
Charges for services	161,849	-	-	161,849
Fines	18,811	-	-	18,811
Investment earnings	13,593	13,451	6,463	33,507
Other miscellaneous revenues	538,256	-	140,339	678,595
Total Revenues	<u>1,151,744</u>	<u>1,597,844</u>	<u>271,239</u>	<u>3,020,827</u>
Expenditures				
Current:				
General government	108,976	164,101	21,604	294,681
Public safety	137,042	-	-	137,042
Highways and streets	48,122	-	31,267	79,389
Urban redevelopment and housing	129,890	-	-	129,890
Culture and recreation	374,644	-	-	374,644
Debt service:				
Principal retirement	-	1,245,000	-	1,245,000
Interest and fiscal fees	19,457	351,394	-	370,851
Capital outlay	-	-	500,024	500,024
Total Expenditures	<u>818,131</u>	<u>1,760,495</u>	<u>552,895</u>	<u>3,131,521</u>
Excess (deficiency) of revenues over expenditures	<u>333,613</u>	<u>(162,651)</u>	<u>(281,656)</u>	<u>(110,694)</u>
Other Financing Sources (Uses)				
Improvement bonds issued	-	1,895,000	-	1,895,000
Refunding bonds issued	-	6,345,000	-	6,345,000
Premium on improvement bonds	-	44,250	-	44,250
Premium on refunding bonds	-	170,356	-	170,356
Transfer in	35,302	1,057,005	351,966	1,444,273
Transfer out	(202,920)	(8,269,466)	(3,873)	(8,476,259)
Total Other Financing Sources (Uses)	<u>(167,618)</u>	<u>1,242,145</u>	<u>348,093</u>	<u>1,422,620</u>
Net change in fund balances	<u>165,995</u>	<u>1,079,494</u>	<u>66,437</u>	<u>1,311,926</u>
Fund balance (deficit) - January 31	<u>234,723</u>	<u>2,522,044</u>	<u>643,776</u>	<u>3,400,543</u>
Fund balance (deficit) - December 31	<u>\$ 400,718</u>	<u>\$ 3,601,538</u>	<u>\$ 710,213</u>	<u>\$ 4,712,469</u>

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 70,074	\$ 25,074
Other miscellaneous revenues	-	-	4,430	4,430
TOTAL REVENUES	45,000	45,000	74,504	29,504
Expenditures				
Current:				
Public safety	45,000	45,000	77,433	(32,433)
Total Expenditures	45,000	45,000	77,433	(32,433)
Net change in fund balance	-	-	(2,929)	(2,929)
Fund balance (deficit) - January 1	2,947	2,947	2,929	(18)
Fund balance (deficit) - December 31	\$ 2,947	\$ 2,947	\$ -	\$ (2,947)

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for services	\$ 3,700	\$ 3,700	\$ 3,700	\$ -
Investment earnings	<u>150</u>	<u>150</u>	<u>1,290</u>	<u>1,140</u>
TOTAL REVENUES	<u>3,850</u>	<u>3,850</u>	<u>4,990</u>	<u>1,140</u>
Net change in fund balance	3,850	3,850	4,990	1,140
Fund balance (deficit) - January 1	<u>117,306</u>	<u>117,306</u>	<u>123,114</u>	<u>5,808</u>
Fund balance (deficit) - December 31	<u>\$ 121,156</u>	<u>\$ 121,156</u>	<u>\$ 128,104</u>	<u>\$ 6,948</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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for services	\$ 73,000	\$ 73,000	\$ 87,291	\$ 14,291
Fines	22,000	22,000	18,811	(3,189)
Investment earnings	1,000	1,000	1,989	989
TOTAL REVENUES	96,000	96,000	108,091	12,091
Expenditures				
Current:				
Public safety	61,195	61,195	59,609	1,586
Highways and streets	34,674	34,674	48,122	(13,448)
Total Expenditures	95,869	95,869	107,731	(11,862)
Net change in fund balance	131	131	360	229
Fund balance (deficit) - January 1	171,422	171,422	129,219	(42,203)
Fund balance (deficit) - December 31	<u>\$ 171,553</u>	<u>\$ 171,553</u>	<u>\$ 129,579</u>	<u>\$ (41,974)</u>

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Investment earnings	\$ 1,500	\$ 1,500	\$ 4,380	\$ 2,880
Other miscellaneous revenues	235,000	235,000	262,930	27,930
TOTAL REVENUES	236,500	236,500	267,310	30,810
Expenditures				
Current:				
General government	112,534	112,534	108,976	3,558
Capital Outlay	9,500	9,500	-	9,500
Total Expenditures	122,034	122,034	108,976	13,058
Excess (deficiency) of revenues over expenditures	114,466	114,466	158,334	43,868
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	27,546	27,546	71,414	43,868
Fund balance (deficit) - January 1	392,897	392,897	418,657	25,760
Fund balance (deficit) - December 31	<u>\$ 420,443</u>	<u>\$ 420,443</u>	<u>\$ 490,071</u>	<u>\$ 69,628</u>

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Charges for services	72,150	72,150	70,858	(1,292)
Other miscellaneous revenues	257,500	257,500	264,459	6,959
TOTAL REVENUES	344,650	344,650	350,317	5,667
Expenditures				
Current:				
Culture and recreation	351,456	351,456	374,644	(23,188)
Capital Outlay	3,000	3,000	-	3,000
Total Expenditures	354,456	354,456	374,644	(20,188)
Excess (deficiency) of revenues over expenditures	(9,806)	(9,806)	(24,327)	(14,521)
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	194	194	(14,327)	(14,521)
Fund balance (deficit) - January 1	24,138	24,138	(10,094)	(34,232)
Fund balance (deficit) - December 31	<u>\$ 24,332</u>	<u>\$ 24,332</u>	<u>\$ (24,421)</u>	<u>\$ (48,753)</u>

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 58,000	\$ 58,000	\$ 58,173	\$ 173
Investment earnings	100	100	1,032	932
TOTAL REVENUES	58,100	58,100	59,205	1,105
Expenditures				
Current:				
Urban redevelopment and housing	3,000	3,000	2,693	307
Debt Service:				
Interest and fiscal fees	-	-	11,155	(11,155)
Total Expenditures	3,000	3,000	13,848	(10,848)
Net change in fund balance	55,100	55,100	45,357	(9,743)
Fund balance (deficit) - January 1	(148,146)	(148,146)	(113,792)	34,354
Fund balance (deficit) - December 31	<u>\$ (93,046)</u>	<u>\$ (93,046)</u>	<u>\$ (68,435)</u>	<u>\$ 24,611</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, 2014

	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	13	(87)
Other miscellaneous revenues	9,524	9,524	6,437	(3,087)
TOTAL REVENUES	19,124	19,124	19,037	(87)
Expenditures				
Urban redevelopment and housing	1,970	1,970	2,025	(55)
Debt service:				
Interest and fiscal fees	9,694	9,694	8,302	1,392
Total Expenditures	11,664	11,664	10,327	1,337
Excess (deficiency) of revenues over expenditures	7,460	7,460	8,710	1,250
Other Financing Sources (Uses)				
Transfer in	24,654	24,654	25,302	648
Total Other Financing Sources (Uses)	24,654	24,654	25,302	648
Net change in fund balance	32,114	32,114	34,012	1,898
Fund balance (deficit) - January 1	(255,481)	(255,481)	(207,885)	47,596
Fund balance (deficit) - December 31	<u>\$ (223,367)</u>	<u>\$ (223,367)</u>	<u>\$ (173,873)</u>	<u>\$ 49,494</u>

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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 140,000	\$ 140,000	\$ 122,734	\$ (17,266)
Investment earnings	1,200	1,200	4,769	3,569
TOTAL REVENUES	141,200	141,200	127,503	(13,697)
Expenditures				
Current:				
Urban redevelopment and housing	4,127	4,127	4,774	(647)
Total Expenditures	4,127	4,127	4,774	(647)
Excess (deficiency) of revenues over expenditures	137,073	137,073	122,729	(14,344)
Other Financing Sources (Uses)				
Transfer out	(116,000)	(116,000)	(116,000)	-
Total Other Financing Sources (Uses)	(116,000)	(116,000)	(116,000)	-
Net change in fund balance	21,073	21,073	6,729	(14,344)
Fund balance (deficit) - January 1	451,580	451,580	455,960	4,380
Fund balance (deficit) - December 31	<u>\$ 472,653</u>	<u>\$ 472,653</u>	<u>\$ 462,689</u>	<u>\$ (9,964)</u>

City of Hopkins

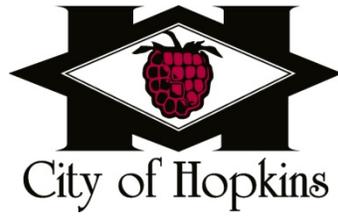
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 5th Ave Flats
 For the Year Ended December 31, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Expenditures				
Urban redevelopment and housing	\$ 2,000	\$ 2,000	\$ 4,553	\$ (2,553)
Debt service:				
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>4,553</u>	<u>(2,553)</u>
Net change in fund balance	(2,000)	(2,000)	(4,553)	(2,553)
Fund balance (deficit) - January 1	<u>(360,855)</u>	<u>(360,855)</u>	<u>(378,185)</u>	<u>(17,330)</u>
Fund balance (deficit) - December 31	<u>\$ (362,855)</u>	<u>\$ (362,855)</u>	<u>\$ (382,738)</u>	<u>\$ (19,883)</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, 2014

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Tax increments	\$ 40,000	\$ 40,000	\$ 103,167	\$ 63,167
Investment earnings	-	-	120	120
TOTAL REVENUES	40,000	40,000	103,287	63,287
Expenditures				
Current:				
Urban redevelopment and housing	38,500	38,500	100,378	(61,878)
Debt service:				
Interest and fiscal fees	1,500	1,500	-	1,500
Total Expenditures	40,000	40,000	100,378	(60,378)
Net change in fund balance	-	-	2,909	2,909
Fund balance (deficit) - January 1	(13,247)	(13,247)	(211,016)	(197,769)
Fund balance (deficit) - December 31	<u>\$ (13,247)</u>	<u>\$ (13,247)</u>	<u>\$ (208,107)</u>	<u>\$ (194,860)</u>



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, 2014

	Nonmajor Business-type Activities-Enterprise Funds			
	Refuse Utility	Pavilion	Housing Authority	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 949,201	\$ 600	\$ 409,211	\$ 1,359,012
Accounts receivable	40,810	36,003	494	77,307
Accrued interest receivable	2,181	-	-	2,181
Due from other governments	-	-	57,315	57,315
Inventory	631	-	-	631
Prepaid expenses	-	66	16,508	16,574
Total current assets	<u>992,823</u>	<u>36,669</u>	<u>483,528</u>	<u>1,513,020</u>
Noncurrent assets:				
Capital assets, nondepreciable:				
Land	-	-	208,252	208,252
Construction in progress	-	-	121,908	121,908
Capital assets, depreciable:				
Building and structures	302,727	3,272,851	4,410,786	7,986,364
Distribution system	-	125,614	-	125,614
Machinery and equipment	637,883	253,396	51,681	942,960
Less accumulated depreciation	(539,759)	(1,389,996)	(3,257,413)	(5,187,168)
Total noncurrent assets	<u>400,851</u>	<u>2,261,865</u>	<u>1,535,214</u>	<u>4,197,930</u>
Total Assets	<u>1,393,674</u>	<u>2,298,534</u>	<u>2,018,742</u>	<u>5,710,950</u>
Liabilities				
Current liabilities:				
Accounts payable	41,128	15,355	59,956	116,439
Salaries payable	2,106	2,744	-	4,850
Due to other funds	-	36,398	37,994	74,392
Due to other governments	7,631	698	-	8,329
Compensated absences	17,154	18,039	21,888	57,081
Unearned revenue	-	7,699	-	7,699
Accrued interest payable	-	1,330	-	1,330
Revenue bonds - current	-	20,000	-	20,000
Total current liabilities	<u>68,019</u>	<u>102,263</u>	<u>119,838</u>	<u>290,120</u>
Noncurrent liabilities:				
Compensated absences	215	-	-	215
Net OPEB liability	-	-	13,106	13,106
Revenue bonds payable (net of unamortized discounts)	-	142,129	-	142,129
Total Liabilities	<u>68,234</u>	<u>244,392</u>	<u>132,944</u>	<u>445,570</u>
Net Position				
Net investment in capital assets	400,851	2,099,736	1,535,214	4,035,801
Unrestricted	924,589	(45,594)	350,584	1,229,579
Total Net Position	<u>\$ 1,325,440</u>	<u>\$ 2,054,142</u>	<u>\$ 1,885,798</u>	<u>\$ 5,265,380</u>

City of Hopkins

Combining Statement of Revenues, Expenses and Changes in Net Position
 Nonmajor Enterprise Activities
 For the Year Ended December 31, 2014

	Nonmajor Business-type Activities-Enterprise Funds			Nonmajor Enterprise Funds Total
	Refuse Utility	Pavilion	Housing Authority	
Operating revenues				
Charges for services	\$ 909,338	\$ 369,371	\$ 245,618	\$ 1,524,327
Other	12,306	14,655	11,266	38,227
Total operating revenues	<u>921,644</u>	<u>384,026</u>	<u>256,884</u>	<u>1,562,554</u>
Operating expenses				
Cost of sales and services	681,250	364,453	81,688	1,127,391
Administration	100,599	9,529	374,592	484,720
Depreciation	52,264	83,327	169,387	304,978
Total operating expenses	<u>834,113</u>	<u>457,309</u>	<u>625,667</u>	<u>1,917,089</u>
Operating income (loss)	<u>87,531</u>	<u>(73,283)</u>	<u>(368,783)</u>	<u>(354,535)</u>
Nonoperating revenues (expenses)				
Investment earnings	8,379	877	-	9,256
Interest/fiscal agent expense	-	(2,937)	-	(2,937)
Intergovernmental grants	24,645	-	306,860	331,505
Total nonoperating revenues (expenses)	<u>33,024</u>	<u>(2,060)</u>	<u>306,860</u>	<u>337,824</u>
Income (loss) before contributions and transfers	120,555	(75,343)	(61,923)	(16,711)
Capital contributions				
Transfers in	-	3,873	-	3,873
Transfers	(25,000)	-	-	(25,000)
Change in net position	95,555	(71,470)	(61,923)	(37,838)
Total net position - January 1, as previously reported	1,231,702	2,130,546	1,947,721	5,309,969
Cumulative effect of change in accounting principle	(1,817)	(4,934)	-	(6,751)
Net position (deficit) - January 1, as restated	<u>1,229,885</u>	<u>2,125,612</u>	<u>1,947,721</u>	<u>5,303,218</u>
Total net position - December 31	<u>\$ 1,325,440</u>	<u>\$ 2,054,142</u>	<u>\$ 1,885,798</u>	<u>\$ 5,265,380</u>

City of Hopkins

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2014

	<u>Nonmajor Business-type Activities-Enterprise Funds</u>			Nonmajor Enterprise Funds Total
	Refuse Utility	Pavilion/ Ice Arena	Housing Authority	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 924,525	\$ 407,559	\$ 227,276	\$ 1,559,360
Internal activity - payments to other funds	-	33,330	-	33,330
Payments to suppliers	(421,979)	(142,780)	(378,273)	(943,032)
Payments to employees	(252,600)	(241,451)	(81,046)	(575,097)
Payments for interfund services used	-	-	14,747	14,747
Payments for interfund services used	(100,599)	(9,529)	-	(110,128)
Net cash used by operating activities	<u>149,347</u>	<u>47,129</u>	<u>(217,296)</u>	<u>(20,820)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental grants	24,645	-	306,860	331,505
Transfers (to) from other funds	(25,000)	3,873	-	(21,127)
Net cash provided (used) by noncapital and related financing activities	<u>(355)</u>	<u>3,873</u>	<u>306,860</u>	<u>310,378</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	-	(179,983)	-	(179,983)
Construction of capital assets	-	-	(133,757)	(133,757)
Interest and other payments	-	(3,363)	-	(3,363)
Bond payments	-	(15,000)	-	(15,000)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(198,346)</u>	<u>(133,757)</u>	<u>(332,103)</u>
Cash Flows From Investing Activities				
Interest received	8,172	877	-	9,049
Net increase (decrease) in cash and cash equivalents	157,164	(146,467)	(44,193)	(33,496)
Cash and cash equivalents - January 1	<u>(156,614)</u>	<u>146,467</u>	<u>453,404</u>	<u>443,257</u>
Cash and cash equivalents - December 31	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 409,211</u>	<u>\$ 409,761</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	\$ 550	\$ -	\$ 409,211	\$ 409,761
Investments	948,651	600	-	949,251
Cash and Investments per Statement of Net Position	<u>\$ 949,201</u>	<u>\$ 600</u>	<u>\$ 409,211</u>	<u>\$ 1,359,012</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating income (loss)	87,531	(73,283)	(368,783)	(354,535)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	52,264	83,327	169,387	304,978
(Increase) decrease in:				
Accounts receivable	2,881	15,834	(29,608)	(10,893)
Inventory	3,116	-	-	3,116
Prepaid expense	-	(66)	(16,508)	(16,574)
Increase (decrease) in:				
Accounts, compensated absences and accrued interest payable	1,936	(19,846)	13,469	(4,441)
Due to other funds	-	33,330	14,747	48,077
Due to other governments	1,619	134	-	1,753
Unearned revenue	-	7,699	-	7,699
Net cash used by operating activities	<u>\$ 149,347</u>	<u>\$ 47,129</u>	<u>\$ (217,296)</u>	<u>\$ (20,820)</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, 2014

	Equipment Replacement	Insurance Risk	Employee Benefits	Total
Assets				
Current assets:				
Cash and cash equivalents	553,502	266,673	986,221	1,806,396
Accrued interest receivable	1,287	623	2,257	4,167
Total current assets	554,789	267,296	988,478	1,810,563
Property and equipment:				
Machinery and equipment	7,498,905	-	-	7,498,905
Less accumulated depreciation	(4,391,259)	-	-	(4,391,259)
Net property and equipment	3,107,646	-	-	3,107,646
Total Assets	3,662,435	267,296	988,478	4,918,209
Liabilities				
Current liabilities:				
Accounts payable	14,490	55,925	-	70,415
Compensated absences	-	-	836,441	836,441
Accrued interest payable	1,783	-	-	1,783
Capital lease - current	22,353	-	-	22,353
Total current liabilities	38,626	55,925	836,441	930,992
Noncurrent liabilities:				
Capital lease payable	172,515	-	-	172,515
Total noncurrent liabilities	172,515	-	-	172,515
Total Liabilities	211,141	55,925	836,441	1,103,507
Net Position				
Net investment in capital assets	2,912,778	-	-	2,912,778
Unrestricted	538,516	211,371	152,037	901,924
Total Net Position	\$ 3,451,294	\$ 211,371	\$ 152,037	\$ 3,814,702

City of Hopkins

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended December 31, 2014

	Equipment Replacement	Insurance Risk	Employee Benefits	Total
Operating revenues				
Charges for services	\$ 343,792	\$ 41,977	\$ -	\$ 385,769
Operating expenses				
Materials, supplies and services	166,697	118,560	-	285,257
Administration	9,415	799	-	10,214
Depreciation expense	502,864	-	-	502,864
Total operating expenses	678,976	119,359	-	798,335
Operating income (loss)	(335,184)	(77,382)	-	(412,566)
Nonoperating revenues (expenses)				
Investment earnings	8,538	2,829	10,168	21,535
Interest/fiscal agent expense	(10,699)	-	-	(10,699)
Gain on sale of assets	27,235	-	-	27,235
Total nonoperating revenues (expenses)	25,074	2,829	10,168	38,071
Change in net position	(310,110)	(74,553)	10,168	(374,495)
Total net position - January 1, as previously reported	3,819,320	285,924	141,869	4,247,113
Cumulative effect of change in accounting principle	(57,916)	-	-	(57,916)
Net position (deficit) - January 1, as restated	3,761,404	285,924	141,869	4,189,197
Net position - December 31	\$ 3,451,294	\$ 211,371	\$ 152,037	\$ 3,814,702

City of Hopkins
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

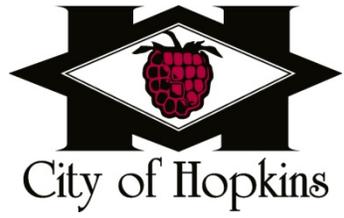
	Equipment Replacement	Insurance Risk	Employee Benefits	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ -	\$ 41,977	\$ -	\$ 41,977
Receipts from interfund services provided	346,880	-	-	346,880
Payments to suppliers	(232,793)	(67,036)	-	(299,829)
Payments for interfund services used	-	-	13,818	13,818
Payments for interfund services used	(9,415)	(799)	-	(10,214)
Net cash provided (used) by operating activities	<u>104,672</u>	<u>(25,858)</u>	<u>13,818</u>	<u>92,632</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	(340,344)	-	-	(340,344)
Proceeds from sales of capital assets	27,235	-	-	27,235
Interest and other payments	(11,094)	-	-	(11,094)
Capital lease payments	(43,122)	-	-	(43,122)
Net cash used by capital and related financing activities	<u>(367,325)</u>	<u>-</u>	<u>-</u>	<u>(367,325)</u>
Cash Flows From Investing Activities	<u>9,334</u>	<u>2,898</u>	<u>10,300</u>	<u>22,532</u>
Net increase (decrease) in cash and cash equivalents	(253,319)	(22,960)	24,118	(252,161)
Cash and Cash Equivalents - January 1	<u>253,640</u>	<u>23,115</u>	<u>(23,547)</u>	<u>253,208</u>
Cash and Cash Equivalents - December 31	<u>\$ 321</u>	<u>\$ 155</u>	<u>\$ 571</u>	<u>\$ 1,047</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	\$ 321	\$ 155	\$ 571	\$ 1,047
Investments	<u>553,181</u>	<u>266,518</u>	<u>985,650</u>	<u>1,805,349</u>
Cash and Investments per Statement of Net Position	<u>\$ 553,502</u>	<u>\$ 266,673</u>	<u>\$ 986,221</u>	<u>\$ 1,806,396</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (335,184)	\$ (77,382)	\$ -	\$ (412,566)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	502,864	-	-	502,864
(Increase) decrease in:				
Accounts receivable	20	-	-	20
Due from other funds	3,068	-	-	3,068
Increase (decrease) in:				
Accounts, compensated absences and accrued interest payable	(66,096)	51,524	13,818	(754)
Net Cash Provided (Used) by Operating Activities	<u>\$ 104,672</u>	<u>\$ (25,858)</u>	<u>\$ 13,818</u>	<u>\$ 92,632</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			
	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 22,318,027	\$ 25,315,084	\$ 28,941,120	\$ 30,769,922
Restricted	9,921,122	6,189,025	13,879,837	10,074,674
Unrestricted	9,056,853	10,849,585	2,006,418	3,663,772
Total governmental activities net position	<u>\$ 41,296,002</u>	<u>\$ 42,353,694</u>	<u>\$ 44,827,375</u>	<u>\$ 44,508,368</u>
Business-type activities				
Net investment in capital assets	\$ 14,321,166	\$ 14,612,000	\$ 15,688,414	\$ 16,081,209
Restricted	250,000	-	-	-
Unrestricted	1,464,913	1,917,071	733,298	280,214
Total business-type activities net position	<u>\$ 16,036,079</u>	<u>\$ 16,529,071</u>	<u>\$ 16,421,712</u>	<u>\$ 16,361,423</u>
Primary Government				
Net investment in capital assets	\$ 36,639,193	\$ 39,927,084	\$ 44,629,534	\$ 46,851,131
Restricted	10,171,122	6,189,025	13,879,837	10,074,674
Unrestricted	10,521,766	12,766,656	2,739,716	3,943,986
Total primary government net position	<u>\$ 57,332,081</u>	<u>\$ 58,882,765</u>	<u>\$ 61,249,087</u>	<u>\$ 60,869,791</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 32,759,480	\$ 32,823,582	\$ 31,666,432	\$ 31,891,229	\$ 30,666,268	\$ 31,272,253
11,952,783	8,613,114	8,250,360	8,684,347	10,014,203	16,967,889
10,022	3,590,101	6,348,703	7,854,941	9,575,287	1,902,270
<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>	<u>\$ 50,142,412</u>
\$ 14,994,311	\$ 16,279,028	\$ 17,075,284	\$ 16,405,495	\$ 16,621,198	\$ 16,937,928
-	-	-	-	-	-
1,655,927	1,073,329	731,674	2,262,236	2,469,397	1,954,212
<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>	<u>\$ 18,892,140</u>
\$ 47,753,791	\$ 49,102,610	\$ 48,741,716	\$ 48,296,724	\$ 47,287,466	\$ 48,210,181
11,952,783	8,613,114	8,250,360	8,684,347	10,014,203	16,967,889
1,665,949	4,663,430	7,080,377	10,117,177	12,044,684	3,856,482
<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>	<u>\$ 69,034,552</u>

City of Hopkins

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Expenses						
Governmental activities:						
General Government	\$ 1,380,540	\$ 1,402,448	\$ 1,679,630	\$ 1,721,624	\$ 1,679,040	\$ 1,693,275
Public Safety	4,883,279	5,039,235	5,665,419	6,171,249	6,249,519	6,243,813
Health and Welfare	176,590	176,275	188,483	236,858	278,002	180,895
Highways and Streets	2,334,756	2,380,252	2,870,426	3,154,762	3,069,078	3,062,507
Urban Development and Housing	913,645	1,022,476	1,903,295	1,037,927	1,690,861	1,914,779
Culture and Recreation	1,277,501	1,123,334	1,277,539	1,565,184	1,482,349	1,505,513
Interest on long-term debt	1,480,148	1,282,328	1,069,863	1,090,341	1,025,771	895,873
Total governmental activities expenses	12,446,459	12,426,348	14,654,655	14,977,945	15,474,620	15,496,655
Business-type activities:						
Water	1,080,393	1,117,037	1,240,760	1,356,448	1,209,508	1,196,947
Sewer	1,475,587	1,608,116	1,784,001	1,756,489	1,741,115	1,844,309
Storm Sewer	457,183	408,252	416,479	417,595	403,231	420,619
Refuse	739,490	714,389	732,239	771,107	786,522	738,398
Pavilion/Ice Arena	395,722	371,845	385,062	411,134	401,598	398,354
Skate Park	90,268	-	-	-	-	-
Housing and Redevelopment Authority	501,731	525,588	483,944	573,070	528,542	542,324
Total business-type activities	4,740,374	4,745,227	5,042,485	5,285,843	5,070,516	5,140,951
Total primary government expenses	\$ 17,186,833	\$ 17,171,575	\$ 19,697,140	\$ 20,263,788	\$ 20,545,136	\$ 20,637,606
Program Revenues						
Governmental activities:						
Charges for services:						
General Government	\$ 34,760	\$ 19,727	\$ 38,595	\$ 19,239	\$ 30,797	\$ 17,169
Public Safety	70,597	70,604	219,121	262,194	284,160	124,338
Health and Welfare	13,560	15,817	13,866	16,560	9,265	32,135
Highways and Streets	225,523	60,698	59,791	59,803	42,150	56,902
Urban Development and Housing	200,054	90,727	30,363	-	-	-
Culture and Recreation	557,973	401,860	397,992	514,592	509,098	560,702
Operating grants and contributions	1,471,449	1,422,575	2,123,438	1,949,375	2,441,622	1,894,777
Capital grants and contributions	58,871	687,552	1,677,841	170,393	745,505	567,370
Total governmental activities program revenues	2,632,787	2,769,560	4,561,007	2,992,156	4,062,597	3,253,393
Business-type activities:						
Charges for services:						
Water	987,913	1,063,361	1,133,248	1,188,610	1,339,390	1,343,153
Sewer	1,277,724	1,645,661	1,427,675	1,474,474	1,598,717	1,812,585
Storm Sewer	666,848	735,183	724,778	725,029	800,843	803,889
Refuse	705,138	687,127	692,222	713,270	821,628	852,215
Pavilion/Ice Arena	347,343	672,739	459,003	358,645	368,228	363,591
Skate Park	-	-	-	-	-	-
Housing and Redevelopment Authority	270,723	265,277	256,104	348,938	279,860	258,388
Operating grants and contributions	158,270	209,533	299,126	251,885	150,814	216,596
Capital grants and contributions	16,298	1,850	-	394,913	142,691	328,515
Total business-type activities program revenues	4,430,257	5,280,731	4,992,156	5,455,764	5,502,171	5,978,932
Total primary government program revenues	\$ 7,063,044	\$ 8,050,291	\$ 9,553,163	\$ 8,447,920	\$ 9,564,768	\$ 9,232,325
Net (Expense)/Revenue						
Governmental activities	\$ (9,813,672)	\$ (9,656,788)	\$ (10,093,648)	\$ (11,985,789)	\$ (11,412,023)	\$ (12,243,262)
Business-type activities	(310,117)	535,504	(50,329)	169,921	431,655	837,981
Total primary government net expense	\$ (10,123,789)	\$ (9,121,284)	\$ (10,143,977)	\$ (11,815,868)	\$ (10,980,368)	\$ (11,405,281)
General Revenues and Other Changes in Net Position						
Governmental activities:						
Property taxes	\$ 7,845,641	\$ 8,200,725	\$ 8,732,711	\$ 9,497,650	\$ 9,353,966	\$ 9,827,813
Tax Increments	970,846	990,776	1,050,601	1,186,395	1,636,609	2,147,517
Unrestricted grants and contributions	603,307	579,440	564,396	434,163	309,609	306,215
Unrestricted investment earnings	389,548	790,079	754,338	387,424	170,960	121,229
Gain on sale of capital assets	43,955	8,460	9,456	16,150	9,796	-
Transfers	107,508	145,000	145,000	145,000	145,000	145,000
Total governmental activities	9,960,805	10,714,480	11,256,502	11,666,782	11,625,940	12,547,774
Business-type activities:						
Unrestricted investment earnings	44,891	102,488	84,670	21,714	12,841	9,138
Gain on sale of capital assets	-	-	3,300	-	367	-
Loss on disposal of capital assets	-	-	-	(106,924)	(12,048)	-
Transfers	(107,508)	(145,000)	(145,000)	(145,000)	(145,000)	(145,000)
Total business-type activities	(62,617)	(42,512)	(57,030)	(230,210)	(143,840)	(135,862)
Total primary government	\$ 9,898,188	\$ 10,671,968	\$ 11,199,472	\$ 11,436,572	\$ 11,482,100	\$ 12,411,912
Change in Net Position						
Governmental activities	147,133	1,057,692	1,162,854	(319,007)	213,917	304,512
Business-type activities	(372,734)	492,992	(107,359)	(60,289)	287,815	702,119
Total primary government	\$ (225,601)	\$ 1,550,684	\$ 1,055,495	\$ (379,296)	\$ 501,732	\$ 1,006,631

Fiscal Year				
	2011	2012	2013	2014
\$	1,719,970	\$ 2,056,756	\$ 2,108,141	\$ 2,276,155
	6,213,995	6,382,270	6,357,722	6,526,230
	170,018	136,528	165,649	171,187
	3,332,067	3,226,807	5,845,437	5,709,009
	2,859,900	2,362,030	2,000,868	2,247,553
	1,644,834	1,726,812	1,857,743	1,941,912
	871,902	811,914	908,264	711,697
	<u>16,812,686</u>	<u>16,703,117</u>	<u>19,243,824</u>	<u>19,583,743</u>
	1,263,835	1,365,542	1,387,807	1,540,940
	1,800,126	1,816,058	1,995,886	2,042,106
	407,057	451,659	448,170	508,686
	778,044	862,286	825,329	834,113
	416,166	430,082	426,634	460,246
	-	-	-	-
	607,090	563,863	615,043	625,667
	5,272,318	5,489,490	5,698,869	6,011,758
\$	<u>22,085,004</u>	<u>22,192,607</u>	<u>24,942,693</u>	<u>25,595,501</u>
\$	42,112	\$ 40,360	\$ 76,477	\$ 56,635
	186,611	159,642	180,548	118,248
	41,815	55,331	57,032	57,235
	73,519	78,226	75,840	96,573
	206,916	3,444	228	242
	623,147	684,018	756,011	740,147
	2,325,158	3,499,465	5,273,474	2,943,889
	1,751,464	1,350,147	1,775,717	2,728,416
	<u>5,250,742</u>	<u>5,870,633</u>	<u>8,195,327</u>	<u>6,741,385</u>
	1,395,306	1,534,071	1,483,133	1,497,699
	1,838,949	2,015,166	1,999,333	2,025,763
	803,417	801,345	799,603	802,898
	939,421	894,534	901,670	906,387
	385,748	70,976	65,055	31,914
	-	-	-	-
	255,188	255,921	272,109	256,884
	190,442	698,769	561,111	795,199
	28,250	206,681	144,076	-
	5,836,721	6,477,463	6,226,090	6,316,744
\$	<u>11,087,463</u>	<u>12,348,096</u>	<u>14,421,417</u>	<u>13,058,129</u>
\$	(11,561,944)	\$ (10,832,484)	\$ (11,048,497)	\$ (12,842,358)
	564,403	987,973	527,221	304,986
\$	<u>(10,997,541)</u>	<u>(9,844,511)</u>	<u>(10,521,276)</u>	<u>(12,537,372)</u>
\$	9,952,156	\$ 10,354,188	\$ 10,565,115	\$ 11,207,914
	2,239,668	2,332,863	2,002,607	2,700,110
	312,519	20,724	21,152	20,510
	108,956	106,304	105,213	193,546
	42,343	38,427	34,651	27,235
	145,000	145,000	145,000	493,093
	<u>12,800,642</u>	<u>12,997,506</u>	<u>12,873,738</u>	<u>14,642,408</u>
	8,319	9,800	18,788	24,503
	26,879	8,000	21,855	-
	-	-	-	-
	(145,000)	(145,000)	(145,000)	(493,093)
	(109,802)	(127,200)	(104,357)	(468,590)
\$	<u>12,690,840</u>	<u>12,870,306</u>	<u>12,769,381</u>	<u>14,173,818</u>
	1,238,698	2,165,022	1,825,241	1,800,050
	454,601	860,773	422,864	(163,604)
\$	<u>1,693,299</u>	<u>3,025,795</u>	<u>2,248,105</u>	<u>1,636,446</u>

City of Hopkins

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 943,474	\$ 971,517	\$ 1,157,142	\$ 111,806
Unreserved	3,367,721	3,345,606	3,304,729	3,884,309
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 4,311,195</u>	<u>\$ 4,317,123</u>	<u>\$ 4,461,871</u>	<u>\$ 3,996,115</u>
All other Governmental Funds				
Reserved reported in:				
Special Revenue Funds	\$ 6,010,974	\$ 5,625,355	\$ 3,137,313	\$ 3,189,829
Capital Projects Funds	-	-	-	-
Debt Service Funds	6,303,112	2,852,655	12,982,623	3,250,202
Unreserved reported in:				
Special Revenue Funds	969,812	1,539,404	1,070,230	955,772
Capital Projects Funds	3,945,500	1,718,021	1,808,708	1,381,657
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 17,229,398</u>	<u>\$ 11,735,435</u>	<u>\$ 18,998,874</u>	<u>\$ 8,777,460</u>
Total all funds	<u>\$ 21,540,593</u>	<u>\$ 16,052,558</u>	<u>\$ 23,460,745</u>	<u>\$ 12,773,575</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					
2009	2010	2011	2012	2013	2014
\$ 196,790	\$ 182,211	\$ -	\$ -	\$ -	\$ -
3,930,996	4,071,049	-	-	-	-
-	-	174,487	196,500	231,608	213,499
-	-	591,676	508,767	426,768	339,055
-	-	4,266,048	4,488,876	4,823,141	5,184,081
<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>	<u>\$ 5,736,635</u>
\$ 3,528,529	\$ 2,844,901	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,021,748	4,850,159	-	-	-	-
(24,957)	590,281	-	-	-	-
1,264,405	3,572,002	-	-	-	-
-	-	2,674,342	1,718,341	1,495	201
-	-	5,823,862	6,312,043	5,199,415	12,683,242
-	-	926,349	2,679,389	4,509,026	4,574,733
-	-	2,502,336	4,785,717	3,313,086	4,162,299
-	-	(1,916,865)	(2,090,788)	(2,011,214)	(2,029,619)
<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>\$ 19,390,856</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>	<u>\$ 25,127,491</u>

City of Hopkins

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Property Taxes	\$ 7,788,557	\$ 8,134,915	\$ 8,473,516	\$ 8,844,113
Tax Increments	970,846	990,776	1,050,601	1,186,395
Special Assessments	1,368,262	1,288,437	1,172,977	1,120,741
Intergovernmental	1,177,016	1,036,645	2,115,670	1,053,405
Licenses and Permits	643,811	540,120	880,443	744,502
Charges for Services	1,017,343	631,655	729,365	872,388
Fines and Forfeits	207,454	203,830	215,051	188,003
Investment Earnings	358,336	705,591	638,796	318,074
Miscellaneous	558,575	692,649	851,203	709,915
Total revenues	<u>14,090,200</u>	<u>14,224,618</u>	<u>16,127,622</u>	<u>15,037,536</u>
Expenditures				
Current:				
General Government	1,332,796	1,366,246	1,597,503	1,590,347
Public Safety	4,848,336	4,994,273	5,290,802	5,779,047
Health and Welfare	176,552	176,502	184,541	232,163
Highways and Streets	1,812,403	1,824,658	2,091,043	2,224,338
Urban Redevelopment and Housing	911,005	944,577	1,787,131	935,402
Culture and Recreation	1,093,699	997,987	1,122,891	1,289,323
Other	-	-	-	-
Capital outlay	2,489,137	3,055,815	5,830,516	1,228,755
Debt Service				
Principal	2,306,152	4,926,284	1,610,000	1,705,000
Interest and fiscal charges	1,535,171	1,418,311	1,131,514	1,100,211
Bond Issuance Costs	41,906	-	81,109	-
Total expenditures	<u>16,547,157</u>	<u>19,704,653</u>	<u>20,727,050</u>	<u>16,084,586</u>
Excess (deficiency) of revenues over expenditures	<u>(2,456,957)</u>	<u>(5,480,035)</u>	<u>(4,599,428)</u>	<u>(1,047,050)</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	1,625,994	5,273,592	14,940,055	1,043,155
Transfer Out	<u>(1,618,486)</u>	<u>(5,278,592)</u>	<u>(14,745,055)</u>	<u>(898,155)</u>
Total other financing sources (uses)	<u>3,388,268</u>	<u>(5,000)</u>	<u>12,004,615</u>	<u>145,000</u>
Net change in fund balances	<u>\$ 931,311</u>	<u>\$ (5,485,035)</u>	<u>\$ 7,405,187</u>	<u>\$ (902,050)</u>
Debt service as a percentage of noncapital expenditures	27.3 %	38.1 %	18.4 %	18.9 %

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						
	2009	2010	2011	2012	2013	2014
\$	9,377,127	\$ 9,795,318	\$ 10,038,514	\$ 10,403,945	\$ 10,600,854	\$ 11,212,334
	1,636,535	2,147,517	2,239,668	2,332,863	2,002,607	2,700,110
	1,071,406	1,128,467	1,446,922	1,307,949	1,634,903	1,202,401
	1,220,766	1,215,163	1,931,333	1,549,464	3,775,172	3,272,977
	820,031	623,492	691,962	476,296	649,672	569,585
	875,470	800,115	908,106	787,724	884,354	835,960
	148,172	138,894	174,303	253,530	251,170	229,807
	135,569	106,128	94,409	94,235	94,024	172,012
	1,024,879	589,604	701,683	1,881,347	1,343,592	1,148,505
	<u>16,309,955</u>	<u>16,544,698</u>	<u>18,226,900</u>	<u>19,087,353</u>	<u>21,236,348</u>	<u>21,343,691</u>
	1,552,712	1,576,676	1,598,885	4,038,893	2,019,932	2,126,004
	5,888,481	5,881,633	5,895,640	6,144,206	6,089,431	6,154,320
	273,760	177,732	168,202	136,169	164,237	167,088
	2,139,351	2,082,853	2,337,018	2,193,209	4,709,377	4,495,659
	1,586,083	1,881,610	2,826,172	2,348,694	1,979,001	2,192,453
	1,278,108	1,339,695	1,510,024	1,581,886	1,688,876	1,747,614
	-	-	-	-	-	-
	1,556,121	1,358,792	1,972,143	2,470,049	4,272,737	2,144,714
	1,805,000	4,665,000	2,065,000	1,635,000	3,265,000	1,970,000
	1,037,372	953,232	852,184	819,238	853,433	709,367
	34,972	49,233	-	-	-	-
	<u>17,151,960</u>	<u>19,966,456</u>	<u>19,225,268</u>	<u>21,367,344</u>	<u>25,042,024</u>	<u>21,707,219</u>
	<u>(842,005)</u>	<u>(3,421,758)</u>	<u>(998,368)</u>	<u>(2,279,991)</u>	<u>(3,805,676)</u>	<u>(363,528)</u>
	341	-	-	-	-	-
	2,865,000	4,515,000	-	5,985,000	1,920,000	8,240,000
	(24,400)	(45,150)	-	(12,830)	-	-
	-	-	-	65,705	42,010	214,606
	-	-	(215,000)	-	-	-
	1,088,875	7,808,068	1,504,822	4,788,179	2,948,556	9,351,659
	<u>(943,875)</u>	<u>(7,663,068)</u>	<u>(1,359,822)</u>	<u>(4,989,453)</u>	<u>(3,210,410)</u>	<u>(8,858,566)</u>
	<u>2,985,941</u>	<u>4,614,850</u>	<u>(70,000)</u>	<u>5,836,601</u>	<u>1,700,156</u>	<u>8,947,699</u>
\$	<u>2,143,936</u>	<u>\$ 1,193,092</u>	<u>\$ (1,068,368)</u>	<u>\$ 3,556,610</u>	<u>\$ (2,105,520)</u>	<u>\$ 8,584,171</u>
	18.20 %	30.20 %	16.90 %	13.00 %	19.80 %	13.70 %

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>
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
2014	838,714	277,435	419,190	177,413	1,492	179,699	1,534,545	62.290

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
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
2014	55.743	8.547	64.290	32.358	49.959	3.335	8.716	94.368	158.658

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

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		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy		
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 %	188,029	9,289,487	97.3 %	313,627	3.2 % (2)
2010	8,733,685	1,267,000	10,000,685	9,533,671	95.3 %	156,966	9,690,637	96.4 %	310,048	3.4 % (3)
2011	9,022,414	1,241,000	10,263,414	9,828,089	95.8 %	169,485	9,997,574	96.8 %	265,840	2.8 % (4)
2012	9,119,591	1,306,400	10,425,991	10,181,764	97.7 %	111,901	10,293,665	96.4 %	132,326	0.9 %
2013	9,219,774	1,306,400	10,526,174	10,319,805	98.0 %	74,657	10,394,462	98.0 %	131,712	1.2 %
2014	9,268,754	1,421,461	10,690,215	10,506,537	98.3 %	-	10,506,537	98.0 %	183,678	1.7 %

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			
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
2014	15,092,501	-	4,095,716	10,123,177	194,868	5,488,002	34,994,264	16.89 %	1,897

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				
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
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
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
2008	12,420,000	2,690,000	5,975,000	8,135,000	29,220,000	3,250,202	25,969,798	1.539 %	1,482
2009	11,586,754	2,335,972	8,667,212	10,263,615	32,853,553	6,021,748	26,831,805	1.587 %	1,535
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
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
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
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
2014	15,092,501	10,123,177	5,488,002	4,095,716	34,799,396	10,427,856	24,371,540	1.584 %	1,320

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

G.O. Revenue bonds are included as they are backed by the full taxing authority of the City should revenues fall short of debt requirements

City of Hopkins

Direct and Overlapping Governmental Activities Debt
As of December 31, 2014

	<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	\$ 163,030,000	15.90 %	\$ 25,921,770
St. Louis Park ISD 283	49,935,000	0.39 %	194,747
Other Debt:			
Hennepin County	766,200,000	1.14 %	8,734,680
Hennepin Suburban Park District	64,495,000	1.56 %	1,006,122
Hennepin Regional RR Authority	36,205,000	1.56 %	564,798
Metropolitan Council	220,775,000	0.59 %	1,302,573
Subtotal - overlapping debt			<u>37,724,689</u>
City of Hopkins Direct Debt (b,c)	29,294,868	100 %	<u>29,294,868</u>
Total Direct and Overlapping Debt:			<u><u>\$ 67,019,557</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 excludes revenue bonds.

City of Hopkins

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

Legal Debt Margin Calculation for Fiscal Year 2014

Market value	\$ 1,534,544
Debt limit (3% of market value)	46,036
Debt applicable to limit:	
General Obligation Bonds	15,092
Less: Amount set aside for repayment of general obligation debt	(6,356)
Total net debt applicable to limit	<u>8,736</u>
Legal debt margin	<u><u>\$ 37,300</u></u>

	<u>Fiscal Year</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>	<u>2014</u>
Debt limit	\$ 29,036	\$ 31,603	\$ 33,252	\$ 50,615	\$ 50,734	\$ 47,121	\$ 43,806	\$ 42,189	\$ 46,161	\$ 46,036
Total net debt applicable to limit	<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>	<u>8,736</u>
Legal debt margin	<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>	<u><u>\$ 37,300</u></u>
Total net debt applicable to the limit as a percentage of debt limit	2.24%	1.57%	29.38%	18.30%	17.29%	21.53%	21.80%	22.29%	19.29%	18.98%

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	
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
2014	1,497,699	265,000	68,704	4.49	2,025,763	70,000	46,193	17.43	802,898	205,000	36,745	3.32

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

Fiscal Year	Population (1)	Personal Income (2) <i>(thousands of dollars)</i>	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2005	17,675	\$ 151,732	\$ 39,323	9,444	3.7
2006	17,263	156,551	40,267	9,376	3.9
2007	17,367	166,143	42,299	9,318	4.5
2008	17,526	176,035	44,364	9,308	6.4
2009	17,481	182,075	45,459	9,333	6.7
2010	17,591	174,808	43,265	9,241	6.5
2011	17,591	180,988	44,489	9,107	5.5
2012	17,701	193,488	47,136	8,556	5.1
2013	17,939	203,498	49,147	8,555	4.3
2014	18,413	206,789	49,460	8,489	3.8

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 Metropolitan Area

(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	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Cargil	4,000	1	27.624 %	-	-	- %
SuperValu	707	2	4.883	1,558	1	13.786
ISD 270 Hopkins (1)	425	3	2.935	501	2	4.433
Thermotech	400	4	2.762	281	3	2.487
U.S. Post Office	314	5	2.169	-	-	-
Oak Ridge Country Club	212	6	1.464	230	4	2.035
Augustana Chapel View Homes	210	7	1.450	180	5	1.593
US Bank	185	8	1.278	100	9	0.885
City of Hopkins	132	9	0.912	154	6	1.363
Walser Chrysler Jeep	100	10	0.691	100	10	0.885
Golden Living Center	-	-	-	120	7	1.062
EDCO Products	-	-	-	120	8	1.062
Total	<u>6,685</u>		<u>46.168 %</u>	<u>3,344</u>		<u>29.591 %</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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrative Services	5.55	5.55	5.15	5.05	4.95	4.80	4.80	4.95	5.00	5.00
Finance	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Municipal Building	1.40	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Community Services	8.90	8.90	9.48	9.85	9.95	9.95	9.95	9.80	9.80	9.70
Public Safety										
Police	37.50	38.50	39.40	39.45	40.00	39.00	40.00	39.50	36.45	34.50
Fire	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.25	1.25
Public Works	19.50	18.60	18.59	18.60	18.70	17.77	17.25	17.69	17.69	17.09
Recreation										
Activity Center	4.10	4.10	4.00	3.30	3.30	3.30	3.30	3.20	3.20	3.20
Skate Park	-	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Planning & Zoning	1.20	1.20	1.20	1.15	1.15	1.35	1.35	1.35	1.35	1.35
Community Development	-	-	-	-	-	-	-	0.85	0.85	0.85
Total General Government	<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>81.69</u>	<u>79.04</u>
Special Revenue Funds										
Economic Development	1.60	1.60	1.60	1.78	1.75	1.75	1.60	1.60	1.15	1.60
Paratransit	0.20	0.20	0.20	0.20	0.20	-	-	-	-	-
Housing Rehabilitation	0.70	0.70	0.70	0.85	0.85	0.85	0.85	-	-	-
Parking	2.00	2.00	1.00	1.00	1.00	1.00	1.00	0.72	0.72	0.72
Section 8	1.40	1.40	1.35	-	-	-	-	-	-	-
Communication	0.05	0.05	0.10	0.10	0.10	0.40	0.25	0.25	0.25	0.25
Depot Coffee House	1.93	-	0.05	1.00	1.00	1.00	1.50	1.50	2.50	2.50
Art Center	4.22	4.05	4.05	4.05	4.05	4.05	4.55	4.30	3.80	3.80
Total Special Revenue Funds	<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>8.42</u>	<u>8.87</u>
Enterprise Funds										
Water	3.24	3.25	3.25	3.76	3.67	3.11	3.11	3.13	3.13	3.13
Sanitary Sewer	3.55	3.56	3.56	4.07	4.08	3.44	3.44	3.46	3.46	3.46
Refuse	4.15	4.08	4.08	4.09	4.12	3.40	3.58	3.89	3.89	3.89
Storm Sewer	0.47	0.46	0.46	0.46	0.46	0.42	0.42	0.63	0.63	0.63
Pavilion/Ice Arena	2.44	2.90	2.72	3.80	3.80	3.05	2.45	2.40	2.40	2.40
Art Center	-	-	-	-	-	-	-	-	-	-
Skate Park	-	-	-	-	-	-	-	-	-	-
Housing and Redevelopment	1.90	2.40	2.45	2.05	2.05	2.05	2.20	2.20	2.20	2.20
Total Enterprise Funds	<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>	<u>15.71</u>
Total	<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>105.82</u>	<u>103.62</u>

Source: City Finance Office

City of Hopkins

Operating Indicators by Function/Program
Last Ten Years

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
General Government					
Elections	1	2	1	2	1
Registered voters	9,708	10,621	8,330	11,233	9,548
Number of votes cast	2,601	6,279	1,146	8,835	861
Voter participation (registered)	26.8%	59.1%	13.80%	78.70%	9.06%
Public Safety					
Police					
Total Calls for Service	19,049	18,567	19,137	19,440	19,238
Sworn Officers	26	26	26	26	26
Traffic Stops	2,916	3,321	4,287	3,042	2,698
Parking Citations	1,122	841	747	647	925
Fire					
Fires	76	59	70	45	38
False Alarm	107	101	70	101	107
Fire Runs	337	297	350	291	220
Medical Runs	121	68	59	67	56
Average Response Time (minutes)	5.3	5.3	4.3	4.0	4.2
Inspections					
Building Permits	365	494	377	897	381
Value of Building Permits	\$ 32,333,498	\$ 14,272,117	\$ 50,544,210	\$ 45,074,024	\$ 54,688,290
Public Works					
Miles of seal coating	4	4	3.2	2.60	0.55
Miles of crack sealing	3.25	3.25	2.88	4.97	3.71
Sidewalk repairs in square feet	2,875	2,875	4,279	4,930	6,228
Alley repairs in square yards	143	130	253	238	142
Culture and Recreation					
Art Center					
Bookings	5,598	5,570	6,054	5,593	5,392
Reserved Hours	36,950	35,710	39,060	34,760	33,780
Customer Visits for Events/Activities	182,800	202,000	203,000	212,000	203,100
Water					
Gallons of water pumped (in millions)	744.0	786.0	794.7	774	813
Number of well house inspections	2,488	2,488	2,488	2,488	2,484
Number of hydrants flushed	100+	100+	100+	100+	130
Water Rate	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.65	\$ 1.86
Sanitary Sewer					
Sanitary sewage flow (in millions of gallons)	647.0	638.0	641.3	626.2	580.2
Miles of sewer lines jettied	15.0	14.6	17.3	14.6	14.2
Number of manholes checked/cleaned	222	262	441	344	1,290
Lift Station Maintenance checks	4,374	4,374	4,374	3,855	4,312
Sewer Rate	\$ 2.25	\$ 2.50	\$ 2.50	\$ 2.70	\$ 3.10
Refuse					
Number of refuse accounts	2,673	2,766	2,670	2,678	2,689
Tons of refuse collected	2,643	2,549	2,448	2,393	2,335
Tons of recycled material (residential)	1,185	1,118	1,138	1,080	1,194
Refuse rate	\$ 12.50-15.90	\$ 12.50-15.90	\$ 12.50-15.90	\$ 17.25	\$ 15.85-21.85
Recycling rate	\$ 2.75	\$ 2.75	\$ 2.75	\$ 3.25	\$ 3.50
Pavilion/Ice Arena					
Ice time rental hours	1,433	1,443	1,458	1,469	1,456
Turf use hours	362	407	442	479	624
Mezzanine rental use	351	339	345	400	495

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					
2010	2011	2012	2013	2014	
2	1	2	1	2	
9,393	9,691	10,912	9,917	109,123	
5,761	961	9,130	1,674	9,130	
61.30%	9.90%	83.70%	16.90%	83.70%	
19,141	21,257	25,379	25,286	26,140	
26	26	26	26	26	
2,597	5,231	7,602	6,333	5,741	
914	865	958	979	820	
58	40	36	38	51	
98	95	91	101	100	
370	331	382	382	428	
66	77	141	178	195	
4.0	4.0	4.0	4.2	4.2	
422	631	501	509	455	
\$ 10,968,955	\$ 19,211,258	\$ 9,804,196	\$ 44,183,445	\$ 16,453,935	
0.95	0.85	5.36	5.49	1.51	
1.99	7.26	4.13	3.75	1.84	
5,252	5,831	5,770	5,172	4,482	
170	200	201	190	41	
4,913	4,307	4,307	4,440	4,747	
30,414	26,406	26,406	27,442	29,440	
205,319	219,975	219,975	213,487	215,371	
794	744	781	817	812	
2,501	2,446	2,480	2,465	2,510	
144	151	142	138	150	
\$ 1.90	\$ 1.90	\$ 1.96	\$ 2.02	\$ 2.10	
567.8	606.5	601.9	579.0	628.6	
15.4	14.6	14.7	16.2	14.6	
1,301	1,421	1,337	1,413	1,400	
4,310	4,321	4,314	4,307	4,401	
\$ 3.40	\$ 3.60	\$ 3.75	\$ 3.90	\$ 4.10	
2,695	2,687	2,681	2,706	2,709	
2,298	2,265	2,470	2,136	2,393	
1,148	1,222	1,182	757	1,114	
\$ \$15.85 - 21.85	\$ \$16.85 - 23.15	\$ \$16.85 - 24.30	\$ \$16.85 - 24.30	\$ \$16.85 - 24.30	
\$ 3.75	\$ 3.75	\$ 4.00	\$ 4.25	\$ 4.25	
1,455	1,407	1,429	1,401	1,370	
624	758	869	865	810	
776	1,150	1,260	1,386	2,147	

City of Hopkins

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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