



Comprehensive Annual Financial Report 2018

City of
BURNSVILLE, MINNESOTA

For The Year Ended December 31, 2018

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CITY OF BURNSVILLE, MINNESOTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended December 31, 2018

Prepared by:
Department of Finance

CITY OF BURNSVILLE, MINNESOTA

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June 4, 2019

City Council and Residents
City of Burnsville
100 Civic Center Parkway
Burnsville, Minnesota 55337

To the Mayor, City Council and Residents of the City of Burnsville:

Minnesota Statutes require all cities to issue an annual report on the city's financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, the City hereby issues the Comprehensive Annual Financial Report of the City of Burnsville, Minnesota (the City) for the year ended December 31, 2018. The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Code.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, statistical tables, etc., rests with the management of the City of Burnsville. Management assumes full responsibility for the completeness and reliability of the information contained in this report.

The City's management has established a system of internal controls designed to protect the City's assets and to provide reliable financial information. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Company, P.A. and an unmodified ("clean") opinion has been issued. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the City

The City is a southern second-tier suburb of Minneapolis and St. Paul, Minnesota. It was incorporated in 1964 and covers 27 square miles. With a population of 62,239, Burnsville is the second largest city in Dakota County, tenth largest suburb in the Twin Cities metro area, and the fifteenth largest city in the State of Minnesota.

The City is a Plan B statutory city with a City Council / City Manager form of government. The City Council consists of a Mayor and four Council Members elected at-large. All policy and legislative decisions are the responsibility of the Council. The Council delegates administrative duties to the City Manager. The City Manager is responsible for hiring and managing City staff.

A strong emphasis has been placed on the City Council's Governance Model. The City Council has adopted a fundamentally different approach to governing by focusing on policy, instead of the details of organizational management. This initiative begins

with establishing a broad framework of desired Ends and Outcomes. The Council governs through strategic leadership and by articulating a collective community vision.

The City provides a full range of services including police protection, a full-time fire department, street and park maintenance and construction, protection of environmental resources, recreation opportunities, city planning, licensing, permits, inspections, and code enforcement. The City operates a water & sanitary sewer utility, a storm sewer utility, a sidewalk/trail snowplowing system, a street lighting system, a youth center, a 9-hole golf course, an ice arena, and a performing arts center. The Council has adopted eight community themes and has defined the desired ENDS & OUTCOMES within each theme. The themes are safety, community enrichment, neighborhoods, development/redevelopment, environment, transportation, City services, and financial management. The City is committed to delivering quality services at an affordable price. The City Council has directed the City staff to provide services to the community through a clearly defined goal, or Mega End Statement (Vision) that states:

People find Burnsville an attractive, well balanced city of residences and businesses, which through a combination of amenities and public/private partnerships, provides a wide range of opportunities for citizens to live, work, learn and play, for a reasonable investment.

In accordance with GASB pronouncements, the City's financial statements include all funds, departments of the City (the primary government), and its component unit. The component unit, included in the City's reporting entity, the Burnsville Economic Development Authority (EDA), has been included because the City has operational responsibility of the EDA. As a result of applying the entity definition criteria of the GASB, the EDA has been included in the City's financial statements as a blended component unit.

The Black Dog Lake Water Management Organization, Dakota Communications Center (DCC), Dakota County Drug Task Force, I-35W Solutions Alliance, and Minnesota Valley Transit Authority (MVTA) are jointly governed organizations and have been excluded from the financial statements.

The City Manager must prepare estimates for an annual budget and submit them to the Council for approval. The budget is prepared and approved at the fund and function level. The City's budget process begins with a review of the City's financial management plan which is the document that provides the framework for financial decision making. The City Council aligns its department budget appropriations with the City Council priorities (ENDS & OUTCOMES). The annual budget includes financial plans for each budgeted fund projecting revenues and expenses for the next five years.

The Council is required to adopt a maximum tax levy and a preliminary budget by October 1st. The City Council discusses the proposed budget at Council work sessions in November. The final budget for the coming year must be adopted no later than December 31st of each year. After the budget is adopted the City Manager has the authority to reallocate resources between departments within funds; however, changes to the total budgeted expenditures require approval by the City Council.

Local Economy

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has decreased 2.3 percent over the past ten years from \$6.4 billion in 2009 to \$6.2 billion in 2018. In the five years 2013-2018, the market value growth averaged 5.7 percent per year. Burnsville continues to monitor valuation trends.

Property value growth consists of both growth from valuation increases on existing properties and growth due to new construction and remodeling. After a phase of rapid and extensive development, the City continues to grow but has attained many of its development objectives. Burnsville is now considered over 98% developed, however, the City continues to promote development and redevelopment. Citywide permits issued in 2018 totaled approximately \$170 million in valuation.

There are 26,152 housing units in Burnsville and about 61% are owner occupied. Just over 65% of the City's housing stock was constructed between 1970 and 1990. The City is proactively addressing the needs for redevelopment and housing maintenance as the City ages to continue to maintain the City's healthy property value growth.

In December 2018, over 35,783 of the city's residents were in the labor force and the average unemployment rate for 2018 was 2.5%, which was similar to the rate for the metro area estimated at 2.7% for the same period. Businesses contribute almost 40 percent of the City's total tax base. Approximately 2,500 businesses are located in Burnsville. The County Road 42 shopping corridor includes Burnsville Center, one of the largest shopping centers in the Midwest with roughly 1.4 million square feet. Burnsville Center maintains an average occupancy rate of close to 85 percent and attracts 8 million visitors per year. Other popular retailers are also located in the corridor making it a regional drawing area. While the city is known for retail shopping, ranking

eighth in Minnesota, the City also ranks tenth in manufacturing and health care, ninth in information, and twelfth in scientific companies.

Long-term Financial Planning

The City faces the financial and redevelopment challenges associated with a recently matured city. Protecting property values of an aging housing stock will become increasingly important to city homeowners as well as maintaining the tax base of the city. The City's property maintenance code enforcement is helping to improve the quality of residences and businesses throughout the community. Slower growth and reduced state government aid have kept pressure on City budgets. Fortunately, the City is well positioned to deal with these challenges because of the broad diversification of the tax base and long-term financial planning. The City has adopted a financial management plan that clearly establishes low tax rates, infrastructure investment, and good standing within the financial community as top priorities. Furthermore, the City has forged partnerships throughout the community that will ensure a coordinated community-wide approach to addressing the challenges and opportunities of the future.

Infrastructure replacement costs will likely consume an increasing portion of the budget. The City has limited room for new construction on undeveloped land, and an aging infrastructure. This combination of limited new tax base and increased demand for enhanced maintenance and replacement of infrastructure (roads, water and sewer utilities and additional storm water improvements) presents the most significant set of financial challenges for the City of Burnsville in the City's history. Numerous strategic steps have been taken to improve the City government's responsiveness to these and other anticipated community needs.

Among the most significant steps taken to date has been the commitment by the City Council to allocate a portion of the general property tax levy to the Infrastructure Trust Fund. In addition, the City Council made a commitment to set utility rates to fund system depreciation for adequate maintenance and replacement of the water and sewer utilities and storm water improvements. These steps have placed the City in a proactive stance for preserving the value of the community's nearly \$500 million capital asset investment. The City prepares annual 5-year capital improvements plan for addition and replacement of the City's infrastructure.

The Council has dedicated franchise fee revenue as a funding source for the long-term capital plan to invest in improving the City's aging facilities. The City Council identified long-term funding needs to maintain, improve and replace the City's existing facilities. In 2014, the City completed a facility study to identify the City's 20-year facility needs. In 2015, the City established the Facilities Capital Fund to centralize facility capital projects and funding sources. In 2016, the City implemented gas and electric utility franchise fees and the City Council has directed these franchise fees to fund facilities capital projects.

The City prepares multi-year financial plans for each of its funds. The plans are updated each year and are included in the annual budget. These plans include projections of revenues, expenditures, fund balance and cash balance for a minimum of five years as well as a comparison to historical actual results and the current budget. A narrative describes the fund, background, sources and uses of funds, assumptions, and challenges for the future. These plans form the foundation for making budget decisions for the City's resources.

The City Council approved a 2019 budget that called for a total increase in tax levy of 4.9%. The adopted 2019 budget addresses fundamental community needs, including maintaining established basic service levels and long-term infrastructure replacement.

Relevant Financial Policies

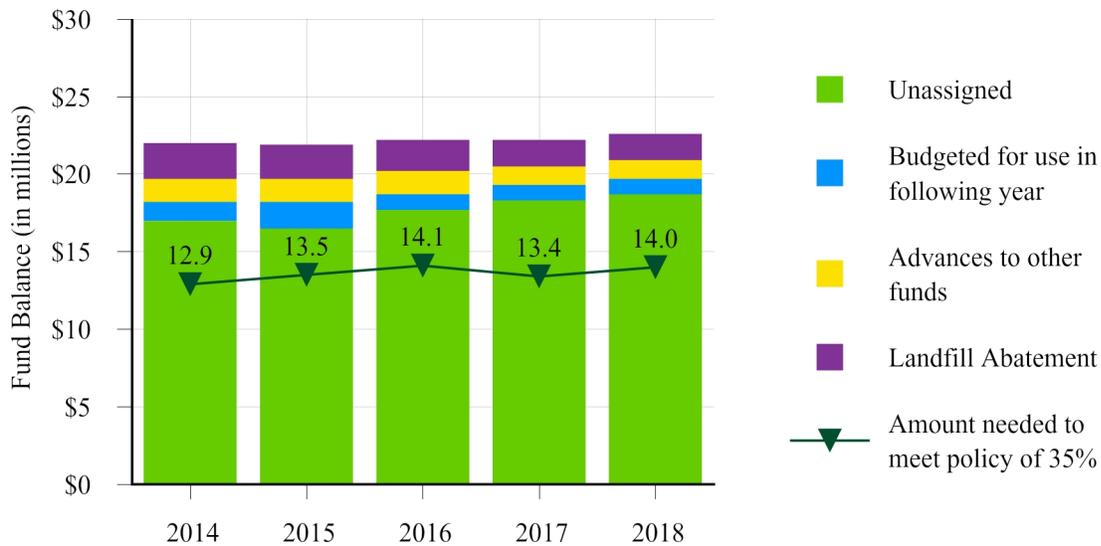
The City has a Financial Management Plan that serves two main purposes. It draws together, in a single document, the City's major financial policies. Also, the plan establishes principles to guide both staff and Council members to make consistent and informed financial decisions. The plan establishes City policy in the following areas:

- revenue management
- cash and investments
- fund balance/net position
- operating budget and compensation philosophy
- capital improvements plan
- Infrastructure Trust Fund
- Economic Development Authority Fund
- Facilities Capital Fund
- debt management
- accounting, auditing and financial reporting
- risk management

Fund Balances

It is important for the financial stability of the City to maintain reserve funds for unanticipated expenditures or unforeseen emergencies, as well as to provide adequate working capital for current operating needs to avoid short-term borrowing. The City’s financial management plan states that the fund balances in the General and Special Revenue Funds will be maintained at a target level of 35% of the operating budget; however, this could fluctuate with each year’s budget objectives and appropriations such as large capital expenditures and variation in the collection of revenues. The balance in the general fund is currently higher than the target level. The financial management plan directs that the use of one-time revenues be used for one-time expenditures.

General Fund - Fund Balance Policy



Major Initiatives

The City completed work on an \$8.7 million project to replace water meters installed in homes and businesses across the City in 2018. It was necessary to replace the current meters as they were beginning to slow and underreport water use, which results in lost revenues to the water system. An efficient and well-maintained system is essential to ensure proper collection of use charges and rate stability.

The Council has embarked on a long-term capital plan to invest in improving the City's aging facilities. The first phase of construction was completed in 2018. It includes a comprehensive renovation of the police station facilities, covered vehicle storage for police vehicles, a redesigned City Hall entrance, community room renovations, additional conference room space and Americans with Disabilities Act (ADA) compliance improvements.

The City’s Northwest River Quadrant along the Minnesota River (MRQ) is the city’s largest area for future development and redevelopment. The City has been preparing for the long-term future development of this 1,700 acre area for several years. The City has received special legislation from the State for Tax Increment Financing (TIF) districts in this area. Street improvements and soil remediation in the area continued in 2018. The City estimates future construction value for this area will exceed \$1.0 billion. Construction improvements will happen over the next 10-15 years.

The City-owned 1,000 seat performing arts center within the Heart of the City completed its tenth year of operation. The City’s 54-acre redevelopment project, Heart of the City, continues to develop a pedestrian-friendly, mixed use downtown area for Burnsville including Nicollet Commons Park, a 1.5-acre town square style park with a water feature, open green area, and a 250-seat outdoor amphitheater. Enhancements to Heart of the City infrastructure including street rehabilitation, additional parking, street lighting, and concrete sidewalks were constructed in 2018. In addition, the City sold land in the area and development of a market rate apartment complex began in 2018.

Improving water quality in the City's lakes and ponds has been a priority. The City has achieved success by having two lakes removed from the Minnesota Pollution Control Agency's (MPCA) impaired water body list and has addressed many past flooding

issues. A major update to the City's Comprehensive Water Resources Management Plan was completed in 2018, and includes work on the parks and recreation master plan, as well as the water resources management plan. The plan is a combination of resource management, regulatory controls, public works management and water quality goals.

Additionally, in 2018 the City initiated a redevelopment plan to address the evolving County Road 42 retail corridor and the Burnsville Center. The City contracted with a consultant to lead this initiative and develop the Center Village Vision, which was adopted by the City Council in 2018. The plan outlines short, mid- and long-range goals for redevelopment of the retail area west of I-35W, south of McAndrews Road, east of Burnhaven Drive and north of Southcross Drive - including the Burnsville Center. It is meant to help guide future policy decisions and spark reinvestment into the area. The plan envisions new neighborhoods and housing mixed with retail uses; as well as other uses such as parks, hotels, clinics, co-sharing work places, start-up offices, brew pubs and maker spaces. The Center Village Vision Plan was developed through a collaborative effort with the consultant and their team of industry experts, along with City representatives, area stakeholders and property owners. The draft plan calls for a future mixed-use pedestrian friendly area. Implementation and setting the table for redevelopment will be planning and economic development priorities for 2019.

Awards & Acknowledgments

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 Burnsville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. This was the 23rd consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

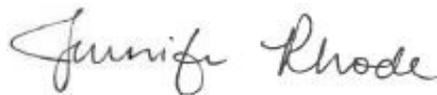
A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Kelly Strey
Finance Director



Jennifer Rhode
Assistant Finance Director



Government Finance Officers Association

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

Presented to

**City of Burnsville
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF BURNSVILLE, MINNESOTA

CITY COUNCIL AND OTHER OFFICIALS

City Council:

Term Expires:

Mayor	Elizabeth Kautz	December 31, 2020
Councilmember	Bill Coughlin	December 31, 2018
Councilmember	Dan Kealey	December 31, 2018
Councilmember	Dan Gustafson	December 31, 2020
Councilmember	Cara Schulz	December 31, 2020

Interim City Manager Dana Hardie

City Clerk Macheal Brooks

MANAGEMENT TEAM, COORDINATORS AND SUPERVISORS

The City of Burnsville strives to recognize the potential for leadership at all levels in the organization. However the demands and complexity of local government services require that lines of accountability exist for organizational performance, as delegated by the City Manager.

Management Team

The first level of responsibility lies with this group of employees who assist the City Manager with overall guidance of the organization:

- Director of Administrative Services
- Public Works Director
- Parks, Recreation, & Facilities Director
- Human Resources Director
- Community Development Director
- Information Technology Director
- Finance Director
- Communications Coordinator
- Fire Chief
- Police Chief

Coordinators

The next level of responsibility lies with the primary managers of these areas:

- City Engineer
- Recreation & Facilities Superintendent
- Recreation and Community Services Manager
- City Clerk
- Financial Operations Director
- Assistant Fire Chiefs (three)
- Police Captains (three)

Supervisors

The next level of responsibility lies with the direct supervisors of front-line employees and service providers throughout the organization.

CITY OF BURNSVILLE, MINNESOTA

ORGANIZATION OF CITY SERVICES



ORGANIZATIONAL MODEL

The City of Burnsville is organized at the direction of the City Manager. As Chief Executive Officer, the Manager is the sole employee of the City Council. The current organizational configuration is non-traditional and has been described as a “molecular model” which seeks to emphasize the relationship of work groups while de-emphasizing hierarchy. The organizational arrangement illustrated above is fluid and can change at the discretion of the City Manager. This current structure is the result of a gradual evolution over the life of the City and will continue to evolve as the needs of the community change.



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Burnsville, 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 Burnsville, Minnesota (the City) as of and for the year ended December 31, 2018, 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.

AUDITOR'S 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 auditor's 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 City'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 City'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.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

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 required supplementary information (RSI), 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 GASB, 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 RSI 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.

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 fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 4, 2019

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Management's Discussion and Analysis

As management of the City of Burnsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the notes to the basic financial statements. Amounts presented in the narrative of this Management's Discussion and Analysis have been rounded to the nearest thousand.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$243,198,000 (net position). Of this amount, \$27,735,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; \$14,981,000 is restricted for specific purposes (restricted net position); and \$200,482,000 represents the net investment in capital assets.
- The City's total net position increased by \$5,145,000. The increase is a combination of surpluses and deficits, including savings from operations, including a decrease in pension expense of \$2,745,000 for 2018. In addition, the City is generating sufficient cash to build significant new infrastructure and pay down current debt.
- The City recorded a change in accounting principle in the current year for reporting the City's participation in an other post employment benefits plan. This change reduced beginning net position in the government-wide financial statements by \$2,554,000.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,146,000, a decrease of \$11,264,000 in comparison with the prior year. The main factor that contributed to this decrease was that the City issued crossover refunding bonds in 2015 and 2016, with proceeds totaling \$13,505,000. The proceeds of these bonds were used to call outstanding bonds on February 1, 2018. The balance is a result of the net effect of budget surpluses and deficits.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$18,721,000, or 47% of total budgeted 2019 general fund expenditures and transfers.
- The City's general obligation debt decreased by \$11,674,000, or 23%, during the current fiscal year. The City's general obligation net bonded debt per capita was \$553 at year-end, an increase from \$533 as of December 31, 2017.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic 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's finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and parks, culture and recreation, conservation of natural resources, and economic development. The business-type activities of the City include water and sewer, storm water, performing arts center, ice arena, golf course, street lighting, and sidewalk snow plowing.

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, 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 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 and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general obligation improvement bonds debt service fund, the infrastructure trust fund capital project fund, and the facilities capital projects fund. Data from the other seventeen governmental 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 adopts an annual budget for its general fund, infrastructure trust capital projects fund and facilities capital projects fund and twelve non-major governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements may be found on pages 32-36 of this report.

Proprietary funds. The City maintains two different 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 uses enterprise funds to account for its water and sewer, storm water, performing arts center, ice arena, golf course, street lighting, and sidewalk snow plowing operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for compensated absences. Because this service predominantly benefits 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 and sewer, storm water, and Ames center (performing arts center) operations, all three of which are considered to be major funds of the City. Data from the other four enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. The compensated absences internal service fund is presented separately in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 37-39 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 41-76 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and related notes. The required supplementary information can be found on page 77-83 of this report.

Other information. The combining statements and schedules referred to earlier in connection with nonmajor governmental and enterprise funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 86-107 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$243,198,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (82 percent) reflects the City's investment in capital assets (e.g., land, permanent easements, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$27,735,000) may be used to meet the government's ongoing obligations to residents and creditors.

City of Burnsville's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 63,888,523	\$ 75,932,451	\$ 28,741,686	\$ 32,453,857	\$ 92,630,209	\$108,386,308
Capital assets, net	133,718,756	131,180,369	132,023,020	128,360,448	265,741,776	259,540,817
Total assets	197,607,279	207,112,820	160,764,706	160,814,305	358,371,985	367,927,125
Total deferred outflows						
of resources	20,293,889	25,104,122	250,829	433,651	20,544,718	25,537,773
Long-term liabilities	71,633,498	87,176,338	26,706,610	24,971,492	98,340,108	112,147,830
Other liabilities	8,349,646	8,677,427	1,853,256	1,885,007	10,202,902	10,562,434
Total liabilities	79,983,144	95,853,765	28,559,866	26,856,499	108,543,010	122,710,264
Total deferred inflows						
of resources	26,784,625	29,767,598	391,130	380,180	27,175,755	30,147,778
Net position:						
Net investment in						
capital assets	110,069,219	106,229,087	107,069,459	109,180,617	200,481,420	197,577,330
Restricted	14,981,193	15,273,178	—	—	14,981,193	15,273,178
Unrestricted	(13,917,013)	(14,906,686)	24,995,080	24,830,660	27,735,325	27,756,348
Total net position	\$111,133,399	\$106,595,579	\$132,064,539	\$134,011,277	\$243,197,938	\$240,606,856

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position, for both the government as a whole as well as for its separate business-type activities. The City reported a deficit of (\$13,917,000) in unrestricted net position for the government activities due to the City's participation in defined benefit plans.

There was an increase in net position in the governmental activities of \$7,092,000 and a decrease of \$1,947,000 in business-type activities, for a net total increase of \$5,145,000 in net position. This change in net position reflects pension expense of \$2,323,000 for 2018, which decreased \$2,745,000 over 2017. Other pension related accounts as presented in the table above also fluctuated during 2018. Deferred inflows of resources, deferred outflows of resources, and long-term liabilities related to pensions decreased in 2018, due to positive investment results and changes in actuarial assumptions for the City's pension funds. These decreases were offset by a change in accounting principle in the current year for reporting the City's other post-employment benefits (OPEB) plan. The proceeds of crossover refunding bonds issued in 2015 and 2016 were used to call outstanding bonds in the amount of \$13,435,000 during 2018, which contributed to the decrease in long-term liabilities and current and other assets.

City of Burnsville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 10,203,911	\$ 9,980,525	\$ 23,953,095	\$ 23,650,065	\$ 34,157,006	\$ 33,630,590
Operating grants and contributions	2,875,147	2,614,858	516,121	625,268	3,391,268	3,240,126
Capital grants and contributions	4,584,959	4,270,577	538,013	524,891	5,122,972	4,795,468
General revenues:						
Property taxes	34,816,920	33,668,989	—	—	34,816,920	33,668,989
Other taxes	2,361,237	2,482,510	—	—	2,361,237	2,482,510
Grants and contributions not restricted to specific programs	1,086,925	1,091,139	40,749	43,642	1,127,674	1,134,781
Unrestricted investment earnings	674,333	503,205	462,133	251,317	1,136,466	754,522
Total revenues	56,603,432	54,611,803	25,510,111	25,095,183	82,113,543	79,706,986
Expenses:						
General government	8,142,548	8,085,296	—	—	8,142,548	8,085,296
Public safety	23,360,171	24,679,300	—	—	23,360,171	24,679,300
Public works and parks	14,539,501	15,303,864	—	—	14,539,501	15,303,864
Culture and recreation	1,023,202	1,067,828	—	—	1,023,202	1,067,828
Conservation of natural resources	1,356,205	1,305,308	—	—	1,356,205	1,305,308
Economic development	515,776	482,403	—	—	515,776	482,403
Interest on long-term debt	1,162,754	1,503,981	—	—	1,162,754	1,503,981
Water and sewer	—	—	17,169,446	15,875,566	17,169,446	15,875,566
Storm water	—	—	4,537,849	4,499,643	4,537,849	4,499,643
Performing arts center	—	—	2,781,704	2,591,863	2,781,704	2,591,863
Ice arena	—	—	1,406,241	1,312,900	1,406,241	1,312,900
Golf course	—	—	294,452	286,178	294,452	286,178
Street lighting	—	—	571,937	643,775	571,937	643,775
Sidewalk snow plowing	—	—	106,420	39,401	106,420	39,401
Total expenses	50,100,157	52,427,980	26,868,049	25,249,326	76,968,206	77,677,306
Increase (decrease) in net position before transfers	6,503,275	2,183,823	(1,357,938)	(154,143)	5,145,337	2,029,680
Transfers	588,800	170,037	(588,800)	(170,037)	—	—
Increase (decrease) in net position	7,092,075	2,353,860	(1,946,738)	(324,180)	5,145,337	2,029,680
Net position on January 1, as restated *	104,041,324	104,241,719	134,011,277	134,335,457	238,052,601	238,577,176
Net position on December 31	\$111,133,399	\$106,595,579	\$132,064,539	\$134,011,277	\$243,197,938	\$240,606,856

* - The City implemented a change in accounting principle for the year ended December 31, 2018 that required a restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2017 and beginning net position on January 1, 2018. See Note I.E.

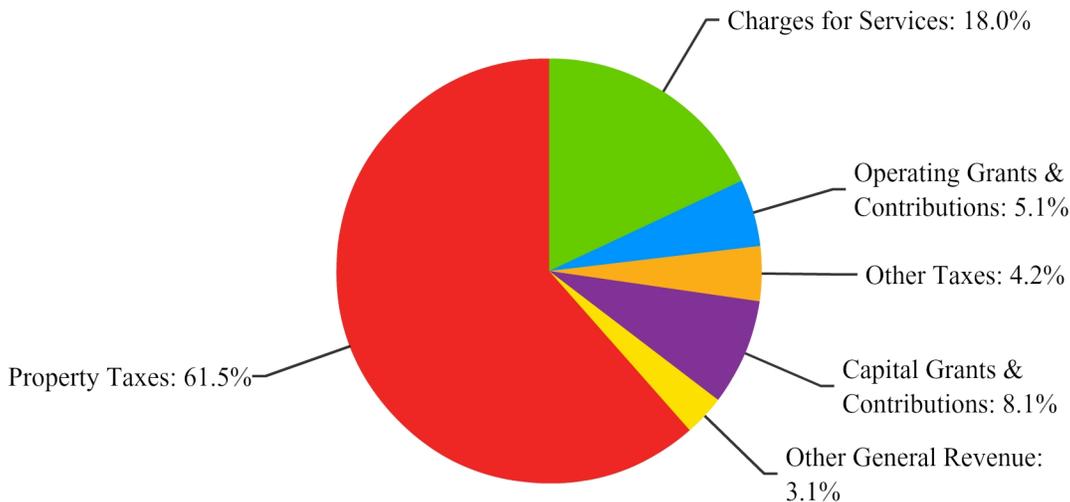
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City’s net position by \$7,092,000 in 2018, while the increase in total net position was \$5,145,000.

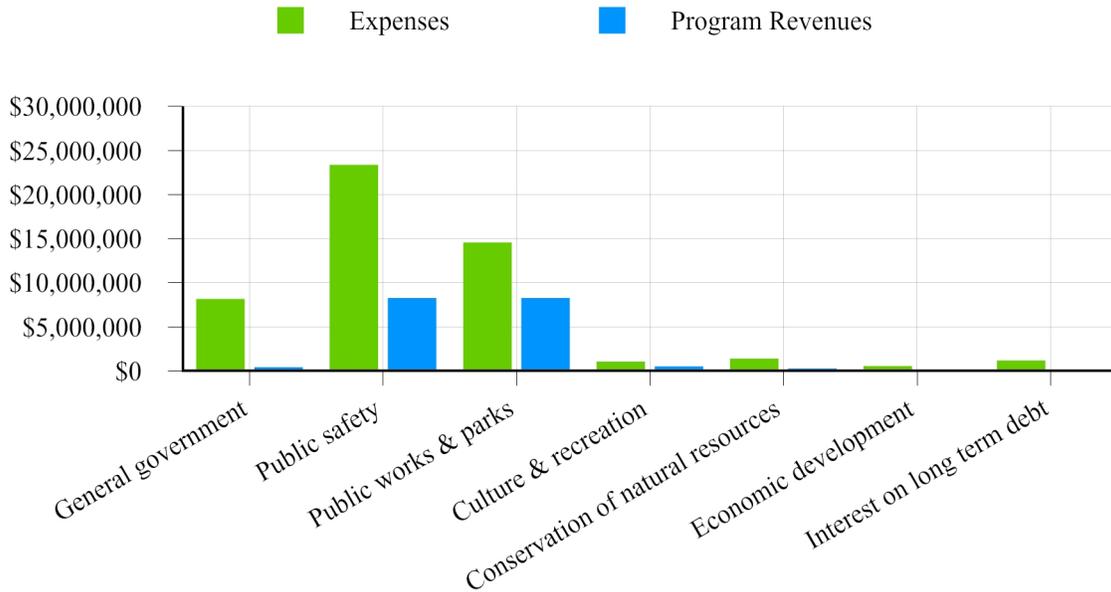
Revenues increased in total by \$1,992,000, or 4%, mainly due to an increase in property and other taxes of \$1,027,000 and smaller increases in program revenues totaling \$798,000. Expenses decreased in total by \$2,328,000, or 4% in 2018. Key elements of these changes follow:

- Property and other taxes increased during 2018 due a 3.9% increase in the levy.
- Unrestricted investment earnings increased by \$337,000 in 2018, a result of higher interest earnings offset by a decrease in the fair value of investments in the current year of \$278,000. In 2017, the fair value of investments decreased by \$112,000.
- Expenses decreased by \$2,328,000, or 4%, for 2018. The main reason for this overall decrease was a decrease in pension expense during 2018, due to the decrease in deferred amounts and the net pension liability in the GASB 68 actuarial valuation. Primary factors contributing to the decrease in the net pension liability were an increased return on investments and a change in actuarial assumptions. Generally, changes in other expenses closely paralleled budgeted amounts across functions.

Revenues by Source - Governmental Activities

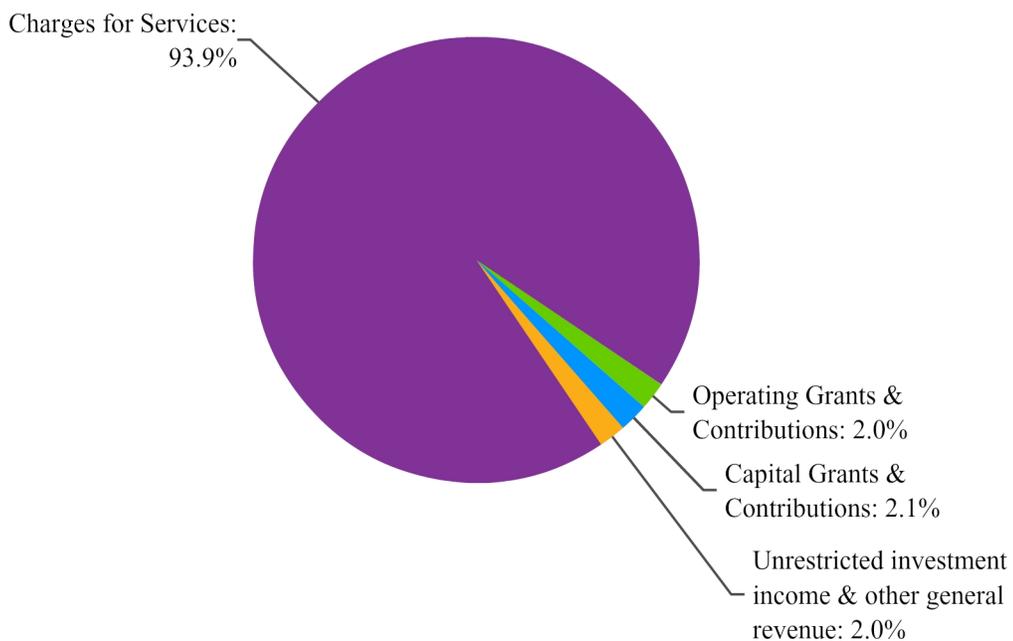


Expenses and Program Revenues - Governmental Activities

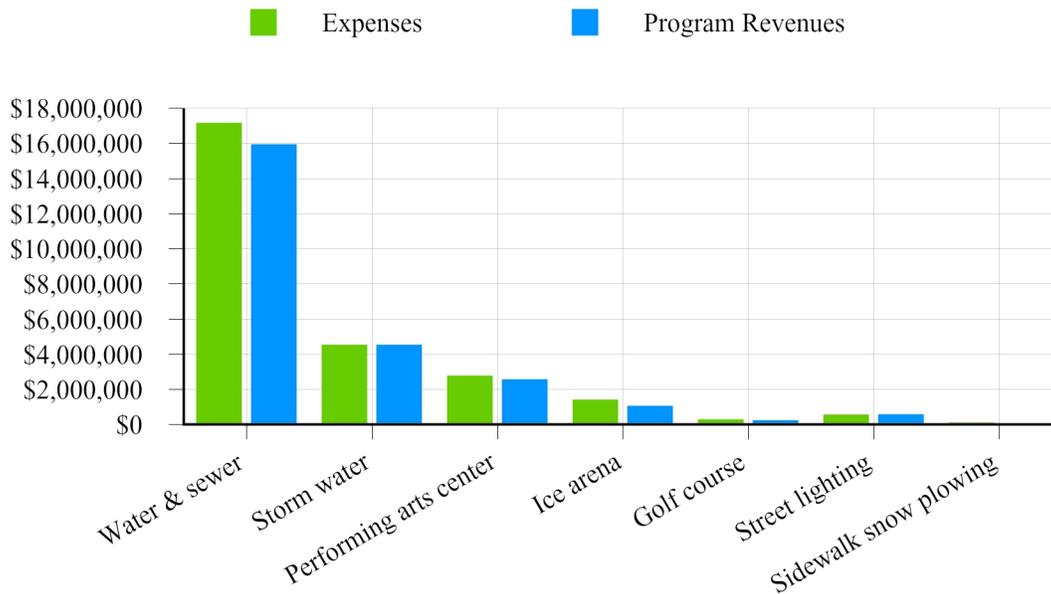


Business-type activities. Business-type activities decreased the City’s net position by \$1,947,000 in 2018, while the increase in total net position was \$5,145,000. Contributing to the 2018 decrease in net position of the business-type activities was a \$1,048,000 loss on disposal of capital assets in the water and sewer fund mainly for the disposal of the city-wide water meter system. Replacement of the city-wide water meter system was completed in 2018

Revenues by Source - Business-Type Activities



Expenses and Program Revenues - Business-Type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,146,000, a decrease of \$11,264,000 in comparison with the prior year. Approximately 75% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is 1) not in spendable form (\$1,192,000), or 2) not available for new spending because it has already been obligated for specific purposes (\$9,988,000).

The general fund is the chief operating fund of the City. At the end of 2018, unassigned fund balance of the general fund was \$18,721,000, while total fund balance reached \$22,609,000. 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 47% of total general fund 2019 budgeted expenditures and transfers, while total fund balance represents 56% of that same amount.

The fund balance of the City's general fund increased by \$271,000 during the current fiscal year. Overall revenues decreased slightly, due to a budgeted decrease in property taxes of \$1,827,000. Increases to licenses and permits and charges for services during 2018 partially offset this decrease. Licenses and permits increased due several large permits issued during 2018. Emergency medical services (EMS) charges for services increased during 2018 from an increase in call volume and increased Medicaid funding from the State. Other revenue categories were close to expected amounts. Transfers from other funds remained unchanged in 2018.

Expenditures and transfers to other funds also decreased by \$675,000 for 2018, and were lower than expected across most departments.

The General Obligation Improvement Bond fund had an increase in fund balance of \$78,000. Total fund balance was \$4,516,000 and \$4,438,000 as of December 31, 2018 and 2017 respectively. The entire fund balance is restricted for the payment of debt service. The increase is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Infrastructure Trust Capital Projects Fund had a increase in fund balance of \$1,156,000 during 2018. The increase is the result of the short time lag between the collection of project funding sources and the expenditures of current projects.

The Facilities Capital Projects fund had a decrease in fund balance of \$1,307,000 during 2018. This decrease in fund balance is the result of the short time lag between the collection of project funding sources, including bonds issued in 2017, and the expenditures for the completion of the current phase I facilities project in 2018.

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

Unrestricted net position of the respective major enterprise funds at the end of the year were \$15,981,000 for the Water and Sewer fund, \$7,438,000 for the Storm Water fund, and \$185,000 for the Ames Center fund. The total change in net position of the major enterprise funds were (\$1,358,000) for the Water and Sewer fund, (\$118,000) for the Storm Water fund and \$72,000 for the Ames Center fund.

The decrease in the Water and Sewer fund net position was mainly due to the loss on disposal of capital assets in 2018. Replacement of the city-wide water meter system was completed in 2018. Interest expense and the loss on sale of capital assets exceeded nonoperating revenues in 2018. Operating revenues and expenses remained stable in 2018.

The decrease in the Storm Water fund net position was mainly due to an operating loss of (\$206,000). Operating revenues increased slightly with a one percent increase in rates for 2018. Operating expenses increased during 2018 for increased maintenance and rehabilitation costs.

The change in net position of the Ames Center fund increased by \$130,000, from (\$58,000) in 2017 to \$72,000 in 2018. The increase in the net position of the Ames Center was mainly the expected result of operations, including the recognition of depreciation of \$558,000 during 2018. Operating revenues increased by \$274,000 during 2018, due to an increase in revenue for shows and events. Naming rights revenues increased by \$25,000 for the Ames Center in 2018. The increase in revenues was partially offset by an increase in operating expenses of \$190,000 to \$2,782,000.

Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were a net increase of \$1,089,000 for expenditures for the fiscal year. The difference between the original budget and final amended budget for revenue was a net increase of \$50,000.

Budget amendments during the year were due to a couple of factors. An amendment of \$1,025,000 was made to increase transfers to other governmental funds for operating cash flow purposes. Generally, the remainder of the amendments to the budget were relatively minor individually and were for changes in expenditures due to new revenue sources such as grants and donations that occur throughout the year.

Actual revenues were greater than budgeted amounts in 2018 by \$1,139,000. Licenses and permits exceeded budgeted revenues in 2018 by \$497,000 mainly due to several large permits issued during 2018. Charges for services revenues were greater than budget by \$535,000. EMS charges for services increased during 2018 for an increase in call volume and increased Medicaid funding from the State. Revenues across other categories were close to budgeted amounts in 2018, and differences were small individually.

Actual expenditures were 2% below budgeted expenditures in total. Total budget savings in the general fund were \$905,000. Budget savings were spread throughout many departments, with the largest savings coming from the general government function. Savings were due to open positions in a few departments, delayed technology spending, as well as utility savings.

General Fund budget to actual information can be found on page 36 and page 90.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$265,742,000 (net of accumulated depreciation). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 2.4 percent (1.9 percent increase for governmental activities and a 2.9 percent increase for business-type activities).

Other than routine infrastructure repairs and replacements, the City's major capital asset events during the current fiscal year included completion of the phase I police and city hall facilities improvements, city-wide water meter replacement, and water treatment plant rehabilitation and improvements.

City of Burnsville's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 21,079,610	\$ 21,741,737	\$ 3,234,899	\$ 3,234,899	\$ 24,314,509	\$ 24,976,636
Permanent easements	2,241,617	2,241,617	3,368,766	3,224,612	5,610,383	5,466,229
Buildings	26,097,634	25,174,052	27,122,205	28,070,486	53,219,839	53,244,538
Infrastructure and improvements	71,352,452	70,654,462	95,906,567	85,317,549	167,259,019	155,972,011
Equipment and vehicles	12,018,713	9,404,850	2,256,754	2,378,313	14,275,467	11,783,163
Construction in progress	928,730	1,963,651	133,829	6,134,589	1,062,559	8,098,240
Total	\$133,718,756	\$131,180,369	\$132,023,020	\$128,360,448	\$265,741,776	\$259,540,817

Additional information on the City's capital assets can be found in note III.C.

Long-term debt. At the end of the current fiscal year, the City had total bonds and notes outstanding of \$64,370,000.

City of Burnsville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 9,215,000	\$ 9,780,000	\$ —	\$ —	\$ 9,215,000	\$ 9,780,000
Tax increment bonds	3,040,000	3,665,000	—	—	3,040,000	3,665,000
Tax abatement bonds	17,410,000	27,350,000	—	—	17,410,000	27,350,000
General obligation improvement bonds	10,352,358	10,896,019	32,642	128,981	10,385,000	11,025,000
Lease revenue bonds	—	4,000,000	—	—	—	4,000,000
General obligation revenue bonds	—	—	19,170,000	18,635,000	19,170,000	18,635,000
General obligation revenue notes	—	—	5,149,825	3,735,390	5,149,825	3,735,390
Total	\$ 40,017,358	\$ 55,691,019	\$ 24,352,467	\$ 22,499,371	\$ 64,369,825	\$ 78,190,390

The City's total debt decreased by \$13,821,000 during the current fiscal year. The decrease was the net effect of three key factors: debt issuance, debt refunding and scheduled retirement of principal.

In 2018, the City issued \$7,665,000 G.O. Tax Abatement, Improvement and Utility Bonds, Series 2018A to replace the ice arena roof and effect a current refunding of certain outstanding lease revenue bonds (Abatement Portion), and finance the special assessment (Improvement Portion) and water and sewer portion (Utility Portion) of infrastructure improvements. The City also issued \$1,749,000 G.O. Revenue Notes to finance the replacement of water meters city-wide. The increase in debt due to bond issuance was offset by the scheduled retirement and crossover refunding of bond principal during 2018.

The City received a "AAA" rating, the highest possible, from Standard and Poor's Rating Services for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total estimated market value of taxable property in the city. The current debt limitation for the City is \$186,130,303, which is significantly in excess of the City's general obligation debt applicable to the limit of \$9,215,000.

Additional information on the City's long-term debt can be found in note III.F.

Economic Factors and Next Year's Budgets and Rates

The City has completed comprehensive 5-year financial plans for all budgeted funds. These plans provide a future perspective to today's decision making. The projections provide an estimate of future fund balances, tax needs for the current service level and the impact that the 2019 budget decisions are projected to have on future years. The City also has a Financial Management Plan that provides policy guidelines for decision making.

The City generally plans to maintain services at the 2018 levels with a 4.9% increase in the property tax levy for 2019. The City Council adopted a general operating and debt budget of \$71.3 million for fiscal year 2019, a 3.9% decrease from the 2018 budget, primarily due to a decrease in debt retirement offset by increases in personnel, current expenses, and capital improvements. The 2019 budget for the enterprise funds is \$34.8 million compared to \$35.2 million for 2018.

- Significant budget changes worth noting for 2019 general operating budget as originally adopted include:
 - Modest increases to wages and employer contribution towards employee benefits, and an increase of 4 full time equivalent positions.
 - Approximately 8% increase in current expenditures across all funds.
 - Increases to personnel and current expenditures resulting from taking sidewalk snowplowing in-house and transferring the activity to the General Fund.
 - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
- The 2019 enterprise fund budget changes include the following:
 - Increase of \$791,000 from 2018 in current expenses for Metropolitan Council Environmental Services (MCES) waste water treatment expense in the Water and Sewer Fund.
 - In 2019, sidewalk snowplowing activities were transferred to the General Fund and the Sidewalk Snow Plowing enterprise fund is closed.
 - Major capital improvements including \$3,400,000 for the rehabilitation of the Heather Hills water tower and \$3,835,000 for the water and sewer portion of street projects in 2019.
 - Capital improvements in the Storm water fund includes rehabilitation and maintenance with the City's street projects and other storm water management projects across the City.
 - Issuance of bonds and related debt service payments for the water and sewer portion of the street reconstruction program.
- The December 2018 unemployment rate for the City was 2.6 percent, which compares favorably with the state's unemployment rate of 3.2 percent and the national unemployment rate of 3.7 percent.
- The City had a 6.2 percent increase in tax base from 2018 to 2019. Estimated taxable market value was \$6.2 billion in 2018.

In 1996, the City Council recognized that the City was nearly fully developed and resources would be required in the future to replace aging infrastructure. In response to this challenge, the City created the Infrastructure Trust Fund, which essentially charges infrastructure depreciation to existing taxpayers, who are wearing out the system, instead of leaving the full replacement cost to the next generation of taxpayers.

The City has been instituting an increase in the rates charged for the various utilities as part of a multi-year plan to raise sufficient reserve balances in order to fully cover system depreciation, thereby allowing for adequate replacement of aging infrastructure. The City does an annual rate study considering budgeted operating costs, and replacement costs of property, plant, and equipment to establish adequate rates. It was determined that rate increases for 2019 (4.5% for Water and Sewer and 1.0% for Storm Water,) were necessary to meet operating and replacement needs. No rate increase was proposed for the Street Lighting Fund.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Burnsville Finance Department, 100 Civic Center Parkway, Burnsville, MN 55337.

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Basic Financial Statements



City of Burnsville
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 49,430,467	\$ 24,281,333	\$ 73,711,800
Receivables (net)	8,964,577	5,513,315	14,477,892
Due from other governments	4,281,935	131,490	4,413,425
Internal balances	1,211,544	(1,211,544)	—
Prepaid items	—	27,092	27,092
Capital assets:			
Land	21,079,610	3,234,899	24,314,509
Permanent easements	2,241,617	3,368,766	5,610,383
Construction-in-progress	928,730	133,829	1,062,559
Buildings	40,201,121	44,060,066	84,261,187
Infrastructure and improvements	186,484,833	178,180,837	364,665,670
Equipment and vehicles	28,085,346	6,538,259	34,623,605
	<u>279,021,257</u>	<u>235,516,656</u>	<u>514,537,913</u>
Less accumulated depreciation	(145,302,501)	(103,493,636)	(248,796,137)
Net capital assets	<u>133,718,756</u>	<u>132,023,020</u>	<u>265,741,776</u>
Total assets	<u>197,607,279</u>	<u>160,764,706</u>	<u>358,371,985</u>
Deferred Outflows of resources			
Deferred outflows of resources - other post-employment benefits	1,175,389	—	1,175,389
Deferred outflows of resources - pensions	19,118,500	250,829	19,369,329
Total deferred outflows of resources	<u>20,293,889</u>	<u>250,829</u>	<u>20,544,718</u>
Total assets and deferred outflows of resources	<u>\$ 217,901,168</u>	<u>\$ 161,015,535</u>	<u>\$ 378,916,703</u>
Liabilities			
Accounts payable	\$ 1,126,152	\$ 1,048,251	\$ 2,174,403
Salaries and other compensation payable	1,403,156	3,695	1,406,851
Accrued interest	58,733	43,702	102,435
Contracts payable	1,139,866	690,295	1,830,161
Due to other governments	189,551	19,117	208,668
Unearned revenue	714,880	—	714,880
Customer and other deposits	3,717,308	48,196	3,765,504
Noncurrent liabilities:			
Due within one year	4,145,656	2,422,322	6,567,978
Due in more than one year	67,487,842	24,284,288	91,772,130
Total liabilities	<u>79,983,144</u>	<u>28,559,866</u>	<u>108,543,010</u>
Deferred Inflows of resources			
Deferred inflows of resources - pensions	<u>26,784,625</u>	<u>391,130</u>	<u>27,175,755</u>
Net Position			
Net investment in capital assets	110,069,219	107,069,459	200,481,420
Restricted			
Debt service	12,982,620	—	12,982,620
Landfill abatement	1,765,676	—	1,765,676
Tax Increment	232,897	—	232,897
Unrestricted	(13,917,013)	24,995,080	27,735,325
Total net position	<u>111,133,399</u>	<u>132,064,539</u>	<u>243,197,938</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 217,901,168</u>	<u>\$ 161,015,535</u>	<u>\$ 378,916,703</u>

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

**City of Burnsville
Statement of Activities
For the Year Ended December 31, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 8,142,548	\$ 380,061	\$ 19,319	\$ —	\$ (7,743,168)	\$ —	\$ (7,743,168)
Public safety	23,360,171	6,485,649	1,746,823	20,000	(15,107,699)	—	(15,107,699)
Public works and parks	14,539,501	2,950,887	732,256	4,564,959	(6,291,399)	—	(6,291,399)
Culture and recreation	1,023,202	377,144	128,333	—	(517,725)	—	(517,725)
Conservation of natural resources	1,356,205	10,170	247,416	—	(1,098,619)	—	(1,098,619)
Economic development	515,776	—	1,000	—	(514,776)	—	(514,776)
Interest on long-term debt	1,162,754	—	—	—	(1,162,754)	—	(1,162,754)
Total governmental activities	<u>50,100,157</u>	<u>10,203,911</u>	<u>2,875,147</u>	<u>4,584,959</u>	<u>(32,436,140)</u>	<u>—</u>	<u>(32,436,140)</u>
Business-Type Activities:							
Water and sewer	17,169,446	15,602,993	6,638	342,081	—	(1,217,734)	(1,217,734)
Storm water	4,537,849	4,287,946	46,101	195,932	—	(7,870)	(7,870)
Performing arts center	2,781,704	2,111,847	460,432	—	—	(209,425)	(209,425)
Ice arena	1,406,241	1,060,331	2,213	—	—	(343,697)	(343,697)
Golf course	294,452	230,732	737	—	—	(62,983)	(62,983)
Street lighting	571,937	576,018	—	—	—	4,081	4,081
Sidewalk snow plowing	106,420	83,228	—	—	—	(23,192)	(23,192)
Total business-type activities	<u>26,868,049</u>	<u>23,953,095</u>	<u>516,121</u>	<u>538,013</u>	<u>—</u>	<u>(1,860,820)</u>	<u>(1,860,820)</u>
Total governmental and business-type activities	<u>\$ 76,968,206</u>	<u>\$ 34,157,006</u>	<u>\$ 3,391,268</u>	<u>\$ 5,122,972</u>	<u>(32,436,140)</u>	<u>(1,860,820)</u>	<u>(34,296,960)</u>
General Revenues:							
Property taxes					34,816,920	—	34,816,920
Lodging tax					389,019	—	389,019
Franchise taxes					1,972,218	—	1,972,218
Grants and contributions not restricted to specific programs					1,086,925	40,749	1,127,674
Unrestricted investment earnings					952,340	462,133	1,414,473
Net change in fair value of investments					(278,007)	—	(278,007)
Transfers					588,800	(588,800)	—
Total general revenues and transfers					<u>39,528,215</u>	<u>(85,918)</u>	<u>39,442,297</u>
Change in Net Position					7,092,075	(1,946,738)	5,145,337
Net Position - Beginning, as restated Note 1.E.					104,041,324	134,011,277	238,052,601
Net Position - Ending					<u>\$ 111,133,399</u>	<u>\$132,064,539</u>	<u>\$243,197,938</u>

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

**City of Burnsville
Balance Sheet
Governmental Funds
December 31, 2018**

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, cash equivalents, and investments	\$ 24,334,703	\$ 4,491,197	\$ 4,656,952	\$ 2,601,943	\$ 10,242,987	\$ 46,327,782
Receivables, net of allowance for uncollectible amounts:						
Property taxes	141,701	703	19,817	4,330	29,636	196,187
Special assessments	125,244	6,208,992	—	—	174,307	6,508,543
Accrued interest	230,318	—	—	—	—	230,318
Accounts receivable	1,461,323	—	—	312,417	255,789	2,029,529
Due from other funds	25,000	—	—	—	20,000	45,000
Due from other governments	1,991,896	24,855	939,960	52,951	1,272,273	4,281,935
Advances to other funds	1,191,544	—	—	—	—	1,191,544
Total Assets	<u>\$ 29,501,729</u>	<u>\$ 10,725,747</u>	<u>\$ 5,616,729</u>	<u>\$ 2,971,641</u>	<u>\$ 11,994,992</u>	<u>\$ 60,810,838</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 701,962	\$ —	\$ —	\$ 33,052	\$ 391,138	\$ 1,126,152
Salaries and other compensation payable	1,403,156	—	—	—	—	1,403,156
Contracts payable	—	—	—	440,444	699,422	1,139,866
Due to other funds	—	—	—	—	25,000	25,000
Due to other governments	161,011	—	—	—	28,540	189,551
Unearned revenue	—	—	714,880	—	—	714,880
Customer and other deposits	3,715,798	—	—	—	1,510	3,717,308
Total Liabilities	<u>5,981,927</u>	<u>—</u>	<u>714,880</u>	<u>473,496</u>	<u>1,145,610</u>	<u>8,315,913</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	141,701	703	19,817	4,330	29,636	196,187
Unavailable revenue - special assessments	—	6,208,992	—	—	174,307	6,383,299
Unavailable revenue - other revenue	769,407	—	—	—	—	769,407
Total Deferred Inflows of Resources	<u>911,108</u>	<u>6,209,695</u>	<u>19,817</u>	<u>4,330</u>	<u>203,943</u>	<u>7,348,893</u>
Fund Balances:						
Nonspendable	1,191,544	—	—	—	—	1,191,544
Restricted	1,711,337	4,516,052	—	1,181,000	2,579,784	9,988,173
Committed	—	—	3,355,721	1,312,815	2,516,145	7,184,681
Assigned	985,000	—	1,526,311	—	5,722,071	8,233,382
Unassigned	18,720,813	—	—	—	(172,561)	18,548,252
Total Fund Balances	<u>22,608,694</u>	<u>4,516,052</u>	<u>4,882,032</u>	<u>2,493,815</u>	<u>10,645,439</u>	<u>45,146,032</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,501,729</u>	<u>\$ 10,725,747</u>	<u>\$ 5,616,729</u>	<u>\$ 2,971,641</u>	<u>\$ 11,994,992</u>	<u>\$ 60,810,838</u>

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

City of Burnsville
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2018

Total governmental fund balances	\$	45,146,032
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets		279,021,257
Accumulated depreciation		(145,302,501)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Receivables, primarily special assessments		7,348,893
The internal service fund is used by management to charge the costs of compensated absences to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Cash		3,102,685
Accrued compensated absences		(3,254,934)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net other post-employment benefit obligations payable		(6,377,808)
Net pension liability		(20,512,961)
Bonds payable, net of unamortized discounts and premiums		(41,249,990)
Capital leases		(237,805)
Accrued interest payable		(58,733)
Governmental funds do not report long-term amounts related to pensions and OPEB		
Deferred outflows of resources - OPEB		1,175,389
Deferred outflows of resources - pensions		19,118,500
Deferred inflows of resources - pensions		(26,784,625)
Net position of governmental activities	\$	111,133,399

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

City of Burnsville
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General</u>	<u>GO Improvement Bonds</u>	<u>Infrastructure Trust Capital Projects</u>	<u>Facilities Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Property taxes	\$ 24,970,084	\$ 135,077	\$ 3,302,810	\$ 804,663	\$ 5,779,087	\$ 34,991,721
Special assessments	9,803	1,296,104	—	—	450,167	1,756,074
Licenses and permits	2,464,794	—	—	—	2,120	2,466,914
Other taxes	389,019	—	—	1,235,400	736,818	2,361,237
Intergovernmental revenue	2,354,659	41,667	1,514,987	—	1,445,853	5,357,166
Charges for services	6,926,738	—	—	—	303,850	7,230,588
Fines and forfeits	340,484	—	—	—	18,863	359,347
Interest on investments	452,301	93,220	90,027	50,638	207,066	893,252
Net change in fair value of investments	(278,007)	—	—	—	—	(278,007)
Miscellaneous revenue	1,022,301	—	—	—	1,002,316	2,024,617
Total Revenues	<u>38,652,176</u>	<u>1,566,068</u>	<u>4,907,824</u>	<u>2,090,701</u>	<u>9,946,140</u>	<u>57,162,909</u>
Expenditures						
Current:						
General government	5,497,196	—	—	—	1,539,632	7,036,828
Public safety	22,842,428	—	—	3,315	654,378	23,500,121
Public works and parks	5,997,627	—	—	—	1,772,373	7,770,000
Culture and recreation	897,047	—	—	—	105,509	1,002,556
Conservation of natural resources	705,185	—	—	—	756,457	1,461,642
Economic development	—	—	—	—	516,894	516,894
Capital outlay:						
General government	—	—	—	1,656,003	—	1,656,003
Public safety	—	—	—	2,076,629	—	2,076,629
Public works and parks	—	—	—	143,428	2,559,821	2,703,249
Culture and recreation	—	—	—	19,000	—	19,000
Infrastructure	—	—	3,043,432	—	1,611,354	4,654,786
Debt service:						
Redemption of bonds	—	1,508,661	—	—	2,978,668	4,487,329
Interest on bonds	—	328,835	—	—	1,139,099	1,467,934
Fiscal agent fees	—	3,792	—	—	19,999	23,791
Bond issuance costs	—	—	—	12,814	38,681	51,495
Total Expenditures	<u>35,939,483</u>	<u>1,841,288</u>	<u>3,043,432</u>	<u>3,911,189</u>	<u>13,692,865</u>	<u>58,428,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,712,693</u>	<u>(275,220)</u>	<u>1,864,392</u>	<u>(1,820,488)</u>	<u>(3,746,725)</u>	<u>(1,265,348)</u>
Other Financing Sources (Uses)						
Bonds issued	—	—	—	1,160,000	965,000	2,125,000
Refunding bonds issued	—	—	—	—	3,235,000	3,235,000
Premium on bonds issued	—	—	—	52,895	187,094	239,989
Payment to refunded bond escrow agent	—	—	—	—	(16,784,136)	(16,784,136)
Sale of capital assets	—	—	—	—	596,234	596,234
Transfers in	185,000	353,122	—	110,000	4,816,549	5,464,671
Transfers out	(2,627,000)	—	(708,122)	(808,921)	(731,828)	(4,875,871)
Total other financing sources (uses)	<u>(2,442,000)</u>	<u>353,122</u>	<u>(708,122)</u>	<u>513,974</u>	<u>(7,716,087)</u>	<u>(9,999,113)</u>
Net Change in Fund Balances	270,693	77,902	1,156,270	(1,306,514)	(11,462,812)	(11,264,461)
Fund Balances - Beginning	22,338,001	4,438,150	3,725,762	3,800,329	22,108,251	56,410,493
Fund Balances - Ending	<u>\$ 22,608,694</u>	<u>\$ 4,516,052</u>	<u>\$ 4,882,032</u>	<u>\$ 2,493,815</u>	<u>\$ 10,645,439</u>	<u>\$ 45,146,032</u>

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

City of Burnsville
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, 2018

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

Net change in fund balances - total governmental funds	\$	(11,264,461)
<p>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.</p>		
Capital outlay		10,789,817
Depreciation expense		(7,304,076)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
Net book value of capital assets disposed		(947,354)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(785,258)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt issued:		
Issuance of debt, including discounts and premiums		(5,599,989)
Principal repayments:		
General obligation debt		21,033,661
Capital leases		237,804
Amortization of premiums and discounts		111,738
<p>Some revenues and expenses reported in the statement of activities do not provide or do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds.</p>		
Accrued interest expense		268,728
Net other post-employment benefit obligations expense		(392,984)
Pension expense		834,191
<p>The internal service fund is used by management to charge the costs of compensated absences to individual funds.</p>		
		51,170
<p>The investment earnings of internal service funds is reported with governmental activities.</p>		
		59,088
Change in net position of governmental activities	\$	7,092,075

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

City of Burnsville
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 24,825,000	\$ 24,825,000	\$ 24,970,084	\$ 145,084
Special assessments	10,800	10,800	9,803	(997)
Licenses and permits	1,967,608	1,967,608	2,464,794	497,186
Other taxes	360,000	360,000	389,019	29,019
Intergovernmental revenue	2,275,833	2,312,771	2,354,659	41,888
Charges for services	6,391,818	6,391,818	6,926,738	534,920
Fines and forfeits	363,700	363,700	340,484	(23,216)
Interest on investments	320,000	320,000	452,301	132,301
Net change in fair value of investments	—	—	(278,007)	(278,007)
Miscellaneous revenue	949,079	961,643	1,022,301	60,658
Total Revenues	<u>37,463,838</u>	<u>37,513,340</u>	<u>38,652,176</u>	<u>1,138,836</u>
Expenditures				
Current:				
General government	6,237,591	6,237,591	5,497,196	740,395
Public safety	22,744,935	22,809,237	22,842,428	(33,191)
Public works and parks	6,056,451	6,056,451	5,997,627	58,824
Culture & recreation	956,108	956,108	897,047	59,061
Conservation of natural resources	784,610	784,610	705,185	79,425
Total Expenditures	<u>36,779,695</u>	<u>36,843,997</u>	<u>35,939,483</u>	<u>904,514</u>
Excess of Revenues Over Expenditures	<u>684,143</u>	<u>669,343</u>	<u>2,712,693</u>	<u>2,043,350</u>
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(1,602,000)	(2,627,000)	(2,627,000)	—
Total other financing sources (uses)	<u>(1,417,000)</u>	<u>(2,442,000)</u>	<u>(2,442,000)</u>	<u>—</u>
Net Change in Fund Balances	(732,857)	(1,772,657)	270,693	2,043,350
Fund Balances - Beginning	22,338,001	22,338,001	22,338,001	—
Fund Balances - Ending	<u>\$ 21,605,144</u>	<u>\$ 20,565,344</u>	<u>\$ 22,608,694</u>	<u>\$ 2,043,350</u>

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

**City of Burnsville
Statement of Net Position
Proprietary Funds
December 31, 2018**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Assets						
Current Assets:						
Cash, cash equivalents and investments	\$ 14,809,646	\$ 6,470,844	\$ 1,087,056	\$ 1,913,787	\$ 24,281,333	\$ 3,102,685
Special assessments receivable:						
Delinquent	44,265	7,166	—	—	51,431	—
Deferred, current portion	384	43,248	—	—	43,632	—
Accounts receivable	2,975,710	766,057	882,351	124,610	4,748,728	—
Due from other governments	113,846	17,644	—	—	131,490	—
Prepaid items	—	—	27,092	—	27,092	—
Total Current Assets	<u>17,943,851</u>	<u>7,304,959</u>	<u>1,996,499</u>	<u>2,038,397</u>	<u>29,283,706</u>	<u>3,102,685</u>
Noncurrent Assets:						
Deferred special assessments receivable, less current portion	8,972	660,552	—	—	669,524	—
Capital Assets:						
Land	316,892	2,160,687	—	757,320	3,234,899	—
Permanent easements	1,288,242	2,080,524	—	—	3,368,766	—
Construction-in-progress	—	102,680	—	31,149	133,829	—
Buildings	20,705,348	—	20,364,622	2,990,096	44,060,066	—
Infrastructure and improvements	104,712,704	65,435,081	332,662	7,700,390	178,180,837	—
Equipment and vehicles	4,460,367	1,205,474	308,998	563,420	6,538,259	—
Less accumulated depreciation	(56,491,753)	(35,374,336)	(5,310,691)	(6,316,856)	(103,493,636)	—
Total capital assets (net of accumulated depreciation)	<u>74,991,800</u>	<u>35,610,110</u>	<u>15,695,591</u>	<u>5,725,519</u>	<u>132,023,020</u>	<u>—</u>
Total Noncurrent Assets	<u>75,000,772</u>	<u>36,270,662</u>	<u>15,695,591</u>	<u>5,725,519</u>	<u>132,692,544</u>	<u>—</u>
Total Assets	<u>92,944,623</u>	<u>43,575,621</u>	<u>17,692,090</u>	<u>7,763,916</u>	<u>161,976,250</u>	<u>3,102,685</u>
Deferred Outflows of Resources						
Deferred outflows of resources - pensions	150,497	33,444	—	66,888	250,829	—
Liabilities						
Current Liabilities:						
Current maturities of long term debt	2,154,000	237,642	—	—	2,391,642	—
Salaries and other compensation payable	3,514	181	—	—	3,695	—
Accrued compensated absences, current portion	19,530	2,991	—	8,159	30,680	325,493
Accounts payable	226,020	87,022	599,630	135,579	1,048,251	—
Accrued interest	42,330	1,372	—	—	43,702	—
Contracts payable	509,985	180,310	—	—	690,295	—
Due to other funds	—	—	20,000	—	20,000	—
Due to other governments	—	17,538	—	1,579	19,117	—
Customer and other deposits	42,323	53	—	5,820	48,196	—
Total Current Liabilities	<u>2,997,702</u>	<u>527,109</u>	<u>619,630</u>	<u>151,137</u>	<u>4,295,578</u>	<u>325,493</u>
Noncurrent Liabilities:						
General obligation bonds payable, less current maturities	21,545,366	1,016,553	—	—	22,561,919	—
Accrued compensated absences, net of current portion	175,765	26,916	—	73,431	276,112	2,929,441
Net pension liability	867,754	192,835	—	385,668	1,446,257	—
Advances from other funds	—	—	1,191,544	—	1,191,544	—
Total Noncurrent Liabilities	<u>22,588,885</u>	<u>1,236,304</u>	<u>1,191,544</u>	<u>459,099</u>	<u>25,475,832</u>	<u>2,929,441</u>
Total Liabilities	<u>25,586,587</u>	<u>1,763,413</u>	<u>1,811,174</u>	<u>610,236</u>	<u>29,771,410</u>	<u>3,254,934</u>
Deferred Inflows of Resources						
Deferred inflows of resources - pensions	234,678	52,151	—	104,301	391,130	—
Net Position						
Net investment in capital assets	51,292,434	34,355,915	15,695,591	5,725,519	107,069,459	—
Unrestricted	15,981,421	7,437,586	185,325	1,390,748	24,995,080	(152,249)
Total Net Position	<u>\$ 67,273,855</u>	<u>\$ 41,793,501</u>	<u>\$15,880,916</u>	<u>\$ 7,116,267</u>	<u>\$ 132,064,539</u>	<u>\$ (152,249)</u>

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

City of Burnsville
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds		
Operating Revenues						
Charges for services	\$ 15,520,599	\$ 4,271,323	\$ 2,111,847	\$ 1,950,309	\$ 23,854,078	\$ 255,513
Operating Expenses						
Personnel services	3,716,637	936,128	—	827,860	5,480,625	204,343
Contracted labor	—	—	1,095,586	—	1,095,586	—
Sanitary sewer disposal costs	4,557,693	—	—	—	4,557,693	—
Repairs and maintenance	1,901,602	1,514,834	86,695	324,553	3,827,684	—
Utilities	921,730	92,176	105,805	525,145	1,644,856	—
Other operating expenses	1,912,542	464,267	935,183	246,577	3,558,569	—
Depreciation	2,564,038	1,469,754	558,435	454,915	5,047,142	—
Total Operating Expenses	<u>15,574,242</u>	<u>4,477,159</u>	<u>2,781,704</u>	<u>2,379,050</u>	<u>25,212,155</u>	<u>204,343</u>
Operating Income (Loss)	<u>(53,643)</u>	<u>(205,836)</u>	<u>(669,857)</u>	<u>(428,741)</u>	<u>(1,358,077)</u>	<u>51,170</u>
Nonoperating Revenues (Expenses)						
Intergovernmental	39,346	33,148	—	2,950	75,444	—
Investment earnings	297,429	123,427	1,552	39,725	462,133	59,088
Other income	82,394	37,617	460,432	—	580,443	—
Loss on disposal of capital assets	(1,047,539)	(7,750)	—	—	(1,055,289)	—
Interest expense	(547,665)	(52,940)	—	—	(600,605)	—
Total Nonoperating Revenues (Expenses)	<u>(1,176,035)</u>	<u>133,502</u>	<u>461,984</u>	<u>42,675</u>	<u>(537,874)</u>	<u>59,088</u>
Income (Loss) Before Contributions and Transfers	<u>(1,229,678)</u>	<u>(72,334)</u>	<u>(207,873)</u>	<u>(386,066)</u>	<u>(1,895,951)</u>	<u>110,258</u>
Transfers and Capital Contributions						
Capital contributions - connection charges	222,782	116,633	—	—	339,415	—
Capital contributions - from others	119,299	79,299	—	—	198,598	—
Transfers in	—	—	948,828	13,000	961,828	—
Transfers out	(470,485)	(241,325)	(669,328)	(169,490)	(1,550,628)	—
Total Transfers and Capital Contributions	<u>(128,404)</u>	<u>(45,393)</u>	<u>279,500</u>	<u>(156,490)</u>	<u>(50,787)</u>	<u>—</u>
Change in Net Position	(1,358,082)	(117,727)	71,627	(542,556)	(1,946,738)	110,258
Total Net Position - Beginning	68,631,937	41,911,228	15,809,289	7,658,823	134,011,277	(262,507)
Total Net Position - Ending	<u>\$ 67,273,855</u>	<u>\$ 41,793,501</u>	<u>\$ 15,880,916</u>	<u>\$ 7,116,267</u>	<u>\$ 132,064,539</u>	<u>\$ (152,249)</u>

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

City of Burnsville
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Fund - Compensated Absences
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 15,471,419	\$ 4,251,948	\$ 1,852,585	\$ 2,031,772	\$ 23,607,724	\$ —
Receipts from interfund services provided	—	—	—	—	—	255,513
Payments to suppliers	(9,919,755)	(1,893,970)	(1,814,965)	(1,104,355)	(14,733,045)	—
Payments to employees	(3,664,870)	(944,371)	—	(858,389)	(5,467,630)	(249,757)
Net cash provided (used) by operating activities	<u>1,886,794</u>	<u>1,413,607</u>	<u>37,620</u>	<u>69,028</u>	<u>3,407,049</u>	<u>5,756</u>
Cash Flows from Noncapital Financing Activities						
Grants and host fees	138,259	268,217	460,432	2,950	869,858	—
Transfers in	—	—	948,828	13,000	961,828	—
Transfers out	(470,485)	(241,325)	(669,328)	(169,490)	(1,550,628)	—
Interfund financing	—	—	(10,000)	—	(10,000)	—
Net cash provided (used) by noncapital financing activities	<u>(332,226)</u>	<u>26,892</u>	<u>729,932</u>	<u>(153,540)</u>	<u>271,058</u>	<u>—</u>
Cash Flows from Capital and Related Financing Activities						
Receipts from connection charges	222,782	116,633	—	—	339,415	—
Capital grants	40,000	199,000	—	—	239,000	—
Principal payment on notes receivable	100,000	—	—	—	100,000	—
Purchase or construction of capital assets	(9,024,666)	(534,692)	(15,898)	(31,149)	(9,606,405)	—
Principal payments on bonds and notes payable	(1,905,000)	(296,339)	—	—	(2,201,339)	—
Proceeds from sale of bonds and notes	4,172,667	—	—	—	4,172,667	—
Interest paid on bonds and notes	(572,529)	(55,794)	—	—	(628,323)	—
Net cash provided (used) by capital and related financing activities	<u>(6,966,746)</u>	<u>(571,192)</u>	<u>(15,898)</u>	<u>(31,149)</u>	<u>(7,584,985)</u>	<u>—</u>
Cash Flows from Investing Activities						
Investment earnings	297,429	123,427	1,552	39,725	462,133	59,088
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,114,749)</u>	<u>992,734</u>	<u>753,206</u>	<u>(75,936)</u>	<u>(3,444,745)</u>	<u>64,844</u>
Cash and Cash Equivalents						
Beginning	19,924,395	5,478,110	333,850	1,989,723	27,726,078	3,037,841
Ending	<u>\$ 14,809,646</u>	<u>\$ 6,470,844</u>	<u>\$ 1,087,056</u>	<u>\$ 1,913,787</u>	<u>\$ 24,281,333</u>	<u>\$ 3,102,685</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ (53,643)	\$ (205,836)	\$ (669,857)	\$ (428,741)	\$ (1,358,077)	\$ 51,170
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,564,038	1,469,754	558,435	454,915	5,047,142	—
(Increase) decrease in assets:						
Receivables	29,151	(19,403)	(259,262)	84,597	(164,917)	—
Due from other governments	(76,400)	—	—	—	(76,400)	—
Prepays	—	—	5,772	—	5,772	—
(Increase) decrease in deferred outflows of resources:						
Pensions	109,694	24,376	—	48,752	182,822	—
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	66,324	(5,008)	—	(24,059)	37,257	(45,414)
Accounts payable	(128,317)	28,824	402,532	(3,689)	299,350	—
Contracts payable	(497,489)	158,496	—	—	(338,993)	—
Due to other governments	(382)	(10,013)	—	(4,391)	(14,786)	—
Customer deposits	(1,931)	28	—	(3,134)	(5,037)	—
Net pension liability	(130,821)	(29,071)	—	(58,142)	(218,034)	—
(Decrease) increase in deferred inflows of resources:						
Pensions	6,570	1,460	—	2,920	10,950	—
Net cash provided (used) by operating activities	<u>\$ 1,886,794</u>	<u>\$ 1,413,607</u>	<u>\$ 37,620</u>	<u>\$ 69,028</u>	<u>\$ 3,407,049</u>	<u>\$ 5,756</u>
Noncash investing, capital, and financing activities						
Capital assets contributed from others	<u>\$ 79,299</u>	<u>\$ 79,299</u>			<u>\$ 158,598</u>	
(Loss) on disposal of capital assets	<u>\$ (1,047,539)</u>	<u>\$ (7,750)</u>			<u>\$ (1,055,289)</u>	

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

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CITY OF BURNSVILLE, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Burnsville, Minnesota (the City) operates under Optional Plan B as defined in the Statutes of the State of Minnesota. Under this plan, the City is governed by a City Council composed of an elected mayor and four elected trustees or council members. The City Council exercises legislative authority and determines all matters of policy. The City Manager, who is appointed by the City Council, is responsible for the proper administration of all affairs relating to the City.

Generally accepted accounting principles in the United States of America require that these financial statements present the City (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity using the blended method because of its operational significance and financial relationship with the City.

Blended component unit

Economic Development Authority (EDA) - The EDA is governed by a five-member council composed of the City Council. Although it is legally separate from the City, the EDA is reported as if it were part of the primary government (blended) because the City has operational responsibility for the EDA. The EDA activity is reported in the EDA Special Revenue Fund, the Tax Increment Bonds Debt Service Fund, the EDA Lease Revenue Bonds Debt Service Fund, and the Tax Increment Capital Projects Fund. Financial information can be obtained at the City's offices, located at 100 Civic Center Parkway, Burnsville, Minnesota 55337.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information of the primary government and its component units. *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 are 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*.

The operating grants and contributions column includes operating specific and discretionary grants while the capital grants and contributions includes capital specific grants and contributions.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Depreciation expense can be specifically identified by function and is included by function and is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund. The principal sources of revenue are property taxes, intergovernmental revenue, licenses and permits, and charges for municipal services. Expenditures are for general government, public safety, public works and parks, culture and recreation, conservation of resources, and other functions. A plan of financial operations is set forth each year in the form of the annual budget adopted by the City Council.

The *General Obligation Improvement Bonds Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on general obligation improvement bonds.

The *Infrastructure Trust Capital Projects Fund* accounts for property tax and state aid revenue, and the expenditure of these funds for the purpose of replacing streets and park facilities.

The *Facilities Capital Projects Fund* was established in 2015 to account for the receipt and disbursement of bond proceeds, transfers from other funds and other sources obtained to finance facilities replacement and improvements.

The City reports the following major enterprise funds:

The *Water and Sewer Fund* accounts for the operation of the City's water and sewer system.

The *Storm Water Fund* accounts for the operation of the City's storm water system.

The *Ames Center Fund* accounts for the operation and maintenance of the City's performing arts center.

Additionally, the City reports the following fund type:

The *Internal Service Fund* accounts for the activity related to the City's vacation and vested sick pay in its governmental funds.

In addition, the City reports the following non-major governmental funds:

The *Special Revenue Funds* account for the proceeds from special tax levies and other dedicated revenues to be used for a particular purpose. The City's special revenue funds include:

- *Cable Franchise Fee Fund* - Established in 2001 to account for the revenues from franchise fees received from cable television. Revenues are committed for the purpose of City communications.
- *Forfeiture Fund* - Established in 1992 to account for money received from the court system and fund balance is committed for police operations.
- *Grant Fund* - Established in 1996 to account for the revenues and expenditures related to federal and state financial assistance programs.
- *Youth Center Fund* - Established in 1998 to account for revenue from the contributions, grants, user fees, and transfers from the General Fund used to operate THE GARAGE, a city youth center.
- *Economic Development Authority (EDA) Fund* - Established in 2002 to account for revenues received from EDA tax levy for the purpose of funding development needs.
- *Sustainability Fund* - Established in 2004 to account for the revenue from county grants to operate the Burnsville, Eagan, and Apple Valley partnership for promoting recycling.
- *Forestry Fund* - Established in 2011 to account for the revenues received from a tax levy and expenditures associated with preparing for and managing a potential infestation of the Emerald Ash Borer for the City.

The *Debt Service Funds* account for the payment of principal and interest on debt of the City. The debt is retired from the receipts of ad valorem taxes, special assessment levies established for that purpose, and state tax credits. The City's debt service funds include:

- *General Obligation Bonds Fund* - Accounts for the accumulation of resources for the payment of general obligation bonds or other general indebtedness and interest thereon.
- *General Obligation Tax Abatement Bonds Fund* - Accounts for the accumulation of resources for payment of principal and interest on general obligation tax abatement bonds.
- *EDA Lease Revenue Bonds Fund* - Accounts for the resources accumulated and payments made for principal and interest on EDA lease revenue bonds.
- *Tax Increment Bonds Fund* - Accounts for the resources accumulated and payments made for principal and interest on general obligation tax increment bonds

The Capital Projects Funds account for the financial resources used in the acquisition or construction of major capital expenditures, excluding those financed by Enterprise funds. The City's capital projects funds include:

- *Information Technology (I.T.) Capital Fund* - Established in 2007 to account for capital purchases of information technology equipment and software development. The resources will be provided by an allocation of proceeds from the issuance of Certificates of Indebtedness and transfers from other funds.
- *Equipment and Vehicle Fund* - Established in 2002 to account for capital purchases of equipment and vehicles replacement and improvements. The resources will be provided by issuance of Certificates of Indebtedness, sale of existing equipment, and transfers from other funds.
- *Tax Increment Fund* - Accounts for the proceeds of General Obligation Tax Increment Bonds and for the expenditure of these funds to finance certain construction projects within the Tax Increment Financing Districts.
- *Parks Capital Fund* - Established in 1980 to account for revenues and expenditures for the purchase and maintenance of city parks.
- *Improvement Construction Fund* - Accounts for the receipt and disbursement of bond proceeds or other sources obtained to finance improvements which are to be paid for wholly or in part from special assessments levied against benefitted property.
- *Street Revolving Construction Fund* - Established in 2004 to account for revenues and expenses for street rehabilitation projects, major street maintenance projects, and small traffic control issues.

In addition, the City reports the following non-major enterprise funds:

The *Ice Arena Fund* accounts for the operation and maintenance of the city-owned ice arena.

The *Golf Course Fund* accounts for the operation of the municipal golf course, Birnamwood Golf Course.

The *Street Lighting Utility Fund* accounts for the operation, maintenance, and replacement of the City's street lighting system.

The *Sidewalk Snowplowing Fund* accounts for the operations related to snow removal from sidewalks and trails.

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION

1. Deposits and investments

State statutes authorize the City to invest in certain investments, including obligations of the U.S. Treasury and U.S. agencies, commercial paper rated A-1+ by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, and repurchase agreements.

Investments are generally stated at fair value, except for short-term highly liquid debt instruments (including commercial paper, bankers' acceptance, U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less, and money market mutual funds, which are reported at amortized cost.

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note III. for the City's recurring fair value measurements as of December 31, 2018.

A majority of the investments of the City are maintained in a pooled account. The earnings on the pooled investments are allocated to the funds on a systemic basis. Restricted cash and cash equivalents are maintained in established escrow accounts and earnings from such investments are allocated directly to the respective funds in which the assets are held. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers cash and cash equivalents to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. In addition, each fund's equity in the City's pooled account is considered to be a cash equivalent because the fund can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are considered current and are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances 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."

Property taxes are set by the City Council, with the levy certified to the County, which acts as collection agent, in December prior to the year collectible. Such taxes represent a lien on the property on January 1 of the year collectible. Taxes are payable by the property owners in two installments by the fifteenth day of May and October. The County generally remits the taxes collected to the City in July and December.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances are based on historical experience of collectability.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

4. Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate historical cost for the initial reporting of these assets through backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using as appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Major outlays for capital assets and improvements, including infrastructure assets, are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land, permanent easements, and construction in progress are not depreciated.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Pursuant to GASB 51, in the case of initial capitalization of intangible assets, the City chose to include such items regardless of their acquisition date. The City elected not to report permanent easements acquired in years prior to 2010 under the provision of GASB 51. The City elected to report permanent easements acquired in the year 2010 and going forward.

Capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Other improvements	10-40
Equipment and vehicles (including software)	3-25
Infrastructure	30-50

5. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Under certain conditions, employees are compensated upon termination of employment for their accumulated unpaid vacation and sick pay benefits up to a maximum number of hours.

Accumulated vacation and sick leave is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. The compensated absences internal service fund reports the governmental funds' liability for compensated absences on the accrual basis.

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions and other post-employment benefits (OPEB) standards reported in the government-wide and enterprise funds Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, difference between projected and actual earnings on pension plan investments, changes in proportion, and from contributions to the plans subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

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

The first item, unavailable revenue, arises only under modified accrual basis of accounting, and therefore is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and other revenues not collected within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The second item, deferred inflows of resources related to pensions, is reported in the government-wide and enterprise funds Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, difference between projected and actual earnings on pension plan investments, and changes in proportion. These amounts are deferred and amortized as required under pension standards.

8. Pensions

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

The PERA has a special funding situation created by a direct aid contribution made by the State of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

9. Fund balances

For financial reporting in the fund financial statements, governmental funds report fund balances that are nonspendable and spendable. Nonspendable balances by nature cannot be spent by the government (i.e., prepaids, inventories, long-term receivables, etc.) Spendable balances are further classified by the relative strength of the constraints that control how amounts can be spent. Those classifications are:

Restricted - constraint imposed for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed - constraint imposed for a specific purpose determined by formal action (resolution) of the City Council, the highest level of decision making authority. The council resolution must be approved no later than the close of the reporting period. Committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution). Commitments apply to fund balance that are not otherwise nonspendable or restricted.

Assigned - constraint imposed for a specific purpose by the intent of the City Council or an official to which the City Council has delegated authority to assign specific amounts. Pursuant to the City Council Fund Balance Policy, the City Manager and/or his/her designee are authorized to assign fund balance that reflects the City's intended use of those funds.

Unassigned - fund balance that has not been reported in any other classification. The General fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.

When both restricted and unrestricted resources are available for use, the City will first use restricted resources, then use unrestricted resources as they are needed.

When any combination of committed, assigned, or unassigned resources are available for use, the City will use committed resources first, then assigned, then unassigned resources as they are needed.

10. Use of estimates

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

11. Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

E. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This statement established standards for employer recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expense for OPEB. Certain amounts necessary to fully restate fiscal year 2017 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this statement in the current year resulted in the restatement of net position as of December 31, 2017. The details of the restatement are as follows:

	Governmental Activities
Net position - beginning, as previously reported	\$ 106,595,579
Change in accounting principle	
Net OPEB obligation, under previous reporting standards	2,255,180
Total OPEB liability, under current reporting standards	(4,809,435)
Total change in accounting principle	(2,554,255)
Net position - beginning, restated	<u>\$ 104,041,324</u>

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the debt service funds and the Tax Increment Capital Projects fund, which are not budgeted. The expenditures for unbudgeted capital projects funds are approved by the City Council for acquisitions or purchases as required. Formal budgetary integration is not employed for the debt service funds and other capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions. All annual appropriations lapse at fiscal year-end.

According to state law, the City Council adopts the proposed property tax levy on or before September 15. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

In accordance with truth in taxation legislation, the City Council holds public hearing to obtain taxpayer comments. The budget is legally enacted through passage of a resolution after the truth in taxation public meeting.

Revisions that alter the total expenditures of any fund must be approved by the City Council. Individual line items may overspend budgeted amounts without Council approval as long as the actual fund expenditures do not exceed the total budgeted fund expenditures.

Budgetary control for the General Fund is maintained over expenditures at the function or activity level (i.e., general government, public safety, public works and parks, and culture and recreation.) Additional information for departments or divisions by category is maintained as required by City policy. Budgetary control for the budgeted Special Revenue and Capital Projects Funds is maintained at the fund level.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2018, expenditures exceeded appropriations in the following funds:

Forfeiture Fund - Over-expenditures of \$(4,523) were offset by use of fund balance.

C. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of \$(172,561) as of December 31, 2018. It is anticipated that the deficit will be financed by future project revenues.

The Compensated Absences Internal Service Fund had a deficit net position balance of \$(152,249) as of December 31, 2018. It is anticipated that the deficit will be financed through future charges for services and interest income.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Components of Cash and Investments

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

Deposits	\$	2,250,644
Investments		71,457,331
Cash on hand		3,825
	\$	<u>73,711,800</u>

Deposits and investments as described above appear in the financial statements as follows:

Primary Government:

Statement of net position -

Cash, cash equivalents, and investments \$ 73,711,800

Deposits

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

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

Custodial credit risk - In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost.

Minnesota Statutes and the City's investment policy require that the City's deposits be protected by federal depository insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

At year-end, the carrying amount of the City's deposits was \$2,250,644 and the bank deposit balances were \$2,632,893. The City's deposits at December 31, 2018, consisting of checking accounts and certificates of deposit, were entirely covered by insurance or by collateral held by the City's custodial bank in the City's name.

Investments

At year-end, the City's investment balances were as follows:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years		Total
	Rating	Agency		Less than 1	1 to 10	
U.S. Agency Securities	NR	N/A	Level 2	\$ —	\$ 2,612,502	\$ 2,612,502
	AAA	Moody's	Level 2	—	14,856,587	14,856,587
	AA+	S&P	Level 2	—	5,065,210	5,065,210
	A-1+	S&P	Level 2	7,993,120	—	7,993,120
Municipal Bonds	AAA	Moody's	Level 2	502,895	2,597,425	3,100,320
	AA1	Moody's	Level 2	—	1,963,691	1,963,691
	AA2	Moody's	Level 2	—	858,464	858,464
Money market mutual funds						
Wells Fargo Government	AAA _m	S&P	Level 1	33,826,145	—	33,826,145
4M Fund	N/R	N/A	N/A	1,181,292	—	1,181,292
Total investments				<u>\$43,503,452</u>	<u>\$27,953,879</u>	<u>\$71,457,331</u>

NR - Not Rated

N/A - Not Applicable

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

Custodial credit risk - For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires securities to be held by a third-party custodian.

Credit risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy limits the types of investments that may be purchased consistent with those defined and restricted by Minnesota State Statutes. Investments allowed include U.S. Treasury obligations, U.S. Government Agency obligations with a liquid market, certificates of deposit, bankers' acceptances, commercial paper with highest tier rating, repurchase agreements, money market mutual funds, and local government investment pools.

The City's investment with the 4M fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated external investment pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is valued at amortized cost. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the liquid class; the redemption notice period is fourteen days for the plus class.

Concentration risk - This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds.

The City's investment policy requires a diversified investment portfolio to avoid the risk of loss resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities. No more than eighty-five percent of the total portfolio may be invested in U.S. Government Agency securities with a liquid market and no more than fifty percent of the total portfolio may be invested in the following instruments at one time:

- Commercial paper (limit \$1,000,000 per issuer)
- Negotiable certificates of deposit
- Banker's acceptances
- Any other obligation that does not bear the full faith and credit of the United States Government or which is not fully collateralized or insured.

At year end, the following investments in U.S. Agency Securities include 5 percent or more in securities of a single issuer:

Issuer	% of Total Portfolio
Federal National Mortgage Association	6%
Federal Farm Credit Bank	16%
Federal Home Loan Bank	17%

Interest rate risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer period for which an interest rate is fixed, the greater the risk.) In accordance with the City's investment policy, interest rate risk is minimized by limiting the average maturity of the portfolio and structuring the investment portfolio so that securities mature to meet anticipated cash flow requirements. No more than 75 percent of the portfolio may be invested beyond three years, and the weighted average maturity of the portfolio may never exceed seven years. At least 25 percent of the portfolio shall be invested in overnight instruments or marketable securities which can be sold on one day's notice. Unless matched to a specific cash flow, the City's investment policy generally limits investments to securities maturing in 10 years or less or in accordance with state and local statutes and ordinances.

B. RECEIVABLES

Receivables as of December 31, 2018 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General	G.O. Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Nonmajor Funds	Governmental Activities Total
Receivables:						
Interest	\$ 230,318	\$ —	\$ —	\$ —	\$ —	\$ 230,318
Taxes	272,247	1,860	34,863	6,960	35,876	351,806
Accounts	3,823,006	—	—	312,417	255,789	4,391,212
Special assessments	125,244	6,208,992	—	—	174,307	6,508,543
Gross receivables	4,450,815	6,210,852	34,863	319,377	465,972	11,481,879
Less: allowance for uncollectibles	(2,492,229)	(1,157)	(15,046)	(2,630)	(6,240)	(2,517,302)
Net total receivables	\$ 1,958,586	\$ 6,209,695	\$ 19,817	\$ 316,747	\$ 459,732	\$ 8,964,577

Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 230,318
Taxes	—	—	—	—	—	351,806
Accounts	2,978,616	766,057	882,351	124,610	4,751,634	9,142,846
Special assessments	53,621	710,966	—	—	764,587	7,273,130
Gross receivables	3,032,237	1,477,023	882,351	124,610	5,516,221	16,998,100
Less: allowance for uncollectibles	(2,906)	—	—	—	(2,906)	(2,520,208)
Net total receivables	\$ 3,029,331	\$ 1,477,023	\$ 882,351	\$ 124,610	\$ 5,513,315	\$14,477,892

Governmental funds report *deferred inflows of resources* in connection with receivable for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable	\$ 196,187
Special assessments not yet due	6,383,299
Charges for services	769,407
	\$ 7,348,893

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Governmental activities				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	
Capital assets not being depreciated:					
Land	\$ 21,741,737	\$ 5,102	\$ (667,229)	\$ —	\$ 21,079,610
Permanent easements	2,241,617	—	—	—	2,241,617
Construction in progress	1,963,651	2,952,088	—	(3,987,009)	928,730
Total capital assets not being depreciated	25,947,005	2,957,190	(667,229)	(3,987,009)	24,249,957
Capital assets being depreciated:					
Buildings	38,300,972	1,900,149	—	—	40,201,121
Infrastructure and improvements	182,409,188	2,576,248	(1,204,587)	2,703,984	186,484,833
Equipment and vehicles	24,471,494	3,356,230	(1,025,403)	1,283,025	28,085,346
Total capital assets being depreciated	245,181,654	7,832,627	(2,229,990)	3,987,009	254,771,300
Less accumulated depreciation for:					
Buildings	(13,126,920)	(976,567)	—	—	(14,103,487)
Infrastructure and improvements	(111,754,726)	(4,568,480)	1,190,825	—	(115,132,381)
Equipment and vehicles	(15,066,644)	(1,759,029)	759,040	—	(16,066,633)
Total accumulated depreciation	(139,948,290)	(7,304,076)	1,949,865	—	(145,302,501)
Total capital assets being depreciated, net	105,233,364	528,551	(280,125)	3,987,009	109,468,799
Governmental activities capital assets, net	\$ 131,180,369	\$ 3,485,741	\$ (947,354)	\$ —	\$ 133,718,756

Business-type activities

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	\$ 3,234,899	\$ —	\$ —	\$ —	\$ 3,234,899
Permanent easements	3,224,612	158,598	(14,444)	—	3,368,766
Construction in progress	6,134,589	6,695,514	—	(12,696,274)	133,829
Total capital assets not being depreciated	12,594,100	6,854,112	(14,444)	(12,696,274)	6,737,494
Capital assets being depreciated:					
Buildings	44,060,066	—	—	—	44,060,066
Infrastructure and improvements	166,276,976	2,690,395	(3,482,808)	12,696,274	178,180,837
Equipment and vehicles	6,379,071	220,496	(61,308)	—	6,538,259
Total capital assets being depreciated	216,716,113	2,910,891	(3,544,116)	12,696,274	228,779,162
Less accumulated depreciation for:					
Buildings	(15,989,580)	(948,281)	—	—	(16,937,861)
Infrastructure and improvements	(80,959,427)	(3,757,518)	2,442,675	—	(82,274,270)
Equipment and vehicles	(4,000,758)	(341,343)	60,596	—	(4,281,505)
Total accumulated depreciation	(100,949,765)	(5,047,142)	2,503,271	—	(103,493,636)
Total capital assets being depreciated, net	115,766,348	(2,136,251)	(1,040,845)	12,696,274	125,285,526
Business-type activities capital assets, net	\$ 128,360,448	\$ 4,717,861	\$(1,055,289)	\$ —	\$ 132,023,020

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

Governmental Activities:	
General government	\$ 713,210
Public safety	986,813
Public works and parks	5,564,370
Culture and recreation	2,268
Conservation of natural resources	37,415
	<u>\$ 7,304,076</u>
Business-type activities:	
Water and sewer	\$ 2,564,038
Storm water	1,469,754
Ames center	558,435
Ice arena	348,674
Golf course	16,194
Street lighting	90,047
	<u>\$ 5,047,142</u>

Construction Commitments

The City had the following commitments on uncompleted construction contracts at December 31:

	2018
Facilities Fund	\$ 86,331
Parks Capital Fund	122,618
Improvement Construction Fund	1,187,698
Water and Sewer Fund	3,476,798
Storm Water Fund	296,542
	<u>\$ 5,169,987</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

Due to/from other funds:			
Receivable Fund	Payable Fund		
General	Nonmajor Governmental	\$	25,000 (a)
Nonmajor Governmental	Ames Center		20,000 (b)
Total interfund balances		<u>\$</u>	<u>45,000</u>

- (a) Temporary loans between funds to cover negative cash balances.
- (b) Temporary loan to promote economic development.

The composition of interfund advances as of December 31, 2018, is as follows:

Advances to/from other funds:			
Receivable Fund	Payable Fund		
General	Ames Center	\$	1,191,544 (a)

(a) Loans to cover negative cash balances.

The 2018 interfund transfers are as follows:

Transfers Out:	Transfers In:						Total
	General Fund (a)	G.O. Improvement Bonds (b)	Facilities Capital Projects (d)	Nonmajor Governmental (b)(c)(d)	Ames Center (b)(c)	Nonmajor Enterprise (c)	
General fund	\$ —	\$ —	\$ —	\$ 2,164,000	\$ 450,000	\$ 13,000	\$ 2,627,000
Infrastructure Trust	—	353,122	—	355,000	—	—	708,122
Facilities Capital Projects	—	—	—	808,921	—	—	808,921
Nonmajor governmental	185,000	—	48,000	—	498,828	—	731,828
Water and sewer	—	—	46,500	423,985	—	—	470,485
Storm water	—	—	15,500	225,825	—	—	241,325
Ames center	—	—	—	669,328	—	—	669,328
Nonmajor enterprise	—	—	—	169,490	—	—	169,490
Total:	\$ 185,000	\$ 353,122	\$ 110,000	\$ 4,816,549	\$ 948,828	\$ 13,000	\$ 6,426,499

Transfers were used for the following:

- (a) Franchise fee
- (b) Debt service obligations
- (c) Funding for operations
- (d) Funding for capital improvement projects

E. LEASES

Operating leases

The City has various non-cancelable operating lease agreements expiring at various dates through 2020. Total rental costs during 2018 for operating leases were \$58,025. The future minimum lease payment for these leases are as follows:

Year Ended December 31	Amount
2019	\$ 57,697
2020	28,848
	<u>\$ 86,545</u>

Capital lease

The City has entered into two lease agreements as a lessee for financing the acquisition of IT network infrastructure equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. Lease payments will be made from the Information Technology (I.T.) Capital Fund.

The assets acquired through the capital lease are as follows:

Year Ended December 31	Amount
Network Infrastructure Equipment	\$ 679,739
Network Infrastructure Software	33,674
Total	713,413
Less: accumulated depreciation	(284,596)
	<u>\$ 428,817</u>

Total future minimum lease payments as of December 31, 2018 for these leases are as follows:

Year Ended December 31	Amount
<u>2019</u>	<u>\$ 237,805</u>

F. LONG-TERM DEBT

General Obligation Bonds - Two issues of general obligation bonds totaling \$9,215,000 are outstanding at December 31, 2018 and are backed by the full faith and credit of the City. Total original issue amount was \$12,330,000. The bonds bear interest at rates ranging from 2.1% to 4% and mature in varying annual amounts ranging from \$90,000 to \$785,000, with final payments due in the year ending 2032. The bonds were issued to finance (a) the refunding of the December 1, 2008 through December 1, 2014 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 1994, (b) an expansion of the City's maintenance facility, and (c) renovations to City Hall and the City Police facilities. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Increment Bonds - Three issues of general obligation tax increment bonds totaling \$3,040,000 are outstanding at December 31, 2018. Total original issue amount was \$7,335,000. The bonds bear interest at rates ranging from 2.00% to 5.00% and mature in varying annual amounts ranging from \$10,000 to \$1,660,000, with final payments due in the year ending 2027. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Abatement Bonds - Three issues of tax abatement bonds totaling \$17,410,000 are outstanding at December 31, 2018. Total original issue amount was \$17,900,000. The bonds bear interest at rates ranging from 2.00% to 4.00% and mature in varying annual amounts ranging from \$35,000 to \$1,855,000, with final payments due in the year ending 2029. The bonds were issued to finance (a) a current refunding of the December 20, 2019 through December 20, 2030 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 2010A, (b) improvements to the ice arena roof, and (c) the crossover refunding of the February 1, 2019 through the February 1, 2028 maturities of the G.O. Tax Abatement Bonds, Series 2008A. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Improvement Bonds - Various issues of unmatured general obligation improvement bonds totaling \$10,385,000 are outstanding at December 31, 2018. Total original issue amount was \$20,930,000. The interest and principal payments on these bonds are accounted for in the Debt Service Funds and Enterprise Funds. These issues are secured by the full faith and credit of the City. A significant portion of the debt is to be repaid by the enterprise funds and from the collection of special assessments. Delinquent special assessments receivable at December 31, 2018 were \$16,347. These bonds bear interest at rates of 0.85% to 4.60% and mature in varying annual amounts ranging from \$20,000 to \$485,000, with the final payments due in the year ending 2033.

General Obligation Revenue Bonds - Eleven issues of general obligation revenue bonds totaling \$19,170,000 are outstanding at December 31, 2018. Original issue amount was \$27,995,000. The bonds are accounted for in the Enterprise Funds. The bonds bear interest rates of 0.65% to 5.60% and mature in varying annual amounts ranging from \$90,000 to \$390,000, with final payments due in the year ending 2032. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

General Obligation Taxable Utility Revenue Notes - One issue of general obligation taxable utility revenue notes totaling \$5,149,825 was outstanding at December 31, 2018. The note was issued through an general obligation loan agreement with the Minnesota Public Facilities Authority. The original issue amount was \$7,388,970. The note was issued to finance the City's water meter replacement project and is drawn down on a reimbursement basis. During the year, \$1,749,435 of the Note was drawn down. The remaining available balance for the City to draw down is \$1,653,175. The notes are accounted for in the Enterprise Funds. The notes bear an interest rate of 1.268% and mature in varying annual amounts ranging from \$250,970 to \$420,000, with final payments due in the year ending 2033. The resolution authorizing the issuance of the notes contains various restrictions and requirements.

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

Year Ended December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 3,582,358	\$ 1,118,766	\$ 2,391,642	\$ 664,008
2020	4,400,000	1,016,023	2,398,000	618,375
2021	3,970,000	897,533	2,453,000	549,363
2022	4,035,000	783,280	2,517,000	478,500
2023	4,075,000	666,960	2,461,000	405,285
2024-2028	15,900,000	1,669,325	8,516,000	1,120,860
2029-2033	4,055,000	255,968	3,615,825	265,368
Total	\$ 40,017,358	\$ 6,407,855	\$ 24,352,467	\$ 4,101,759

Long-term liability activity for the year was as follows:

	Beginning Balance *	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 9,780,000	\$ —	\$ (565,000)	\$ 9,215,000	\$ 615,000
G.O. tax increment bonds	3,665,000	—	(625,000)	3,040,000	645,000
G.O. tax abatement bonds	27,350,000	4,395,000	(14,335,000)	17,410,000	835,000
G.O. improvement bonds	10,896,019	965,000	(1,508,661)	10,352,358	1,487,358
Lease revenue bonds	4,000,000	—	(4,000,000)	—	—
Subtotal	55,691,019	5,360,000	(21,033,661)	40,017,358	3,582,358
Deferred amounts for issuance					
premiums (discounts)	1,104,381	239,989	(111,738)	1,232,632	—
Total bonds and notes	56,795,400	5,599,989	(21,145,399)	41,249,990	3,582,358
Capital leases	475,609	—	(237,804)	237,805	237,805
Compensated absences	3,300,348	194,459	(239,873)	3,254,934	325,493
Total other post-employment					
benefits liability	4,809,435	1,568,373	—	6,377,808	—
Net pension liability	24,349,801	3,373,277	(7,210,117)	20,512,961	—
Governmental activities -					
long-term liabilities	\$ 89,730,593	\$ 10,736,098	\$ (28,833,193)	\$ 71,633,498	\$ 4,145,656
Business-type activities:					
G.O. revenue bonds	\$ 18,635,000	\$ 2,305,000	\$ (1,770,000)	\$ 19,170,000	\$ 2,020,000
G.O. revenue notes	3,735,390	1,749,435	(335,000)	5,149,825	339,000
G.O. improvement bonds	128,981	—	(96,339)	32,642	32,642
Subtotal	22,499,371	4,054,435	(2,201,339)	24,352,467	2,391,642
Deferred amounts for issuance					
premiums (discounts)	537,079	118,232	(54,217)	601,094	—
Total bonds and notes	23,036,450	4,172,667	(2,255,556)	24,953,561	2,391,642
Compensated absences	270,751	74,190	(38,149)	306,792	30,680
Net pension liability	1,664,291	132,864	(350,898)	1,446,257	—
Business-type activities -					
long-term liabilities	\$ 24,971,492	\$ 4,379,721	\$ (2,644,603)	\$ 26,706,610	\$ 2,422,322

* Beginning balance was restated due to the change in accounting principle as reported in Note 1.E.

The Tax Abatement Bonds were issued to finance the construction of the Ames Center Building, which is accounted for in the business-type activities.

The Lease Revenue Bonds were issued to finance renovation and improvements at the Burnsville Ice Center, which are accounted for in the business-type activities. In 2018, the city issued \$3,235,000 of Tax Abatement Bonds in the governmental activities to refund the Lease Revenue Bonds.

Compensated absences for the governmental activities are generally liquidated by the Compensated Absences Internal Service Fund. Accordingly, compensated absences reported for the internal service fund are included as part of the above totals for governmental activities.

Other post-employment benefits for the governmental activities are generally liquidated by the General Fund, which is accounted for in the governmental activities.

Pension liabilities for the governmental activities are generally liquidated by the respective fund.

The City participates in two state-wide, cost-sharing, multi-employer defined benefit pension plans administered by the PERA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended December 31, 2018:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA - GERF	\$ 9,641,712	\$ 1,672,187	\$ 2,607,533	\$ 806,098
PERA-PEPFF	12,317,506	17,697,142	24,568,222	1,516,903
Total - all pensions	\$ 21,959,218	\$ 19,369,329	\$ 27,175,755	\$ 2,323,001

Build America Bonds - In 2010, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), the City issued \$3,060,000 General Obligation Taxable Water Revenue Bonds, Series 2010A, \$1,275,000 General Obligation Taxable Storm Sewer Revenue Bonds, Series 2010B, and \$6,340,000 General Obligation Improvement Bonds, Series 2010D. The bonds are direct pay tax credit Build America Bonds (BAB), in which the City receives a 35% credit on bond interest paid. The City has complied with all requirements of ARRA to be eligible for the BAB interest credit. The City has received notice from the Internal Revenue Service (IRS) that the BAB interest credit will be reduced by 6.2% for all payments scheduled for October 1, 2018 through September 30, 2019.

Crossover Refundings - In December 2015, the City issued \$7,030,000 of G.O. Tax Abatement Refunding bonds for a crossover refunding of a portion of the \$16,800,000 G.O. Tax Abatement Bonds, Series 2008A in the governmental type activities. The proceeds of the new bonds were deposited in an escrow pending the call date. The escrow investments bear interest rates that provided sufficient funds to refund a portion of the 2024 maturity and the entire 2025 through 2028 maturities of the 2008A bonds on February 1, 2018. The old bonds were not considered defeased until the crossover date, and therefore were not removed as liabilities until the call date. The crossover refunding was undertaken to reduce total debt service payments over the next thirteen years by \$883,914 and resulted in an economic gain of \$748,973.

In April 2016, the City issued \$6,475,000 of G.O. Tax Abatement Refunding Bonds for a crossover refunding of a portion of the \$16,800,000 G.O. Tax Abatement Bonds, Series 2008A in the governmental type activities. The proceeds of the new bonds were deposited in an escrow pending the call date. The escrow investments bear interest rates that provided sufficient funds to refund the entire 2019 through 2023 maturities, and a portion of the 2024 maturity, of the 2008A bonds on February 1, 2018. The old bonds were not considered defeased until the crossover date, and therefore were not removed as liabilities until the call date. The crossover refunding was undertaken to reduce total debt service payments over the next thirteen years by \$645,600 and resulted in an economic gain of \$607,408.

Current Refunding - In December 2018, the City issued \$3,235,000 of bonds for a current refunding of the \$5,495,000 Burnsville Economic Development Authority Lease Revenue Bonds, Series 2010A (Ice Arena Project) in the governmental type activities. The refunding was undertaken to reduce total debt service payments over the next fifteen years by \$473,420 and resulted in an economic gain of \$408,794. The bonds were called on December 20, 2018.

Legal Debt Margin - As of December 31, 2018, the general obligation debt issued by the City did not exceed its legal debt margin. The legal debt limit applies to the City's general obligation tax levy bonds and excludes improvement and revenue-supported bonds.

Following is the computation of legal debt margin as of December 31, 2018:

Estimated market value of taxable property	\$ 6,204,343,440
Debt limit - 3% of market value of taxable property	\$ 186,130,303
Debt applicable to debt limit	
General obligation bonds outstanding	9,215,000
Less amount set aside for repayment of general obligation debt	(338,361)
Total net debt applicable to debt limit	<u>8,876,639</u>
Legal debt margin	<u>\$ 177,253,664</u>

Arbitrage Rebate - The Tax Reform Act of 1986 requires the governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. The rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the opinion of management, any obligation would be immaterial.

Tax Increment Financing Districts - The City (EDA) is the administering authority for the Development Districts and Tax Increment Financing (TIF) Districts as follows:

Renewal and Renovation TIF District No. 6 is a Renewal and Renovation District pursuant to Section 469.174, Subd. 10a of the TIF Act. The district was established in 2002 for the purpose of enabling redevelopment of the properties within the district known as the Heart of the City.

Current tax capacity	\$ 1,059,789
Original tax capacity	(137,147)
Captured tax capacity	<u>922,642</u>
Retained by authority	922,642
Shared with other tax districts	—

Bonds and notes:	Issued	Redeemed	Balance
G.O. Tax Increment Bonds, Series 2004D	\$ 3,490,000	\$ 3,490,000	\$ —
G.O. Taxable Tax Increment Bonds, Series 2004E	490,000	385,000	105,000
G.O. Tax Increment Refunding Bonds, Series 2013B	1,925,000	1,250,000	675,000
Totals	<u>\$ 5,905,000</u>	<u>\$ 5,125,000</u>	<u>\$ 780,000</u>

Development District No. 1 - In 1995 the City approved a modified development program for Development District Nos. 1 and 2, and amended the plans for TIF Districts Nos. 1 (Decertified in 2010), 2, and 2-1 (Decertified in 1998), resulting in a Restated Development Program for Development District No. 1. This action expanded the project area of the districts, allowing the use of excess increment generated within the TIF districts to meet economic development, redevelopment, and infrastructure needs throughout the entire city. In 2000, the City amended and restated the development program for Development District No. 1 and the TIF plans for TIF Districts No. 1 and 2 in order to clarify expenditures to date, and to authorize additional expenditures needed to meet the continuing development and redevelopment needs of the development district.

Bonds and notes:	Issued	Redeemed	Balance
G.O. Tax Increment Bonds, Series 1997B	\$ 3,775,000	\$ 3,775,000	\$ —
G.O. Taxable Tax Increment Bonds, Series 1997C	1,230,000	1,230,000	—
G.O. Tax Increment Bonds, Series 2007B	4,945,000	4,945,000	—
G.O. Taxable Tax Increment Bonds, Series 2008B	3,350,000	3,350,000	—
G.O. Tax Increment Bonds, Series 2012A	4,920,000	2,660,000	2,260,000
Totals	<u>\$ 18,220,000</u>	<u>\$ 15,960,000</u>	<u>\$ 2,260,000</u>

Tax Increment Revenue Notes - The City has entered into several private development agreements, regarding certain tax increment properties. Reimbursements to developers for certain qualified development costs were contemplated in the development agreements. The vehicle used for this reimbursement is called a tax increment revenue note.

These notes provide for the payment of principal, equal to the developer's costs. Some of the agreements also include payment for interest at various rates. In each case, payments on the loans will be made at the lesser of the note payment or the agreed upon percentage of actual net tax increment received during specific years as stated in the agreement. Payments are first applied to accrued interest and then to principal balances. The notes are cancelled at the end of the agreement term, whether or not they have been repaid. Any additional tax increments received in the years following the term are retained by the City. These agreements may in substance be a tax abatement but will depend on their individual circumstances. The City currently has two agreements that would be considered tax abatements under GASB Statement 77.

In 2002, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate 95% of the incremental taxes received through execution of a tax increment revenue note. Semiannual payments on the note, including interest at 6.4%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated \$125,100 in 2018. The outstanding principal balance as of December 31, 2018 for this agreement was \$945,350.

In 2005, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate the incremental taxes received, less the greater of 30% of the taxes received or \$75,000, through execution of a tax increment revenue note. Payments on the note, including interest at 7.0%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated \$200,658 in 2018. The outstanding principal balance as of December 31, 2018 for this agreement was \$2,217,000.

These amounts are not included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

Conduit Debt Obligations - From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The City has also provided financial assistance in the public interest through the issuance of Housing Revenue Bonds for multifamily housing projects, Health Care Revenue Bonds for hospital and clinic facilities, and Pollution Control Revenue Bonds for an electric generating plant. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City or the State, nor any political subdivision thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018, there were four series of the limited-obligation revenue bonds outstanding. The aggregate principal amount payable for the one series of Housing Revenue Bonds issued after January 1, 1996 was \$5.1 million. The aggregate principal amount payable for the three series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$22.7 million as follows:

	(In millions)
Industrial Revenue Bonds (1)	\$ 5.7
Housing Revenue Bonds (1)	7.1
Health Care Revenue Bonds (1)	9.9

G. REVENUE PLEDGED

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

Bond Issue	Use of Proceeds	Revenue Pledged			Current Year		
		Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Taxable G.O. Water Revenue Bonds, Series 2010A (BAB's)	Water & Sewer	Water & Sewer Utility Charges	100%	2010-2029	\$ 2,505,057	\$ 239,843	\$ 15,520,599
Taxable G.O. Storm Sewer Revenue Bonds, Series 2010B (BAB's)	Storm Water	Storm Water Utility Charges	100%	2010-2022	\$ 487,120	\$ 124,545	\$ 4,271,323
G.O. Utility Revenue Bonds, Series 2011A	Water & Sewer	Water & Sewer Utility Charges	100%	2011-2025	\$ 1,773,125	\$ 249,175	\$ 15,520,599
G.O. Storm Sewer Revenue Bonds, Series 2011B	Storm Water	Storm Water Utility Charges	100%	2011-2025	\$ 887,925	\$ 127,450	\$ 4,271,323
G.O. Crossover Refunding Bonds, Series 2011D	Storm Water	Storm Water Utility Charges	23%	2011-2019	\$ 33,295	\$ 98,919	\$ 4,271,323
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100%	2012-2027	\$ 1,997,200	\$ 240,400	\$ 15,520,599
G.O. Utility Revenue Bonds, Series 2013A	Water & Sewer	Water & Sewer Utility Charges	100%	2013-2023	\$ 1,370,200	\$ 290,200	\$ 15,520,599
G.O. Utility Revenue Bonds, Series 2014A	Water & Sewer	Water & Sewer Utility Charges	100%	2014-2024	\$ 1,683,563	\$ 286,744	\$ 15,520,599
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100%	2015-2025	\$ 1,785,450	\$ 255,700	\$ 15,520,599
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100%	2016-2031	\$ 1,616,575	\$ 124,580	\$ 15,520,599
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2032	\$ 5,929,255	\$ 384,409	\$ 15,520,599
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2032	\$ 5,592,022	\$ 397,340	\$ 15,520,599
G.O. Utility Bonds, Series 2018A	Water & Sewer	Water & Sewer Utility Charges	100%	2018-2026	\$ 2,793,439	\$ —	\$ 15,520,599

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

Plan Description - The City provides post-employment benefits to certain eligible employees through the City's OPEB plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

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

Contributions - The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$231,297.

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

Retirees and beneficiaries receiving benefits	27
Active plan members	274
Total members	301

Total OPEB Liability of the City - The City's total OPEB liability of \$6,377,808 as of year-end was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions - The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.11%
20-year municipal bond yield	4.11%
Inflation rate	2.50%
Medical trend rate	8.00% grading to 4.50% over 7 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the RPH-2018 mortality tables with projected mortality improvements based on scale MP-2018, and other adjustments.

Changes in the Total OPEB Liability -

	Total OPEB Liability
Beginning balance - January 1, 2018, as restated (Note I. E.)	\$ 4,809,435
Changes for the year	
Service cost	305,355
Interest	172,004
Changes of assumptions	354,359
Differences between expected and actual experience	967,952
Benefit payments	(231,297)
Total net changes	1,568,373
Ending balance - December 31, 2018	\$ 6,377,808

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.00 percent to 4.11 percent.

Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.11%	4.11%	5.11%
Total OPEB liability	\$ 6,967,052	\$ 6,377,808	\$ 5,845,690

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

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB healthcare trend rate	7.00% decreasing to 3.50% over 7 years	8.00% decreasing to 4.50% over 7 years	9.00% decreasing to 5.50% over 7 years
Total OPEB liability	\$ 5,695,159	\$ 6,377,808	\$ 7,175,738

OPEB Expense and Related Deferred Outflows of Resources - For the current year ended, the City recognized OPEB expense of \$624,282. As of year-end, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 860,403
Changes in assumptions	314,986
	<u>\$ 1,175,389</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2019	\$ 146,923
2020	146,923
2021	146,923
2022	146,923
2023	146,923
Thereafter	440,774
	<u>\$ 1,175,389</u>

I. FUND BALANCE CLASSIFICATION

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Other Governmental Funds	Total
Nonspendable						
Advances to other funds	\$ 1,191,544	\$ —	\$ —	\$ —	\$ —	\$ 1,191,544
Restricted for:						
Landfill abatement	\$ 1,711,337	\$ —	\$ —	\$ —	\$ 54,339	\$ 1,765,676
Debt service	—	4,516,052	—	—	2,292,548	6,808,600
Facilities capital	—	—	—	1,181,000	—	1,181,000
Tax increment	—	—	—	—	232,897	232,897
Total Restricted	\$ 1,711,337	\$ 4,516,052	\$ —	\$ 1,181,000	\$ 2,579,784	\$ 9,988,173
Committed to:						
Capital Projects	\$ —	\$ —	\$ 3,355,721	\$ —	\$ —	\$ 3,355,721
Facilities	—	—	—	1,312,815	—	1,312,815
Cable	—	—	—	—	1,060,078	1,060,078
Forfeitures	—	—	—	—	27,655	27,655
Community development	—	—	—	—	11,978	11,978
Youth	—	—	—	—	27,644	27,644
Economic development	—	—	—	—	794,457	794,457
Sustainability	—	—	—	—	34,811	34,811
Forestry	—	—	—	—	559,522	559,522
Total Committed	\$ —	\$ —	\$ 3,355,721	\$ 1,312,815	\$ 2,516,145	\$ 7,184,681
Assigned to:						
Capital projects	\$ —	\$ —	\$ 1,526,311	\$ —	\$ —	\$ 1,526,311
Subsequent year's budget	565,000	—	—	—	—	565,000
IT equipment & software development	—	—	—	—	1,035,897	1,035,897
Ice Center renovation debt service	420,000	—	—	—	—	420,000
Equipment & vehicles	—	—	—	—	1,599,196	1,599,196
Parks capital improvements	—	—	—	—	2,559,635	2,559,635
Street maintenance	—	—	—	—	527,343	527,343
Total Assigned	\$ 985,000	\$ —	\$ 1,526,311	\$ —	\$ 5,722,071	\$ 8,233,382

Minimum Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes that the City will strive to maintain a General Fund Balance of 35 percent of the subsequent year's General Fund operating budget. At December 31, 2018, the fund balance of the General Fund was 56 percent of the subsequent year's budgeted use of funds.

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance policies through the League of Minnesota Cities Insurance Trust. The blanket policy includes coverage for buildings, personal property, contractors, and miscellaneous equipment, crime, employee performance bonds, autos, and general liability. General liability coverage amounts to \$2,000,000 per occurrence (and aggregate), with a \$50,000 per occurrence, and a \$250,000 aggregate deductible. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

B. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

General Litigation - There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City which are not covered by insurance would not materially affect the financial statement of the City.

C. JOINTLY GOVERNED ORGANIZATIONS

The following are jointly governed organizations and are not included in the City's financial statements. The City is not obligated, in any manner, for the debt of the following organizations:

Dakota Communications Center (DCC) - The DCC was established through a joint powers agreement with 11 municipalities and Dakota County. Its purpose is to establish, operate, and maintain a public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents of member cities and Dakota County. The members appoint the DCC's Board of Directors, which shall consist of an elected official from each member city and Dakota County. Each member may also designate one elected official as an alternate director. The Board of Directors approves the annual operating and capital budgets, and the member fees and assessments. Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding the DCC can be obtained from the website www.mn-dcc.org/stats.asp or by contacting the City of Lakeville, 20195 Holyoke Avenue, Lakeville, MN 55044-9177.

Black Dog Water Management Organization (Black Dog WMO) - This organization was established through a joint powers agreement with four other cities. Its purpose is to regulate water storage and run off, improve water quality, and prevent flooding and erosion from surface flows within the watershed. The member cities appoint the Black Dog WMO's board, approve budgets, and contribute management fees (\$115,696 for the City in 2018). The Black Dog WMO is not fiscally dependent on the City. Financial information for Black Dog WMO can be obtained at the City's offices.

I-35W Solutions Alliance (Alliance) - This Alliance was established through a joint powers agreement with six other municipalities as well as Dakota County and the Hennepin County Rail Authority. Its purpose is to achieve an understanding among its members, the legislature, the governor, other governmental units, and members of the public to achieve a balanced solution to transportation congestion currently existent in the I-35W corridor. The Alliance is not fiscally dependent on the City. The Alliance does not issue audited financial statements, however financial information can be obtained at the City's offices.

Dakota County Drug Task Force (Task Force) - The Task Force was established through a joint powers agreement with 12 other municipalities and Dakota County. Its purpose is to coordinate efforts to apprehend and prosecute drug offenders within the members' jurisdictions. The members appoint the Task Force's board and donate police officers and equipment. The Task Force is not fiscally dependent on the City. The audited financial statements for the Task Force may be obtained from the City of Eagan offices, located at 3830 Pilot Knob Road, Eagan, Minnesota 55122.

Minnesota Valley Transit Authority (MVTA) - The MVTA was established through a joint powers agreement with six other cities to provide public transit service. The member cities appoint the authority's board. The MVTA is not fiscally dependent on the City. The audited financial statements for MVTA are available at the MVTA offices, located at 100 East Highway 13, Burnsville, Minnesota 55337.

D. RETIREMENT AND DEFERRED COMPENSATION PLANS

1. Defined Benefit Pension Plans - State-Wide

a. Plan Descriptions

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

General Employees Retirement Fund (GERF)

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

Public Employees Police and Fire Fund (PEPFF)

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

b. Benefits Provided

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

GERF Benefits

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

c. Contributions

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

GERF Contributions

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2018. The City was required to contribute 7.5 percent for Coordinated Plan members in calendar year 2018. The City's contributions to the GERF for the year ended December 31, 2018 were \$892,984. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2018. The City was required to contribute 16.2 percent of pay for PEPFF members in calendar year 2018. The City's regular contributions to the PEPFF for the year ended December 31, 2018 were \$2,005,044. The City's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

GERF Pension Costs

At December 31, 2018, the City reported a liability of \$9,641,712 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the State of Minnesota's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$316,264. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.174 percent, which was the same proportion measured as of June 30, 2017.

City's proportionate share of the net pension liability	\$	9,641,712
State of Minnesota's proportionate share of the net pension liability associated with the City		316,264
	\$	<u>9,957,976</u>

For the year ended December 31, 2018, the City recognized pension expense of \$732,346 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$73,752 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Retirement Fund.

At December 31, 2018, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 255,200	\$ 293,018
Changes in actuarial assumptions	959,713	1,083,349
Differences between projected and actual investment earnings	—	934,804
Changes in proportion	14,252	296,362
Contributions paid to the PERA subsequent to the measurement date	443,022	—
	<u>\$ 1,672,187</u>	<u>\$ 2,607,533</u>

\$443,022 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2019	\$ 253,466
2020	(648,254)
2021	(782,343)
2022	(201,237)
	<u>\$ (1,378,368)</u>

PEPFF Pension Costs

At December 31, 2018, the City reported a liability of \$12,317,506 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2018, the City's proportion was 1.16 percent, which was an increase of 0.05 percent from its proportion measured as of June 30, 2017. The City also recognized \$104,004 for the year ended December 31, 2018, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2018, the City recognized pension expense of \$1,412,899 for its proportionate share of the PEPFF's pension expense.

At December 31, 2018, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 483,886	\$ 3,046,587
Changes in actuarial assumptions	15,517,802	17,357,039
Differences between projected and actual investment earnings	—	2,384,397
Changes in proportion	688,609	1,780,199
Contributions paid to the PERA subsequent to the measurement date	1,006,845	—
	<u>\$ 17,697,142</u>	<u>\$ 24,568,222</u>

\$1,006,845 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2019	\$ (273,327)
2020	(842,491)
2021	(1,769,737)
2022	(5,065,618)
2023	73,248
	<u>\$ (7,877,925)</u>

e. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active member payroll growth	3.25% per year
Investment rate of return	7.5%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for both plans for males and females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases for retirees are assumed to be: 1.25 percent per year for the GERF plan and 1.0 percent per year for the PEPFF plan.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the GERF was completed in 2015. The most recent four-year experience study for the PEPFF was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

GERF

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2044 and 2.50 percent thereafter to 1.25 percent per year.

PEPFF

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	36%	5.10%
International stocks	17%	5.30%
Bonds	20%	0.75%
Alternative assets	25%	5.90%
Cash	2%	—%
Total	<u>100%</u>	

f. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on these assumptions, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

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

	<u>GERF</u>		<u>PEPFF</u>	
	<u>Discount Rate</u>	<u>Net Pension Liability</u>	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% Decrease in Discount Rate	6.5%	\$ 15,669,015	6.5%	\$ 26,409,505
Current Discount Rate	7.5%	9,641,712	7.5%	12,317,506
1% Increase in Discount Rate	8.5%	4,666,344	8.5%	664,008

h. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plans

Two council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City of Burnsville during fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rates
\$1,020	\$1,020	5.0%	5.0%	5.0%

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIO
YEAR ENDED DECEMBER 31, 2018
(LAST TEN YEARS)*

	<u>2018</u>
Total OPEB liability	
Service Cost	\$ 305,355
Interest	172,004
Changes of assumptions	354,359
Differences between expected and actual experience	967,952
Benefit payments	(231,297)
Net changes in total OPEB liability	<u>1,568,373</u>
Total OPEB liability - beginning of year, as restated (Note I.E.)	<u>4,809,435</u>
Total OPEB liability - end of year	<u><u>\$ 6,377,808</u></u>
Covered payroll	<u><u>\$ 21,765,682</u></u>
Total OPEB liability as a percentage of covered payroll	<u><u>29.30%</u></u>

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2018.

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

DEFINED BENEFIT PENSION PLANS
GERF/PEPFF RETIREMENT FUNDS
SCHEDULE OF CITY CONTRIBUTIONS
(LAST TEN YEARS)*

Public Employees General Employees Retirement Fund (GERF):

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(d)	(b/d)
December 31, 2015	\$ 826,678	\$ 826,678	\$ —	\$ 11,022,307	7.5%
December 31, 2016	827,245	827,245	—	11,030,299	7.5%
December 31, 2017	848,499	848,499	—	11,313,288	7.5%
December 31, 2018	892,984	892,984	—	11,906,448	7.5%

Public Employees Police and Fire Fund (PEPFF):

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(d)	(b/d)
December 31, 2015	\$ 1,811,456	\$ 1,811,456	\$ —	\$ 11,181,833	16.2%
December 31, 2016	1,792,322	1,792,322	—	11,063,712	16.2%
December 31, 2017	1,903,312	1,903,312	—	11,748,845	16.2%
December 31, 2018	2,005,044	2,005,044	—	12,376,817	16.2%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

**For purposes of this schedule, covered payroll is defined as "pensionable wages."

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

GERF RETIREMENT FUND

SCHEDULE OF CITY'S AND NON-EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY

(LAST TEN YEARS)*

Public Employees General Employees Retirement Fund (GERF):

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability (b)	Proportionate Share of the Net Pension Liability and the Employer's Share of the State of Minnesota's Share of the Net Pension Liability (c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.180%	\$ 9,328,533	\$ —	\$ —	\$ 10,581,137	88.2%	78.2%
June 30, 2016	0.181%	14,704,422	192,082	14,896,504	11,239,458	130.8%	68.9%
June 30, 2017	0.174%	11,095,277	139,516	11,234,793	11,186,096	99.2%	75.9%
June 30, 2018	0.174%	9,641,712	316,264	9,957,976	11,683,592	82.5%	79.5%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages."

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

PEPFF RETIREMENT FUND

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

(LAST TEN YEARS)*

Public Employees Police and Fire Fund (PEPFF):

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		(a)	(b)	(a/b)	
June 30, 2015	1.15%	\$ 13,066,691	\$ 10,530,271	124.1%	86.6%
June 30, 2016	1.17%	46,994,268	11,279,611	416.6%	63.9%
June 30, 2017	1.11%	14,918,815	11,345,319	131.5%	85.4%
June 30, 2018	1.16%	12,317,506	12,178,923	101.1%	88.8%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages."

CITY OF BURNSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

GENERAL EMPLOYEES RETIREMENT FUND (GERF)

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

2017 Changes

Changes in Plan Provisions:

- The State's special funding contribution increased from \$6 million to \$16 million.

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035, and 2.5 percent per year thereafter, to 1.0 percent per year for all years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030, and 2.5 percent per year thereafter, to 1.0 percent per year through 2035, and 2.5 percent per year thereafter.

PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and nonvested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate changed from 5.60 percent to 7.50 percent.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037, and 2.5 percent thereafter, to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate changed from 7.9 percent to 5.6 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030, and 2.5 percent per year thereafter, to 1.0 percent per year through 2037, and 2.5 percent per year thereafter.

OTHER POST-EMPLOYMENT BENEFIT PLAN

2018 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.00 percent to 4.11 percent.

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Combining and Individual Fund Statements and Schedules



City of Burnsville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Assets							
Cash, cash equivalents and investments	\$ 776,120	\$ 29,165	\$ 21,978	\$ 30,440	\$ 733,857	\$ 89,486	\$ 549,196
Receivables, net of allowance for uncollectible amounts:							
Property taxes	—	—	—	—	4,188	—	2,920
Special assessments	—	—	—	—	—	—	—
Accounts receivable	255,014	—	—	—	—	—	—
Due from other funds	—	—	—	—	20,000	—	—
Due from other governments	35,102	—	4,651	11,991	44,736	—	20,126
Total Assets	<u>\$ 1,066,236</u>	<u>\$ 29,165</u>	<u>\$ 26,629</u>	<u>\$ 42,431</u>	<u>\$ 802,781</u>	<u>\$ 89,486</u>	<u>\$ 572,242</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 6,118	\$ —	\$ 4,651	\$ 2,795	\$ 2,746	\$ 336	\$ 9,800
Contracts payable	—	—	—	—	—	—	—
Due to other funds	—	—	10,000	—	—	—	—
Due to other governments	40	—	—	11,992	1,390	—	—
Customer and other deposits	—	1,510	—	—	—	—	—
Total Liabilities	<u>6,158</u>	<u>1,510</u>	<u>14,651</u>	<u>14,787</u>	<u>4,136</u>	<u>336</u>	<u>9,800</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	—	—	—	—	4,188	—	2,920
Unavailable revenue - special assessments	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,188</u>	<u>—</u>	<u>2,920</u>
Fund Balances:							
Restricted	—	—	—	—	—	54,339	—
Committed	1,060,078	27,655	11,978	27,644	794,457	34,811	559,522
Assigned	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—
Total Fund Balances	<u>1,060,078</u>	<u>27,655</u>	<u>11,978</u>	<u>27,644</u>	<u>794,457</u>	<u>89,150</u>	<u>559,522</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,066,236</u>	<u>\$ 29,165</u>	<u>\$ 26,629</u>	<u>\$ 42,431</u>	<u>\$ 802,781</u>	<u>\$ 89,486</u>	<u>\$ 572,242</u>

Debt Service Funds				Capital Projects Funds						Total Nonmajor Governmental Funds
G.O. Bonds	Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Street Revolving Construction	
\$ 309,363	\$ 675,973	\$ 92,348	\$ 1,353,239	\$ 1,063,118	\$ 1,511,339	\$ 237,348	\$ 2,260,002	\$ 215	\$ 509,800	\$ 10,242,987
2,295	1,897	1,544	1,070	3,269	7,321	—	5,132	—	—	29,636
—	—	—	—	—	—	—	29,489	144,818	—	174,307
—	—	—	—	—	775	—	—	—	—	255,789
—	—	—	—	—	—	—	—	—	—	20,000
28,998	18,994	18,881	1,651	27,624	92,655	—	501,646	447,675	17,543	1,272,273
<u>\$ 340,656</u>	<u>\$ 696,864</u>	<u>\$ 112,773</u>	<u>\$ 1,355,960</u>	<u>\$ 1,094,011</u>	<u>\$ 1,612,090</u>	<u>\$ 237,348</u>	<u>\$ 2,796,269</u>	<u>\$ 592,708</u>	<u>\$ 527,343</u>	<u>\$ 11,994,992</u>
\$ —	\$ —	\$ 26,026	\$ 170,215	\$ 54,845	\$ 5,564	\$ —	\$ 46,097	\$ 61,945	\$ —	\$ 391,138
—	—	—	—	—	—	—	155,916	543,506	—	699,422
—	—	—	—	—	—	—	—	15,000	—	25,000
—	—	—	10,658	—	9	4,451	—	—	—	28,540
—	—	—	—	—	—	—	—	—	—	1,510
—	—	26,026	180,873	54,845	5,573	4,451	202,013	620,451	—	1,145,610
2,295	1,897	1,544	1,070	3,269	7,321	—	5,132	—	—	29,636
—	—	—	—	—	—	—	29,489	144,818	—	174,307
2,295	1,897	1,544	1,070	3,269	7,321	—	34,621	144,818	—	203,943
338,361	694,967	85,203	1,174,017	—	—	232,897	—	—	—	2,579,784
—	—	—	—	—	—	—	—	—	—	2,516,145
—	—	—	—	1,035,897	1,599,196	—	2,559,635	—	527,343	5,722,071
—	—	—	—	—	—	—	—	(172,561)	—	(172,561)
338,361	694,967	85,203	1,174,017	1,035,897	1,599,196	232,897	2,559,635	(172,561)	527,343	10,645,439
<u>\$ 340,656</u>	<u>\$ 696,864</u>	<u>\$ 112,773</u>	<u>\$ 1,355,960</u>	<u>\$ 1,094,011</u>	<u>\$ 1,612,090</u>	<u>\$ 237,348</u>	<u>\$ 2,796,269</u>	<u>\$ 592,708</u>	<u>\$ 527,343</u>	<u>\$ 11,994,992</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Revenues							
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ 718,906	\$ —	\$ 298,684
Special assessments	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	2,120
Other taxes	736,818	—	—	—	—	—	—
Intergovernmental revenue	—	—	18,920	77,606	—	247,416	—
Charges for services	286,307	—	—	—	—	—	—
Fines and forfeits	—	18,863	—	—	—	—	—
Interest on investments (charges)	20,216	788	194	663	7,603	4,215	10,252
Miscellaneous revenue	380	—	—	—	—	—	8,050
Total Revenues	1,043,721	19,651	19,114	78,269	726,509	251,631	319,106
Expenditures							
Current:							
General government	1,127,716	—	18,920	—	—	—	—
Public safety	—	34,523	—	—	—	—	—
Public works and parks	—	—	—	—	—	—	—
Culture and recreation	—	—	—	105,509	—	—	—
Conservation of natural resources	—	—	—	—	—	397,049	312,311
Economic development	—	—	—	—	189,019	—	—
Capital outlay:							
Public works and parks	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—
Debt service:							
Redemption of bonds	—	—	—	—	—	—	—
Interest on bonds	—	—	—	—	—	—	—
Fiscal agent fees	—	—	—	—	—	—	—
Bond Issuance costs	—	—	—	—	—	—	—
Total Expenditures	1,127,716	34,523	18,920	105,509	189,019	397,049	312,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,995)	(14,872)	194	(27,240)	537,490	(145,418)	6,795
Other Financing Sources (Uses)							
Bonds issued	—	—	—	—	—	—	—
Refunding bonds issued	—	—	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—
Transfers in	—	—	—	56,000	—	75,000	—
Transfers out	(185,000)	—	—	(48,000)	(498,828)	—	—
Total other financing sources (uses)	(185,000)	—	—	8,000	(498,828)	75,000	—
Net Change in Fund Balances	(268,995)	(14,872)	194	(19,240)	38,662	(70,418)	6,795
Fund Balances (Deficits) - Beginning	1,329,073	42,527	11,784	46,884	755,795	159,568	552,727
Fund Balances (Deficits)- Ending	\$ 1,060,078	\$ 27,655	\$ 11,978	\$ 27,644	\$ 794,457	\$ 89,150	\$ 559,522

Debt Service Funds				Capital Projects Funds						Total Nonmajor Governmental Funds
G.O. Bonds	Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Street Revolving Construction	
\$ 425,142	\$ 292,069	\$ 276,567	\$ 714,157	\$ 429,018	\$1,441,285	\$215,000	\$ 968,259	\$ —	\$ —	\$ 5,779,087
—	—	—	—	—	—	—	4,969	445,198	—	450,167
—	—	—	—	—	—	—	—	—	—	2,120
—	—	—	—	—	—	—	—	—	—	736,818
—	—	—	—	—	6,318	—	439,382	656,211	—	1,445,853
—	—	—	—	—	—	—	—	—	17,543	303,850
—	—	—	—	—	—	—	—	—	—	18,863
7,884	80,604	10,859	11,985	16,378	21,799	4,492	40,324	(47,048)	15,858	207,066
—	—	—	—	—	32,878	—	947,008	14,000	—	1,002,316
<u>433,026</u>	<u>372,673</u>	<u>287,426</u>	<u>726,142</u>	<u>445,396</u>	<u>1,502,280</u>	<u>219,492</u>	<u>2,399,942</u>	<u>1,068,361</u>	<u>33,401</u>	<u>9,946,140</u>
—	—	—	—	392,996	—	—	—	—	—	1,539,632
—	—	—	—	—	619,855	—	—	—	—	654,378
—	—	—	—	—	1,177,880	—	—	—	594,493	1,772,373
—	—	—	—	—	—	—	—	—	—	105,509
—	—	—	—	—	47,097	—	—	—	—	756,457
—	—	—	325,758	—	—	2,117	—	—	—	516,894
—	—	—	—	—	—	—	2,559,821	—	—	2,559,821
—	—	—	—	—	—	211,559	—	1,399,795	—	1,611,354
815,000	900,000	650,864	375,000	237,804	—	—	—	—	—	2,978,668
395,021	563,084	157,744	23,250	—	—	—	—	—	—	1,139,099
1,276	5,315	2,300	11,108	—	—	—	—	—	—	19,999
—	—	33,877	—	—	—	—	—	4,804	—	38,681
<u>1,211,297</u>	<u>1,468,399</u>	<u>844,785</u>	<u>735,116</u>	<u>630,800</u>	<u>1,844,832</u>	<u>213,676</u>	<u>2,559,821</u>	<u>1,404,599</u>	<u>594,493</u>	<u>13,692,865</u>
<u>(778,271)</u>	<u>(1,095,726)</u>	<u>(557,359)</u>	<u>(8,974)</u>	<u>(185,404)</u>	<u>(342,552)</u>	<u>5,816</u>	<u>(159,879)</u>	<u>(336,238)</u>	<u>(561,092)</u>	<u>(3,746,725)</u>
—	—	—	—	—	—	—	—	965,000	—	965,000
—	—	3,235,000	—	—	—	—	—	—	—	3,235,000
—	—	147,538	—	—	—	—	—	39,556	—	187,094
—	(13,435,000)	(3,349,136)	—	—	—	—	—	—	—	(16,784,136)
—	—	—	515,000	—	81,234	—	—	—	—	596,234
808,921	1,004,328	140,000	—	388,360	1,034,490	—	690,000	—	619,450	4,816,549
—	—	—	—	—	—	—	—	—	—	(731,828)
<u>808,921</u>	<u>(12,430,672)</u>	<u>173,402</u>	<u>515,000</u>	<u>388,360</u>	<u>1,115,724</u>	<u>—</u>	<u>690,000</u>	<u>1,004,556</u>	<u>619,450</u>	<u>(7,716,087)</u>
30,650	(13,526,398)	(383,957)	506,026	202,956	773,172	5,816	530,121	668,318	58,358	(11,462,812)
307,711	14,221,365	469,160	667,991	832,941	826,024	227,081	2,029,514	(840,879)	468,985	22,108,251
<u>\$ 338,361</u>	<u>\$ 694,967</u>	<u>\$ 85,203</u>	<u>\$1,174,017</u>	<u>\$1,035,897</u>	<u>\$1,599,196</u>	<u>\$232,897</u>	<u>\$2,559,635</u>	<u>\$ (172,561)</u>	<u>\$ 527,343</u>	<u>\$ 10,645,439</u>

City of Burnsville
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 24,825,000	\$ 24,825,000	\$ 24,970,084	\$ 145,084
Special assessments	10,800	10,800	9,803	(997)
Licenses and permits	1,967,608	1,967,608	2,464,794	497,186
Other taxes	360,000	360,000	389,019	29,019
Intergovernmental revenue	2,275,833	2,312,771	2,354,659	41,888
Charges for services	6,391,818	6,391,818	6,926,738	534,920
Fines and forfeits	363,700	363,700	340,484	(23,216)
Interest on investments	320,000	320,000	452,301	132,301
Net change in fair value of investments	—	—	(278,007)	(278,007)
Miscellaneous revenue	949,079	961,643	1,022,301	60,658
Total Revenues	<u>37,463,838</u>	<u>37,513,340</u>	<u>38,652,176</u>	<u>1,138,836</u>
Expenditures				
Current:				
General government:				
Mayor and council	118,938	118,938	112,255	6,683
Manager and administration	842,440	842,440	697,207	145,233
Human resources	474,312	474,312	366,587	107,725
Legal	573,004	573,004	541,469	31,535
Information technologies	1,407,592	1,407,592	1,225,326	182,266
Finance	609,796	609,796	586,213	23,583
Insurance	464,500	464,500	405,199	59,301
Planning	694,439	694,439	600,249	94,190
General government buildings	710,570	710,570	593,123	117,447
Lodging tax to Convention and Visitors Bureau	342,000	342,000	369,568	(27,568)
Total general government	<u>6,237,591</u>	<u>6,237,591</u>	<u>5,497,196</u>	<u>740,395</u>
Public safety:				
Police	14,205,553	14,234,014	14,339,051	(105,037)
Fire	7,300,368	7,323,909	7,317,973	5,936
Inspections	1,239,014	1,251,314	1,185,404	65,910
Total public safety	<u>22,744,935</u>	<u>22,809,237</u>	<u>22,842,428</u>	<u>(33,191)</u>
Public works and parks:				
Engineering	1,359,382	1,359,382	1,255,367	104,015
Parks & streets	4,358,724	4,358,724	4,318,704	40,020
Fleet maintenance	338,345	338,345	423,556	(85,211)
Total public works and parks	<u>6,056,451</u>	<u>6,056,451</u>	<u>5,997,627</u>	<u>58,824</u>
Culture & recreation:				
Recreation	956,108	956,108	897,047	59,061
Conservation of natural resources:				
Natural Resources	36,704	36,704	7,647	29,057
Forestry	747,906	747,906	697,538	50,368
Total conservation of natural resources	<u>784,610</u>	<u>784,610</u>	<u>705,185</u>	<u>79,425</u>
Total Expenditures	<u>36,779,695</u>	<u>36,843,997</u>	<u>35,939,483</u>	<u>904,514</u>
Excess of Revenues Over Expenditures	<u>684,143</u>	<u>669,343</u>	<u>2,712,693</u>	<u>2,043,350</u>
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(1,602,000)	(2,627,000)	(2,627,000)	—
Total other financing sources (uses)	<u>(1,417,000)</u>	<u>(2,442,000)</u>	<u>(2,442,000)</u>	—
Net Change in Fund Balances	(732,857)	(1,772,657)	270,693	2,043,350
Fund Balances - Beginning	22,338,001	22,338,001	22,338,001	—
Fund Balances - Ending	<u>\$ 21,605,144</u>	<u>\$ 20,565,344</u>	<u>\$ 22,608,694</u>	<u>\$ 2,043,350</u>

City of Burnsville
Infrastructure Trust Fund (ITF)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,300,000	\$ 3,300,000	\$ 3,302,810	\$ 2,810
Intergovernmental revenue	1,990,000	1,990,000	1,514,987	(475,013)
Interest on investments	35,399	35,399	90,027	54,628
Total Revenues	<u>5,325,399</u>	<u>5,325,399</u>	<u>4,907,824</u>	<u>(417,575)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>5,380,000</u>	<u>5,572,194</u>	<u>3,043,432</u>	<u>2,528,762</u>
Excess (Deficiency) of Revenues Over (Under)Expenditures	<u>(54,601)</u>	<u>(246,795)</u>	<u>1,864,392</u>	<u>2,111,187</u>
Other Financing Sources (Uses)				
Transfers out	<u>(708,122)</u>	<u>(708,122)</u>	<u>(708,122)</u>	<u>—</u>
Net Change in Fund Balances	(762,723)	(954,917)	1,156,270	2,111,187
Fund Balances - Beginning	<u>3,725,762</u>	<u>3,725,762</u>	<u>3,725,762</u>	<u>—</u>
Fund Balances - Ending	<u>\$ 2,963,039</u>	<u>\$ 2,770,845</u>	<u>\$ 4,882,032</u>	<u>\$ 2,111,187</u>

City of Burnsville
Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 807,000	\$ 807,000	\$ 804,663	\$ (2,337)
Other taxes	1,220,000	1,220,000	1,235,400	15,400
Interest on investments	—	—	50,638	50,638
Total Revenues	<u>2,027,000</u>	<u>2,027,000</u>	<u>2,090,701</u>	<u>63,701</u>
Expenditures				
Current:				
General government:				
General government buildings	—	43,000	—	43,000
Public safety:				
Police	—	3,000	3,315	(315)
Capital outlay:				
General government:				
General government buildings	212,300	1,486,763	1,656,003	(169,240)
Public safety:				
Police	—	2,037,510	2,037,510	—
Fire	89,000	89,000	39,119	49,881
Total public safety	<u>89,000</u>	<u>2,126,510</u>	<u>2,076,629</u>	<u>49,881</u>
Public works and parks:				
Fleet maintenance	145,000	148,156	143,428	4,728
Culture and recreation:				
Ice center	—	1,200,000	19,000	1,181,000
Debt service:				
Bond Issuance costs	—	—	12,814	(12,814)
Total Expenditures	<u>446,300</u>	<u>5,007,429</u>	<u>3,911,189</u>	<u>1,096,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,580,700</u>	<u>(2,980,429)</u>	<u>(1,820,488)</u>	<u>1,159,941</u>
Other Financing Sources (Uses)				
Bonds issued	—	1,200,000	1,160,000	(40,000)
Premium on bonds issued	—	—	52,895	52,895
Transfers in	110,000	110,000	110,000	—
Transfers out	(808,921)	(808,921)	(808,921)	—
Total other financing sources (uses)	<u>(698,921)</u>	<u>501,079</u>	<u>513,974</u>	<u>12,895</u>
Net Change in Fund Balances	881,779	(2,479,350)	(1,306,514)	1,172,836
Fund Balances - Beginning	3,800,329	3,800,329	3,800,329	—
Fund Balances - Ending	<u>\$ 4,682,108</u>	<u>\$ 1,320,979</u>	<u>\$ 2,493,815</u>	<u>\$ 1,172,836</u>

City of Burnsville
Cable Franchise Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other taxes	\$ 770,000	\$ 770,000	\$ 736,818	\$ (33,182)
Charges for services	300,400	300,400	286,307	(14,093)
Interest on investments	7,000	7,000	20,216	13,216
Miscellaneous revenue	—	—	380	380
Total Revenues	<u>1,077,400</u>	<u>1,077,400</u>	<u>1,043,721</u>	<u>(33,679)</u>
Expenditures				
Current:				
General government:				
Public relations	1,348,285	1,365,737	1,127,716	238,021
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(270,885)</u>	<u>(288,337)</u>	<u>(83,995)</u>	<u>204,342</u>
Other Financing Sources (Uses)				
Transfers out	<u>(185,000)</u>	<u>(185,000)</u>	<u>(185,000)</u>	<u>—</u>
Net Change in Fund Balances	(455,885)	(473,337)	(268,995)	204,342
Fund Balances - Beginning	1,329,073	1,329,073	1,329,073	—
Fund Balances - Ending	<u>\$ 873,188</u>	<u>\$ 855,736</u>	<u>\$ 1,060,078</u>	<u>\$ 204,342</u>

**City of Burnsville
Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 25,000	\$ 25,000	\$ 18,863	\$ (6,137)
Interest on investments	—	—	788	788
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>19,651</u>	<u>(5,349)</u>
Expenditures				
Current:				
Public safety:				
Police	30,000	30,000	34,523	(4,523)
Net Change in Fund Balances	(5,000)	(5,000)	(14,872)	(9,872)
Fund Balances - Beginning	42,527	42,527	42,527	—
Fund Balances - Ending	<u>\$ 37,527</u>	<u>\$ 37,527</u>	<u>\$ 27,655</u>	<u>\$ (9,872)</u>

**City of Burnsville
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 13,000	\$ 18,920	\$ 18,920	\$ —
Interest on investments	—	—	194	194
Total Revenues	<u>13,000</u>	<u>18,920</u>	<u>19,114</u>	<u>194</u>
Expenditures				
Current:				
General government:				
Manager and administration	13,000	18,920	18,920	—
Net Change in Fund Balances	—	—	194	194
Fund Balances - Beginning	11,784	11,784	11,784	—
Fund Balances - Ending	<u>\$ 11,784</u>	<u>\$ 11,784</u>	<u>\$ 11,978</u>	<u>\$ 194</u>

**City of Burnsville
Youth Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 47,000	\$ 77,606	\$ 77,606	\$ —
Interest on investments	—	—	663	663
Miscellaneous revenue	500	500	—	(500)
Total Revenues	<u>47,500</u>	<u>78,106</u>	<u>78,269</u>	<u>163</u>
Expenditures				
Current:				
Culture & Recreation:				
Recreation	66,967	117,027	105,509	11,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,467)</u>	<u>(38,921)</u>	<u>(27,240)</u>	<u>11,681</u>
Other Financing Sources (Uses)				
Transfers in	56,000	56,000	56,000	—
Transfers out	(48,000)	(48,000)	(48,000)	—
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>—</u>
Net Change in Fund Balances	(11,467)	(30,921)	(19,240)	11,681
Fund Balances - Beginning	46,884	46,884	46,884	—
Fund Balances - Ending	<u>\$ 35,417</u>	<u>\$ 15,963</u>	<u>\$ 27,644</u>	<u>\$ 11,681</u>

City of Burnsville
Economic Development Authority (EDA) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 717,500	\$ 717,500	\$ 718,906	\$ 1,406
Interest on investments	7,000	7,000	7,603	603
Total Revenues	<u>724,500</u>	<u>724,500</u>	<u>726,509</u>	<u>2,009</u>
Expenditures				
Current:				
Economic development	223,442	223,442	189,019	34,423
Excess of Revenues Over Expenditures	<u>501,058</u>	<u>501,058</u>	<u>537,490</u>	<u>36,432</u>
Other Financing (Uses)				
Transfers out	<u>(498,828)</u>	<u>(498,828)</u>	<u>(498,828)</u>	<u>—</u>
Net Change in Fund Balances	2,230	2,230	38,662	36,432
Fund Balances - Beginning	755,795	755,795	755,795	—
Fund Balances - Ending	<u>\$ 758,025</u>	<u>\$ 758,025</u>	<u>\$ 794,457</u>	<u>\$ 36,432</u>

**City of Burnsville
Sustainability Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 247,416	\$ 247,416	\$ 247,416	\$ —
Interest on investments	—	—	4,215	4,215
Total Revenues	<u>247,416</u>	<u>247,416</u>	<u>251,631</u>	<u>4,215</u>
Expenditures				
Current:				
Conservation of natural resources:				
Recycling	416,235	419,966	397,049	22,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(168,819)</u>	<u>(172,550)</u>	<u>(145,418)</u>	<u>27,132</u>
Other Financing Sources				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>—</u>
Net Change in Fund Balances	(93,819)	(97,550)	(70,418)	27,132
Fund Balances - Beginning	159,568	159,568	159,568	—
Fund Balances - Ending	<u>\$ 65,749</u>	<u>\$ 62,018</u>	<u>\$ 89,150</u>	<u>\$ 27,132</u>

**City of Burnsville
Forestry Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 300,000	\$ 300,000	\$ 298,684	\$ (1,316)
Licenses and permits	1,720	1,720	2,120	400
Interest on investments	—	—	10,252	10,252
Miscellaneous revenue	—	—	8,050	8,050
Total Revenues	<u>301,720</u>	<u>301,720</u>	<u>319,106</u>	<u>17,386</u>
Expenditures				
Current:				
Conservation of natural resources:				
Forestry	<u>402,998</u>	<u>402,998</u>	<u>312,311</u>	<u>90,687</u>
Net Change in Fund Balances	(101,278)	(101,278)	6,795	108,073
Fund Balances - Beginning	<u>552,727</u>	<u>552,727</u>	<u>552,727</u>	<u>—</u>
Fund Balances - Ending	<u><u>\$ 451,449</u></u>	<u><u>\$ 451,449</u></u>	<u><u>\$ 559,522</u></u>	<u><u>\$ 108,073</u></u>

City of Burnsville
Information Technology (I.T.) Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 433,000	\$ 433,000	\$ 429,018	\$ (3,982)
Interest on investments	1,000	1,000	16,378	15,378
Total Revenues	<u>434,000</u>	<u>434,000</u>	<u>445,396</u>	<u>11,396</u>
Expenditures				
Current:				
General government:				
Information technologies	438,125	959,155	392,996	566,159
Debt service:				
Redemption of bonds	<u>242,000</u>	<u>242,000</u>	<u>237,804</u>	<u>4,196</u>
Total Expenditures	<u>680,125</u>	<u>1,201,155</u>	<u>630,800</u>	<u>570,355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(246,125)</u>	<u>(767,155)</u>	<u>(185,404)</u>	<u>581,751</u>
Other Financing Sources				
Transfers in	<u>223,360</u>	<u>388,360</u>	<u>388,360</u>	<u>—</u>
Net Change in Fund Balances	(22,765)	(378,795)	202,956	581,751
Fund Balances - Beginning	<u>832,941</u>	<u>832,941</u>	<u>832,941</u>	<u>—</u>
Fund Balances - Ending	<u><u>\$ 810,176</u></u>	<u><u>\$ 454,146</u></u>	<u><u>\$ 1,035,897</u></u>	<u><u>\$ 581,751</u></u>

City of Burnsville
Equipment and Vehicle Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,451,000	\$ 1,451,000	\$ 1,441,285	\$ (9,715)
Intergovernmental revenue	—	—	6,318	6,318
Interest on investments	4,000	4,000	21,799	17,799
Miscellaneous revenue	—	20,000	32,878	12,878
Total Revenues	<u>1,455,000</u>	<u>1,475,000</u>	<u>1,502,280</u>	<u>27,280</u>
Expenditures				
Current:				
Public safety:				
Police	389,000	389,000	305,666	83,334
Fire	403,000	529,255	314,189	215,066
Inspections	56,000	56,000	—	56,000
Total public safety	<u>848,000</u>	<u>974,255</u>	<u>619,855</u>	<u>354,400</u>
Public works and parks:				
Parks & streets	805,500	1,300,500	1,177,880	122,620
Fleet maintenance	—	45,213	—	45,213
Total public works and parks	<u>805,500</u>	<u>1,345,713</u>	<u>1,177,880</u>	<u>167,833</u>
Conservation of natural resources:				
Forestry	46,500	46,500	47,097	(597)
Total Expenditures	<u>1,700,000</u>	<u>2,366,468</u>	<u>1,844,832</u>	<u>521,636</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(245,000)</u>	<u>(891,468)</u>	<u>(342,552)</u>	<u>548,916</u>
Other Financing Sources				
Sale of capital assets	152,000	152,000	81,234	(70,766)
Transfers in	210,000	1,050,000	1,034,490	(15,510)
Total other financing sources	<u>362,000</u>	<u>1,202,000</u>	<u>1,115,724</u>	<u>(86,276)</u>
Net Change in Fund Balances	117,000	310,532	773,172	462,640
Fund Balances - Beginning	826,024	826,024	826,024	—
Fund Balances - Ending	<u>\$ 943,024</u>	<u>\$ 1,136,556</u>	<u>\$ 1,599,196</u>	<u>\$ 462,640</u>

City of Burnsville
Parks Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 975,000	\$ 975,000	\$ 968,259	\$ (6,741)
Special assessments	—	—	4,969	4,969
Intergovernmental revenue	415,000	415,000	439,382	24,382
Interest on investments	—	—	40,324	40,324
Miscellaneous revenue	120,000	140,000	947,008	807,008
Total Revenues	<u>1,510,000</u>	<u>1,530,000</u>	<u>2,399,942</u>	<u>869,942</u>
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	1,929,608	3,148,288	2,559,821	588,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(419,608)</u>	<u>(1,618,288)</u>	<u>(159,879)</u>	<u>1,458,409</u>
Other Financing Sources				
Transfers in	<u>330,000</u>	<u>690,000</u>	<u>690,000</u>	<u>—</u>
Net Change in Fund Balances	(89,608)	(928,288)	530,121	1,458,409
Fund Balances - Beginning	2,029,514	2,029,514	2,029,514	—
Fund Balances - Ending	<u>\$ 1,939,906</u>	<u>\$ 1,101,226</u>	<u>\$ 2,559,635</u>	<u>\$ 1,458,409</u>

City of Burnsville
Improvement Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 1,540,000	\$ 1,540,000	\$ 445,198	\$ (1,094,802)
Intergovernmental revenue	415,000	665,000	656,211	(8,789)
Interest on investments (charges)	—	—	(47,048)	(47,048)
Miscellaneous revenue	—	14,000	14,000	—
Total Revenues	<u>1,955,000</u>	<u>2,219,000</u>	<u>1,068,361</u>	<u>(1,150,639)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>1,955,000</u>	<u>2,219,000</u>	<u>1,399,795</u>	<u>819,205</u>
Debt service:				
Bond Issuance costs	—	—	4,804	(4,804)
Total Expenditures	<u>1,955,000</u>	<u>2,219,000</u>	<u>1,404,599</u>	<u>814,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>—</u>	<u>—</u>	<u>(336,238)</u>	<u>(336,238)</u>
Other Financing Sources				
Bonds issued	—	—	965,000	965,000
Premium on bonds issued	—	—	39,556	39,556
Total other financing sources	<u>—</u>	<u>—</u>	<u>1,004,556</u>	<u>1,004,556</u>
Net Change in Fund Balances	—	—	668,318	668,318
Fund Balances (Deficits) - Beginning	<u>(840,879)</u>	<u>(840,879)</u>	<u>(840,879)</u>	<u>—</u>
Fund Balances (Deficits) - Ending	<u>\$ (840,879)</u>	<u>\$ (840,879)</u>	<u>\$ (172,561)</u>	<u>\$ 668,318</u>

City of Burnsville
Street Revolving Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 17,543	\$ 2,543
Interest on investments	7,000	7,000	15,858	8,858
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>33,401</u>	<u>11,401</u>
Expenditures				
Current:				
Public works and parks:				
Parks & streets	650,000	650,000	594,493	55,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(628,000)</u>	<u>(628,000)</u>	<u>(561,092)</u>	<u>66,908</u>
Other Financing Sources				
Transfers in	<u>619,450</u>	<u>619,450</u>	<u>619,450</u>	<u>—</u>
Net Change in Fund Balances	(8,550)	(8,550)	58,358	66,908
Fund Balances - Beginning	468,985	468,985	468,985	—
Fund Balances - Ending	<u>\$ 460,435</u>	<u>\$ 460,435</u>	<u>\$ 527,343</u>	<u>\$ 66,908</u>

City of Burnsville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Total</u>
Assets				
Current Assets:				
Cash, cash equivalents and investments	\$ 1,038,803	\$ 249,535	\$ 625,449	\$ 1,913,787
Accounts receivable	13,530	—	111,080	124,610
Total Current Assets	<u>1,052,333</u>	<u>249,535</u>	<u>736,529</u>	<u>2,038,397</u>
Noncurrent Assets:				
Capital Assets:				
Land	—	757,320	—	757,320
Construction-in-progress	—	—	31,149	31,149
Buildings	2,858,799	131,297	—	2,990,096
Infrastructure and improvements	5,729,906	169,556	1,800,928	7,700,390
Equipment and vehicles	392,081	171,339	—	563,420
Less accumulated depreciation	<u>(5,190,218)</u>	<u>(381,652)</u>	<u>(744,986)</u>	<u>(6,316,856)</u>
Total capital assets (net of accumulated depreciation)	<u>3,790,568</u>	<u>847,860</u>	<u>1,087,091</u>	<u>5,725,519</u>
Total Assets	<u>4,842,901</u>	<u>1,097,395</u>	<u>1,823,620</u>	<u>7,763,916</u>
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	<u>50,166</u>	<u>16,722</u>	<u>—</u>	<u>66,888</u>
Liabilities				
Current Liabilities:				
Accrued compensated absences, current portion	8,077	82	—	8,159
Accounts payable	27,974	1,278	106,327	135,579
Due to other governments	1,519	60	—	1,579
Customer and other deposits	4,075	1,721	24	5,820
Total Current Liabilities	<u>41,645</u>	<u>3,141</u>	<u>106,351</u>	<u>151,137</u>
Noncurrent Liabilities:				
Accrued compensated absences, net of current portion	72,694	737	—	73,431
Net pension liability	289,251	96,417	—	385,668
Total Noncurrent Liabilities	<u>361,945</u>	<u>97,154</u>	<u>—</u>	<u>459,099</u>
Total Liabilities	<u>403,590</u>	<u>100,295</u>	<u>106,351</u>	<u>610,236</u>
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	<u>78,226</u>	<u>26,075</u>	<u>—</u>	<u>104,301</u>
Net Position				
Investment in capital assets	3,790,568	847,860	1,087,091	5,725,519
Unrestricted	620,683	139,887	630,178	1,390,748
Total Net Position	<u>\$ 4,411,251</u>	<u>\$ 987,747</u>	<u>\$ 1,717,269</u>	<u>\$ 7,116,267</u>

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 1,060,331	\$ 230,732	\$ 576,018	\$ 83,228	\$ 1,950,309
Operating Expenses					
Personnel services	619,072	208,788	—	—	827,860
Repairs and maintenance	58,127	20,486	139,520	106,420	324,553
Utilities	177,649	6,896	340,600	—	525,145
Other operating expenses	202,719	42,088	1,770	—	246,577
Depreciation	348,674	16,194	90,047	—	454,915
Total Operating Expenses	<u>1,406,241</u>	<u>294,452</u>	<u>571,937</u>	<u>106,420</u>	<u>2,379,050</u>
Operating Income (Loss)	<u>(345,910)</u>	<u>(63,720)</u>	<u>4,081</u>	<u>(23,192)</u>	<u>(428,741)</u>
Nonoperating Revenues					
Intergovernmental	2,213	737	—	—	2,950
Investment earnings	19,968	6,022	11,191	2,544	39,725
Total Nonoperating Revenues	<u>22,181</u>	<u>6,759</u>	<u>11,191</u>	<u>2,544</u>	<u>42,675</u>
Income (Loss) Before Transfers	<u>(323,729)</u>	<u>(56,961)</u>	<u>15,272</u>	<u>(20,648)</u>	<u>(386,066)</u>
Transfers					
Transfers in	—	—	—	13,000	13,000
Transfers out	—	—	—	(169,490)	(169,490)
Total Transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>(156,490)</u>	<u>(156,490)</u>
Change in Net Position	(323,729)	(56,961)	15,272	(177,138)	(542,556)
Total Net Position - Beginning	4,734,980	1,044,708	1,701,997	177,138	7,658,823
Total Net Position - Ending	<u>\$ 4,411,251</u>	<u>\$ 987,747</u>	<u>\$ 1,717,269</u>	<u>\$ —</u>	<u>\$ 7,116,267</u>

City of Burnsville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,132,528	\$ 230,975	\$ 570,062	\$ 98,207	\$ 2,031,772
Payments to suppliers	(451,464)	(68,992)	(470,311)	(113,588)	(1,104,355)
Payments to employees	(619,794)	(238,595)	—	—	(858,389)
Net cash provided (used) by operating activities	61,270	(76,612)	99,751	(15,381)	69,028
Cash Flows from Noncapital Financing					
Grants and other income	2,213	737	—	—	2,950
Transfers in	—	—	—	13,000	13,000
Transfers out	—	—	—	(169,490)	(169,490)
Net cash provided (used) by noncapital financing activities	2,213	737	—	(156,490)	(153,540)
Cash Flows from Capital and Related Financing Activities					
Purchase or construction of capital assets	—	—	(31,149)	—	(31,149)
Cash Flows from Investing Activities					
Investment earnings	19,968	6,022	11,191	2,544	39,725
Net Increase (Decrease) in Cash and Cash Equivalents	83,451	(69,853)	79,793	(169,327)	(75,936)
Cash and Cash Equivalents					
Beginning	955,352	319,388	545,656	169,327	1,989,723
Ending	<u>\$ 1,038,803</u>	<u>\$ 249,535</u>	<u>\$ 625,449</u>	<u>\$ —</u>	<u>\$ 1,913,787</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (345,910)	\$ (63,720)	\$ 4,081	\$ (23,192)	\$ (428,741)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	348,674	16,194	90,047	—	454,915
(Increase) decrease in assets:					
Receivables	75,574	—	(5,956)	14,979	84,597
(Increase) decrease in deferred outflows of resources:					
Pensions	36,564	12,188	—	—	48,752
(Decrease) increase in liabilities:					
Accrued compensated absences	4,131	(28,190)	—	—	(24,059)
Accounts payable	(8,584)	484	11,579	(7,168)	(3,689)
Contracts payable	—	—	—	—	—
Due to other governments	(4,385)	(6)	—	—	(4,391)
Customer deposits	(3,377)	243	—	—	(3,134)
Net pension liability	(43,607)	(14,535)	—	—	(58,142)
(Decrease) increase in deferred inflows of resources:					
Pensions	2,190	730	—	—	2,920
Net cash provided (used) by operating activities	<u>\$ 61,270</u>	<u>\$ (76,612)</u>	<u>\$ 99,751</u>	<u>\$ (15,381)</u>	<u>\$ 69,028</u>

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Statistical Section

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

Contents	Pages
Financial Trends	110 - 123
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	124 - 129
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	130 - 136
<i>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.</i>	
Demographic and Economic Information	137 - 139
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	140 - 145
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

CITY OF BURNSVILLE, MINNESOTA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Governmental activities:			
Net investment in capital assets	\$ 89,743,356	\$ 89,557,378	\$ 91,650,717
Restricted	15,087,958	16,317,306	14,948,803
Unrestricted	3,628,167	5,216,775	6,796,441
Total governmental activities net position	<u>108,459,481</u>	<u>111,091,459</u>	<u>113,395,961</u>
Business-type activities:			
Net investment in capital assets	101,862,438	105,898,194	103,259,415
Restricted	—	—	—
Unrestricted	27,362,643	26,882,913	28,682,367
Total business-type activities net position	<u>129,225,081</u>	<u>132,781,107</u>	<u>131,941,782</u>
Primary government:			
Net investment in capital assets	175,059,827	173,719,912	173,613,514
Restricted	15,087,958	16,968,677	15,678,447
Unrestricted	47,536,777	53,183,977	56,045,782
Total primary government net position	<u>237,684,562</u>	<u>243,872,566</u>	<u>245,337,743</u>

Note 1: The City implemented GASB Statement No. 65 in fiscal year 2013 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 2: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 3: The City implemented GASB Statement No. 75 in fiscal year 2018 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

2012	2013	2014	2015	2016	2017	2018
\$ 93,885,247	\$ 96,257,688	\$ 97,997,455	\$ 102,170,883	\$ 104,771,961	\$ 106,229,087	\$ 110,069,219
18,399,208	18,110,203	16,258,586	15,856,787	15,575,435	15,273,178	14,981,193
6,074,729	2,675,019	9,795,144	(10,011,396)	(16,105,677)	(14,906,686)	(13,917,013)
<u>118,359,184</u>	<u>117,042,910</u>	<u>124,051,185</u>	<u>108,016,274</u>	<u>104,241,719</u>	<u>106,595,579</u>	<u>111,133,399</u>
102,137,786	103,222,175	104,005,794	107,526,787	108,404,200	109,180,617	107,069,459
—	—	—	—	—	—	—
30,510,760	30,142,747	30,077,288	27,234,433	25,931,257	24,830,660	24,995,080
<u>132,648,546</u>	<u>133,364,922</u>	<u>134,083,082</u>	<u>134,761,220</u>	<u>134,335,457</u>	<u>134,011,277</u>	<u>132,064,539</u>
175,255,525	179,261,326	182,353,752	190,601,833	194,714,746	197,577,330	200,481,420
19,147,865	18,925,996	17,152,577	15,856,787	15,575,435	15,273,178	14,981,193
56,604,340	52,220,510	58,627,938	36,318,874	28,286,995	27,756,348	27,735,325
<u>251,007,730</u>	<u>250,407,832</u>	<u>258,134,267</u>	<u>242,777,494</u>	<u>238,577,176</u>	<u>240,606,856</u>	<u>243,197,938</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 1 of 2)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Expenses:			
Governmental activities:			
General government	\$ 6,464,603	\$ 6,314,566	\$ 6,305,723
Public safety	18,043,348	18,511,365	18,831,240
Public works and parks	14,567,283	11,997,631	15,178,938
Culture and recreation	1,246,814	1,192,601	1,338,806
Conservation of natural resources	762,532	877,533	884,024
Economic development	1,012,304	737,782	583,638
Interest on long-term debt	1,861,210	1,750,308	1,878,214
Total governmental activities expenses	<u>43,958,094</u>	<u>41,381,786</u>	<u>45,000,583</u>
Business-type activities:			
Water and sewer	13,436,014	14,371,093	14,990,935
Storm water	2,838,135	3,269,937	3,368,332
Performing arts center	1,530,095	1,665,052	1,703,766
Ice arena	1,131,844	1,132,571	1,320,505
Golf course	331,769	279,185	267,631
Street lighting	384,312	333,233	347,731
Sidewalk snow plowing	—	99,021	34,183
Total business-type activities expenses	<u>19,652,169</u>	<u>21,150,092</u>	<u>22,033,083</u>
Total primary government expenses	<u><u>63,610,263</u></u>	<u><u>62,531,878</u></u>	<u><u>67,033,666</u></u>
Program revenues:			
Governmental activities:			
Charges for services			
General government	467,112	482,874	402,893
Public safety	3,638,213	3,933,898	4,157,945
Public works and parks	2,198,357	2,450,688	3,015,419
Other activities	498,042	479,069	615,472
Operating grants and contributions	2,255,331	2,569,489	2,103,083
Capital grants and contributions	3,779,174	5,781,105	3,853,073
Total governmental activities program revenues	<u>12,836,229</u>	<u>15,697,123</u>	<u>14,147,885</u>
Business-type activities:			
Charges for services			
Water and sewer	12,225,208	12,142,805	13,180,764
Storm water	3,875,828	3,900,057	4,021,224
Performing arts center	506,291	749,643	859,454
Ice arena	1,089,021	859,490	939,392
Golf course	319,363	285,643	254,578
Street lighting	409,366	426,754	443,658
Sidewalk snow plowing	—	40,096	61,251
Operating grants and contributions	396,010	479,493	438,862
Capital grants and contributions	4,612,571	770,539	866,649
Total business-type activities program revenues	<u>23,433,658</u>	<u>19,654,520</u>	<u>21,065,832</u>
Total primary government program revenues	<u><u>36,269,887</u></u>	<u><u>35,351,643</u></u>	<u><u>35,213,717</u></u>

	2012	2013	2014	2015	2016	2017	2018
\$	5,939,542	\$ 6,358,158	\$ 6,362,440	\$ 6,573,281	\$ 7,382,481	\$ 8,085,296	\$ 8,142,548
	19,082,421	19,553,700	19,941,045	21,441,358	28,086,233	24,679,300	23,360,171
	14,588,069	14,980,830	15,837,464	15,901,625	15,292,294	15,303,864	14,539,501
	1,216,633	1,243,917	1,246,522	1,089,081	1,145,294	1,067,828	1,023,202
	869,001	994,318	1,023,827	1,071,242	1,228,567	1,305,308	1,356,205
	528,412	484,771	465,692	498,231	496,285	482,403	515,776
	1,768,022	1,612,989	1,422,743	1,379,238	1,527,893	1,503,981	1,162,754
	43,992,100	45,228,683	46,299,733	47,954,056	55,159,047	52,427,980	50,100,157
	13,802,181	14,803,579	14,929,321	14,889,284	15,476,767	15,875,566	17,169,446
	3,460,146	3,186,443	3,369,746	3,879,088	4,293,053	4,499,643	4,537,849
	1,841,428	1,908,984	2,192,667	2,090,481	2,232,993	2,591,863	2,781,704
	1,211,326	1,324,739	1,291,264	1,423,315	1,455,693	1,312,900	1,406,241
	282,104	285,725	267,345	287,488	313,047	286,178	294,452
	502,597	513,401	482,110	646,268	568,363	643,775	571,937
	24,813	61,892	114,210	26,455	57,343	39,401	106,420
	21,124,595	22,084,763	22,646,663	23,242,379	24,397,259	25,249,326	26,868,049
	65,116,695	67,313,446	68,946,396	71,196,435	79,556,306	77,677,306	76,968,206
	406,633	447,925	438,976	426,636	405,299	357,080	380,061
	4,121,061	5,339,716	4,788,939	4,973,384	4,914,888	5,955,569	6,485,649
	2,727,797	2,840,172	3,241,456	2,825,050	2,798,069	3,123,103	2,950,887
	442,644	487,282	469,564	380,476	385,875	544,773	387,314
	2,224,711	2,179,315	2,134,004	2,367,689	2,326,628	2,614,858	2,875,147
	6,590,199	3,911,739	7,016,281	8,609,473	4,802,301	4,270,577	4,584,959
	16,513,045	15,206,149	18,089,220	19,582,708	15,633,060	16,865,960	17,664,017
	13,903,091	13,824,144	14,234,693	14,448,498	15,132,165	15,522,270	15,602,993
	4,122,459	4,209,992	4,222,512	4,208,439	4,318,018	4,284,928	4,287,946
	975,388	1,172,363	1,387,480	1,308,981	1,493,365	1,837,534	2,111,847
	957,018	1,104,497	1,137,933	1,081,207	1,080,874	1,091,259	1,060,331
	268,956	247,831	253,902	280,153	270,610	256,647	230,732
	561,780	580,766	568,961	571,265	594,775	574,180	576,018
	55,113	55,311	55,788	65,800	83,116	83,247	83,228
	298,925	315,892	404,262	378,154	474,969	625,268	516,121
	448,728	881,724	1,173,117	300,664	359,822	524,891	538,013
	21,591,458	22,392,520	23,438,648	22,643,161	23,807,714	24,800,224	25,007,229
	38,104,503	37,598,669	41,527,868	42,225,869	39,440,774	41,666,184	42,671,246

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 2 of 2)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Net (expense)/revenue:			
Governmental activities	\$ (31,121,865)	\$ (25,684,663)	\$ (30,852,698)
Business-type activities	3,781,489	(1,495,572)	(967,251)
	<u>(27,340,376)</u>	<u>(27,180,235)</u>	<u>(31,819,949)</u>
Total primary government net expense			
General revenues and other changes in net position:			
Governmental activities:			
Taxes			
Property taxes	30,141,996	30,149,626	29,464,723
Lodging tax	221,356	222,954	237,962
Franchise taxes	644,821	663,664	665,605
Unrestricted grants and contributions	1,089,676	1,024,440	919,549
Unrestricted investment earnings	349,735	747,245	1,387,955
Gain on sale of capital assets	—	—	30,911
Transfers	(19,422,808)	(4,491,288)	450,495
Total governmental activities	<u>13,024,776</u>	<u>28,316,641</u>	<u>33,157,200</u>
Business-type activities:			
Unrestricted grants and contributions	—	50,690	58,434
Unrestricted investment earnings	728,366	509,620	519,987
Transfers	19,422,808	4,491,288	(450,495)
Total business-type activities	<u>20,151,174</u>	<u>5,051,598</u>	<u>127,926</u>
Total primary government	<u>33,175,950</u>	<u>33,368,239</u>	<u>33,285,126</u>
Change in net position:			
Governmental activities	(18,097,089)	2,631,978	2,304,502
Business-type activities	23,932,663	3,556,026	(839,325)
Total primary government	<u>5,835,574</u>	<u>6,188,004</u>	<u>1,465,177</u>

Note 1: The City implemented GASB Statement No. 65 in fiscal year 2013 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 2: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 3: The City implemented GASB Statement No. 75 in fiscal year 2018 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

2012	2013	2014	2015	2016	2017	2018
\$ (27,479,055)	\$ (30,022,534)	\$ (28,210,513)	\$ (28,371,348)	\$ (39,525,987)	\$ (35,562,020)	\$ (32,436,140)
466,863	307,757	791,985	(599,218)	(589,545)	(449,102)	(1,860,820)
<u>(27,012,192)</u>	<u>(29,714,777)</u>	<u>(27,418,528)</u>	<u>(28,970,566)</u>	<u>(40,115,532)</u>	<u>(36,011,122)</u>	<u>(34,296,960)</u>
29,876,431	30,374,410	29,444,693	30,699,759	32,127,976	33,668,989	34,816,920
259,879	287,358	289,198	363,409	366,918	365,555	389,019
697,660	723,624	729,211	758,972	1,274,060	2,116,955	1,972,218
824,390	815,677	915,373	973,068	1,143,996	1,091,139	1,086,925
504,517	(3,219,479)	3,300,247	1,091,944	721,735	503,205	674,333
—	—	—	—	—	—	—
279,401	(4,182)	540,066	(2,221,674)	116,747	170,037	588,800
<u>32,442,278</u>	<u>28,977,408</u>	<u>35,218,788</u>	<u>31,665,478</u>	<u>35,751,432</u>	<u>37,915,880</u>	<u>39,528,215</u>
57,531	51,697	50,574	48,681	46,401	43,642	40,749
461,771	469,429	415,667	358,342	234,128	251,317	462,133
(279,401)	4,182	(540,066)	2,221,674	(116,747)	(170,037)	(588,800)
<u>239,901</u>	<u>525,308</u>	<u>(73,825)</u>	<u>2,628,697</u>	<u>163,782</u>	<u>124,922</u>	<u>(85,918)</u>
<u>32,682,179</u>	<u>29,502,716</u>	<u>35,144,963</u>	<u>34,294,175</u>	<u>35,915,214</u>	<u>38,040,802</u>	<u>39,442,297</u>
4,963,223	(1,045,126)	7,008,275	3,294,130	(3,774,555)	2,353,860	7,092,075
706,764	833,065	718,160	2,029,479	(425,763)	(324,180)	(1,946,738)
<u>5,669,987</u>	<u>(212,061)</u>	<u>7,726,435</u>	<u>5,323,609</u>	<u>(4,200,318)</u>	<u>2,029,680</u>	<u>5,145,337</u>

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CITY OF BURNSVILLE, MINNESOTA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Tax Increments	Lodging Tax	Franchise Tax	Total
2009	\$ 25,563,077	\$ 4,578,919	\$ 221,356	\$ 644,821	\$ 31,008,173
2010	25,567,362	4,582,264	222,954	663,664	31,036,244
2011	26,547,376	2,917,347	237,962	665,605	30,368,290
2012	26,841,984	3,034,447	259,879	697,660	30,833,970
2013	27,383,429	2,990,981	287,358	723,624	31,385,392
2014	28,653,243	791,450	289,198	729,211	30,463,102
2015	29,916,349	783,410	363,409	758,972	31,822,140
2016	31,308,269	819,707	366,918	1,274,060	33,768,954
2017	32,845,130	823,859	365,555	2,116,955	36,151,499
2018	33,887,763	929,157	389,019	1,972,218	37,178,157

CITY OF BURNSVILLE, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
General Fund:			
Reserved	\$ 2,890,405	\$ 2,785,405	\$ —
Unreserved	14,685,258	15,968,934	—
Nonspendable	—	—	—
Restricted	—	—	2,677,255
Assigned	—	—	464,685
Unassigned	—	—	16,072,010
Total General Fund	<u>17,575,663</u>	<u>18,754,339</u>	<u>19,213,950</u>
All other governmental funds:			
Reserved	10,356,997	12,720,790	—
Unreserved, reported in:			
Special revenue funds	2,058,503	1,990,930	—
Capital projects funds	4,390,877	8,858,711	—
Restricted	—	—	11,214,091
Committed	—	—	5,870,374
Assigned	—	—	5,186,835
Unassigned	—	—	(545,997)
Total all other governmental funds	<u>\$ 16,806,377</u>	<u>\$ 23,570,431</u>	<u>\$ 21,725,303</u>

Note: The City implemented GASB Statement No. 54 in fiscal year 2011. This resulted in a significant change in the City's fund balance classifications. Years prior to 2011 have not been restated.

	2012	2013	2014	2015	2016	2017	2018
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	—	—	—	—	—	—	—
	—	250	—	1,491,544	1,491,544	1,191,544	1,191,544
	2,549,570	2,420,304	2,288,160	2,152,353	2,013,830	1,872,537	1,711,337
	1,966,966	1,544,844	1,155,807	1,700,678	991,293	991,657	985,000
	15,177,759	13,196,459	16,960,866	16,504,649	17,715,565	18,282,263	18,720,813
	<u>19,694,295</u>	<u>17,161,857</u>	<u>20,404,833</u>	<u>21,849,224</u>	<u>22,212,232</u>	<u>22,338,001</u>	<u>22,608,694</u>
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	13,488,828	14,580,498	7,186,381	13,413,234	20,000,824	21,171,456	8,276,836
	5,835,537	4,652,856	4,966,759	4,925,668	4,702,767	8,115,285	7,184,681
	5,854,591	5,709,328	6,454,637	5,585,159	6,146,013	5,626,630	7,248,382
	(1,370,179)	(1,603,774)	(160,196)	(168,654)	(173,369)	(840,879)	(172,561)
\$	<u>23,808,777</u>	<u>23,338,908</u>	<u>18,447,581</u>	<u>23,755,407</u>	<u>30,676,235</u>	<u>34,072,492</u>	<u>22,537,338</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Revenues:			
Taxes	\$ 30,760,837	\$ 31,000,458	\$ 30,567,623
Licenses and permits	1,356,250	1,703,937	1,911,453
Intergovernmental	3,950,117	6,755,520	3,696,469
Charges for services	4,914,844	4,905,494	4,905,971
Fines and forfeits	636,719	595,807	459,573
Investment income	279,333	702,741	1,338,841
Special assessments	2,005,413	1,779,650	1,769,771
Miscellaneous	844,514	1,228,423	1,699,041
Total revenues	<u>44,748,027</u>	<u>48,672,030</u>	<u>46,348,742</u>
Expenditures:			
Current:			
General government	5,996,423	6,177,653	6,058,728
Public safety	17,965,593	18,135,898	18,939,924
Public works and parks	6,234,160	5,940,634	6,627,057
Culture and recreation	1,239,060	1,191,112	1,269,730
Conservation of natural resources	767,644	910,199	861,604
Economic development	1,011,877	737,149	583,855
Capital outlay	10,407,522	14,050,192	7,940,344
Debt service:			
Redemption of bonds	5,033,910	5,134,122	5,861,540
Interest on bonds	2,203,378	1,792,772	1,950,408
Fiscal agent fees	37,437	39,587	29,073
Bond issuance costs	—	130,838	42,330
Total expenditures	<u>50,897,004</u>	<u>54,240,156</u>	<u>50,164,593</u>
Excess of revenues over (under) expenditures	(6,148,977)	(5,568,126)	(3,815,851)
Other financing sources (uses):			
Bonds issued	—	11,835,000	1,220,000
Refunding bonds issued	—	1,995,000	1,890,872
Premium (discount) on bonds issued	—	(17,289)	63,745
Payments to refunded bond escrow agent	—	(967,725)	(1,250,000)
Capital leases	—	—	—
Sales of capital assets	54,616	80,269	55,222
Transfers in	5,238,929	4,987,144	7,535,958
Transfers out	(4,270,648)	(4,401,543)	(7,085,463)
Total other financing sources (uses)	<u>1,022,897</u>	<u>13,510,856</u>	<u>2,430,334</u>
Net change in fund balances	<u>\$ (5,126,080)</u>	<u>\$ 7,942,730</u>	<u>\$ (1,385,517)</u>
Debt service as a percentage of noncapital expenditures	<u>16.9%</u>	<u>17.4%</u>	<u>17.6%</u>

	2012	2013	2014	2015	2016	2017	2018
\$	30,962,351	\$ 31,436,569	\$ 30,575,302	\$ 31,867,814	\$ 33,753,006	\$ 35,989,886	\$ 37,352,958
	1,584,388	2,445,580	1,953,776	2,026,415	1,903,820	2,061,946	2,466,914
	5,381,672	3,818,161	4,867,531	8,332,614	5,118,254	5,077,504	5,357,166
	5,269,516	5,889,564	5,885,164	5,913,570	6,345,229	6,634,410	7,230,588
	432,391	470,413	417,275	378,940	337,171	422,347	359,347
	463,782	(3,262,167)	3,260,938	1,054,573	694,824	469,779	615,245
	1,877,487	1,890,774	1,813,996	2,585,543	1,800,511	1,866,666	1,756,074
	1,912,691	1,068,837	1,579,348	1,353,267	1,085,021	1,683,990	2,024,617
	47,884,278	43,757,731	50,353,330	53,512,736	51,037,836	54,206,528	57,162,909
	5,423,448	5,508,509	5,856,737	6,495,318	7,356,451	7,109,756	7,036,828
	19,073,952	19,159,372	20,140,526	20,403,477	20,699,670	23,300,734	23,500,121
	6,263,265	6,530,255	6,592,561	6,766,745	6,931,564	6,806,529	7,770,000
	1,254,987	1,231,581	1,256,682	1,336,636	1,060,369	1,023,582	1,002,556
	898,444	1,022,316	995,490	1,035,269	1,198,458	1,310,566	1,461,642
	527,938	483,893	464,933	495,624	484,650	476,108	516,894
	13,050,371	9,805,507	9,360,407	12,688,606	9,894,133	17,058,821	11,109,667
	4,268,052	4,584,460	8,340,613	3,584,701	3,063,398	3,251,465	4,487,329
	1,717,207	1,684,125	1,512,418	1,375,624	1,521,390	1,489,498	1,467,934
	32,721	29,347	18,670	18,775	18,338	24,278	23,791
	53,246	31,009	23,240	69,011	77,620	57,965	51,495
	52,563,631	50,070,374	54,562,277	54,269,786	52,306,041	61,909,302	58,428,257
	(4,679,353)	(6,312,643)	(4,208,947)	(757,050)	(1,268,205)	(7,702,774)	(1,265,348)
	6,260,000	1,595,000	2,780,000	735,000	910,000	9,585,000	2,125,000
	—	1,925,000	—	7,030,000	6,475,000	—	3,235,000
	211,113	96,248	39,933	80,984	300,502	584,230	239,989
	—	(949,748)	(952,430)	(790,000)	—	—	(16,784,136)
	—	—	—	—	519,909	193,504	—
	151,503	58,650	153,027	141,253	118,894	421,224	596,234
	6,246,032	5,963,398	5,746,474	6,235,640	6,141,582	6,502,685	5,464,671
	(5,625,476)	(5,378,212)	(5,206,408)	(5,923,610)	(5,913,846)	(6,061,843)	(4,875,871)
	7,243,172	3,310,336	2,560,596	7,509,267	8,552,041	11,224,800	(9,999,113)
\$	2,563,819	\$ (3,002,307)	\$ (1,648,351)	\$ 6,752,217	\$ 7,283,836	\$ 3,522,026	\$ (11,264,461)
	14.8%	14.7%	21.0%	11.4%	10.5%	10.3%	12.5%

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CITY OF BURNSVILLE, MINNESOTA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2009	\$ 25,315,741	\$ 4,578,919	\$ 221,356	\$ 644,821	\$ 30,760,837
2010	25,531,576	4,582,264	222,954	663,664	31,000,458
2011	26,746,709	2,917,347	237,962	665,605	30,567,623
2012	26,970,365	3,034,447	259,879	697,660	30,962,351
2013	27,434,606	2,990,981	287,358	723,624	31,436,569
2014	28,765,443	791,450	289,198	729,211	30,575,302
2015	29,962,023	783,410	363,409	758,972	31,867,814
2016	31,292,321	819,707	366,918	1,274,060	33,753,006
2017	32,683,517	823,859	365,555	2,116,955	35,989,886
2018	34,062,564	929,157	389,019	1,972,218	37,352,958

CITY OF BURNSVILLE, MINNESOTA

**TAXABLE MARKET VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property	Less Fiscal Disparities	Less Tax Increment
	Residential Property	Commercial Property			
2009	\$ 49,160,846	\$ 30,232,025	\$ 758,145	\$ (1,931,550)	\$ (5,734,414)
2010	45,313,438	29,968,032	725,685	(2,262,684)	(5,521,245)
2011	41,564,948	28,383,619	792,954	(2,313,874)	(3,231,981)
2012	37,598,236	28,018,520	794,954	(2,287,609)	(3,025,708)
2013	34,997,156	27,649,303	828,786	(2,538,320)	(2,867,371)
2014	36,175,049	27,747,684	816,729	(2,988,905)	(850,866)
2015	39,954,586	28,740,490	824,450	(2,888,069)	(901,387)
2016	41,440,693	28,490,235	860,668	(3,073,160)	(896,845)
2017	43,601,698	27,701,119	907,851	(2,382,401)	(926,409)
2018	48,949,347	28,530,496	945,133	(1,655,814)	(929,157)

Source: Dakota County

Note: In 2011, the State legislature changed the property tax relief program from Market Value Homestead Credit (MVHC) to Homestead Market Value Exclusion (HMVE). The homestead credit was a reduction applied to the homestead residential property tax bill. The homestead market value exclusion is a reduction to the taxable market value of a homestead residential property before the property tax is calculated.

	Total Taxable Net Tax Capacity	Tax Capacity Value as a Percentage of Taxable Market Value	Total Direct Tax Rate	Estimated Actual Market Value	Taxable Market Value	Taxable Value as a Percentage of Estimated Actual Value
\$	72,485,052	1.14%	36.121	\$ 6,607,687,861	\$ 6,351,491,200	96.1%
	68,223,226	1.14	38.566	6,203,584,803	5,963,086,100	96.1
	65,195,666	1.18	42.598	5,449,742,955	5,525,473,700	101.4
	61,098,393	1.20	43.213	4,997,862,158	5,111,878,744	102.3
	58,069,554	1.20	47.021	5,019,680,534	4,835,520,311	96.3
	60,899,691	1.23	46.670	5,258,005,375	4,953,041,063	94.2
	65,730,070	1.22	44.790	5,625,420,202	5,373,401,377	95.5
	66,821,591	1.21	46.525	5,915,258,394	5,506,514,039	93.1
	68,901,858	1.22	46.557	6,138,533,666	5,670,777,401	92.4
	75,840,005	1.22	43.552	6,670,619,761	6,204,343,440	93.0

CITY OF BURNSVILLE, MINNESOTA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING (1) GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	City of Burnsville			Overlapping Rates:	
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Dakota County	School District - ISD #191
				Total County Tax Rate (2)	Total School Tax Rate (2)
2009	35.014	1.107	36.121	25.821	19.842
2010	37.383	1.183	38.566	27.269	20.668
2011	40.763	1.835	42.598	29.149	21.854
2012	41.513	1.700	43.213	31.426	21.881
2013	45.215	1.806	47.021	33.421	26.168
2014	44.969	1.701	46.670	31.827	25.661
2015	43.020	1.770	44.790	29.633	24.554
2016	44.831	1.694	46.525	28.570	31.065
2017	44.922	1.635	46.557	28.004	27.529
2018	42.076	1.476	43.552	26.580	27.448

Source: Dakota County

Notes:

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Burnsville. Not all overlapping rates apply to all City of Burnsville property owners (e.g. the rates for special districts apply only to the proportion of the government’s property owners whose property is located within the geographic boundaries of the special district).
- (2) The breakdown between operating and debt service tax rates were not available at the time of this report.

School District - ISD #194	School District - ISD #196	Special Districts	Total Direct and Overlapping Rates		
Total School Tax Rate (2)	Total School Tax Rate (2)		ISD #191	ISD #194	ISD #196
27.062	21.109	4.894	86.678	93.898	87.945
27.714	25.391	5.028	91.531	98.577	96.254
32.138	26.959	5.366	98.967	109.251	104.072
32.061	28.440	5.827	102.347	112.527	108.906
33.535	27.956	6.247	112.857	120.224	114.645
33.048	27.606	5.882	110.040	117.427	111.985
31.459	23.271	5.427	104.404	111.309	103.121
35.319	24.317	5.505	111.665	115.919	104.917
32.914	23.336	5.355	107.445	112.830	103.252
26.835	26.715	4.833	102.413	101.800	101.680

CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

Taxpayer	2018			2009		
	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity
Burnsville Center SPE LLC	\$ 2,156,172	1	2.9 %	\$ 2,100,000	1	2.9 %
Xcel Energy/Northern States Power Company	1,939,953	2	2.6	1,819,028	2	2.5
RRE Woods Holdings LLC, Apartments	596,106	3	0.8	N/A	N/A	
Southwind Village LL, LLC	579,745	4	0.8	312,500	9	0.4
JPT Industry Inc.	542,384	5	0.7	526,188	3	0.7
RRE Nicollet Ridge Holdings, LLC	540,092	6	0.7	312,501	8	0.4
Minnegasco Inc.	536,582	7	0.7	440,937	4	0.6
FPA5 Atrium LLC, Apartments	493,719	8	0.7	N/A	N/A	
Hudson Redwood Raven Hill LLC Apartments	434,414	9	0.6	N/A	N/A	
Fairview Health Services	428,155	10	0.6	N/A	N/A	
Kraus-Anderson	N/A	N/A		430,640	5	0.6
Dakota Electric	N/A	N/A		397,064	6	0.5
IRET Properties	N/A	N/A		369,296	7	0.5
Summit Townhome Investors LLC	N/A	N/A		306,576	10	0.4
Total	\$ 8,247,322		11.1 %	\$ 7,014,730		9.5 %

Source: Dakota County

CITY OF BURNSVILLE, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,		Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	(1)	\$ 25,215,756	\$ 24,667,274	97.82 %	\$ 478,180	\$ 25,145,454	99.72 %
2010	(1)	24,981,125	24,531,528	98.20	165,344	24,696,872	98.86
2011	(1)	26,186,791	25,741,822	98.30	108,562	25,850,384	98.72
2012		26,348,820	26,006,410	98.70	32,578	26,038,988	98.82
2013		26,988,262	26,673,945	98.84	81,729	26,755,674	99.14
2014		28,448,573	28,171,331	99.03	106,776	28,278,107	99.40
2015		29,584,711	29,336,510	99.16	88	29,336,598	99.16
2016		30,951,674	30,715,364	99.24	100,777	30,816,141	99.56
2017		32,075,674	31,654,894	98.69	282,536	31,937,430	99.57
2018		33,242,674	32,996,925	99.26	—	32,996,925	99.26

Notes:

(1)- In 2009-2011 the property tax levy shown is net of the adjustment for loss of Market Value Homestead Credit (MVHC) from the State, in the amount of \$863,959 for 2009, \$1,098,590 for 2010 and \$1,210,920 for 2011.

CITY OF BURNSVILLE, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	General Obligation Improvement Bonds	Tax Increment Bonds and Notes	General Obligation Tax Abatement Bonds	Lease Revenue Bonds	Capital Leases
2009	\$ 2,560,994	\$ 13,067,518	\$ 12,191,357	\$ 16,545,967	\$ —	\$ —
2010	2,242,031	18,257,955	9,811,217	16,260,914	5,474,746	—
2011	1,893,069	17,707,353	7,184,342	15,960,860	5,335,759	—
2012	1,544,106	17,090,834	10,845,281	15,645,807	5,121,771	—
2013	1,175,143	15,783,435	11,102,382	15,315,753	4,902,784	—
2014	791,181	15,653,186	5,655,264	14,970,700	4,678,797	—
2015	392,218	13,581,813	5,050,362	21,699,745	4,454,809	—
2016	298,255	12,719,251	4,430,461	28,053,905	4,225,822	519,909
2017	10,365,277	11,020,862	3,800,560	27,621,866	3,986,835	475,609
2018	9,757,365	10,498,708	3,155,659	17,838,258	—	237,805

Note: Details regarding the city's outstanding debt can be found in the notes to basic financial statements.

Sources:

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Business-Type Activities

Revenue Bonds	General Obligation Revenue Notes	General Obligation Improvement Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 3,880,267	\$ —	\$ 4,621,228	\$ —	\$ 52,867,331	2.1 %	866
7,539,476	—	4,659,031	45,622	64,290,992	2.5	1,066
10,306,697	—	4,335,446	35,146	62,758,672	2.3	1,035
12,622,031	—	3,438,123	23,903	66,331,856	2.3	1,086
14,207,176	—	2,287,718	11,836	64,786,227	2.2	1,057
15,517,211	—	1,446,959	—	58,713,298	2.0	951
16,278,543	—	822,436	—	62,279,926	2.0	1,006
16,088,093	—	378,373	—	66,714,069	2.1	1,079
19,168,507	3,735,390	132,553	—	80,307,459	2.4	1,290
19,770,295	5,149,825	33,441	—	66,441,356	2.0	1,068

CITY OF BURNSVILLE, MINNESOTA

**RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds (1)	Bond Issuance Premium/ (Discount)	Less Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2009	\$ 43,870,830	\$ 150,239	\$ 10,336,997	\$ 33,684,072	0.5303%	\$ 552
2010	46,233,848	123,367	12,314,384	34,042,831	0.5709	565
2011	42,513,643	157,542	10,400,855	32,270,330	0.5840	532
2012	44,795,030	330,998	10,965,938	34,160,090	0.6682	559
2013	43,000,822	375,891	12,516,260	30,860,453	0.6382	503
2014	36,712,779	357,552	6,000,286	31,070,045	0.6273	503
2015	40,328,078	396,060	12,533,406	28,190,732	0.5246	455
2016	44,879,680	622,192	19,183,290	26,318,582	0.4780	426
2017	51,691,019	1,117,546	19,635,217	33,173,348	0.5850	533
2018	40,017,358	1,232,632	6,808,600	34,441,390	0.5551	553

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

Sources:

- (1) Excludes Taxable Tax Increment Revenue Notes and Lease Revenue Bonds reported in the Governmental Activities, and General Obligation Revenue Notes and General Obligation and Improvement Bonds reported in the Enterprise Funds.
- (2) See the Schedule of Taxable Market Value and Estimated Actual Value of Taxable Property for property value data.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF BURNSVILLE, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Burnsville	\$ 41,487,795	100.00%	\$ 41,487,795
Overlapping Debt:			
ISD 191 (Burnsville)	144,690,000	83.87%	121,349,911
ISD 194 (Lakeville)	119,515,000	9.01%	10,766,748
ISD 196 (Rosemount)	146,585,000	28.82%	42,241,106
Metropolitan Council	185,340,000	1.68%	3,119,087
Total overlapping debt			<u>177,476,852</u>
Total direct and overlapping debt			<u><u>\$ 218,964,647</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Burnsville. This process recognizes that, when considering the government'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.

Sources: Taxable net tax capacity was used to estimate applicable percentages and was provided by the County. Debt outstanding data provided by each governmental unit as of their last fiscal year end.

CITY OF BURNSVILLE, MINNESOTA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Debt Limit	\$ 190,544,736	\$ 178,892,583	\$ 165,764,211	\$ 153,356,362
Total net debt applicable to limit	2,073,578	1,729,329	1,374,951	1,000,595
Legal debt margin	188,471,158	177,163,254	164,389,260	152,355,767
Total net debt applicable to the limit as a percentage of debt limit	1.09%	0.97%	0.83%	0.65%

Note: Under Minnesota State Law, the City of Burnsville's net debt cannot exceed 3 percent of the estimated market value of taxable property. The legal debt limit applies to the City's general obligation tax levy bonds and excludes improvement and revenue-supported bonds.

2013	2014	2015	2016	2017	2018
\$ 145,065,609	\$ 148,591,232	\$ 161,202,041	\$ 165,195,421	\$ 170,123,322	\$ 186,130,303
612,797	213,115	110,167	—	9,472,289	8,876,639
<u>144,452,812</u>	<u>148,378,117</u>	<u>161,091,874</u>	<u>165,195,421</u>	<u>160,651,033</u>	<u>177,253,664</u>
0.42%	0.14%	0.07%	—%	5.57%	4.77%

Legal Debt Margin Calculation for Fiscal Year 2018

Market Value	\$ 6,204,343,440
Debt limit (3% of market value)	186,130,303
Debt applicable to limit:	
General obligation bonds	9,215,000
Less amount set aside for repayment of general obligation debt	<u>(338,361)</u>
Total net debt applicable to limit	8,876,639
Legal debt margin	<u><u>\$ 177,253,664</u></u>

CITY OF BURNSVILLE, MINNESOTA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Revenue Bonds						Coverage Ratio
	(2)	(3)	Net Available Revenue	Debt Service (1)			
	Operating Revenues and Other	Less Operating Expenses		Principal	Interest		
WATER AND SEWER FUND:							
2009	\$ 12,976,522	\$ 11,236,918	\$ 1,739,604	\$ 68,250	\$ 32,711	17.23	
2010	12,702,448	11,707,995	994,453	496,500	257,181	1.32	
2011	13,770,116	12,208,482	1,561,634	1,310,750	302,930	0.97	
2012	13,698,367	10,932,542	2,765,825	620,000	296,478	3.02	
2013	13,723,661	11,921,512	1,802,149	820,000	344,980	1.55	
2014	14,134,042	11,939,434	2,194,608	1,085,000	374,597	1.50	
2015	14,350,769	11,691,664	2,659,105	1,360,000	400,939	1.51	
2016	15,044,358	12,293,736	2,750,622	1,595,000	404,673	1.38	
2017	15,436,661	12,768,350	2,668,311	1,715,000	390,838	1.27	
2018	15,520,599	13,010,204	2,510,395	1,570,000	513,981	1.20	
STORM WATER FUND:							
2009	\$ 4,879,749	\$ 1,582,106	\$ 3,297,643	\$ 36,750	\$ 17,614	60.66	
2010	4,108,362	1,998,356	2,110,006	128,500	53,557	11.59	
2011	4,659,299	2,056,934	2,602,365	559,250	79,277	4.08	
2012	4,067,584	2,113,882	1,953,702	180,000	81,893	7.46	
2013	4,161,216	1,869,461	2,291,755	180,000	78,428	8.87	
2014	4,177,901	2,054,181	2,123,720	180,000	74,648	8.34	
2015	4,166,171	2,524,717	1,641,454	185,000	70,193	6.43	
2016	4,271,318	2,852,255	1,419,063	185,000	65,305	5.67	
2017	4,251,318	3,058,176	1,193,142	195,000	58,845	4.70	
2018	4,271,323	3,007,405	1,263,918	200,000	51,995	5.02	

Note: Details regarding the city’s outstanding debt can be found in the notes to basic financial statements.

(1) Includes principal and interest of revenue bonds only. It does not include the general obligation improvement bonds reported in the Water & Sewer and Storm Water Funds.

(2) For 2009-2011, Operating Revenue and Other includes operating revenue, investment earnings, connection charges, and other nonoperating income for the Water & Sewer and Storm Water Funds. For 2012-2018, Operating Revenue and Other includes only operating revenues for the Water & Sewer and Storm Water Funds.

(3) Operating Expenses excludes depreciation.

CITY OF BURNSVILLE, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Number of Households (1)	Estimated Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2009	61,042	24,723	\$ 2,536,417,184	\$ 41,552	9,864	7.3 %
2010	60,306	24,283	2,583,689,958	42,843	9,696	7.0
2011	60,664	24,443	2,709,982,208	44,672	9,555	6.2
2012	61,061	24,609	2,865,287,425	46,925	9,478	5.2
2013	61,300	24,854	2,933,572,800	47,856	9,341	4.5
2014	61,747	24,960	3,007,758,117	48,711	9,213	3.7
2015	61,908	24,990	3,128,892,228	50,541	8,989	3.5
2016	61,849	25,132	3,223,384,333	52,117	8,914	3.5
2017	62,239	25,252	3,383,249,801	54,359	8,563	3.2
2018	62,239	25,252	3,383,249,801	54,359	8,874	2.5

Sources:

- (1) 2018 is an estimate of 0% growth from the 2017 actual figures provided by the Metropolitan Council. 2010 is a census figure. All other years are best available estimates provided by the Metropolitan Council.
- (2) Estimated personal income is calculated by multiplying the per capita personal income by the City population.
- (3) Per capita personal income provided by the U.S. Bureau of Economic Analysis is an estimate for the State of Minnesota, the state in which the City is located. This is the smallest applicable region for which this data is available.
- (4) School enrollment is enrollment in the largest district, ISD# 191 (Burnsville). Burnsville is also served by ISD# 194 (Lakeville) and ISD# 196 (Rosemount-Eagan-Apple Valley). Data is compiled by the Minnesota Department of Education
- (5) Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

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CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UTC Aerospace (formerly Goodrich Sensor Systems)	1800	1	5.2 %	1150	3	3.4 %
Burnsville Public Schools - ISD #191	1399	2	4.0	1600	1	4.8
Fairview Ridges Hospital	967	3	2.8	1400	2	4.2
Pepsi-Cola Bottling Co.	500	4	1.4	600	4	1.8
Ames Construction	400	5	1.1	N/A	N/A	
City of Burnsville	388	6	1.1	N/A	N/A	
Ebenezer Ridges Care Center	385	7	1.1	N/A	N/A	
Cub Foods	350	8	1.0	300	8	0.9
Walmart	335	9	1.0	N/A	N/A	
Telex Communications	300	10	0.9	N/A	N/A	
Northern Tool & Equipment Co.	300	10	0.9	600	4	1.8
Park Nicollet Clinic	300	10	0.9	N/A	N/A	
YRC Freight (formerly Yellow Freight)	300	10	0.9	400	6	1.2
Target	300	10	0.9	N/A	N/A	
Mackin Media Library	N/A	N/A		400	6	1.2
Frontier Communications	N/A	N/A		300	8	0.9
Asset Marketing Services Inc.	N/A	N/A		275	10	0.8
Total	8,024		23.2 %	7,025		21.0 %

Source: Minnesota Department of Employment and Economic Development, Reference USA, written and telephone survey, and the Minnesota Manufacturers Register

CITY OF BURNSVILLE, MINNESOTA

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Function:				
General government	40.4	40.4	41.1	41.2
Public safety:				
Police	89.9	91.9	91.9	91.4
Fire	40	40	40	40
Inspections	7	7	7	7
Public works and parks:				
Engineering	14	14	14	14
Parks	19	18	18	18
Public works	12	12	12	12
Fleet maintenance	8	8	8	8
Recreation	7	8	8	7
Conservation of natural resources	2	2	2	2
Economic development	1	1	1	1
Water and sewer	14	15	15	15
Storm drainage	3.5	3.5	3.5	3.5
Ice arena	7.5	7.3	7.3	7.3
Golf course	1.5	1.5	1.5	1.5
	<u>266.8</u>	<u>269.6</u>	<u>270.3</u>	<u>268.9</u>
Total	<u>266.8</u>	<u>269.6</u>	<u>270.3</u>	<u>268.9</u>

Source: Annual City Budget Documents

Note: The hours include only full-time and regular part-time positions consistent with the City's budget process

2013	2014	2015	2016	2017	2018
41.40	41.40	41.40	41.40	41.70	42.30
91.4	90.9	91.1	91.1	91.1	91.1
40	40	40	40	44	44
11.5	12.5	12.8	12.8	12.5	13
13	13	13	13	14	14
18	18	18	18	18	18
12	12	12	12	12	12
8	8	8	8	8	8
6	6	6	6	6	5.8
2	2	2	2.8	3.3	3.5
1	1	1	1	1	1
15	15	15	15	15	15
3.5	3.5	3.5	3.5	3.5	3.5
6.5	6.5	6.5	6.5	6.5	6.5
1.5	1.5	1.5	1.5	1.5	1.5
270.8	271.3	271.8	272.6	278.1	279.2

CITY OF BURNSVILLE, MINNESOTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2009	2010	2011	2012
Police				
Total calls for service	53,550	51,698	40,771	46,632
Arrests - Adult	2,090	1,851	2,069	2,058
Arrests - Juvenile	532	473	490	410
Traffic citations	11,751	11,095	9,346	8,981
Fire and Emergency Services				
Number of calls (excluding EMS)	1,351	1,353	1,305	1,248
Number of Emergency Medical Service (EMS) calls	3,496	3,375	3,650	3,732
EMS patients served	2,559	2,469	2,678	2,861
Protective inspections				
Plan reviews	394	428	317	438
Building permits issued	4,473	5,852	2,097	6,415
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	7,269	7,072	6,584	6,426
Code enforcement inspections	2,846	1,639	3,515	538
Public works				
Street rehabilitation/resurfacing (miles)	4.1	4.2	6.2	7.6
Sealcoating (miles)	19.85	11.2	12.9	23.3
Snow and ice control (miles)	220.78	221	221	222
Recreation				
Youth recreation activity participants	19,693	18,635	21,722	20,106
The Garage Attendance	20,566	23,738	31,992	16,267
Water				
New connections	23	14	21	20
Water main breaks	28	27	17	12
Average daily consumption (thousands of gallons)	8,040	8,422	8,940	9,830
Total daily pumping capacity (thousands of gallons)	29,000	29,000	29,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,497	5,153	5,352	5,031
Storm Water				
Street sweeping (miles)	220	221	221	222
Golf course				
Annual rounds sold	27,243	24,918	22,124	23,847
Ice Center				
Learn to skate participants	1,192	410	687	602

Sources: Various City departments

Note: Indicators are not available for the general government functions.

* In 2014, the City transitioned the programs at THE GARAGE to the new Burnsville Youth Collaborative (BYC).

2013	2014	2015	2016	2017	2018
47,906	46,209	49,924	48,859	48,575	49,482
2,110	1,888	1,922	1,846	1,758	1,691
370	367	351	323	409	238
7,960	7,898	6,613	5,452	6,426	5,547
1,388	1,353	1,355	1,536	1,507	1,571
4,023	4,303	4,665	5,037	5,116	5,427
3,035	3,269	3,400	3,765	4,009	4,372
468	488	546	530	610	491
6,161	7,252	6,888	6,871	7,044	7,359
5,622	6,244	6,869	6,765	6,824	7,351
2,690	3,970	3,904	4,716	4,238	4,806
5.2	5.2	8.8	9.1	10.7	4.9
7.5	18.5	6.1	5	4.7	6.4
222	222	222	222	222	222
20,842	23,006	27,195	23,200	22,917	27,662
25,044	22,500	*n/a	*n/a	*n/a	*n/a
15	27	63	36	18	9
19	17	19	15	12	12
9,215	9,008	10,070	8,683	8,268	8,150
29,000	29,000	29,000	29,000	29,000	29,000
5,125	5,346	5,153	5,129	5,146	5,047
222	222	222	222	222	222
20,541	20,851	23,775	23,059	20,725	17,107
580	513	455	354	298	347

CITY OF BURNSVILLE, MINNESOTA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2009	2010	2011	2012
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	20	21	26
Fire stations	2	2	2	2
Public works				
Streets (miles)	220.0	220.8	221.4	221.8
Traffic signals	20	21	22	22
Parks and recreation				
Parks acreage	1,800	1,750	1,750	1,750
Parks	79	76	76	76
Turf maintained (acres)	645	645	645	645
Atheletic fields maintained	142	142	142	142
Golf course	1	1	1	1
Ice skating rinks				
Indoor	2	2	2	2
Outdoor	29	29	29	29
Water				
Water mains (miles)	255.2	257.3	257.7	258.2
Wells	17	17	17	17
Connections	16,300	16,572	16,593	16,613
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer				
Sanitary sewers (miles)	207.5	209.1	209.1	209.1
Number of connections	16,355	16,095	16,107	16,119
Storm sewers (miles)	193.9	194.6	195.4	195.7

Source: Various City departments

Note: No capital asset indicators are available for the general government functions.

2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
26	26	26	26	26	26
2	2	2	2	2	2
221.9	220.4	221.9	221.9	221.9	221.9
22	22	22	22	22	22
1,750	1,750	1,750	1,750	1,750	1,750
76	76	76	76	76	76
645	645	645	645	645	645
142	142	142	142	142	142
1	1	1	1	1	1
2	2	2	2	2	2
29	29	29	29	29	29
258.3	259.8	260.7	260.7	260.7	260.7
17	17	17	17	17	17
16,628	16,655	16,718	16,754	16,772	16,781
19,000	19,000	19,000	19,000	19,000	19,000
209.3	209.3	209.6	209.7	209.7	209.7
16,119	16,073	16,079	16,113	16,133	16,149
196.8	196.8	199.4	199.9	200.0	200.4

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