



2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Burnsville, Minnesota | For the year ended December 31, 2024

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CITY OF BURNSVILLE, MINNESOTA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended December 31, 2024

Prepared by:
Department of Finance

CITY OF BURNSVILLE, MINNESOTA

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June 9, 2025

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 Annual Comprehensive Financial Report (ACFR) of the City of Burnsville, Minnesota (the City) for the year ended December 31, 2024. 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 LB Carlson 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 65,327, Burnsville is the third largest city in Dakota County, ninth 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 vision, values and strategic priorities. 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 & sewer utility, a storm water utility, a street lighting system, a 9-hole golf course, an ice arena, and a performing arts center. The Council has adopted six strategic priorities. The strategic priorities are safety, community engagement, community vibrancy, sustainability, infrastructure, and organizational culture. 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 Vision, that states:

Burnsville is a vibrant city, boldly leading, welcoming to all.

The City adopts an annual budget for its general fund, infrastructure trust capital projects fund, improvement construction capital projects fund and facilities capital projects fund and twelve non-major governmental funds.

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 911, 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 strategic priorities. 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 September 30th. The City Council discusses the proposed budget at Council work sessions throughout the year. 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 increased 76.3 percent over the past ten years from \$5.4 billion in 2015 to \$9.5 billion in 2024. In the five years 2020-2024, the market value growth averaged 7.8 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.

There are 26,290 housing units in Burnsville and about 66% 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 2024, over 35,972 of the city's residents were in the labor force and the average unemployment rate for 2024 was 2.9%, which was higher than the rate for the metro area estimated at 2.5% for the same period. Burnsville is a connected community providing a variety of services and experiences to more than 65,000 residents, 2,500 businesses, thousands of annual visitors and 322 city staff and teammates.

Burnsville is home to a section of Murphy-Hanrehan Park Reserve, Buck Hill, part of the Minnesota Valley National Wildlife Refuge and The Ames Performing Art Center. In addition, Burnsville's downtown area is called Heart of the City with urban-style retail and condominiums. Plus, Burnsville Transit Station serves as the hub and headquarters of the Minnesota Valley Transit Authority.

Burnsville is a community where residents feel safe and welcome to be themselves, visitors find a place they want to come back to again and again, businesses are positioned for success and city staff and team members find meaningful work and opportunities to grow and evolve.

Long-term Financial Planning

The City faces the financial and redevelopment challenges associated with a mature 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 \$580 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. In 2020, these utility franchise fees were increased and will continue to support 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 2025 budget that called for a total increase in tax levy of 7.06%. The adopted 2025 budget addresses fundamental community needs, including maintaining established basic service levels, increasing staffing to match service levels, and long-term infrastructure replacement.

Relevant Financial Policies

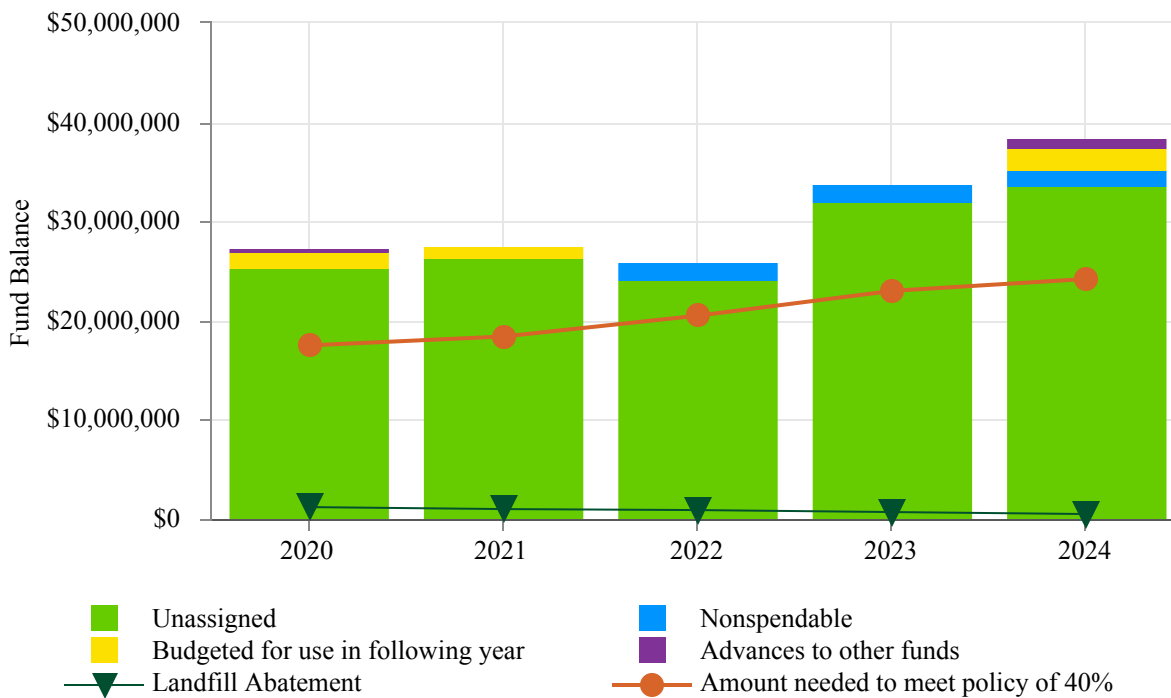
The City has a Financial Management Plan that serves two main purposes. It draws together, in a single document, the City's major financial policies. Also, the plan establishes principles to guide both staff and Council members to make consistent and informed financial decisions. The plan establishes 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 40-50% 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 fund balance policy was updated in 2020 with the target fund balance levels. Prior to 2020, a minimum fund balance policy for the General Fund was set at 35% of the operating budget. 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 a utility rate study in 2020 to evaluate the City's base charges and rate structure to provide an appropriate balance between stability of base costs while still maintaining a high level of ground water conservation and equity. The new utility rate structure was implemented in 2021. The goal is to provide sufficient revenue to each utility for current and future operations, infrastructure, and capital improvements by modifying the existing rates as needed to fairly distribute the costs of service among different users.

The City completed an organizational analysis in 2022 to evaluate staffing recommended to maintain current levels of service to the community. A number of additional positions were identified in the analysis and implementation over the course of three years began in 2023.

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 completed Phase II of the facilities plan in 2022 with the construction of Fire Station I at Newton Ave in the Pinnacle Park area. The City has begun Phase III of the facilities plan with work on design and development for a Police City Hall Renovation.

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. The City estimates future construction value for this area will exceed \$1.0 billion. Construction improvements will happen over the next 10-15 years.

Additionally, in December of 2018 the City Council adopted the Center Village Vision redevelopment plan to address the evolving County Road 42 retail corridor and the Burnsville Center. 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 plan calls for a future mixed-use pedestrian friendly area. In 2019 the City began working on a Traffic Study which was led by a consultant and involved city, county and state staff serving in a technical advisory capacity to identify issues, concerns, potential roadway improvements and traffic capacity in the area. This Traffic Study was made possible through a Department of Employment and Economic Development (DEED) Host grant. The Traffic Study was adopted by the City Council in 2020. The City also completed an Alternative Urban Area-wide Review (AUAR) to examine redevelopment scenarios and plan for mitigation related to environmental impacts. The AUAR for the Center Village funded in part by the Dakota County Redevelopment Incentive Grant program. For three years the City actively pursued special legislation from the State to consider the area as a Tax Increment Financing (TIF) district area. The area, particularly the mall, has seen a decline in foot traffic, mass vacancies and obsolete building types. In 2021 the City was successful in obtaining special legislation to consider the Burnsville Center properties and adjacent right of way as Redevelopment TIF eligible. In 2021 the City proactively changed the land use and zoning north of County Road 42 and south of McAndrews to Mixed Use to support implementation strategies outlined in the Center Village Vision and Economic Development Strategic Priorities. The City of Burnsville, in partnership with Dakota County, applied for a MnDOT Transportation Economic Development (TED) grant for construction of a new exit ramp from southbound I-35W under County State Aid Highway (CSAH) 42 to Buck Hill Road. The project was selected and will be awarded \$3.1 million in TED grant funding. The total project cost is estimated to be about \$5 million. The City has begun work for a new I35W exit ramp to improve access within the Burnsville Center properties.

Awards & Acknowledgments

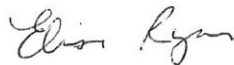
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burnsville for its ACFR for the fiscal year ended December 31, 2023. This was the 29th consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 ACFR continues to meet the Certificate of Achievement Program's 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,

A handwritten signature in cursive script, appearing to read "Elissa Ryan".

Elissa Ryan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burnsville
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF BURNSVILLE, MINNESOTA

CITY COUNCIL AND OTHER OFFICIALS

City Council:		Term Expires:
Mayor	Elizabeth Kautz	December 31, 2028
Councilmember	Dan Gustafson	December 31, 2028
Councilmember	Dan Kealey	December 31, 2026
Councilmember	Cara Schulz	December 31, 2028
Councilmember	Vince Workman	December 31, 2026
City Manager	Gregg Lindberg	
City Clerk	Macheal Collins	

LEADERSHIP TEAM AND PEOPLE MANAGERS

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.

Leadership Team

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

- Deputy City Manager/Community Development Director
- Deputy City Manager/Chief Financial Officer
- Public Works Director
- Fire Chief
- Police Chief
- Human Resources Director
- Information Technology Director
- Communications & Community Engagement Director
- Parks, Recreation, & Facilities Director
- Finance Director
- Strategic Initiatives Director
- City Clerk

Senior Managers

The next level of responsibility lies with the senior managers of service areas:

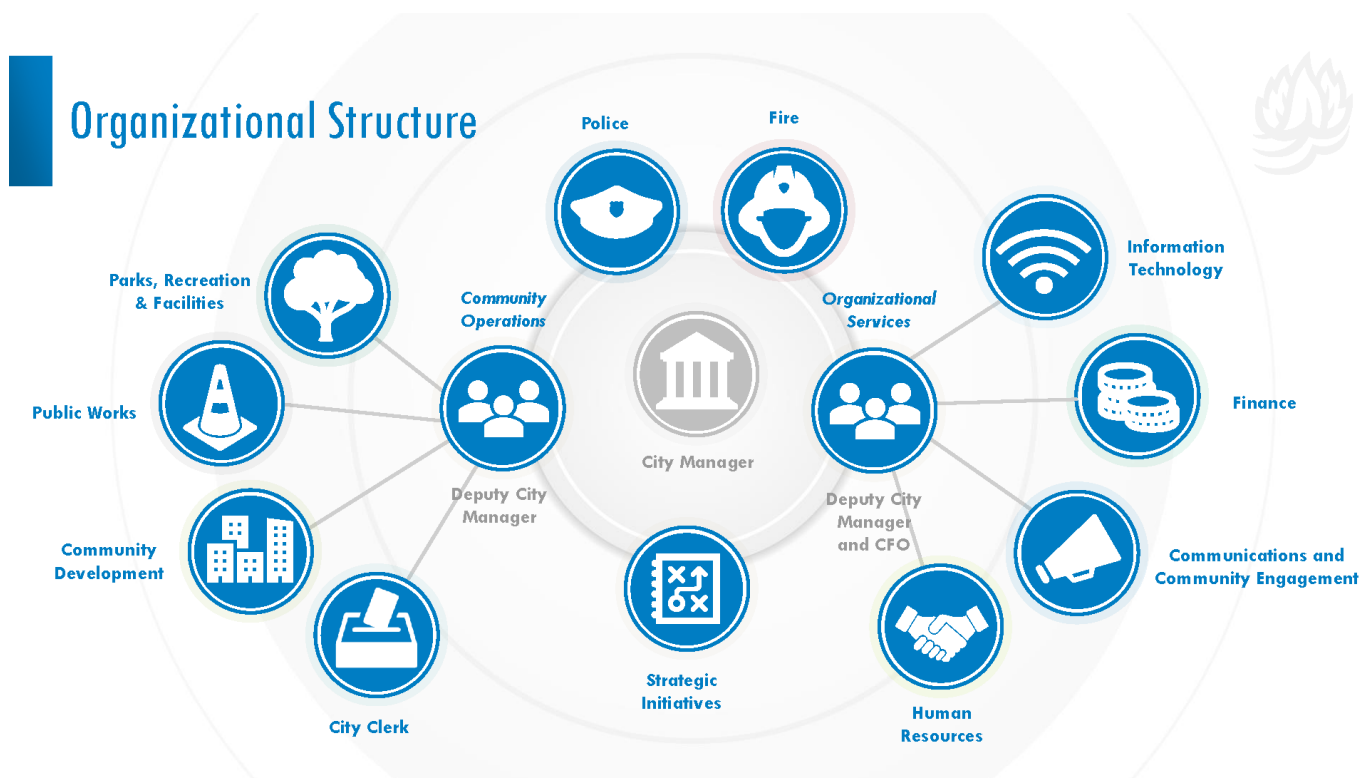
- City Engineer
- Assistant Public Works Director
- Deputy Police Chief
- Police Captains (three)
- Assistant Fire Chiefs (three)
- Organizational Development Manager
- Recreation & Facilities Superintendent
- Building Official
- Deputy Community Development Director
- Neighborhood Services Coordinator
- Accounting Managers (two)

People Managers

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.

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INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Burnsville, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burnsville, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2024, 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.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

(continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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.

(continued)

SUPPLEMENTARY 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 accompanying combining and individual fund statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, 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.

Respectfully submitted,



LB CARLSON, LLP
Minneapolis, Minnesota

June 9, 2025

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Management's Discussion and Analysis

As management of the City of Burnsville, Minnesota (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, 2024. 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 \$302,627,000 (net position). Of this amount, \$68,272,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; \$20,328,000 is restricted for specific purposes (restricted net position); and \$214,027,000 represents the net investment in capital assets.
- The City's total net position increased by \$16,991,000. The increase is a combination of surpluses and deficits, and includes planned increases for future budget needs.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$85,425,000, an increase of \$9,872,000 in comparison with the prior year. A number of factors contributed to this increase. Property Tax revenue increased by \$3,924,000. The City planned increases in fund balance in the General Fund for future staffing and budgeting needs. 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 \$33,607,000, or 58% of total budgeted 2024 general fund expenditures and transfers.
- During the year ended December 31, 2024, the City implemented GASB Statement No. 101, *Accounting and Financial Reporting for Compensated Absences*. This statement provided new guidance on accounting and reporting for compensated absences. Implementation of this new guidance resulted in the restatement of beginning net position for the cumulative effect of this change. In the government-wide financial statement, beginning net position was reduced by \$326,325 and \$20,883 for the governmental activities and business-type activities, respectively. In the proprietary fund financial statements, beginning net position was reduced by \$9,286, \$4,644, and \$6,953 for the Water and Sewer, Storm Water, and Nonmajor enterprise funds respectively and \$326,325 for the Internal Service Fund.

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, and street lighting.

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 five 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 capital projects fund, the improvement construction capital projects fund, and the facilities capital projects fund. Data from the other eighteen 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, improvement construction 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 32-39 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, and street lighting 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 and dental self insurance. Because these services 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 three 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. Additionally, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40-42 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 basic government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-82 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 84-95 of this report.

Other information. The combining statements and schedules referred to earlier in connection with nonmajor governmental, enterprise, and internal service funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 97-130 of this report.

Further, a statistical section has been included as part of the Annual Comprehensive Financial Report (ACFR) to facilitate additional analysis and is the third and final section of the 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 \$302,627,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (71 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 (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$68,272,000) 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$123,745,339	\$112,831,826	\$ 35,506,871	\$ 32,419,667	\$159,252,210	\$145,251,493
Capital assets, net	159,146,103	155,942,718	119,269,650	120,170,098	278,415,753	276,112,816
Total assets	282,891,442	268,774,544	154,776,521	152,589,765	437,667,963	421,364,309
Total deferred outflows						
of resources	31,201,271	38,363,554	215,750	446,778	31,417,021	38,810,332
Long-term liabilities	80,743,482	91,065,786	26,720,004	23,161,214	107,463,486	114,227,000
Other liabilities	10,888,479	11,531,819	1,796,387	984,941	12,684,866	12,516,760
Total liabilities	91,631,961	102,597,605	28,516,391	24,146,155	120,148,352	126,743,760
Total deferred inflows						
of resources	45,418,379	46,725,109	891,144	722,112	46,309,523	47,447,221
Net position:						
Net investment in						
capital assets	125,189,303	120,940,298	95,691,405	99,024,723	214,026,656	210,922,788
Restricted	20,327,804	19,884,115	—	—	20,327,804	19,884,115
Unrestricted	31,525,266	16,990,971	29,893,331	29,143,553	68,272,649	55,176,757
Total net position	<u>\$177,042,373</u>	<u>\$157,815,384</u>	<u>\$125,584,736</u>	<u>\$128,168,276</u>	<u>\$302,627,109</u>	<u>\$285,983,660</u>

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, for both the government as a whole as well as for its separate business-type activities.

There was an increase in net position in the governmental activities of \$19,553,000 and a decrease of \$2,563,000 in business-type activities, for a net total increase of \$16,990,000 in net position, excluding the change in accounting principle. This change in net position reflects changes in deferred outflows of resources, deferred inflows of resources, and long-term liabilities as a result in the City's participation in defined benefit plans. Non-current liabilities decreased in 2024 due to a decrease in the City's pension plan liabilities due to changes in actuarial assumptions.

The total net investment in capital assets for the City is not the sum of the Governmental Activities and Business-type Activities. For certain capital related debt activity the capital asset is recorded in the business-type activities and the debt is in the governmental activities. This is combined for the government wide total activities.

City of Burnsville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 13,634,445	\$ 13,294,312	\$ 30,224,489	\$ 29,924,383	\$ 43,858,934	\$ 43,218,695
Operating grants and contributions	4,218,600	5,961,313	129,929	95,240	4,348,529	6,056,553
Capital grants and contributions	7,433,013	5,104,454	638,661	311,534	8,071,674	5,415,988
General revenues:						
Property taxes	50,792,604	46,790,405	—	—	50,792,604	46,790,405
Other taxes	6,089,516	6,220,619	—	—	6,089,516	6,220,619
Grants and contributions not restricted to specific programs	3,612,383	3,163,204	—	—	3,612,383	3,163,204
Unrestricted investment earnings	4,077,535	4,051,477	856,975	842,593	4,934,510	4,894,070
Total revenues	89,858,096	84,585,784	31,850,054	31,173,750	121,708,150	115,759,534
Expenses:						
General government	10,563,767	10,571,108	—	—	10,563,767	10,571,108
Public safety	37,938,937	37,398,025	—	—	37,938,937	37,398,025
Public works and parks	17,752,415	18,179,904	—	—	17,752,415	18,179,904
Culture and recreation	1,506,580	1,447,158	—	—	1,506,580	1,447,158
Conservation of natural resources	1,899,409	1,458,326	—	—	1,899,409	1,458,326
Economic development	883,453	560,065	—	—	883,453	560,065
Interest on long-term debt	1,143,724	1,169,503	—	—	1,143,724	1,169,503
Water and sewer	—	—	22,321,516	22,002,160	22,321,516	22,002,160
Storm water	—	—	5,055,920	4,750,457	5,055,920	4,750,457
Performing arts center	—	—	2,965,772	2,863,507	2,965,772	2,863,507
Ice arena	—	—	1,591,562	1,470,429	1,591,562	1,470,429
Golf course	—	—	415,158	432,835	415,158	432,835
Street lighting	—	—	679,280	459,523	679,280	459,523
Total expenses	71,688,285	70,784,089	33,029,208	31,978,911	104,717,493	102,763,000
Increase (decrease) in net position before transfers	18,169,811	13,801,695	(1,179,154)	(805,161)	16,990,657	12,996,534
Transfers	1,383,503	608,032	(1,383,503)	(608,032)	—	—
Increase (decrease) in net position	19,553,314	14,409,727	(2,562,657)	(1,413,193)	16,990,657	12,996,534
Net position on January 1, as previously reported	157,815,384	143,405,657	128,168,276	129,581,469	285,983,660	272,987,126
Change in accounting principle	(326,325)	—	(20,883)	—	(347,208)	—
Net position on January 1, as restated	157,489,059	143,405,657	128,147,393	129,581,469	285,636,452	272,987,126
Net position on December 31	\$177,042,373	\$157,815,384	\$125,584,736	\$128,168,276	\$302,627,109	\$285,983,660

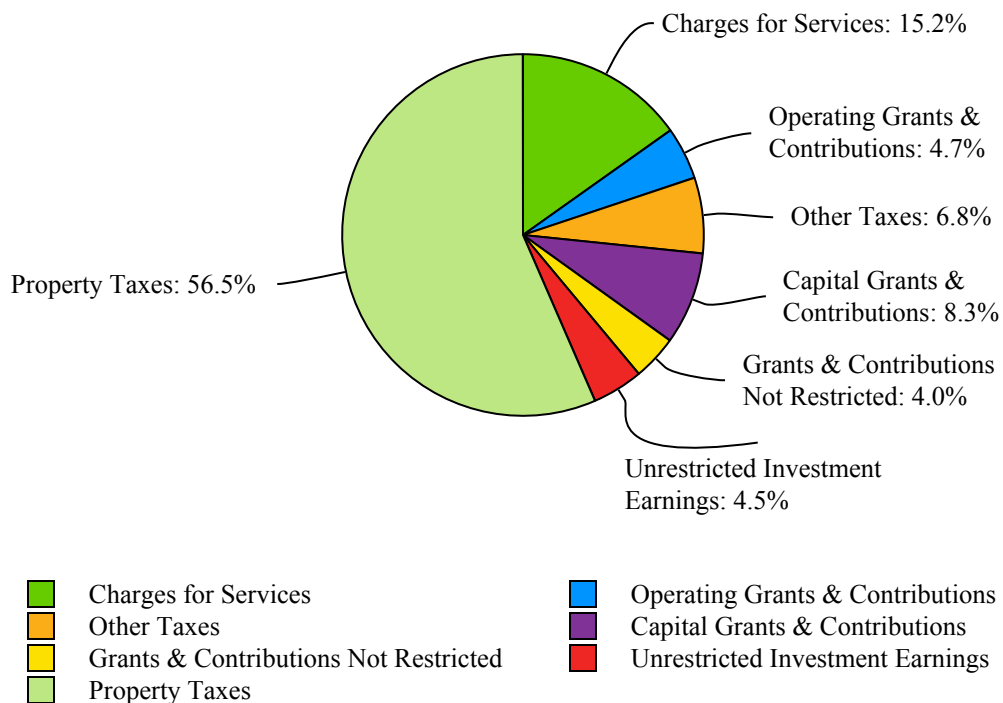
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City's net position by \$19,553,000 in 2024, while the increase in total net position was \$16,990,000, excluding the change in accounting principle.

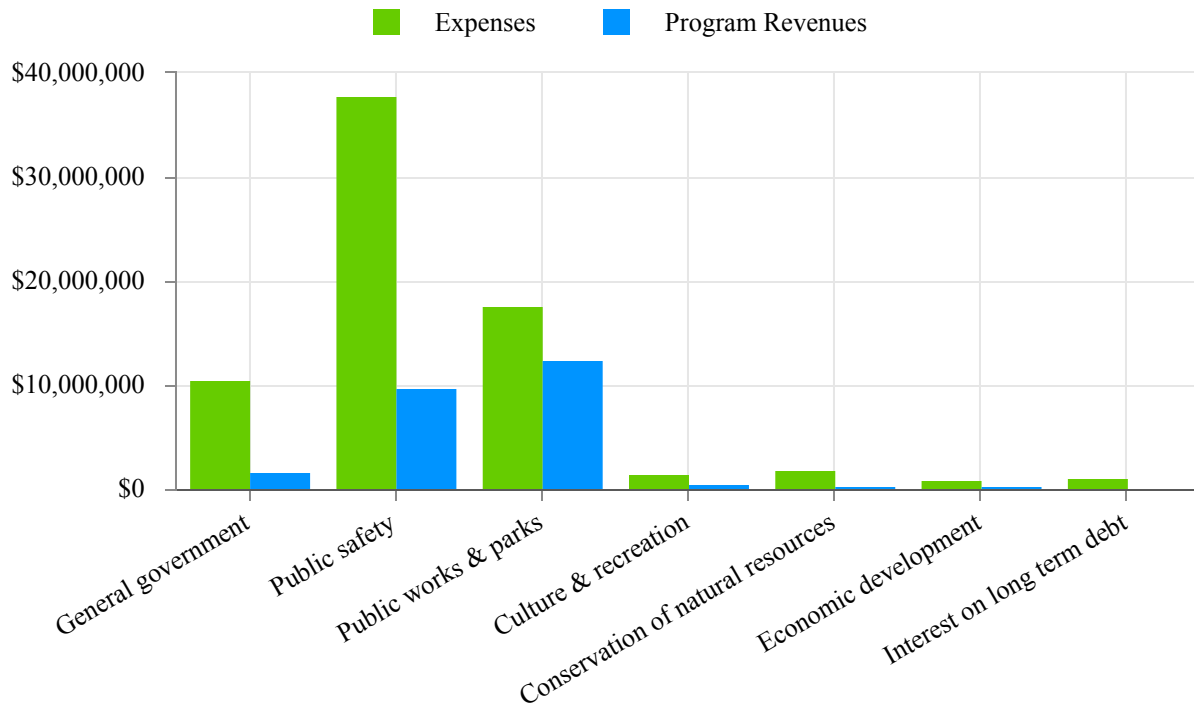
Revenues increased in total by \$5,272,000, or 6%, primarily due to increases in property taxes of \$4,002,000, increases in charges for services totaling \$340,000, increases in grants and contributions not restricted to specific programs of \$449,000, and increases in capital grants and contributions of \$2,329,000. These increases were offset by a decrease in operating grants and contributions of \$1,743,000. Expenses increased in total by \$904,000, or 1% in 2024. Key elements of these changes follow:

- Property taxes increased during 2024 due to a 7.6% increase in the levy.
- Charges for services increased \$500,000 in Public Safety.
- Grants and contributions not restricted include funding the City received from the American Rescue Plan \$3,000,000 and local government aid \$426,000.
- Capital grants and contributions increased due to County construction participation of \$1,100,000 and park dedication fees of \$950,000.
- There was a decrease in operating grants and contributions due to a one-time \$2,800,000 public safety aid in the prior year with no similar award in 2024. This was offset by a \$630,000 increase in the PERA aid received as part of the GASB #68 pension adjustments and the one-time housing aid of \$405,000 received in the current year.
- Revenues across other categories remained flat.
- Expenses increased by \$541,000 or 1%, for 2024 in public safety. Expenses decreased by \$427,000 or 2%, in 2024 for public works and parks. Conservation of natural resources and economic development had expenses increase \$441,000 and \$323,000 respectively. The majority of these increases was due to the police/city hall renovation and different economic development studies. Generally, changes in other expenses closely paralleled budgeted amounts across functions.

Revenues by Source - Governmental Activities

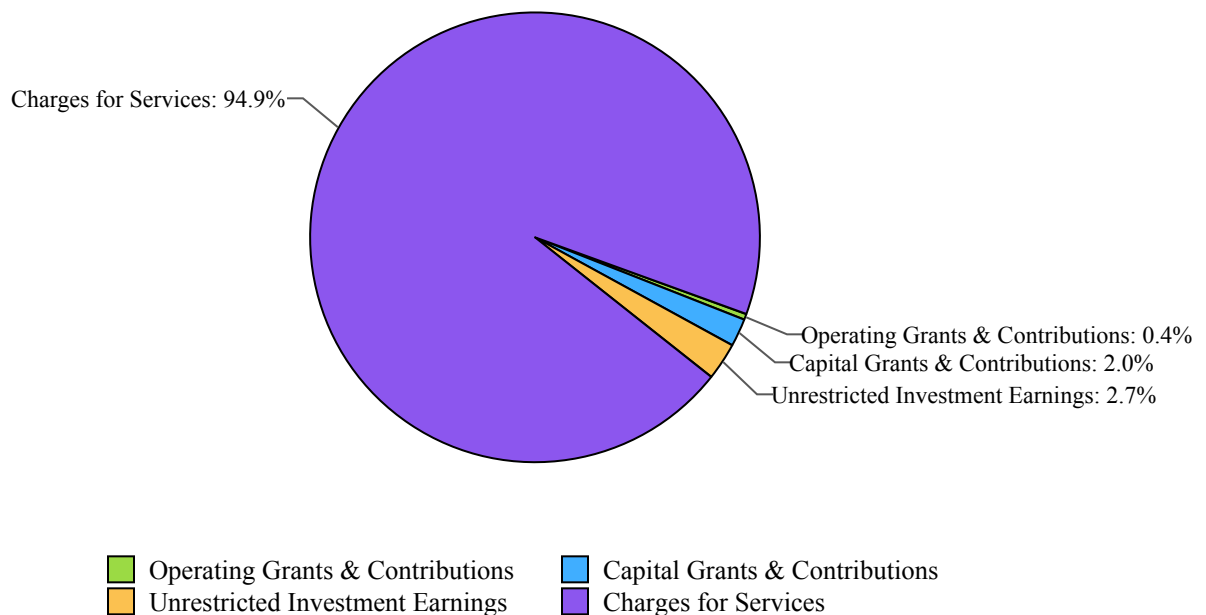


Expenses and Program Revenues - Governmental Activities

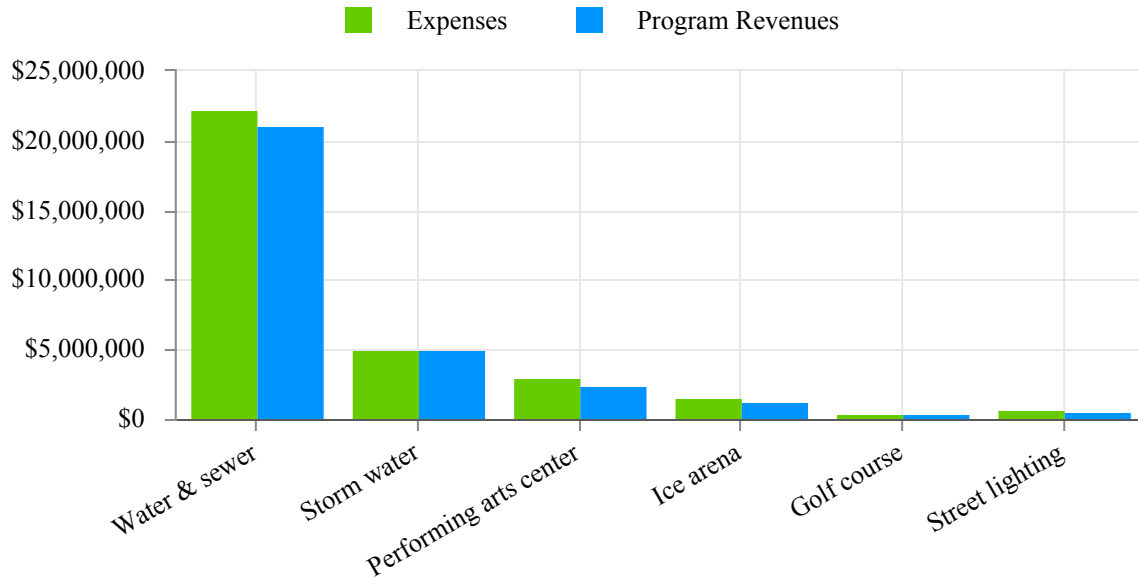


Business-type activities. Business-type activities decreased the City's net position by \$2,563,000 in 2024, while the increase in total net position was \$16,990,000, excluding the change in accounting principle.

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 \$85,425,000, an increase of \$9,872,000 in comparison with the prior year. Approximately 88% 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 *restricted and nonspendable* to indicate that it is not available for new spending because it has already been obligated for specific purposes (\$10,656,000).

The general fund is the chief operating fund of the City. At the end of 2024, unassigned fund balance of the general fund was \$33,607,000, while total fund balance was \$38,008,000. 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 55% of total general fund 2025 budgeted expenditures and transfers, while total fund balance represents 62% of that same amount.

The fund balance of the City's general fund increased by \$3,530,000 during the current fiscal year. Overall revenues increased by \$2,327,000, due to an increase in property tax revenue of \$2,965,000, an increase in interest on investments of \$376,000, and an increase in intergovernmental revenue of \$288,000. These increases were offset by a decrease in charges for services of \$362,000, and decrease in net change in fair value of investments of \$960,000. Transfers from other funds decreased by \$35,000 in 2024. Expenditures increased by \$6,018,000 and were lower than expected across most departments. The largest increase was \$4,062,000 for increases in public safety expenditures. Transfers to other funds increased by \$405,000 for 2024 as budgeted.

The General Obligation Improvement Bond Fund had a decrease in fund balance of \$140,000. Total fund balance was \$4,018,000 and \$4,158,000 as of December 31, 2024 and 2023 respectively. The entire fund balance is restricted for the payment of debt service. The decrease is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Infrastructure Trust Capital Fund had a decrease in fund balance of \$1,382,000. This decrease is the result of property tax and intergovernmental revenue offset by the timing of projects.

The Improvement Construction Capital Fund had an increase in fund balance of \$1,441,000. This increase results from issuing bonds in 2024 to offset activity.

The Facilities Capital Projects fund had a decrease in fund balance of \$23,000 during 2024. This change in fund balance is the result of the timing difference between the collection of franchise fee revenue offset by the timing of projects.

Other Governmental Funds increased fund balance by \$6,684,000. Increases in investment earnings, park dedication fees, and timing of projects resulted in the majority of the increases.

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 \$14,589,000 for the Water and Sewer Fund, \$10,255,000 for the Storm Water Fund, and \$3,681,000 for the Ames Center Fund. The total change in net position of the major enterprise funds were \$(2,130,000) for the Water and Sewer Fund, \$212,000 for the Storm Water Fund and \$(416,000) for the Ames Center Fund.

The decrease in the Water and Sewer Fund net position was mainly due to a \$687,000 increase in personnel services expense and an increase in transfers out by \$576,000 in 2024. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2024 were matched by an increase in operating expenses. Connection charges, which are dependent on new construction, were \$574,000, an increase of \$324,000 from 2023.

The increase in the Storm Water Fund net position was due to increases in investment earnings and in operating revenues due to a small increase in rates for 2024. Operating expenses increased during 2024 for increased personnel services costs. Transfers out increased slightly in 2024.

The decrease in net position of the Ames Center Fund was mainly due to increased contracted labor expenses and decrease in other income in 2024. Operating revenues and operating expenses remained relatively stable from 2023 to 2024 as the number of shows return to pre-pandemic levels.

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

Actual revenues and other financing sources were more than budgeted amounts in 2024 by \$1,100,000. Interest on investments revenue exceeded budget by \$403,000 due to continued high interest rates. Another factor contributing to the change in revenue was the net change in the fair value of investments in 2024 of \$577,000. The City does not budget for the increase or decrease in fair value of investments.

Actual expenditures were 3% below budgeted expenditures in total. Total budget savings in the general fund were \$1,904,000. Budget savings were spread throughout many departments, with the largest savings coming from the manager and administration, communications, human resources, information technology, police, inspections, and parks and streets. Savings were due to open full-time and seasonal positions, savings realized through employee efficiencies, and postponement of budgeted studies in those departments.

General Fund budget to actual information can be found on page 39 and page 108.

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, 2024 amounts to \$278,416,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, leased equipment, technology subscriptions and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 1.0 percent (2 percent increase for governmental activities and a .75 percent decrease for business-type activities).

Other than routine infrastructure repairs and replacements, the City's major capital asset events during the current fiscal year included work on design and development for a multi-year Police/City Hall facilities project.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 21,394,922	\$ 21,394,922	\$ 3,237,899	\$ 3,237,899	\$ 24,632,821	\$ 24,632,821
Permanent easements	5,080,452	4,924,492	4,631,555	4,608,483	9,712,007	9,532,975
Buildings	33,380,525	34,707,583	21,493,463	22,432,096	54,873,988	57,139,679
Infrastructure and improvements	80,274,142	79,380,573	85,042,249	87,110,168	165,316,391	166,490,741
Equipment and vehicles	12,512,484	11,537,842	3,559,217	2,470,254	16,071,701	14,008,096
Leased equipment	353,840	467,253	—	—	353,840	467,253
Technology subscriptions	635,889	775,354	—	—	635,889	775,354
Construction in progress	5,513,849	2,754,699	1,305,267	311,198	6,819,116	3,065,897
Total	<u>\$159,146,103</u>	<u>\$155,942,718</u>	<u>\$119,269,650</u>	<u>\$120,170,098</u>	<u>\$278,415,753</u>	<u>\$276,112,816</u>

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, certificates of indebtedness, notes, leases, and technology subscriptions outstanding of \$61,845,000.

City of Burnsville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 19,430,000	\$ 20,680,000	\$ —	\$ —	\$ 19,430,000	\$ 20,680,000
General obligation certificates of indebtedness	940,000	1,020,000	—	—	940,000	1,020,000
G.O. Tax increment bonds	655,000	930,000	—	—	655,000	930,000
G.O. Tax abatement bonds	6,750,000	8,915,000	—	—	6,750,000	8,915,000
General obligation improvement bonds	9,455,000	9,380,000	—	—	9,455,000	9,380,000
General obligation revenue bonds	—	—	17,530,000	13,525,000	17,530,000	13,525,000
General obligation revenue notes	—	—	6,127,000	6,550,000	6,127,000	6,550,000
Lease liability	347,274	456,405	—	—	347,274	456,405
Technology subscriptions liability	611,159	741,543	—	—	611,159	741,543
Total	<u>\$ 38,188,433</u>	<u>\$ 42,122,948</u>	<u>\$ 23,657,000</u>	<u>\$ 20,075,000</u>	<u>\$ 61,845,433</u>	<u>\$ 62,197,948</u>

The City's total debt decreased by \$352,500 during the current fiscal year. The decrease was the result of debt issuance partially offset by scheduled retirement of principal.

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 \$284,138,000, which is significantly in excess of the City's general obligation debt applicable to the limit of \$19,430,000.

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

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 2025 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 2024 levels with a 7.06% increase in the property tax levy for 2025. The City plans to increase staffing levels over multiple years to better match the level of services provided. The City Council adopted a general operating and debt budget of \$207.7 million for fiscal year 2025, a 67.9% increase from the 2024 budget. The 2025 budget for the enterprise funds is \$45.8 million compared to \$40.9 million for 2024.

- Significant budget changes worth noting for 2025 general operating budget as originally adopted include:
 - Implementation of the third year of the Organization Analysis with an increase in staffing levels of 11 full time equivalent positions.
 - Second year of a phased implementation of an updated compensation plan for employees.
 - Issuance of bonds and related expenses of \$100.0 million for municipal facility improvements for a Police/City Hall renovation.
 - Maintained funding for infrastructure and parks.
 - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
- The 2025 enterprise fund budget changes include the following:
 - Capital improvements in the Water and Sewer and Storm Water funds include rehabilitation and maintenance of utility infrastructure as part of 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 2024 unemployment rate for the City was 2.9 percent, which compares favorably with the state's unemployment rate of 2.6 percent and the national unemployment rate of 3.8 percent.
- The City had a 0.1 percent decrease in tax base from 2024 to 2025. Estimated taxable market value was \$9.5 billion in 2024.

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 contracted to complete a comprehensive utility rate study for the water and sewer and storm water utility funds. The rate study results are considered revenue neutral and are designed only to generate enough revenue needed to maintain adequate fund balances. Pursuant to the rate study, it was determined that rate increases for 2025 (5.0% for water service, 9.5% for sewer service, and 2.5% for storm water rates) were necessary to meet operating and capital replacement needs. No rate increase was necessary in 2025 for the Street Lighting Fund to meet operating and capital replacement needs.

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.

Basic Financial Statements



City of Burnsville
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 91,328,556	\$ 27,848,616	\$ 119,177,172
Receivables (net)	21,715,660	7,506,612	29,222,272
Due from other governments	10,701,123	110,584	10,811,707
Prepaid items	—	41,059	41,059
Capital assets:			
Land	21,394,922	3,237,899	24,632,821
Permanent easements	5,080,452	4,631,555	9,712,007
Construction in progress	5,513,849	1,305,267	6,819,116
Buildings	54,099,568	44,090,419	98,189,987
Infrastructure and improvements	213,173,909	193,929,887	407,103,796
Equipment and vehicles	35,388,576	9,726,579	45,115,155
Leased equipment	1,048,520	—	1,048,520
Technology subscriptions	1,395,821	—	1,395,821
	<u>337,095,617</u>	<u>256,921,606</u>	<u>594,017,223</u>
Less accumulated depreciation/amortization	(177,949,514)	(137,651,956)	(315,601,470)
Net capital assets	<u>159,146,103</u>	<u>119,269,650</u>	<u>278,415,753</u>
Total assets	<u>282,891,442</u>	<u>154,776,521</u>	<u>437,667,963</u>
Deferred Outflows of resources			
Deferred outflows of resources - other post-employment benefits	5,577,412	—	5,577,412
Deferred outflows of resources - pensions	25,623,859	215,750	25,839,609
Total deferred outflows of resources	<u>31,201,271</u>	<u>215,750</u>	<u>31,417,021</u>
Total assets and deferred outflows of resources	<u>\$ 314,092,713</u>	<u>\$ 154,992,271</u>	<u>\$ 469,084,984</u>
Liabilities			
Accounts payable	\$ 2,056,558	\$ 1,083,559	\$ 3,140,117
Salaries and other compensation payable	2,841,256	4,751	2,846,007
Accrued interest	123,995	112,723	236,718
Contracts payable	510,641	537,901	1,048,542
Due to other governments	402,502	1,827	404,329
Unearned revenue	1,690,658	—	1,690,658
Customer and other deposits	3,262,869	55,626	3,318,495
Noncurrent liabilities:			
Due within one year	6,473,292	2,726,641	9,199,933
Due in more than one year	74,270,190	23,993,363	98,263,553
Total liabilities	<u>91,631,961</u>	<u>28,516,391</u>	<u>120,148,352</u>
Deferred Inflows of resources			
Deferred inflows of resources - other post-employment benefits	3,483,497	—	3,483,497
Deferred inflows of resources - pensions	31,588,023	733,728	32,321,751
Deferred inflows of resources - lease revenue for subsequent years	10,346,859	157,416	10,504,275
Total deferred inflows of resources	<u>45,418,379</u>	<u>891,144</u>	<u>46,309,523</u>
Net Position			
Net investment in capital assets	125,189,303	95,691,405	214,026,656
Restricted			
Debt service	11,550,646	—	11,550,646
Landfill abatement	879,390	—	879,390
Public safety	930,067	—	930,067
Housing	405,821	—	405,821
Capital Projects	23,837	—	23,837
State-funded street projects	6,538,043	—	6,538,043
Unrestricted	<u>31,525,266</u>	<u>29,893,331</u>	<u>68,272,649</u>
Total net position	<u>177,042,373</u>	<u>125,584,736</u>	<u>302,627,109</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 314,092,713</u>	<u>\$ 154,992,271</u>	<u>\$ 469,084,984</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, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 10,563,767	\$ 1,720,669	\$ —	\$ —	\$ (8,843,098)	\$ —	\$ (8,843,098)
Public safety	37,938,937	7,327,487	2,422,589	—	(28,188,861)	—	(28,188,861)
Public works and parks	17,752,415	4,059,121	995,454	7,433,013	(5,264,827)	—	(5,264,827)
Culture and recreation	1,506,580	439,126	46,520	—	(1,020,934)	—	(1,020,934)
Conservation of natural resources	1,899,409	88,042	343,532	—	(1,467,835)	—	(1,467,835)
Economic development	883,453	—	410,505	—	(472,948)	—	(472,948)
Interest on long-term debt	1,143,724	—	—	—	(1,143,724)	—	(1,143,724)
Total governmental activities	71,688,285	13,634,445	4,218,600	7,433,013	(46,402,227)	—	(46,402,227)
Business-Type Activities:							
Water and sewer	22,321,516	20,536,261	49,003	585,777	—	(1,150,475)	(1,150,475)
Storm water	5,055,920	4,931,770	67,339	52,884	—	(3,927)	(3,927)
Performing arts center	2,965,772	2,432,612	—	—	—	(533,160)	(533,160)
Ice arena	1,591,562	1,269,571	10,190	—	—	(311,801)	(311,801)
Golf course	415,158	451,588	3,397	—	—	39,827	39,827
Street lighting	679,280	602,687	—	—	—	(76,593)	(76,593)
Total business-type activities	33,029,208	30,224,489	129,929	638,661	—	(2,036,129)	(2,036,129)
Total governmental and business-type activities	\$104,717,493	\$ 43,858,934	\$ 4,348,529	\$ 8,071,674	(46,402,227)	(2,036,129)	(48,438,356)
General Revenues:							
Property taxes					50,792,604	—	50,792,604
Lodging tax					316,583	—	316,583
Franchise taxes					5,772,933	—	5,772,933
Grants and contributions not restricted to specific programs					3,612,383	—	3,612,383
Unrestricted investment earnings					4,077,535	856,975	4,934,510
Transfers					1,383,503	(1,383,503)	—
Total general revenues and transfers					65,955,541	(526,528)	65,429,013
Change in Net Position					19,553,314	(2,562,657)	16,990,657
Net Position - Beginning, as previously reported					157,815,384	128,168,276	285,983,660
Change in accounting principle					(326,325)	(20,883)	(347,208)
Net Position - Ending, as restated					157,489,059	128,147,393	285,636,452
Net Position - Ending					\$ 177,042,373	\$125,584,736	\$302,627,109

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

**City of Burnsville
Balance Sheet
Governmental Funds
December 31, 2024**

	General	GO Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Facilities	Other Governmental	Total Governmental Funds
Assets							
Cash, cash equivalents, and investments	\$ 37,921,876	\$ 3,989,973	\$ 1,768,414	\$ 203,308	\$ 10,105,782	\$ 33,506,357	\$ 87,495,710
Receivables, net of allowance for uncollectible amounts:							
Property taxes	201,623	1,543	13,010	—	—	39,488	255,664
Special assessments	73,242	5,397,240	—	77,234	—	—	5,547,716
Mortgages	—	—	—	—	—	315,964	315,964
Accrued interest	894,573	—	—	—	—	—	894,573
Accounts	1,797,834	—	—	—	1,351,983	347,313	3,497,130
Leases	11,201,369	—	—	—	—	—	11,201,369
Due from other funds	1,100,000	—	—	—	—	—	1,100,000
Due from other governments	2,028,162	42,160	6,665,631	1,408,169	43	556,958	10,701,123
Advances to other funds	1,742,314	—	—	—	—	—	1,742,314
Total Assets	<u>\$ 56,960,993</u>	<u>\$ 9,430,916</u>	<u>\$ 8,447,055</u>	<u>\$ 1,688,711</u>	<u>\$ 11,457,808</u>	<u>\$ 34,766,080</u>	<u>\$122,751,563</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,005,701	\$ 1,305	\$ —	\$ 65,272	\$ 358,961	\$ 614,133	\$ 2,045,372
Salaries and other compensation payable	2,841,256	—	—	—	—	—	2,841,256
Contracts payable	—	—	—	487,280	23,361	—	510,641
Due to other funds	—	—	—	1,100,000	—	—	1,100,000
Due to other governments	182,771	12,442	—	176,196	—	31,093	402,502
Unearned revenue	—	—	—	—	—	1,690,658	1,690,658
Customer and other deposits	3,258,480	—	—	—	—	4,389	3,262,869
Advances from other funds	—	—	—	—	—	1,742,314	1,742,314
Total Liabilities	<u>7,288,208</u>	<u>13,747</u>	<u>—</u>	<u>1,828,748</u>	<u>382,322</u>	<u>4,082,587</u>	<u>13,595,612</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	201,623	1,543	13,010	—	—	39,488	255,664
Unavailable revenue - special assessments	—	5,397,240	—	77,234	—	—	5,474,474
Unavailable revenue - long-term receivable	—	—	6,538,043	—	—	—	6,538,043
Lease revenue for subsequent years	10,346,859	—	—	—	—	—	10,346,859
Unavailable revenue - other revenue	1,116,196	—	—	—	—	—	1,116,196
Total Deferred Inflows of Resources	<u>11,664,678</u>	<u>5,398,783</u>	<u>6,551,053</u>	<u>77,234</u>	<u>—</u>	<u>39,488</u>	<u>23,731,236</u>
Fund Balances (Deficits):							
Nonspendable	1,742,314	—	—	—	—	—	1,742,314
Restricted	529,838	4,018,386	23,837	—	275,499	4,065,784	8,913,344
Committed	—	—	1,872,165	—	10,799,987	5,124,959	17,797,111
Assigned	2,129,120	—	—	—	—	22,780,307	24,909,427
Unassigned	33,606,835	—	—	(217,271)	—	(1,327,045)	32,062,519
Total Fund Balances (Deficits)	<u>38,008,107</u>	<u>4,018,386</u>	<u>1,896,002</u>	<u>(217,271)</u>	<u>11,075,486</u>	<u>30,644,005</u>	<u>85,424,715</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 56,960,993</u>	<u>\$ 9,430,916</u>	<u>\$ 8,447,055</u>	<u>\$ 1,688,711</u>	<u>\$ 11,457,808</u>	<u>\$ 34,766,080</u>	<u>\$122,751,563</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, 2024

Total governmental fund balances	\$	85,424,715
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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		337,095,617
Accumulated depreciation/amortization		(177,949,514)

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 and Municipal State Aid (MSA) funding		13,384,377
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The internal service fund is used by management to charge the costs of compensated absences and dental self insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Cash		3,832,846
Accrued compensated absences		(5,251,688)
Dental self insurance		(7,942)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Total other post-employment benefit obligations payable		(13,225,559)
Net pension liability		(21,548,188)
Bonds payable, net of unamortized discounts and premiums		(39,759,614)
Lease liability		(347,274)
Technology subscriptions liability		(611,159)
Accrued interest payable		(123,995)

Governmental funds do not report long-term amounts related to pensions and OPEB

Deferred outflows of resources - OPEB		5,577,412
Deferred inflows of resources - OPEB		(3,483,497)
Deferred outflows of resources - pensions		25,623,859
Deferred inflows of resources - pensions		(31,588,023)

Net position of governmental activities	\$	177,042,373
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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, 2024

	General	GO Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction
Revenues				
Property taxes	\$ 40,210,519	\$ 257,415	\$ 2,673,420	\$ —
Special assessments	3,048	1,160,563	—	555,328
Licenses and permits	2,731,096	—	—	—
Other taxes	316,583	—	—	—
Intergovernmental revenue	5,782,462	—	89,423	1,764,441
Charges for services	6,513,730	—	—	—
Fines and forfeits	222,075	—	—	—
Interest on investments	1,461,259	163,660	83,853	—
Net change in fair value of investments	577,470	—	—	—
Miscellaneous revenue	1,279,419	—	—	—
Total Revenues	<u>59,097,661</u>	<u>1,581,638</u>	<u>2,846,696</u>	<u>2,319,769</u>
Expenditures				
Current:				
General government	9,088,090	—	—	—
Public safety	34,543,787	—	—	—
Public works and parks	8,091,766	—	—	—
Culture and recreation	1,352,286	—	—	—
Conservation of natural resources	1,105,447	—	—	—
Economic development	416,165	—	—	—
Capital outlay:				
General government	110,655	—	—	—
Public safety	—	—	—	—
Public works and parks	—	—	—	—
Culture and recreation	—	—	—	—
Infrastructure	—	—	4,203,853	2,423,715
Debt service:				
Principal	339,215	1,345,000	—	—
Interest	2,853	360,163	—	—
Fiscal agent fees	—	16,080	—	—
Bond issuance costs	—	—	—	23,260
Total Expenditures	<u>55,050,264</u>	<u>1,721,243</u>	<u>4,203,853</u>	<u>2,446,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,047,397</u>	<u>(139,605)</u>	<u>(1,357,157)</u>	<u>(127,206)</u>

		Formerly Major Fund			
Facilities		Grant	Other Governmental	Total Governmental Funds	
\$	48	\$ —	\$ 7,660,159	\$ 50,801,561	
	—	—	—	1,718,939	
	—	—	2,390	2,733,486	
	5,252,004	—	520,929	6,089,516	
	—	—	1,247,545	8,883,871	
	560,828	—	1,939,587	9,014,145	
	—	—	950	223,025	
	413,896	—	1,238,659	3,361,327	
	—	—	—	577,470	
	—	—	1,615,130	2,894,549	
	6,226,776	—	14,225,349	86,297,889	
	—	—	1,016,615	10,104,705	
	—	—	23,337	34,567,124	
	—	—	549,302	8,641,068	
	—	—	47,219	1,399,505	
	—	—	772,334	1,877,781	
	—	—	466,596	882,761	
	4,034,007	—	53,460	4,198,122	
	45,260	—	2,165,656	2,210,916	
	378,550	—	1,759,212	2,137,762	
	133,472	—	—	133,472	
	—	—	48,938	6,676,506	
	—	—	4,048,581	5,732,796	
	—	—	991,355	1,354,371	
	—	—	18,008	34,088	
	—	—	—	23,260	
	4,591,289	—	11,960,613	79,974,237	
	1,635,487	—	2,264,736	6,323,652	

City of Burnsville
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	GO Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction
Other Financing Sources (Uses)				
Bonds issued	—	—	—	1,420,000
Premium on bonds issued	—	—	—	148,570
Leases issued	110,655	—	—	—
Technology subscriptions issued	—	—	—	—
Sale of capital assets	—	—	—	—
Transfers in	300,000	—	—	—
Transfers out	(927,919)	—	(25,000)	—
Total other financing sources (uses)	<u>(517,264)</u>	<u>—</u>	<u>(25,000)</u>	<u>1,568,570</u>
Net Change in Fund Balances	3,530,133	(139,605)	(1,382,157)	1,441,364
Fund Balances (Deficits)				
Beginning of year, as previously reported	34,477,974	4,157,991	3,278,159	(1,658,635)
Change within reporting entity (major to nonmajor fund)	—	—	—	—
Beginning of year, as restated	<u>34,477,974</u>	<u>4,157,991</u>	<u>3,278,159</u>	<u>(1,658,635)</u>
End of year	<u>\$ 38,008,107</u>	<u>\$ 4,018,386</u>	<u>\$ 1,896,002</u>	<u>\$ (217,271)</u>

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

	Formerly Major Fund		
Facilities	Grant	Other Governmental	Total Governmental Funds
—	—	—	1,420,000
—	—	—	148,570
—	—	—	110,655
—	—	267,626	267,626
—	—	185,121	185,121
202,000	—	10,000,375	10,502,375
(1,860,205)	—	(6,273,051)	(9,086,175)
(1,658,205)	—	4,180,071	3,548,172
(22,718)	—	6,444,807	9,871,824
11,098,204	239,150	23,960,048	75,552,891
—	(239,150)	239,150	—
11,098,204	—	24,199,198	75,552,891
<u>\$ 11,075,486</u>	<u>\$ —</u>	<u>\$ 30,644,005</u>	<u>\$ 85,424,715</u>

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, 2024

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

Net change in fund balances - total governmental funds	\$ 9,871,824
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/amortization expense.	
Capital outlay	12,395,405
Depreciation/amortization expense	(9,250,250)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	
Net book value of capital assets disposed	(56,033)
Transfers of capital assets to business-type activities	(32,697)
Donations of capital assets	146,960
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,588,599
The issuance of long-term debt (e.g., bonds, leases, technology subscriptions) 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.	
Debt issued:	
Issuance of debt, including discounts and premiums	(1,568,570)
Lease financing	(110,655)
Technology subscription financing	(267,626)
Principal repayments:	
General obligation debt	5,115,000
Leases	219,786
Technology subscriptions	398,010
Amortization of premiums and discounts	260,327
Some 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 expenditures in governmental funds.	
Accrued interest expense	7,668
Net other post-employment benefit obligations expense	(1,207,899)
Pension expense	1,260,128
The internal service fund is used by management to charge the costs of compensated absences and dental self insurance to individual funds.	(355,401)
The investment earnings of internal service funds is reported with governmental activities.	138,738
Change in net position of governmental activities	\$ 19,553,314

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 40,447,907	\$ 40,447,907	\$ 40,210,519	\$ (237,388)
Special assessments	8,700	8,700	3,048	(5,652)
Licenses and permits	2,582,485	2,582,485	2,731,096	148,611
Other taxes	320,000	320,000	316,583	(3,417)
Intergovernmental revenue	5,081,875	5,329,925	5,782,462	452,537
Charges for services	7,137,479	7,137,479	6,513,730	(623,749)
Fines and forfeits	253,370	253,370	222,075	(31,295)
Interest on investments	1,058,600	1,058,600	1,461,259	402,659
Net change in fair value of investments	—	—	577,470	577,470
Miscellaneous revenue	949,853	959,075	1,279,419	320,344
Total Revenues	<u>57,840,269</u>	<u>58,097,541</u>	<u>59,097,661</u>	<u>1,000,120</u>
Expenditures				
Current:				
General government	10,253,784	10,253,784	9,088,090	1,165,694
Public safety	35,208,124	35,257,140	34,543,787	713,353
Public works and parks	8,385,933	8,385,933	8,091,766	294,167
Culture & recreation	1,382,430	1,382,430	1,352,286	30,144
Conservation of natural resources	880,147	1,128,197	1,105,447	22,750
Economic development	546,820	546,820	416,165	130,655
Capital Outlay:				
General government	—	—	110,655	(110,655)
Debt Service:				
Principal	—	—	339,215	(339,215)
Interest	—	—	2,853	(2,853)
Total Expenditures	<u>56,657,238</u>	<u>56,954,304</u>	<u>55,050,264</u>	<u>1,904,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,183,031	1,143,237	4,047,397	2,904,160
Other Financing Sources (Uses)				
Leases issued	—	—	110,655	110,655
Transfers in	300,000	300,000	300,000	—
Transfers out	(927,919)	(927,919)	(927,919)	—
Total other financing sources (uses)	<u>(627,919)</u>	<u>(627,919)</u>	<u>(517,264)</u>	<u>110,655</u>
Net Change in Fund Balances	555,112	515,318	3,530,133	3,014,815
Fund Balances - Beginning	34,477,974	34,477,974	34,477,974	—
Fund Balances - Ending	<u>\$ 35,033,086</u>	<u>\$ 34,993,292</u>	<u>\$ 38,008,107</u>	<u>\$ 3,014,815</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, 2024**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Assets						
Current Assets:						
Cash, cash equivalents and investments	\$ 13,352,705	\$ 9,438,753	\$ 3,144,856	\$ 1,912,302	\$ 27,848,616	\$ 3,832,846
Special assessments receivable:						
Delinquent	36,016	—	—	—	36,016	—
Deferred, current portion	10,313	4,177	—	—	14,490	—
Accounts receivable	4,876,893	903,923	845,295	234,684	6,860,795	3,244
Leases receivable, current portion	25,659	—	—	—	25,659	—
Due from other governments	58,333	52,251	—	—	110,584	—
Prepaid items	—	—	41,059	—	41,059	—
Total Current Assets	18,359,919	10,399,104	4,031,210	2,146,986	34,937,219	3,836,090
Noncurrent Assets:						
Deferred special assessments receivable, less current portion	124,275	280,804	—	—	405,079	—
Leases receivable, less current portion	164,573	—	—	—	164,573	—
Capital Assets:						
Land	319,892	2,160,687	—	757,320	3,237,899	—
Permanent easements	1,919,636	2,711,919	—	—	4,631,555	—
Construction in progress	1,305,267	—	—	—	1,305,267	—
Buildings	20,735,701	—	20,364,622	2,990,096	44,090,419	—
Infrastructure and improvements	113,781,318	70,404,629	419,265	9,324,675	193,929,887	—
Equipment and vehicles	6,095,179	1,663,704	738,638	1,229,058	9,726,579	—
Less accumulated depreciation	(75,715,868)	(43,927,463)	(8,757,594)	(9,251,031)	(137,651,956)	—
Total capital assets (net of accumulated depreciation)	68,441,125	33,013,476	12,764,931	5,050,118	119,269,650	—
Total Noncurrent Assets	68,729,973	33,294,280	12,764,931	5,050,118	119,839,302	—
Total Assets	87,089,892	43,693,384	16,796,141	7,197,104	154,776,521	3,836,090
Deferred Outflows of Resources						
Deferred outflows of resources - pensions	129,450	28,767	—	57,533	215,750	—
Liabilities						
Current Liabilities:						
Current maturities of long term debt	2,678,000	—	—	—	2,678,000	—
Salaries and other compensation payable	4,304	447	—	—	4,751	—
Accrued compensated absences, current portion	24,516	8,600	—	15,525	48,641	525,169
Accounts payable	421,807	123,198	349,860	188,694	1,083,559	11,186
Accrued interest	112,723	—	—	—	112,723	—
Contracts payable	536,844	1,057	—	—	537,901	—
Due to other governments	—	—	—	1,827	1,827	—
Customer and other deposits	50,351	807	—	4,468	55,626	—
Total Current Liabilities	3,828,545	134,109	349,860	210,514	4,523,028	536,355
Noncurrent Liabilities:						
General obligation bonds and notes payable, less current maturities	22,464,622	—	—	—	22,464,622	—
Accrued compensated absences, net of current portion	220,648	77,397	—	139,732	437,777	4,726,519
Net pension liability	654,578	145,462	—	290,924	1,090,964	—
Total Noncurrent Liabilities	23,339,848	222,859	—	430,656	23,993,363	4,726,519
Total Liabilities	27,168,393	356,968	349,860	641,170	28,516,391	5,262,874
Deferred Inflows of Resources						
Deferred inflows of resources - pensions	440,237	97,830	—	195,661	733,728	—
Deferred inflows of resources - lease revenue for subsequent years	157,416	—	—	—	157,416	—
Total Deferred Inflows of Resources	597,653	97,830	—	195,661	891,144	—
Net Position						
Net investment in capital assets	44,863,937	33,012,419	12,764,931	5,050,118	95,691,405	—
Unrestricted	14,589,359	10,254,934	3,681,350	1,367,688	29,893,331	(1,426,784)
Total Net Position	\$ 59,453,296	\$ 43,267,353	\$ 16,446,281	\$ 6,417,806	\$ 125,584,736	\$ (1,426,784)

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, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Operating Revenues						
Charges for services	\$ 20,361,454	\$ 4,881,045	\$ 2,267,612	\$ 2,268,846	\$ 29,778,957	\$ 786,797
Operating Expenses						
Personnel services	6,023,084	1,506,650	—	1,067,111	8,596,845	875,186
Contracted labor	—	—	1,380,715	—	1,380,715	—
Sanitary sewer disposal costs	6,141,109	—	—	—	6,141,109	—
Repairs and maintenance	2,423,551	1,281,449	65,972	240,813	4,011,785	—
Utilities	835,287	60,912	110,884	592,783	1,599,866	—
Other operating expenses	3,036,515	709,293	834,595	213,762	4,794,165	267,012
Depreciation	3,341,236	1,497,412	573,606	571,531	5,983,785	—
Total Operating Expenses	<u>21,800,782</u>	<u>5,055,716</u>	<u>2,965,772</u>	<u>2,686,000</u>	<u>32,508,270</u>	<u>1,142,198</u>
Operating Income (Loss)	<u>(1,439,328)</u>	<u>(174,671)</u>	<u>(698,160)</u>	<u>(417,154)</u>	<u>(2,729,313)</u>	<u>(355,401)</u>
Nonoperating Revenues (Expenses)						
Intergovernmental	49,003	67,339	—	13,587	129,929	—
Investment earnings	332,743	333,357	117,056	73,819	856,975	138,738
Other income	174,807	50,725	165,000	55,000	445,532	—
Loss on disposal of capital assets	—	(204)	—	—	(204)	—
Interest expense	<u>(520,734)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(520,734)</u>	<u>—</u>
Total Nonoperating Revenues (Expenses)	<u>35,819</u>	<u>451,217</u>	<u>282,056</u>	<u>142,406</u>	<u>911,498</u>	<u>138,738</u>
Income (Loss) Before Contributions and Transfers	<u>(1,403,509)</u>	<u>276,546</u>	<u>(416,104)</u>	<u>(274,748)</u>	<u>(1,817,815)</u>	<u>(216,663)</u>
Capital Contributions and Transfers						
Capital contributions - connection charges	574,241	41,348	—	—	615,589	—
Capital contributions - from other funds	—	—	—	32,697	32,697	—
Capital contributions - from others	11,536	11,536	—	—	23,072	—
Transfers out	<u>(1,303,100)</u>	<u>(113,100)</u>	<u>—</u>	<u>—</u>	<u>(1,416,200)</u>	<u>—</u>
Total Capital Contributions and Transfers	<u>(717,323)</u>	<u>(60,216)</u>	<u>—</u>	<u>32,697</u>	<u>(744,842)</u>	<u>—</u>
Change in Net Position	(2,120,832)	216,330	(416,104)	(242,051)	(2,562,657)	(216,663)
Total Net Position - Beginning, as previously reported	61,583,414	43,055,667	16,862,385	6,666,810	128,168,276	(883,796)
Change in accounting principle	<u>(9,286)</u>	<u>(4,644)</u>	<u>—</u>	<u>(6,953)</u>	<u>(20,883)</u>	<u>(326,325)</u>
Total Net Position - Beginning, as restated	<u>61,574,128</u>	<u>43,051,023</u>	<u>16,862,385</u>	<u>6,659,857</u>	<u>128,147,393</u>	<u>(1,210,121)</u>
Total Net Position - Ending	<u>\$ 59,453,296</u>	<u>\$43,267,353</u>	<u>\$ 16,446,281</u>	<u>\$ 6,417,806</u>	<u>\$ 125,584,736</u>	<u>\$ (1,426,784)</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, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 20,009,906	\$ 4,910,159	\$ 2,346,650	\$ 2,270,046	\$ 29,536,761	\$ —
Receipts from interfund services provided	—	—	—	—	—	786,535
Payments to suppliers	(11,908,991)	(1,998,004)	(2,300,382)	(960,804)	(17,168,181)	(271,945)
Payments to employees	(6,084,428)	(1,518,239)	—	(1,079,896)	(8,682,563)	(441,583)
Net cash provided by operating activities	2,016,487	1,393,916	46,268	229,346	3,686,017	73,007
Cash Flows from Noncapital Financing Activities						
Grants and host fees	214,123	123,291	165,000	68,587	571,001	—
Transfers out	(1,303,100)	(113,100)	—	—	(1,416,200)	—
Net cash provided (used) by noncapital financing activities	(1,088,977)	10,191	165,000	68,587	(845,199)	—
Cash Flows from Capital and Related Financing Activities						
Receipts from connection charges	574,241	41,348	—	—	615,589	—
Purchase or construction of capital assets	(4,116,033)	(564,457)	(47,017)	(242,309)	(4,969,816)	—
Principal payments on bonds and notes payable	(2,548,000)	—	—	—	(2,548,000)	—
Proceeds from sale of bonds	6,778,693	—	—	—	6,778,693	—
Interest and fiscal agent fees paid on bonds and notes	(691,520)	—	—	—	(691,520)	—
Net cash provided (used) by capital and related financing activities	(2,619)	(523,109)	(47,017)	(242,309)	(815,054)	—
Cash Flows from Investing Activities						
Investment earnings	332,743	333,357	117,056	73,819	856,975	138,738
Net Increase in Cash and Cash Equivalents	1,257,634	1,214,355	281,307	129,443	2,882,739	211,745
Cash and Cash Equivalents						
Beginning	12,095,071	8,224,398	2,863,549	1,782,859	24,965,877	3,621,101
Ending	<u>\$ 13,352,705</u>	<u>\$ 9,438,753</u>	<u>\$ 3,144,856</u>	<u>\$ 1,912,302</u>	<u>\$ 27,848,616</u>	<u>\$ 3,832,846</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	\$ (1,439,328)	\$ (174,671)	\$ (698,160)	\$ (417,154)	\$ (2,729,313)	\$ (355,401)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,341,236	1,497,412	573,606	571,531	5,983,785	—
(Increase) decrease in assets:						
Receivables	(385,339)	(13,401)	79,038	3,567	(316,135)	(262)
Due from other governments	61,624	42,529	—	—	104,153	—
Prepays	—	—	1,025	—	1,025	—
(Increase) decrease in deferred outflows of resources:						
Pensions	138,617	30,803	—	61,608	231,028	—
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	15,025	5,383	—	21,155	41,563	433,603
Accounts payable	55,627	65,815	90,759	89,295	301,496	(4,933)
Contracts payable	491,390	(11,445)	—	(2,045)	477,900	—
Due to other governments	(19,546)	(720)	—	(696)	(20,962)	—
Customer deposits	(6,365)	(14)	—	(2,367)	(8,746)	—
Net pension liability	(335,857)	(74,635)	—	(149,269)	(559,761)	—
(Decrease) increase in deferred inflows of resources:						
Pensions	120,871	26,860	—	53,721	201,452	—
Leases receivable in subsequent years	(21,468)	—	—	—	(21,468)	—
Net cash provided by operating activities	<u>\$ 2,016,487</u>	<u>\$ 1,393,916</u>	<u>\$ 46,268</u>	<u>\$ 229,346</u>	<u>\$ 3,686,017</u>	<u>\$ 73,007</u>
Noncash investing, capital, and financing activities						
Capital assets contributed from other funds	\$ —	\$ —	\$ —	\$ 32,697	\$ 32,697	\$ —
Capital assets contributed from others	\$ 11,536	\$ 11,536	\$ —	\$ —	\$ 23,072	\$ —
Lease revenue over lease receivable payments	\$ 10,952	\$ —	\$ —	\$ —	\$ 10,952	\$ —
Net book value of capital asset disposals	\$ —	\$ (204)	\$ —	\$ —	\$ (204)	\$ —
Amortization of bond premium	\$ 173,445	\$ —	\$ —	\$ —	\$ 173,445	\$ —
Payments of capital assets on account	\$ (45,454)	\$ (12,502)	\$ —	\$ —	\$ (57,956)	\$ —

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

CITY OF BURNSVILLE, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024

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, 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/amortization expense can be specifically identified 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 natural resources, and economic development. 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 *Improvement Construction Capital Projects 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 benefited property.

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 providing goods and services to other departments of the City on a cost-reimbursement basis. The City utilizes a Compensated Absences Internal Service Fund and Dental Insurance Internal Service Fund in managing City operations.

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.
- The *Grant Fund* was established in 1996 to account for the revenues and expenditures related to federal and state financial assistance programs.
- The *Housing Fund* was established in 2024 to account for the revenues and expenditures from state aid for the purpose of funding housing needs.
- *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, Lakeville 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.

- *Certificate of Indebtedness Fund* - Accounts for the accumulation of resources for payment of principal and interest on equipment certificate bonds.
- *Tax Increment Bonds Fund* - Accounts for the accumulation of resources for payment of 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 Renovation Fund* - Accounts for capital improvement projects for the City's existing parks and trail systems. This fund was formerly named the Parks Capital Fund.
- *Parks Investment Fund* - Established in 2024 to account for the development of new capital improvement projects for the City's park and trail system.
- *Street Revolving Construction Fund* - Established in 2004 to account for revenues and expenditures 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.

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, State and local government securities, 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, the 4M Fund, 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, 2024.

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, computer software, leases and subscriptions, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund type statement of net position. 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. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. Lease capital assets are recorded based on the measurement of payments applicable to the lease term. Technology subscriptions are recorded based on the measurement of any subscription liability plus the payments due to a subscription vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard.

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/amortized.

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

Lease assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

5. Compensated absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences: vacation, holiday and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment at a maximum of 240 hours.

Holiday: A City's employment contract permits an employee to accumulate earned but unused holiday benefits, which are eligible for payment at the employee's current pay rate upon separation from employment with no maximum.

Sick Leave: The City's policy permits employees to accumulate earned but unused sick leave at a maximum of 960 hours, which are eligible for payment at the employee's current pay rate upon separation from employment at a maximum of 480 hours. A liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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 assets 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, net collective 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 four sources: property taxes, special assessments, long-term receivable, 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 and OPEB, is reported in the government-wide and enterprise funds Statement of Net Position. The deferred inflows of resources related to pensions and OPEB results from differences between expected and actual experience, changes of assumptions, net collective difference between projected and actual earnings on pension plan investments, and changes in proportion. These amounts are deferred and amortized as required under pension and OPEB standards.

The City also reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables in the government-wide Statement of Net Position, governmental funds balance sheet, and enterprise funds Statement of Net Position. These amounts are deferred and amortized in a systematic and rational manner over the term of the lease.

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. 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.

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/amortization, 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. Unrestricted net position consists of all other elements of net position that does not meet the definition of restricted or net investment in capital assets. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

E. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2024 the City implemented GASB Statement No. 101, *Accounting and Financial Reporting for Compensated Absences*. This statement provided new guidance on accounting and reporting for compensated absences. Implementation of this new guidance resulted in the restatement of beginning net position for the cumulative effect of this change. In the government-wide financial statement, beginning net position was reduced by \$326,325 and \$20,883 for the governmental activities and business-type activities, respectively. In the proprietary fund financial statements, beginning net position was reduced by \$9,286, \$4,644, and \$6,953 for the Water and Sewer, Storm Water, and Nonmajor enterprise funds respectively and \$326,325 for the Internal Service Fund.

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 Housing Special Revenue Fund, 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, culture and recreation, conservation of natural resources, and economic development.) 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. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of \$(217,271) as of December 31, 2024. It is anticipated that the deficit will be financed by future project revenues.

The Tax Increment Capital Projects Fund had a deficit fund balance of \$(1,327,045) as of December 31, 2024. It is anticipated that the deficit will be financed by future revenues.

The Compensated Absences Internal Service Fund had a deficit net position balance of \$(1,584,103) as of December 31, 2024. 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	\$	747,012
Investments		118,426,960
Cash on hand		3,200
	\$	<u>119,177,172</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	<u>\$ 119,177,172</u>
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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 \$747,012 and the bank deposit balances were \$1,485,557. The City's deposits at December 31, 2024, 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	Aaa	Moody's	Level 2	\$ 2,952,620	\$26,511,590	\$29,464,210
U.S. Agency Securities	AA	S&P	Level 2	—	13,782,310	13,782,310
Municipal Bonds	AAA	Moody's	Level 2	1,207,868	3,885,448	5,093,316
	AAA	S&P	Level 2	483,935	3,858,698	4,342,633
	AA	Moody's	Level 2	2,365,333	12,651,806	15,017,139
	AA	S&P	Level 2	—	1,963,660	1,963,660
Negotiable Certificates of Deposit	NR	N/A	Level 2	4,878,577	7,302,194	12,180,771
Money market mutual funds						
Allspring Government	AAAm	S&P	Level 1	34,094,666	—	34,094,666
Ehlers Pershing	AAAm	S&P	Level 1	2,355,653	—	2,355,653
4M Fund	AAAm	S&P	Amortized Cost	132,602	—	132,602
Total investments				<u>\$48,471,254</u>	<u>\$69,955,706</u>	<u>\$118,426,960</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, State and local government securities, 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 a rated 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 include 5 percent or more in securities of a single issuer:

<u>Issuer</u>	<u>% of Total Portfolio</u>
FHLB-Federal Home Loan Bank	19.05%
FFCB-Federal Farm Credit Bank	13.19%

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, 2024 for the government's individual major funds, nonmajor funds in the aggregate, and internal service funds including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General	G.O. Improvement Bonds	Infrastructure Trust Fund	Improvement Construction	Facilities Capital Projects	Nonmajor Funds	Internal Service Funds	Governmental Activities Total
Receivables:								
Interest	\$ 894,573	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 894,573
Taxes	201,623	1,543	32,159	—	—	60,195	—	295,520
Accounts	6,755,042	—	—	—	1,351,983	347,313	3,244	8,457,582
Mortgages	—	—	—	—	—	315,964	—	315,964
Leases	11,201,369	—	—	—	—	—	—	11,201,369
Special assessments	73,242	5,397,240	—	77,234	—	—	—	5,547,716
Gross receivables	19,125,849	5,398,783	32,159	77,234	1,351,983	723,472	3,244	26,712,724
Less: allowance								
for uncollectibles	(4,957,208)	—	(19,149)	—	—	(20,707)	—	(4,997,064)
Net total receivables	\$14,168,641	\$ 5,398,783	\$ 13,010	\$ 77,234	\$ 1,351,983	\$ 702,765	\$ 3,244	\$ 21,715,660

Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 894,573
Taxes	—	—	—	—	—	295,520
Accounts	4,876,893	903,923	845,295	234,684	6,860,795	15,318,377
Mortgages	—	—	—	—	—	315,964
Leases	190,232	—	—	—	190,232	11,391,601
Special assessments	170,604	284,981	—	—	455,585	6,003,301
Gross receivables	5,237,729	1,188,904	845,295	234,684	7,506,612	34,219,336
Less: allowance						
for uncollectibles	—	—	—	—	—	(4,997,064)
Net total receivables	\$ 5,237,729	\$ 1,188,904	\$ 845,295	\$ 234,684	\$ 7,506,612	\$ 29,222,272

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	\$ 255,664
Special assessments not yet due	5,474,474
Intergovernmental revenue	6,538,043
Charges for services	1,116,196
Leases revenue for subsequent years	10,346,859
	<u>\$ 23,731,236</u>

Mortgage Receivable

The City has entered into mortgage receivable agreements for home rehabilitation loans. The loans are reporting using a rate ranging from two to three percent with a final maturity in 2042. During the current year, the City received principal and interest payments on these loans of \$25,085.

Lease Receivable

The City has entered into lease receivable agreements for cell tower rental space, fiber and ground leases on City property. The leases are reported using an incremental rate ranging from 0.5 to 18.0 percent with a final maturity in 2058. During the current year, the City received principal and interest payments on these leases of \$596,492.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

Governmental activities					
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated/amortized:					
Land	\$ 21,394,922	\$ —	\$ —	\$ —	\$ 21,394,922
Permanent easements	4,924,492	155,960	—	—	5,080,452
Construction in progress	2,754,699	8,473,373	(6,143)	(5,708,080)	5,513,849
Total capital assets not being depreciated/amortized	29,074,113	8,629,333	(6,143)	(5,708,080)	31,989,223
Capital assets being depreciated/amortized:					
Buildings	54,099,568	—	—	—	54,099,568
Infrastructure and improvements	208,071,618	543,723	(1,078,437)	5,637,005	213,173,909
Equipment and vehicles	33,322,042	2,991,028	(961,744)	37,250	35,388,576
Leased equipment	1,046,902	110,655	(109,037)	—	1,048,520
Technology subscriptions	1,128,195	267,626	—	—	1,395,821
Total capital assets being depreciated/amortized	297,668,325	3,913,032	(2,149,218)	5,674,255	305,106,394
Less accumulated depreciation/amortization for:					
Buildings	(19,391,985)	(1,327,058)	—	—	(20,719,043)
Infrastructure and improvements	(128,691,045)	(5,287,159)	1,078,437	—	(132,899,767)
Equipment and vehicles	(21,784,200)	(2,004,874)	911,854	1,128	(22,876,092)
Leased equipment	(579,649)	(224,068)	109,037	—	(694,680)
Technology subscriptions	(352,841)	(407,091)	—	—	(759,932)
Total accumulated depreciation/amortization	(170,799,720)	(9,250,250)	2,099,328	1,128	(177,949,514)
Total capital assets being depreciated/amortized, net	126,868,605	(5,337,218)	(49,890)	5,675,383	127,156,880
Governmental activities capital assets, net	\$ 155,942,718	\$ 3,292,115	\$ (56,033)	\$ (32,697)	\$ 159,146,103

	Business-type activities				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	
Capital assets not being depreciated:					
Land	\$ 3,237,899	\$ —	\$ —	\$ —	\$ 3,237,899
Permanent easements	4,608,483	23,072	—	—	4,631,555
Construction in progress	311,198	1,305,267	—	(311,198)	1,305,267
Total capital assets not being depreciated	8,157,580	1,328,339	—	(311,198)	9,174,721
Capital assets being depreciated:					
Buildings	44,090,419	—	—	—	44,090,419
Infrastructure and improvements	191,565,615	2,455,807	(91,535)	—	193,929,887
Equipment and vehicles	8,153,390	1,266,698	(38,532)	345,023	9,726,579
Total capital assets being depreciated	243,809,424	3,722,505	(130,067)	345,023	247,746,885
Less accumulated depreciation for:					
Buildings	(21,658,323)	(938,633)	—	—	(22,596,956)
Infrastructure and improvements	(104,455,447)	(4,523,522)	91,331	—	(108,887,638)
Equipment and vehicles	(5,683,136)	(521,630)	38,532	(1,128)	(6,167,362)
Total accumulated depreciation	(131,796,906)	(5,983,785)	129,863	(1,128)	(137,651,956)
Total capital assets being depreciated, net	112,012,518	(2,261,280)	(204)	343,895	110,094,929
Business-type activities capital assets, net	\$ 120,170,098	\$ (932,941)	\$ (204)	\$ 32,697	\$ 119,269,650

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

Governmental Activities:

General government	\$	790,074
Public safety		2,100,205
Public works and parks		6,324,479
Conservation of natural resources		35,492
	\$	<u>9,250,250</u>

Business-type activities:

Water and sewer	\$	3,341,236
Storm water		1,497,412
Ames center		573,606
Ice arena		432,596
Golf course		35,433
Street lighting		103,502
	\$	<u>5,983,785</u>

Construction Commitments

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

	2024
Improvement Construction Fund	\$ 48,401
Water and Sewer Fund	2,954,282
Storm Water Fund	90,289
	<u>\$ 3,092,972</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	
General	Improvement Construction	\$ 1,100,000 (a)

(a) Temporary loans between funds to cover negative cash balances.

The composition of interfund advances as of December 31, 2024, is as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	
General	Tax Increment Capital Projects (non major govt)	\$ 1,742,314 (a)

(a) Loans between funds to cover negative cash balances.

The 2024 interfund transfers are as follows:

Transfers Out:	Transfers In:			
	General (a)	Facilities (b)	Nonmajor Governmental (b)(c)(d)	Total
General	\$ —	\$ —	\$ 927,919	\$ 927,919
Infrastructure Trust	—	—	25,000	25,000
Facilities	—	—	1,860,205	1,860,205
Nonmajor governmental	300,000	—	5,973,051	6,273,051
Water and sewer	—	151,500	1,151,600	1,303,100
Storm water	—	50,500	62,600	113,100
Total:	\$ 300,000	\$ 202,000	\$ 10,000,375	\$ 10,502,375

Transfers were used for the following:

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

E. LONG-TERM DEBT

General Obligation Bonds - Two issues of general obligation bonds totaling \$19,430,000 are outstanding at December 31, 2024 and are backed by the full faith and credit of the City. Total original issue amount was \$25,610,000. The bonds bear interest at rates ranging from 2% to 4% and mature in varying annual amounts ranging from \$470,000 to \$1,005,000, with final payments due in the year ending 2040. The bonds were issued to finance (a) renovations to City Hall and the City Police facilities, and (b) construction of new Fire Station. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Certificates of Indebtedness - One issue of general obligation certificate of indebtedness totaling \$940,000 is outstanding at December 31, 2024. Total original issue amount was \$1,020,000. The certificates bear interest at a rate of 5.00% and mature in varying annual amounts ranging from \$80,000 to \$140,000, with final payments due in the year ending 2032. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Increment Bonds - One issue of general obligation tax increment bonds totaling \$655,000 is outstanding at December 31, 2024. Total original issue amount was \$4,920,000. The bonds bear interest at a rate of 2.00% and mature in varying annual amounts ranging from \$185,000 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 \$6,750,000 are outstanding at December 31, 2024. Total original issue amount was \$11,425,000. 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 general obligation improvement bonds totaling \$9,455,000 are outstanding at December 31, 2024. Total original issue amount was \$18,010,000. 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, 2024 were \$9,121. These bonds bear interest at rates of 1.65% to 5.00% and mature in varying annual amounts ranging from \$20,000 to \$350,000, with the final payments due in the year ending 2039.

General Obligation Revenue Bonds - Ten issues of general obligation revenue bonds totaling \$17,530,000 are outstanding at December 31, 2024. Original issue amount was \$28,770,000. The bonds are accounted for in the Enterprise Funds. The bonds bear interest rates of 1.65% to 5.00% and mature in varying annual amounts ranging from \$90,000 to \$675,000, with final payments due in the year ending 2039. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

General Obligation Taxable Utility Revenue Notes - Two issues of general obligation taxable utility revenue notes totaling \$6,127,000 were outstanding at December 31, 2024. These notes were issued through a general obligation loan agreement with the Minnesota Public Facilities Authority. The original authorized amount was \$10,067,167. The notes were issued to finance the City's water meter replacement project and for the reconditioning of the seven million gallon Heather Hills drinking water reservoir. These notes are drawn down on a reimbursement basis. The notes are accounted for in the Enterprise Funds. The notes bear an interest rate of 1.268% and 1.394% and mature in varying annual amounts ranging from \$103,197 to \$350,000, with final payments due in the year ending 2040. The resolution authorizing the issuance of the notes contains various restrictions and requirements.

Annual debt service requirements for bonds, certificates, and notes to maturity are as follows:

Year Ended December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 5,050,000	\$ 1,170,778	\$ 2,678,000	\$ 807,797
2026	5,015,000	1,009,018	2,219,000	700,872
2027	3,985,000	844,903	2,300,000	620,195
2028	2,940,000	721,683	2,191,000	545,034
2029	2,935,000	619,140	1,991,000	470,015
2030-2034	9,630,000	1,787,928	7,060,000	1,512,586
2035-2039	6,645,000	555,750	5,065,000	450,081
2040	1,030,000	20,600	153,000	2,134
Total	<u>\$ 37,230,000</u>	<u>\$ 6,729,800</u>	<u>\$ 23,657,000</u>	<u>\$ 5,108,714</u>

Lease Liability

The City has obtained the use of certain equipment through lease financing agreements. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note III.C. to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund and the I.T. Capital Fund. The agreement is secured by the original property. The lessor may repossess the property and seek full recovery of the losses upon default. The City currently has the following lease liability obligations outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Computer Equipment - general	1.4993 %	4/1/2023	3/31/2027	\$ 120,951
Multi-function print/scan/copy devices	3.0670 %	7/10/2024	7/10/2027	95,446
Firewall	3.3923 %	1/1/2023	12/31/2025	130,877
Total				<u>\$ 347,274</u>

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

Year Ended December 31	Governmental Activities	
	Principal	Interest
2025	\$ 228,206	\$ 8,659
2026	99,389	2,159
2027	19,679	176
Total	<u>\$ 347,274</u>	<u>\$ 10,994</u>

Technology Subscriptions Liability

The City has obtained the use of certain technology through subscription financing agreements. The total amount of underlying technology subscription assets and the related accumulated amortization is presented in Note III.C. to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund and the I.T. Capital Fund. The City currently has the following technology subscription liability obligations outstanding:

Technology Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
Software - general	0.2420 %	1/1/2023	12/31/2025	\$ 79,308
Vehicle technology	2.2300 %	5/1/2023	4/30/2029	304,405
Vehicle technology	2.2300 %	5/1/2024	4/30/2029	227,446
Total				<u>\$ 611,159</u>

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

Year Ended December 31	Governmental Activities	
	Principal	Interest
2025	\$ 175,991	\$ 12,052
2026	114,565	9,705
2027	124,893	7,151
2028	141,693	4,365
2029	54,017	1,206
Total	<u>\$ 611,159</u>	<u>\$ 34,479</u>

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

	Beginning Balance	Change in Accounting Principle*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:						
G.O. bonds	\$ 20,680,000	\$ —	\$ —	\$ (1,250,000)	\$19,430,000	\$ 1,300,000
G.O. certificates of indebtedness	1,020,000	—	—	(80,000)	940,000	100,000
G.O. tax increment bonds	930,000	—	—	(275,000)	655,000	280,000
G.O. tax abatement bonds	8,915,000	—	—	(2,165,000)	6,750,000	2,225,000
G.O. improvement bonds	9,380,000	—	1,420,000	(1,345,000)	9,455,000	1,145,000
Subtotal	40,925,000	—	1,420,000	(5,115,000)	37,230,000	5,050,000
Deferred amounts for issuance						
premiums (discounts)	2,641,371	—	148,570	(260,327)	2,529,614	—
Total bonds and notes	43,566,371	—	1,568,570	(5,375,327)	39,759,614	5,050,000
Lease liability	456,405	—	110,655	(219,786)	347,274	228,206
Technology subscriptions liability	741,543	—	267,626	(398,010)	611,159	175,991
Compensated absences	4,491,760	326,325	875,186	(441,583)	5,251,688	525,169
Total other post-employment						
benefits liability	12,544,787	—	1,701,825	(1,021,053)	13,225,559	493,926
Net pension liability	29,264,920	—	5,183,437	(12,900,169)	21,548,188	—
Governmental activities - long-term liabilities	\$ 91,065,786	\$ 326,325	\$ 9,707,299	\$ (20,355,928)	\$80,743,482	\$ 6,473,292
Business-type activities:						
G.O. revenue bonds	\$ 13,525,000	\$ —	\$ 6,130,000	\$ (2,125,000)	\$17,530,000	\$ 2,250,000
G.O. revenue notes	6,550,000	—	—	(423,000)	6,127,000	428,000
Subtotal	20,075,000	—	6,130,000	(2,548,000)	23,657,000	2,678,000
Deferred amounts for issuance						
premiums (discounts)	1,010,374	—	648,693	(173,445)	1,485,622	—
Total bonds and notes	21,085,374	—	6,778,693	(2,721,445)	25,142,622	2,678,000
Compensated absences	425,115	20,883	54,646	(14,226)	486,418	48,641
Net pension liability	1,650,725	—	148,402	(708,163)	1,090,964	—
Business-type activities - long-term liabilities	\$ 23,161,214	\$ 20,883	\$ 6,981,741	\$ (3,443,834)	\$26,720,004	\$ 2,726,641

* The change in accounting principle was for new compensated absences standard requirements in the current year.

Tax Abatement Bonds were issued to finance the construction of the Ames Center Building and renovation and improvements at the Burnsville Ice Center, which are accounted for in the business-type activities.

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 and business-type activities are generally liquidated by the respective fund from which the employee's salary is paid. This includes the General, special revenue, Water and Sewer, Storm Water, Ice Arena and Golf Course Funds.

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, 2024:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA - GERF	\$ 7,273,092	\$ 1,438,337	\$ 4,891,520	\$ 818,269
PERA - PEPFF	15,366,060	24,401,272	27,430,231	2,913,306
Total - all pensions	<u>\$ 22,639,152</u>	<u>\$ 25,839,609</u>	<u>\$ 32,321,751</u>	<u>\$ 3,731,575</u>

Legal Debt Margin - As of December 31, 2024, 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, 2024:

Estimated market value of taxable property	<u>\$ 9,471,276,483</u>
Debt limit - 3% of market value of taxable property	\$ 284,138,294
Debt applicable to debt limit	
General obligation bonds outstanding	19,430,000
Less amount set aside for repayment of general obligation debt	<u>(368,169)</u>
Total net debt applicable to debt limit	<u>19,061,831</u>
Legal debt margin	<u>\$ 265,076,463</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. 7 is a Soils Deficiency District pursuant to a Special Law (2008 Minnesota Laws, Chapter 154, Article 9, Sections 21 and 25(b)). The district was established in 2012 for the purpose of enabling redevelopment of certain property within the Minnesota River Quadrant (MRQ) Project Area. There were no bonds issued or outstanding at December 31, 2024.

Current tax capacity	\$ 675,450
Original tax capacity	<u>(169,287)</u>
Captured tax capacity	<u>\$ 506,163</u>
Retained by authority	\$ 336,441
Shared with other tax districts	\$ 169,722

TIF District No. 9 is an Economic Development District established June 2019, pursuant to M.S. 469.174 Subd. 12, to facilitate the development of an 81,000 square foot high-tech flex industrial facility in the City. The maximum duration of this district is 8 years after the first receipt of tax increment. First receipt was in 2021 and the District will decertify in 2029, or when all obligations are satisfied. There were no bonds issued or outstanding at December 31, 2024.

Current tax capacity	\$ 94,862
Original tax capacity	<u>(22,816)</u>
Captured tax capacity	<u>\$ 72,046</u>
Retained by authority	\$ 47,887
Shared with other tax districts	\$ 24,159

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	4,265,000	655,000
Totals	<u>\$ 18,220,000</u>	<u>\$ 17,565,000</u>	<u>\$ 655,000</u>

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, 2024, there were three 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 two series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$12.8 million as follows:

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

F. REVENUE PLEDGED

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

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100 %	2012-2027	\$ 576,000	\$ 235,500	\$ 20,361,454
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100 %	2015-2025	\$ 255,000	\$ 254,900	\$ 20,361,454
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100 %	2016-2031	\$ 870,295	\$ 122,580	\$ 20,361,454
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2036	\$ 4,245,124	\$ 353,446	\$ 20,361,454
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2032	\$ 3,199,798	\$ 398,763	\$ 20,361,454
G.O. Utility Bonds, Series 2018A	Water & Sewer	Water & Sewer Utility Charges	100 %	2018-2028	\$ 1,121,450	\$ 280,450	\$ 20,361,454
G.O. Utility Revenue & Refunding Bonds, Series 2019A	Water & Sewer	Water & Sewer Utility Charges	100 %	2019-2029	\$ 2,811,000	\$ 758,000	\$ 20,361,454
G.O. Taxable Water Revenue Notes, Series 2020	Water & Sewer	Water & Sewer Utility Charges	100 %	2020-2040	\$ 2,483,245	\$ 155,550	\$ 20,361,454
G.O. Utility Revenue Bonds, Series 2022A	Water & Sewer	Water & Sewer Utility Charges	100 %	2023-2038	\$ 4,601,725	\$ 293,825	\$ 20,361,454
G.O. Utility Revenue Bonds, Series 2024A	Water & Sewer	Water & Sewer Utility Charges	100 %	2024-2039	\$ 8,602,077	\$ —	\$ 20,361,454

G. 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 \$493,926.

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

Retirees and beneficiaries receiving benefits	36
Active plan members	309
Total members	<u>345</u>

Total OPEB Liability of the City - The City's total OPEB liability of \$13,225,559 as of year-end was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2025.

Actuarial Methods and Assumptions - The total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.28 %
20-year municipal bond yield	4.28 %
Inflation rate	3.00 %
Healthcare trend rate	7.50 % grading to 4.50% over 6 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 SOA Pub-2010 mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

Changes in the Total OPEB Liability -

	<u>Total OPEB Liability</u>
Beginning balance - January 1, 2024	\$ 12,544,787
Changes for the year	
Service cost	530,867
Interest	513,245
Changes of benefit terms	75,923
Changes of assumptions	(827,367)
Differences between expected and actual experience	882,030
Benefit payments	(493,926)
Total net changes	<u>680,772</u>
Ending balance - December 31, 2024	<u>\$ 13,225,559</u>

Benefit changes since the prior measurement date include the following:

- The City has increased its contribution amount for disabled retirees.

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.00 percent to 4.28 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

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:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.28 %	4.28 %	5.28 %
Total OPEB liability	\$ 14,730,113	\$ 13,225,559	\$ 11,925,778

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:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB healthcare trend rate	6.50% decreasing to 3.50% over 6 years	7.50% decreasing to 4.50% over 6 years	8.50 % decreasing to 5.50% over 6 years
Total OPEB liability	\$ 11,742,421	\$ 13,225,559	\$ 14,972,150

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources - For the current year ended, the City recognized OPEB expense of \$1,701,825. As of year-end, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,918,785	\$ 907,196
Changes in assumptions	1,658,627	2,576,301
	<u>\$ 5,577,412</u>	<u>\$ 3,483,497</u>

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

Year Ended December 31,	OPEB Expense Amount
2025	\$ 581,790
2026	581,794
2027	434,870
2028	326,249
2029	(59,619)
Thereafter	228,831
	<u>\$ 2,093,915</u>

H. NET POSITION/FUND BALANCE CLASSIFICATION

The government-wide Statement of Net Position at December 31, 2024 includes the City's net investment in capital assets calculated as follows:

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets:			
Capital assets			
Nondepreciable/nonamortizable	\$ 31,989,223	\$ 9,174,721	\$ 41,163,944
Depreciable, net of accumulated depreciation/amortization	127,156,880	110,094,929	237,251,809
Less: capital related long-term debt outstanding	(33,863,995)	(25,142,622)	(65,860,669)
Less capital related accounts/contracts payable	(510,641)	(537,901)	(1,048,542)
Add unspent bond proceeds	417,836	2,102,278	2,520,114
Total net investment in capital assets	<u>\$ 125,189,303</u>	<u>\$ 95,691,405</u>	<u>\$ 214,026,656</u>

The total net investment in capital assets for the City is not the sum of the Governmental Activities and Business-type Activities. For certain capital related debt activity the capital asset is recorded in the business-type activities and the debt is in the governmental activities. This is combined for the government wide total activities.

At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	Infrastructure Trust	Facilities Capital Projects	Other Governmental	Total
Nonspendable						
Advances to other funds	\$ 1,742,314	\$ —	\$ —	\$ —	\$ —	\$ 1,742,314
Restricted for:						
Landfill abatement	\$ 529,838	\$ —	\$ —	\$ —	\$ 349,552	\$ 879,390
Debt service	—	4,018,386	—	—	2,238,007	6,256,393
Facilities capital	—	—	—	275,499	—	275,499
Capital projects	—	—	23,837	—	—	23,837
Housing	—	—	—	—	405,821	405,821
Public safety	—	—	—	—	930,067	930,067
Equipment	—	—	—	—	142,337	142,337
Total Restricted	\$ 529,838	\$ 4,018,386	\$ 23,837	\$ 275,499	\$ 4,065,784	\$ 8,913,344
Committed to:						
Capital projects	\$ —	\$ —	\$ 1,872,165	\$ —	\$ —	\$ 1,872,165
Facilities	—	—	—	10,799,987	—	10,799,987
Cable	—	—	—	—	526,750	526,750
Forfeitures	—	—	—	—	20,257	20,257
Grant	—	—	—	—	351,235	351,235
Housing	—	—	—	—	3,447	3,447
Youth	—	—	—	—	20,470	20,470
Economic development	—	—	—	—	3,066,277	3,066,277
Sustainability	—	—	—	—	70,523	70,523
Forestry	—	—	—	—	1,066,000	1,066,000
Total Committed	\$ —	\$ —	\$ 1,872,165	\$ 10,799,987	\$ 5,124,959	\$ 17,797,111
Assigned to:						
Subsequent year's budget	\$ 2,129,120	\$ —	\$ —	\$ —	\$ —	\$ 2,129,120
IT equipment & software development	—	—	—	—	2,749,332	2,749,332
Equipment & vehicles	—	—	—	—	6,115,389	6,115,389
Parks renovation	—	—	—	—	5,184,186	5,184,186
Parks investment	—	—	—	—	7,377,723	7,377,723
Street maintenance	—	—	—	—	1,353,677	1,353,677
Total Assigned	\$ 2,129,120	\$ —	\$ —	\$ —	\$ 22,780,307	\$ 24,909,427

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 40 percent of the subsequent year's General Fund operating budget. At December 31, 2024, the fund balance of the General Fund was 62 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 \$300,000 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.

The City has established an internal service fund to account for and finance its self-insured risk of loss for the respective employee dental insurance plan. Under this plan the internal service fund provides coverage to participating employees and their dependents for various dental costs as described in the plan.

The City makes premium payments that include both employer and employee contributions to the internal service fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class plus the administrative charges.

City claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in balance of dental claim liabilities for the past two years were as follows:

	Balance - Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance - End of Year
2024	\$ 6,351	\$ 245,733	\$ 247,247	\$ 4,837
2023	\$ 351	\$ 247,980	\$ 241,980	\$ 6,351

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 911 (formerly Dakota Communications Center) - Dakota 911 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 Dakota 911 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 Dakota 911 their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding Dakota 911 can be obtained from the website <https://dakota911mn.gov/> 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 (\$102,971 for the City in 2024). 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 Public Employees Retirement Association (PERA) of Minnesota. These plan provisions are established and administered in accordance with Minnesota Statutes, Chapters 353, 353D, 353E, 353G, and 356. Minnesota statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or

assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Fund (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

b. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3.0 percent of highest average salary for all years of service. Police and Fire Plan members receive a full

retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

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

c. Contributions

Minnesota Statutes, Chapter 353 and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

GERF Contributions

General Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2024 and the City was required to contribute 7.5 percent for General Plan members. The City’s contributions to the GERF for the year ended December 31, 2024 were \$1,323,336. The City’s contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Police and Fire Plan members were required to contribute 11.8 percent of their annual covered salary in calendar year 2024 and the City was required to contribute 17.7 percent for Police and Fire Plan members. The City’s contributions to the PEPFF for the year ended December 31, 2024 were \$3,053,608. The City’s contributions were equal to the required contributions as set by state statute.

d. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$7,273,092 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$188,067.

City's proportionate share of the net pension liability	\$ 7,273,092
State of Minnesota's proportionate share of the net pension liability associated with the City	188,067
	<u>\$ 7,461,159</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA’s participating employers. The City’s proportionate share was 0.1967 percent at the end of the measurement period and 0.1968 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$813,227 for its proportionate share of the GERP's pension expense. In addition, the City recognized \$5,042 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$334,630 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, the City reported 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	\$ 684,290	\$ —
Changes in actuarial assumptions	35,809	2,753,427
Net collective difference between projected and actual investment earnings	—	2,071,938
Changes in proportion	35,232	66,155
Contributions paid to the PERA subsequent to the measurement date	683,006	—
	<u>\$ 1,438,337</u>	<u>\$ 4,891,520</u>

The \$683,006 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2025	\$ (2,269,944)
2026	(416,678)
2027	(892,127)
2028	(557,440)
	<u>\$ (4,136,189)</u>

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$15,366,060 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 1.1680 percent at the end of the measurement period and 1.1530 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, the \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The state of Minnesota's proportionate share of the net position liability associated with the City totaled \$585,748.

City's proportionate share of the net pension liability	\$ 15,366,060
State's proportionate share of the net pension liability associated with the City	585,748
	<u>\$ 15,951,808</u>

For the year ended December 31, 2024, the City recognized pension expense of \$2,847,790 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$65,516 pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$331,672 for the year ended December 31, 2024, 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.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,902,212	\$ —
Changes in actuarial assumptions	16,357,277	22,335,114
Net collective difference between projected and actual investment earnings	—	4,659,392
Changes in proportion	535,918	435,725
Contributions paid to the PERA subsequent to the measurement date	1,605,865	—
	<u>\$ 24,401,272</u>	<u>\$ 27,430,231</u>

The \$1,605,865 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, 2025. 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>
2025	\$ (711,674)
2026	3,733,268
2027	(2,161,089)
2028	(5,892,540)
2029	397,211
	<u><u>\$ (4,634,824)</u></u>

e. Long-term Expected Return on Investments

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5 %	5.10%
International equity	16.5 %	5.30%
Fixed Income	25.0 %	0.75%
Private markets	25.0 %	5.90%
Total	<u>100.0 %</u>	

f. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan and Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police & Fire Plan.

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and

became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

1. General Employees Fund

Changes in actuarial assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in plan provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2. Police and Fire Fund

Changes in plan provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

g. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

h. Pension Liability Sensitivity

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

	1% Decrease Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City's proportionate share of the GERF net pension liability	\$ 15,885,604	\$ 7,273,092	\$ 188,516
City's proportionate share of the PEPFF net position liability	\$ 36,313,001	\$ 15,366,060	\$ (1,835,762)

i. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plans

Councilmembers 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 and 356, 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. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 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 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
Employee	Employer	Employee	Employer	
\$1,380	\$1,380	5.0%	5.0%	5.0%

E. OTHER INFORMATION - TAX INCREMENT PAY-AS-YOU-GO FINANCING REVENUE NOTES

The City has entered into two private development agreements regarding certain tax increment properties. Reimbursements to developers for economic development were contemplated in the development agreements. The vehicle used for this reimbursement is called a tax increment revenue note.

The first note entered into with CQ MN 2021, LLC, provides for the payment of principal plus interest at 4.5 percent. Payments on the loan will be made at the lesser of the note payment, or 90 percent of the 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 note is cancelled at the end of the agreement term, whether or not it has been repaid. Any additional tax increments received in years following the term are retained by the City. The outstanding principal balance as of December 31, 2024, was \$786,433 and the City rebated \$143,312 in the current year.

The second note entered into with Timberstone, LLC, provides for the payment of principal plus interest at 5.25 percent. Payments on the loan will be made at the lesser of the note payment, or 90 percent of the 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 note is cancelled at the end of the agreement term, whether or not it has been repaid. Any additional tax increments received in years following the term are retained by the City. The outstanding principal balance as of December 31, 2024, was \$221,652 and the City rebated \$35,470 in the current year.

The outstanding principal balance on these notes 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.

F. SOLAR GARDEN ENERGY PURCHASE COMMITMENTS

During 2017-2020, the City entered in several subscription agreements with community solar garden operators to purchase the right to receive bill credits associated with energy production of the solar community garden projects. The solar capacity and energy is produced at installations constructed and interconnected with the distribution facilities of Northern States Power Company d/b/a Xcel Energy. The solar project is operational and the City receives bill credits against its monthly retail electrical bill from Xcel. The term of the agreement is set to match the term of the power purchase agreement between Xcel Energy and each solar garden operator of 25 years from the date of commercial operations. Commercial operations commenced in 2019 for a majority of the projects.

G. SUBSEQUENT EVENTS

In May 2025, the City issued \$68,610,000 of General Obligation Capital Improvement Plan Bonds, Series 2025A with interest rates ranging from 4.00-5.00 percent.

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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, 2024
(LAST TEN YEARS)*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service Cost	\$ 305,355	\$ 359,135	\$ 451,077	\$ 667,586	\$ 595,039	\$ 472,856
Interest	172,004	270,481	258,977	254,173	240,417	495,104
Change of benefit terms	—	—	—	—	38,714	60,900
Changes of assumptions	354,359	552,343	2,426,165	(139,074)	(2,645,404)	408,171
Differences between expected and actual experience	967,952	425,177	1,046,705	(1,632,952)	3,111,589	306,434
Benefit payments	(231,297)	(314,956)	(356,826)	(350,574)	(412,422)	(421,856)
Net changes in total OPEB liability	1,568,373	1,292,180	3,826,098	(1,200,841)	927,933	1,321,609
Total OPEB liability - beginning of year	4,809,435	6,377,808	7,669,988	11,496,086	10,295,245	11,223,178
Total OPEB liability - end of year	<u>\$ 6,377,808</u>	<u>\$ 7,669,988</u>	<u>\$ 11,496,086</u>	<u>\$ 10,295,245</u>	<u>\$ 11,223,178</u>	<u>\$ 12,544,787</u>
Covered employee payroll	<u>\$ 21,765,682</u>	<u>\$ 23,331,280</u>	<u>\$ 25,227,939</u>	<u>\$ 28,193,700</u>	<u>\$ 30,685,134</u>	<u>\$ 31,774,405</u>
Total OPEB liability as a percentage of covered employee payroll	<u>29.3 %</u>	<u>32.9 %</u>	<u>45.6 %</u>	<u>36.5 %</u>	<u>36.6 %</u>	<u>39.5 %</u>

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

The City has not established a trust fund to finance GASB Statement No. 75 related benefits.

	2024
\$	530,867
	513,245
	75,923
	(827,367)
	882,030
	(493,926)
	680,772
	12,544,787
\$	13,225,559
\$	35,799,192
	36.9 %

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):

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(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 %
December 31, 2019	946,691	946,691	—	12,622,473	7.5 %
December 31, 2020	1,017,619	1,017,619	—	13,568,206	7.5 %
December 31, 2021	1,085,798	1,085,798	—	14,477,796	7.5 %
December 31, 2022	1,138,709	1,138,709	—	15,182,839	7.5 %
December 31, 2023	1,202,963	1,202,963	—	16,039,474	7.5 %
December 31, 2024	1,323,336	1,323,336	—	17,644,456	7.5 %

Public Employees Police and Fire Fund (PEPFF):

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(d)	(b/d)
December 31, 2015	\$ 1,811,456	\$ 1,811,456	\$ —	\$ 11,181,833	16.20 %
December 31, 2016	1,792,322	1,792,322	—	11,063,712	16.20 %
December 31, 2017	1,903,312	1,903,312	—	11,748,845	16.20 %
December 31, 2018	2,005,044	2,005,044	—	12,376,817	16.20 %
December 31, 2019	2,124,192	2,124,192	—	12,532,112	16.95 %
December 31, 2020	2,274,706	2,274,706	—	12,851,440	17.70 %
December 31, 2021	2,443,834	2,443,834	—	13,806,979	17.70 %
December 31, 2022	2,581,708	2,581,708	—	14,585,891	17.70 %
December 31, 2023	2,763,708	2,763,708	—	15,614,164	17.70 %
December 31, 2024	3,053,608	3,053,608	—	17,253,633	17.70 %

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

PERA - GENERAL EMPLOYEES 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):

City Fiscal Year Ending	PERA Fiscal Year-End Date (Measure ment Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	City'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 City's Share of the State of Minnesota's Share of the Net Pension Liability (a+b)	City's Covered Payroll (d)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	6/30/2015	0.18 %	\$ 9,328,533	\$ —	\$ 9,328,533	\$10,581,137	88.2 %	78.2 %
12/31/2016	6/30/2016	0.18 %	14,704,422	192,082	14,896,504	11,239,458	130.8 %	68.9 %
12/31/2017	6/30/2017	0.17 %	11,095,277	139,516	11,234,793	11,186,096	99.2 %	75.9 %
12/31/2018	6/30/2018	0.17 %	9,641,712	316,264	9,957,976	11,683,592	82.5 %	79.5 %
12/31/2019	6/30/2019	0.17 %	9,459,736	293,987	9,753,723	12,108,826	78.1 %	80.2 %
12/31/2020	6/30/2020	0.18 %	11,007,659	339,506	11,347,165	13,094,239	84.1 %	79.1 %
12/31/2021	6/30/2021	0.20 %	8,331,645	254,484	8,586,129	14,031,355	59.4 %	87.0 %
12/31/2022	6/30/2022	0.20 %	15,713,347	460,631	16,173,978	14,827,328	106.0 %	76.7 %
12/31/2023	6/30/2023	0.20 %	11,004,834	303,477	11,308,311	15,652,725	70.3 %	83.1 %
12/31/2024	6/30/2024	0.20 %	7,273,092	188,067	7,461,159	16,620,978	43.8 %	89.1 %

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

PERA - PUBLIC EMPLOYEES POLICE AND FIRE FUND

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

(LAST TEN YEARS)

Public Employees Police and Fire Fund (PEPFF):

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measure ment Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	City'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 City's Share of the State of Minnesota's Share of the Net Pension Liability (a+b)	City's Covered Payroll (d)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	6/30/2015	1.15 %	\$ 13,066,691	\$ —	\$ 13,066,691	\$10,530,271	124.1 %	86.6 %
12/31/2016	6/30/2016	1.17 %	46,994,268	—	46,994,268	11,279,611	416.6 %	63.9 %
12/31/2017	6/30/2017	1.11 %	14,918,815	—	14,918,815	11,345,319	131.5 %	85.4 %
12/31/2018	6/30/2018	1.16 %	12,317,506	—	12,317,506	12,178,923	101.1 %	88.8 %
12/31/2019	6/30/2019	1.19 %	12,699,627	—	12,699,627	12,579,661	101.0 %	89.3 %
12/31/2020	6/30/2020	1.11 %	14,690,305	346,060	15,036,365	12,571,579	116.9 %	87.2 %
12/31/2021	6/30/2021	1.07 %	8,290,915	372,740	8,663,655	13,262,120	62.5 %	93.7 %
12/31/2022	6/30/2022	1.16 %	50,352,421	2,199,767	52,552,188	14,056,712	358.2 %	70.5 %
12/31/2023	6/30/2023	1.15 %	19,910,811	802,059	20,712,870	15,141,451	131.5 %	86.5 %
12/31/2024	6/30/2024	1.17 %	15,366,060	585,748	15,951,808	16,173,495	95.0 %	90.2 %

CITY OF BURNSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2024

OTHER POST-EMPLOYMENT BENEFIT PLAN

2024 Changes

Changes in Benefits:

- The City has increased its contribution amount for disabled retirees.

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.00 percent to 4.28 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2023 Changes

Changes in Benefits:

- The City has increased its contribution amount for disabled retirees.

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.31 percent to 4.00 percent.
- The inflation rate was changed from 2.25 percent to 3.00 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2022 Changes

Changes in Benefits:

- The City has increased its contribution amounts for disabled retirees.

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.25 percent to 4.31 percent.
- The inflation rate was changed from 2.50 percent to 2.25 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2021 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.12 percent to 2.25 percent.
- The healthcare trend rate was changed from 8.0 percent to 7.5 percent.

2020 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.26 percent to 2.12 percent.
- The healthcare trend rate was changed from 7.5 percent to 8.0 percent.
- The mortality rates were changed from RPH-2018 mortality tables based on scale MP-2018 to SOA Pub 2010 mortality tables based on scale MP-2020.

2019 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.11 percent to 3.26 percent
- The healthcare trend rate was changed from 8.00 percent to 7.50 percent.

2018 Changes

Changes in Actuarial Assumptions:

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

GENERAL EMPLOYEES RETIREMENT FUND (GERF)

2024 Changes

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors were updated to reflect the changes in assumptions.

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2023 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

2022 Changes

Changes in Actuarial Assumptions:

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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint & Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint & Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

2018 Changes

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

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; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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)**2024 Changes****Changes in Plan Provisions:**

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes**Changes in Plan Provisions:**

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, noncompounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Changes in Actuarial Assumptions:

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

2022 Changes**Changes in Actuarial Assumptions:**

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

2021 Changes**Changes in Actuarial Assumptions:**

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

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

2020 Changes

Changes in Actuarial Assumptions:

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

2019 Changes

Changes in Actuarial Assumptions:

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

2018 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

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.

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Combining and Individual Fund Statements and Schedules



City of Burnsville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Nonmajor Fund Summary			
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Grand Total
Assets				
Cash, cash equivalents and investments	\$ 6,942,147	\$ 2,199,428	\$ 24,364,782	\$ 33,506,357
Receivables, net of allowance for uncollectible amounts:				
Property taxes	7,374	14,221	17,893	39,488
Mortgages	315,964	—	—	315,964
Accounts	192,623	—	154,690	347,313
Due from other governments	262,284	130,314	164,360	556,958
Total Assets	<u>\$ 7,720,392</u>	<u>\$ 2,343,963</u>	<u>\$ 24,701,725</u>	<u>\$ 34,766,080</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 108,478	\$ 90,019	\$ 415,636	\$ 614,133
Due to other governments	29,161	1,716	216	31,093
Unearned revenue	1,690,658	—	—	1,690,658
Customer and other deposits	4,389	—	—	4,389
Advances from other funds	—	—	1,742,314	1,742,314
Total Liabilities	<u>1,832,686</u>	<u>91,735</u>	<u>2,158,166</u>	<u>4,082,587</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	<u>7,374</u>	<u>14,221</u>	<u>17,893</u>	<u>39,488</u>
Fund Balances (Deficits)				
Restricted	755,373	2,238,007	1,072,404	4,065,784
Committed	5,124,959	—	—	5,124,959
Assigned	—	—	22,780,307	22,780,307
Unassigned	—	—	(1,327,045)	(1,327,045)
Total Fund Balances (Deficits)	<u>5,880,332</u>	<u>2,238,007</u>	<u>22,525,666</u>	<u>30,644,005</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,720,392</u>	<u>\$ 2,343,963</u>	<u>\$ 24,701,725</u>	<u>\$ 34,766,080</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Nonmajor Fund Summary			
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Grand Total
Revenues				
Property taxes	\$ 1,505,962	\$ 2,898,689	\$ 3,255,508	\$ 7,660,159
Licenses and permits	2,390	—	—	2,390
Other taxes	520,929	—	—	520,929
Intergovernmental revenue	798,483	—	449,062	1,247,545
Charges for services	234,306	—	1,705,281	1,939,587
Fines and forfeits	950	—	—	950
Interest on investments	296,223	116,903	825,533	1,238,659
Miscellaneous revenue	90,336	—	1,524,794	1,615,130
Total Revenues	3,449,579	3,015,592	7,760,178	14,225,349
Expenditures				
Current:				
General government	494,184	—	522,431	1,016,615
Public safety	23,337	—	—	23,337
Public works and parks	—	—	549,302	549,302
Culture and recreation	47,219	—	—	47,219
Conservation of natural resources	772,334	—	—	772,334
Economic development	281,305	178,782	6,509	466,596
Capital outlay:				
General government	—	—	53,460	53,460
Public safety	—	—	2,165,656	2,165,656
Public works and parks	—	—	1,759,212	1,759,212
Infrastructure	—	—	48,938	48,938
Debt service:				
Principal	—	3,770,000	278,581	4,048,581
Interest	—	900,765	90,590	991,355
Fiscal agent fees	—	18,008	—	18,008
Total Expenditures	1,618,379	4,867,555	5,474,679	11,960,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,831,200	(1,851,963)	2,285,499	2,264,736
Other Financing Sources (Uses)				
Technology subscriptions issued	—	—	267,626	267,626
Sale of capital assets	—	—	185,121	185,121
Transfers in	141,319	1,860,205	7,998,851	10,000,375
Transfers out	(300,000)	—	(5,973,051)	(6,273,051)
Total other financing sources (uses)	(158,681)	1,860,205	2,478,547	4,180,071
Net Change in Fund Balances	1,672,519	8,242	4,764,046	6,444,807
Fund Balances				
Beginning of year, as previously reported	3,968,663	2,229,765	17,761,620	23,960,048
Change within reporting entity (major to nonmajor fund)	239,150	—	—	239,150
Beginning of year, as restated	4,207,813	2,229,765	17,761,620	24,199,198
End of year	\$ 5,880,332	\$ 2,238,007	\$ 22,525,666	\$ 30,644,005

City of Burnsville
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Special Revenue Funds				
	Formerly Major Fund				
	Cable Franchise Fee	Forfeiture	Grant	Housing	Youth Center
Assets					
Cash, cash equivalents and investments	\$ 350,436	\$ 24,646	\$ 941,893	\$ 409,268	\$ 22,785
Receivables, net of allowance for uncollectible amounts:					
Property taxes	—	—	—	—	—
Mortgages	—	—	—	—	—
Accounts	179,551	—	—	—	—
Due from other governments	—	—	—	—	—
Total Assets	<u>\$ 529,987</u>	<u>\$ 24,646</u>	<u>\$ 941,893</u>	<u>\$ 409,268</u>	<u>\$ 22,785</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,237	\$ —	\$ —	\$ —	\$ 2,315
Due to other governments	—	—	—	—	—
Unearned revenue	—	—	590,658	—	—
Customer and other deposits	—	4,389	—	—	—
Total Liabilities	<u>3,237</u>	<u>4,389</u>	<u>590,658</u>	<u>—</u>	<u>2,315</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	—	—	—	—	—
Fund Balances					
Restricted	—	—	—	405,821	—
Committed	526,750	20,257	351,235	3,447	20,470
Total Fund Balances	<u>526,750</u>	<u>20,257</u>	<u>351,235</u>	<u>409,268</u>	<u>20,470</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 529,987</u>	<u>\$ 24,646</u>	<u>\$ 941,893</u>	<u>\$ 409,268</u>	<u>\$ 22,785</u>

Economic Development Authority	Sustainability	Forestry	Total Special Revenue Funds
\$ 3,867,721	\$ 246,898	\$ 1,078,500	\$ 6,942,147
6,344	—	1,030	7,374
315,964	—	—	315,964
13,072	—	—	192,623
56,804	192,830	12,650	262,284
<u>\$ 4,259,905</u>	<u>\$ 439,728</u>	<u>\$ 1,092,180</u>	<u>\$ 7,720,392</u>

\$ 87,284	\$ 15,642	\$ —	\$ 108,478
—	4,011	25,150	29,161
1,100,000	—	—	1,690,658
—	—	—	4,389
<u>1,187,284</u>	<u>19,653</u>	<u>25,150</u>	<u>1,832,686</u>

<u>6,344</u>	<u>—</u>	<u>1,030</u>	<u>7,374</u>
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—	349,552	—	755,373
3,066,277	70,523	1,066,000	5,124,959
<u>3,066,277</u>	<u>420,075</u>	<u>1,066,000</u>	<u>5,880,332</u>
<u>\$ 4,259,905</u>	<u>\$ 439,728</u>	<u>\$ 1,092,180</u>	<u>\$ 7,720,392</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Special Revenue Funds				
	Formerly Major Fund				
	Cable Franchise Fee	Forfeiture	Grant	Housing	Youth Center
Revenues					
Property taxes	\$ —	\$ —	\$ —	\$ —	—
Licenses and permits	—	—	—	—	—
Other taxes	520,929	—	—	—	—
Intergovernmental revenue	—	—	9,380	405,821	39,750
Charges for services	234,306	—	—	—	—
Fines and forfeits	—	950	—	—	—
Interest on investments	10,754	1,016	112,085	3,447	802
Miscellaneous revenue	—	—	—	—	—
Total Revenues	<u>765,989</u>	<u>1,966</u>	<u>121,465</u>	<u>409,268</u>	<u>40,552</u>
Expenditures					
Current:					
General government	494,184	—	—	—	—
Public safety	—	13,957	9,380	—	—
Culture and recreation	—	—	—	—	47,219
Conservation of natural resources	—	—	—	—	—
Economic development	—	—	—	—	—
Total Expenditures	<u>494,184</u>	<u>13,957</u>	<u>9,380</u>	<u>—</u>	<u>47,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>271,805</u>	<u>(11,991)</u>	<u>112,085</u>	<u>409,268</u>	<u>(6,667)</u>
Other Financing Sources (Uses)					
Transfers in	—	—	—	—	10,000
Transfers out	(300,000)	—	—	—	—
Total other financing sources (uses)	<u>(300,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,000</u>
Net Change in Fund Balances	(28,195)	(11,991)	112,085	409,268	3,333
Fund Balances (Deficits)					
Beginning of year, as previously reported	554,945	32,248	—	—	17,137
Change within reporting entity (major to nonmajor fund)	—	—	239,150	—	—
Beginning of year, as restated	<u>554,945</u>	<u>32,248</u>	<u>239,150</u>	<u>—</u>	<u>17,137</u>
End of year	<u>\$ 526,750</u>	<u>\$ 20,257</u>	<u>\$ 351,235</u>	<u>\$ 409,268</u>	<u>\$ 20,470</u>

Economic Development Authority	Sustainability	Forestry	Total Special Revenue Funds
\$ 1,242,404	\$ —	\$ 263,558	\$ 1,505,962
—	—	2,390	2,390
—	—	—	520,929
—	343,532	—	798,483
—	—	—	234,306
—	—	—	950
118,690	13,499	35,930	296,223
4,684	—	85,652	90,336
1,365,778	357,031	387,530	3,449,579
—	—	—	494,184
—	—	—	23,337
—	—	—	47,219
—	476,208	296,126	772,334
281,305	—	—	281,305
281,305	476,208	296,126	1,618,379
1,084,473	(119,177)	91,404	1,831,200
—	131,319	—	141,319
—	—	—	(300,000)
—	131,319	—	(158,681)
1,084,473	12,142	91,404	1,672,519
1,981,804	407,933	974,596	3,968,663
—	—	—	239,150
1,981,804	407,933	974,596	4,207,813
\$ 3,066,277	\$ 420,075	\$ 1,066,000	\$ 5,880,332

City of Burnsville
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	Debt Service Funds				
	G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	Total Debt Service Funds
Assets					
Cash, cash equivalents and investments	\$ 354,278	\$ 652,876	\$ 162,352	\$ 1,029,922	\$ 2,199,428
Receivables, net of allowance for uncollectible amounts:					
Property taxes	1,403	11,906	912	—	14,221
Due from other governments	14,519	108,408	7,387	—	130,314
Total Assets	<u>\$ 370,200</u>	<u>\$ 773,190</u>	<u>\$ 170,651</u>	<u>\$ 1,029,922</u>	<u>\$ 2,343,963</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 628	\$ —	\$ —	\$ 89,391	\$ 90,019
Due to other governments	—	—	—	1,716	1,716
Total Liabilities	<u>628</u>	<u>—</u>	<u>—</u>	<u>91,107</u>	<u>91,735</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	<u>1,403</u>	<u>11,906</u>	<u>912</u>	<u>—</u>	<u>14,221</u>
Fund Balances					
Restricted	<u>368,169</u>	<u>761,284</u>	<u>169,739</u>	<u>938,815</u>	<u>2,238,007</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 370,200</u>	<u>\$ 773,190</u>	<u>\$ 170,651</u>	<u>\$ 1,029,922</u>	<u>\$ 2,343,963</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2024

	Debt Service Funds				
	G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	Total Debt Service Funds
Revenues					
Property taxes	\$ 306,210	\$ 2,274,706	\$ 153,236	\$ 164,537	\$ 2,898,689
Interest on investments	28,453	49,913	3,000	35,537	116,903
Total Revenues	334,663	2,324,619	156,236	200,074	3,015,592
Expenditures					
Current:					
Economic development	—	—	—	178,782	178,782
Debt service:					
Principal	1,525,000	2,165,000	80,000	—	3,770,000
Interest	627,890	223,875	49,000	—	900,765
Fiscal agent fees	9,835	4,702	54	3,417	18,008
Total Expenditures	2,162,725	2,393,577	129,054	182,199	4,867,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,828,062)	(68,958)	27,182	17,875	(1,851,963)
Other Financing Sources					
Transfers in	1,860,205	—	—	—	1,860,205
Net Change in Fund Balances	32,143	(68,958)	27,182	17,875	8,242
Fund Balances - Beginning	336,026	830,242	142,557	920,940	2,229,765
Fund Balances - Ending	\$ 368,169	\$ 761,284	\$ 169,739	\$ 938,815	\$ 2,238,007

City of Burnsville
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	Capital Projects Funds						
	I.T. Capital	Equipment & Vehicle	Tax Increment	Parks Renovation	Parks Investment	Street Revolving Construction	Total Capital Projects Funds
Assets							
Cash, cash equivalents and investments	\$ 2,797,535	\$ 7,304,516	\$ 415,750	\$ 5,124,417	\$ 7,378,360	\$ 1,344,204	\$ 24,364,782
Receivables, net of allowance for uncollectible amounts:							
Property taxes	4,356	9,762	—	3,775	—	—	17,893
Accounts	—	77,345	—	77,345	—	—	154,690
Due from other governments	23,646	82,600	—	48,641	—	9,473	164,360
Total Assets	\$ 2,825,537	\$ 7,474,223	\$ 415,750	\$ 5,254,178	\$ 7,378,360	\$ 1,353,677	\$ 24,701,725
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 71,849	\$ 276,452	\$ 481	\$ 66,217	\$ 637	\$ —	\$ 415,636
Due to other governments	—	216	—	—	—	—	216
Advances from other funds	—	—	1,742,314	—	—	—	1,742,314
Total Liabilities	71,849	276,668	1,742,795	66,217	637	—	2,158,166
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	4,356	9,762	—	3,775	—	—	17,893
Fund Balances (Deficits)							
Restricted	—	1,072,404	—	—	—	—	1,072,404
Assigned	2,749,332	6,115,389	—	5,184,186	7,377,723	1,353,677	22,780,307
Unassigned	—	—	(1,327,045)	—	—	—	(1,327,045)
Total Fund Balances (Deficits)	2,749,332	7,187,793	(1,327,045)	5,184,186	7,377,723	1,353,677	22,525,666
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,825,537	\$ 7,474,223	\$ 415,750	\$ 5,254,178	\$ 7,378,360	\$ 1,353,677	\$ 24,701,725

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	Capital Projects Funds						
	I.T. Capital	Equipment & Vehicle	Tax Increment	Parks Renovation	Parks Investment	Street Revolving Construction	Total Capital Projects Funds
Revenues							
Property taxes	\$ 489,825	\$ 1,584,494	\$ 151,763	\$ 1,029,426	\$ —	\$ —	\$ 3,255,508
Intergovernmental revenue	—	426,380	—	16,200	6,482	—	449,062
Charges for services	—	841,242	—	841,242	—	22,797	1,705,281
Interest on investments	99,100	264,171	9,916	175,469	220,195	56,682	825,533
Miscellaneous revenue	—	17,977	—	290,107	1,216,710	—	1,524,794
Total Revenues	<u>588,925</u>	<u>3,134,264</u>	<u>161,679</u>	<u>2,352,444</u>	<u>1,443,387</u>	<u>79,479</u>	<u>7,760,178</u>
Expenditures							
Current:							
General government	522,431	—	—	—	—	—	522,431
Public works and parks	—	—	—	—	—	549,302	549,302
Economic development	—	—	6,509	—	—	—	6,509
Capital outlay:							
General government	—	53,460	—	—	—	—	53,460
Public safety	267,626	1,898,030	—	—	—	—	2,165,656
Public works and parks	—	876,334	—	844,163	38,715	—	1,759,212
Infrastructure	—	—	48,938	—	—	—	48,938
Debt service:							
Principal	278,581	—	—	—	—	—	278,581
Interest	20,889	—	69,701	—	—	—	90,590
Total Expenditures	<u>1,089,527</u>	<u>2,827,824</u>	<u>125,148</u>	<u>844,163</u>	<u>38,715</u>	<u>549,302</u>	<u>5,474,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500,602)</u>	<u>306,440</u>	<u>36,531</u>	<u>1,508,281</u>	<u>1,404,672</u>	<u>(469,823)</u>	<u>2,285,499</u>
Other Financing Sources (Uses)							
Technology subscriptions issued	267,626	—	—	—	—	—	267,626
Sale of capital assets	—	185,121	—	—	—	—	185,121
Transfers in	1,335,000	—	—	—	5,973,051	690,800	7,998,851
Transfers out	—	—	—	(5,973,051)	—	—	(5,973,051)
Total other financing sources (uses)	<u>1,602,626</u>	<u>185,121</u>	<u>—</u>	<u>(5,973,051)</u>	<u>5,973,051</u>	<u>690,800</u>	<u>2,478,547</u>
Net Change in Fund Balances	1,102,024	491,561	36,531	(4,464,770)	7,377,723	220,977	4,764,046
Fund Balances (Deficits) - Beginning	1,647,308	6,696,232	(1,363,576)	9,648,956	—	1,132,700	17,761,620
Fund Balances (Deficits) - Ending	<u>\$ 2,749,332</u>	<u>\$ 7,187,793</u>	<u>\$ (1,327,045)</u>	<u>\$ 5,184,186</u>	<u>\$ 7,377,723</u>	<u>\$ 1,353,677</u>	<u>\$ 22,525,666</u>

City of Burnsville

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	\$ 40,447,907	\$ 40,447,907	\$ 40,210,519	\$ (237,388)
Special assessments	8,700	8,700	3,048	(5,652)
Licenses and permits	2,582,485	2,582,485	2,731,096	148,611
Other taxes	320,000	320,000	316,583	(3,417)
Intergovernmental revenue	5,081,875	5,329,925	5,782,462	452,537
Charges for services	7,137,479	7,137,479	6,513,730	(623,749)
Fines and forfeits	253,370	253,370	222,075	(31,295)
Interest on investments	1,058,600	1,058,600	1,461,259	402,659
Net change in fair value of investments	—	—	577,470	577,470
Miscellaneous revenue	949,853	959,075	1,279,419	320,344
Total Revenues	57,840,269	58,097,541	59,097,661	1,000,120
Expenditures				
Current:				
General government:				
Mayor and council	174,524	174,524	167,975	6,549
Manager and administration	1,183,529	1,183,529	938,276	245,253
Communications	1,269,867	1,269,867	1,013,599	256,268
Human resources	1,306,154	1,306,154	1,070,692	235,462
Legal	610,116	610,116	678,899	(68,783)
Information technologies	2,483,023	2,483,023	2,038,638	444,385
Finance	998,389	998,389	864,966	133,423
Insurance	586,200	586,200	824,657	(238,457)
Planning	447,709	447,709	401,490	46,219
General government buildings	890,273	890,273	790,922	99,351
Lodging tax to Convention and Visitors Bureau	304,000	304,000	297,976	6,024
Total general government	10,253,784	10,253,784	9,088,090	1,165,694
Public safety:				
Police	21,306,682	21,315,904	21,026,649	289,255
Fire	11,882,330	11,922,124	11,830,425	91,699
Inspections	2,019,112	2,019,112	1,686,713	332,399
Total public safety	35,208,124	35,257,140	34,543,787	713,353
Public works and parks:				
Engineering	1,465,068	1,465,068	1,450,914	14,154
Parks & streets	6,271,947	6,271,947	5,852,586	419,361
Fleet maintenance	648,918	648,918	788,266	(139,348)
Total public works and parks	8,385,933	8,385,933	8,091,766	294,167
Culture & recreation:				
Recreation	1,382,430	1,382,430	1,352,286	30,144
Conservation of natural resources:				
Natural Resources	27,947	27,947	16,894	11,053
Forestry	852,200	1,100,250	1,088,553	11,697
Total conservation of natural resources	880,147	1,128,197	1,105,447	22,750
Economic development:				
Economic development	546,820	546,820	416,165	130,655
Capital Outlay:				
General government:				
Information technologies	—	—	110,655	(110,655)
Debt Service:				
Principal	—	—	339,215	(339,215)
Interest	—	—	2,853	(2,853)
Total debt service	—	—	342,068	(342,068)
Total Expenditures	56,657,238	56,954,304	55,050,264	1,904,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,183,031	1,143,237	4,047,397	2,904,160
Other Financing Sources (Uses)				
Leases issued	—	—	110,655	110,655
Transfers in	300,000	300,000	300,000	—
Transfers out	(927,919)	(927,919)	(927,919)	—
Total other financing sources (uses)	(627,919)	(627,919)	(517,264)	110,655
Net Change in Fund Balances	555,112	515,318	3,530,133	3,014,815
Fund Balances - Beginning	34,477,974	34,477,974	34,477,974	—
Fund Balances - Ending	\$ 35,033,086	\$ 34,993,292	\$ 38,008,107	\$ 3,014,815

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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Property taxes	\$ 2,694,057	\$ 2,694,057	\$ 2,673,420	\$ (20,637)
Intergovernmental revenue	2,375,600	2,375,600	89,423	(2,286,177)
Interest on investments	34,500	34,500	83,853	49,353
Total Revenues	<u>5,104,157</u>	<u>5,104,157</u>	<u>2,846,696</u>	<u>(2,257,461)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>6,376,000</u>	<u>6,376,000</u>	<u>4,203,853</u>	<u>2,172,147</u>
Excess (Deficiency) of Revenues Over (Under)Expenditures	<u>(1,271,843)</u>	<u>(1,271,843)</u>	<u>(1,357,157)</u>	<u>(85,314)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>—</u>
Net Change in Fund Balances	(1,296,843)	(1,296,843)	(1,382,157)	(85,314)
Fund Balances - Beginning	3,278,159	3,278,159	3,278,159	—
Fund Balances - Ending	<u>\$ 1,981,316</u>	<u>\$ 1,981,316</u>	<u>\$ 1,896,002</u>	<u>\$ (85,314)</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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Special assessments	\$ 1,605,000	\$ 1,605,000	\$ 555,328	\$ (1,049,672)
Intergovernmental revenue	3,865,000	3,865,000	1,764,441	(2,100,559)
Total Revenues	<u>5,470,000</u>	<u>5,470,000</u>	<u>2,319,769</u>	<u>(3,150,231)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>5,470,000</u>	<u>9,919,042</u>	<u>2,423,715</u>	<u>7,495,327</u>
Debt service:				
Bond Issuance costs	—	—	23,260	(23,260)
Total Expenditures	<u>5,470,000</u>	<u>9,919,042</u>	<u>2,446,975</u>	<u>7,472,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>—</u>	<u>(4,449,042)</u>	<u>(127,206)</u>	<u>4,321,836</u>
Other Financing Sources				
Bonds issued	—	—	1,420,000	1,420,000
Premium on bonds issued	—	—	148,570	148,570
Total other financing sources	<u>—</u>	<u>—</u>	<u>1,568,570</u>	<u>1,568,570</u>
Net Change in Fund Balances	—	(4,449,042)	1,441,364	5,890,406
Fund Balances (Deficits) - Beginning	(1,658,635)	(1,658,635)	(1,658,635)	—
Fund Balances (Deficits) - Ending	<u>\$ (1,658,635)</u>	<u>\$ (6,107,677)</u>	<u>\$ (217,271)</u>	<u>\$ 5,890,406</u>

City of Burnsville
Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ —	\$ —	\$ 48	\$ 48
Other taxes	5,170,000	5,170,000	5,252,004	82,004
Charges for services	414,600	414,600	560,828	146,228
Interest on investments	43,000	43,000	413,896	370,896
Total Revenues	5,627,600	5,627,600	6,226,776	599,176
Expenditures				
Current:				
Public safety:				
Police	—	13,269	—	13,269
Capital outlay:				
General government:				
General government buildings	26,752,000	26,862,750	4,034,007	22,828,743
Public safety:				
Fire	536,000	845,234	45,260	799,974
Public works and parks:				
Park development	360,000	360,000	—	360,000
Fleet maintenance	420,000	686,300	378,550	307,750
Total public works and parks	780,000	1,046,300	378,550	667,750
Culture and recreation:				
Performing arts center	349,500	575,395	60,627	514,768
Ice center	392,000	857,014	72,845	784,169
Golf course	20,000	48,718	—	48,718
Total culture and recreation	761,500	1,481,127	133,472	1,347,655
Total Expenditures	28,829,500	30,248,680	4,591,289	25,657,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,201,900)	(24,621,080)	1,635,487	26,256,567
Other Financing Sources (Uses)				
Bonds issued	26,000,000	26,000,000	—	(26,000,000)
Transfers in	202,000	202,000	202,000	—
Transfers out	(1,860,205)	(1,860,205)	(1,860,205)	—
Total other financing sources (uses)	24,341,795	24,341,795	(1,658,205)	(26,000,000)
Net Change in Fund Balances	1,139,895	(279,285)	(22,718)	256,567
Fund Balances - Beginning	11,098,204	11,098,204	11,098,204	—
Fund Balances - Ending	\$12,238,099	\$10,818,919	\$11,075,486	\$ 256,567

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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Other taxes	\$ 610,000	\$ 610,000	\$ 520,929	\$ (89,071)
Charges for services	275,700	275,700	234,306	(41,394)
Interest on investments	15,900	15,900	10,754	(5,146)
Total Revenues	<u>901,600</u>	<u>901,600</u>	<u>765,989</u>	<u>(135,611)</u>
Expenditures				
Current:				
General government:				
Public relations	723,323	872,323	494,184	378,139
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	<u>178,277</u>	<u>29,277</u>	<u>271,805</u>	<u>242,528</u>
Other Financing Sources (Uses)				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>—</u>
Net Change in Fund Balances	(121,723)	(270,723)	(28,195)	242,528
Fund Balances - Beginning	554,945	554,945	554,945	—
Fund Balances - Ending	<u>\$ 433,222</u>	<u>\$ 284,222</u>	<u>\$ 526,750</u>	<u>\$ 242,528</u>

City of Burnsville
Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Fines and forfeits	\$ 700	\$ 700	\$ 950	\$ 250
Interest on investments	—	—	1,016	1,016
Total Revenues	<u>700</u>	<u>700</u>	<u>1,966</u>	<u>1,266</u>
Expenditures				
Current:				
Public safety:				
Police	<u>20,000</u>	<u>20,000</u>	<u>13,957</u>	<u>6,043</u>
Net Change in Fund Balances	(19,300)	(19,300)	(11,991)	7,309
Fund Balances - Beginning	32,248	32,248	32,248	—
Fund Balances - Ending	<u>\$ 12,948</u>	<u>\$ 12,948</u>	<u>\$ 20,257</u>	<u>\$ 7,309</u>

City of Burnsville
Grant Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental revenue	\$ 92,517	\$ 92,517	\$ 9,380	\$ (83,137)
Interest on investments	400	400	112,085	111,685
Total Revenues	<u>92,917</u>	<u>92,917</u>	<u>121,465</u>	<u>28,548</u>
Expenditures				
Current:				
Public Safety:				
Fire	<u>50,242</u>	<u>50,242</u>	<u>9,380</u>	<u>40,862</u>
Net Change in Fund Balances	42,675	42,675	112,085	69,410
Fund Balances - Beginning	239,150	239,150	239,150	—
Fund Balances - Ending	<u>\$ 281,825</u>	<u>\$ 281,825</u>	<u>\$ 351,235</u>	<u>\$ 69,410</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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental revenue	\$ 56,500	\$ 56,500	\$ 39,750	\$ (16,750)
Interest on investments	—	—	802	802
Total Revenues	<u>56,500</u>	<u>56,500</u>	<u>40,552</u>	<u>(15,948)</u>
Expenditures				
Current:				
Culture & Recreation:				
Recreation	<u>66,500</u>	<u>66,500</u>	<u>47,219</u>	<u>19,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(6,667)</u>	<u>3,333</u>
Other Financing Sources				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>—</u>
Net Change in Fund Balances	—	—	3,333	3,333
Fund Balances - Beginning	<u>17,137</u>	<u>17,137</u>	<u>17,137</u>	<u>—</u>
Fund Balances - Ending	<u><u>\$ 17,137</u></u>	<u><u>\$ 17,137</u></u>	<u><u>\$ 20,470</u></u>	<u><u>\$ 3,333</u></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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Property taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,242,404	\$ (7,596)
Interest on investments	26,400	26,400	118,690	92,290
Miscellaneous revenue	—	—	4,684	4,684
Total Revenues	<u>1,276,400</u>	<u>1,276,400</u>	<u>1,365,778</u>	<u>89,378</u>
Expenditures				
Current:				
Economic development	<u>476,500</u>	<u>476,500</u>	<u>281,305</u>	<u>195,195</u>
Net Change in Fund Balances	799,900	799,900	1,084,473	284,573
Fund Balances - Beginning	1,981,804	1,981,804	1,981,804	—
Fund Balances - Ending	<u>\$ 2,781,704</u>	<u>\$ 2,781,704</u>	<u>\$ 3,066,277</u>	<u>\$ 284,573</u>

City of Burnsville
Sustainability Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental revenue	\$ 355,624	\$ 355,624	\$ 343,532	\$ (12,092)
Interest on investments	4,300	4,300	13,499	9,199
Total Revenues	<u>359,924</u>	<u>359,924</u>	<u>357,031</u>	<u>(2,893)</u>
Expenditures				
Current:				
Conservation of natural resources:				
Recycling	<u>491,243</u>	<u>491,243</u>	<u>476,208</u>	<u>15,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(131,319)</u>	<u>(131,319)</u>	<u>(119,177)</u>	<u>12,142</u>
Other Financing Sources				
Transfers in	<u>131,319</u>	<u>131,319</u>	<u>131,319</u>	<u>—</u>
Net Change in Fund Balances	—	—	12,142	12,142
Fund Balances - Beginning	<u>407,933</u>	<u>407,933</u>	<u>407,933</u>	<u>—</u>
Fund Balances - Ending	<u><u>\$ 407,933</u></u>	<u><u>\$ 407,933</u></u>	<u><u>\$ 420,075</u></u>	<u><u>\$ 12,142</u></u>

**City of Burnsville
Forestry Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 265,200	\$ 265,200	\$ 263,558	\$ (1,642)
Licenses and permits	1,980	1,980	2,390	410
Interest on investments	11,500	11,500	35,930	24,430
Miscellaneous revenue	—	—	85,652	85,652
Total Revenues	<u>278,680</u>	<u>278,680</u>	<u>387,530</u>	<u>108,850</u>
Expenditures				
Current:				
Conservation of natural resources:				
Forestry	<u>328,500</u>	<u>357,750</u>	<u>296,126</u>	<u>61,624</u>
Net Change in Fund Balances	(49,820)	(79,070)	91,404	170,474
Fund Balances - Beginning	974,596	974,596	974,596	—
Fund Balances - Ending	<u><u>\$ 924,776</u></u>	<u><u>\$ 895,526</u></u>	<u><u>\$ 1,066,000</u></u>	<u><u>\$ 170,474</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, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 495,400	\$ 495,400	\$ 489,825	\$ (5,575)
Interest on investments	15,185	15,185	99,100	83,915
Total Revenues	<u>510,585</u>	<u>510,585</u>	<u>588,925</u>	<u>78,340</u>
Expenditures				
Current:				
General government:				
Information technologies	3,156,000	4,438,358	522,431	3,915,927
Capital:				
Public safety:				
Information technologies	—	—	267,626	(267,626)
Debt service:				
Principal	—	—	278,581	(278,581)
Interest	—	—	20,889	(20,889)
Total debt service	<u>—</u>	<u>—</u>	<u>299,470</u>	<u>(299,470)</u>
Total Expenditures	<u>3,156,000</u>	<u>4,438,358</u>	<u>1,089,527</u>	<u>3,348,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,645,415)</u>	<u>(3,927,773)</u>	<u>(500,602)</u>	<u>3,427,171</u>
Other Financing Sources				
Technology subscriptions issued	—	—	267,626	267,626
Transfers in	1,335,000	1,335,000	1,335,000	—
Total other financing sources	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,602,626</u>	<u>267,626</u>
Net Change in Fund Balances	(1,310,415)	(2,592,773)	1,102,024	3,694,797
Fund Balances - Beginning	1,647,308	1,647,308	1,647,308	—
Fund Balances - Ending	<u>\$ 336,893</u>	<u>\$ (945,465)</u>	<u>\$ 2,749,332</u>	<u>\$ 3,694,797</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, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Property taxes	\$ 1,598,400	\$ 1,598,400	\$ 1,584,494	\$ (13,906)
Intergovernmental revenue	426,380	426,380	426,380	—
Charges for services	621,900	621,900	841,242	219,342
Interest on investments	54,353	54,353	264,171	209,818
Miscellaneous revenue	—	—	17,977	17,977
Total Revenues	<u>2,701,033</u>	<u>2,701,033</u>	<u>3,134,264</u>	<u>433,231</u>
Expenditures				
Capital outlay:				
General government:				
Administration	65,000	65,000	53,460	11,540
Public safety:				
Police	954,000	1,537,023	728,001	809,022
Fire	1,226,500	2,235,523	1,104,608	1,130,915
Inspections	<u>96,000</u>	<u>130,000</u>	<u>65,421</u>	<u>64,579</u>
Total public safety	<u>2,276,500</u>	<u>3,902,546</u>	<u>1,898,030</u>	<u>2,004,516</u>
Public works and parks:				
Engineering	57,000	117,589	109,526	8,063
Parks & streets	1,163,500	2,433,804	766,360	1,667,444
Fleet maintenance	<u>37,000</u>	<u>52,000</u>	<u>448</u>	<u>51,552</u>
Total public works and parks	<u>1,257,500</u>	<u>2,603,393</u>	<u>876,334</u>	<u>1,727,059</u>
Conservation of natural resources:				
Forestry	<u>—</u>	<u>103,000</u>	<u>—</u>	<u>103,000</u>
Total Expenditures	<u>3,599,000</u>	<u>6,673,939</u>	<u>2,827,824</u>	<u>3,846,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(897,967)	(3,972,906)	306,440	4,279,346
Other Financing Sources				
Sale of capital assets	<u>100,000</u>	<u>100,000</u>	<u>185,121</u>	<u>85,121</u>
Net Change in Fund Balances	(797,967)	(3,872,906)	491,561	4,364,467
Fund Balances - Beginning	6,696,232	6,696,232	6,696,232	—
Fund Balances - Ending	<u>\$ 5,898,265</u>	<u>\$ 2,823,326</u>	<u>\$ 7,187,793</u>	<u>\$ 4,364,467</u>

City of Burnsville
Parks Renovation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Property taxes	\$ 1,036,100	\$ 1,036,100	\$ 1,029,426	\$ (6,674)
Intergovernmental revenue	—	—	16,200	16,200
Charges for services	621,900	621,900	841,242	219,342
Interest on investments	102,000	102,000	175,469	73,469
Miscellaneous revenue	—	—	290,107	290,107
Total Revenues	<u>1,760,000</u>	<u>1,760,000</u>	<u>2,352,444</u>	<u>592,444</u>
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	<u>1,201,000</u>	<u>2,393,048</u>	<u>844,163</u>	<u>1,548,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>559,000</u>	<u>(633,048)</u>	<u>1,508,281</u>	<u>2,141,329</u>
Other Financing Sources (Uses)				
Transfers out	<u>(4,962,219)</u>	<u>(5,973,051)</u>	<u>(5,973,051)</u>	<u>—</u>
Net Change in Fund Balances	(4,403,219)	(6,606,099)	(4,464,770)	2,141,329
Fund Balances - Beginning	<u>9,648,956</u>	<u>9,648,956</u>	<u>9,648,956</u>	<u>—</u>
Fund Balances - Ending	<u>\$ 5,245,737</u>	<u>\$ 3,042,857</u>	<u>\$ 5,184,186</u>	<u>\$ 2,141,329</u>

City of Burnsville
Parks Investment Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental revenue	\$ —	\$ —	\$ 6,482	\$ 6,482
Interest on investments	—	—	220,195	220,195
Miscellaneous revenue	305,000	305,000	1,216,710	911,710
Total Revenues	<u>305,000</u>	<u>305,000</u>	<u>1,443,387</u>	<u>1,138,387</u>
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	<u>1,026,000</u>	<u>1,361,143</u>	<u>38,715</u>	<u>1,322,428</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(721,000)</u>	<u>(1,056,143)</u>	<u>1,404,672</u>	<u>2,460,815</u>
Other Financing Sources				
Transfers in	<u>4,962,219</u>	<u>5,973,051</u>	<u>5,973,051</u>	<u>—</u>
Net Change in Fund Balances	4,241,219	4,916,908	7,377,723	2,460,815
Fund Balances - Beginning	—	—	—	—
Fund Balances - Ending	<u><u>\$ 4,241,219</u></u>	<u><u>\$ 4,916,908</u></u>	<u><u>\$ 7,377,723</u></u>	<u><u>\$ 2,460,815</u></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, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 22,797	\$ 7,797
Interest on investments	8,700	8,700	56,682	47,982
Total Revenues	<u>23,700</u>	<u>23,700</u>	<u>79,479</u>	<u>55,779</u>
Expenditures				
Current:				
Public works and parks:				
Parks & streets	<u>707,700</u>	<u>707,700</u>	<u>549,302</u>	<u>158,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(684,000)</u>	<u>(684,000)</u>	<u>(469,823)</u>	<u>214,177</u>
Other Financing Sources				
Transfers in	<u>690,800</u>	<u>690,800</u>	<u>690,800</u>	<u>—</u>
Net Change in Fund Balances	6,800	6,800	220,977	214,177
Fund Balances - Beginning	1,132,700	1,132,700	1,132,700	—
Fund Balances - Ending	<u>\$ 1,139,500</u>	<u>\$ 1,139,500</u>	<u>\$ 1,353,677</u>	<u>\$ 214,177</u>

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City of Burnsville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2024

	Ice Arena	Golf Course	Street Lighting Utility	Total
Assets				
Current Assets:				
Cash, cash equivalents and investments	\$ 589,962	\$ 229,471	\$ 1,092,869	\$ 1,912,302
Accounts receivable	99,165	—	135,519	234,684
Total Current Assets	<u>689,127</u>	<u>229,471</u>	<u>1,228,388</u>	<u>2,146,986</u>
Noncurrent Assets:				
Capital Assets:				
Land	—	757,320	—	757,320
Buildings	2,858,799	131,297	—	2,990,096
Infrastructure and improvements	6,939,116	323,736	2,061,823	9,324,675
Equipment and vehicles	846,750	382,308	—	1,229,058
Less accumulated depreciation	(7,488,181)	(432,745)	(1,330,105)	(9,251,031)
Total capital assets (net of accumulated depreciation)	<u>3,156,484</u>	<u>1,161,916</u>	<u>731,718</u>	<u>5,050,118</u>
Total Assets	<u>3,845,611</u>	<u>1,391,387</u>	<u>1,960,106</u>	<u>7,197,104</u>
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	<u>43,150</u>	<u>14,383</u>	<u>—</u>	<u>57,533</u>
Liabilities				
Current Liabilities:				
Accrued compensated absences, current portion	13,855	1,670	—	15,525
Accounts payable	63,708	3,009	121,977	188,694
Due to other governments	1,785	42	—	1,827
Customer and other deposits	2,193	2,101	174	4,468
Total Current Liabilities	<u>81,541</u>	<u>6,822</u>	<u>122,151</u>	<u>210,514</u>
Noncurrent Liabilities:				
Accrued compensated absences, net of current portion	124,702	15,030	—	139,732
Net pension liability	218,193	72,731	—	290,924
Total Noncurrent Liabilities	<u>342,895</u>	<u>87,761</u>	<u>—</u>	<u>430,656</u>
Total Liabilities	<u>424,436</u>	<u>94,583</u>	<u>122,151</u>	<u>641,170</u>
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	<u>146,746</u>	<u>48,915</u>	<u>—</u>	<u>195,661</u>
Net Position				
Net Investment in capital assets	3,156,484	1,161,916	731,718	5,050,118
Unrestricted	161,095	100,356	1,106,237	1,367,688
Total Net Position	<u>\$ 3,317,579</u>	<u>\$ 1,262,272</u>	<u>\$ 1,837,955</u>	<u>\$ 6,417,806</u>

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	Ice Arena	Golf Course	Street Lighting Utility	Total
Operating Revenues				
Charges for services	\$ 1,214,571	\$ 451,588	\$ 602,687	\$ 2,268,846
Operating Expenses				
Personnel services	777,671	289,440	—	1,067,111
Repairs and maintenance	17,096	11,225	212,492	240,813
Utilities	221,812	9,389	361,582	592,783
Other operating expenses	142,387	69,671	1,704	213,762
Depreciation	432,596	35,433	103,502	571,531
Total Operating Expenses	1,591,562	415,158	679,280	2,686,000
Operating Income (Loss)	(376,991)	36,430	(76,593)	(417,154)
Nonoperating Revenues				
Intergovernmental	10,190	3,397	—	13,587
Investment earnings	24,224	10,063	39,532	73,819
Other income	55,000	—	—	55,000
Total Nonoperating Revenues	89,414	13,460	39,532	142,406
Income (Loss) Before Capital Contributions	(287,577)	49,890	(37,061)	(274,748)
Capital Contributions				
Capital contributions - from other funds	32,697	—	—	32,697
Change in Net Position	(254,880)	49,890	(37,061)	(242,051)
Total Net Position - Beginning, as previously reported	3,577,142	1,214,652	1,875,016	6,666,810
Change in accounting principle	(4,683)	(2,270)	—	(6,953)
Total Net Position - Beginning, as restated	3,572,459	1,212,382	1,875,016	6,659,857
Total Net Position - Ending	<u>\$ 3,317,579</u>	<u>\$ 1,262,272</u>	<u>\$ 1,837,955</u>	<u>\$ 6,417,806</u>

City of Burnsville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,196,577	\$ 451,702	\$ 621,767	\$ 2,270,046
Payments to suppliers	(352,386)	(90,402)	(518,016)	(960,804)
Payments to employees	(784,195)	(295,701)	—	(1,079,896)
	<u>59,996</u>	<u>65,599</u>	<u>103,751</u>	<u>229,346</u>
Cash Flows from Noncapital Financing Activities				
Grants and host fees	65,190	3,397	—	68,587
Cash Flows from Capital and Related Financing Activities				
Purchase or construction of capital assets	(162,965)	(79,344)	—	(242,309)
Cash Flows from Investing Activities				
Investment earnings	<u>24,224</u>	<u>10,063</u>	<u>39,532</u>	<u>73,819</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,555)	(285)	143,283	129,443
Cash and Cash Equivalents				
Beginning	603,517	229,756	949,586	1,782,859
Ending	<u>\$ 589,962</u>	<u>\$ 229,471</u>	<u>\$ 1,092,869</u>	<u>\$ 1,912,302</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (376,991)	\$ 36,430	\$ (76,593)	\$ (417,154)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	432,596	35,433	103,502	571,531
(Increase) decrease in assets:				
Receivables	(15,557)	114	19,010	3,567
(Increase) decrease in deferred outflows of resources:				
Pensions	46,206	15,402	—	61,608
(Decrease) increase in liabilities:				
Accrued compensated absences	18,931	2,224	—	21,155
Accounts payable	29,216	272	59,807	89,295
Contracts payable	—	—	(2,045)	(2,045)
Due to other governments	(307)	(389)	—	(696)
Customer and other deposits	(2,437)	—	70	(2,367)
Net pension liability	(111,952)	(37,317)	—	(149,269)
(Decrease) increase in deferred inflows of resources:				
Pensions	<u>40,291</u>	<u>13,430</u>	<u>—</u>	<u>53,721</u>
Net cash provided by operating activities	<u>\$ 59,996</u>	<u>\$ 65,599</u>	<u>\$ 103,751</u>	<u>\$ 229,346</u>
Noncash investing, capital, and financing activities				
Capital assets contributed from other funds	<u>\$ 32,697</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 32,697</u>

City of Burnsville
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	Compensated Absences	Dental Insurance	Total
Assets			
Current Assets:			
Cash, cash equivalents and investments	\$ 3,667,585	\$ 165,261	\$ 3,832,846
Accounts receivable	—	3,244	3,244
Total Assets	<u>3,667,585</u>	<u>168,505</u>	<u>3,836,090</u>
Liabilities			
Current Liabilities:			
Accrued compensated absences, current portion	525,169	—	525,169
Accounts payable	—	11,186	11,186
Total Current Liabilities	<u>525,169</u>	<u>11,186</u>	<u>536,355</u>
Noncurrent Liabilities:			
Accrued compensated absences, net of current portion	4,726,519	—	4,726,519
Total Liabilities	<u>5,251,688</u>	<u>11,186</u>	<u>5,262,874</u>
Net Position			
Unrestricted	<u>\$ (1,584,103)</u>	<u>\$ 157,319</u>	<u>\$(1,426,784)</u>

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Compensated Absences	Dental Insurance	Total
Operating Revenues			
Charges for services	\$ 512,094	\$ 274,703	\$ 786,797
Operating Expenses			
Personnel services	875,186	—	875,186
Other operating expenses	—	267,012	267,012
Total Operating Expenses	<u>875,186</u>	<u>267,012</u>	<u>1,142,198</u>
Operating Income (Loss)	<u>(363,092)</u>	<u>7,691</u>	<u>(355,401)</u>
Nonoperating Revenues			
Investment earnings	<u>132,796</u>	<u>5,942</u>	<u>138,738</u>
Change in Net Position	(230,296)	13,633	(216,663)
Total Net Position - Beginning, as previously reported	(1,027,482)	143,686	(883,796)
Change in accounting principle	(326,325)	—	(326,325)
Total Net Position - Beginning, as restated	<u>(1,353,807)</u>	<u>143,686</u>	<u>(1,210,121)</u>
Total Net Position - Ending	<u><u>\$ (1,584,103)</u></u>	<u><u>\$ 157,319</u></u>	<u><u>\$(1,426,784)</u></u>

City of Burnsville
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	<u>Compensated Absences</u>	<u>Dental Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities			
Receipts from interfund services provided	\$ 512,094	\$ 274,441	\$ 786,535
Payments to suppliers	—	(271,945)	(271,945)
Payments to employees	(441,583)	—	(441,583)
Net cash provided by operating activities	<u>70,511</u>	<u>2,496</u>	<u>73,007</u>
Cash Flows from Investing Activities			
Investment earnings	<u>132,796</u>	<u>5,942</u>	<u>138,738</u>
Net Increase in Cash and Cash Equivalents	203,307	8,438	211,745
Cash and Cash Equivalents			
Beginning	3,464,278	156,823	3,621,101
Ending	<u>\$ 3,667,585</u>	<u>\$ 165,261</u>	<u>\$ 3,832,846</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (363,092)	\$ 7,691	\$ (355,401)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in assets:			
Receivables	—	(262)	(262)
(Decrease) increase in liabilities:			
Accrued compensated absences	433,603	—	433,603
Accounts payable	<u>—</u>	<u>(4,933)</u>	<u>(4,933)</u>
Net cash provided by operating activities	<u>\$ 70,511</u>	<u>\$ 2,496</u>	<u>\$ 73,007</u>

Statistical Section

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

Contents	Pages
Financial Trends	<u>132</u> - <u>145</u>
<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	<u>146</u> - <u>151</u>
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	<u>152</u> - <u>158</u>
<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	<u>159</u> - <u>161</u>
<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	<u>162</u> - <u>167</u>
<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 annual comprehensive financial reports for the relevant year.

CITY OF BURNSVILLE, MINNESOTA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2015	2016	2017
Governmental activities:			
Net investment in capital assets	\$ 102,170,883	\$ 104,771,961	\$ 106,229,087
Restricted	15,856,787	15,575,435	15,273,178
Unrestricted	(10,011,396)	(16,105,677)	(14,906,686)
Total governmental activities net position	<u>108,016,274</u>	<u>104,241,719</u>	<u>106,595,579</u>
Business-type activities:			
Net investment in capital assets	107,526,787	108,404,200	109,180,617
Unrestricted	<u>27,234,433</u>	<u>25,931,257</u>	<u>24,830,660</u>
Total business-type activities net position	<u>134,761,220</u>	<u>134,335,457</u>	<u>134,011,277</u>
Primary government:			
Net investment in capital assets	190,601,833	194,714,746	197,577,330
Restricted	15,856,787	15,575,435	15,273,178
Unrestricted	<u>36,318,874</u>	<u>28,286,995</u>	<u>27,756,348</u>
Total primary government net position	<u>242,777,494</u>	<u>238,577,176</u>	<u>240,606,856</u>

Note 1: 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.

Note 2: The City implemented GASB Statement No. 87 in fiscal year 2022 and recorded a prior period adjustment which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle or prior period adjustment.

Note 3: The City implemented GASB Statement No. 101 in fiscal year 2024 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

2018	2019	2020	2021	2022	2023	2024
\$ 110,069,219	\$ 112,053,594	\$ 114,534,535	\$ 118,184,855	\$ 118,138,873	\$ 120,940,298	\$ 125,189,303
14,981,193	15,896,522	14,548,526	16,740,952	17,448,211	19,884,115	20,327,804
(13,917,013)	(9,221,379)	(5,646,557)	591,272	7,818,573	16,990,971	31,525,266
<u>111,133,399</u>	<u>118,728,737</u>	<u>123,436,504</u>	<u>135,517,079</u>	<u>143,405,657</u>	<u>157,815,384</u>	<u>177,042,373</u>
107,069,459	106,718,734	103,572,217	102,988,125	99,364,372	99,024,723	95,691,405
24,995,080	25,140,929	23,380,859	25,772,623	30,217,097	29,143,553	29,893,331
<u>132,064,539</u>	<u>131,859,663</u>	<u>126,953,076</u>	<u>128,760,748</u>	<u>129,581,469</u>	<u>128,168,276</u>	<u>125,584,736</u>
200,481,420	201,946,410	203,181,039	208,080,337	206,410,807	210,922,788	214,026,656
14,981,193	15,896,522	14,548,526	16,740,952	17,448,211	19,884,115	20,327,804
27,735,325	32,745,468	32,660,015	39,456,538	49,128,108	55,176,757	68,272,649
<u>243,197,938</u>	<u>250,588,400</u>	<u>250,389,580</u>	<u>264,277,827</u>	<u>272,987,126</u>	<u>285,983,660</u>	<u>302,627,109</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 1 of 2)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2015	2016	2017
Expenses:			
Governmental activities:			
General government	\$ 6,573,281	\$ 7,382,481	\$ 8,085,296
Public safety	21,441,358	28,086,233	24,679,300
Public works and parks	15,901,625	15,292,294	15,303,864
Culture and recreation	1,089,081	1,145,294	1,067,828
Conservation of natural resources	1,071,242	1,228,567	1,305,308
Economic development	498,231	496,285	482,403
Interest on long-term debt	1,379,238	1,527,893	1,503,981
Total governmental activities expenses	47,954,056	55,159,047	52,427,980
Business-type activities:			
Water and sewer	14,889,284	15,476,767	15,875,566
Storm water	3,879,088	4,293,053	4,499,643
Performing arts center	2,090,481	2,232,993	2,591,863
Ice arena	1,423,315	1,455,693	1,312,900
Golf course	287,488	313,047	286,178
Street lighting	646,268	568,363	643,775
Sidewalk snow plowing	26,455	57,343	39,401
Total business-type activities expenses	23,242,379	24,397,259	25,249,326
Total primary government expenses	71,196,435	79,556,306	77,677,306
Program revenues:			
Governmental activities:			
Charges for services			
General government	426,636	405,299	357,080
Public safety	4,973,384	4,914,888	5,955,569
Public works and parks	2,825,050	2,798,069	3,123,103
Other activities	380,476	385,875	544,773
Operating grants and contributions	2,367,689	2,326,628	2,614,858
Capital grants and contributions	8,609,473	4,802,301	4,270,577
Total governmental activities program revenues	19,582,708	15,633,060	16,865,960
Business-type activities:			
Charges for services			
Water and sewer	14,448,498	15,132,165	15,522,270
Storm water	4,208,439	4,318,018	4,284,928
Performing arts center	1,308,981	1,493,365	1,837,534
Ice arena	1,081,207	1,080,874	1,091,259
Golf course	280,153	270,610	256,647
Street lighting	571,265	594,775	574,180
Sidewalk snow plowing	65,800	83,116	83,247
Operating grants and contributions	378,154	474,969	625,268
Capital grants and contributions	300,664	359,822	524,891
Total business-type activities program revenues	22,643,161	23,807,714	24,800,224
Total primary government program revenues	42,225,869	39,440,774	41,666,184

2018	2019	2020	2021	2022	2023	2024
\$ 8,142,548	\$ 7,922,564	\$ 8,679,351	\$ 8,366,829	\$ 11,061,187	\$ 10,571,108	\$ 10,563,767
23,360,171	24,636,452	26,023,426	25,215,845	33,903,053	37,398,025	37,938,937
14,539,501	17,890,927	22,598,334	19,479,051	19,687,730	18,179,904	17,752,415
1,023,202	1,111,709	1,044,401	1,118,846	1,399,057	1,447,158	1,506,580
1,356,205	1,320,038	1,260,877	1,452,729	1,332,858	1,458,326	1,899,409
515,776	815,386	2,760,012	727,005	3,173,721	560,065	883,453
1,162,754	1,041,948	1,101,623	1,246,843	1,170,232	1,169,503	1,143,724
50,100,157	54,739,024	63,468,024	57,607,148	71,727,838	70,784,089	71,688,285
17,169,446	18,324,199	20,796,230	18,812,106	19,675,040	22,002,160	22,321,516
4,537,849	4,396,039	5,684,615	4,590,763	4,610,749	4,750,457	5,055,920
2,781,704	2,770,717	1,539,460	2,233,683	2,579,667	2,863,507	2,965,772
1,406,241	1,390,573	1,317,016	1,370,543	1,514,688	1,470,429	1,591,562
294,452	284,904	262,174	361,360	411,006	432,835	415,158
571,937	594,598	441,881	656,699	794,369	459,523	679,280
106,420	—	—	—	—	—	—
26,868,049	27,761,030	30,041,376	28,025,154	29,585,519	31,978,911	33,029,208
76,968,206	82,500,054	93,509,400	85,632,302	101,313,357	102,763,000	104,717,493
380,061	416,291	386,363	408,567	414,016	1,726,820	1,720,669
6,485,649	6,901,859	5,477,746	5,493,934	8,109,894	6,816,385	7,327,487
2,950,887	3,165,521	3,070,976	3,127,190	3,299,502	4,263,026	4,059,121
387,314	415,784	179,415	392,535	399,022	488,081	527,168
2,875,147	2,918,182	5,747,316	5,906,437	6,217,950	5,961,313	4,218,600
4,584,959	7,210,112	6,301,915	9,259,847	13,088,700	5,104,454	7,433,013
17,664,017	21,027,749	21,163,731	24,588,510	31,529,084	24,360,079	25,286,058
15,602,993	16,021,187	17,060,401	18,470,743	19,355,318	20,407,004	20,536,261
4,287,946	4,345,374	4,408,773	4,679,577	4,659,188	4,793,653	4,931,770
2,111,847	2,119,851	508,047	1,367,727	2,044,668	2,574,840	2,432,612
1,060,331	1,063,694	586,849	969,308	1,066,645	1,118,049	1,269,571
230,732	238,093	327,715	387,902	396,623	426,682	451,588
576,018	582,858	582,859	587,816	588,125	604,155	602,687
83,228	—	—	—	—	—	—
516,121	669,409	1,246,323	1,859,616	143,468	95,240	129,929
538,013	1,494,601	229,503	1,639,089	1,602,859	311,534	638,661
25,007,229	26,535,067	24,950,470	29,961,778	29,856,894	30,331,157	30,993,079
42,671,246	47,562,816	46,114,201	54,550,288	61,385,978	54,691,236	56,279,137

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 2 of 2)

LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

	Fiscal Year		
	2015	2016	2017
Net revenue (expense):			
Governmental activities	\$ (28,371,348)	\$ (39,525,987)	\$ (35,562,020)
Business-type activities	(599,218)	(589,545)	(449,102)
Total primary government net revenue (expense)	(28,970,566)	(40,115,532)	(36,011,122)
General revenues and other changes in net position:			
Governmental activities:			
Taxes			
Property taxes	30,699,759	32,127,976	33,668,989
Lodging tax	363,409	366,918	365,555
Franchise taxes	758,972	1,274,060	2,116,955
Unrestricted grants and contributions	973,068	1,143,996	1,091,139
Unrestricted investment earnings (charges)	1,091,944	721,735	503,205
Transfers	(2,221,674)	116,747	170,037
Total governmental activities	31,665,478	35,751,432	37,915,880
Business-type activities:			
Unrestricted grants and contributions	48,681	46,401	43,642
Unrestricted investment earnings	358,342	234,128	251,317
Transfers	2,221,674	(116,747)	(170,037)
Total business-type activities	2,628,697	163,782	124,922
Total primary government	34,294,175	35,915,214	38,040,802
Change in net position:			
Governmental activities	3,294,130	(3,774,555)	2,353,860
Business-type activities	2,029,479	(425,763)	(324,180)
Total primary government	5,323,609	(4,200,318)	2,029,680

Note 1: 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.

Note 2: The City implemented GASB Statement No. 87 in fiscal year 2022 and recorded a prior period adjustment which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle or prior period adjustment.

Note 3: The City implemented GASB Statement 101 in fiscal year 2024 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

2018	2019	2020	2021	2022	2023	2024
\$ (32,436,140)	\$ (33,711,275)	\$ (42,304,293)	\$ (33,018,638)	\$ (40,198,754)	\$ (46,424,010)	\$ (46,402,227)
(1,860,820)	(1,225,963)	(5,090,906)	1,936,624	271,375	(1,647,754)	(2,036,129)
(34,296,960)	(34,937,238)	(47,395,199)	(31,082,014)	(39,927,379)	(48,071,764)	(48,438,356)
34,816,920	36,745,654	37,901,657	39,305,483	41,303,580	46,790,405	50,792,604
389,019	351,690	174,326	258,761	338,254	349,871	316,583
1,972,218	1,945,697	3,245,103	5,812,043	5,839,844	5,870,748	5,772,933
1,086,925	854,002	4,774,662	9,004	2,788,716	3,163,204	3,612,383
674,333	1,898,702	957,840	(535,066)	(3,138,002)	4,051,477	4,077,535
588,800	(489,132)	(41,528)	248,988	(238,577)	608,032	1,383,503
39,528,215	41,306,613	47,012,060	45,099,213	46,893,815	60,833,737	65,955,541
40,749	36,907	—	—	—	—	—
462,133	495,048	142,791	120,036	310,769	842,593	856,975
(588,800)	489,132	41,528	(248,988)	238,577	(608,032)	(1,383,503)
(85,918)	1,021,087	184,319	(128,952)	549,346	234,561	(526,528)
39,442,297	42,327,700	47,196,379	44,970,261	47,443,161	61,068,298	65,429,013
7,092,075	7,595,338	4,707,767	12,080,575	6,695,061	14,409,727	19,553,314
(1,946,738)	(204,876)	(4,906,587)	1,807,672	820,721	(1,413,193)	(2,562,657)
5,145,337	7,390,462	(198,820)	13,888,247	7,515,782	12,996,534	16,990,657

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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
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
2019	35,733,994	1,011,660	351,690	1,945,697	39,043,041
2020	37,834,370	67,287	174,326	3,245,103	41,321,086
2021	39,210,650	94,833	258,761	5,812,043	45,376,287
2022	41,246,486	57,094	338,254	5,839,844	47,481,678
2023	46,676,715	113,690	349,871	5,870,748	53,011,024
2024	50,476,304	316,300	316,583	5,772,933	56,882,120

CITY OF BURNSVILLE, MINNESOTA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2015	2016	2017
General Fund:			
Nonspendable	\$ 1,491,544	\$ 1,491,544	\$ 1,191,544
Restricted	2,152,353	2,013,830	1,872,537
Assigned	1,700,678	991,293	991,657
Unassigned	16,504,649	17,715,565	18,282,263
Total General Fund	<u>21,849,224</u>	<u>22,212,232</u>	<u>22,338,001</u>
All other governmental funds:			
Nonspendable	—	—	—
Restricted	13,413,234	20,000,824	21,171,456
Committed	4,925,668	4,702,767	8,115,285
Assigned	5,585,159	6,146,013	5,626,630
Unassigned	(168,654)	(173,369)	(840,879)
Total all other governmental funds	<u>\$ 23,755,407</u>	<u>\$ 30,676,235</u>	<u>\$ 34,072,492</u>

2018	2019	2020	2021	2022	2023	2024
\$ 1,191,544	\$ 1,191,544	\$ 446,544	\$ —	\$ 1,822,469	\$ 1,774,421	\$ 1,742,314
1,711,337	1,546,137	1,198,346	1,046,802	892,437	712,825	529,838
985,000	820,000	1,751,382	1,054,500	—	—	2,129,120
18,720,813	22,278,071	25,460,656	26,527,905	24,213,030	31,990,728	33,606,835
22,608,694	25,835,752	28,856,928	28,629,207	26,927,936	34,477,974	38,008,107
—	—	—	—	130,420	—	—
8,276,836	8,185,007	21,003,274	7,875,624	8,313,988	10,991,974	8,383,506
7,184,681	7,675,063	7,096,266	9,409,598	14,524,046	17,914,885	17,797,111
7,248,382	8,985,040	6,345,225	7,705,296	11,813,857	15,190,269	22,780,307
(172,561)	(213,637)	(68,452)	(627,270)	(1,774,822)	(3,022,211)	(1,544,316)
\$ 22,537,338	\$ 24,631,473	\$ 34,376,313	\$ 24,363,248	\$ 33,007,489	\$ 41,074,917	\$ 47,416,608

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2015	2016	2017
Revenues:			
Taxes	\$ 31,867,814	\$ 33,753,006	\$ 35,989,886
Licenses and permits	2,026,415	1,903,820	2,061,946
Intergovernmental	8,332,614	5,118,254	5,077,504
Charges for services	5,913,570	6,345,229	6,634,410
Fines and forfeits	378,940	337,171	422,347
Investment income (charges)	1,054,573	694,824	469,779
Special assessments	2,585,543	1,800,511	1,866,666
Miscellaneous	1,353,267	1,085,021	1,683,990
Total revenues	53,512,736	51,037,836	54,206,528
Expenditures:			
Current:			
General government	6,495,318	7,356,451	7,109,756
Public safety	20,403,477	20,699,670	23,300,734
Public works and parks	6,766,745	6,931,564	6,806,529
Culture and recreation	1,336,636	1,060,369	1,023,582
Conservation of natural resources	1,035,269	1,198,458	1,310,566
Economic development	495,624	484,650	476,108
Capital outlay	12,688,606	9,894,133	17,058,821
Debt service:			
Principal	3,584,701	3,063,398	3,251,465
Interest	1,375,624	1,521,390	1,489,498
Fiscal agent fees	18,775	18,338	24,278
Bond issuance costs	69,011	77,620	57,965
Total expenditures	54,269,786	52,306,041	61,909,302
Excess of revenues over (under) expenditures	(757,050)	(1,268,205)	(7,702,774)
Other financing sources (uses):			
Bonds issued	735,000	910,000	9,585,000
Refunding bonds issued	7,030,000	6,475,000	—
Premium (discount) on bonds issued	80,984	300,502	584,230
Payments to refunded bond escrow agent	(790,000)	—	—
Leases issued	—	519,909	193,504
Technology subscriptions issued	—	—	—
Sales of capital assets	141,253	118,894	421,224
Transfers in	6,235,640	6,141,582	6,502,685
Transfers out	(5,923,610)	(5,913,846)	(6,061,843)
Total other financing sources (uses)	7,509,267	8,552,041	11,224,800
Net change in fund balances	\$ 6,752,217	\$ 7,283,836	\$ 3,522,026
Debt service as a percentage of noncapital expenditures	11.4%	10.5%	10.3%

2018	2019	2020	2021	2022	2023	2024
\$ 37,352,958	\$ 39,090,762	\$ 41,122,345	\$ 45,531,303	\$ 47,321,909	\$ 53,098,363	\$ 56,891,077
2,466,914	3,369,080	2,028,388	2,877,014	3,093,773	2,680,749	2,733,486
5,357,166	5,735,523	11,932,400	8,795,140	13,295,518	12,100,760	8,883,871
7,230,588	7,217,898	6,106,670	6,486,842	7,678,413	9,343,411	9,014,145
359,347	358,417	205,089	247,954	204,966	249,777	223,025
615,245	1,832,567	933,690	(556,046)	(3,183,616)	3,941,300	3,938,797
1,756,074	2,303,764	1,931,638	1,719,051	1,726,203	1,674,738	1,718,939
2,024,617	2,959,449	1,801,226	2,392,134	5,787,658	1,969,136	2,894,549
57,162,909	62,867,460	66,061,446	67,493,392	75,924,824	85,058,234	86,297,889
7,036,828	7,034,145	7,883,492	7,714,554	9,178,565	8,738,600	10,104,705
23,500,121	24,154,818	26,192,495	26,473,939	29,937,337	31,627,891	34,567,124
7,770,000	7,722,108	7,704,347	8,291,068	8,028,486	8,866,402	8,641,068
1,002,556	1,104,490	1,048,450	1,099,712	1,212,831	1,328,624	1,399,505
1,461,642	1,264,396	1,270,493	1,497,920	1,234,845	1,380,915	1,877,781
516,894	813,210	2,750,100	617,859	3,156,964	543,646	882,761
11,109,667	12,610,088	19,660,455	26,297,662	16,299,556	11,957,385	15,356,778
4,487,329	3,820,163	4,811,153	4,560,000	4,927,305	5,514,844	5,732,796
1,467,934	1,118,766	1,085,390	1,514,997	1,323,817	1,413,620	1,354,371
23,791	48,568	12,606	20,431	10,904	16,425	34,088
51,495	17,298	120,230	—	87,256	—	23,260
58,428,257	59,708,050	72,539,211	78,088,142	75,397,866	71,388,352	79,974,237
(1,265,348)	3,159,410	(6,477,765)	(10,594,750)	526,958	13,669,882	6,323,652
2,125,000	1,165,000	17,175,000	—	5,170,000	—	1,420,000
3,235,000	460,000	1,340,000	—	—	—	—
239,989	276,430	1,884,433	—	380,965	—	148,570
(16,784,136)	(525,000)	(1,458,847)	—	—	—	—
—	—	—	—	273,886	618,245	110,655
—	—	—	—	—	441,265	267,626
596,234	191,620	82,737	104,976	42,621	65,284	185,121
5,464,671	4,492,604	2,466,874	4,126,288	3,299,503	3,913,841	10,502,375
(4,875,871)	(3,898,871)	(2,246,416)	(3,877,300)	(2,750,963)	(3,091,051)	(9,086,175)
(9,999,113)	2,161,783	19,243,781	353,964	6,416,012	1,947,584	3,548,172
\$ (11,264,461)	\$ 5,321,193	\$ 12,766,016	\$ (10,240,786)	\$ 6,942,970	\$ 15,617,466	\$ 9,871,824
12.5%	10.1%	9.9%	10.8%	9.7%	11.2%	10.5%

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CITY OF BURNSVILLE, MINNESOTA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Tax Increments	Lodging Tax	Franchise Tax	Total
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
2019	35,781,715	1,011,660	351,690	1,945,697	39,090,762
2020	37,635,629	67,287	174,326	3,245,103	41,122,345
2021	39,365,666	94,833	258,761	5,812,043	45,531,303
2022	41,086,717	57,094	338,254	5,839,844	47,321,909
2023	46,764,054	113,690	349,871	5,870,748	53,098,363
2024	50,485,261	316,300	316,583	5,772,933	56,891,077

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			
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)
2019	52,425,000	29,503,800	943,031	(1,656,580)	(1,158,569)
2020	55,924,956	31,657,917	1,002,211	(1,347,441)	(225,215)
2021	58,847,414	33,181,384	1,013,065	(1,823,844)	(144,251)
2022	62,591,306	33,641,212	495,514	(1,490,458)	(158,129)
2023	74,399,844	35,103,808	533,738	(1,063,024)	(133,765)
2024	78,170,893	39,253,604	478,462	(899,242)	(384,324)

Source: Dakota County

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
\$	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
	80,056,682	1.21	43.595	7,026,455,810	6,590,112,904	93.8
	87,012,428	1.24	43.147	7,350,427,230	7,034,358,859	95.7
	91,073,768	1.23	42.853	7,749,261,165	7,381,171,260	95.3
	95,079,445	1.23	43.054	8,426,026,717	7,733,407,321	91.8
	108,840,601	1.22	42.374	9,520,747,643	8,928,557,140	93.8
	116,619,393	1.23	42.503	9,791,457,131	9,471,276,483	96.7

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)
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
2019	42.187	1.408	43.595	25.386	24.409
2020	40.844	2.303	43.147	24.133	23.263
2021	40.651	2.202	42.853	22.716	20.745
2022	40.277	2.777	43.054	21.630	19.053
2023	39.590	2.784	42.374	18.816	19.403
2024	39.918	2.585	42.503	18.323	17.021

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		Total Direct and Overlapping Rates		
Total School Tax Rate (2)	Total School Tax Rate (2)	Special Districts	ISD #191	ISD #194	ISD #196
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
26.992	26.162	4.748	98.138	100.721	99.891
31.225	34.367	3.767	94.310	102.272	105.414
27.269	32.712	3.722	90.036	96.560	102.003
25.582	31.336	3.698	87.435	93.964	99.718
29.473	17.904	3.906	84.499	94.569	83.000
29.650	23.624	4.075	81.922	94.551	88.525

CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity
Northern States Power Company	\$ 3,688,798	1	3.2 %	\$ 2,694,440	1	4.1 %
Neon Burnsville	947,771	2	0.8	—	—	—
RRE Woods Holdings, LLC	921,806	3	0.8	—	—	—
JPT Industry Inc.	881,040	4	0.8	477,536	4	0.7
Park Nicollet Clinic	871,185	5	0.7	—	—	—
RRE Nicollet Ridge Holdings LLC	857,243	6	0.7	—	—	—
New Southwind LLC	750,047	7	0.6	—	—	—
PC Felix LLC	683,632	8	0.6	—	—	—
FLT Summit Park Apartments LLC	632,248	9	0.5	—	—	—
PRCP-Minnesota Stone LLC	559,468	10	0.5	—	—	—
Burnsville Center SPE LLC	—	—	—	2,149,250	2	3.3
Minnegasco Inc.	—	—	—	524,490	3	0.8
IP9 MF Atrium LLC	—	—	—	367,594	5	0.6
WRPV XI Woods Burnsville LLC	—	—	—	360,905	6	0.5
Kraus-Anderson Inc.	—	—	—	359,306	7	0.5
Virtu Southwind Owner LLC	—	—	—	347,877	8	0.5
Rosemount Aerospace	—	—	—	343,334	9	0.5
Dakota Electric Association	—	—	—	322,900	10	0.5
Total	<u>\$10,793,238</u>		<u>9.2 %</u>	<u>\$7,947,632</u>		<u>12.0 %</u>

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
2015	\$ 29,584,711	\$ 29,336,510	99.16 %	\$ 88,640	\$ 29,425,150	99.46 %
2016	30,951,674	30,715,364	99.24	130,689	30,846,053	99.66
2017	32,075,674	31,654,894	98.69	330,289	31,985,183	99.72
2018	33,242,674	32,996,925	99.26	68,548	33,065,473	99.47
2019	34,896,674	34,691,735	99.41	68,130	34,759,865	99.61
2020	37,588,674	37,199,804	98.97	101,969	37,301,773	99.24
2021	39,058,352	38,811,612	99.37	82,981	38,894,593	99.58
2022	40,912,255	40,472,208	98.92	69,055	40,541,263	99.09
2023	46,199,176	45,820,400	99.18	52,883	45,873,283	99.29
2024	49,550,473	49,074,133	99.04	—	49,074,133	99.04

CITY OF BURNSVILLE, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities							
	General Obligation Bonds	General Obligation Certificates of Indebtedness	General Obligation Improvement Bonds	Tax Increment Bonds and Notes	General Obligation Tax Abatement Bonds	Lease Revenue Bonds	Leases	Technology Subscriptions
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	—
2019	9,103,087	—	10,369,176	2,490,757	16,943,053	—	—	—
2020	26,134,094	—	9,885,809	1,823,204	15,042,848	—	—	—
2021	24,951,068	—	8,464,028	1,546,317	13,092,643	—	—	—
2022	23,683,042	1,115,752	11,475,019	1,264,431	11,092,438	—	201,352	—
2023	22,365,016	1,105,211	10,076,366	977,545	9,042,233	—	456,405	741,543
2024	20,996,990	1,014,669	10,203,244	690,659	6,854,052	—	347,274	611,159

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	Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$	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	2.2	1,290
	19,770,295	5,149,825	33,441	—	66,441,356	1.8	1,060
	19,626,401	5,378,000	—	—	63,910,474	1.6	1,018
	17,497,972	6,250,081	—	—	76,634,008	1.8	1,192
	15,304,543	7,195,319	—	—	70,553,918	1.6	1,092
	16,879,204	6,967,000	—	—	72,678,238	1.6	1,126
	14,535,374	6,550,000	—	—	65,849,693	1.3	1,008
	19,015,622	6,127,000	—	—	65,860,669	1.3	1,008

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 Taxable Market Value of Property (2)	Per Capita (3)
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	550
2019	37,535,000	1,371,073	7,861,389	31,044,684	0.4711	494
2020	49,780,000	3,105,955	6,637,860	46,248,095	0.6575	719
2021	45,220,000	2,834,056	6,432,965	41,621,091	0.5639	644
2022	45,690,000	2,940,682	6,487,284	42,143,398	0.5450	653
2023	40,925,000	2,641,371	6,387,756	37,178,615	0.4164	569
2024	37,230,000	2,529,614	6,256,393	33,503,221	0.3537	513

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, 2024**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Burnsville	\$ 40,718,047	100.00 %	\$ 40,718,047
Overlapping Debt:			
ISD 191 (Burnsville)	99,160,000	61.19 %	60,676,004
ISD 194 (Lakeville)	179,275,000	5.97 %	10,702,718
ISD 196 (Rosemount)	372,305,000	9.02 %	33,581,911
Metropolitan Council	238,225,000	1.81 %	4,311,873
Total overlapping debt			109,272,506
Total direct and overlapping debt			\$ 149,990,553

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			
	2015	2016	2017	2018
Debt Limit	\$161,202,041	\$165,195,421	\$170,123,322	\$186,130,303
Total net debt applicable to limit	110,167	—	9,472,289	8,876,639
Legal debt margin	<u>161,091,874</u>	<u>165,195,421</u>	<u>160,651,033</u>	<u>177,253,664</u>
Total net debt applicable to the limit as a percentage of debt limit	0.07 %	0.00 %	5.57 %	4.77 %

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.

2019	2020	2021	2022	2023	2024
\$ 197,703,387	\$ 211,030,766	\$ 221,435,138	\$ 232,002,220	\$ 267,856,714	\$ 284,138,294
8,338,565	23,820,999	22,746,093	21,575,183	20,343,974	19,061,831
<u>189,364,822</u>	<u>187,209,767</u>	<u>198,689,045</u>	<u>210,427,037</u>	<u>247,512,740</u>	<u>265,076,463</u>

4.22 % 11.29 % 10.27 % 9.30 % 7.60 % 6.71 %

Legal Debt Margin Calculation for Fiscal Year 2024	
Market Value	\$ 9,471,276,483
Debt limit (3% of market value)	284,138,294
Debt applicable to limit:	
General obligation bonds	19,430,000
Less amount set aside for repayment of general obligation debt	<u>(368,169)</u>
Total net debt applicable to limit	<u>19,061,831</u>
Legal debt margin	<u>\$ 265,076,463</u>

CITY OF BURNSVILLE, MINNESOTA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Revenue Bonds					
	(2)	(3)	Net Available Revenue	Debt Service (1)		Coverage Ratio
	Operating Revenues and Other	Less Operating Expenses		Principal	Interest	
WATER AND SEWER FUND:						
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
2019	15,935,623	14,458,200	1,477,423	5,208,224	625,508	0.25
2020	16,978,500	17,001,282	(22,782)	2,250,000	712,897	-0.01
2021	18,363,656	15,052,831	3,310,825	2,422,197	645,947	1.08
2022	19,227,464	15,891,135	3,336,329	2,512,000	584,948	1.08
2023	20,249,799	18,155,025	2,094,774	2,582,000	626,218	0.65
2024	20,361,454	18,459,546	1,901,908	2,548,000	585,857	0.61
STORM WATER FUND:						
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
2019	4,326,247	2,877,235	1,449,012	1,252,642	43,312	1.12
2020	4,384,431	4,180,757	203,674	—	—	—
2021	4,521,217	3,007,431	1,513,786	—	—	—
2022	4,626,016	3,066,125	1,559,891	—	—	—
2023	4,755,651	3,245,500	1,510,151	—	—	—
2024	4,881,045	3,558,304	1,322,741	—	—	—

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) 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)
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	3,628,844,895	58,305	8,563	3.1
2018	62,657	25,339	3,793,192,123	60,539	8,874	2.7
2019	62,785	25,405	3,891,225,945	61,977	8,603	3.2
2020	64,317	25,480	4,164,397,116	64,748	8,010	7.3
2021	64,627	25,696	4,389,918,229	67,927	7,837	3.6
2022	64,522	25,834	4,515,507,648	69,984	7,822	2.4
2023	65,327	26,290	4,900,766,213	75,019	7,594	2.6
2024	65,327	26,290	4,900,766,213	75,019	7,594	2.9

Sources:

- (1) 2024 is an estimate of 0% growth from the 2023 actual figures provided by the Metropolitan Council. All 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	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Collins Aerospace	1,800	1	5.2 %	1,800	1	5.2 %
Burnsville Public Schools - ISD #191	1,200	2	3.5	1,550	2	4.5
Fairview Ridges Hospital	967	3	2.8	1,050	3	3.0
Buck Hill Ski Area	500	4	1.4	—	—	—
Pepsi-Cola Bottling Co.	500	4	1.4	500	4	1.4
Ames Construction	400	5	1.2	—	—	—
City of Burnsville	340	6	1.0	404	5	1.2
Northern Tool & Equipment	300	7	0.9	300	7	0.9
Telex Communications	300	7	0.9	—	—	—
Target	300	7	0.9	—	—	—
Park Nicollet Clinic	300	7	0.9	300	7	0.9
Cub Foods	—	—	—	353	6	1.0
YRC Freight	—	—	—	300	7	0.9
Super Target	—	—	—	300	7	0.9
Total	<u>6,907</u>		<u>20.1 %</u>	<u>6,857</u>		<u>19.9 %</u>

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			
	2015	2016	2017	2018
Function:				
General government	41.4	41.4	41.7	42.3
Public safety:				
Police	91.1	91.1	91.1	91.1
Fire	40	40	44	44
Inspections	12.8	12.8	12.5	13
Public works and parks:				
Engineering	13	13	14	14
Parks	18	18	18	18
Public works	12	12	12	12
Fleet maintenance	8	8	8	8
Recreation	6	6	6	5.8
Conservation of natural resources	2	2.8	3.3	3.5
Economic development	1	1	1	1
Water and sewer	15	15	15	15
Storm drainage	3.5	3.5	3.5	3.5
Ice arena	6.5	6.5	6.5	6.5
Golf course	1.5	1.5	1.5	1.5
Total	271.8	272.6	278.1	279.2

Source: Annual City Budget Documents

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

2019	2020	2021	2022	2023	2024
45.5	45.5	48.4	48.4	54.2	56.0
91.1	91.1	91.1	91.1	99.1	103
44	45	45	45	48	52
13	14	14	14	14	15
14	14	14	14	14	14
18.5	18	18	18	18	18
12.5	14.5	14	14	14	14
8	9	9	9	9	9
6.6	8	6	6	6	6
5.5	3.5	2.5	2.5	2.5	2.5
2	—	—	—	—	—
13	16	17	17	19	20
1.5	4	4.5	4.5	4.5	4.5
6.5	6.5	6	6	6	6
1.5	1.5	1.5	1.5	1.5	1.5
283.2	290.6	291.0	291.0	309.8	321.5

CITY OF BURNSVILLE, MINNESOTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2015	2016	2017	2018
Police				
Total calls for service	49,924	48,859	48,575	49,482
Arrests - Adult	1,922	1,846	1,758	1,691
Arrests - Juvenile	351	323	409	238
Traffic citations	6,613	5,452	6,426	5,547
Fire and Emergency Services				
Number of calls (excluding EMS)	1,355	1,536	1,507	1,571
Number of Emergency Medical Service (EMS) calls	4,665	5,037	5,116	5,427
EMS patients served	3,400	3,765	4,009	4,372
Protective inspections				
Plan reviews	546	530	610	491
Building permits issued	6,888	6,871	7,044	7,359
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	6,869	6,765	6,824	7,351
Code enforcement inspections	3,904	4,716	4,238	4,806
Public works				
Street rehabilitation/resurfacing (miles)	8.8	9.1	10.7	4.9
Sealcoating (miles)	6.1	5	4.7	6.4
Snow and ice control (miles)	222	222	222	222
Recreation				
Youth recreation activity participants	27,195	23,200	22,917	27,662
Water				
New connections	63	36	18	9
Water main breaks	19	15	12	12
Average daily consumption (thousands of gallons)	10,070	8,683	8,268	8,150
Total daily pumping capacity (thousands of gallons)	29,000	29,000	29,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,153	5,129	5,146	5,047
Storm Water				
Street sweeping (miles)	222	222	222	222
Golf course				
Annual rounds sold	23,775	23,059	20,725	17,107
Ice Center				
Learn to skate participants	455	354	298	347

Sources: Various City departments

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

2019	2020	2021	2022	2023	2024
47,653	47,196	48,731	51,804	54,737	46,690
1,572	1,482	1,255	1,514	1,715	1,067
192	111	101	179	148	73
4,286	2,642	3,311	3,528	3,217	2,037
1,594	1,455	1,683	1,976	2,071	2,358
5,685	5,863	6,312	7,170	7,449	7,463
4,910	5,216	5,723	6,545	5,819	5,648
596	588	681	705	807	861
8,853	9,781	7,402	8,089	7,152	6,707
8,673	10,606	10,192	9,826	11,397	9,855
3,350	605	1,116	1,420	1,130	828
11.8	9.14	7.3	7.96	5.6	4.5
6.8	5.25	9.7	7.4	6.75	6.2
222	222	222	222	222.6	223
49,432	3,913	19,129	17,238	12,715	20,359
48	135	8	26	45	8
11	14	14	11	13	13
8,090	8,590	9,322	6,315	6,646	6,641
29,000	29,000	29,000	29,000	29,000	29,000
5,004	5,255	5,159	5,189	4,871	5,853
222	222	222	222	223	223
18,676	26,213	25,004	27,985	28,403	31,856
299	104	157	366	349	450

CITY OF BURNSVILLE, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2015	2016	2017	2018
Function				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	26	26	26	26
Fire stations	2	2	2	2
Public works				
Streets (miles)	221.9	221.9	221.9	221.9
Traffic signals	22	22	22	22
Parks and recreation				
Parks acreage	1,750	1,750	1,750	1,750
Parks	76	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)	260.7	260.7	260.7	260.7
Wells	17	17	17	17
Connections	16,718	16,754	16,772	16,781
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer				
Sanitary sewers (miles)	209.6	209.7	209.7	209.7
Number of connections	16,079	16,113	16,133	16,149
Storm sewers (miles)	199.4	199.9	200.0	200.4

Source: Various City departments

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

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
26	26	26	26	30	30
2	2	2	2	2	2
221.9	221.9	221.9	222.1	222.6	222.6
22	23	23	23	24	24
1,750	1,750	1,750	1,750	1,750	1,731
76	76	76	76	76	76
645	645	449	449	462	375
142	142	142	142	142	142
1	1	1	1	1	1
2	2	2	2	2	2
29	28	25	25	25	28
260.7	260.7	264.8	264.8	264.9	264.9
17	17	17	17	17	17
16,829	16,964	16,974	17,000	17,045	17,053
19,000	19,000	19,000	19,000	19,000	19,000
209.7	209.7	198.3	198.3	198.3	198.3
16,188	16,199	16,835	16,978	17,016	17,023
200.4	200.4	195.9	196.3	196.4	196.4

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