



Comprehensive Annual
Financial Report
2017

City of
BURNSVILLE, MINNESOTA

For The Year Ended December 31, 2017

This page intentionally left blank.

CITY OF BURNSVILLE, MINNESOTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended December 31, 2017

Prepared by:
Department of Finance

CITY OF BURNSVILLE, MINNESOTA

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Transmittal Letter	5
Certificate of Achievement	10
City Council and Other Officials	11
Organization of City Services	12
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT 13	
MANAGEMENT'S DISCUSSION AND ANALYSIS 17	
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements	
Balance Sheet - Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	36
Statement of Net Position - Proprietary Funds	37
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Notes to the Financial Statements	41
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Funding Progress - Other Post-Employment Benefits Plan	77
Schedule of City Contributions - Defined Benefit Pension Plans	78
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability - Defined Benefit Pension Plans - GERP Retirement Fund	79
Schedule of City's Proportionate Share of Net Pension Liability - Defined Benefit Pension Plans - PEPFF Retirement Fund	80
Notes to Required Supplementary Information	81
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Combining Balance Sheet - Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	86

CITY OF BURNSVILLE, MINNESOTA

TABLE OF CONTENTS

	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -	
General Fund	<u>88</u>
Facilities Fund	<u>89</u>
Cable Franchise Fee Fund	<u>90</u>
Forfeiture Fund	<u>91</u>
Grant Fund	<u>92</u>
Youth Center Fund	<u>93</u>
Economic Development Authority (EDA) Fund	<u>94</u>
Sustainability Fund	<u>95</u>
Forestry Fund	<u>96</u>
Information Technologies (IT) Capital Fund	<u>97</u>
Equipment and Vehicle Capital Fund	<u>98</u>
Parks Capital Fund	<u>99</u>
Improvement Construction Fund	<u>100</u>
Infrastructure Trust Fund	<u>101</u>
Street Revolving Construction Fund	<u>102</u>
Combining Statement of Net Position - Nonmajor Enterprise Funds	<u>103</u>
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	<u>104</u>
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	<u>105</u>

STATISTICAL SECTION:

Net Position by Component	<u>108</u>
Changes in Net Position	<u>110</u>
Governmental Activities Tax Revenue by Source	<u>115</u>
Fund Balances of Governmental Funds	<u>116</u>
Changes in Fund Balances of Governmental Funds	<u>118</u>
General Government Tax Revenues by Source	<u>121</u>
Taxable Market Value and Estimated Actual Value of Taxable Property	<u>122</u>
Property Tax Rates	<u>124</u>
Principal Property Taxpayers	<u>126</u>
Property Tax Levies and Collections	<u>127</u>
Ratios of Outstanding Debt by Type	<u>128</u>
Ratios of General Obligation Bonded Debt Outstanding	<u>130</u>
Direct and Overlapping Governmental Activities Debt	<u>131</u>
Legal Debt Margin Information	<u>132</u>
Pledged Revenue Coverage	<u>134</u>
Demographic and Economic Statistics	<u>135</u>
Principal Employers	<u>137</u>
Full Time Equivalent City Government Employees by Function	<u>138</u>
Operating Indicators by Function	<u>140</u>
Capital Asset Statistics by Function	<u>142</u>

This page intentionally left blank.

June 1, 2018

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

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

Minnesota Statutes require all cities to issue an annual report on the city's financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, the City hereby issues the Comprehensive Annual Financial Report of the City of Burnsville, Minnesota (the City) for the year ended December 31, 2017. The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Code.

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

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

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

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

Profile of the City

The City is a southern second-tier suburb of Minneapolis and St. Paul, Minnesota. It was incorporated in 1964 and covers 27 square miles. With a population of 61,849, Burnsville is the second largest city in Dakota County, tenth largest suburb in the Twin Cities metro area, and the fifteenth largest city in the State of Minnesota.

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

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

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

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

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

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

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

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

The Council is required to adopt a maximum tax levy and a preliminary budget by September 15th. The City Council discusses the proposed budget at Council work sessions in November. The final budget for the coming year must be adopted no later than December 31st of each year. After the budget is adopted the City Manager has the authority to reallocate resources between departments within funds; however, changes to the total budgeted expenditures require approval by the City Council.

Local Economy

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has decreased eleven percent over the past ten years from \$6.4 billion in 2008 to \$5.7 billion in 2017. During this time there was a period of five years from 2009 through 2013 when total taxable market values decreased an average of 5.4 percent per year. In the four years 2014-2017, the market value growth averaged 4.1 percent per year. Burnsville continues to monitor valuation trends.

Property value growth consists of both growth from valuation increases on existing properties and growth due to new construction and remodeling. After a phase of rapid and extensive development, the City continues to grow but has attained many of its development objectives. Burnsville is now considered over 98% developed, however, the City continues to promote development and redevelopment. Citywide permits issued in 2017 totaled approximately \$84 million in valuation.

There are 26,115 housing units in Burnsville and about 61% are owner occupied. Just over 65% of the City's housing stock was constructed between 1970 and 1990. The City is proactively addressing the needs for redevelopment and housing maintenance as the City ages to continue to maintain the City's healthy property value growth.

In December 2017, over 36,289 of the city's residents were in the labor force and the average unemployment rate for 2017 was 3.2%, which was similar to the rate for the metro area estimated at 3.3% for the same period. Businesses contribute almost 40 percent of the City's total tax base. Approximately 2,500 businesses are located in Burnsville. The County Road 42 shopping corridor includes Burnsville Center, one of the largest shopping centers in the Midwest with roughly 1.4 million square feet. Burnsville Center maintains an average occupancy rate of 90 percent and attracts 8 million visitors per year. Costco and Total

Wine also are in the corridor making it a regional drawing area. While the city is known for retail shopping, ranking seventh in Minnesota, the City also ranks eleventh in manufacturing, ninth in information and healthcare, and twelfth in scientific companies.

Long-term Financial Planning

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

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

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

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

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

The City Council approved a 2018 budget that called for a total increase in tax levy of 3.9%. The adopted 2018 budget addresses fundamental community needs, including maintaining established basic service levels and long-term infrastructure replacement.

Relevant Financial Policies

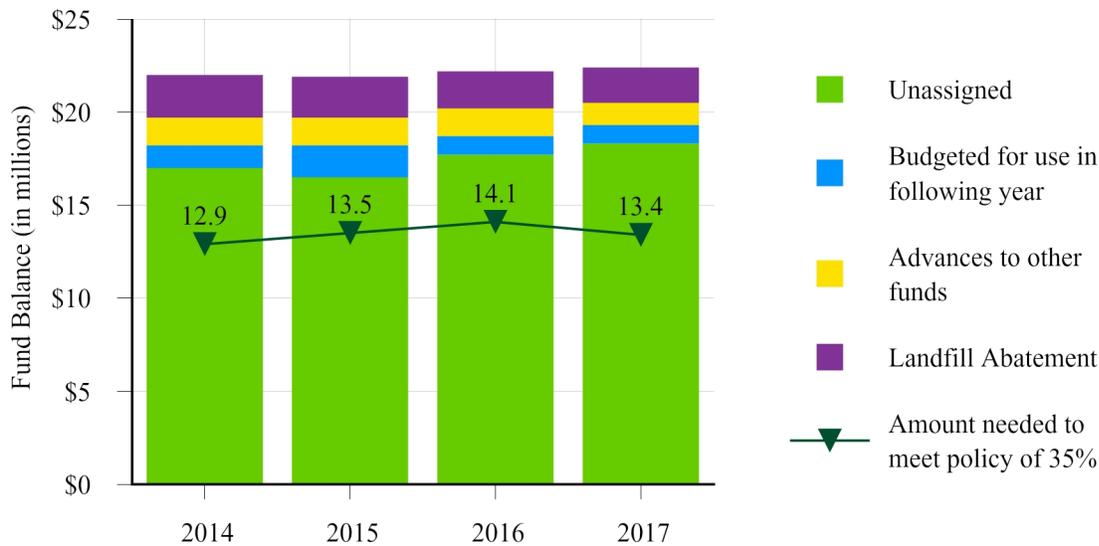
The City has a Financial Management Plan that serves two main purposes. It draws together, in a single document, the City's major financial policies. Also, the plan establishes principles to guide both staff and Council members to make consistent and informed financial decisions. The plan establishes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

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

Fund Balances

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

General Fund - Fund Balance Policy



Major Initiatives

The year 2017 was the eighth full year of operation of a new surface water treatment plant to process the ground water that seeps into a privately owned Burnsville quarry. This water comes from the same aquifers as the City’s ground water wells. Previously, over 10 million gallons of water were pumped out of the quarry into the Minnesota River. This water conservation effort treats a portion of the water from the quarry to provide potable water to Burnsville, Savage and other nearby communities reducing the need for additional ground water wells in the area. The plant was built in conjunction with the City of Savage, the State of Minnesota and the owners of the quarry.

The City continues work on an \$8.7 million project to replace water meters installed in homes and businesses across the City in 2016, 2017, and 2018. It is necessary to replace the current meters as they are beginning to slow and underreport water use, which results in lost revenues to the water system. An efficient and well-maintained system is essential to ensure proper collection of use charges and rate stability.

The Council has embarked on a long-term capital plan to invest in improving the City's aging facilities. The first phase of construction began in 2017. It includes a comprehensive renovation of the police station facilities, covered vehicle storage for police vehicles, community room renovations, additional conference room space and Americans with Disabilities Act (ADA) compliance improvements. Phase I will be complete in 2018.

The city’s Northwest River Quadrant along the Minnesota River 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.

The City-owned 1,000 seat performing arts center within the Heart of the City completed its ninth year of operation. The City's 54-acre redevelopment project, Heart of the City, continues to develop a pedestrian-friendly, mixed use downtown area for Burnsville including Nicollet Commons Park, a 1.5-acre town square style park with a water feature, open green area, and a 250-seat outdoor amphitheater.

Burnsville is home to over 1,000 companies with an employee base from the science, technology, healthcare, engineering, or math fields. Based on these demographics, Burnsville has an initiative named the Burnsville STHEM Alliance that focuses on the retention, growth, and attraction of STHEM based businesses.

Transportation continues as a major initiative in the City. During 2017, construction was completed on the \$2.4 million Black Dog segment of the Minnesota River Greenway Trail. This 3.75 mile segment of paved trail stretches along the river and is ideal for walking or biking, and includes an observation deck and wildlife viewing areas. This project includes federal, state and local funding. Other major construction projects completed in recent years include a \$40 million intersection improvement at County Road 5 and State Highway 13, and improvements along County Road 42.

Improving water quality in the City's lakes and ponds has been a priority. The City's Comprehensive Water Resources Management Plan included \$20 million in capital investment in water quality improvement projects over 15 years through 2016. Work has begun on updating the City's Comprehensive Plan. 2017 is the second year of the two-year Comprehensive Plan update process, and includes work on the parks and recreation master plan, as well as the water resources management plan.

Awards & Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burnsville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. This was the 22nd consecutive year that the City has achieved this prestigious award.

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

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

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

Respectfully submitted,



Heather A. Johnston
City Manager



Dana Hardie
Administrative Services Director



Kelly Strey
Finance Director



Government Finance Officers Association

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

Presented to

**City of Burnsville
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF BURNSVILLE, MINNESOTA

CITY COUNCIL AND OTHER OFFICIALS

City Council:		Term Expires:
Mayor	Elizabeth Kautz	December 31, 2020
Councilmember	Bill Coughlin	December 31, 2018
Councilmember	Dan Kealey	December 31, 2018
Councilmember	Dan Gustafson	December 31, 2020
Councilmember	Cara Schulz	December 31, 2020
City Manager	Heather Johnston	
City Clerk	Macheal Brooks	

MANAGEMENT TEAM, COORDINATORS AND SUPERVISORS

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

Management Team

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

- Director of Administrative Services
- Public Works Director
- Human Resources Director
- Community Development Director
- Information Technology Director
- Communications Coordinator
- Fire Chief
- Police Chief

Coordinators

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

- City Engineer & Natural Resources Director
- Director of Parks, Recreation & Facilities
- Recreation & Facilities Superintendent
- Recreation and Community Services Manager
- City Clerk
- Finance Director
- Financial Operations Director
- Assistant Fire Chiefs (three)
- Police Captains (three)

Supervisors

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

CITY OF BURNSVILLE, MINNESOTA

ORGANIZATION OF CITY SERVICES



ORGANIZATIONAL MODEL

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



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Burnsville, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burnsville, Minnesota (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

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

5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, 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.

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

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

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
June 1, 2018

THIS PAGE INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis

As management of the City of Burnsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. 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 \$240,607,000 (net position). Of this amount, \$27,756,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; \$15,274,000 is restricted for specific purposes (restricted net position); and \$197,577,000 represents the net investment in capital assets.
- The City's total net position increased by \$2,030,000. The increase is a combination of surpluses and deficits, including savings from operations, including a decrease in pension expense of \$5,145,000 for 2017. In addition, the City is generating sufficient cash to build significant new infrastructure and pay down current debt.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$56,410,000, an increase of \$3,522,000 in comparison with the prior year. There were a number of factors that contributed to this increase. The balance is a result of the net effect of budget surpluses and deficits.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$18,282,000, or 48% of total budgeted 2018 general fund expenditures and transfers.
- The City's general obligation debt increased by \$6,811,000, or 15%, during the current fiscal year. The City's general obligation net bonded debt per capita was \$536 at year-end, an increase from \$426 as of December 31, 2016.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 30-31 of this report.

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

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

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

The City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general obligation improvement bonds debt service fund, the general obligation tax abatement bonds debt service fund, and the facilities capital projects fund. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund and facilities capital projects fund and thirteen non-major governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, storm water, performing arts center, ice arena, golf course, street lighting, and sidewalk snow plowing operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for compensated absences. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, storm water, and Ames center (performing arts center) operations, all three of which are considered to be major funds of the City. Data from the other four enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. The compensated absences internal service fund is presented separately in the proprietary fund financial statements.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-75 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and related notes. The required supplementary information can be found on page 77-82 of this report.

Other information. The combining statements and schedules referred to earlier in connection with nonmajor governmental and enterprise funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 84-105 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$240,607,000 at the close of the most recent fiscal year.

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

An additional portion of the City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$27,756,000) 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 75,932,451	\$ 69,322,052	\$ 32,453,857	\$ 30,008,721	\$108,386,308	\$ 99,330,773
Capital assets, net	131,180,369	122,739,837	128,360,448	124,870,666	259,540,817	247,610,503
Total assets	207,112,820	192,061,889	160,814,305	154,879,387	367,927,125	346,941,276
Total deferred outflows						
of resources	25,104,122	39,318,449	433,651	918,834	25,537,773	40,237,283
Long-term liabilities	87,176,338	114,710,166	24,971,492	18,916,721	112,147,830	133,626,887
Other liabilities	8,677,427	5,626,477	1,885,007	2,296,689	10,562,434	7,923,166
Total liabilities	95,853,765	120,336,643	26,856,499	21,213,410	122,710,264	141,550,053
Total deferred inflows						
of resources	29,767,598	6,801,976	380,180	249,354	30,147,778	7,051,330
Net position:						
Net investment in						
capital assets	106,229,087	104,771,961	109,180,617	108,404,200	197,577,330	194,714,746
Restricted	15,273,178	15,575,435	—	—	15,273,178	15,575,435
Unrestricted	(14,906,686)	(16,105,677)	24,830,660	25,931,257	27,756,348	28,286,995
Total net position	\$106,595,579	\$104,241,719	\$134,011,277	\$134,335,457	\$240,606,856	\$238,577,176

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position, for both the government as a whole as well as for its separate business-type activities. The City reported a deficit of (\$14,907,000) in unrestricted net position for the government activities due to the City's participation in defined benefit plans.

There was an increase in net position in the governmental activities of \$2,354,000 and a decrease of \$324,000 in business-type activities, for a net total increase of \$2,030,000 in net position. This change in net position reflects pension expense of \$5,068,000 for 2017, which decreased \$5,145,000 over 2016. Other pension related accounts as presented in the table above also fluctuated during 2017. Decreases in deferred outflows of resources and net pension liability included in long-term liabilities, were offset by an increase in deferred inflows of resources, due to positive investment results and changes in actuarial assumptions for the City's pension funds. General obligation bonds and revenue notes issued in 2017 for facilities and water meter replacement projects also contributed to increases in capital assets and bonds and notes included in long-term liabilities as of December 31, 2017.

City of Burnsville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 9,980,525	\$ 8,504,131	\$ 23,650,065	\$ 22,972,923	\$ 33,630,590	\$ 31,477,054
Operating grants and contributions	2,614,858	2,326,628	625,268	474,969	3,240,126	2,801,597
Capital grants and contributions	4,270,577	4,802,301	524,891	359,822	4,795,468	5,162,123
General revenues:						
Property taxes	33,668,989	32,127,976	—	—	33,668,989	32,127,976
Other taxes	2,482,510	1,640,978	—	—	2,482,510	1,640,978
Grants and contributions not restricted to specific programs	1,091,139	1,143,996	43,642	46,401	1,134,781	1,190,397
Unrestricted investment earnings	503,205	721,735	251,317	234,128	754,522	955,863
Total revenues	54,611,803	51,267,745	25,095,183	24,088,243	79,706,986	75,355,988
Expenses:						
General government	8,085,296	7,382,481	—	—	8,085,296	7,382,481
Public safety	24,679,300	28,086,233	—	—	24,679,300	28,086,233
Public works and parks	15,303,864	15,292,294	—	—	15,303,864	15,292,294
Culture and recreation	1,067,828	1,145,294	—	—	1,067,828	1,145,294
Conservation of natural resources	1,305,308	1,228,567	—	—	1,305,308	1,228,567
Economic development	482,403	496,285	—	—	482,403	496,285
Interest on long- term debt	1,503,981	1,527,893	—	—	1,503,981	1,527,893
Water and sewer	—	—	15,875,566	15,476,767	15,875,566	15,476,767
Storm water	—	—	4,499,643	4,293,053	4,499,643	4,293,053
Performing arts center	—	—	2,591,863	2,232,993	2,591,863	2,232,993
Ice arena	—	—	1,312,900	1,455,693	1,312,900	1,455,693
Golf course	—	—	286,178	313,047	286,178	313,047
Street lighting	—	—	643,775	568,363	643,775	568,363
Sidewalk snow plowing	—	—	39,401	57,343	39,401	57,343
Total expenses	52,427,980	55,159,047	25,249,326	24,397,259	77,677,306	79,556,306
Increase (decrease) in net position before transfers	2,183,823	(3,891,302)	(154,143)	(309,016)	2,029,680	(4,200,318)
Transfers	170,037	116,747	(170,037)	(116,747)	—	—
Increase (decrease) in net position	2,353,860	(3,774,555)	(324,180)	(425,763)	2,029,680	(4,200,318)
Net position on January 1	104,241,719	108,016,274	134,335,457	134,761,220	238,577,176	242,777,494
Net position on December 31	\$106,595,579	\$104,241,719	\$134,011,277	\$134,335,457	\$240,606,856	\$238,577,176

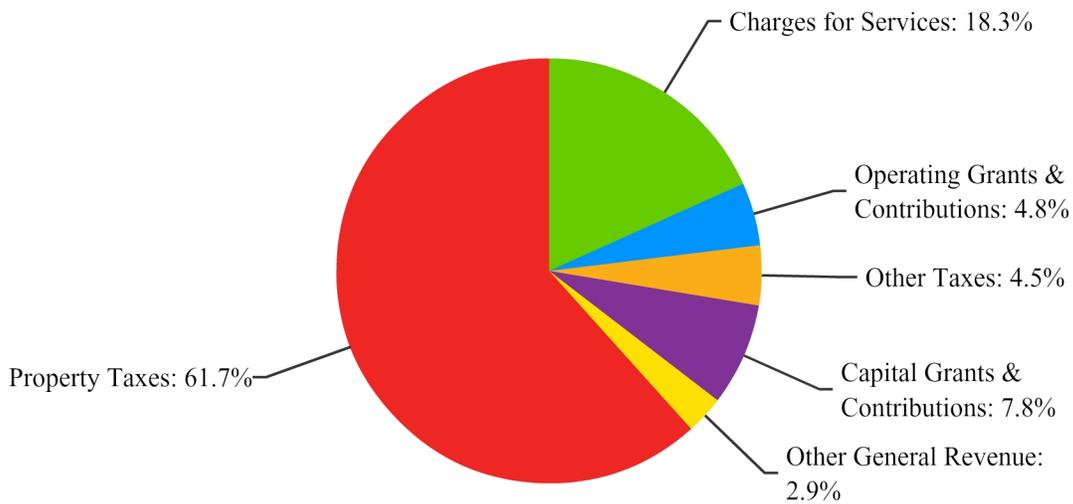
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City’s net position by \$2,354,000 in 2017, while the increase in total net position was \$2,030,000.

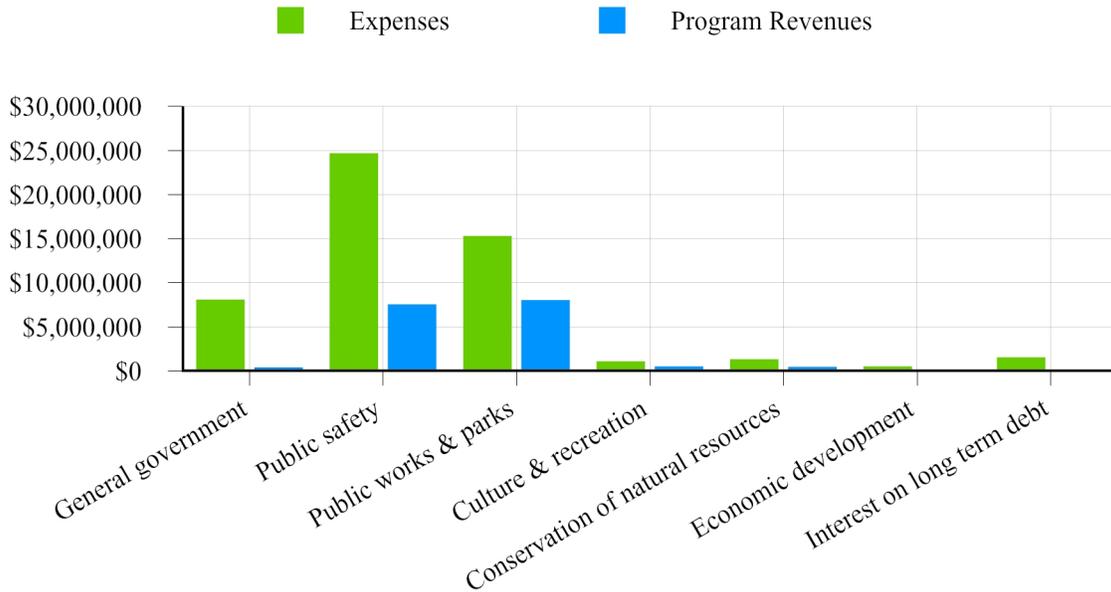
Revenues increased in total by \$3,344,000, or 7%, mainly due to an increase in property and other taxes of \$2,382,000 and charges for services of \$1,476,000, partially offset by decreases in capital grants and contributions and unrestricted investment earnings. Expenses decreased in total by \$2,731,000, or 5% in 2017. Key elements of these changes follow:

- Property and other taxes increased during 2017 due a 3.6% increase in the levy and a \$313,000 forfeited tax settlement. A full year of franchise tax collections, which were implemented mid-year during 2016, caused the other taxes revenues to increase by \$841,000 during 2017.
- Charges for services increased during 2017 mainly due to an increase in EMS revenues. The City operated an additional ambulance for the second half of 2017 during peak hours which resulted in additional charges for services.
- Capital grants and contributions decreased by \$532,000 in 2017. State and local funding for construction projects remained stable in 2017. Special assessments decreased in 2017, mainly due to a large forfeited tax settlement on an amount previously reported in deferred assessments.
- Unrestricted investment earnings decreased by \$219,000 in 2017, a result of higher interest earnings offset by a decrease in the fair value of investments in the current year of \$112,000. In 2016, the fair value of investments increased by \$276,000.
- Expenses decreased by \$2,731,000, or 5%, for 2017. The main reason for this overall decrease was a decrease in pension expense during 2017, due to the decrease in the net pension liability in the GASB 68 actuarial valuation. Primary factors contributing to the decrease in the net pension liability were an increased return on investments and a change in actuarial assumptions. Generally, changes in other expenses closely paralleled budgeted amounts across functions.

Revenues by Source - Governmental Activities

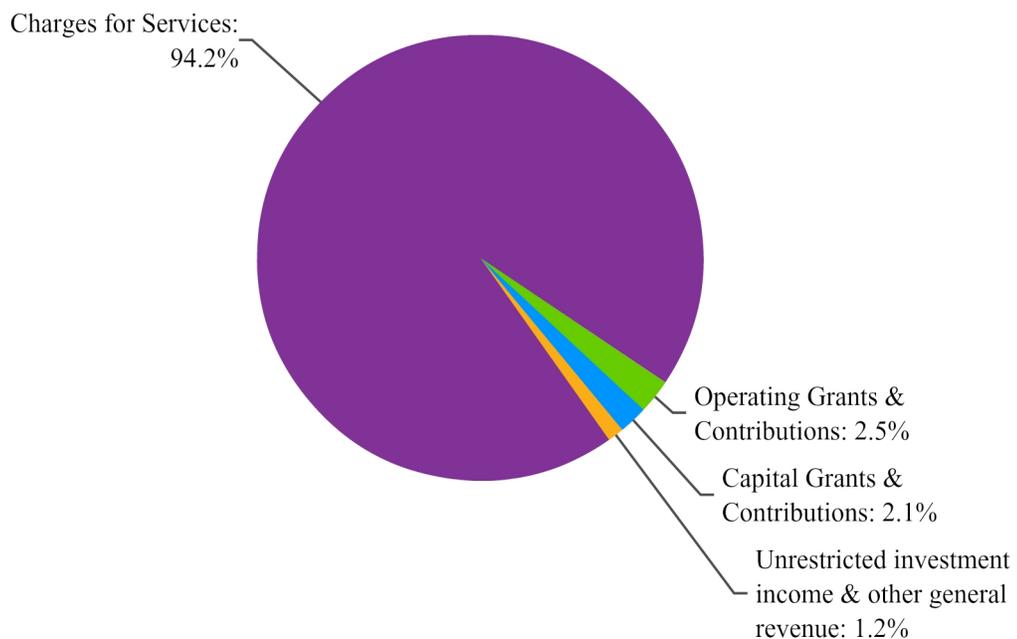


Expenses and Program Revenues - Governmental Activities

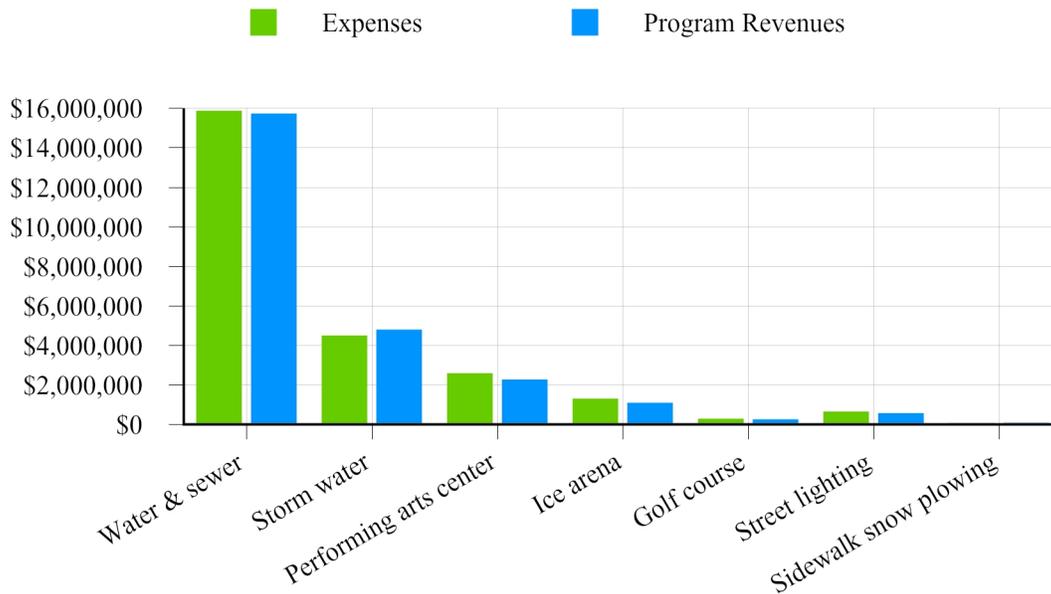


Business-type activities. Business-type activities decreased the City’s net position by \$324,000 in 2017, while the increase in total net position was \$2,030,000. Contributing to the 2017 decrease in net position of the business-type activities was a \$206,000 transfer from the business-type activities to the governmental activities for the storm water portion of the Phase I Police and City Hall improvements.

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 \$56,410,000, an increase of \$3,522,000 in comparison with the prior year. Approximately 57% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is 1) not in spendable form (\$1,192,000), or 2) not available for new spending because it has already been obligated for specific purposes (\$23,044,000).

The general fund is the chief operating fund of the City. At the end of 2017, unassigned fund balance of the general fund was \$18,282,000, while total fund balance reached \$22,338,000. 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 48% of total general fund 2018 budgeted expenditures and transfers, while total fund balance represents 58% of that same amount.

The fund balance of the City's general fund increased by \$126,000 during the current fiscal year. Overall revenues increased slightly, due to an increase in property taxes, intergovernmental revenue, and charges for services. The City received a federal grant for staffing an additional peak time ambulance, enabling the City to handle additional call volume. Charges for services increased during 2017 for the additional ambulance call volume. Increases were offset by a decrease in the net change in fair value of investments from 2016 to 2017. Other revenue categories were close to expected amounts. Transfers from other funds remained unchanged in 2017.

Expenditures and transfers to other funds also increased by \$1,640,000 for 2017, but were lower than expected across most departments.

The General Obligation Improvement Bond fund had an increase in fund balance of \$353,000. Total fund balance was \$4,439,000 and \$4,086,000 as of December 31, 2017 and 2016 respectively. The entire fund balance is restricted for the payment of debt service. The increase is the result of forfeited tax collections of \$286,000 during 2017.

The General Obligation Tax Abatement Bonds fund had a decrease in fund balance of \$50,000 during 2017. The decrease is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Facilities Capital Projects fund had an increase in fund balance of \$2,647,000 during 2017. This increase in fund balance is the result of the short time lag between the collection of project funding sources, including bonds issued, and the expenditure on the current phase I facilities project. In addition, 2017 was the first full year of franchise fee collections, which increased by \$841,000 over 2016.

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 \$16,759,000 for the Water and Sewer fund, \$6,991,000 for the Storm Water fund, and (\$429,000) for the Ames Center fund. The total change in net position of the major enterprise funds were (\$274,000) for the Water and Sewer fund, \$140,000 for the Storm Water fund and (\$59,000) for the Ames Center fund.

The decrease in the Water and Sewer fund net position was mainly due to operating expenses in excess of revenues for 2017. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2017 were outpaced by an increase in operating expenses. Expenses for sanitary sewer disposal costs charged by Metropolitan Council Environmental Services increased by \$235,000 over 2016. Interest expense and the loss on sale of capital assets exceeded nonoperating revenues in 2017. Connection charges, which are dependent on new construction, increased by \$69,000 in 2016. The result of this activity was a decrease in net position of \$274,000 for 2017.

The increase in the Storm Water fund net position was mainly due to an operating loss of (\$184,000) and a capital grant of \$199,000 in 2017. Operating revenues remained stable with no increase in rates for 2017. Operating expenses increased during 2017 for increased maintenance and rehabilitation costs.

The change in net position of the Ames Center fund increased by \$120,000, from (\$178,000) in 2016 to (\$58,000) in 2017. The decrease in the net position of the Ames Center was mainly the expected result of operations, including the recognition of depreciation of \$556,000 during 2017. Operating revenues increased by \$344,000 during 2017. The City continued to receive \$100,000 for the Ames Center naming rights in 2017. The increase in revenues was offset by an increase in operating expenses of \$359,000 to \$2,592,000.

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were a net increase of \$58,000 for expenditures for the fiscal year. The difference between the original budget and final amended budget for revenue was a net increase of \$41,000.

Budget amendments during the year were due to a variety of factors that were relatively minor individually and in aggregate. Generally, the amendments to the budget were for changes in expenditures due to new revenue sources such as grants and donations that occur throughout the year.

Actual revenues were close to budgeted amounts and were slightly less than the budget in 2017 by \$472,000. One major factor contributing to the change in revenue was the net change in the fair value of investments in 2017 of (\$116,000). The City does not budget for the increase or decrease in fair value of investments. Intergovernmental revenue was below budgeted amounts by \$250,000 due to the timing of expenditures eligible to be reimbursed by grants. Revenues across other categories were close to budgeted amounts in 2017, and differences were small individually.

Actual expenditures were 3% below budgeted expenditures in total. Total budget savings in the general fund were \$1,202,000. Budget savings were spread throughout many departments and were a result of modest savings in current expenditures.

General Fund budget to actual information can be found on page 36 and page 88.

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, 2017 amounts to \$259,541,000 (net of accumulated depreciation). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 4.8 percent (6.9 percent increase for governmental activities and a 2.8 percent increase for business-type activities).

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

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 21,741,737	\$ 21,977,375	\$ 3,234,899	\$ 3,234,899	\$ 24,976,636	\$ 25,212,274
Permanent easements	2,241,617	2,241,617	3,224,612	3,109,562	5,466,229	5,351,179
Buildings	25,174,052	17,214,165	28,070,486	29,018,766	53,244,538	46,232,931
Infrastructure and improvements	70,654,462	70,684,033	85,317,549	85,043,371	155,972,011	155,727,404
Equipment and vehicles	9,404,850	9,164,145	2,378,313	2,101,246	11,783,163	11,265,391
Construction in progress	1,963,651	1,458,502	6,134,589	2,362,822	8,098,240	3,821,324
Total	<u>\$131,180,369</u>	<u>\$122,739,837</u>	<u>\$128,360,448</u>	<u>\$124,870,666</u>	<u>\$259,540,817</u>	<u>\$247,610,503</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 and notes outstanding of \$78,190,000.

City of Burnsville's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 9,780,000	\$ 290,000	\$ —	\$ —	\$ 9,780,000	\$ 290,000
Tax increment bonds	3,665,000	4,275,000	—	—	3,665,000	4,275,000
Tax abatement bonds	27,350,000	27,740,000	—	—	27,350,000	27,740,000
General obligation improvement bonds	10,896,019	12,574,680	128,981	370,320	11,025,000	12,945,000
Lease revenue bonds	4,000,000	4,240,000	—	—	4,000,000	4,240,000
General obligation revenue bonds	—	—	18,635,000	15,810,000	18,635,000	15,810,000
General obligation revenue notes	—	—	3,735,390	—	3,735,390	—
Total	<u>\$ 55,691,019</u>	<u>\$ 49,119,680</u>	<u>\$ 22,499,371</u>	<u>\$ 16,180,320</u>	<u>\$ 78,190,390</u>	<u>\$ 65,300,000</u>

The City's total debt increased by \$12,890,000 during the current fiscal year. The increase was the net effect of two key factors: debt issuance and scheduled retirement of principal.

In 2017, the City issued \$14,320,000 G.O. Bonds to fund the renovations to City Hall and City police facilities (CIP portion) and rehabilitation of the City's water treatment plant (Utility portion). The City also issued \$3,986,000 G.O. Revenue Notes to finance the replacement of water meters city-wide. The increase in debt due to bond issuance was partially offset by retirement of bond principal during 2017.

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 \$170,123,322, which is significantly in excess of the City's general obligation debt applicable to the limit of \$9,780,000.

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

Economic Factors and Next Year's Budgets and Rates

The City has completed comprehensive 5-year financial plans for all budgeted funds. These plans provide a future perspective to today's decision making. The projections provide an estimate of future fund balances, tax needs for the current service level and the impact that the 2018 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 2017 levels with a 3.9% increase in the property tax levy for 2018. The City Council adopted a general operating and debt budget of \$74.2 million for fiscal year 2018, a 6.3% increase from the 2017 budget, primarily due to an increase in personnel services and debt retirement. The 2018 budget for the enterprise funds is \$35.2 million compared to \$35.9 million for 2017.

- Significant budget changes worth noting for 2018 general operating budget as originally adopted include:
 - Modest increases to wages and employer contribution towards employee benefits, and an increase of 0.6 full time equivalent positions.
 - Approximately 0.7% increase in current expenditures across all funds.
 - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
 - The City took advantage of low interest rates to refund outstanding bonds for the Ames Center. These bonds refunded are callable in 2018 and will be paid off in the amount of \$13,435,000 as presented in the 2018 budget.
- The 2018 enterprise fund budget changes include the following:
 - Decrease of \$105,000 from 2017 in current expenses for Metropolitan Council Environmental Services (MCES) waste water treatment expense in the Water and Sewer Fund.
 - Major capital improvements including \$2,800,000 for groundwater treatment plant repairs and rehabilitation and \$3,040,000 for continued replacement of water meters installed in homes and businesses across the City in 2018.
 - Capital improvements in the Storm water fund includes rehabilitation and maintenance with the City's street projects and other storm water management projects across the City.
 - Issuance of bonds and related debt service payments for the water and sewer portion of the street reconstruction program and for replacement of the roof at the ice arena.
- The December 2017 unemployment rate for the City was 2.7 percent, which compares favorably with the state's unemployment rate of 3.4 percent and the national unemployment rate of 3.9 percent.
- The City had a 9.4 percent increase in tax base from 2017 to 2018. Estimated taxable market value was \$5.67 billion in 2017.

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

The City has been instituting an increase in the rates charged for the various utilities as part of a multi-year plan to raise sufficient reserve balances in order to fully cover system depreciation, thereby allowing for adequate replacement of aging infrastructure.

The City does an annual rate study considering budgeted operating costs, and replacement costs of property, plant, and equipment to establish adequate rates. It was determined that rate increases for 2018 (4.5% for Water and Sewer and 1.0% for Storm Water,) were necessary to meet operating and replacement needs. No rate increase were proposed for the Street Light and Sidewalk Snowplowing Funds.

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.

This page intentionally left blank

Basic Financial Statements



City of Burnsville
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 48,357,082	\$ 27,726,078	\$ 76,083,160
Restricted cash, cash equivalents, and investments	13,778,933	—	13,778,933
Receivables (net)	9,434,505	5,488,049	14,922,554
Due from other governments	3,140,387	428,410	3,568,797
Internal balances	1,221,544	(1,221,544)	—
Prepaid items	—	32,864	32,864
Capital assets:			
Land	21,741,737	3,234,899	24,976,636
Permanent easements	2,241,617	3,224,612	5,466,229
Construction-in-progress	1,963,651	6,134,589	8,098,240
Buildings	38,300,972	44,060,066	82,361,038
Infrastructure and improvements	182,409,188	166,276,976	348,686,164
Equipment and vehicles	24,471,494	6,379,071	30,850,565
	<u>271,128,659</u>	<u>229,310,213</u>	<u>500,438,872</u>
Less accumulated depreciation	(139,948,290)	(100,949,765)	(240,898,055)
Net capital assets	<u>131,180,369</u>	<u>128,360,448</u>	<u>259,540,817</u>
Total assets	<u>207,112,820</u>	<u>160,814,305</u>	<u>367,927,125</u>
Deferred Outflows of resources			
Deferred outflows of resources - pensions	<u>25,104,122</u>	<u>433,651</u>	<u>25,537,773</u>
Total assets and deferred outflows of resources	<u>\$ 232,216,942</u>	<u>\$ 161,247,956</u>	<u>\$ 393,464,898</u>
Liabilities			
Accounts payable	\$ 1,462,217	\$ 732,474	\$ 2,194,691
Salaries and other compensation payable	1,414,453	2,479	1,416,932
Accrued interest	327,461	33,643	361,104
Contracts payable	3,434,661	1,029,288	4,463,949
Due to other governments	172,817	33,903	206,720
Customer and other deposits	1,865,818	53,220	1,919,038
Noncurrent liabilities:			
Due within one year	17,846,500	2,228,414	20,074,914
Due in more than one year	69,329,838	22,743,078	92,072,916
Total liabilities	<u>95,853,765</u>	<u>26,856,499</u>	<u>122,710,264</u>
Deferred Inflows of resources			
Deferred inflows of resources - pensions	<u>29,767,598</u>	<u>380,180</u>	<u>30,147,778</u>
Net Position			
Net investment in capital assets	106,229,087	109,180,617	197,577,330
Restricted			
Debt service	13,044,588	—	13,044,588
Landfill abatement	2,001,509	—	2,001,509
Tax Increment	227,081	—	227,081
Unrestricted	<u>(14,906,686)</u>	<u>24,830,660</u>	<u>27,756,348</u>
Total net position	<u>106,595,579</u>	<u>134,011,277</u>	<u>240,606,856</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 232,216,942</u>	<u>\$ 161,247,956</u>	<u>\$ 393,464,898</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, 2017**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 8,085,296	\$ 357,080	\$ 15,562	\$ —	\$ (7,712,654)	\$ —	\$ (7,712,654)
Public safety	24,679,300	5,955,569	1,534,306	43,000	(17,146,425)	—	(17,146,425)
Public works and parks	15,303,864	3,123,103	676,138	4,227,577	(7,277,046)	—	(7,277,046)
Culture and recreation	1,067,828	354,697	150,852	—	(562,279)	—	(562,279)
Conservation of natural resources	1,305,308	190,076	238,000	—	(877,232)	—	(877,232)
Economic development	482,403	—	—	—	(482,403)	—	(482,403)
Interest on long-term debt	1,503,981	—	—	—	(1,503,981)	—	(1,503,981)
Total governmental activities	<u>52,427,980</u>	<u>9,980,525</u>	<u>2,614,858</u>	<u>4,270,577</u>	<u>(35,562,020)</u>	<u>—</u>	<u>(35,562,020)</u>
Business-Type Activities:							
Water and sewer	15,875,566	15,522,270	363	206,959	—	(145,974)	(145,974)
Storm water	4,499,643	4,284,928	188,723	317,932	—	291,940	291,940
Performing arts center	2,591,863	1,837,534	436,021	—	—	(318,308)	(318,308)
Ice arena	1,312,900	1,091,259	121	—	—	(221,520)	(221,520)
Golf course	286,178	256,647	40	—	—	(29,491)	(29,491)
Street lighting	643,775	574,180	—	—	—	(69,595)	(69,595)
Sidewalk snow plowing	39,401	83,247	—	—	—	43,846	43,846
Total business-type activities	<u>25,249,326</u>	<u>23,650,065</u>	<u>625,268</u>	<u>524,891</u>	<u>—</u>	<u>(449,102)</u>	<u>(449,102)</u>
Total governmental and business-type activities	<u>\$ 77,677,306</u>	<u>\$ 33,630,590</u>	<u>\$ 3,240,126</u>	<u>\$ 4,795,468</u>	<u>(35,562,020)</u>	<u>(449,102)</u>	<u>(36,011,122)</u>
General Revenues:							
Property taxes					33,668,989	—	33,668,989
Lodging tax					365,555	—	365,555
Franchise taxes					2,116,955	—	2,116,955
Grants and contributions not restricted to specific programs					1,091,139	43,642	1,134,781
Unrestricted investment earnings					615,688	251,317	867,005
Net change in fair value of investments					(112,483)	—	(112,483)
Transfers					170,037	(170,037)	—
Total general revenues and transfers					<u>37,915,880</u>	<u>124,922</u>	<u>38,040,802</u>
Change in Net Position					2,353,860	(324,180)	2,029,680
Net Position - Beginning					104,241,719	134,335,457	238,577,176
Net Position - Ending					<u>\$ 106,595,579</u>	<u>\$134,011,277</u>	<u>\$240,606,856</u>

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

**City of Burnsville
Balance Sheet
Governmental Funds
December 31, 2017**

	General	GO Improvement Bonds	GO Tax Abatement Bonds	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, cash equivalents, and investments	\$ 21,554,484	\$ 4,308,648	\$ 842,409	\$ 6,738,601	\$ 11,875,099	\$ 45,319,241
Restricted cash, cash equivalents, and investments	—	—	13,373,069	—	405,864	13,778,933
Receivables, net of allowance for uncollectible amounts:						
Property taxes	303,057	3,379	887	5,112	58,555	370,990
Special assessments	96,486	6,788,714	—	—	214,689	7,099,889
Accrued interest	98,047	—	—	—	—	98,047
Accounts receivable	1,194,357	—	—	415,060	256,162	1,865,579
Due from other funds	820,000	—	—	—	30,000	850,000
Due from other governments	2,014,525	129,502	5,887	26,007	964,466	3,140,387
Advances to other funds	1,191,544	—	—	—	—	1,191,544
Total Assets	<u>\$ 27,272,500</u>	<u>\$ 11,230,243</u>	<u>\$ 14,222,252</u>	<u>\$ 7,184,780</u>	<u>\$ 13,804,835</u>	<u>\$ 73,714,610</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 612,170	\$ —	\$ —	\$ 371,178	\$ 478,869	\$ 1,462,217
Salaries and other compensation payable	1,414,453	—	—	—	—	1,414,453
Contracts payable	—	—	—	3,008,161	426,500	3,434,661
Due to other funds	—	—	—	—	820,000	820,000
Due to other governments	119,416	—	—	—	53,401	172,817
Customer and other deposits	1,863,744	—	—	—	2,074	1,865,818
Total Liabilities	<u>4,009,783</u>	<u>—</u>	<u>—</u>	<u>3,379,339</u>	<u>1,780,844</u>	<u>9,169,966</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	303,057	3,379	887	5,112	58,555	370,990
Unavailable revenue - special assessments	—	6,788,714	—	—	214,689	7,003,403
Unavailable revenue - other revenue	621,659	—	—	—	138,099	759,758
Total Deferred Inflows of Resources	<u>924,716</u>	<u>6,792,093</u>	<u>887</u>	<u>5,112</u>	<u>411,343</u>	<u>8,134,151</u>
Fund Balances:						
Nonspendable	1,191,544	—	—	—	—	1,191,544
Restricted	1,872,537	4,438,150	14,221,365	711,026	1,800,915	23,043,993
Committed	—	—	—	3,089,303	5,025,982	8,115,285
Assigned	991,657	—	—	—	5,626,630	6,618,287
Unassigned	18,282,263	—	—	—	(840,879)	17,441,384
Total Fund Balances	<u>22,338,001</u>	<u>4,438,150</u>	<u>14,221,365</u>	<u>3,800,329</u>	<u>11,612,648</u>	<u>56,410,493</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,272,500</u>	<u>\$ 11,230,243</u>	<u>\$ 14,222,252</u>	<u>\$ 7,184,780</u>	<u>\$ 13,804,835</u>	<u>\$ 73,714,610</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, 2017

Total governmental fund balances	\$	56,410,493
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		271,128,659
Accumulated depreciation		(139,948,290)
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		8,134,151
The internal service fund is used by management to charge the costs of compensated absences to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Cash		3,037,841
Accrued compensated absences		(3,300,348)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net other post-employment benefit obligations payable		(2,255,180)
Net pension liability		(24,349,801)
Bonds payable, net of unamortized discounts and premiums		(56,795,400)
Capital leases		(475,609)
Accrued interest payable		(327,461)
Governmental funds do not report long-term amounts related to pensions		
Deferred outflows of resources		25,104,122
Deferred inflows of resources		(29,767,598)
Net position of governmental activities	\$	106,595,579

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, 2017

	<u>General</u>	<u>GO Improvement Bonds</u>	<u>GO Tax Abatement Bonds</u>	<u>Facilities Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Property taxes	\$ 26,796,827	\$ 607,454	\$ 94,145	\$ 415,823	\$ 5,593,127	\$ 33,507,376
Special assessments	12,117	1,344,221	—	—	510,328	1,866,666
Licenses and permits	2,060,186	—	—	—	1,760	2,061,946
Other taxes	365,555	—	—	1,330,139	786,816	2,482,510
Intergovernmental revenue	2,218,985	46,158	—	—	2,812,361	5,077,504
Charges for services	6,330,958	—	—	—	303,452	6,634,410
Fines and forfeits	338,953	—	—	—	83,394	422,347
Interest on investments	241,298	51,928	129,260	23,307	136,469	582,262
Net change in fair value of investments	(115,688)	—	3,205	—	—	(112,483)
Miscellaneous revenue	933,032	—	—	3,000	747,958	1,683,990
Total Revenues	<u>39,182,223</u>	<u>2,049,761</u>	<u>226,610</u>	<u>1,772,269</u>	<u>10,975,665</u>	<u>54,206,528</u>
Expenditures						
Current:						
General government	5,662,001	—	—	—	1,447,755	7,109,756
Public safety	21,694,499	—	—	—	1,606,235	23,300,734
Public works and parks	5,683,109	—	—	—	1,123,420	6,806,529
Culture and recreation	881,006	—	—	—	142,576	1,023,582
Conservation of natural resources	680,739	—	—	—	629,827	1,310,566
Economic development	—	—	—	—	476,108	476,108
Capital outlay:						
General government	—	—	—	659,905	—	659,905
Public safety	—	—	—	9,115,785	—	9,115,785
Public works and parks	—	—	—	120,726	1,168,819	1,289,545
Infrastructure	—	—	—	—	5,993,586	5,993,586
Debt service:						
Redemption of bonds	—	1,678,661	390,000	—	1,182,804	3,251,465
Interest on bonds	—	374,190	853,544	—	261,764	1,489,498
Fiscal agent fees	—	3,458	6,300	—	14,520	24,278
Bond issuance costs	—	—	—	57,965	—	57,965
Total Expenditures	<u>34,601,354</u>	<u>2,056,309</u>	<u>1,249,844</u>	<u>9,954,381</u>	<u>14,047,414</u>	<u>61,909,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,580,869</u>	<u>(6,548)</u>	<u>(1,023,234)</u>	<u>(8,182,112)</u>	<u>(3,071,749)</u>	<u>(7,702,774)</u>
Other Financing Sources (Uses)						
Bonds issued	—	—	—	9,585,000	—	9,585,000
Premium on bonds issued	—	—	—	584,230	—	584,230
Capital leases	—	—	—	—	193,504	193,504
Sale of capital assets	—	—	—	—	421,224	421,224
Transfers in	185,000	359,101	972,842	660,222	4,325,520	6,502,685
Transfers out	(4,640,100)	—	—	—	(1,421,743)	(6,061,843)
Total other financing sources (uses)	<u>(4,455,100)</u>	<u>359,101</u>	<u>972,842</u>	<u>10,829,452</u>	<u>3,518,505</u>	<u>11,224,800</u>
Net Change in Fund Balances	125,769	352,553	(50,392)	2,647,340	446,756	3,522,026
Fund Balances - Beginning	22,212,232	4,085,597	14,271,757	1,152,989	11,165,892	52,888,467
Fund Balances - Ending	<u>\$ 22,338,001</u>	<u>\$ 4,438,150</u>	<u>\$ 14,221,365</u>	<u>\$ 3,800,329</u>	<u>\$ 11,612,648</u>	<u>\$ 56,410,493</u>

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

City of Burnsville
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2017

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

Net change in fund balances - total governmental funds	\$	3,522,026
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		16,046,037
Depreciation expense		(7,013,886)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
Net book value of capital assets disposed		(320,814)
Transfers of capital assets to business-type activities		(270,805)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(86,218)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt issued:		
Issuance of debt, including discounts and premiums		(10,169,230)
Capital lease financing		(193,504)
Principal repayments:		
General obligation debt		3,013,661
Capital leases		237,804
Amortization of premiums and discounts		87,863
<p>Some revenues and expenses reported in the statement of activities do not provide or do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds.</p>		
Accrued interest expense		(20,103)
Net other post-employment benefit obligations expense		(280,257)
Pension expense		(2,036,723)
<p>The internal service fund is used by management to charge the costs of compensated absences to individual funds.</p>		
		(195,417)
<p>The investment earnings of internal service funds is reported with governmental activities.</p>		
		33,426
Change in net position of governmental activities	\$	2,353,860

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 27,024,000	\$ 27,024,000	\$ 26,796,827	\$ (227,173)
Special assessments	10,200	10,200	12,117	1,917
Licenses and permits	2,000,519	2,000,519	2,060,186	59,667
Other taxes	350,000	350,000	365,555	15,555
Intergovernmental revenue	2,440,324	2,468,570	2,218,985	(249,585)
Charges for services	6,200,941	6,204,441	6,330,958	126,517
Fines and forfeits	356,950	356,950	338,953	(17,997)
Interest on investments	270,000	270,000	241,298	(28,702)
Net change in fair value of investments	—	—	(115,688)	(115,688)
Miscellaneous revenue	959,557	969,072	933,032	(36,040)
Total Revenues	<u>39,612,491</u>	<u>39,653,752</u>	<u>39,182,223</u>	<u>(471,529)</u>
Expenditures				
Current:				
General government	5,719,878	5,894,645	5,662,001	232,644
Public safety	22,286,123	22,169,548	21,694,499	475,049
Public works and parks	5,951,557	5,951,557	5,683,109	268,448
Culture & recreation	1,019,543	1,019,543	881,006	138,537
Conservation of natural resources	767,683	767,683	680,739	86,944
Total Expenditures	<u>35,744,784</u>	<u>35,802,976</u>	<u>34,601,354</u>	<u>1,201,622</u>
Excess of Revenues Over Expenditures	<u>3,867,707</u>	<u>3,850,776</u>	<u>4,580,869</u>	<u>730,093</u>
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(4,484,000)	(4,640,100)	(4,640,100)	—
Total other financing sources (uses)	<u>(4,299,000)</u>	<u>(4,455,100)</u>	<u>(4,455,100)</u>	<u>—</u>
Net Change in Fund Balances	(431,293)	(604,324)	125,769	730,093
Fund Balances - Beginning	22,212,232	22,212,232	22,212,232	—
Fund Balances - Ending	<u>\$ 21,780,939</u>	<u>\$ 21,607,908</u>	<u>\$ 22,338,001</u>	<u>\$ 730,093</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, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Assets						
Current Assets:						
Cash, cash equivalents and investments	\$ 19,924,395	\$ 5,478,110	\$ 333,850	\$ 1,989,723	\$ 27,726,078	\$ 3,037,841
Special assessments receivable:						
Delinquent	46,184	1,266	—	—	47,450	—
Deferred, current portion	384	43,248	—	—	43,632	—
Accounts receivable	3,004,861	746,654	623,089	209,207	4,583,811	—
Notes receivable	100,000	—	—	—	100,000	—
Due from other governments	51,662	376,748	—	—	428,410	—
Prepaid items	—	—	32,864	—	32,864	—
Total Current Assets	<u>23,127,486</u>	<u>6,646,026</u>	<u>989,803</u>	<u>2,198,930</u>	<u>32,962,245</u>	<u>3,037,841</u>
Noncurrent Assets:						
Deferred special assessments receivable, less current portion	9,356	703,800	—	—	713,156	—
Capital Assets:						
Land	316,892	2,160,687	—	757,320	3,234,899	—
Permanent easements	1,216,165	2,008,447	—	—	3,224,612	—
Construction-in-progress	6,031,909	102,680	—	—	6,134,589	—
Buildings	20,705,348	—	20,364,622	2,990,096	44,060,066	—
Infrastructure and improvements	93,336,899	64,907,025	332,662	7,700,390	166,276,976	—
Equipment and vehicles	4,317,077	1,205,474	293,100	563,420	6,379,071	—
Less accumulated depreciation	(56,424,878)	(33,910,690)	(4,752,256)	(5,861,941)	(100,949,765)	—
Total capital assets (net of accumulated depreciation)	<u>69,499,412</u>	<u>36,473,623</u>	<u>16,238,128</u>	<u>6,149,285</u>	<u>128,360,448</u>	<u>—</u>
Total Noncurrent Assets	<u>69,508,768</u>	<u>37,177,423</u>	<u>16,238,128</u>	<u>6,149,285</u>	<u>129,073,604</u>	<u>—</u>
Total Assets	<u>92,636,254</u>	<u>43,823,449</u>	<u>17,227,931</u>	<u>8,348,215</u>	<u>162,035,849</u>	<u>3,037,841</u>
Deferred Outflows of Resources						
Deferred outflows of resources - pensions	260,191	57,820	—	115,640	433,651	—
Liabilities						
Current Liabilities:						
Current maturities of long term debt	1,905,000	296,339	—	—	2,201,339	—
Salaries and other compensation payable	1,821	658	—	—	2,479	—
Accrued compensated absences, current portion	13,066	3,444	—	10,565	27,075	330,035
Accounts payable	337,897	58,198	197,098	139,281	732,474	—
Accrued interest	31,993	1,650	—	—	33,643	—
Contracts payable	1,007,474	21,814	—	—	1,029,288	—
Due to other funds	—	—	30,000	—	30,000	—
Due to other governments	382	27,551	—	5,970	33,903	—
Customer and other deposits	44,254	25	—	8,941	53,220	—
Total Current Liabilities	<u>3,341,887</u>	<u>409,679</u>	<u>227,098</u>	<u>164,757</u>	<u>4,143,421</u>	<u>330,035</u>
Noncurrent Liabilities:						
General obligation bonds payable, less current maturities	19,578,340	1,256,771	—	—	20,835,111	—
Accrued compensated absences, net of current portion	117,598	30,994	—	95,084	243,676	2,970,313
Net pension liability	998,575	221,906	—	443,810	1,664,291	—
Advances from other funds	—	—	1,191,544	—	1,191,544	—
Total Noncurrent Liabilities	<u>20,694,513</u>	<u>1,509,671</u>	<u>1,191,544</u>	<u>538,894</u>	<u>23,934,622</u>	<u>2,970,313</u>
Total Liabilities	<u>24,036,400</u>	<u>1,919,350</u>	<u>1,418,642</u>	<u>703,651</u>	<u>28,078,043</u>	<u>3,300,348</u>
Deferred Inflows of Resources						
Deferred inflows of resources - pensions	228,108	50,691	—	101,381	380,180	—
Net Position						
Net investment in capital assets	51,872,691	34,920,513	16,238,128	6,149,285	109,180,617	—
Unrestricted	16,759,246	6,990,715	(428,839)	1,509,538	24,830,660	(262,507)
Total Net Position	<u>\$ 68,631,937</u>	<u>\$ 41,911,228</u>	<u>\$15,809,289</u>	<u>\$ 7,658,823</u>	<u>\$ 134,011,277</u>	<u>\$ (262,507)</u>

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

City of Burnsville
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds		
Operating Revenues						
Charges for services	\$ 15,436,661	\$ 4,251,318	\$ 1,837,534	\$ 2,005,333	\$ 23,530,846	\$ 244,169
Operating Expenses						
Personnel services	3,557,370	892,531	—	824,040	5,273,941	439,586
Contracted labor	—	—	1,031,576	—	1,031,576	—
Sanitary sewer disposal costs	4,652,246	—	—	—	4,652,246	—
Repairs and maintenance	1,669,823	1,540,587	134,732	287,058	3,632,200	—
Utilities	973,159	93,181	94,485	530,802	1,691,627	—
Other operating expenses	1,915,752	531,877	774,631	187,307	3,409,567	—
Depreciation	2,696,682	1,376,664	556,439	453,047	5,082,832	—
Total Operating Expenses	<u>15,465,032</u>	<u>4,434,840</u>	<u>2,591,863</u>	<u>2,282,254</u>	<u>24,773,989</u>	<u>439,586</u>
Operating Income (Loss)	<u>(28,371)</u>	<u>(183,522)</u>	<u>(754,329)</u>	<u>(276,921)</u>	<u>(1,243,143)</u>	<u>(195,417)</u>
Nonoperating Revenues (Expenses)						
Intergovernmental	34,689	198,039	—	161	232,889	—
Investment earnings	151,635	77,470	—	22,212	251,317	33,426
Other income	85,609	33,610	436,021	—	555,240	—
Loss on disposal of capital assets	(1,362)	(2,382)	—	—	(3,744)	—
Interest expense	(409,172)	(62,421)	—	—	(471,593)	—
Total Nonoperating Revenues (Expenses)	<u>(138,601)</u>	<u>244,316</u>	<u>436,021</u>	<u>22,373</u>	<u>564,109</u>	<u>33,426</u>
Income (Loss) Before Contributions and Transfers	<u>(166,972)</u>	<u>60,794</u>	<u>(318,308)</u>	<u>(254,548)</u>	<u>(679,034)</u>	<u>(161,991)</u>
Transfers and Capital Contributions						
Capital contributions - connection charges	149,434	61,407	—	—	210,841	—
Capital contributions - from other funds	121,454	29,167	—	120,184	270,805	—
Capital contributions - from others	57,525	256,525	—	—	314,050	—
Transfers in	—	—	904,642	13,000	917,642	—
Transfers out	(435,620)	(268,022)	(644,842)	(10,000)	(1,358,484)	—
Total Transfers and Capital Contributions	<u>(107,207)</u>	<u>79,077</u>	<u>259,800</u>	<u>123,184</u>	<u>354,854</u>	<u>—</u>
Change in Net Position	(274,179)	139,871	(58,508)	(131,364)	(324,180)	(161,991)
Total Net Position - Beginning	68,906,116	41,771,357	15,867,797	7,790,187	134,335,457	(100,516)
Total Net Position - Ending	<u>\$ 68,631,937</u>	<u>\$41,911,228</u>	<u>\$ 15,809,289</u>	<u>\$ 7,658,823</u>	<u>\$ 134,011,277</u>	<u>\$ (262,507)</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, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Fund - Compensated Absences
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 15,444,016	\$ 4,246,458	\$ 1,498,013	\$ 1,974,923	\$ 23,163,410	\$ —
Receipts from interfund services provided	—	—	—	—	—	244,169
Payments to suppliers	(8,743,277)	(3,085,112)	(2,039,894)	(985,066)	(14,853,349)	—
Payments to employees	(3,494,405)	(881,880)	—	(799,146)	(5,175,431)	(133,851)
Net cash provided (used) by operating activities	<u>3,206,334</u>	<u>279,466</u>	<u>(541,881)</u>	<u>190,711</u>	<u>3,134,630</u>	<u>110,318</u>
Cash Flows from Noncapital Financing Activities						
Grants and host fees	122,431	138,308	436,021	161	696,921	—
Transfers in	—	—	904,642	13,000	917,642	—
Transfers out	(435,620)	(268,022)	(644,842)	(10,000)	(1,358,484)	—
Interfund financing	—	—	(310,000)	—	(310,000)	—
Net cash provided (used) by noncapital financing activities	<u>(313,189)</u>	<u>(129,714)</u>	<u>385,821</u>	<u>3,161</u>	<u>(53,921)</u>	<u>—</u>
Cash Flows from Capital and Related Financing Activities						
Receipts from connection charges	149,434	61,407	—	—	210,841	—
Principal payment on notes receivable	380,000	—	—	—	380,000	—
Purchase or construction of capital assets	(6,195,228)	(1,927,329)	(18,884)	(49,062)	(8,190,503)	—
Principal payments on bonds and notes payable	(2,060,220)	(342,089)	—	—	(2,402,309)	—
Proceeds from sale of bonds and notes	9,009,407	—	—	—	9,009,407	—
Interest paid on bonds and notes	(433,769)	(65,898)	—	—	(499,667)	—
Net cash provided (used) by capital and related financing activities	<u>849,624</u>	<u>(2,273,909)</u>	<u>(18,884)</u>	<u>(49,062)</u>	<u>(1,492,231)</u>	<u>—</u>
Cash Flows from Investing Activities						
Investment earnings	151,635	77,470	—	22,212	251,317	33,426
Net Increase (Decrease) in Cash and Cash Equivalents	<u>3,894,404</u>	<u>(2,046,687)</u>	<u>(174,944)</u>	<u>167,022</u>	<u>1,839,795</u>	<u>143,744</u>
Cash and Cash Equivalents						
Beginning	16,029,991	7,524,797	508,794	1,822,701	25,886,283	2,894,097
Ending	<u>\$ 19,924,395</u>	<u>\$ 5,478,110</u>	<u>\$ 333,850</u>	<u>\$ 1,989,723</u>	<u>\$ 27,726,078</u>	<u>\$ 3,037,841</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ (28,371)	\$ (183,522)	\$ (754,329)	\$ (276,921)	\$ (1,243,143)	\$ (195,417)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,696,682	1,376,664	556,439	453,047	5,082,832	—
(Increase) decrease in assets:						
Receivables	(88,759)	(4,885)	(339,521)	(33,730)	(466,895)	—
Due from other governments	87,291	—	—	—	87,291	—
Prepays	—	—	(5,529)	—	(5,529)	—
(Increase) decrease in deferred outflows of resources:						
Pensions	291,109	64,691	—	129,383	485,183	—
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	18,183	698	—	4,992	23,873	305,735
Accounts payable	65,588	(136,112)	8,654	23,000	(38,870)	—
Contracts payable	408,029	(810,186)	(7,595)	(5,835)	(415,587)	—
Due to other governments	(5,914)	26,831	—	2,936	23,853	—
Customer deposits	8,823	25	—	3,320	12,168	—
Net pension liability	(324,823)	(72,182)	—	(144,367)	(541,372)	—
(Decrease) increase in deferred inflows of resources:						
Pensions	78,496	17,444	—	34,886	130,826	—
Net cash provided (used) by operating activities	<u>\$ 3,206,334</u>	<u>\$ 279,466</u>	<u>\$ (541,881)</u>	<u>\$ 190,711</u>	<u>\$ 3,134,630</u>	<u>\$ 110,318</u>
Noncash investing, capital, and financing activities						
Capital assets contributed from other funds	<u>\$ 121,454</u>	<u>\$ 29,167</u>		<u>\$ 120,184</u>	<u>\$ 270,805</u>	
Capital assets contributed from others	<u>\$ 57,525</u>	<u>\$ 57,525</u>			<u>\$ 115,050</u>	
(Loss) on disposal of capital assets	<u>\$ (1,362)</u>	<u>\$ (2,382)</u>			<u>\$ (3,744)</u>	

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

This page intentionally left blank.

CITY OF BURNSVILLE, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

Blended component unit

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The *General Obligation Tax Abatement Bonds Debt Service Fund* accounts for the accumulation of resources for payment of principal and interest on general obligation tax abatement bonds.

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

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

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

- *Information Technology (I.T.) Capital Fund* - Established in 2007 to account for capital purchases of information technology equipment and software development. The resources will be provided by an allocation of proceeds from the issuance of Certificates of Indebtedness and transfers from other funds.
- *Equipment and Vehicle Fund* - Established in 2002 to account for capital purchases of equipment and vehicles replacement and improvements. The resources will be provided by issuance of Certificates of Indebtedness, sale of existing equipment, and transfers from other funds.
- *Tax Increment Fund* - Accounts for the proceeds of General Obligation Tax Increment Bonds and for the expenditure of these funds to finance certain construction projects within the Tax Increment Financing Districts.
- *Parks Capital Fund* - Established in 1980 to account for revenues and expenditures for the purchase and maintenance of city parks.

- *Improvement Construction Fund* - Accounts for the receipt and disbursement of bond proceeds or other sources obtained to finance improvements which are to be paid for wholly or in part from special assessments levied against benefitted property.
- The *Infrastructure Trust Fund* - Accounts for property tax and state aid revenue, and the expenditure of these funds for the purpose of replacing streets and park facilities.
- *Street Revolving Construction Fund* - Established in 2004 to account for revenues and expenses for street rehabilitation projects, major street maintenance projects, and small traffic control issues.

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

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

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

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

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

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.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's 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.

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

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

1. Deposits and investments

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

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

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

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

See Note III. for the City's recurring fair value measurements as of December 31, 2017.

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. Notes receivable

Notes receivable are amounts due to the City for contributions towards construction of the Surface Water Treatment Plant.

5. Capital assets

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

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

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

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

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

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

6. Compensated absences

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

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

7. 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.

8. Deferred outflows/inflows of resources

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

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

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

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

9. Pensions

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

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

10. 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.

11. 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.

12. Net Position

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

13. Restricted assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets of the City, reported on the fund and the government-wide financial statements, include assets restricted by bond indenture and for debt service crossover refunding bond payments.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2017, expenditures exceeded appropriations in the following funds:

Forfeiture Fund - Over-expenditures of \$(30,086) were offset by revenues over budget.

Grant Fund - Over-expenditures of \$(1,562) were offset by revenues over budget.

C. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of \$(840,879) as of December 31, 2017. It is anticipated that the deficit will be financed by future project revenues.

The Compensated Absences Internal Service Fund had a deficit net position balance of \$(262,507) as of December 31, 2017. 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	\$	845,431
Investments		89,013,237
Cash on hand		3,425
	\$	<u>89,862,093</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	\$	76,083,160
Restricted cash, cash equivalents and investments		13,778,933
	\$	<u>89,862,093</u>

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 \$845,431 and the bank deposit balances were \$1,374,130. The City’s deposits at December 31, 2017, 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	11 to 20	
U.S. Treasury Securities	NR	N/A	Level 1	\$ 14,716	\$ —	\$ —	\$ 14,716
	AAA	Moody's	Level 1	13,287,278	—	—	13,287,278
U.S. Agency Securities	NR	N/A	Level 2	—	4,569,465	—	4,569,465
	AAA	Moody's	Level 2	—	10,090,448	1,917,740	12,008,188
Municipal Bonds	AAA	Moody's	Level 2	—	2,527,990	—	2,527,990
	AA1	Moody's	Level 2	—	962,839	—	962,839
	AA2	Moody's	Level 2	—	878,544	200,638	1,079,182
Money market mutual funds	AAAm	S&P	Level 1	54,563,579	—	—	54,563,579
Total investments				<u>\$67,865,573</u>	<u>\$19,029,286</u>	<u>\$2,118,378</u>	<u>\$ 89,013,237</u>

NR - Not Rated

N/A - Not Applicable

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

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

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

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

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

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

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

Issuer	% of Total Portfolio
Federal National Mortgage Association	5%
Federal Farm Credit Bank	8%

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, 2017 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General	G.O. Improvement Bonds	G.O. Tax Abatement Bonds	Facilities Capital Projects	Nonmajor Funds	Governmental Activities Total
Receivables:						
Interest	\$ 98,047	\$ —	\$ —	\$ —	\$ —	\$ 98,047
Taxes	453,587	4,517	998	6,971	85,203	551,276
Accounts	4,575,222	—	—	415,060	256,162	5,246,444
Special assessments	96,486	6,788,714	—	—	214,689	7,099,889
Gross receivables	5,223,342	6,793,231	998	422,031	556,054	12,995,656
Less: allowance						
for uncollectibles	(3,531,395)	(1,138)	(111)	(1,859)	(26,648)	(3,561,151)
Net total receivables	\$ 1,691,947	\$ 6,792,093	\$ 887	\$ 420,172	\$ 529,406	\$ 9,434,505

Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 98,047
Taxes	—	—	—	—	—	551,276
Accounts	3,007,453	746,654	623,089	209,207	4,586,403	9,832,847
Notes	100,000	—	—	—	100,000	100,000
Special assessments	55,924	748,314	—	—	804,238	7,904,127
Gross receivables	3,163,377	1,494,968	623,089	209,207	5,490,641	18,486,297
Less: allowance						
for uncollectibles	(2,592)	—	—	—	(2,592)	(3,563,743)
Net total receivables	\$ 3,160,785	\$ 1,494,968	\$ 623,089	\$ 209,207	\$ 5,488,049	\$14,922,554

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	\$ 370,990
Special assessments not yet due	7,003,403
Intergovernmental revenue	138,099
Charges for services	621,659
	\$ 8,134,151

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Governmental activities				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	
Capital assets not being depreciated:					
Land	\$ 21,977,375	\$ —	\$ (235,638)	\$ —	\$ 21,741,737
Permanent easements	2,241,617	—	—	—	2,241,617
Construction in progress	1,458,502	11,761,850	(7,215)	(11,249,486)	1,963,651
Total capital assets not being depreciated	25,677,494	11,761,850	(242,853)	(11,249,486)	25,947,005
Capital assets being depreciated:					
Buildings	29,714,191	—	(120,000)	8,706,781	38,300,972
Infrastructure and improvements	179,922,287	2,348,884	(2,133,883)	2,271,900	182,409,188
Equipment and vehicles	22,912,305	1,935,303	(376,114)	—	24,471,494
Total capital assets being depreciated	232,548,783	4,284,187	(2,629,997)	10,978,681	245,181,654
Less accumulated depreciation for:					
Buildings	(12,500,026)	(724,694)	97,800	—	(13,126,920)
Infrastructure and improvements	(109,238,254)	(4,650,355)	2,133,883	—	(111,754,726)
Equipment and vehicles	(13,748,160)	(1,638,837)	320,353	—	(15,066,644)
Total accumulated depreciation	(135,486,440)	(7,013,886)	2,552,036	—	(139,948,290)
Total capital assets being depreciated, net	97,062,343	(2,729,699)	(77,961)	10,978,681	105,233,364
Governmental activities capital assets, net	\$ 122,739,837	\$ 9,032,151	\$ (320,814)	\$ (270,805)	\$ 131,180,369

	Business-type activities				
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	\$ 3,234,899	\$ —	\$ —	\$ —	\$ 3,234,899
Permanent easements	3,109,562	115,050	—	—	3,224,612
Construction in progress	2,362,822	6,516,070	—	(2,744,303)	6,134,589
Total capital assets not being depreciated	8,707,283	6,631,120	—	(2,744,303)	12,594,100
Capital assets being depreciated:					
Buildings	44,060,066	—	—	—	44,060,066
Infrastructure and improvements	162,348,894	1,067,436	(154,462)	3,015,108	166,276,976
Equipment and vehicles	6,073,741	606,997	(301,667)	—	6,379,071
Total capital assets being depreciated	212,482,701	1,674,433	(456,129)	3,015,108	216,716,113
Less accumulated depreciation for:					
Buildings	(15,041,300)	(948,280)	—	—	(15,989,580)
Infrastructure and improvements	(77,305,523)	(3,804,622)	150,718	—	(80,959,427)
Equipment and vehicles	(3,972,495)	(329,930)	301,667	—	(4,000,758)
Total accumulated depreciation	(96,319,318)	(5,082,832)	452,385	—	(100,949,765)
Total capital assets being depreciated, net	116,163,383	(3,408,399)	(3,744)	3,015,108	115,766,348
Business-type activities capital assets, net	\$ 124,870,666	\$ 3,222,721	\$ (3,744)	\$ 270,805	\$ 128,360,448

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

Governmental Activities:	
General government	\$ 581,811
Public safety	659,830
Public works and parks	5,735,583
Culture and recreation	2,268
Conservation of natural resources	34,394
	<u>\$ 7,013,886</u>
Business-type activities:	
Water and sewer	\$ 2,696,682
Storm water	1,376,664
Ames center	556,439
Ice arena	347,592
Golf course	18,927
Street lighting	86,528
	<u>\$ 5,082,832</u>

Construction Commitments

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

	2017
Facilities Fund	\$ 2,613,178
Parks Capital Fund	60,872
Improvement Construction Fund	888,087
Water and Sewer Fund	7,880,985
Storm Water Fund	3,426
	<u>\$ 11,446,548</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	
General	Nonmajor Governmental	\$ 820,000 (a)
Nonmajor Governmental	Ames Center	30,000 (b)
Total interfund balances		<u>\$ 850,000</u>

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

The composition of interfund advances as of December 31, 2017, is as follows:

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

(a) Loans to cover negative cash balances.

The 2017 interfund transfers are as follows:

Transfers Out:	Transfers In:							Total
	General Fund (a)	G.O. Improvement Bonds (b)	G.O. Tax Abatement Bonds (b)	Facilities Capital Projects (d)	Nonmajor Governmental (b)(c)(d)	Ames Center (b) (c)	Nonmajor Enterprise (c)	
General fund	\$ —	\$ —	\$ 328,000	\$ 400,000	\$ 3,474,100	\$ 425,000	\$ 13,000	\$ 4,640,100
Nonmajor governmental	185,000	359,101	—	48,000	350,000	479,642	—	1,421,743
Water and sewer	—	—	—	5,025	430,595	—	—	435,620
Storm water	—	—	—	207,197	60,825	—	—	268,022
Ames center	—	—	644,842	—	—	—	—	644,842
Nonmajor enterprise	—	—	—	—	10,000	—	—	10,000
Total:	\$ 185,000	\$ 359,101	\$ 972,842	\$ 660,222	\$ 4,325,520	\$ 904,642	\$ 13,000	\$ 7,420,327

Transfers were used for the following:

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

E. LEASES

Operating leases

The City has various non-cancelable operating lease agreements expiring at various dates through 2017. Total rental costs during 2017 for operating leases were \$44,651. The future minimum lease payment for these leases are as follows:

Year Ended December 31	Amount
2018	\$ 52,209
2019	52,209
	<u>\$ 104,418</u>

Capital lease

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

The assets acquired through the capital lease are as follows:

Year Ended December 31	Amount
Network Infrastructure Equipment	\$ 679,739
Network Infrastructure Software	33,674
Total	713,413
Less: accumulated depreciation	(137,460)
	<u>\$ 575,953</u>

Total future minimum lease payments as of December 31, 2017 for these leases are as follows:

Year Ended December 31	Amount
2018	\$ 237,804
2019	237,805
	<u>\$ 475,609</u>

F. LONG-TERM DEBT

General Obligation Bonds - Two issues of general obligation bonds totaling \$9,780,000 are outstanding at December 31, 2017 and are backed by the full faith and credit of the City. Total original issue amount was \$12,330,000. The bonds bear interest at rates ranging from 2.1% to 4% and mature in varying annual amounts ranging from \$90,000 to \$785,000, with final payments due in the year ending 2032. The bonds were issued to finance (a) the refunding of the December 1, 2008 through December 1, 2014 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 1994, (b) an expansion of the City's maintenance facility, and (c) renovations to City Hall and the City Police facilities. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Increment Bonds - Three issues of general obligation tax increment bonds totaling \$3,665,000 are outstanding at December 31, 2017. Total original issue amount was \$7,335,000. The bonds bear interest at rates ranging from 2.00% to 5.00% and mature in varying annual amounts ranging from \$10,000 to \$1,660,000, with final payments due in the year ending 2027. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Abatement Bonds - Three issues of tax abatement bonds totaling \$27,350,000 are outstanding at December 31, 2017. Total original issue amount was \$30,305,000. The bonds bear interest at rates ranging from 2.00% to 5.00% and mature in varying annual amounts ranging from \$35,000 to \$1,890,000, with final payments due in the year ending 2028. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Improvement Bonds - Various issues of unmatured general obligation improvement bonds totaling \$11,025,000 are outstanding at December 31, 2017. Total original issue amount was \$21,950,000. 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, 2017 were \$52,262. These bonds bear interest at rates of 0.85% to 4.60% and mature in varying annual amounts ranging from \$30,000 to \$485,000, with the final payments due in the year ending 2031.

Lease Revenue Bonds - One issue of EDA lease revenue bonds totaling \$4,000,000 is outstanding at December 31, 2017. Original issue amount was \$5,495,000. The interest and principal payments on these bonds are accounted for in the Debt Service Funds. These bonds bear interest as 2.00% to 4.30% and mature in varying annual amounts ranging from \$140,000 to \$385,000, with final payments due in the year ending 2030. The proceeds of the issue were used to finance renovation and improvements at the ice arena. The improvements are owned by the EDA and leased to the City. The lease payments are equal to the debt service payments due each year.

General Obligation Revenue Bonds - Ten issues of general obligation revenue bonds totaling \$18,635,000 are outstanding at December 31, 2017. Original issue amount was \$28,750,000. The bonds are accounted for in the Enterprise Funds. The bonds bear interest rates of 0.65% to 5.60% and mature in varying annual amounts ranging from \$90,000 to \$400,000, with final payments due in the year ending 2032. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

General Obligation Taxable Utility Revenue Notes - One issue of general obligation taxable utility revenue notes totaling \$3,735,390 was outstanding at December 31, 2017. The note was issued through an general obligation loan agreement with the Minnesota Public Facilities Authority. The original issue amount was \$7,388,970. The note was issued to finance the City's water meter replacement project and is drawn down on a reimbursement basis. During the year, \$3,986,360 of the Note was drawn down. The remaining available balance for the City to draw down is \$3,402,610. The notes are accounted for in the Enterprise Funds. The notes bear and interest rate of 1.268% and mature in varying annual amounts ranging from \$250,970 to \$420,000, with final payments due in the year ending 2036. The resolution authorizing the issuance of the notes contains various restrictions and requirements.

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

Year Ended December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 17,278,661	\$ 1,467,934	\$ 2,201,339	\$ 613,530
2019	3,422,358	1,067,246	2,201,642	592,154
2020	4,225,000	977,304	2,198,000	539,125
2021	3,790,000	868,089	2,248,000	478,113
2022	3,855,000	761,036	2,302,000	415,450
2023-2027	17,520,000	2,171,975	8,442,000	1,214,345
2028-2032	5,600,000	442,592	2,906,390	390,817
Total	<u>\$ 55,691,019</u>	<u>\$ 7,756,176</u>	<u>\$ 22,499,371</u>	<u>\$ 4,243,534</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 290,000	\$ 9,585,000	\$ (95,000)	\$ 9,780,000	\$ 565,000
G.O. tax increment bonds	4,275,000	—	(610,000)	3,665,000	625,000
G.O. tax abatement bonds	27,740,000	—	(390,000)	27,350,000	14,335,000
G.O. improvement bonds	12,574,680	—	(1,678,661)	10,896,019	1,508,661
Lease revenue bonds	4,240,000	—	(240,000)	4,000,000	245,000
Subtotal	49,119,680	9,585,000	(3,013,661)	55,691,019	17,278,661
Deferred amounts for issuance					
premiums (discounts)	608,014	584,230	(87,863)	1,104,381	—
Total bonds and notes	49,727,694	10,169,230	(3,101,524)	56,795,400	17,278,661
Capital leases	519,909	193,504	(237,804)	475,609	237,804
Compensated absences	2,994,613	443,166	(137,431)	3,300,348	330,035
Net other post-employment benefits obligation	1,974,923	476,918	(196,661)	2,255,180	—
Net pension liability	59,493,027	5,258,443	(40,401,669)	24,349,801	—
Governmental activities - long-term liabilities	\$ 114,710,166	\$ 16,541,261	\$ (44,075,089)	\$ 87,176,338	\$ 17,846,500
Business-type activities:					
G.O. revenue bonds	\$ 15,810,000	\$ 4,735,000	\$ (1,910,000)	\$ 18,635,000	\$ 1,770,000
G.O. revenue notes	—	3,986,360	(250,970)	3,735,390	335,000
G.O. improvement bonds	370,320	—	(241,339)	128,981	96,339
Subtotal	16,180,320	8,721,360	(2,402,309)	22,499,371	2,201,339
Deferred amounts for issuance					
premiums (discounts)	286,146	288,047	(37,114)	537,079	—
Total bonds and notes	16,466,466	9,009,407	(2,439,423)	23,036,450	2,201,339
Compensated absences	244,592	29,738	(3,579)	270,751	27,075
Net pension liability	2,205,663	249,377	(790,749)	1,664,291	—
Business-type activities - long-term liabilities	\$ 18,916,721	\$ 9,288,522	\$ (3,233,751)	\$ 24,971,492	\$ 2,228,414

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

The Lease Revenue Bonds were issued to finance renovation and improvements at the Burnsville Ice Center, which are accounted for in the business-type activities.

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

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

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

Build America Bonds - In 2010, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), the City issued \$3,060,000 General Obligation Taxable Water Revenue Bonds, Series 2010A, \$1,275,000 General Obligation Taxable Storm Sewer Revenue Bonds, Series 2010B, and \$6,340,000 General Obligation Improvement Bonds, Series 2010D. The bonds are direct pay tax credit Build America Bonds (BAB), in which the City receives a 35% credit on bond interest paid. The City has complied with all requirements of ARRA to be eligible for the BAB interest credit. The City has received notice from the Internal Revenue Service (IRS) that the BAB interest credit will be reduced by 6.6% for all payments scheduled for October 1, 2017 through September 30, 2018.

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

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

Legal Debt Margin - As of December 31, 2017, 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, 2017:

Estimated market value of taxable property	\$ 5,670,777,401
Debt limit - 3% of market value of taxable property	\$ 170,123,322
Debt applicable to debt limit	
General obligation bonds outstanding	9,780,000
Less amount set aside for repayment of general obligation debt	(307,711)
Total net debt applicable to debt limit	<u>9,472,289</u>
Legal debt margin	<u>\$ 160,651,033</u>

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

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

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

Current tax capacity	\$ 954,379
Original tax capacity	(136,581)
Captured tax capacity	<u>817,798</u>
Retained by authority	817,798
Shared with other tax districts	—

Bonds and notes:	Issued	Redeemed	Balance
G.O. Tax Increment Bonds, Series 2004D	\$ 3,490,000	\$ 3,490,000	\$ —
G.O. Taxable Tax Increment Bonds, Series 2004E	490,000	335,000	155,000
G.O. Tax Increment Refunding Bonds, Series 2013B	1,925,000	925,000	1,000,000
Totals	<u>\$ 5,905,000</u>	<u>\$ 4,750,000</u>	<u>\$ 1,155,000</u>

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

Bonds and notes:	Issued	Redeemed	Balance
G.O. Tax Increment Bonds, Series 1997B	\$ 3,775,000	\$ 3,775,000	\$ —
G.O. Taxable Tax Increment Bonds, Series 1997C	1,230,000	1,230,000	—
G.O. Tax Increment Bonds, Series 2007B	4,945,000	4,945,000	—
G.O. Taxable Tax Increment Bonds, Series 2008B	3,350,000	3,350,000	—
G.O. Tax Increment Bonds, Series 2012A	4,920,000	2,410,000	2,510,000
Totals	<u>\$ 18,220,000</u>	<u>\$ 15,710,000</u>	<u>\$ 2,510,000</u>

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

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

In 2002, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate 95% of the incremental taxes received through execution of a tax increment revenue note. Semiannual payments on the note, including interest at 6.4%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated \$112,102 in 2017. The outstanding principal balance as of December 31, 2017 for this agreement was \$1,006,974.

In 2005, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate the incremental taxes received, less the greater of 30% of the taxes received or \$75,000, through execution of a tax increment revenue note. Payments on the note, including interest at 7.0%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated \$178,901 in 2017. The outstanding principal balance as of December 31, 2017 for this agreement was \$2,217,000.

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

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

As of December 31, 2017, there were 6 series of the limited-obligation revenue bonds outstanding. The aggregate principal amount payable for the two series of Housing Revenue Bonds issued after January 1, 1996 was \$13.0 million. The aggregate principal amount payable for the four series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$39.5 million as follows:

	(In millions)
Industrial Revenue Bonds (1)	\$ 5.7
Housing Revenue Bonds (2)	23.9
Health Care Revenue Bonds (1)	9.9

G. REVENUE PLEDGED

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

Bond Issue	Use of Proceeds	Revenue Pledged			Current Year		
		Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Taxable G.O. Water Revenue Bonds, Series 2008D	Water & Sewer	Water & Sewer Utility Charges	100%	2008-2017	\$ —	\$ 410,400	\$ 15,436,661
Taxable G.O. Water Revenue Bonds, Series 2010A (BAB's)	Water & Sewer	Water & Sewer Utility Charges	100%	2010-2029	\$ 2,744,900	\$ 240,175	\$ 15,436,661
Taxable G.O. Storm Sewer Revenue Bonds, Series 2010B (BAB's)	Storm Water	Storm Water Utility Charges	100%	2010-2022	\$ 611,665	\$ 128,545	\$ 4,251,318
G.O. Crossover Refunding Bonds, Series 2010E	Water & Sewer	Water & Sewer Utility Charges	31%	2011-2017	\$ —	\$ 96,606	\$ 15,436,661
	Storm Water	Storm Water Utility Charges	17%	2011-2017	\$ —	\$ 52,019	\$ 4,251,318
G.O. Utility Revenue Bonds, Series 2011A	Water & Sewer	Water & Sewer Utility Charges	100%	2011-2025	\$ 2,022,300	\$ 249,875	\$ 15,436,661
G.O. Storm Sewer Revenue Bonds, Series 2011B	Storm Water	Storm Water Utility Charges	100%	2011-2025	\$ 1,015,375	\$ 125,300	\$ 4,251,318
G.O. Crossover Refunding Bonds, Series 2011D	Storm Water	Storm Water Utility Charges	23%	2011-2019	\$ 132,214	\$ 100,846	\$ 4,251,318
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100%	2012-2027	\$ 2,237,600	\$ 244,400	\$ 15,436,661
G.O. Utility Revenue Bonds, Series 2013A	Water & Sewer	Water & Sewer Utility Charges	100%	2013-2023	\$ 1,660,400	\$ 295,200	\$ 15,436,661
G.O. Utility Revenue Bonds, Series 2014A	Water & Sewer	Water & Sewer Utility Charges	100%	2014-2024	\$ 1,970,306	\$ 286,644	\$ 15,436,661
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100%	2015-2025	\$ 2,041,150	\$ 254,800	\$ 15,436,661
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100%	2016-2031	\$ 1,741,155	\$ 124,344	\$ 15,436,661
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2032	\$ 4,576,477	\$ 257,410	\$ 15,436,661
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2032	\$ 5,989,363	\$ —	\$ 15,436,661

H. OTHER POST-EMPLOYMENT BENEFITS PLAN

Postemployment Benefits Other than Pensions:

Plan Description - The City provides post-employment insurance benefits to certain eligible employees through the City's Other Post-Employment Benefits plan, a single-employer defined benefit plan administered by the City. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. These benefits are summarized as follows:

Post-Employment Insurance Benefits - 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.

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

Funding Policy - The required contributions are based on projected pay-as-you-go financing requirement, with additional amounts to pre-fund benefits as determined annually by the City.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years using a 4 percent discount rate. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation to the plan.

OPEB Disclosures as of December 31, 2017

Annual Required Contributions (ARC)	\$	512,131
Interest on Net OPEB Obligation		78,997
Amortization Adjustment to ARC		(114,210)
Annual OPEB Cost (Expense)		<u>476,918</u>
Contributions		<u>(196,661)</u>
Increase in Net OPEB Obligation		280,257
Net OPEB Obligation, Beginning Balance		1,974,923
Net OPEB Obligation, Ending Balance	\$	<u><u>2,255,180</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2015, 2016, and 2017 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 362,111	\$ 155,458	43%	\$ 1,676,479
December 31, 2016	482,239	183,795	38%	1,974,923
December 31, 2017	476,918	196,661	41%	2,255,180

Funded Status and Funding Progress - As of January 1, 2016, the most recent actuarial valuation date, the City had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$4,465,579 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$4,465,579. The covered payroll (annual payroll of active employees covered by the plan) was \$25,035,934, and the ratio of the UAAL to the covered payroll was 17.8 percent.

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

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

In the January 1, 2016, actuarial valuation date, the projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, which is based on the investment yield expected to finance benefits depending on whether the plan is funded in a separate trust or unfunded (4 percent, shorter term, based on the City's general assets.) The City currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual healthcare cost trend rate was calculated to be 7 percent initially, decreased incrementally to an ultimate rate of 4 percent after six years. Both the discount rate and the healthcare cost trend rate include a 3 percent inflation assumption. The UAAL is being amortized as a level dollar amount over an open period. The remaining amortization period, at January 1, 2016, is 30 years.

I. FUND BALANCE CLASSIFICATION

At December 31, 2017, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	GO Tax Abatement Bonds	Facilities Capital Fund	Other Governmental Funds	Total
Nonspendable						
Advances to other funds	\$ 1,191,544	\$ —	\$ —	\$ —	\$ —	\$ 1,191,544
Restricted for:						
Landfill abatement	\$ 1,872,537	\$ —	\$ —	\$ —	\$ 128,972	\$ 2,001,509
Debt service	—	4,438,150	14,221,365	—	1,444,862	20,104,377
Facilities capital	—	—	—	711,026	—	711,026
Tax increment	—	—	—	—	227,081	227,081
Total Restricted	\$ 1,872,537	\$ 4,438,150	\$ 14,221,365	\$ 711,026	\$ 1,800,915	\$ 23,043,993
Committed to:						
Capital Projects	\$ —	\$ —	\$ —	\$ —	\$ 2,256,596	\$ 2,256,596
Facilities	—	—	—	3,089,303	—	3,089,303
Cable	—	—	—	—	1,329,073	1,329,073
Forfeitures	—	—	—	—	42,527	42,527
Community development	—	—	—	—	11,784	11,784
Youth	—	—	—	—	46,884	46,884
Economic development	—	—	—	—	755,795	755,795
Sustainability	—	—	—	—	30,596	30,596
Forestry	—	—	—	—	552,727	552,727
Total Committed	\$ —	\$ —	\$ —	\$ 3,089,303	\$ 5,025,982	\$ 8,115,285
Assigned to:						
Capital projects	\$ —	\$ —	\$ —	\$ —	\$ 1,469,166	\$ 1,469,166
Subsequent year's budget	431,657	—	—	—	—	431,657
IT equipment & software development	—	—	—	—	832,941	832,941
Ice Center renovation debt service	560,000	—	—	—	—	560,000
Equipment & vehicles	—	—	—	—	826,024	826,024
Parks capital improvements	—	—	—	—	2,029,514	2,029,514
Street maintenance	—	—	—	—	468,985	468,985
Total Assigned	\$ 991,657	\$ —	\$ —	\$ —	\$ 5,626,630	\$ 6,618,287

Minimum Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes that the City will strive to maintain a General Fund Balance of 35 percent of the subsequent year's General Fund operating budget. At December 31, 2017, the fund balance of the General Fund was 58 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 \$1,500,000 per occurrence (and aggregate), with a \$50,000 per occurrence, and a \$200,000 aggregate deductible. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

B. CONTINGENT LIABILITIES

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

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

Freeway Landfill - In February 2017, the Environmental Protection Agency (EPA) sent letters to potentially Responsible Parties (PRP's) related to the clean-up of the Freeway Landfill property under the federal Superfund program. The State Legislature passed Laws 2017, Chapter 93, Article 2, Sections 124-128, which transferred liability from PRP's to the Minnesota Pollution Control Agency (PCA). The City continues to work with the PCA to secure funds for the closure of the landfill.

C. JOINTLY GOVERNED ORGANIZATIONS

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

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

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

Black Dog Water Management Organization (Black Dog WMO) - This organization was established through a joint powers agreement with four other cities. Its purpose is to regulate water storage and run off, improve water quality, and prevent flooding and erosion from surface flows within the watershed. The member cities appoint the Black Dog WMO's board, approve budgets, and contribute management fees (\$115,744 for the City in 2017). The Black Dog WMO is not fiscally dependent on the City. Financial information for Black Dog WMO can be obtained at the City's offices.

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

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

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

D. RETIREMENT AND DEFERRED COMPENSATION PLANS

1. Defined Benefit Pension Plans - State-Wide

a. Plan Descriptions

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

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Public Employees Police and Fire Fund (PEPFF)

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

b. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

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

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

PEPFF Benefits

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

c. Contributions

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

GERF Contributions

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2017. The City was required to contribute 7.5 percent for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the year ended December 31, 2017 were \$848,499. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2017. The City was required to contribute 16.2 percent of pay for PEPFF members in calendar year 2017. The City’s regular contributions to the PEPFF for the year ended December 31, 2017 were \$1,903,312. The City’s contributions were equal to the required contributions as set by state statute.

d. Pension Costs

GERF Pension Costs

At December 31, 2017, the City reported a liability of \$11,095,277 for its proportionate share of the GERF’s net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. The State of Minnesota is considered a non-employer contributing entity and the State of Minnesota's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$139,516. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2017, the City’s proportionate share was 0.174 percent, which was a decrease of 0.007 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$1,348,146 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$4,029 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Retirement Fund.

At December 31, 2017, the City reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 365,667	\$ 742,809
Changes in actuarial assumptions	1,919,426	1,112,303
Differences between projected and actual investment earnings	151,100	—
Changes in proportion	28,504	679,418
Contributions paid to the PERA subsequent to the measurement date	426,309	—
	<u>\$ 2,891,006</u>	<u>\$ 2,534,530</u>

\$426,309 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, 2018. 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 Amt</u>
2018	\$ 173,188
2019	564,835
2020	(336,883)
2021	(470,973)
	<u>\$ (69,833)</u>

PEPFF Pension Costs

At December 31, 2017, the City reported a liability of \$14,918,815 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2017, the City's proportion was 1.11 percent, which was a decrease of 0.06 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$3,616,539 for its proportionate share of the PEPFF's pension expense. The City also recognized \$99,450 for the year ended December 31, 2017, as expense and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2017, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 343,401	\$ 4,203,381
Changes in actuarial assumptions	20,690,407	21,181,020
Differences between projected and actual investment earnings	479,101	—
Changes in proportion	159,073	2,228,847
Contributions paid to the PERA subsequent to the measurement date	974,785	—
	<u>\$ 22,646,767</u>	<u>\$ 27,613,248</u>

\$974,785 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, 2018. 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 Amt</u>
2018	\$ 183,319
2019	183,319
2020	(385,845)
2021	(1,313,092)
2022	(4,608,967)
	<u>\$ (5,941,266)</u>

e. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for both plans for males and females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases for retirees are assumed to be: one percent effective for all future years for the GERF through 2044 and PEPFF through 2064, then 2.5 percent thereafter for both plans.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015. The experience study for the PEPFF was completed in 2016.

The following changes in actuarial assumptions occurred in 2017:

GERF

- The Combined Service Annuity (CSA) loads were changed from .8 percent for active members and 60.0 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability, and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1 percent per year for all years to 1 percent per year through 2044 and 2.5 percent per year thereafter.

PEPFF

- 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 30.0 percent for vested and non-vested deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested 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 table assumed for health 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 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 1.0 percent per year for all years to 1.0 percent per year through 2064 and 2.5 percent per year thereafter.
- The single discount rate changed from 5.6 percent to 7.5 percent

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	39%	5.10%
International stocks	19%	5.30%
Bonds	20%	0.75%
Alternative assets	20%	5.9%
Cash	<u>2%</u>	—%
Total	100%	

f. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on these assumptions, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

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

	GERF		PEPFF	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease in Discount Rate	6.5%	\$ 17,209,600	6.5%	\$ 28,096,481
Current Discount Rate	7.5%	11,095,277	7.5%	14,918,815
1% Increase in Discount Rate	8.5%	6,089,594	8.5%	4,039,924

h. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plans

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

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

Total contributions made by the City of Burnsville during fiscal year 2017 were:

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

This page intentionally left blank.

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funding Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ —	\$ 2,990,863	\$ 2,990,863	—	\$ 22,279,563	13.4%
1/1/2014	—	3,309,776	3,309,776	—	23,579,960	14.0%
1/1/2016	—	4,465,579	4,465,579	—	25,035,934	17.8%

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

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

Public Employees General Employees Retirement Fund (GERF):

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

Public Employees Police and Fire Fund (PEPFF):

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

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

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

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

GERF RETIREMENT FUND

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

(LAST TEN YEARS)*

Public Employees General Employees Retirement Fund (GERF):

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability (b)	Proportionate Share of the Net Pension Liability and the Employer's Share of the State of Minnesota's Share of the Net Pension Liability (c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.180%	\$ 9,328,533	\$ —	\$ —	\$ 10,581,137	88.2%	78.2%
June 30, 2016	0.181%	14,704,422	192,082	14,896,504	11,239,458	130.8%	68.9%
June 30, 2017	0.174%	11,095,277	139,516	11,234,793	11,345,319	97.8%	75.9%

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

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

CITY OF BURNSVILLE, MINNESOTA

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

PEPFF RETIREMENT FUND

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

(LAST TEN YEARS)*

Public Employees Police and Fire Fund (PEPFF):

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

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

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

CITY OF BURNSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2017

GENERAL EMPLOYEES RETIREMENT FUND (GERF)

2017 Changes

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

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

2015 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)

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.

Combining and Individual Fund Statements and Schedules



City of Burnsville
Combining Balance Sheet
Nonmajor Governmental Funds
12/31/2017

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Assets							
Cash, cash equivalents and investments	\$ 1,082,152	\$ 44,601	\$ 21,784	\$ 65,733	\$ 690,824	\$ 162,854	\$ 537,325
Restricted cash, cash equivalents and investments	—	—	—	—	—	—	—
Receivables, net of allowance for uncollectible amounts:							
Property taxes	—	—	—	—	6,926	—	1,829
Special assessments	—	—	—	—	—	—	—
Accounts receivable	255,966	—	—	—	—	196	—
Due from other funds	—	—	—	—	30,000	—	—
Due from other governments	448	—	2,667	7,208	38,911	—	15,442
Total Assets	<u>\$ 1,338,566</u>	<u>\$ 44,601</u>	<u>\$ 24,451</u>	<u>\$ 72,941</u>	<u>\$ 766,661</u>	<u>\$ 163,050</u>	<u>\$ 554,596</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 9,491	\$ —	\$ 2,667	\$ —	\$ 2,580	\$ 3,482	\$ 40
Contracts payable	—	—	—	—	—	—	—
Due to other funds	—	—	10,000	—	—	—	—
Due to other governments	2	—	—	26,057	1,360	—	—
Customer and other deposits	—	2,074	—	—	—	—	—
Total Liabilities	<u>9,493</u>	<u>2,074</u>	<u>12,667</u>	<u>26,057</u>	<u>3,940</u>	<u>3,482</u>	<u>40</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	—	—	—	—	6,926	—	1,829
Unavailable revenue - special assessments	—	—	—	—	—	—	—
Unavailable revenue - other revenue	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,926</u>	<u>—</u>	<u>1,829</u>
Fund Balances:							
Restricted	—	—	—	—	—	128,972	—
Committed	1,329,073	42,527	11,784	46,884	755,795	30,596	552,727
Assigned	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—
Total Fund Balances	<u>1,329,073</u>	<u>42,527</u>	<u>11,784</u>	<u>46,884</u>	<u>755,795</u>	<u>159,568</u>	<u>552,727</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,338,566</u>	<u>\$ 44,601</u>	<u>\$ 24,451</u>	<u>\$ 72,941</u>	<u>\$ 766,661</u>	<u>\$ 163,050</u>	<u>\$ 554,596</u>

Debt Service Funds			Capital Projects Funds							Total Nonmajor Governmental Funds
G.O. Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Infrastructure Trust	Street Revolving Construction	
\$281,132	\$ 46,032	\$ 830,075	\$862,602	\$ 983,295	\$ 231,634	\$2,044,939	\$ 29	\$ 3,525,061	\$ 465,027	\$ 11,875,099
—	405,864	—	—	—	—	—	—	—	—	405,864
4,665	3,026	4,638	—	—	—	—	—	37,471	—	58,555
—	—	—	—	—	—	32,949	181,740	—	—	214,689
—	—	—	—	—	—	—	—	—	—	256,162
—	—	—	—	—	—	—	—	—	—	30,000
26,579	17,264	5,887	—	—	—	59,832	447,208	338,800	4,220	964,466
<u>\$312,376</u>	<u>\$472,186</u>	<u>\$ 840,600</u>	<u>\$862,602</u>	<u>\$ 983,295</u>	<u>\$ 231,634</u>	<u>\$2,137,720</u>	<u>\$ 628,977</u>	<u>\$ 3,901,332</u>	<u>\$ 469,247</u>	<u>\$ 13,804,835</u>
\$ —	\$ —	\$ 157,426	\$ 29,661	\$ 157,271	\$ 102	\$ 57,042	\$ 58,845	\$ —	\$ 262	\$ 478,869
—	—	—	—	—	—	18,215	408,285	—	—	426,500
—	—	—	—	—	—	—	810,000	—	—	820,000
—	—	10,545	—	—	4,451	—	10,986	—	—	53,401
—	—	—	—	—	—	—	—	—	—	2,074
—	—	167,971	29,661	157,271	4,553	75,257	1,288,116	—	262	1,780,844
4,665	3,026	4,638	—	—	—	—	—	37,471	—	58,555
—	—	—	—	—	—	32,949	181,740	—	—	214,689
—	—	—	—	—	—	—	—	138,099	—	138,099
<u>4,665</u>	<u>3,026</u>	<u>4,638</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>32,949</u>	<u>181,740</u>	<u>175,570</u>	<u>—</u>	<u>411,343</u>
307,711	469,160	667,991	—	—	227,081	—	—	—	—	1,800,915
—	—	—	—	—	—	—	—	2,256,596	—	5,025,982
—	—	—	832,941	826,024	—	2,029,514	—	1,469,166	468,985	5,626,630
—	—	—	—	—	—	—	(840,879)	—	—	(840,879)
<u>307,711</u>	<u>469,160</u>	<u>667,991</u>	<u>832,941</u>	<u>826,024</u>	<u>227,081</u>	<u>2,029,514</u>	<u>(840,879)</u>	<u>3,725,762</u>	<u>468,985</u>	<u>11,612,648</u>
<u>\$312,376</u>	<u>\$472,186</u>	<u>\$ 840,600</u>	<u>\$862,602</u>	<u>\$ 983,295</u>	<u>\$ 231,634</u>	<u>\$2,137,720</u>	<u>\$ 628,977</u>	<u>\$ 3,901,332</u>	<u>\$ 469,247</u>	<u>\$ 13,804,835</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Revenues							
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ 611,221	\$ —	\$ 248,350
Special assessments	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	1,760
Other taxes	786,816	—	—	—	—	—	—
Intergovernmental revenue	—	—	15,562	60,269	—	238,000	—
Charges for services	285,706	—	—	—	—	—	—
Fines and forfeits	—	83,394	—	—	—	—	—
Interest on investments (charges)	10,979	429	117	1,072	4,813	3,152	5,463
Miscellaneous revenue	—	—	—	36,110	—	608	187,708
Total Revenues	1,083,501	83,823	15,679	97,451	616,034	241,760	443,281
Expenditures							
Current:							
General government	713,038	—	15,562	—	—	—	—
Public safety	—	60,086	—	—	—	—	—
Public works and parks	—	—	—	—	—	—	—
Culture and recreation	—	—	—	142,576	—	—	—
Conservation of natural resources	—	—	—	—	—	317,786	312,041
Economic development	—	—	—	—	182,910	—	—
Capital outlay:							
Public works and parks	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—
Debt service:							
Redemption of bonds	—	—	—	—	—	—	—
Interest on bonds	—	—	—	—	—	—	—
Fiscal agent fees	—	—	—	—	—	—	—
Total Expenditures	713,038	60,086	15,562	142,576	182,910	317,786	312,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	370,463	23,737	117	(45,125)	433,124	(76,026)	131,240
Other Financing Sources (Uses)							
Capital leases	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—
Transfers in	—	—	—	56,000	—	75,000	—
Transfers out	(185,000)	—	—	(48,000)	(479,642)	—	—
Total other financing sources (uses)	(185,000)	—	—	8,000	(479,642)	75,000	—
Net Change in Fund Balances	185,463	23,737	117	(37,125)	(46,518)	(1,026)	131,240
Fund Balances (Deficits) - Beginning	1,143,610	18,790	11,667	84,009	802,313	160,594	421,487
Fund Balances (Deficits)- Ending	\$ 1,329,073	\$ 42,527	\$ 11,784	\$ 46,884	\$ 755,795	\$ 159,568	\$ 552,727

Debt Service Funds			Capital Projects Funds							Total Nonmajor Governmental Funds
G.O. Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Infrastructure Trust	Street Revolving Construction	
\$423,640	\$274,929	\$ 823,859	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,211,128	\$ —	\$ 5,593,127
—	—	—	—	—	—	10,844	499,484	—	—	510,328
—	—	—	—	—	—	—	—	—	—	1,760
—	—	—	—	—	—	—	—	—	—	786,816
—	—	—	—	2,313	—	96,029	850,204	1,549,984	—	2,812,361
—	—	—	—	—	—	—	—	—	17,746	303,452
—	—	—	—	—	—	—	—	—	—	83,394
3,431	3,845	4,379	12,457	12,516	2,630	21,941	(13,082)	53,385	8,942	136,469
—	—	—	—	41,112	—	482,420	—	—	—	747,958
<u>427,071</u>	<u>278,774</u>	<u>828,238</u>	<u>12,457</u>	<u>55,941</u>	<u>2,630</u>	<u>611,234</u>	<u>1,336,606</u>	<u>4,814,497</u>	<u>26,688</u>	<u>10,975,665</u>
—	—	—	719,155	—	—	—	—	—	—	1,447,755
—	—	—	—	1,546,149	—	—	—	—	—	1,606,235
—	—	—	—	526,049	—	—	—	—	597,371	1,123,420
—	—	—	—	—	—	—	—	—	—	142,576
—	—	—	—	—	—	—	—	—	—	629,827
—	—	291,003	—	—	2,195	—	—	—	—	476,108
—	—	—	—	—	—	1,118,115	—	—	50,704	1,168,819
—	—	—	—	—	—	—	2,004,116	3,989,470	—	5,993,586
345,000	240,000	360,000	237,804	—	—	—	—	—	—	1,182,804
64,900	164,944	31,920	—	—	—	—	—	—	—	261,764
975	1,800	11,745	—	—	—	—	—	—	—	14,520
<u>410,875</u>	<u>406,744</u>	<u>694,668</u>	<u>956,959</u>	<u>2,072,198</u>	<u>2,195</u>	<u>1,118,115</u>	<u>2,004,116</u>	<u>3,989,470</u>	<u>648,075</u>	<u>14,047,414</u>
16,196	(127,970)	133,570	(944,502)	(2,016,257)	435	(506,881)	(667,510)	825,027	(621,387)	(3,071,749)
—	—	—	193,504	—	—	—	—	—	—	193,504
—	—	—	—	37,224	—	384,000	—	—	—	421,224
—	140,000	—	677,070	1,508,000	—	1,250,000	—	—	619,450	4,325,520
—	—	—	—	—	—	—	—	(709,101)	—	(1,421,743)
—	<u>140,000</u>	—	<u>870,574</u>	<u>1,545,224</u>	—	<u>1,634,000</u>	—	<u>(709,101)</u>	<u>619,450</u>	<u>3,518,505</u>
16,196	12,030	133,570	(73,928)	(471,033)	435	1,127,119	(667,510)	115,926	(1,937)	446,756
291,515	457,130	534,421	906,869	1,297,057	226,646	902,395	(173,369)	3,609,836	470,922	11,165,892
<u>\$307,711</u>	<u>\$469,160</u>	<u>\$ 667,991</u>	<u>\$ 832,941</u>	<u>\$ 826,024</u>	<u>\$ 227,081</u>	<u>\$ 2,029,514</u>	<u>\$ (840,879)</u>	<u>\$ 3,725,762</u>	<u>\$ 468,985</u>	<u>\$ 11,612,648</u>

City of Burnsville
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 27,024,000	\$ 27,024,000	\$ 26,796,827	\$ (227,173)
Special assessments	10,200	10,200	12,117	1,917
Licenses and permits	2,000,519	2,000,519	2,060,186	59,667
Other taxes	350,000	350,000	365,555	15,555
Intergovernmental revenue	2,440,324	2,468,570	2,218,985	(249,585)
Charges for services	6,200,941	6,204,441	6,330,958	126,517
Fines and forfeits	356,950	356,950	338,953	(17,997)
Interest on investments	270,000	270,000	241,298	(28,702)
Net change in fair value of investments	—	—	(115,688)	(115,688)
Miscellaneous revenue	959,557	969,072	933,032	(36,040)
Total Revenues	<u>39,612,491</u>	<u>39,653,752</u>	<u>39,182,223</u>	<u>(471,529)</u>
Expenditures				
Current:				
General government:				
Mayor and council	123,031	123,031	109,092	13,939
Manager and administration	639,466	642,966	620,410	22,556
Human resources	466,666	466,666	341,670	124,996
Legal	561,775	561,775	578,408	(16,633)
Information technologies	1,303,249	1,303,249	1,183,620	119,629
Finance	589,324	589,324	590,339	(1,015)
Insurance	429,080	429,080	558,350	(129,270)
Planning	578,292	749,559	758,112	(8,553)
General government buildings	696,495	696,495	574,723	121,772
Lodging tax to Convention and Visitors Bureau	332,500	332,500	347,277	(14,777)
Total general government	<u>5,719,878</u>	<u>5,894,645</u>	<u>5,662,001</u>	<u>232,644</u>
Public safety:				
Police	13,730,737	13,744,026	13,615,162	128,864
Fire	7,434,911	7,305,047	6,998,939	306,108
Inspections	1,120,475	1,120,475	1,080,398	40,077
Total public safety	<u>22,286,123</u>	<u>22,169,548</u>	<u>21,694,499</u>	<u>475,049</u>
Public works and parks:				
Engineering	1,321,146	1,321,146	1,290,806	30,340
Parks & streets	4,310,739	4,310,739	4,083,396	227,343
Fleet maintenance	319,672	319,672	308,907	10,765
Total public works and parks	<u>5,951,557</u>	<u>5,951,557</u>	<u>5,683,109</u>	<u>268,448</u>
Culture & recreation:				
Recreation	1,019,543	1,019,543	881,006	138,537
Conservation of natural resources:				
Natural Resources	41,047	41,047	7,890	33,157
Forestry	726,636	726,636	672,849	53,787
Total conservation of natural resources	<u>767,683</u>	<u>767,683</u>	<u>680,739</u>	<u>86,944</u>
Total Expenditures	<u>35,744,784</u>	<u>35,802,976</u>	<u>34,601,354</u>	<u>1,201,622</u>
Excess of Revenues Over Expenditures	<u>3,867,707</u>	<u>3,850,776</u>	<u>4,580,869</u>	<u>730,093</u>
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(4,484,000)	(4,640,100)	(4,640,100)	—
Total other financing sources (uses)	<u>(4,299,000)</u>	<u>(4,455,100)</u>	<u>(4,455,100)</u>	<u>—</u>
Net Change in Fund Balances	(431,293)	(604,324)	125,769	730,093
Fund Balances - Beginning	22,212,232	22,212,232	22,212,232	—
Fund Balances - Ending	<u>\$ 21,780,939</u>	<u>\$ 21,607,908</u>	<u>\$ 22,338,001</u>	<u>\$ 730,093</u>

City of Burnsville
Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 420,000	\$ 420,000	\$ 415,823	\$ (4,177)
Other taxes	1,000,000	1,000,000	1,330,139	330,139
Interest on investments	—	—	23,307	23,307
Miscellaneous revenue	—	3,000	3,000	—
Total Revenues	<u>1,420,000</u>	<u>1,423,000</u>	<u>1,772,269</u>	<u>349,269</u>
Expenditures				
Current:				
General government:				
General government buildings	25,000	43,000	—	43,000
Public safety:				
Police	—	3,000	—	3,000
Capital outlay:				
General government:				
General government buildings	105,750	1,130,662	659,905	470,757
Public safety:				
Police	11,900,000	11,900,000	9,039,993	2,860,007
Fire	55,000	90,950	75,792	15,158
Total public safety	<u>11,955,000</u>	<u>11,990,950</u>	<u>9,115,785</u>	<u>2,875,165</u>
Public works and parks:				
Fleet maintenance	—	126,283	120,726	5,557
Debt service:				
Bond Issuance costs	—	50,000	57,965	(7,965)
Total Expenditures	<u>12,085,750</u>	<u>13,343,895</u>	<u>9,954,381</u>	<u>3,389,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,665,750)</u>	<u>(11,920,895)</u>	<u>(8,182,112)</u>	<u>3,738,783</u>
Other Financing Sources				
Bonds issued	10,110,000	10,160,000	9,585,000	(575,000)
Premium on bonds issued	—	—	584,230	584,230
Transfers in	441,700	679,700	660,222	(19,478)
Total other financing sources	<u>10,551,700</u>	<u>10,839,700</u>	<u>10,829,452</u>	<u>(10,248)</u>
Net Change in Fund Balances	(114,050)	(1,081,195)	2,647,340	3,728,535
Fund Balances - Beginning	1,152,989	1,152,989	1,152,989	—
Fund Balances - Ending	<u>\$ 1,038,939</u>	<u>\$ 71,794</u>	<u>\$ 3,800,329</u>	<u>\$ 3,728,535</u>

City of Burnsville
Cable Franchise Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other taxes	\$ 740,000	\$ 740,000	\$ 786,816	\$ 46,816
Charges for services	308,400	308,400	285,706	(22,694)
Interest on investments	7,000	7,000	10,979	3,979
Total Revenues	<u>1,055,400</u>	<u>1,055,400</u>	<u>1,083,501</u>	<u>28,101</u>
Expenditures				
Current:				
General government:				
Public relations	808,908	813,708	713,038	100,670
Excess of Revenues Over Expenditures:	<u>246,492</u>	<u>241,692</u>	<u>370,463</u>	<u>128,771</u>
Other Financing Sources (Uses)				
Transfers out	<u>(185,000)</u>	<u>(185,000)</u>	<u>(185,000)</u>	<u>—</u>
Net Change in Fund Balances	61,492	56,692	185,463	128,771
Fund Balances - Beginning	<u>1,143,610</u>	<u>1,143,610</u>	<u>1,143,610</u>	<u>—</u>
Fund Balances - Ending	<u>\$ 1,205,102</u>	<u>\$ 1,200,302</u>	<u>\$ 1,329,073</u>	<u>\$ 128,771</u>

City of Burnsville
Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 25,000	\$ 25,000	\$ 83,394	\$ 58,394
Interest on investments	—	—	429	429
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>83,823</u>	<u>58,823</u>
Expenditures				
Current:				
Public safety:				
Police	30,000	30,000	60,086	(30,086)
Net Change in Fund Balances	(5,000)	(5,000)	23,737	28,737
Fund Balances - Beginning	18,790	18,790	18,790	—
Fund Balances - Ending	<u>\$ 13,790</u>	<u>\$ 13,790</u>	<u>\$ 42,527</u>	<u>\$ 28,737</u>

**City of Burnsville
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 16,000	\$ 14,000	\$ 15,562	\$ 1,562
Interest on investments	—	—	117	117
Total Revenues	<u>16,000</u>	<u>14,000</u>	<u>15,679</u>	<u>1,679</u>
Expenditures				
Current:				
General government:				
Manager and administration	16,000	14,000	15,562	(1,562)
Net Change in Fund Balances	—	—	117	117
Fund Balances - Beginning	11,667	11,667	11,667	—
Fund Balances - Ending	<u>\$ 11,667</u>	<u>\$ 11,667</u>	<u>\$ 11,784</u>	<u>\$ 117</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 49,000	\$ 50,000	\$ 60,269	\$ 10,269
Interest on investments	—	—	1,072	1,072
Miscellaneous revenue	39,110	39,110	36,110	(3,000)
Total Revenues	<u>88,110</u>	<u>89,110</u>	<u>97,451</u>	<u>8,341</u>
Expenditures				
Current:				
Culture & Recreation:				
Recreation	146,110	147,110	142,576	4,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(58,000)</u>	<u>(58,000)</u>	<u>(45,125)</u>	<u>12,875</u>
Other Financing Sources (Uses)				
Transfers in	56,000	56,000	56,000	—
Transfers out	(48,000)	(48,000)	(48,000)	—
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>—</u>
Net Change in Fund Balances	(50,000)	(50,000)	(37,125)	12,875
Fund Balances - Beginning	84,009	84,009	84,009	—
Fund Balances - Ending	<u>\$ 34,009</u>	<u>\$ 34,009</u>	<u>\$ 46,884</u>	<u>\$ 12,875</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 617,500	\$ 617,500	\$ 611,221	\$ (6,279)
Interest on investments	9,000	9,000	4,813	(4,187)
Total Revenues	<u>626,500</u>	<u>626,500</u>	<u>616,034</u>	<u>(10,466)</u>
Expenditures				
Current:				
Economic development	214,971	214,971	182,910	32,061
Excess of Revenues Over Expenditures	<u>411,529</u>	<u>411,529</u>	<u>433,124</u>	<u>21,595</u>
Other Financing (Uses)				
Transfers out	<u>(479,642)</u>	<u>(479,642)</u>	<u>(479,642)</u>	<u>—</u>
Net Change in Fund Balances	(68,113)	(68,113)	(46,518)	21,595
Fund Balances - Beginning	802,313	802,313	802,313	—
Fund Balances - Ending	<u>\$ 734,200</u>	<u>\$ 734,200</u>	<u>\$ 755,795</u>	<u>\$ 21,595</u>

**City of Burnsville
Sustainability Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 229,000	\$ 238,000	\$ 238,000	\$ —
Interest on investments	—	—	3,152	3,152
Miscellaneous revenue	—	—	608	608
Total Revenues	<u>229,000</u>	<u>238,000</u>	<u>241,760</u>	<u>3,760</u>
Expenditures				
Current:				
Conservation of natural resources:				
Recycling	<u>325,521</u>	<u>325,521</u>	<u>317,786</u>	<u>7,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(96,521)</u>	<u>(87,521)</u>	<u>(76,026)</u>	<u>11,495</u>
Other Financing Sources				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>—</u>
Net Change in Fund Balances	(21,521)	(12,521)	(1,026)	11,495
Fund Balances - Beginning	160,594	160,594	160,594	—
Fund Balances - Ending	<u>\$ 139,073</u>	<u>\$ 148,073</u>	<u>\$ 159,568</u>	<u>\$ 11,495</u>

City of Burnsville
Forestry Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 250,000	\$ 250,000	\$ 248,350	\$ (1,650)
Licenses and permits	1,720	1,720	1,760	40
Interest on investments	—	—	5,463	5,463
Miscellaneous revenue	—	—	187,708	187,708
Total Revenues	<u>251,720</u>	<u>251,720</u>	<u>443,281</u>	<u>191,561</u>
Expenditures				
Current:				
Conservation of natural resources:				
Forestry	<u>369,591</u>	<u>369,591</u>	<u>312,041</u>	<u>57,550</u>
Net Change in Fund Balances	(117,871)	(117,871)	131,240	249,111
Fund Balances - Beginning	421,487	421,487	421,487	—
Fund Balances - Ending	<u>\$ 303,616</u>	<u>\$ 303,616</u>	<u>\$ 552,727</u>	<u>\$ 249,111</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest on investments	\$ 2,000	\$ 2,000	\$ 12,457	\$ 10,457
Expenditures				
Current:				
General government:				
Information technologies	482,520	1,154,437	719,155	435,282
Debt service:				
Redemption of bonds	298,333	298,333	237,804	60,529
Total Expenditures	<u>780,853</u>	<u>1,452,770</u>	<u>956,959</u>	<u>495,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(778,853)</u>	<u>(1,450,770)</u>	<u>(944,502)</u>	<u>506,268</u>
Other Financing Sources				
Capital leases	—	—	193,504	193,504
Transfers in	649,970	677,070	677,070	—
Total other financing sources	<u>649,970</u>	<u>677,070</u>	<u>870,574</u>	<u>193,504</u>
Net Change in Fund Balances	(128,883)	(773,700)	(73,928)	699,772
Fund Balances - Beginning	906,869	906,869	906,869	—
Fund Balances - Ending	<u>\$ 777,986</u>	<u>\$ 133,169</u>	<u>\$ 832,941</u>	<u>\$ 699,772</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ —	\$ —	\$ 2,313	\$ 2,313
Interest on investments	10,000	10,000	12,516	2,516
Miscellaneous revenue	—	40,000	41,112	1,112
Total Revenues	<u>10,000</u>	<u>50,000</u>	<u>55,941</u>	<u>5,941</u>
Expenditures				
Current:				
Public safety:				
Police	244,000	244,000	241,513	2,487
Fire	1,355,000	1,437,051	1,304,636	132,415
Total public safety	<u>1,599,000</u>	<u>1,681,051</u>	<u>1,546,149</u>	<u>134,902</u>
Public works and parks:				
Engineering	35,000	35,000	34,770	230
Parks & streets	516,200	516,200	491,279	24,921
Fleet maintenance	—	45,213	—	45,213
Total public works and parks	<u>551,200</u>	<u>596,413</u>	<u>526,049</u>	<u>70,364</u>
Total Expenditures	<u>2,150,200</u>	<u>2,277,464</u>	<u>2,072,198</u>	<u>205,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,140,200)</u>	<u>(2,227,464)</u>	<u>(2,016,257)</u>	<u>211,207</u>
Other Financing Sources				
Sale of capital assets	100,000	100,000	37,224	(62,776)
Transfers in	1,392,000	1,508,000	1,508,000	—
Total other financing sources	<u>1,492,000</u>	<u>1,608,000</u>	<u>1,545,224</u>	<u>(62,776)</u>
Net Change in Fund Balances	(648,200)	(619,464)	(471,033)	148,431
Fund Balances - Beginning	1,297,057	1,297,057	1,297,057	—
Fund Balances - Ending	<u>\$ 648,857</u>	<u>\$ 677,593</u>	<u>\$ 826,024</u>	<u>\$ 148,431</u>

City of Burnsville
Parks Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ —	\$ —	\$ 10,844	\$ 10,844
Intergovernmental revenue	50,000	50,000	96,029	46,029
Interest on investments	—	—	21,941	21,941
Miscellaneous revenue	80,000	318,750	482,420	163,670
Total Revenues	<u>130,000</u>	<u>368,750</u>	<u>611,234</u>	<u>242,484</u>
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	<u>1,385,952</u>	<u>2,231,385</u>	<u>1,118,115</u>	<u>1,113,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,255,952)</u>	<u>(1,862,635)</u>	<u>(506,881)</u>	<u>1,355,754</u>
Other Financing Sources				
Sale of capital assets	—	—	384,000	384,000
Transfers in	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>—</u>
Total other financing sources	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,634,000</u>	<u>384,000</u>
Net Change in Fund Balances	(5,952)	(612,635)	1,127,119	1,739,754
Fund Balances - Beginning	902,395	902,395	902,395	—
Fund Balances - Ending	<u>\$ 896,443</u>	<u>\$ 289,760</u>	<u>\$ 2,029,514</u>	<u>\$ 1,739,754</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 950,000	\$ 950,000	\$ 499,484	\$ (450,516)
Intergovernmental revenue	415,000	1,080,625	850,204	(230,421)
Interest on investments (charges)	—	—	(13,082)	(13,082)
Total Revenues	<u>1,365,000</u>	<u>2,030,625</u>	<u>1,336,606</u>	<u>(694,019)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>1,365,000</u>	<u>2,030,625</u>	<u>2,004,116</u>	<u>26,509</u>
Net Change in Fund Balances	—	—	(667,510)	(667,510)
Fund Balances (Deficits) - Beginning	<u>(173,369)</u>	<u>(173,369)</u>	<u>(173,369)</u>	<u>—</u>
Fund Balances (Deficits) - Ending	<u><u>\$ (173,369)</u></u>	<u><u>\$ (173,369)</u></u>	<u><u>\$ (840,879)</u></u>	<u><u>\$ (667,510)</u></u>

City of Burnsville
Infrastructure Trust Fund (ITF)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,250,000	\$ 3,250,000	\$ 3,211,128	\$ (38,872)
Intergovernmental revenue	1,694,671	1,694,671	1,549,984	(144,687)
Interest on investments	24,192	24,192	53,385	29,193
Total Revenues	<u>4,968,863</u>	<u>4,968,863</u>	<u>4,814,497</u>	<u>(154,366)</u>
Expenditures				
Capital outlay:				
Infrastructure	<u>3,765,000</u>	<u>4,308,816</u>	<u>3,989,470</u>	<u>319,346</u>
Excess of Revenues Over Expenditures	<u>1,203,863</u>	<u>660,047</u>	<u>825,027</u>	<u>164,980</u>
Other Financing Sources (Uses)				
Transfers out	<u>(709,101)</u>	<u>(709,101)</u>	<u>(709,101)</u>	<u>—</u>
Net Change in Fund Balances	494,762	(49,054)	115,926	164,980
Fund Balances - Beginning	3,609,836	3,609,836	3,609,836	—
Fund Balances - Ending	<u><u>\$ 4,104,598</u></u>	<u><u>\$ 3,560,782</u></u>	<u><u>\$ 3,725,762</u></u>	<u><u>\$ 164,980</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 17,746	\$ 2,746
Interest on investments	7,000	7,000	8,942	1,942
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>26,688</u>	<u>4,688</u>
Expenditures				
Current:				
Public works and parks:				
Parks & streets	630,000	630,000	597,371	32,629
Capital outlay:				
Public works and parks:				
Parks & streets	—	50,000	50,704	(704)
Total Expenditures	<u>630,000</u>	<u>680,000</u>	<u>648,075</u>	<u>31,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(608,000)</u>	<u>(658,000)</u>	<u>(621,387)</u>	<u>36,613</u>
Other Financing Sources				
Transfers in	<u>619,450</u>	<u>619,450</u>	<u>619,450</u>	<u>—</u>
Net Change in Fund Balances	11,450	(38,550)	(1,937)	36,613
Fund Balances - Beginning	470,922	470,922	470,922	—
Fund Balances - Ending	<u>\$ 482,372</u>	<u>\$ 432,372</u>	<u>\$ 468,985</u>	<u>\$ 36,613</u>

City of Burnsville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Assets					
Current Assets:					
Cash, cash equivalents and investments	\$ 955,352	\$ 319,388	\$ 545,656	\$ 169,327	\$ 1,989,723
Accounts receivable	89,104	—	105,124	14,979	209,207
Total Current Assets	<u>1,044,456</u>	<u>319,388</u>	<u>650,780</u>	<u>184,306</u>	<u>2,198,930</u>
Noncurrent Assets:					
Capital Assets:					
Land	—	757,320	—	—	757,320
Buildings	2,858,799	131,297	—	—	2,990,096
Infrastructure and improvements	5,729,906	169,556	1,800,928	—	7,700,390
Equipment and vehicles	392,081	171,339	—	—	563,420
Less accumulated depreciation	<u>(4,841,544)</u>	<u>(365,458)</u>	<u>(654,939)</u>	<u>—</u>	<u>(5,861,941)</u>
Total capital assets (net of accumulated depreciation)	<u>4,139,242</u>	<u>864,054</u>	<u>1,145,989</u>	<u>—</u>	<u>6,149,285</u>
Total Assets	<u>5,183,698</u>	<u>1,183,442</u>	<u>1,796,769</u>	<u>184,306</u>	<u>8,348,215</u>
Deferred Outflows of Resources					
Deferred outflows of resources - pensions	<u>86,730</u>	<u>28,910</u>	<u>—</u>	<u>—</u>	<u>115,640</u>
Liabilities					
Current Liabilities:					
Accrued compensated absences, current portion	7,664	2,901	—	—	10,565
Accounts payable	36,558	794	94,761	7,168	139,281
Due to other governments	5,904	66	—	—	5,970
Customer and other deposits	7,452	1,478	11	—	8,941
Total Current Liabilities	<u>57,578</u>	<u>5,239</u>	<u>94,772</u>	<u>7,168</u>	<u>164,757</u>
Noncurrent Liabilities:					
Accrued compensated absences, net of current portion	68,976	26,108	—	—	95,084
Net pension liability	332,858	110,952	—	—	443,810
Total Noncurrent Liabilities	<u>401,834</u>	<u>137,060</u>	<u>—</u>	<u>—</u>	<u>538,894</u>
Total Liabilities	<u>459,412</u>	<u>142,299</u>	<u>94,772</u>	<u>7,168</u>	<u>703,651</u>
Deferred Inflows of Resources					
Deferred inflows of resources - pensions	<u>76,036</u>	<u>25,345</u>	<u>—</u>	<u>—</u>	<u>101,381</u>
Net Position					
Investment in capital assets	4,139,242	864,054	1,145,989	—	6,149,285
Unrestricted	595,738	180,654	556,008	177,138	1,509,538
Total Net Position	<u>\$ 4,734,980</u>	<u>\$ 1,044,708</u>	<u>\$ 1,701,997</u>	<u>\$ 177,138</u>	<u>\$ 7,658,823</u>

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 1,091,259	\$ 256,647	\$ 574,180	\$ 83,247	\$ 2,005,333
Operating Expenses					
Personnel services	616,953	207,087	—	—	824,040
Repairs and maintenance	31,186	7,366	209,105	39,401	287,058
Utilities	176,994	7,136	346,672	—	530,802
Other operating expenses	140,175	45,662	1,470	—	187,307
Depreciation	347,592	18,927	86,528	—	453,047
Total Operating Expenses	<u>1,312,900</u>	<u>286,178</u>	<u>643,775</u>	<u>39,401</u>	<u>2,282,254</u>
Operating Income (Loss)	<u>(221,641)</u>	<u>(29,531)</u>	<u>(69,595)</u>	<u>43,846</u>	<u>(276,921)</u>
Nonoperating Revenues					
Intergovernmental	121	40	—	—	161
Investment earnings	10,788	3,814	6,118	1,492	22,212
Total Nonoperating Revenues	<u>10,909</u>	<u>3,854</u>	<u>6,118</u>	<u>1,492</u>	<u>22,373</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(210,732)</u>	<u>(25,677)</u>	<u>(63,477)</u>	<u>45,338</u>	<u>(254,548)</u>
Transfers and Capital Contributions					
Capital contributions - from other funds	—	—	120,184	—	120,184
Transfers in	—	—	—	13,000	13,000
Transfers out	—	—	—	(10,000)	(10,000)
Total Transfers and Capital Contributions	<u>—</u>	<u>—</u>	<u>120,184</u>	<u>3,000</u>	<u>123,184</u>
Change in Net Position	(210,732)	(25,677)	56,707	48,338	(131,364)
Total Net Position - Beginning	4,945,712	1,070,385	1,645,290	128,800	7,790,187
Total Net Position - Ending	<u>\$ 4,734,980</u>	<u>\$ 1,044,708</u>	<u>\$ 1,701,997</u>	<u>\$ 177,138</u>	<u>\$ 7,658,823</u>

City of Burnsville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,054,278	\$ 257,031	\$ 580,295	\$ 83,319	\$ 1,974,923
Payments to suppliers	(346,451)	(61,356)	(520,698)	(56,561)	(985,066)
Payments to employees	(596,763)	(202,383)	—	—	(799,146)
Net cash provided (used) by operating activities	111,064	(6,708)	59,597	26,758	190,711
Cash Flows from Noncapital Financing					
Grants and other income	121	40	—	—	161
Transfers in	—	—	—	13,000	13,000
Transfers out	—	—	—	(10,000)	(10,000)
Net cash provided by noncapital financing activities	121	40	—	3,000	3,161
Cash Flows from Capital and Related Financing Activities					
Purchase or construction of capital assets	(35,362)	—	(13,700)	—	(49,062)
Cash Flows from Investing Activities					
Investment earnings	10,788	3,814	6,118	1,492	22,212
Net Increase (Decrease) in Cash and Cash Equivalents	86,611	(2,854)	52,015	31,250	167,022
Cash and Cash Equivalents					
Beginning	868,741	322,242	493,641	138,077	1,822,701
Ending	<u>\$ 955,352</u>	<u>\$ 319,388</u>	<u>\$ 545,656</u>	<u>\$ 169,327</u>	<u>\$ 1,989,723</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (221,641)	\$ (29,531)	\$ (69,595)	\$ 43,846	\$ (276,921)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	347,592	18,927	86,528	—	453,047
(Increase) decrease in assets:					
Receivables	(39,917)	—	6,115	72	(33,730)
(Increase) decrease in deferred outflows of resources:					
Pensions	97,037	32,346	—	—	129,383
(Decrease) increase in liabilities:					
Accrued compensated absences	5,263	(271)	—	—	4,992
Accounts payable	(1,034)	(1,190)	42,384	(17,160)	23,000
Contracts payable	—	—	(5,835)	—	(5,835)
Due to other governments	2,938	(2)	—	—	2,936
Customer deposits	2,936	384	—	—	3,320
Net pension liability	(108,275)	(36,092)	—	—	(144,367)
(Decrease) increase in deferred inflows of resources:					
Pensions	26,165	8,721	—	—	34,886
Net cash provided (used) by operating activities	<u>\$ 111,064</u>	<u>\$ (6,708)</u>	<u>\$ 59,597</u>	<u>\$ 26,758</u>	<u>\$ 190,711</u>
Noncash investing, capital, and financing					
Capital assets contributed from other funds			<u>\$ 120,184</u>		<u>\$ 120,184</u>

This page intentionally left blank.

Statistical Section

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

Contents	Pages
Financial Trends	108 - 121
<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	122 - 127
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	128 - 134
<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	135 - 137
<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	138 - 143
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

CITY OF BURNSVILLE, MINNESOTA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
Governmental activities:			
Net investment in capital assets	\$ 87,693,915	\$ 89,743,356	\$ 89,557,378
Restricted	14,179,654	15,087,958	16,317,306
Unrestricted	24,683,001	3,628,167	5,216,775
Total governmental activities net position	<u>126,556,570</u>	<u>108,459,481</u>	<u>111,091,459</u>
Business-type activities:			
Net investment in capital assets	77,555,775	101,862,438	105,898,194
Restricted	—	—	—
Unrestricted	27,736,643	27,362,643	26,882,913
Total business-type activities net position	<u>105,292,418</u>	<u>129,225,081</u>	<u>132,781,107</u>
Primary government:			
Net investment in capital assets	165,249,690	175,059,827	173,719,912
Restricted	14,179,654	15,087,958	16,968,677
Unrestricted	52,419,644	47,536,777	53,183,977
Total primary government net position	<u>231,848,988</u>	<u>237,684,562</u>	<u>243,872,566</u>

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

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

2011	2012	2013	2014	2015	2016	2017
\$ 91,650,717	\$ 93,885,247	\$ 96,257,688	\$ 97,997,455	\$ 102,170,883	\$ 104,771,961	\$ 106,229,087
14,948,803	18,399,208	18,110,203	16,258,586	15,856,787	15,575,435	15,273,178
6,796,441	6,074,729	2,675,019	9,795,144	(10,011,396)	(16,105,677)	(14,906,686)
<u>113,395,961</u>	<u>118,359,184</u>	<u>117,042,910</u>	<u>124,051,185</u>	<u>108,016,274</u>	<u>104,241,719</u>	<u>106,595,579</u>
103,259,415	102,137,786	103,222,175	104,005,794	107,526,787	108,404,200	109,180,617
—	—	—	—	—	—	—
28,682,367	30,510,760	30,142,747	30,077,288	27,234,433	25,931,257	24,830,660
<u>131,941,782</u>	<u>132,648,546</u>	<u>133,364,922</u>	<u>134,083,082</u>	<u>134,761,220</u>	<u>134,335,457</u>	<u>134,011,277</u>
173,613,514	175,255,525	179,261,326	182,353,752	190,601,833	194,714,746	197,577,330
15,678,447	19,147,865	18,925,996	17,152,577	15,856,787	15,575,435	15,273,178
56,045,782	56,604,340	52,220,510	58,627,938	36,318,874	28,286,995	27,756,348
<u>245,337,743</u>	<u>251,007,730</u>	<u>250,407,832</u>	<u>258,134,267</u>	<u>242,777,494</u>	<u>238,577,176</u>	<u>240,606,856</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 1 of 2)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
Expenses:			
Governmental activities:			
General government	\$ 6,580,402	\$ 6,464,603	\$ 6,314,566
Public safety	17,888,750	18,043,348	18,511,365
Public works and parks	17,361,531	14,567,283	11,997,631
Culture and recreation	1,356,559	1,246,814	1,192,601
Conservation of natural resources	1,002,785	762,532	877,533
Economic development	2,009,359	1,012,304	737,782
Interest on long-term debt	1,928,196	1,861,210	1,750,308
Total governmental activities expenses	<u>48,127,582</u>	<u>43,958,094</u>	<u>41,381,786</u>
Business-type activities:			
Water and sewer	11,965,373	13,436,014	14,371,093
Storm water	4,090,758	2,838,135	3,269,937
Performing arts center	358,121	1,530,095	1,665,052
Ice arena	1,136,559	1,131,844	1,132,571
Golf course	349,954	331,769	279,185
Street lighting	350,196	384,312	333,233
Sidewalk snow plowing	—	—	99,021
Total business-type activities expenses	<u>18,250,961</u>	<u>19,652,169</u>	<u>21,150,092</u>
Total primary government expenses	<u><u>66,378,543</u></u>	<u><u>63,610,263</u></u>	<u><u>62,531,878</u></u>
Program revenues:			
Governmental activities:			
Charges for services			
General government	139,557	467,112	482,874
Public safety	3,995,016	3,638,213	3,933,898
Public works and parks	2,152,855	2,198,357	2,450,688
Other activities	413,036	498,042	479,069
Operating grants and contributions	2,444,770	2,255,331	2,569,489
Capital grants and contributions	5,181,684	3,779,174	5,781,105
Total governmental activities program revenues	<u>14,326,918</u>	<u>12,836,229</u>	<u>15,697,123</u>
Business-type activities:			
Charges for services			
Water and sewer	11,625,377	12,225,208	12,142,805
Storm water	3,714,996	3,875,828	3,900,057
Performing arts center	—	506,291	749,643
Ice arena	1,028,998	1,089,021	859,490
Golf course	315,308	319,363	285,643
Street lighting	390,043	409,366	426,754
Sidewalk snow plowing	—	—	40,096
Operating grants and contributions	320,511	396,010	479,493
Capital grants and contributions	7,825,984	4,612,571	770,539
Total business-type activities program revenues	<u>25,221,217</u>	<u>23,433,658</u>	<u>19,654,520</u>
Total primary government program revenues	<u><u>39,548,135</u></u>	<u><u>36,269,887</u></u>	<u><u>35,351,643</u></u>

2011	2012	2013	2014	2015	2016	2017
\$ 6,305,723	\$ 5,939,542	\$ 6,358,158	\$ 6,362,440	\$ 6,573,281	\$ 7,382,481	\$ 8,085,296
18,831,240	19,082,421	19,553,700	19,941,045	21,441,358	28,086,233	24,679,300
15,178,938	14,588,069	14,980,830	15,837,464	15,901,625	15,292,294	15,303,864
1,338,806	1,216,633	1,243,917	1,246,522	1,089,081	1,145,294	1,067,828
884,024	869,001	994,318	1,023,827	1,071,242	1,228,567	1,305,308
583,638	528,412	484,771	465,692	498,231	496,285	482,403
1,878,214	1,768,022	1,612,989	1,422,743	1,379,238	1,527,893	1,503,981
<u>45,000,583</u>	<u>43,992,100</u>	<u>45,228,683</u>	<u>46,299,733</u>	<u>47,954,056</u>	<u>55,159,047</u>	<u>52,427,980</u>
14,990,935	13,802,181	14,803,579	14,929,321	14,889,284	15,476,767	15,875,566
3,368,332	3,460,146	3,186,443	3,369,746	3,879,088	4,293,053	4,499,643
1,703,766	1,841,428	1,908,984	2,192,667	2,090,481	2,232,993	2,591,863
1,320,505	1,211,326	1,324,739	1,291,264	1,423,315	1,455,693	1,312,900
267,631	282,104	285,725	267,345	287,488	313,047	286,178
347,731	502,597	513,401	482,110	646,268	568,363	643,775
34,183	24,813	61,892	114,210	26,455	57,343	39,401
<u>22,033,083</u>	<u>21,124,595</u>	<u>22,084,763</u>	<u>22,646,663</u>	<u>23,242,379</u>	<u>24,397,259</u>	<u>25,249,326</u>
<u>67,033,666</u>	<u>65,116,695</u>	<u>67,313,446</u>	<u>68,946,396</u>	<u>71,196,435</u>	<u>79,556,306</u>	<u>77,677,306</u>
402,893	406,633	447,925	438,976	426,636	405,299	357,080
4,157,945	4,121,061	5,339,716	4,788,939	4,973,384	4,914,888	5,955,569
3,015,419	2,727,797	2,840,172	3,241,456	2,825,050	2,798,069	3,123,103
615,472	442,644	487,282	469,564	380,476	385,875	544,773
2,103,083	2,224,711	2,179,315	2,134,004	2,367,689	2,326,628	2,614,858
3,853,073	6,590,199	3,911,739	7,016,281	8,609,473	4,802,301	4,270,577
<u>14,147,885</u>	<u>16,513,045</u>	<u>15,206,149</u>	<u>18,089,220</u>	<u>19,582,708</u>	<u>15,633,060</u>	<u>16,865,960</u>
13,180,764	13,903,091	13,824,144	14,234,693	14,448,498	15,132,165	15,522,270
4,021,224	4,122,459	4,209,992	4,222,512	4,208,439	4,318,018	4,284,928
859,454	975,388	1,172,363	1,387,480	1,308,981	1,493,365	1,837,534
939,392	957,018	1,104,497	1,137,933	1,081,207	1,080,874	1,091,259
254,578	268,956	247,831	253,902	280,153	270,610	256,647
443,658	561,780	580,766	568,961	571,265	594,775	574,180
61,251	55,113	55,311	55,788	65,800	83,116	83,247
438,862	298,925	315,892	404,262	378,154	474,969	625,268
866,649	448,728	881,724	1,173,117	300,664	359,822	524,891
<u>21,065,832</u>	<u>21,591,458</u>	<u>22,392,520</u>	<u>23,438,648</u>	<u>22,643,161</u>	<u>23,807,714</u>	<u>24,800,224</u>
<u>35,213,717</u>	<u>38,104,503</u>	<u>37,598,669</u>	<u>41,527,868</u>	<u>42,225,869</u>	<u>39,440,774</u>	<u>41,666,184</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN NET POSITION (Page 2 of 2)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
Net (expense)/revenue:			
Governmental activities	\$ (33,800,664)	\$ (31,121,865)	\$ (25,684,663)
Business-type activities	6,970,256	3,781,489	(1,495,572)
	<u>(26,830,408)</u>	<u>(27,340,376)</u>	<u>(27,180,235)</u>
General revenues and other changes in net position:			
Governmental activities:			
Taxes			
Property taxes	29,459,753	30,141,996	30,149,626
Lodging tax	288,271	221,356	222,954
Franchise taxes	651,606	644,821	663,664
Unrestricted grants and contributions	1,465,106	1,089,676	1,024,440
Unrestricted investment earnings	2,234,359	349,735	747,245
Gain on sale of capital assets	—	—	—
Transfers	2,393,170	(19,422,808)	(4,491,288)
Total governmental activities	<u>36,492,265</u>	<u>13,024,776</u>	<u>28,316,641</u>
Business-type activities:			
Unrestricted grants and contributions	—	—	50,690
Unrestricted investment earnings	1,265,063	728,366	509,620
Transfers	(2,393,170)	19,422,808	4,491,288
Total business-type activities	<u>(1,128,107)</u>	<u>20,151,174</u>	<u>5,051,598</u>
Total primary government	<u>35,364,158</u>	<u>33,175,950</u>	<u>33,368,239</u>
Change in net position:			
Governmental activities	2,691,601	(18,097,089)	2,631,978
Business-type activities	5,842,149	23,932,663	3,556,026
Total primary government	<u>8,533,750</u>	<u>5,835,574</u>	<u>6,188,004</u>

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

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

2011	2012	2013	2014	2015	2016	2017
\$ (30,852,698)	\$ (27,479,055)	\$ (30,022,534)	\$ (28,210,513)	\$ (28,371,348)	\$ (39,525,987)	\$ (35,562,020)
(967,251)	466,863	307,757	791,985	(599,218)	(589,545)	(449,102)
<u>(31,819,949)</u>	<u>(27,012,192)</u>	<u>(29,714,777)</u>	<u>(27,418,528)</u>	<u>(28,970,566)</u>	<u>(40,115,532)</u>	<u>(36,011,122)</u>
29,464,723	29,876,431	30,374,410	29,444,693	30,699,759	32,127,976	33,668,989
237,962	259,879	287,358	289,198	363,409	366,918	365,555
665,605	697,660	723,624	729,211	758,972	1,274,060	2,116,955
919,549	824,390	815,677	915,373	973,068	1,143,996	1,091,139
1,387,955	504,517	(3,219,479)	3,300,247	1,091,944	721,735	503,205
30,911	—	—	—	—	—	—
450,495	279,401	(4,182)	540,066	(2,221,674)	116,747	170,037
<u>33,157,200</u>	<u>32,442,278</u>	<u>28,977,408</u>	<u>35,218,788</u>	<u>31,665,478</u>	<u>35,751,432</u>	<u>37,915,880</u>
58,434	57,531	51,697	50,574	48,681	46,401	43,642
519,987	461,771	469,429	415,667	358,342	234,128	251,317
(450,495)	(279,401)	4,182	(540,066)	2,221,674	(116,747)	(170,037)
<u>127,926</u>	<u>239,901</u>	<u>525,308</u>	<u>(73,825)</u>	<u>2,628,697</u>	<u>163,782</u>	<u>124,922</u>
<u>33,285,126</u>	<u>32,682,179</u>	<u>29,502,716</u>	<u>35,144,963</u>	<u>34,294,175</u>	<u>35,915,214</u>	<u>38,040,802</u>
2,304,502	4,963,223	(1,045,126)	7,008,275	3,294,130	(3,774,555)	2,353,860
(839,325)	706,764	833,065	718,160	2,029,479	(425,763)	(324,180)
<u>1,465,177</u>	<u>5,669,987</u>	<u>(212,061)</u>	<u>7,726,435</u>	<u>5,323,609</u>	<u>(4,200,318)</u>	<u>2,029,680</u>

This page intentionally left blank.

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
2008	\$ 24,912,828	\$ 4,546,925	\$ 288,271	\$ 651,606	\$ 30,399,630
2009	25,563,077	4,578,919	221,356	644,821	31,008,173
2010	25,567,362	4,582,264	222,954	663,664	31,036,244
2011	26,547,376	2,917,347	237,962	665,605	30,368,290
2012	26,841,984	3,034,447	259,879	697,660	30,833,970
2013	27,383,429	2,990,981	287,358	723,624	31,385,392
2014	28,653,243	791,450	289,198	729,211	30,463,102
2015	29,916,349	783,410	363,409	758,972	31,822,140
2016	31,308,269	819,707	366,918	1,274,060	33,768,954
2017	32,845,130	823,859	365,555	2,116,955	36,151,499

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

	Fiscal Year		
	2008	2009	2010
General Fund:			
Reserved	\$ 2,942,875	\$ 2,890,405	\$ 2,785,405
Unreserved	14,422,362	14,685,258	15,968,934
Nonspendable	—	—	—
Restricted	—	—	—
Assigned	—	—	—
Unassigned	—	—	—
Total General Fund	<u>17,365,237</u>	<u>17,575,663</u>	<u>18,754,339</u>
All other governmental funds:			
Reserved	10,757,660	10,356,997	12,720,790
Unreserved, reported in:			
Special revenue funds	2,017,387	2,058,503	1,990,930
Capital projects funds	9,367,836	4,390,877	8,858,711
Restricted	—	—	—
Committed	—	—	—
Assigned	—	—	—
Unassigned	—	—	—
Total all other governmental funds	<u>\$ 22,142,883</u>	<u>\$ 16,806,377</u>	<u>\$ 23,570,431</u>

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

2011	2012	2013	2014	2015	2016	2017
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—
—	—	250	—	1,491,544	1,491,544	1,191,544
2,677,255	2,549,570	2,420,304	2,288,160	2,152,353	2,013,830	1,872,537
464,685	1,966,966	1,544,844	1,155,807	1,700,678	991,293	991,657
16,072,010	15,177,759	13,196,459	16,960,866	16,504,649	17,715,565	18,282,263
<u>19,213,950</u>	<u>19,694,295</u>	<u>17,161,857</u>	<u>20,404,833</u>	<u>21,849,224</u>	<u>22,212,232</u>	<u>22,338,001</u>
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
11,214,091	13,488,828	14,580,498	7,186,381	13,413,234	20,000,824	21,171,456
5,870,374	5,835,537	4,652,856	4,966,759	4,925,668	4,702,767	8,115,285
5,186,835	5,854,591	5,709,328	6,454,637	5,585,159	6,146,013	5,626,630
(545,997)	(1,370,179)	(1,603,774)	(160,196)	(168,654)	(173,369)	(840,879)
<u>\$ 21,725,303</u>	<u>\$ 23,808,777</u>	<u>\$ 23,338,908</u>	<u>\$ 18,447,581</u>	<u>\$ 23,755,407</u>	<u>\$ 30,676,235</u>	<u>\$ 34,072,492</u>

CITY OF BURNSVILLE, MINNESOTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
Revenues:			
Taxes	\$ 30,330,980	\$ 30,760,837	\$ 31,000,458
Licenses and permits	1,608,237	1,356,250	1,703,937
Intergovernmental	5,356,973	3,950,117	6,755,520
Charges for services	4,613,207	4,914,844	4,905,494
Fines and forfeits	656,933	636,719	595,807
Investment income	2,136,825	279,333	702,741
Special assessments	1,796,193	2,005,413	1,779,650
Miscellaneous	786,860	844,514	1,228,423
Total revenues	<u>47,286,208</u>	<u>44,748,027</u>	<u>48,672,030</u>
Expenditures:			
Current:			
General government	6,328,928	5,996,423	6,177,653
Public safety	18,268,837	17,965,593	18,135,898
Public works and parks	6,173,342	6,234,160	5,940,634
Culture and recreation	1,228,378	1,239,060	1,191,112
Conservation of natural resources	1,041,981	767,644	910,199
Economic development	2,007,636	1,011,877	737,149
Capital outlay	31,979,783	10,407,522	14,050,192
Debt service:			
Redemption of bonds	4,126,031	5,033,910	5,134,122
Interest on bonds	1,227,878	2,203,378	1,792,772
Fiscal agent fees	41,342	37,437	39,587
Bond issuance costs	107,165	—	130,838
Total expenditures	<u>72,531,301</u>	<u>50,897,004</u>	<u>54,240,156</u>
Excess of revenues over (under) expenditures	(25,245,093)	(6,148,977)	(5,568,126)
Other financing sources (uses):			
Bonds issued	21,014,516	—	11,835,000
Refunding bonds issued	1,880,484	—	1,995,000
Premium (discount) on bonds issued	34,409	—	(17,289)
Payments to refunded bond escrow agent	(4,459,043)	—	(967,725)
Capital leases	—	—	—
Sales of capital assets	230,584	54,616	80,269
Transfers in	7,632,013	5,238,929	4,987,144
Transfers out	(5,022,632)	(4,270,648)	(4,401,543)
Total other financing sources (uses)	<u>21,310,331</u>	<u>1,022,897</u>	<u>13,510,856</u>
Net change in fund balances	<u>\$ (3,934,762)</u>	<u>\$ (5,126,080)</u>	<u>\$ 7,942,730</u>
Debt service as a percentage of noncapital expenditures	<u>11.8%</u>	<u>16.9%</u>	<u>17.4%</u>

	2011	2012	2013	2014	2015	2016	2017
\$	30,567,623	\$ 30,962,351	\$ 31,436,569	\$ 30,575,302	\$ 31,867,814	\$ 33,753,006	\$ 35,989,886
	1,911,453	1,584,388	2,445,580	1,953,776	2,026,415	1,903,820	2,061,946
	3,696,469	5,381,672	3,818,161	4,867,531	8,332,614	5,118,254	5,077,504
	4,905,971	5,269,516	5,889,564	5,885,164	5,913,570	6,345,229	6,634,410
	459,573	432,391	470,413	417,275	378,940	337,171	422,347
	1,338,841	463,782	(3,262,167)	3,260,938	1,054,573	694,824	469,779
	1,769,771	1,877,487	1,890,774	1,813,996	2,585,543	1,800,511	1,866,666
	1,699,041	1,912,691	1,068,837	1,579,348	1,353,267	1,085,021	1,683,990
	46,348,742	47,884,278	43,757,731	50,353,330	53,512,736	51,037,836	54,206,528
	6,058,728	5,423,448	5,508,509	5,856,737	6,495,318	7,356,451	7,109,756
	18,939,924	19,073,952	19,159,372	20,140,526	20,403,477	20,699,670	23,300,734
	6,627,057	6,263,265	6,530,255	6,592,561	6,766,745	6,931,564	6,806,529
	1,269,730	1,254,987	1,231,581	1,256,682	1,336,636	1,060,369	1,023,582
	861,604	898,444	1,022,316	995,490	1,035,269	1,198,458	1,310,566
	583,855	527,938	483,893	464,933	495,624	484,650	476,108
	7,940,344	13,050,371	9,805,507	9,360,407	12,688,606	9,894,133	17,058,821
	5,861,540	4,268,052	4,584,460	8,340,613	3,584,701	3,063,398	3,251,465
	1,950,408	1,717,207	1,684,125	1,512,418	1,375,624	1,521,390	1,489,498
	29,073	32,721	29,347	18,670	18,775	18,338	24,278
	42,330	53,246	31,009	23,240	69,011	77,620	57,965
	50,164,593	52,563,631	50,070,374	54,562,277	54,269,786	52,306,041	61,909,302
	(3,815,851)	(4,679,353)	(6,312,643)	(4,208,947)	(757,050)	(1,268,205)	(7,702,774)
	1,220,000	6,260,000	1,595,000	2,780,000	735,000	910,000	9,585,000
	1,890,872	—	1,925,000	—	7,030,000	6,475,000	—
	63,745	211,113	96,248	39,933	80,984	300,502	584,230
	(1,250,000)	—	(949,748)	(952,430)	(790,000)	—	—
	—	—	—	—	—	519,909	193,504
	55,222	151,503	58,650	153,027	141,253	118,894	421,224
	7,535,958	6,246,032	5,963,398	5,746,474	6,235,640	6,141,582	6,502,685
	(7,085,463)	(5,625,476)	(5,378,212)	(5,206,408)	(5,923,610)	(5,913,846)	(6,061,843)
	2,430,334	7,243,172	3,310,336	2,560,596	7,509,267	8,552,041	11,224,800
\$	(1,385,517)	\$ 2,563,819	\$ (3,002,307)	\$ (1,648,351)	\$ 6,752,217	\$ 7,283,836	\$ 3,522,026
	17.6%	14.8%	14.7%	21.0%	11.4%	10.5%	10.3%

This page intentionally left blank.

CITY OF BURNSVILLE, MINNESOTA

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2008	\$ 24,844,178	\$ 4,546,925	\$ 288,271	\$ 651,606	\$ 30,330,980
2009	25,315,741	4,578,919	221,356	644,821	30,760,837
2010	25,531,576	4,582,264	222,954	663,664	31,000,458
2011	26,746,709	2,917,347	237,962	665,605	30,567,623
2012	26,970,365	3,034,447	259,879	697,660	30,962,351
2013	27,434,606	2,990,981	287,358	723,624	31,436,569
2014	28,765,443	791,450	289,198	729,211	30,575,302
2015	29,962,023	783,410	363,409	758,972	31,867,814
2016	31,292,321	819,707	366,918	1,274,060	33,753,006
2017	32,683,517	823,859	365,555	2,116,955	35,989,886

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			
2008	\$ 50,380,841	\$ 28,612,940	\$ 742,576	\$ (2,145,133)	\$ (5,686,803)
2009	49,160,846	30,232,025	758,145	(1,931,550)	(5,734,414)
2010	45,313,438	29,968,032	725,685	(2,262,684)	(5,521,245)
2011	41,564,948	28,383,619	792,954	(2,313,874)	(3,231,981)
2012	37,598,236	28,018,520	794,954	(2,287,609)	(3,025,708)
2013	34,997,156	27,649,303	828,786	(2,538,320)	(2,867,371)
2014	36,175,049	27,747,684	816,729	(2,988,905)	(850,866)
2015	39,954,586	28,740,490	824,450	(2,888,069)	(901,387)
2016	41,440,693	28,490,235	860,668	(3,073,160)	(896,845)
2017	43,601,698	27,701,119	907,851	(2,382,401)	(926,409)

Source: Dakota County

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

	Total Taxable Net Tax Capacity	Tax Capacity Value as a Percentage of Taxable Market Value	Total Direct Tax Rate	Estimated Actual Market Value	Taxable Market Value	Taxable Value as a Percentage of Estimated Actual Value
\$	71,904,421	1.13%	35.005	\$ 6,753,069,630	\$ 6,381,650,800	94.5%
	72,485,052	1.14	36.121	6,607,687,861	6,351,491,200	96.1
	68,223,226	1.14	38.566	6,203,584,803	5,963,086,100	96.1
	65,195,666	1.18	42.598	5,449,742,955	5,525,473,700	101.4
	61,098,393	1.20	43.213	4,997,862,158	5,111,878,744	102.3
	58,069,554	1.20	47.021	5,019,680,534	4,835,520,311	96.3
	60,899,691	1.23	46.670	5,258,005,375	4,953,041,063	94.2
	65,730,070	1.22	44.790	5,625,420,202	5,373,401,377	95.5
	66,821,591	1.21	46.525	5,915,258,394	5,506,514,039	93.1
	68,901,858	1.22	46.557	6,138,533,666	5,670,777,401	92.4

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)
2008	33.892	1.113	35.005	25.184	19.374
2009	35.014	1.107	36.121	25.821	19.842
2010	37.383	1.183	38.566	27.269	20.668
2011	40.763	1.835	42.598	29.149	21.854
2012	41.513	1.700	43.213	31.426	21.881
2013	45.215	1.806	47.021	33.421	26.168
2014	44.969	1.701	46.670	31.827	25.661
2015	43.020	1.770	44.790	29.633	24.554
2016	44.831	1.694	46.525	28.570	31.065
2017	44.922	1.635	46.557	28.004	27.529

Source: Dakota County

Notes:

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

School District - ISD #194	School District - ISD #196	Special Districts	Total Direct and Overlapping Rates		
Total School Tax Rate (2)	Total School Tax Rate (2)		ISD #191	ISD #194	ISD #196
26.272	21.136	4.958	84.521	91.419	86.283
27.062	21.109	4.894	86.678	93.898	87.945
27.714	25.391	5.028	91.531	98.577	96.254
32.138	26.959	5.366	98.967	109.251	104.072
32.061	28.440	5.827	102.347	112.527	108.906
33.535	27.956	6.247	112.857	120.224	114.645
33.048	27.606	5.882	110.040	117.427	111.985
31.459	23.271	5.427	104.404	111.309	103.121
35.319	24.317	5.505	111.665	115.919	104.917
32.914	23.336	5.355	107.445	112.830	103.252

CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

Taxpayer	2017			2008		
	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity
Burnsville Center SPE LLC	\$ 2,156,172	1	2.9 %	\$ 2,060,000	1	2.9 %
Xcel Energy/Northern States Power Company	1,863,051	2	2.5	1,871,758	2	2.6
Minnegasco Inc.	526,764	3	0.7	437,383	5	0.6
JPT Industry Inc.	480,104	4	0.7	507,364	4	0.7
FPA5 Atrium LLC, Apartments	439,625	5	0.6	N/A	N/A	
Fairview Health Services	428,193	6	0.6	N/A	N/A	
Southwind Village LL, LLC	409,353	7	0.6	N/A	N/A	
RRE Woods Holdings LLC, Apartments	397,591	8	0.5	N/A	N/A	
RRE Nicollet Ridge Holdings, LLC	376,784	9	0.5	312,501	10	0.4
Dakota Electric	354,748	10	0.5	396,558	7	0.6
AIMCO	N/A	N/A		537,875	3	0.7
Kraus-Anderson	N/A	N/A		419,088	6	0.6
IRET Properties	N/A	N/A		373,148	8	0.5
Summit Townhome Investors LLC	N/A	N/A		315,921	9	0.4
Total	<u>\$ 7,432,385</u>		<u>10.1 %</u>	<u>\$ 7,231,596</u>		<u>10.0 %</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
2008	(1)	\$ 24,654,465	\$ 24,265,503	98.42 %	\$ 377,066	\$ 24,642,569	99.95 %
2009	(1)	25,215,756	24,667,274	97.82	478,180	25,145,454	99.72
2010	(1)	24,981,125	24,531,528	98.20	165,344	24,696,872	98.86
2011	(1)	26,186,791	25,741,822	98.30	108,562	25,850,384	98.72
2012		26,348,820	26,006,410	98.70	29,248	26,035,658	98.81
2013		26,988,262	26,673,945	98.84	80,050	26,753,995	99.13
2014		28,448,573	28,171,331	99.03	88,867	28,260,198	99.34
2015		29,584,711	29,336,510	99.16	(36,209)	29,300,301	99.04
2016		30,951,674	30,715,364	99.24	128,105	30,843,469	99.65
2017		32,075,674	31,654,894	98.69	—	31,654,894	98.69

Notes:

(1)- In 2008-2011 the property tax levy shown is net of the adjustment for loss of Market Value Homestead Credit (MVHC) from the State, in the amount of \$480,250 for 2008, \$863,959 for 2009, \$1,098,590 for 2010 and \$1,210,920 for 2011.

CITY OF BURNSVILLE, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	General Obligation Improvement Bonds	Tax Increment Bonds and Notes	General Obligation Tax Abatement Bonds	Lease Revenue Bonds	Capital Leases
2008	\$ 2,784,957	\$ 15,074,561	\$ 14,766,009	\$ 16,801,022	\$ —	\$ —
2009	2,560,994	13,067,518	12,191,357	16,545,967	—	—
2010	2,242,031	18,257,955	9,811,217	16,260,914	5,474,746	—
2011	1,893,069	17,707,353	7,184,342	15,960,860	5,335,759	—
2012	1,544,106	17,090,834	10,845,281	15,645,807	5,121,771	—
2013	1,175,143	15,783,435	11,102,382	15,315,753	4,902,784	—
2014	791,181	15,653,186	5,655,264	14,970,700	4,678,797	—
2015	392,218	13,581,813	5,050,362	21,699,745	4,454,809	—
2016	298,255	12,719,251	4,430,461	28,053,905	4,225,822	519,909
2017	10,365,277	11,020,862	3,800,560	27,621,866	3,986,835	475,609

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

Sources:

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

Business-Type Activities

Revenue Bonds	General Obligation Revenue Notes	General Obligation Improvement Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 4,337,177	\$ —	\$ 5,332,034	\$ —	\$ 59,095,760	2.1 %	967
3,880,267	—	4,621,228	—	52,867,331	2.1	866
7,539,476	—	4,659,031	45,622	64,290,992	2.5	1,066
10,306,697	—	4,335,446	35,146	62,758,672	2.3	1,035
12,622,031	—	3,438,123	23,903	66,331,856	2.3	1,086
14,207,176	—	2,287,718	11,836	64,786,227	2.2	1,057
15,517,211	—	1,446,959	—	58,713,298	2.0	951
16,278,543	—	822,436	—	62,279,926	2.0	1,006
16,088,093	—	378,373	—	66,714,069	2.1	1,079
19,168,507	3,735,390	132,553	—	80,307,459	2.4	1,298

CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year	General Obligation Bonds (1)	Bond Issuance Premium/ (Discount)	Less Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2008	\$ 48,737,076	\$ 177,042	\$ 10,737,660	\$ 38,176,458	0.5982%	\$ 625
2009	43,870,830	150,239	10,336,997	33,684,072	0.5303	552
2010	46,233,848	123,367	12,314,384	34,042,831	0.5709	565
2011	42,513,643	157,542	10,400,855	32,270,330	0.5840	532
2012	44,795,030	330,998	10,965,938	34,160,090	0.6682	559
2013	43,000,822	375,891	12,516,260	30,860,453	0.6382	503
2014	36,712,779	357,552	6,000,286	31,070,045	0.6273	503
2015	40,328,078	396,060	12,533,406	28,190,732	0.5246	455
2016	44,879,680	622,192	19,183,290	26,318,582	0.4780	426
2017	51,691,019	1,117,546	19,635,217	33,173,348	0.5850	536

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, 2017**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Burnsville	\$ 57,271,009	100.00%	\$ 57,271,009
Overlapping Debt:			
Dakota County	20,910,000	14.38%	3,006,273
ISD 191 (Burnsville)	150,135,000	83.75%	125,734,309
ISD 194 (Lakeville)	121,250,000	8.67%	10,509,708
ISD 196 (Rosemount)	15,715,628	100.00%	15,715,628
Metropolitan Council	186,185,000	1.83%	3,414,447
Total overlapping debt			158,380,365
Total direct and overlapping debt			\$ 215,651,374

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			
	2008	2009	2010	2011
Debt Limit	\$ 191,449,524	\$ 190,544,736	\$ 178,892,583	\$ 165,764,211
Total net debt applicable to limit	2,401,699	2,073,578	1,729,329	1,374,951
Legal debt margin	<u>189,047,825</u>	<u>188,471,158</u>	<u>177,163,254</u>	<u>164,389,260</u>
Total net debt applicable to the limit as a percentage of debt limit	1.25%	1.09%	0.97%	0.83%

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.

2012	2013	2014	2015	2016	2017
\$ 153,356,362	\$ 145,065,609	\$ 148,591,232	\$ 161,202,041	\$ 165,195,421	\$ 170,123,322
1,000,595	612,797	213,115	110,167	—	9,472,289
<u>152,355,767</u>	<u>144,452,812</u>	<u>148,378,117</u>	<u>161,091,874</u>	<u>165,195,421</u>	<u>160,651,033</u>
0.65%	0.42%	0.14%	0.07%	—%	5.57%

Legal Debt Margin Calculation for Fiscal Year 2017

Market Value	\$ 5,670,777,401
Debt limit (3% of market value)	170,123,322
Debt applicable to limit:	
General obligation bonds	9,780,000
Less amount set aside for repayment of general obligation debt	<u>(307,711)</u>
Total net debt applicable to limit	9,472,289
Legal debt margin	<u><u>\$ 160,651,033</u></u>

CITY OF BURNSVILLE, MINNESOTA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Revenue Bonds						Coverage Ratio
	(2) Operating Revenues and Other	(3) Less Operating Expenses	Net Available Revenue	Debt Service (1)			
				Principal	Interest		
WATER AND SEWER FUND:							
2008	\$ 12,869,055	\$ 10,103,478	\$ 2,765,577	\$ 65,000	\$ 33,521	28.07	
2009	12,976,522	11,236,918	1,739,604	68,250	32,711	17.23	
2010	12,702,448	11,707,995	994,453	496,500	257,181	1.32	
2011	13,770,116	12,208,482	1,561,634	1,310,750	302,930	0.97	
2012	13,698,367	10,932,542	2,765,825	620,000	296,478	3.02	
2013	13,723,661	11,921,512	1,802,149	820,000	344,980	1.55	
2014	14,134,042	11,939,434	2,194,608	1,085,000	374,597	1.50	
2015	14,350,769	11,691,664	2,659,105	1,360,000	400,939	1.51	
2016	15,044,358	12,293,736	2,750,622	1,595,000	404,673	1.38	
2017	15,436,661	12,768,350	2,668,311	1,715,000	390,838	1.27	
STORM WATER FUND:							
2008	\$ 4,369,390	\$ 2,834,238	\$ 1,535,152	\$ 35,000	\$ 18,869	28.50	
2009	4,879,749	1,582,106	3,297,643	36,750	17,614	60.66	
2010	4,108,362	1,998,356	2,110,006	128,500	53,557	11.59	
2011	4,659,299	2,056,934	2,602,365	559,250	79,277	4.08	
2012	4,067,584	2,113,882	1,953,702	180,000	81,893	7.46	
2013	4,161,216	1,869,461	2,291,755	180,000	78,428	8.87	
2014	4,177,901	2,054,181	2,123,720	180,000	74,648	8.34	
2015	4,166,171	2,524,717	1,641,454	185,000	70,193	6.43	
2016	4,271,318	2,852,255	1,419,063	185,000	65,305	5.67	
2017	4,251,318	3,058,176	1,193,142	195,000	58,845	4.70	

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

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

(2) For 2008-2011, Operating Revenue and Other includes operating revenue, investment earnings, connection charges, and other nonoperating income for the Water & Sewer and Storm Water Funds. For 2012-2017, 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)
2008	61,081	24,592	\$ 2,831,531,917	\$ 46,357	9,956	4.9 %
2009	61,042	24,723	2,536,417,184	41,552	9,864	7.3
2010	60,306	24,283	2,583,689,958	42,843	9,696	7.0
2011	60,664	24,443	2,709,982,208	44,672	9,555	6.2
2012	61,061	24,609	2,865,287,425	46,925	9,478	5.2
2013	61,300	24,854	2,933,572,800	47,856	9,341	4.5
2014	61,747	24,960	3,007,758,117	48,711	9,213	3.7
2015	61,908	24,990	3,128,892,228	50,541	8,989	3.5
2016	61,849	25,132	3,223,384,333	52,117	8,914	3.5
2017	61,849	25,132	3,280,656,507	53,043	8,563	3.2

Sources:

- (1) 2017 is an estimate of 0% growth from the 2016 actual figures provided by the Metropolitan Council. 2010 is a census figure. All other years are best available estimates provided by the Metropolitan Council.
- (2) Estimated personal income is calculated by multiplying the per capita personal income by the City population.
- (3) Per capita personal income provided by the U.S. Bureau of Economic Analysis is that for Dakota County, the county in which the City is located. This is the smallest applicable region for which this data is available. In addition, the 2009-2017 amounts are an estimate for the State of Minnesota as there were no other relevant estimates 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.

This page intentionally left blank.

CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UTC Aerospace (formerly Goodrich Sensor Systems)	1800	1	5.1 %	1150	3	3.4 %
Burnsville Public Schools - ISD #191	1490	2	4.3	1600	1	4.8
Fairview Ridges Hospital	967	3	2.8	1400	2	4.2
Pepsi-Cola Bottling Co.	500	4	1.4	550	5	1.6
Ebenezer Ridges Care Center	385	5	1.1	N/A	N/A	
Cub Foods	350	6	1.0	300	8	0.9
Walmart	335	7	1.0	N/A	N/A	
City of Burnsville	321	8	0.9	N/A	N/A	
Northern Tool & Equipment Co.	300	9	0.9	600	4	1.8
Park Nicollet Clinic	300	9	0.9	N/A	N/A	
Target	300	9	0.9	N/A	N/A	
YRC Freight (formerly Yellow Freight)	300	9	0.9	400	6	1.2
Mackin Media Library	N/A	N/A		400	6	1.2
Frontier Communications	N/A	N/A		300	8	0.9
Genz-Ryan	N/A	N/A		300	8	0.9
Total	7,348		21.2 %	7,000		20.9 %

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			
	2008	2009	2010	2011
Function:				
General government	43.65	40.4	40.4	41.1
Public safety:				
Police	93.4	89.9	91.9	91.9
Fire	41	40	40	40
Inspections	9	7	7	7
Public works and parks:				
Engineering	17	14	14	14
Parks	19	19	18	18
Public works	14	12	12	12
Fleet maintenance	8	8	8	8
Recreation	8.75	7	8	8
Conservation of natural resources	2	2	2	2
Economic development	1	1	1	1
Water and sewer	13	14	15	15
Storm drainage	3.5	3.5	3.5	3.5
Ice arena	7.5	7.5	7.3	7.3
Golf course	2.3	1.5	1.5	1.5
	<u>283.1</u>	<u>266.8</u>	<u>269.6</u>	<u>270.3</u>
Total	<u>283.1</u>	<u>266.8</u>	<u>269.6</u>	<u>270.3</u>

Source: Annual City Budget Documents

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

2012	2013	2014	2015	2016	2017
41.20	41.40	41.40	41.40	41.40	41.70
91.4	91.4	90.9	91.1	91.1	91.1
40	40	40	40	40	44
7	11.5	12.5	12.8	12.8	12.5
14	13	13	13	13	14
18	18	18	18	18	18
12	12	12	12	12	12
8	8	8	8	8	8
7	6	6	6	6	6
2	2	2	2	2.8	3.3
1	1	1	1	1	1
15	15	15	15	15	15
3.5	3.5	3.5	3.5	3.5	3.5
7.3	6.5	6.5	6.5	6.5	6.5
1.5	1.5	1.5	1.5	1.5	1.5
268.90	270.80	271.30	271.80	272.60	278.10

CITY OF BURNSVILLE, MINNESOTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2008	2009	2010	2011
Police				
Total calls for service	52,442	53,550	51,698	40,771
Arrests - Adult	2,309	2,090	1,851	2,069
Arrests - Juvenile	514	532	473	490
Traffic citations	12,826	11,751	11,095	9,346
Fire and Emergency Services				
Number of calls (excluding EMS)	1,435	1,351	1,353	1,305
Number of Emergency Medical Service (EMS) calls	3,356	3,496	3,375	3,650
EMS patients served	2,509	2,559	2,469	2,678
Protective inspections				
Plan reviews	848	394	428	317
Building permits issued	5,424	4,473	5,852	2,097
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	9,765	7,269	7,072	6,584
Code enforcement inspections	2,786	2,846	1,639	3,515
Public works				
Street rehabilitation/resurfacing (miles)	2.3	4.1	4.2	6.2
Sealcoating (miles)	16	19.85	11.2	12.9
Snow and ice control (miles)	219	220.78	221	221
Recreation				
Youth recreation activity participants	19,937	19,693	18,635	21,722
The Garage Attendance	17,990	20,566	23,738	31,992
Water				
New connections	37	23	14	21
Water main breaks	18	28	27	17
Average daily consumption (thousands of gallons)	7,618	8,040	8,422	8,940
Total daily pumping capacity (thousands of gallons)	25,000	29,000	29,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,480	5,497	5,153	5,352
Storm Water				
Street sweeping (miles)	219	220	221	221
Golf course				
Annual rounds sold	26,118	27,243	24,918	22,124
Ice Center				
Learn to skate participants	1,339	1,192	410	687

Sources: Various City departments

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

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

2012	2013	2014	2015	2016	2017
46,632	47,906	46,209	49,924	48,859	48,575
2,058	2,110	1,888	1,922	1,846	1,758
410	370	367	351	323	409
8,981	7,960	7,898	6,613	5,452	6,426
1,248	1,388	1,353	1,355	1,536	1,507
3,732	4,023	4,303	4,665	5,037	5,116
2,861	3,035	3,269	3,400	3,765	4,009
438	468	488	546	530	610
6,415	6,161	7,252	6,888	6,871	7,044
6,426	5,622	6,244	6,869	6,765	6,824
538	2,690	3,970	3,904	4,716	4,238
7.6	5.2	5.2	8.8	9.1	10.7
23.3	7.5	18.5	6.1	5	4.7
222	222	222	222	222	222
20,106	20,842	23,006	27,195	23,200	22,917
16,267	25,044	22,500	*n/a	*n/a	*n/a
20	15	27	63	36	18
12	19	17	19	15	12
9,830	9,215	9,008	10,070	8,683	8,268
29,000	29,000	29,000	29,000	29,000	29,000
5,031	5,125	5,346	5,153	5,129	5,146
222	222	222	222	222	222
23,847	20,541	20,851	23,775	23,059	20,725
602	580	513	455	354	298

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

Function	Fiscal Year			
	2008	2009	2010	2011
Public safety				
Police				
Stations	1	1	1	1
Patrol units	21	22	20	21
Fire stations	2	2	2	2
Public works				
Streets (miles)	218.7	220.0	220.8	221.4
Traffic signals	19	20	21	22
Parks and recreation				
Parks acreage	1,800	1,800	1,750	1,750
Parks	79	79	76	76
Turf maintained (acres)	645	645	645	645
Athletic fields maintained	142	142	142	142
Golf course	1	1	1	1
Ice skating rinks				
Indoor	2	2	2	2
Outdoor	43	29	29	29
Water				
Water mains (miles)	254.8	255.2	257.3	257.7
Wells	17	17	17	17
Connections	16,277	16,300	16,572	16,593
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer				
Sanitary sewers (miles)	207.4	207.5	209.1	209.1
Number of connections	16,330	16,355	16,095	16,107
Storm sewers (miles)	193.6	193.9	194.6	195.4

Source: Various City departments

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

2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
26	26	26	26	26	26
2	2	2	2	2	2
221.8	221.9	220.4	221.9	221.9	221.9
22	22	22	22	22	22
1,750	1,750	1,750	1,750	1,750	1,750
76	76	76	76	76	76
645	645	645	645	645	645
142	142	142	142	142	142
1	1	1	1	1	1
2	2	2	2	2	2
29	29	29	29	29	29
258.2	258.3	259.8	260.7	260.7	260.7
17	17	17	17	17	17
16,613	16,628	16,655	16,718	16,754	16,772
19,000	19,000	19,000	19,000	19,000	19,000
209.1	209.3	209.3	209.6	209.7	209.7
16,119	16,119	16,073	16,079	16,113	16,113
195.7	196.8	196.8	199.4	199.9	200.0

This page intentionally left blank.