

**CITY OF BURNSVILLE, MINNESOTA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended December 31, 2014**

**Prepared by:  
Department of Finance**

# CITY OF BURNSVILLE, MINNESOTA

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May 29, 2015

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, 2014. 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 61,300, 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, youth, 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 of 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 15<sup>th</sup>. 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 31<sup>st</sup> 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. The total taxable market value has decreased 5% over the past ten years from \$5.22 billion in 2005 to \$4.95 billion in 2014. In the five years 2004 to 2008, market value growth averaged 8 percent per year. In 2009, the market value was flat. In the four years 2010 to 2013, total taxable market values decreased an average of 4.7 percent per year. During 2014 market value growth was 2.4%. This was consistent with the state-wide and nation-wide trend in the housing market. Burnsville continues to monitor housing 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 2014 totaled approximately \$64 million in valuation.

There are 24,854 housing units in Burnsville and about 65% 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 begins to age to continue to maintain the City's healthy property value growth.

In December 2014, over 35,390 of the city's residents were in the labor force and the average unemployment rate for 2014 was 3.7%, which was below the rate for the metro area estimated at 3.9% for the same period. The County Road 42 shopping corridor includes Burnsville Center, one of the largest shopping centers in the Midwest with approximately 1.4 million square feet. The Center continues to add retail and restaurant space attached to the mall and on its surrounding property. And, although commonly known for retail shopping opportunities, the City ranks tenth statewide for the number of manufacturing firms located here. Over 2,600 businesses make the City their home. Commercial and industrial properties contribute approximately 43% of the City's total tax base.

## **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 infrastructure investment. The City prepares annual 5-year capital improvements plan for addition and replacement of the City's infrastructure.

The City also 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 2015 budget that called for a total increase in tax levy of 4%. The adopted 2015 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
- 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.

|  | <b>Fund Balance</b> |                   |                   |                   |
|--|---------------------|-------------------|-------------------|-------------------|
|  | 2011                | 2012              | 2013              | 2014              |
| Total General Fund Budgeted Use of Funds (for the year that follows) | 33,591,904          | 34,922,458        | 35,590,584        | 36,892,956        |
| Explanation of general fund fund balance:                            |                     |                   |                   |                   |
| Nonspendable   | -                   | -                 | 250               | -                 |
| Restricted   | 2,677,255           | 2,549,570         | 2,420,304         | 2,288,160         |
| Assigned   | 464,685             | 1,966,966         | 1,544,844         | 1,155,807         |
| Unassigned   |                     |                   |                   |                   |
| Minimum target by policy (35%)                                       | 11,757,166          | 12,222,860        | 12,456,704        | 12,912,535        |
| Operating contingency  | 4,314,844           | 2,954,899         | 739,755           | 4,048,331         |
| Total fund balance   | <u>19,213,950</u>   | <u>19,694,295</u> | <u>17,161,857</u> | <u>20,404,833</u> |

### **Major Initiatives**

The year 2014 was the fifth 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'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 sixth 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. Major construction on County Road 42 was recently completed and improved traffic congestion along this busy roadway. Work continued on a \$40 million intersection improvement project at County Road 5 and State Highway 13 during 2014. This project includes federal, state and local funding and proposes to construct a separated intersection to improve traffic flow on this major roadway.

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.

### **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, 2013. This was the 19<sup>th</sup> 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.

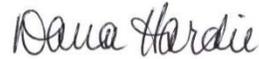
A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

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, 2013**

Executive Director/CEO

# CITY OF BURNSVILLE, MINNESOTA

## CITY COUNCIL AND OTHER OFFICIALS

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| City Council: |                  | Term Expires:     |
|---------------|------------------|-------------------|
| Mayor         | Elizabeth Kautz  | December 31, 2016 |
| Councilmember | Bill Coughlin    | December 31, 2014 |
| Councilmember | Dan Kealey       | December 31, 2014 |
| Councilmember | Suzanne Nguyen   | December 31, 2016 |
| Councilmember | Mary Sherry      | December 31, 2016 |
| 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
- Director of Parks, Recreation and Natural Resources
- Communications Coordinator
- Fire Chief
- Police Chief

#### ***Coordinators***

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

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

#### ***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.

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Burnsville, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, 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 Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

(continued)

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
May 29, 2015

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# Management's Discussion and Analysis

As management of the City of Burnsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. 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 of the City exceeded its liabilities at the close of the most recent fiscal year by \$258,134,000 (net position). Of this amount, \$58,628,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- The City's total net position increased by \$7,726,000. The increase is a combination of surpluses and deficits, including savings from operations, but a major reason is a net increase in the fair value of investments of \$2,715,000 for 2014.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,852,000, a decrease of \$1,648,000 in comparison with the prior year. There were a number of factors that contributed to this decrease. The City issued current refunding bonds in December 2013. The proceeds of \$1,925,000 were used to call outstanding debt in February 2014. Other factors in the decrease include increased capital expenditures for the Heart of the City parking deck expansion, the County Road (CR) 5 and Trunk Highway (TH) 13 intersection project, and a new maintenance overlay project. Increased capital expenditures were partially offset by an increase in intergovernmental revenue for capital projects in 2014. Offsetting the decrease in 2014 was the net increase in fair value of investments of \$2,715,000. 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 \$16,961,000, or 46% of total budgeted 2015 general fund expenditures and transfers.
- The City's tax-supported general obligation debt decreased by \$380,000, or 33%, during the current fiscal year. The City's tax-supported general obligation net bonded debt per capita was \$4 at year-end, a decrease from \$10 as of December 31, 2013.

## 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 32-33 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 infrastructure trust capital projects fund, the general obligation improvement bonds debt service fund, and the tax increment bonds debt service fund, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements may be found on pages 34-38 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 39-41 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 43-73 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on page 75 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 78-98 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 exceeded liabilities by \$258,134,000 at the close of the most recent fiscal year.

The largest portion of the City’s net position (71 percent) reflects the City’s investment in capital assets (e.g., land, permanent easements, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$58,628,000) 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          |                |
|--------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|                          | 2014                    | 2013           | 2014                     | 2013           | 2014           | 2013           |
| Current and other assets | \$ 56,882,103           | \$ 56,150,751  | \$ 31,811,981            | \$ 32,878,599  | \$ 88,694,084  | \$ 89,029,350  |
| Capital assets, net      | 119,507,086             | 118,691,429    | 120,969,964              | 118,521,029    | 240,477,050    | 237,212,458    |
| Total assets             | 176,389,189             | 174,842,180    | 152,781,945              | 151,399,628    | 329,171,134    | 326,241,808    |
| Long-term liabilities    |                         |                |                          |                |                |                |
| outstanding              | 45,983,152              | 52,207,296     | 17,218,068               | 16,735,068     | 63,201,220     | 68,942,364     |
| Other liabilities        | 6,354,852               | 5,591,974      | 1,480,795                | 1,299,638      | 7,835,647      | 6,891,612      |
| Total liabilities        | 52,338,004              | 57,799,270     | 18,698,863               | 18,034,706     | 71,036,867     | 75,833,976     |
| Net position:            |                         |                |                          |                |                |                |
| Net investment in        |                         |                |                          |                |                |                |
| capital assets           | 97,997,455              | 96,257,688     | 104,005,794              | 103,222,175    | 182,353,752    | 179,261,326    |
| Restricted               | 16,258,586              | 18,110,203     | -                        | -              | 17,152,577     | 18,925,996     |
| Unrestricted             | 9,795,144               | 2,675,019      | 30,077,288               | 30,142,747     | 58,627,938     | 52,220,510     |
| Total net position       | \$ 124,051,185          | \$ 117,042,910 | \$ 134,083,082           | \$ 133,364,922 | \$ 258,134,267 | \$ 250,407,832 |

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for both the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City’s net position increased by \$7,726,000 during the current fiscal year. This increase is a combination of many surpluses and deficits, but a primary reason is an increase in the fair value of investments for 2014.

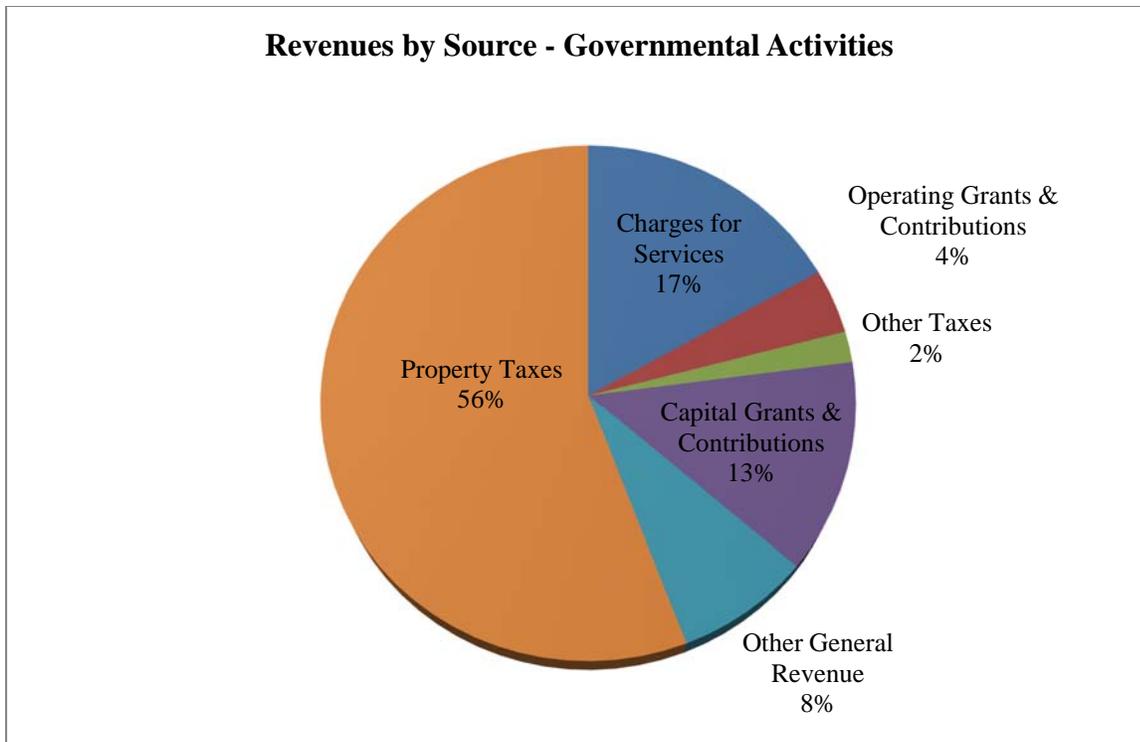
### City of Burnsville's Changes in Net Position

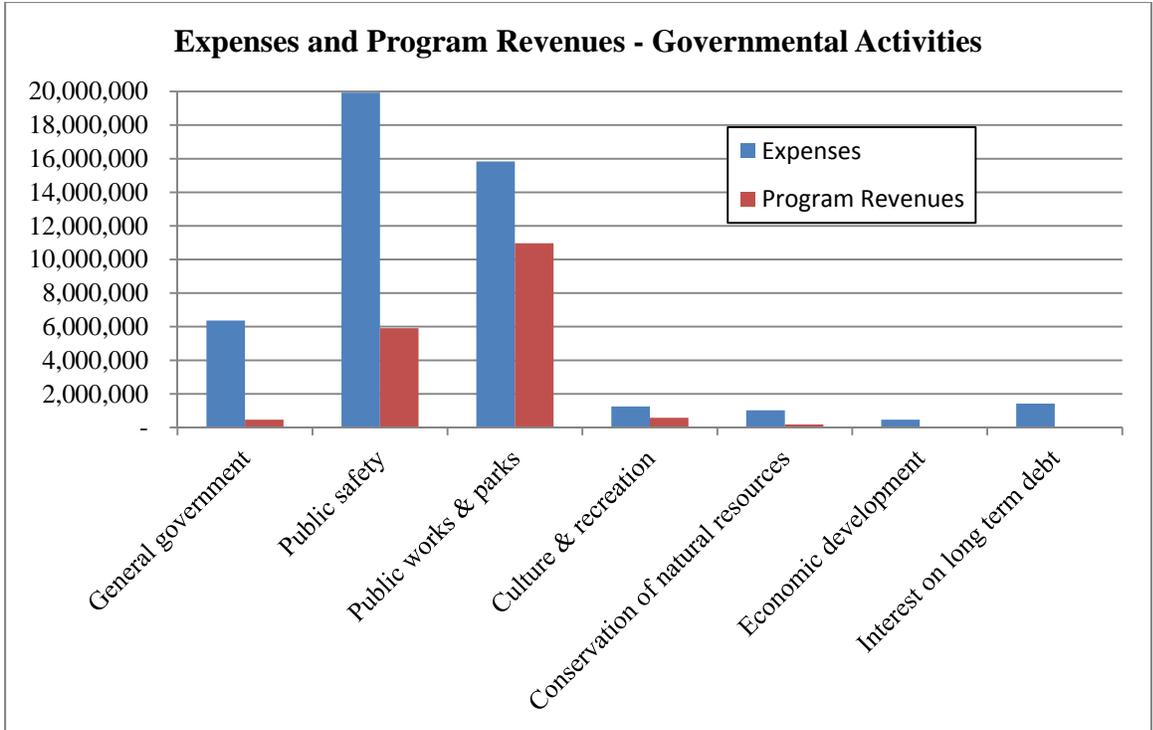
|  | Governmental Activities |                | Business-type Activities |                | Total          |                |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|  | 2014                    | 2013           | 2014                     | 2013           | 2014           | 2013           |
| Revenues:  |                         |                |                          |                |                |                |
| Program revenues:  |                         |                |                          |                |                |                |
| Charges for services   | \$ 8,938,935            | \$ 9,115,095   | \$ 21,861,269            | \$ 21,194,904  | \$ 30,800,204  | \$ 30,309,999  |
| Operating grants and contributions                           | 2,134,004               | 2,179,315      | 404,262                  | 315,892        | 2,538,266      | 2,495,207      |
| Capital grants and contributions                             | 7,016,281               | 3,911,739      | 1,173,117                | 881,724        | 8,189,398      | 4,793,463      |
| General revenues:  |                         |                |                          |                |                |                |
| Property taxes   | 29,444,693              | 30,374,410     | -                        | -              | 29,444,693     | 30,374,410     |
| Other taxes  | 1,018,409               | 1,010,982      | -                        | -              | 1,018,409      | 1,010,982      |
| Grants and contributions not restricted to specific programs | 915,373                 | 815,677        | 50,574                   | 51,697         | 965,947        | 867,374        |
| Unrestricted investment earnings                             | 3,300,247               | (3,219,479)    | 415,667                  | 469,429        | 3,715,914      | (2,750,050)    |
| Total revenues   | 52,767,942              | 44,187,739     | 23,904,889               | 22,913,646     | 76,672,831     | 67,101,385     |
| Expenses:  |                         |                |                          |                |                |                |
| General government   | 6,362,440               | 6,358,158      | -                        | -              | 6,362,440      | 6,358,158      |
| Public safety  | 19,941,045              | 19,553,700     | -                        | -              | 19,941,045     | 19,553,700     |
| Public works and parks                                       | 15,837,464              | 14,980,830     | -                        | -              | 15,837,464     | 14,980,830     |
| Culture and recreation                                       | 1,246,522               | 1,243,917      | -                        | -              | 1,246,522      | 1,243,917      |
| Conservation of natural resources                            | 1,023,827               | 994,318        | -                        | -              | 1,023,827      | 994,318        |
| Economic development   | 465,692                 | 484,771        | -                        | -              | 465,692        | 484,771        |
| Interest on long-term debt                                   | 1,422,743               | 1,612,989      | -                        | -              | 1,422,743      | 1,612,989      |
| Water and sewer  | -                       | -              | 14,929,321               | 14,803,579     | 14,929,321     | 14,803,579     |
| Storm water  | -                       | -              | 3,369,746                | 3,186,443      | 3,369,746      | 3,186,443      |
| Performing arts center                                       | -                       | -              | 2,192,667                | 1,908,984      | 2,192,667      | 1,908,984      |
| Ice arena  | -                       | -              | 1,291,264                | 1,324,739      | 1,291,264      | 1,324,739      |
| Golf course  | -                       | -              | 267,345                  | 285,725        | 267,345        | 285,725        |
| Street lighting  | -                       | -              | 482,110                  | 513,401        | 482,110        | 513,401        |
| Sidewalk snow plowing  | -                       | -              | 114,210                  | 61,892         | 114,210        | 61,892         |
| Total expenses   | 46,299,733              | 45,228,683     | 22,646,663               | 22,084,763     | 68,946,396     | 67,313,446     |
| Increase in net position before transfers                    | 6,468,209               | (1,040,944)    | 1,258,226                | 828,883        | 7,726,435      | (212,061)      |
| Transfers  | 540,066                 | (4,182)        | (540,066)                | 4,182          | -              | -              |
| Increase in net position                                     | 7,008,275               | (1,045,126)    | 718,160                  | 833,065        | 7,726,435      | (212,061)      |
| Net position on January 1                                    | 117,042,910             | 118,088,036    | 133,364,922              | 132,531,857    | 250,407,832    | 250,619,893    |
| Net position on December 31                                  | \$ 124,051,185          | \$ 117,042,910 | \$ 134,083,082           | \$ 133,364,922 | \$ 258,134,267 | \$ 250,407,832 |

**Governmental activities.** Governmental activities resulted in an increase of the City’s net position by \$7,008,000 in 2014, while the increase in total net position was \$7,726,000.

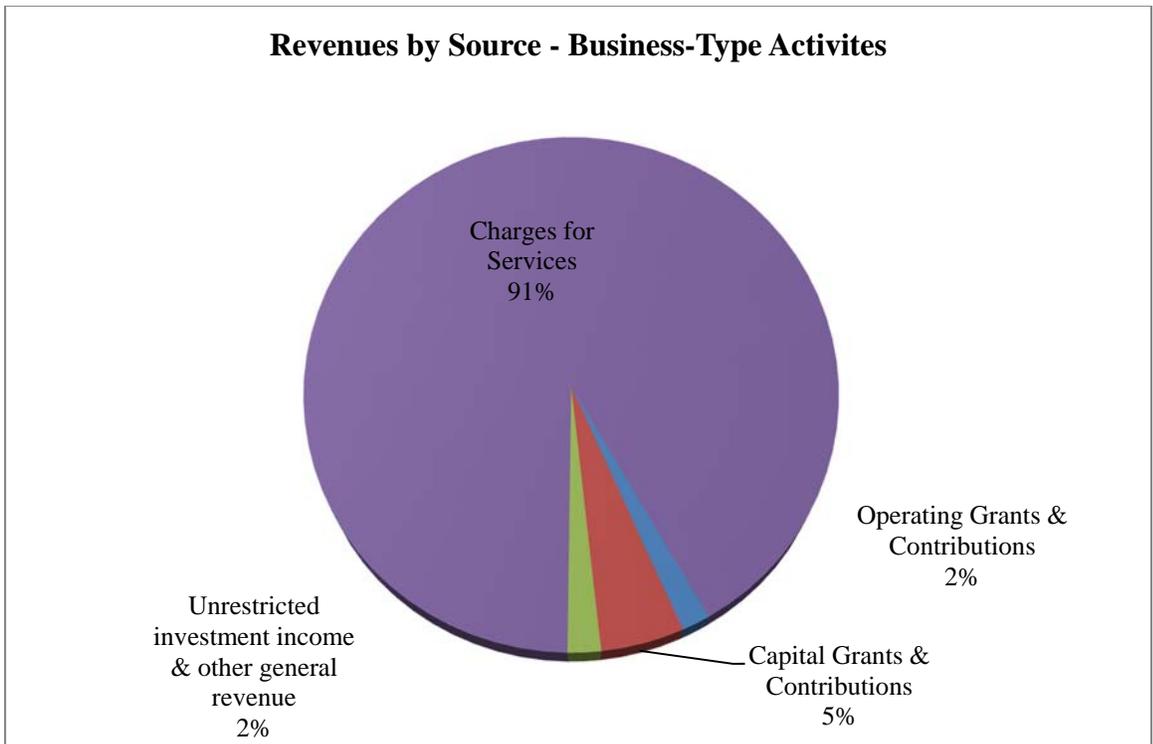
Revenues increased in total by \$8,580,000, or 19%, mainly due to increases in capital grants of \$3,105,000 and unrestricted investment earnings of \$6,520,000. Expenses increased in total by \$1,071,000, or 2% in 2014. Key elements of these changes follow:

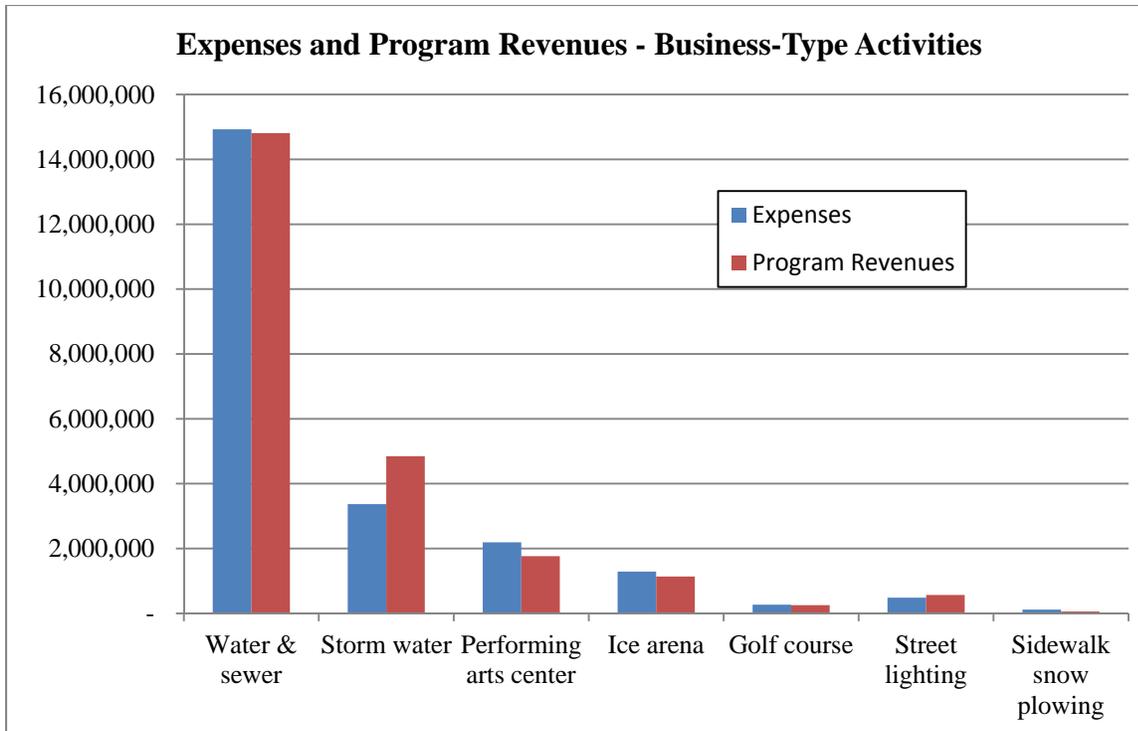
- Capital grants and contributions increased by \$3,105,000 in 2014. The City received increased state and local funding for construction projects in 2014, including \$1,402,000 in municipal state aid. Special assessments also increased for a larger construction project assessed in 2014.
- Unrestricted investment earnings increased by \$6,520,000 in 2014 mainly a result of an increase in the fair value of investments of \$2,715,000. In 2013, the fair value of investments decreased by \$3,856,000.
- Expenses increased by \$1,071,000, or 2%, for 2014. Generally, changes in expenses closely paralleled budgeted amounts across functions.





**Business-type activities.** Business-type activities increased the City’s net position by \$718,000 in 2014, while the increase in total net position was \$7,726,000.





### 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 \$38,852,000, a decrease of \$1,648,000 in comparison with the prior year. Approximately 76% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been obligated for specific purposes.

The general fund is the chief operating fund of the City. At the end of 2014, unassigned fund balance of the general fund was \$16,961,000, while total fund balance reached \$20,405,000. 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 46% of total general fund 2015 budgeted expenditures and transfers, while total fund balance represents 55% of that same amount.

The fund balance of the City's general fund increased by \$3,243,000 during the current fiscal year. This increase was the result of an overall increase in revenues, primarily because of a net increase in the fair value of investments in 2014 of \$2,715,000 due to changes in interest rates as they relate to the City's investment portfolio. It is the City's practice to generally hold investments to maturity and therefore staff does not anticipate that losses or gains will be recognized. Offsetting this increase was a decrease in licenses and permit revenue of \$492,000 from 2013 to 2014. Permits issued for the hospital and medical building expansion in the previous year contributed to the increased permit revenue in 2013.

Expenditures and transfers to other funds also increased by \$780,000 for 2014, but were lower than expected across most departments. Expenditures for parks and streets increased in 2014 and were higher than expected due to the harsh winter conditions in 2014.

The Infrastructure Trust Capital Projects fund had an increase in fund balance of \$147,000 during 2014. This increase in fund balance is the result of an increase in the infrastructure trust fund levy and municipal state aid used to fund infrastructure replacement in 2014. The City received municipal state aid advances in past years to fund larger infrastructure replacement projects which resulted in a reduction to 2013 funding. Offsetting the increase in revenues of \$2,411,000 was an increase in expenditures of \$888,000. The City spent \$1,144,000 from this fund in 2014 for a new maintenance overlay project.

The General Obligation Improvement Bond fund had a decrease in fund balance of \$870,000. Total fund balance was \$4,466,000 and \$5,336,000 as of December 31, 2014 and 2013 respectively. The entire fund balance is restricted for the payment of debt service. The decrease is the result of \$952,000 of bonds called for payment on February 1, 2014. The related crossover refunding bonds had been issued in 2011.

The Tax Increment Bond fund had a decrease in fund balance of \$5,733,000 during 2014. Most of the decrease is the result of the scheduled retirement of bonds in 2014. Also, \$1,955,000 of bonds were called for payment on February 1, 2014. The related current refunding bonds had been issued December 1, 2013.

**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 \$19,685,000 for the Water and Sewer fund, \$9,997,000 for the Storm Water fund, and (\$1,276,000) for the Ames Center fund. The total change in net position of the major enterprise funds were (\$421,000) for the Water and Sewer fund, \$1,553,000 for the Storm Water fund and (\$313,000) 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 2014. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2014 were offset by a slight decrease in water consumption due to the colder spring weather, which decreased the need for outside watering early in the summer. The increase in revenues was offset by a slight increase in operating expenses.

The increase in the net position of the Storm Water fund during 2014 was mainly due to operating revenues exceeding expenses. Operating revenues remained stable with no increase in rates for 2014, with a small increase in operating expenses for the year.

The change in net position of the Ames Center fund increased by \$73,000, from (\$386,000) in 2013 to (\$313,000) in 2014. The decrease in the net position of the Ames Center was mainly the expected result of operations, including the recognition of depreciation of \$541,000 during 2014. Operating revenues increased by \$215,000 to \$1,387,000 due to an increase in performances and other events. The City also received \$100,000 for the Ames Center naming rights in 2014. The increase in revenues was offset by an increase in operating expenses of \$285,000 to \$2,192,000.

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 \$156,000 for expenditures for the fiscal year. The difference between the original budget and final amended budget for revenue was a net increase of \$82,000.

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 greater than the budget in 2014 by \$2,877,000. The major factor contributing to the change in revenue was the net change in the fair value of investments in 2014 of \$2,715,000. The City does not budget for the increase or decrease in fair market value of investments. Revenues across other categories generally exceeded budget in 2014, but were small individually.

Actual expenditures were 3% below budgeted expenditures in total. Total budget savings in the general fund were \$863,000. Budget savings were spread throughout many departments and were a result of modest savings in current expenditures. Public works and parks expenditures exceeded budget by \$82,000 as a result of additional costs related to the harsh winter conditions.

General Fund budget to actual information can be found on page 38 and page 82.

## 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, 2014 amounts to \$240,477,050 (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 1.4 percent (0.7 percent increase for governmental activities and a 2 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 expansion of the Heart of the City parking deck, water treatment plant improvements, and the continued construction of TH 13 and CSAH 5 intersection improvements.

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

|                                    | Governmental<br>Activities |                       | Business-type<br>Activities |                       | Total                 |                       |
|------------------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|                                    | 2014                       | 2013                  | 2014                        | 2013                  | 2014                  | 2013                  |
| Land                               | \$ 19,172,542              | \$ 19,052,342         | \$ 3,234,899                | \$ 3,234,899          | \$ 22,407,441         | \$ 22,287,241         |
| Permanent easements                | 2,163,873                  | 1,391,837             | 2,962,986                   | 2,033,688             | 5,126,859             | 3,425,525             |
| Buildings                          | 18,302,501                 | 18,922,809            | 31,017,498                  | 32,071,734            | 49,319,999            | 50,994,543            |
| Infrastructure and<br>improvements | 65,985,141                 | 66,749,342            | 80,862,253                  | 78,942,898            | 146,847,394           | 145,692,240           |
| Equipment and vehicles             | 8,476,420                  | 8,383,166             | 2,238,482                   | 2,121,957             | 10,714,902            | 10,505,123            |
| Construction in progress           | 5,406,609                  | 4,191,933             | 653,846                     | 115,853               | 6,060,455             | 4,307,786             |
| Total                              | <u>\$ 119,507,086</u>      | <u>\$ 118,691,429</u> | <u>\$ 120,969,964</u>       | <u>\$ 118,521,029</u> | <u>\$ 240,477,050</u> | <u>\$ 237,212,458</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 bonded debt outstanding of \$58,130,000.

### City of Burnsville's Outstanding Debt

|   | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total                |                      |
|---|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|   | 2014                       | 2013                 | 2014                        | 2013                 | 2014                 | 2013                 |
| General obligation bonds                | \$ 775,000                 | \$ 1,155,000         | \$ -                        | \$ -                 | \$ 775,000           | \$ 1,155,000         |
| Tax increment bonds                     | 5,460,000                  | 10,885,000           | -                           | -                    | 5,460,000            | 10,885,000           |
| Tax abatement bonds                     | 14,970,000                 | 15,315,000           | -                           | -                    | 14,970,000           | 15,315,000           |
| General obligation<br>improvement bonds | 15,507,779                 | 15,645,822           | 1,417,221                   | 2,244,178            | 16,925,000           | 17,890,000           |
| Lease revenue bonds                     | 4,695,000                  | 4,920,000            | -                           | -                    | 4,695,000            | 4,920,000            |
| General obligation<br>revenue bonds     | -                          | -                    | 15,305,000                  | 14,025,000           | 15,305,000           | 14,025,000           |
| <b>Total</b>                            | <b>\$ 41,407,779</b>       | <b>\$ 47,920,822</b> | <b>\$ 16,722,221</b>        | <b>\$ 16,269,178</b> | <b>\$ 58,130,000</b> | <b>\$ 64,190,000</b> |

The City's total debt decreased by \$6,060,000 during the current fiscal year. The decrease was the net effect of three key factors: debt issuance, debt refunding, and scheduled retirement of principal.

In 2014, the City issued \$5,325,000 G.O. Improvement and Utility Revenue Bonds to fund the special assessment and water and sewer portion of infrastructure improvements within the City. The increase in debt due to bond issuance was offset by retirement and refunding of bond principal during 2014.

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 \$148,591,232, which is significantly in excess of the City's general obligation debt of \$775,000.

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

### 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 2014 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 2014 levels with a 4.0% increase in the property tax levy for 2015. The City Council adopted a general operating and debt budget of \$10.5 million for fiscal year 2015, a 19% increase over the 2014 budget, primarily due to an increase in capital spending. The 2015 budget for the enterprise funds is \$35.9 million compared to \$29.7 million for 2014.

- Significant budget changes worth noting for 2015 general operating budget as originally adopted include:
  - Modest increases to wages and increases to seasonal staffing for minimum wage law changes.
  - Approximately 5.2% increase in current expenditures across all funds.
  - Increase in capital spending for trail projects and annual street projects.
  - Issuance of bonds and related debt service payments for the special assessment portion of street projects.

- The 2015 enterprise fund budget changes include the following:
  - Increase in budgeted capital outlay including \$4,700,000 for replacement of water meters installed in homes and businesses across the City in 2015.
  - Capital improvements in the Storm water fund include \$1,050,000 for pond construction.
  - Issuance of bonds and related debt service payments for the meter replacement project and the water and sewer portion of the street reconstruction program.
- The December 2014 unemployment rate for the City was 3 percent, which compares favorably with the state's unemployment rate of 3.6 percent and the national unemployment rate of 5.4 percent.
- The City had a 2.4 percent increase in tax base from 2013. Estimated taxable market value was \$4.95 billion in 2014.

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 of 4.5% for 2015 were necessary to meet operating and replacement needs for the Water and Sewer Utility. No increases were proposed for the Storm Water, Street Light Utility, or Sidewalk Snow Plowing 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.

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## Basic Financial Statements



**City of Burnsville**  
**Statement of Net Position**  
**December 31, 2014**

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>          |
|--|------------------------------------|-------------------------------------|-----------------------|
| <b>Assets</b>                                      |                                    |                                     |                       |
| Cash, cash equivalents and investments             | \$ 40,701,500                      | \$ 27,111,489                       | \$ 67,812,989         |
| Restricted cash, cash equivalents, and investments | 1,194,820                          | -                                   | 1,194,820             |
| Receivables (net)                                  | 10,887,973                         | 6,163,144                           | 17,051,117            |
| Due from other governments                         | 2,556,266                          | 52,540                              | 2,608,806             |
| Internal balances                                  | 1,541,544                          | (1,541,544)                         | -                     |
| Prepaid items                                      | -                                  | 26,352                              | 26,352                |
| Capital assets:                                    |                                    |                                     |                       |
| Land   | 19,172,542                         | 3,234,899                           | 22,407,441            |
| Permanent easements                                | 2,163,873                          | 2,962,986                           | 5,126,859             |
| Construction-in-progress                           | 5,406,609                          | 653,846                             | 6,060,455             |
| Buildings  | 29,376,476                         | 44,060,066                          | 73,436,542            |
| Infrastructure and improvements                    | 170,611,270                        | 151,397,041                         | 322,008,311           |
| Equipment and vehicles                             | 21,278,375                         | 6,195,632                           | 27,474,007            |
|  | <u>248,009,145</u>                 | <u>208,504,470</u>                  | <u>456,513,615</u>    |
| Less accumulated depreciation                      | (128,502,059)                      | (87,534,506)                        | (216,036,565)         |
| Net capital assets                                 | <u>119,507,086</u>                 | <u>120,969,964</u>                  | <u>240,477,050</u>    |
| Total assets                                       | <u>\$ 176,389,189</u>              | <u>\$ 152,781,945</u>               | <u>\$ 329,171,134</u> |
| <b>Liabilities</b>                                 |                                    |                                     |                       |
| Accounts payable                                   | \$ 961,763                         | \$ 722,284                          | \$ 1,684,047          |
| Salaries and other compensation payable            | 1,598,522                          | 1,642                               | 1,600,164             |
| Accrued interest                                   | 366,164                            | 53,151                              | 419,315               |
| Contracts payable                                  | 505,924                            | 459,253                             | 965,177               |
| Due to other governments                           | 1,038,885                          | 208,157                             | 1,247,042             |
| Unearned revenue                                   | 80,731                             | -                                   | 80,731                |
| Customer and other deposits                        | 1,802,863                          | 36,308                              | 1,839,171             |
| Noncurrent liabilities:                            |                                    |                                     |                       |
| Due within one year                                | 4,651,120                          | 2,180,690                           | 6,831,810             |
| Due in more than one year                          | 41,332,032                         | 15,037,378                          | 56,369,410            |
| Total liabilities                                  | <u>52,338,004</u>                  | <u>18,698,863</u>                   | <u>71,036,867</u>     |
| <b>Net Position</b>                                |                                    |                                     |                       |
| Net investment in capital assets                   | 97,997,455                         | 104,005,794                         | 182,353,752           |
| Restricted   |                                    |                                     |                       |
| Debt service                                       | 13,210,031                         | -                                   | 14,104,022            |
| Landfill abatement                                 | 2,371,677                          | -                                   | 2,371,677             |
| Tax Increment                                      | 553,729                            | -                                   | 553,729               |
| Parks Capital                                      | 123,149                            | -                                   | 123,149               |
| Unrestricted                                       | <u>9,795,144</u>                   | <u>30,077,288</u>                   | <u>58,627,938</u>     |
| Total net position                                 | <u>124,051,185</u>                 | <u>134,083,082</u>                  | <u>258,134,267</u>    |
| Total liabilities and net position                 | <u>\$ 176,389,189</u>              | <u>\$ 152,781,945</u>               | <u>\$ 329,171,134</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, 2014**

| Functions/Programs   | Expenses            | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          | Total                 |
|--|---------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
|  |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities |                       |
| <b>Governmental Activities:</b>                              |                     |                      |                                    |                                  |   |                          |                       |
| General government   | \$ 6,362,440        | \$ 438,976           | \$ 19,522                          | \$ -                             | \$ (5,903,942)                                    | \$ -                     | \$ (5,903,942)        |
| Public safety  | 19,941,045          | 4,788,939            | 1,039,329                          | 77,684                           | (14,035,093)                                      | -                        | (14,035,093)          |
| Public works and parks                                       | 15,837,464          | 3,241,456            | 786,739                            | 6,938,597                        | (4,870,672)                                       | -                        | (4,870,672)           |
| Culture and recreation                                       | 1,246,522           | 465,842              | 114,810                            | -                                | (665,870)   | -                        | (665,870)             |
| Conservation of natural resources                            | 1,023,827           | 3,722                | 173,604                            | -                                | (846,501)   | -                        | (846,501)             |
| Economic development   | 465,692             | -                    | -                                  | -                                | (465,692)   | -                        | (465,692)             |
| Interest on long-term debt                                   | 1,422,743           | -                    | -                                  | -                                | (1,422,743)                                       | -                        | (1,422,743)           |
| Total governmental activities                                | 46,299,733          | 8,938,935            | 2,134,004                          | 7,016,281                        | (28,210,513)                                      | -                        | (28,210,513)          |
| <b>Business-Type Activities:</b>                             |                     |                      |                                    |                                  |   |                          |                       |
| Water and sewer  | 14,929,321          | 14,234,693           | 1,443                              | 571,185                          | -   | (122,000)                | (122,000)             |
| Storm water  | 3,369,746           | 4,222,512            | 23,051                             | 601,932                          | -   | 1,477,749                | 1,477,749             |
| Performing arts center                                       | 2,192,667           | 1,387,480            | 379,768                            | -                                | -   | (425,419)                | (425,419)             |
| Ice arena  | 1,291,264           | 1,137,933            | -                                  | -                                | -   | (153,331)                | (153,331)             |
| Golf course  | 267,345             | 253,902              | -                                  | -                                | -   | (13,443)                 | (13,443)              |
| Street lighting  | 482,110             | 568,961              | -                                  | -                                | -   | 86,851                   | 86,851                |
| Sidewalk snow plowing  | 114,210             | 55,788               | -                                  | -                                | -   | (58,422)                 | (58,422)              |
| Total business-type activities                               | 22,646,663          | 21,861,269           | 404,262                            | 1,173,117                        | -   | 791,985                  | 791,985               |
| Total governmental and business-type activities              | <u>\$68,946,396</u> | <u>\$ 30,800,204</u> | <u>\$ 2,538,266</u>                | <u>\$ 8,189,398</u>              | (28,210,513)                                      | 791,985                  | (27,418,528)          |
| <b>General Revenues:</b>                                     |                     |                      |                                    |                                  |   |                          |                       |
| Property taxes   |                     |                      |                                    |                                  | 29,444,693  | -                        | 29,444,693            |
| Lodging tax  |                     |                      |                                    |                                  | 289,198   | -                        | 289,198               |
| Franchise taxes  |                     |                      |                                    |                                  | 729,211   | -                        | 729,211               |
| Grants and contributions not restricted to specific programs |                     |                      |                                    |                                  | 915,373   | 50,574                   | 965,947               |
| Unrestricted investment earnings                             |                     |                      |                                    |                                  | 584,892   | 415,667                  | 1,000,559             |
| Net change in fair value of investments                      |                     |                      |                                    |                                  | 2,715,355   | -                        | 2,715,355             |
| Transfers  |                     |                      |                                    |                                  | 540,066   | (540,066)                | -                     |
| Total general revenues and transfers                         |                     |                      |                                    |                                  | <u>35,218,788</u>                                 | <u>(73,825)</u>          | <u>35,144,963</u>     |
| Change in Net Position                                       |                     |                      |                                    |                                  | 7,008,275   | 718,160                  | 7,726,435             |
| Net Position - Beginning                                     |                     |                      |                                    |                                  | 117,042,910                                       | 133,364,922              | 250,407,832           |
| Net Position - Ending  |                     |                      |                                    |                                  | <u>\$ 124,051,185</u>                             | <u>\$ 134,083,082</u>    | <u>\$ 258,134,267</u> |

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

**City of Burnsville  
Balance Sheet  
Governmental Funds  
December 31, 2014**

|   | General              | Infrastructure<br>Trust Capital<br>Projects | GO<br>Improvement<br>Bonds | Tax Increment<br>Bonds | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---|----------------------------|------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>   |                      |   |                            |                        |                                |                                |
| Cash, cash equivalents, and investments                                   | \$ 19,840,639        | \$ 5,027,826                                | \$ 3,626,619               | \$ 630,435             | \$ 8,840,765                   | \$ 37,966,284                  |
| Restricted cash, cash equivalents, and investments                        | -                    | -   | 788,423                    | -                      | 406,397                        | 1,194,820                      |
| Receivables, net of allowance for uncollectible amounts:                  |                      |   |                            |                        |                                |                                |
| Property taxes  | 194,733              | 24,864                                      | 4,026                      | 4,395                  | 11,084                         | 239,102                        |
| Special assessments   | 153,259              | -   | 8,361,606                  | -                      | 321,295                        | 8,836,160                      |
| Accrued interest  | 151,240              | -   | -                          | -                      | -                              | 151,240                        |
| Accounts receivable   | 917,455              | -   | -                          | -                      | 744,016                        | 1,661,471                      |
| Due from other funds  | 345,000              | -   | -                          | -                      | 50,000                         | 395,000                        |
| Due from other governments  | 1,949,017            | 220,039                                     | 51,196                     | 33,617                 | 302,397                        | 2,556,266                      |
| Advances to other funds   | 1,491,544            | -   | -                          | -                      | -                              | 1,491,544                      |
| <b>Total Assets</b>   | <b>\$ 25,042,887</b> | <b>\$ 5,272,729</b>                         | <b>\$ 12,831,870</b>       | <b>\$ 668,447</b>      | <b>\$ 10,675,954</b>           | <b>\$ 54,491,887</b>           |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                      |   |                            |                        |                                |                                |
| <b>Liabilities:</b>   |                      |   |                            |                        |                                |                                |
| Accounts payable  | \$ 461,243           | \$ -  | \$ -                       | \$ 150,264             | \$ 350,256                     | \$ 961,763                     |
| Salaries and other compensation payable                                   | 1,598,522            | -   | -                          | -                      | -                              | 1,598,522                      |
| Contracts payable   | -                    | -   | -                          | -                      | 505,924                        | 505,924                        |
| Due to other funds  | -                    | -   | -                          | -                      | 345,000                        | 345,000                        |
| Due to other governments  | 202,111              | 484,913                                     | -                          | 9,916                  | 341,945                        | 1,038,885                      |
| Unearned revenue  | -                    | 3,731                                       | -                          | -                      | 77,000                         | 80,731                         |
| Customer and other deposits   | 1,797,663            | -   | -                          | -                      | 5,200                          | 1,802,863                      |
| <b>Total Liabilities</b>  | <b>4,059,539</b>     | <b>488,644</b>                              | <b>-</b>                   | <b>160,180</b>         | <b>1,625,325</b>               | <b>6,333,688</b>               |
| <b>Deferred Inflows of Resources:</b>                                     |                      |   |                            |                        |                                |                                |
| Unavailable revenue - property taxes                                      | 194,733              | 24,864                                      | 4,026                      | 4,395                  | 11,084                         | 239,102                        |
| Unavailable revenue - special assessments                                 | -                    | -   | 8,361,606                  | -                      | 321,295                        | 8,682,901                      |
| Unavailable revenue - other revenue                                       | 383,782              | -   | -                          | -                      | -                              | 383,782                        |
| <b>Total Deferred Inflows of Resources</b>                                | <b>578,515</b>       | <b>24,864</b>                               | <b>8,365,632</b>           | <b>4,395</b>           | <b>332,379</b>                 | <b>9,305,785</b>               |
| <b>Fund Balances (Deficit):</b>   |                      |   |                            |                        |                                |                                |
| Restricted  | 2,288,160            | -   | 4,466,238                  | 503,872                | 2,216,271                      | 9,474,541                      |
| Committed   | -                    | 3,497,846                                   | -                          | -                      | 1,468,913                      | 4,966,759                      |
| Assigned  | 1,155,807            | 1,261,375                                   | -                          | -                      | 5,193,262                      | 7,610,444                      |
| Unassigned  | 16,960,866           | -   | -                          | -                      | (160,196)                      | 16,800,670                     |
| <b>Total Fund Balances (Deficit)</b>                                      | <b>20,404,833</b>    | <b>4,759,221</b>                            | <b>4,466,238</b>           | <b>503,872</b>         | <b>8,718,250</b>               | <b>38,852,414</b>              |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 25,042,887</b> | <b>\$ 5,272,729</b>                         | <b>\$ 12,831,870</b>       | <b>\$ 668,447</b>      | <b>\$ 10,675,954</b>           | <b>\$ 54,491,887</b>           |

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, 2014**

|  |    |               |
|--|----|---------------|
| Total governmental fund balances   | \$ | 38,852,414    |
| 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   |    | 248,009,145   |
| Accumulated depreciation   |    | (128,502,059) |
| 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   |    | 9,305,785     |
| 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   |    | 2,735,216     |
| Accrued compensated absences   |    | (2,764,198)   |
| Long-term liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.  |    |               |
| Net other post-employment benefit obligations payable  |    | (1,469,826)   |
| Bonds payable, net of unamortized discounts and premiums   |    | (41,749,128)  |
| Accrued interest payable   |    | (366,164)     |
|  |    | (43,585,118)  |
| Net position of governmental activities  | \$ | 124,051,185   |

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, 2014**

|   | General              | Infrastructure<br>Trust Capital<br>Projects | GO<br>Improvement<br>Bonds | Tax Increment<br>Bonds | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---|----------------------------|------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>   |                      |   |                            |                        |                                |                                |
| Property taxes  | \$ 23,992,772        | \$ 3,063,775                                | \$ 496,388                 | \$ 166,450             | \$ 1,837,508                   | \$ 29,556,893                  |
| Special assessments   | 13,870               | -   | 1,512,087                  | -                      | 288,039                        | 1,813,996                      |
| Licenses and permits  | 1,952,336            | -   | -                          | -                      | 1,440                          | 1,953,776                      |
| Other taxes   | 289,198              | -   | -                          | -                      | 729,211                        | 1,018,409                      |
| Intergovernmental revenue                                       | 1,930,999            | 1,402,316                                   | 56,927                     | -                      | 1,477,289                      | 4,867,531                      |
| Charges for services  | 5,511,388            | -   | -                          | -                      | 373,776                        | 5,885,164                      |
| Fines and forfeits  | 398,225              | -   | -                          | -                      | 19,050                         | 417,275                        |
| Interest on investments   | 261,411              | 92,302                                      | 54,097                     | 40,404                 | 97,369                         | 545,583                        |
| Net change in fair value of investments                         | 2,715,355            | -   | -                          | -                      | -                              | 2,715,355                      |
| Miscellaneous revenue   | 873,998              | -   | -                          | -                      | 705,350                        | 1,579,348                      |
| <b>Total Revenues</b>   | <b>37,939,552</b>    | <b>4,558,393</b>                            | <b>2,119,499</b>           | <b>206,854</b>         | <b>5,529,032</b>               | <b>50,353,330</b>              |
| <b>Expenditures</b>   |                      |   |                            |                        |                                |                                |
| Current:  |                      |   |                            |                        |                                |                                |
| General government  | 4,612,433            | -   | -                          | -                      | 1,244,304                      | 5,856,737                      |
| Public safety   | 19,063,686           | -   | -                          | -                      | 1,076,840                      | 20,140,526                     |
| Public works and parks  | 5,614,662            | -   | -                          | -                      | 977,899                        | 6,592,561                      |
| Culture and recreation  | 960,893              | -   | -                          | -                      | 295,789                        | 1,256,682                      |
| Conservation of natural resources                               | 708,902              | -   | -                          | -                      | 286,588                        | 995,490                        |
| Economic development  | -                    | -   | -                          | 291,825                | 173,108                        | 464,933                        |
| Capital outlay:   |                      |   |                            |                        |                                |                                |
| General government  | -                    | -   | -                          | -                      | 151,449                        | 151,449                        |
| Public safety   | -                    | -   | -                          | -                      | 143,005                        | 143,005                        |
| Public works and parks  | -                    | -   | -                          | -                      | 474,508                        | 474,508                        |
| Infrastructure  | -                    | 3,737,222                                   | -                          | -                      | 4,854,223                      | 8,591,445                      |
| Debt service:   |                      |   |                            |                        |                                |                                |
| Redemption of bonds   | -                    | -   | 1,965,613                  | 5,425,000              | 950,000                        | 8,340,613                      |
| Interest on bonds   | -                    | -   | 464,941                    | 211,127                | 836,350                        | 1,512,418                      |
| Fiscal agent fees   | -                    | -   | 3,603                      | 12,367                 | 2,700                          | 18,670                         |
| Bond issuance costs   | -                    | -   | -                          | -                      | 23,240                         | 23,240                         |
| <b>Total Expenditures</b>                                       | <b>30,960,576</b>    | <b>3,737,222</b>                            | <b>2,434,157</b>           | <b>5,940,319</b>       | <b>11,490,003</b>              | <b>54,562,277</b>              |
| Excess (Deficiency) of<br>Revenues Over (Under)<br>Expenditures | 6,978,976            | 821,171                                     | (314,658)                  | (5,733,465)            | (5,960,971)                    | (4,208,947)                    |
| <b>Other Financing Sources (Uses)</b>                           |                      |   |                            |                        |                                |                                |
| Bonds issued  | -                    | -   | 24,983                     | -                      | 2,755,017                      | 2,780,000                      |
| Premium on bonds issued   | -                    | -   | 8,531                      | -                      | 31,402                         | 39,933                         |
| Payment to refunded bond escrow<br>agent                        | -                    | -   | (952,430)                  | -                      | -                              | (952,430)                      |
| Sale of capital assets  | -                    | -   | -                          | -                      | 153,027                        | 153,027                        |
| Transfers in  | 185,000              | -   | 364,008                    | -                      | 5,197,466                      | 5,746,474                      |
| Transfers out   | (3,921,000)          | (674,008)                                   | -                          | -                      | (611,400)                      | (5,206,408)                    |
| <b>Total Other financing sources (uses)</b>                     | <b>(3,736,000)</b>   | <b>(674,008)</b>                            | <b>(554,908)</b>           | <b>-</b>               | <b>7,525,512</b>               | <b>2,560,596</b>               |
| <b>Net Change in Fund Balances</b>                              | <b>3,242,976</b>     | <b>147,163</b>                              | <b>(869,566)</b>           | <b>(5,733,465)</b>     | <b>1,564,541</b>               | <b>(1,648,351)</b>             |
| Fund Balances - Beginning                                       | 17,161,857           | 4,612,058                                   | 5,335,804                  | 6,237,337              | 7,153,709                      | 40,500,765                     |
| <b>Fund Balances - Ending</b>                                   | <b>\$ 20,404,833</b> | <b>\$ 4,759,221</b>                         | <b>\$ 4,466,238</b>        | <b>\$ 503,872</b>      | <b>\$ 8,718,250</b>            | <b>\$ 38,852,414</b>           |

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, 2014**

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

|  |    |             |
|--|----|-------------|
| Net change in fund balances - total governmental funds   | \$ | (1,648,351) |
| 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.   |    |             |
| Capital outlay   |    | 7,688,317   |
| Depreciation expense   |    | (6,836,202) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.   |    |             |
| Net book value of capital assets disposed  |    | (933,494)   |
| Donations of capital assets  |    | 897,036     |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.  |    |             |
|  |    | 1,478,267   |
| 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. |    |             |
| Debt issued:   |    |             |
| Issuance of debt, including discounts and premiums   |    | (2,819,933) |
| Principal repayments:  |    |             |
| General obligation debt  |    | 9,293,043   |
| Amortization of premiums and discounts   |    | 57,259      |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  |    |             |
| Accrued interest expense   |    | 74,326      |
| Net other post-employment benefit obligations expense  |    | (177,008)   |
| The internal service fund is used by management to charge the costs of compensated absences to individual funds.   |    |             |
|  |    | (104,294)   |
| The net revenue of certain activities of internal service funds is reported with governmental activities.  |    |             |
|  |    | 39,309      |
| Change in net position of governmental activities  | \$ | 7,008,275   |

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, 2014**

|   | Budgeted Amounts |               | Actual Amounts | Variance with<br>Final Budget |
|---|------------------|---------------|----------------|-------------------------------|
|   | Original         | Final         |                |                               |
| <b>Revenues</b>                         |                  |               |                |                               |
| Property taxes                          | \$ 24,218,735    | \$ 24,218,735 | \$ 23,992,772  | \$ (225,963)                  |
| Special assessments                     | 3,700            | 3,700         | 13,870         | 10,170                        |
| Licenses and permits                    | 1,880,862        | 1,880,862     | 1,952,336      | 71,474                        |
| Other taxes                             | 260,000          | 260,000       | 289,198        | 29,198                        |
| Intergovernmental revenue               | 1,782,673        | 1,849,135     | 1,930,999      | 81,864                        |
| Charges for services                    | 5,378,510        | 5,378,510     | 5,511,388      | 132,878                       |
| Fines and forfeits                      | 424,000          | 424,000       | 398,225        | (25,775)                      |
| Interest on investments                 | 270,000          | 270,000       | 261,411        | (8,589)                       |
| Net change in fair value of investments | -                | -             | 2,715,355      | 2,715,355                     |
| Miscellaneous revenue                   | 762,260          | 777,760       | 873,998        | 96,238                        |
| Total Revenues                          | 34,980,740       | 35,062,702    | 37,939,552     | 2,876,850                     |
| <b>Expenditures</b>                     |                  |               |                |                               |
| Current:                                |                  |               |                |                               |
| General government                      | 4,930,457        | 4,941,955     | 4,612,433      | 329,522                       |
| Public safety                           | 19,503,710       | 19,608,032    | 19,063,686     | 544,346                       |
| Public works and parks                  | 5,493,066        | 5,533,108     | 5,614,662      | (81,554)                      |
| Culture & recreation                    | 1,002,162        | 1,002,162     | 960,893        | 41,269                        |
| Conservation of natural resources       | 738,189          | 738,189       | 708,902        | 29,287                        |
| Total Expenditures                      | 31,667,584       | 31,823,446    | 30,960,576     | 862,870                       |
| Excess of Revenues Over Expenditures    | 3,313,156        | 3,239,256     | 6,978,976      | 3,739,720                     |
| <b>Other Financing Sources (Uses)</b>   |                  |               |                |                               |
| Transfers in                            | 185,000          | 185,000       | 185,000        | -                             |
| Transfers out                           | (3,923,000)      | (3,923,000)   | (3,921,000)    | 2,000                         |
| Total other financing sources (uses)    | (3,738,000)      | (3,738,000)   | (3,736,000)    | 2,000                         |
| Net Change in Fund Balances             | (424,844)        | (498,744)     | 3,242,976      | 3,741,720                     |
| Fund Balances - Beginning               | 17,161,857       | 17,161,857    | 17,161,857     | -                             |
| Fund Balances - Ending                  | \$ 16,737,013    | \$ 16,663,113 | \$ 20,404,833  | \$ 3,741,720                  |

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

**City of Burnsville  
Statement of Net Position  
Proprietary Funds  
December 31, 2014**

|   | Business-type Activities - Enterprise Funds |                      |                     |                              |                      | Governmental<br>Activities -<br>Internal Service<br>Fund -<br>Compensated<br>Absences |
|---|---|----------------------|---------------------|------------------------------|----------------------|---|
|   | Water and<br>Sewer                          | Storm Water          | Ames Center         | Other<br>Enterprise<br>Funds | Total                |   |
| <b>Assets</b>   |   |                      |                     |                              |                      |   |
| Current Assets:   |   |                      |                     |                              |                      |   |
| Cash, cash equivalents and investments                        | \$16,258,310                                | \$ 8,894,852         | \$ 201,560          | \$ 1,756,767                 | \$ 27,111,489        | \$ 2,735,216  |
| Special assessments receivable:                               |   |                      |                     |                              |                      |   |
| Delinquent  | 43,118                                      | 1,167                | -                   | -                            | 44,285               | -   |
| Deferred, current portion                                     | 276   | 36,783               | -                   | -                            | 37,059               | -   |
| Accounts receivable   | 3,040,606                                   | 773,083              | 182,786             | 128,737                      | 4,125,212            | -   |
| Notes receivable  | 340,000                                     | -                    | -                   | -                            | 340,000              | -   |
| Due from other governments                                    | 36,087                                      | 16,453               | -                   | -                            | 52,540               | -   |
| Prepaid items   | -   | -                    | 26,352              | -                            | 26,352               | -   |
| Total Current Assets  | <u>19,718,397</u>                           | <u>9,722,338</u>     | <u>410,698</u>      | <u>1,885,504</u>             | <u>31,736,937</u>    | <u>2,735,216</u>  |
| Noncurrent Assets:  |   |                      |                     |                              |                      |   |
| Deferred special assessments receivable, less current portion | 7,217                                       | 769,371              | -                   | -                            | 776,588              | -   |
| Notes Receivable, less current portion                        | 840,000                                     | -                    | -                   | -                            | 840,000              | -   |
|   | <u>847,217</u>                              | <u>769,371</u>       | <u>-</u>            | <u>-</u>                     | <u>1,616,588</u>     | <u>-</u>  |
| Capital Assets:   |   |                      |                     |                              |                      |   |
| Land  | 316,892                                     | 2,160,687            | -                   | 757,320                      | 3,234,899            | -   |
| Permanent easements   | 1,085,352                                   | 1,877,634            | -                   | -                            | 2,962,986            | -   |
| Construction-in-progress                                      | 437,198                                     | 216,648              | -                   | -                            | 653,846              | -   |
| Buildings   | 20,705,348                                  | -                    | 20,364,622          | 2,990,096                    | 44,060,066           | -   |
| Infrastructure and improvements                               | 86,175,284                                  | 57,683,270           | 88,690              | 7,449,797                    | 151,397,041          | -   |
| Equipment and vehicles  | 4,724,246                                   | 694,112              | 274,216             | 503,058                      | 6,195,632            | -   |
| Less accumulated depreciation                                 | (49,800,314)                                | (30,110,229)         | (3,105,020)         | (4,518,943)                  | (87,534,506)         | -   |
| Total capital assets (net of accumulated depreciation)        | <u>63,644,006</u>                           | <u>32,522,122</u>    | <u>17,622,508</u>   | <u>7,181,328</u>             | <u>120,969,964</u>   | <u>-</u>  |
| Total Noncurrent Assets                                       | <u>64,491,223</u>                           | <u>33,291,493</u>    | <u>17,622,508</u>   | <u>7,181,328</u>             | <u>122,586,552</u>   | <u>-</u>  |
| Total Assets  | <u>84,209,620</u>                           | <u>43,013,831</u>    | <u>18,033,206</u>   | <u>9,066,832</u>             | <u>154,323,489</u>   | <u>2,735,216</u>  |
| <b>Liabilities</b>  |   |                      |                     |                              |                      |   |
| Current Liabilities:  |   |                      |                     |                              |                      |   |
| Current maturities of long term debt                          | 1,580,093                                   | 575,207              | -                   | -                            | 2,155,300            | -   |
| Salaries and other compensation payable                       | 1,636                                       | 6                    | -                   | -                            | 1,642                | -   |
| Accrued compensated absences, current portion                 | 13,944                                      | 2,486                | -                   | 8,960                        | 25,390               | 276,420   |
| Accounts payable  | 402,502                                     | 71,180               | 144,742             | 103,860                      | 722,284              | -   |
| Accrued interest  | 46,507                                      | 6,644                | -                   | -                            | 53,151               | -   |
| Contracts payable   | 123,430                                     | 321,176              | -                   | 14,647                       | 459,253              | -   |
| Due to other funds  | -   | -                    | 50,000              | -                            | 50,000               | -   |
| Due to other governments                                      | 132,549                                     | 70,432               | -                   | 5,176                        | 208,157              | -   |
| Customer and other deposits                                   | 34,831                                      | 5                    | -                   | 1,472                        | 36,308               | -   |
| Total Current Liabilities                                     | <u>2,335,492</u>                            | <u>1,047,136</u>     | <u>194,742</u>      | <u>134,115</u>               | <u>3,711,485</u>     | <u>276,420</u>  |
| Noncurrent Liabilities:                                       |   |                      |                     |                              |                      |   |
| General obligation bonds payable, less current portion        | 12,425,533                                  | 2,383,337            | -                   | -                            | 14,808,870           | -   |
| Advances from other funds                                     | 125,489                                     | 22,376               | -                   | 80,643                       | 228,508              | 2,487,778   |
|   | <u>-</u>                                    | <u>-</u>             | <u>1,491,544</u>    | <u>-</u>                     | <u>1,491,544</u>     | <u>-</u>  |
| Total Noncurrent Liabilities                                  | <u>12,551,022</u>                           | <u>2,405,713</u>     | <u>1,491,544</u>    | <u>80,643</u>                | <u>16,528,922</u>    | <u>2,487,778</u>  |
| Total Liabilities   | <u>14,886,514</u>                           | <u>3,452,849</u>     | <u>1,686,286</u>    | <u>214,758</u>               | <u>20,240,407</u>    | <u>2,764,198</u>  |
| <b>Net Position (Deficit)</b>                                 |   |                      |                     |                              |                      |   |
| Net investment in capital assets                              | 49,638,380                                  | 29,563,578           | 17,622,508          | 7,181,328                    | 104,005,794          | -   |
| Unrestricted  | 19,684,726                                  | 9,997,404            | (1,275,588)         | 1,670,746                    | 30,077,288           | (28,982)  |
| Total Net Position (Deficit)                                  | <u>\$69,323,106</u>                         | <u>\$ 39,560,982</u> | <u>\$16,346,920</u> | <u>\$ 8,852,074</u>          | <u>\$134,083,082</u> | <u>\$ (28,982)</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, 2014**

|   | Business-type Activities - Enterprise Funds |                      |                     |                              |                       | Governmental<br>Activities -<br>Internal<br>Service Fund -<br>Compensated<br>Absences |
|---|---|----------------------|---------------------|------------------------------|-----------------------|---|
|   | Water and<br>Sewer                          | Storm Water          | Ames Center         | Other<br>Enterprise<br>Funds | Total                 |   |
| <b>Operating Revenues</b>                           |   |                      |                     |                              |                       |   |
| Charges for services                                | \$14,134,042                                | \$ 4,177,901         | \$ 1,387,480        | \$ 1,995,865                 | \$ 21,695,288         | \$ 222,482  |
| <b>Operating Expenses</b>                           |   |                      |                     |                              |                       |   |
| Personnel services                                  | 3,184,073                                   | 771,659              | -                   | 747,819                      | 4,703,551             | 326,776   |
| Contracted labor                                    | -   | -                    | 849,920             | -                            | 849,920               | -   |
| Sanitary sewer disposal costs                       | 4,006,541                                   | -                    | -                   | -                            | 4,006,541             | -   |
| Repairs and maintenance                             | 1,950,743                                   | 794,700              | 81,843              | 190,416                      | 3,017,702             | -   |
| Utilities   | 1,046,762                                   | 62,131               | 102,384             | 519,898                      | 1,731,175             | -   |
| Other operating expenses                            | 1,751,315                                   | 425,691              | 617,349             | 269,321                      | 3,063,676             | -   |
| Depreciation  | 2,587,047                                   | 1,214,982            | 540,892             | 427,475                      | 4,770,396             | -   |
| Total Operating Expenses                            | <u>14,526,481</u>                           | <u>3,269,163</u>     | <u>2,192,388</u>    | <u>2,154,929</u>             | <u>22,142,961</u>     | <u>326,776</u>  |
| Operating Income (Loss)                             | <u>(392,439)</u>                            | <u>908,738</u>       | <u>(804,908)</u>    | <u>(159,064)</u>             | <u>(447,673)</u>      | <u>(104,294)</u>  |
| <b>Nonoperating Revenues (Expenses)</b>             |   |                      |                     |                              |                       |   |
| Intergovernmental                                   | 39,715                                      | 35,353               | -                   | -                            | 75,068                | -   |
| Investment earnings                                 | 267,434                                     | 120,844              | -                   | 27,389                       | 415,667               | 39,309  |
| Other income  | 100,651                                     | 44,611               | 379,768             | -                            | 525,030               | -   |
| Gain (Loss) on disposal of capital assets           | (7,030)                                     | (2,771)              | -                   | 20,719                       | 10,918                | -   |
| Interest expense                                    | (395,810)                                   | (97,812)             | (279)               | -                            | (493,901)             | -   |
| Total Nonoperating Revenues (Expenses)              | <u>4,960</u>                                | <u>100,225</u>       | <u>379,489</u>      | <u>48,108</u>                | <u>532,782</u>        | <u>39,309</u>   |
| Income (Loss) Before Contributions<br>and Transfers | <u>(387,479)</u>                            | <u>1,008,963</u>     | <u>(425,419)</u>    | <u>(110,956)</u>             | <u>85,109</u>         | <u>(64,985)</u>   |
| <b>Transfers and Capital Contributions</b>          |   |                      |                     |                              |                       |   |
| Capital contributions - connection charges          | 106,536                                     | 137,283              | -                   | -                            | 243,819               | -   |
| Capital contributions - from others                 | 464,649                                     | 464,649              | -                   | -                            | 929,298               | -   |
| Transfers in  | -   | -                    | 776,400             | 10,000                       | 786,400               | -   |
| Transfers out                                       | (604,441)                                   | (58,025)             | (664,000)           | -                            | (1,326,466)           | -   |
| Total Transfers and Capital Contributions           | <u>(33,256)</u>                             | <u>543,907</u>       | <u>112,400</u>      | <u>10,000</u>                | <u>633,051</u>        | <u>-</u>  |
| Change in Net Position                              | (420,735)                                   | 1,552,870            | (313,019)           | (100,956)                    | 718,160               | (64,985)  |
| Total Net Position - Beginning                      | 69,743,841                                  | 38,008,112           | 16,659,939          | 8,953,030                    | 133,364,922           | 36,003  |
| Total Net Position (Deficit) - Ending               | <u>\$69,323,106</u>                         | <u>\$ 39,560,982</u> | <u>\$16,346,920</u> | <u>\$ 8,852,074</u>          | <u>\$ 134,083,082</u> | <u>\$ (28,982)</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, 2014**

|   | Business-type Activities - Enterprise Funds |                     |                     |                              |                      | Governmental<br>Activities -<br>Internal<br>Service Fund -<br>Compensated<br>Absences |
|---|---|---------------------|---------------------|------------------------------|----------------------|---|
|   | Water and<br>Sewer                          | Storm Water         | Ames Center         | Other<br>Enterprise<br>Funds | Total                |   |
| <b>Cash Flows from Operating Activities</b>   |   |                     |                     |                              |                      |   |
| Receipts from customers and users   | \$ 13,905,372                               | \$ 4,192,215        | \$ 1,398,388        | \$ 1,977,382                 | \$ 21,473,357        | \$ -  |
| Receipts from interfund services provided   | -   | -                   | -                   | -                            | -                    | 222,482   |
| Payments to suppliers   | (8,633,383)                                 | (1,186,364)         | (1,564,944)         | (979,173)                    | (12,363,864)         | -   |
| Payments to employees   | (3,163,288)                                 | (757,974)           | -                   | (754,806)                    | (4,676,068)          | (197,559)   |
| Net cash provided (used) by operating activities  | <u>2,108,701</u>                            | <u>2,247,877</u>    | <u>(166,556)</u>    | <u>243,403</u>               | <u>4,433,425</u>     | <u>24,923</u>   |
| <b>Cash Flows from Noncapital Financing Activities</b>  |   |                     |                     |                              |                      |   |
| Grants and host fees  | 140,366                                     | 135,317             | 279,768             | -                            | 555,451              | -   |
| Transfers in  | -   | -                   | 776,400             | 10,000                       | 786,400              | -   |
| Transfers out   | (604,441)                                   | (58,025)            | (664,000)           | -                            | (1,326,466)          | -   |
| Net cash provided (used) by noncapital financing activities   | <u>(464,075)</u>                            | <u>77,292</u>       | <u>392,168</u>      | <u>10,000</u>                | <u>15,385</u>        | <u>-</u>  |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                       |   |                     |                     |                              |                      |   |
| Receipts from connection charges  | 106,536                                     | 137,283             | -                   | -                            | 243,819              | -   |
| Principal payment on notes receivable   | 320,000                                     | -                   | -                   | -                            | 320,000              | -   |
| Purchase or construction of capital assets  | (5,070,921)                                 | (630,998)           | (196,217)           | (406,183)                    | (6,304,319)          | -   |
| Proceeds from sale of capital assets  | -   | -                   | -                   | 25,204                       | 25,204               | -   |
| Principal payments on bonds payable   | (1,305,412)                                 | (786,545)           | -                   | -                            | (2,091,957)          | -   |
| Principal payments on capital lease   | -   | -                   | (11,836)            | -                            | (11,836)             | -   |
| Proceeds from sale of bonds   | 2,589,838                                   | -                   | -                   | -                            | 2,589,838            | -   |
| Interest paid on bonds  | (413,550)                                   | (112,932)           | (279)               | -                            | (526,761)            | -   |
| Net cash provided (used) by capital and related financing activities                                  | <u>(3,773,509)</u>                          | <u>(1,393,192)</u>  | <u>(208,332)</u>    | <u>(380,979)</u>             | <u>(5,756,012)</u>   | <u>-</u>  |
| <b>Cash Flows from Investing Activities</b>   |   |                     |                     |                              |                      |   |
| Investment earnings   | 267,434                                     | 120,844             | -                   | 27,389                       | 415,667              | 39,309  |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <u>(1,861,449)</u>                          | <u>1,052,821</u>    | <u>17,280</u>       | <u>(100,187)</u>             | <u>(891,535)</u>     | <u>64,232</u>   |
| <b>Cash and Cash Equivalents</b>  |   |                     |                     |                              |                      |   |
| Beginning (including \$182,244, for the Storm Water fund reported in a restricted account)            | <u>18,119,759</u>                           | <u>7,842,031</u>    | <u>184,280</u>      | <u>1,856,954</u>             | <u>28,003,024</u>    | <u>2,670,984</u>  |
| Ending  | <u>\$ 16,258,310</u>                        | <u>\$ 8,894,852</u> | <u>\$ 201,560</u>   | <u>\$ 1,756,767</u>          | <u>\$ 27,111,489</u> | <u>\$ 2,735,216</u>   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>  |   |                     |                     |                              |                      |   |
| Operating income (loss)   | \$ (392,439)                                | \$ 908,738          | \$ (804,908)        | \$ (159,064)                 | \$ (447,673)         | \$ (104,294)  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |                     |                     |                              |                      |   |
| Depreciation  | 2,587,047                                   | 1,214,982           | 540,892             | 427,475                      | 4,770,396            | -   |
| Changes in assets and liabilities:  |   |                     |                     |                              |                      |   |
| (Increase) decrease in:   |   |                     |                     |                              |                      |   |
| Receivables   | (251,449)                                   | 14,309              | 10,908              | 12,730                       | (213,502)            | -   |
| Due from other governments  | 11,615                                      | -                   | -                   | -                            | 11,615               | -   |
| Prepays   | -   | -                   | 1,617               | -                            | 1,617                | -   |
| (Decrease) increase in:   |   |                     |                     |                              |                      |   |
| Salaries and accrued compensated absences   | 20,785                                      | 13,685              | -                   | (6,987)                      | 27,483               | 129,217   |
| Accounts payable  | 54,468                                      | (31,228)            | 84,935              | (14,879)                     | 93,296               | -   |
| Contracts payable   | 18,237                                      | 133,502             | -                   | 14,647                       | 166,386              | -   |
| Due to other governments  | 49,273                                      | (6,116)             | -                   | 694                          | 43,851               | -   |
| Customer deposits   | 11,164                                      | 5                   | -                   | (31,213)                     | (20,044)             | -   |
| Net cash provided (used) by operating activities  | <u>\$ 2,108,701</u>                         | <u>\$ 2,247,877</u> | <u>\$ (166,556)</u> | <u>\$ 243,403</u>            | <u>\$ 4,433,425</u>  | <u>\$ 24,923</u>  |
| <b>Noncash investing, capital, and financing activities</b>   |   |                     |                     |                              |                      |   |
| Capital assets contributed from others  | <u>\$ 464,649</u>                           | <u>\$ 464,649</u>   |                     |                              | <u>\$ 929,298</u>    |   |
| (Loss) on disposal of capital assets  | <u>\$ (7,030)</u>                           | <u>\$ (2,771)</u>   |                     | <u>\$ (4,485)</u>            | <u>\$ (14,286)</u>   |   |

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

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# CITY OF BURNSVILLE, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

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

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 *Tax Increment Bonds Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on general obligation tax increment bonds.

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

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

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

*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.
- *Ice Center Project Fund* – Accounts for the revenues and expenditures for renovation and improvements at the Burnsville Ice Center.
- *Equipment, Vehicle, and Facilities Fund* – Established in 2002 to account for capital purchases of equipment, vehicles, and facilities 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 Capital Projects 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 Capital Projects Fund* – Accounts for the receipt and disbursement of bonds proceeds or other sources obtained to finance improvements which are to be paid for wholly or in part from special assessments levied against benefitted property.
- *Street Revolving Construction Fund* – Established in 2004 to account for revenues and expenses for street rehabilitation projects, major street maintenance projects, and small traffic control issues.

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

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

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

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

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

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 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, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less, which are reported at amortized cost.

Substantially all 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. 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 consist of a deposit to a non-profit economic development revolving loan pool escrow account that provides financing to small businesses and 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 fair market 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 inflows of resources**

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 only one type of item, which arises under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue 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.

## 9. Fund balances

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

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

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

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

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

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

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

## 10. Use of estimates

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

## **11. Net Position**

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

## **12. 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, the Ice Center Capital Projects fund, 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, 2014, expenditures exceeded appropriations in the following fund:

Grant Fund – Over-expenditures of \$7,047 were offset by revenues over budget.

**C. DEFICIT FUND BALANCES / NET POSITION**

The Improvement Construction Fund had a deficit fund balance of \$160,196 as of December 31, 2014. 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 \$28,982 as of December 31, 2014. 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     | \$ 1,617,206         |
| Investments  | 67,387,178           |
| Cash on hand | 3,425                |
|              | <u>\$ 69,007,809</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           | \$ 67,812,989        |
| Restricted cash, cash equivalents and investments | 1,194,820            |
|   | <u>\$ 69,007,809</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 \$1,617,206 and the bank deposit balances were \$2,206,816. The City's deposits at December 31, 2014, 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 |         | 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     | \$ 788,422                                 | \$ -                 | \$ -                | \$ 788,422           |
| U.S. Agency Securities    | NR          | N/A     | -  | 4,570,922            | -                   | 4,570,922            |
|                           | AAA         | Moody's | -  | 29,643,358           | 8,746,740           | 38,390,098           |
|                           | A2          | Moody's | -  | 2,144,180            | -                   | 2,144,180            |
| Municipal Bonds           | AAA         | Moody's | -  | 976,730              | -                   | 976,730              |
|                           | AA1         | Moody's | -  | 992,607              | -                   | 992,607              |
|                           | AA2         | Moody's | -  | -                    | 1,145,158           | 1,145,158            |
| Money market mutual funds | AAAm        | S&P     | 18,379,061                                 | -                    | -                   | 18,379,061           |
| Total investments         |             |         | <u>\$ 19,167,483</u>                       | <u>\$ 38,327,797</u> | <u>\$ 9,891,898</u> | <u>\$ 67,387,178</u> |

N/R - 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<br>Portfolio |
|------------------------------------|-------------------------|
| Federal Home Loan Bank             | 29%                     |
| Federal National Mortgage Assn     | 23%                     |
| Federal Farm Credit Bank           | 8%                      |
| Federal Agricultural Mortgage Corp | 7%                      |

**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, 2014 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      | Infrastructure<br>Trust<br>Capital Projects | G.O.<br>Improvement<br>Bonds | Tax<br>Increment<br>Bonds | Nonmajor<br>Funds | Governmental<br>Activities<br>Total |
|---------------------------------------|--------------|---|------------------------------|---------------------------|-------------------|-------------------------------------|
| Receivables:                          |              |   |                              |                           |                   |                                     |
| Interest                              | \$ 151,240   | \$ -  | \$ -                         | \$ -                      | \$ -              | \$ 151,240                          |
| Taxes                                 | 308,441      | 34,865                                      | 6,707                        | 4,660                     | 15,987            | 370,660                             |
| Accounts                              | 3,414,560    | -   | -                            | -                         | 744,531           | 4,159,091                           |
| Special assessments                   | 153,259      | -   | 8,361,606                    | -                         | 321,295           | 8,836,160                           |
| Gross receivables                     | 4,027,500    | 34,865                                      | 8,368,313                    | 4,660                     | 1,081,813         | 13,517,151                          |
| Less: allowance<br>for uncollectibles | (2,610,813)  | (10,001)                                    | (2,681)                      | (265)                     | (5,418)           | (2,629,178)                         |
| Net total receivables                 | \$ 1,416,687 | \$ 24,864                                   | \$ 8,365,632                 | \$ 4,395                  | \$ 1,076,395      | \$ 10,887,973                       |

**Business - Type Activities**

|                                       | Water and<br>Sewer | Storm<br>Water | Ames<br>Center | Nonmajor<br>Funds | Business -<br>Type Activities<br>Total | Grand<br>Total of<br>All Funds |
|---------------------------------------|--------------------|----------------|----------------|-------------------|--|--------------------------------|
| Receivables:                          |                    |                |                |                   |  |                                |
| Interest                              | \$ -               | \$ -           | \$ -           | \$ -              | \$ -                                   | \$ 151,240                     |
| Taxes                                 | -                  | -              | -              | -                 | -                                      | 370,660                        |
| Accounts                              | 3,041,629          | 773,083        | 182,786        | 128,768           | 4,126,266                              | 8,285,357                      |
| Notes                                 | 1,180,000          | -              | -              | -                 | 1,180,000                              | 1,180,000                      |
| Special assessments                   | 50,611             | 807,321        | -              | -                 | 857,932                                | 9,694,092                      |
| Gross receivables                     | 4,272,240          | 1,580,404      | 182,786        | 128,768           | 6,164,198                              | 19,681,349                     |
| Less: allowance<br>for uncollectibles | (1,023)            | -              | -              | (31)              | (1,054)                                | (2,630,232)                    |
| Net total receivables                 | \$ 4,271,217       | \$ 1,580,404   | \$ 182,786     | \$ 128,737        | \$ 6,163,144                           | \$ 17,051,117                  |

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:

|  |                     |
|--|---------------------|
| Delinquent property taxes receivable                       | <u>Unavailable</u>  |
|  | \$ 239,102          |
| Special assessments not yet due                            | 8,682,901           |
| Charges for services                                       | <u>383,782</u>      |
| Total deferred inflows of resources for governmental funds | <u>\$ 9,305,785</u> |

## C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

|  | <b>Governmental activities</b> |                     |                     |  | Ending<br>Balance     |
|--|--------------------------------|---------------------|---------------------|--|-----------------------|
|  | Beginning<br>Balance           | Increases           | Decreases           | Transfers<br>and Completed<br>Construction |                       |
| Capital assets not<br>being depreciated:               |                                |                     |                     |  |                       |
| Land   | \$ 19,052,342                  | \$ 125,000          | \$ (4,800)          | \$ -                                       | \$ 19,172,542         |
| Permanent easements                                    | 1,391,837                      | 772,036             | -                   | -  | 2,163,873             |
| Construction in progress                               | 4,191,933                      | 3,924,544           | -                   | (2,709,868)                                | 5,406,609             |
| <b>Total capital assets not<br/>being depreciated</b>  | <b>24,636,112</b>              | <b>4,821,580</b>    | <b>(4,800)</b>      | <b>(2,709,868)</b>                         | <b>26,743,024</b>     |
| Capital assets being depreciated:                      |                                |                     |                     |  |                       |
| Buildings  | 29,291,165                     | 85,311              | -                   | -  | 29,376,476            |
| Infrastructure and<br>improvements                     | 168,457,216                    | 1,844,676           | (2,400,490)         | 2,709,868                                  | 170,611,270           |
| Equipment and vehicles                                 | 20,425,091                     | 1,833,786           | (980,502)           | -  | 21,278,375            |
| <b>Total capital assets<br/>being depreciated</b>      | <b>218,173,472</b>             | <b>3,763,773</b>    | <b>(3,380,992)</b>  | <b>2,709,868</b>                           | <b>221,266,121</b>    |
| Less accumulated depreciation for:                     |                                |                     |                     |  |                       |
| Buildings  | (10,368,356)                   | (705,619)           | -                   | -  | (11,073,975)          |
| Infrastructure and<br>improvements                     | (101,707,874)                  | (4,616,494)         | 1,698,239           | -  | (104,626,129)         |
| Equipment and vehicles                                 | (12,041,925)                   | (1,514,089)         | 754,059             | -  | (12,801,955)          |
| <b>Total accumulated<br/>depreciation</b>              | <b>(124,118,155)</b>           | <b>(6,836,202)</b>  | <b>2,452,298</b>    | <b>-</b>                                   | <b>(128,502,059)</b>  |
| <b>Total capital assets<br/>being depreciated, net</b> | <b>94,055,317</b>              | <b>(3,072,429)</b>  | <b>(928,694)</b>    | <b>2,709,868</b>                           | <b>92,764,062</b>     |
| <b>Governmental activities<br/>capital assets, net</b> | <b>\$118,691,429</b>           | <b>\$ 1,749,151</b> | <b>\$ (933,494)</b> | <b>\$ -</b>                                | <b>\$ 119,507,086</b> |

**Business-type activities**

|   | Beginning<br>Balance | Increases    | Decreases   | Transfers<br>and Completed<br>Construction | Ending<br>Balance |
|---|----------------------|--------------|-------------|--|-------------------|
| Capital assets not<br>being depreciated:        |                      |              |             |  |                   |
| Land  | \$ 3,234,899         | \$ -         | \$ -        | \$ -                                       | \$ 3,234,899      |
| Permanent easements                             | 2,033,688            | 929,298      | -           | -  | 2,962,986         |
| Construction in progress                        | 115,853              | 2,593,653    | -           | (2,055,660)                                | 653,846           |
| Total capital assets not<br>being depreciated   | 5,384,440            | 3,522,951    | -           | (2,055,660)                                | 6,851,731         |
| Capital assets being depreciated:               |                      |              |             |  |                   |
| Buildings                                       | 44,060,066           | -            | -           | -  | 44,060,066        |
| Infrastructure and<br>improvements              | 146,185,188          | 3,293,912    | (137,719)   | 2,055,660                                  | 151,397,041       |
| Equipment and vehicles                          | 6,000,830            | 416,754      | (221,952)   | -  | 6,195,632         |
| Total capital assets<br>being depreciated       | 196,246,084          | 3,710,666    | (359,671)   | 2,055,660                                  | 201,652,739       |
| Less accumulated depreciation for:              |                      |              |             |  |                   |
| Buildings                                       | (11,988,332)         | (1,054,236)  | -           | -  | (13,042,568)      |
| Infrastructure and<br>improvements              | (67,242,290)         | (3,421,001)  | 128,503     | -  | (70,534,788)      |
| Equipment and vehicles                          | (3,878,873)          | (295,159)    | 216,882     | -  | (3,957,150)       |
| Total accumulated<br>depreciation               | (83,109,495)         | (4,770,396)  | 345,385     | -  | (87,534,506)      |
| Total capital assets<br>being depreciated, net  | 113,136,589          | (1,059,730)  | (14,286)    | 2,055,660                                  | 114,118,233       |
| Business-type activities<br>capital assets, net | \$118,521,029        | \$ 2,463,221 | \$ (14,286) | \$ -                                       | \$ 120,969,964    |

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

|   |                     |
|---|---------------------|
| Governmental activities:                              |                     |
| General government                                    | \$ 511,500          |
| Public safety   | 635,210             |
| Public works and parks                                | 5,658,145           |
| Culture and recreation                                | 7,058               |
| Conservation of natural resources                     | 24,289              |
| Total depreciation expense - governmental activities  | <u>\$ 6,836,202</u> |
| Business-type activities:                             |                     |
| Water and sewer                                       | \$ 2,587,047        |
| Storm water   | 1,214,982           |
| Ames Center   | 540,892             |
| Ice arena   | 338,093             |
| Golf course   | 18,832              |
| Street lighting                                       | 70,550              |
| Total depreciation expense - business-type activities | <u>\$ 4,770,396</u> |

**Construction Commitments**

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

|  | <u>2014</u>         |
|--|---------------------|
| Ice Center Project Capital Projects Fund | \$ 3,000            |
| Improvement Construction Fund            | 538,376             |
| Equipment, Vehicles, and Facilities Fund | 4,450               |
| Water and Sewer Fund                     | 151,746             |
| Storm Water Fund                         | 1,003,689           |
| Street Lighting Fund                     | 8,863               |
|  | <u>\$ 1,710,124</u> |

**D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2014, is as follows:

| Due to/from other funds: |                       |                   |     |
|--------------------------|-----------------------|-------------------|-----|
| <u>Receivable Fund</u>   | <u>Payable Fund</u>   |                   |     |
| General                  | Nonmajor Governmental | \$ 345,000        | (a) |
| Nonmajor Governmental    | Ames Center           | <u>50,000</u>     | (b) |
| Total interfund balances |                       | <u>\$ 395,000</u> |     |

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

(b) Temporary loan to promote economic development.

| Advances to/from other funds: |                     |              |     |
|-------------------------------|---------------------|--------------|-----|
| <u>Receivable Fund</u>        | <u>Payable Fund</u> |              |     |
| General                       | Ames Center         | \$ 1,491,544 | (a) |

(a) Loans to cover negative cash balances.

The 2014 interfund transfers are as follows:

|                       | Transfer In:      |                   |                   |                     |                  | Total               |
|-----------------------|-------------------|-------------------|-------------------|---------------------|------------------|---------------------|
|                       | General           | G.O.              | Ames              | Nonmajor            | Nonmajor         |                     |
|                       | Fund              | Improvement       | Center            | Governmental        | Enterprise       |                     |
|                       | (a)               | Bonds (b)         | (b)(c)            | (b)(c)(d)           | (c)              |                     |
| Transfer out:         |                   |                   |                   |                     |                  |                     |
| General fund          | \$ -              | \$ -              | \$ 350,000        | \$ 3,561,000        | \$ 10,000        | \$ 3,921,000        |
| Infrastructure Trust  |                   |                   |                   |                     |                  |                     |
| Capital Projects      | -                 | 364,008           | -                 | 310,000             | -                | 674,008             |
| Water and Sewer       | -                 | -                 | -                 | 604,441             | -                | 604,441             |
| Storm Water           | -                 | -                 | -                 | 58,025              | -                | 58,025              |
| Ames Center           | -                 | -                 | -                 | 664,000             | -                | 664,000             |
| Nonmajor governmental | 185,000           | -                 | 426,400           | -                   | -                | 611,400             |
| <b>Total</b>          | <b>\$ 185,000</b> | <b>\$ 364,008</b> | <b>\$ 776,400</b> | <b>\$ 5,197,466</b> | <b>\$ 10,000</b> | <b>\$ 6,532,874</b> |

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 2014 for operating leases were \$43,829. The future minimum lease payments for these leases are as follows:

| Year Ending December 31 | Amount           |
|-------------------------|------------------|
| 2015                    | \$ 31,443        |
| 2016                    | 27,262           |
| 2017                    | 5,489            |
|                         | <u>\$ 64,194</u> |

## **F. JOINT POWERS DEBT COMMITMENT**

*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](http://www.mn-dcc.org/stats.asp) or by contacting the City of Lakeville, 20195 Holyoke Avenue, Lakeville, MN 55044-9177.

## **G. LONG-TERM DEBT**

*General Obligation Bonds* – One issue of general obligation bonds totaling \$775,000 is outstanding at December 31, 2014 and is backed by the full faith and credit of the City. Original issue amount was \$2,745,000. The bonds bear interest at rates ranging from 3.5% to 4% and mature in varying annual amounts ranging from \$90,000 to \$395,000, with final payments due in the year ending 2019. This bond was 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, and (b) an expansion of the City's maintenance facility. The interest and principal payments are accounted for in the Debt Service Funds.

*Tax Increment Bonds* – Three issues of general obligation tax increment bonds totaling \$5,460,000 are outstanding at December 31, 2014. 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.

*Tax Abatement Bonds* – One issue of tax abatement bonds totaling \$14,970,000 is outstanding at December 31, 2014. Total original issue amount was \$16,800,000. The bonds bear interest at rates ranging from 3.25% to 5.00% and mature in varying annual amounts ranging from \$255,000 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 \$16,925,000 are outstanding at December 31, 2014. Total original issue amount was \$29,005,000. 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, 2014 were \$16,771. These bonds bear interest at rates of 0.85% to 4.60% and mature in varying annual amounts ranging from \$50,000 to \$755,000, with the final payments due in the year ending 2029.

*Lease Revenue Bonds* – One issue of EDA lease revenue bonds totaling \$4,695,000 is outstanding at December 31, 2014. 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* – Eight issues of general obligation revenue bonds totaling \$15,305,000 are outstanding at December 31, 2014. Original issue amount was \$20,180,000. 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 2029. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

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

| Year Ended<br>December 31 | Governmental Activities |               | Business-type Activities |              |
|---------------------------|-------------------------|---------------|--------------------------|--------------|
|                           | Principal               | Interest      | Principal                | Interest     |
| 2015                      | \$ 4,374,700            | \$ 1,375,623  | \$ 2,155,300             | \$ 504,190   |
| 2016                      | 3,008,399               | 1,253,642     | 2,021,601                | 432,397      |
| 2017                      | 2,873,661               | 1,170,354     | 1,856,339                | 373,670      |
| 2018                      | 2,743,661               | 1,084,810     | 1,331,339                | 325,936      |
| 2019                      | 2,687,358               | 1,002,712     | 1,297,642                | 291,099      |
| 2020-2024                 | 14,945,000              | 3,571,403     | 6,185,000                | 898,181      |
| 2025-2029                 | 10,390,000              | 931,251       | 1,875,000                | 190,563      |
| 2030                      | 385,000                 | 16,555        | -                        | -            |
| Total                     | \$ 41,407,779           | \$ 10,406,350 | \$ 16,722,221            | \$ 3,016,036 |

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

|   | Beginning<br>Balance | Increases    | Decreases      | Ending<br>Balance | Due Within<br>One Year |
|---|----------------------|--------------|----------------|-------------------|------------------------|
| <b>Governmental activities:</b>                       |                      |              |                |                   |                        |
| G.O. bonds  | \$ 1,155,000         | \$ -         | \$ (380,000)   | \$ 775,000        | \$ 395,000             |
| Tax increment bonds                                   | 10,885,000           | -            | (5,425,000)    | 5,460,000         | 585,000                |
| Tax abatement bonds                                   | 15,315,000           | -            | (345,000)      | 14,970,000        | 360,000                |
| G.O. improvement bonds                                | 15,645,822           | 2,780,000    | (2,918,043)    | 15,507,779        | 2,809,700              |
| Lease revenue bonds                                   | 4,920,000            | -            | (225,000)      | 4,695,000         | 225,000                |
| Subtotal  | 47,920,822           | 2,780,000    | (9,293,043)    | 41,407,779        | 4,374,700              |
| Deferred amounts for<br>issuance premiums (discounts) | 358,675              | 39,933       | (57,259)       | 341,349           | -                      |
| Total bonds and notes                                 | 48,279,497           | 2,819,933    | (9,350,302)    | 41,749,128        | 4,374,700              |
| Compensated absences                                  | 2,634,981            | 326,776      | (197,559)      | 2,764,198         | 276,420                |
| Net other post-employment<br>benefits obligation      | 1,292,818            | 365,267      | (188,259)      | 1,469,826         | -                      |
| Governmental activities -<br>long-term liabilities    | \$ 52,207,296        | \$ 3,511,976 | \$ (9,736,120) | \$ 45,983,152     | \$ 4,651,120           |
| <b>Business-type activities:</b>                      |                      |              |                |                   |                        |
| G.O. revenue bonds                                    | \$ 14,025,000        | \$ 2,545,000 | \$ (1,265,000) | \$ 15,305,000     | \$ 1,545,000           |
| G.O. improvement bonds                                | 2,244,178            | -            | (826,957)      | 1,417,221         | 610,300                |
| Subtotal  | 16,269,178           | 2,545,000    | (2,091,957)    | 16,722,221        | 2,155,300              |
| Deferred amounts for<br>issuance premiums (discounts) | 225,716              | 44,838       | (28,605)       | 241,949           | -                      |
| Total bonds and notes                                 | 16,494,894           | 2,589,838    | (2,120,562)    | 16,964,170        | 2,155,300              |
| Capital leases  | 11,836               | -            | (11,836)       | -                 | -                      |
| Compensated absences                                  | 228,338              | 52,916       | (27,356)       | 253,898           | 25,390                 |
| Business-type activities -<br>long-term liabilities   | \$ 16,735,068        | \$ 2,642,754 | \$ (2,159,754) | \$ 17,218,068     | \$ 2,180,690           |

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.

*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 7.3% for all payments scheduled for October 1, 2014 through September 30, 2015.

*Crossover Refunding* – In December 2011, the City issued \$2,450,000 of G.O. Crossover Refunding Bonds and used available cash in the General Obligation Improvement Bonds Debt Service Fund for a crossover refunding of the \$1,325,000 General Obligation Improvement Bonds, Series 2004A, \$1,135,000 General Obligation Improvement Bonds, Series 2004C, and \$790,000 General Obligation Improvement Bonds, Series 2005A in the governmental and business type activities. The proceeds of the new bonds were deposited in an escrow account pending the call date. The escrow investments bear interest rates that will provide sufficient funds to refund the 2004A bonds on February 1, 2013, the 2004C bonds on February 1, 2014, and the 2005A bonds on February 1, 2015. The old bonds are not considered defeased until the crossover date, and therefore will not be removed as liabilities until their respective call dates. The crossover refunding was undertaken to reduce total debt service payment over the next ten years by \$253,449 and resulted in an economic gain of \$185,830.

*Current Refunding* – In December 2013, the City issued \$1,925,000 of G.O. Tax Increment Refunding Bonds for a current refunding of the \$1,955,000 General Obligation Tax Increment Bonds, 2004D in the governmental activities. The refunding was undertaken to reduce total debt service payments over the next seven years by \$154,918 and resulted in an economic gain of \$149,398. The refunded bonds were called February 1, 2014.

*Legal Debt Margin* – As of December 31, 2014, 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, 2014:

|   |                        |
|---|------------------------|
| Estimated market value of taxable property                          | <u>\$4,953,041,063</u> |
| Debt limit - 3% of market value of taxable property                 | \$ 148,591,232         |
| Debt applicable to debt limit - general obligation debt outstanding | (775,000)              |
| Legal debt margin   | <u>\$ 147,816,232</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                             | \$ | 898,170          |                     |                     |
| Original tax capacity                            |    | (139,917)        |                     |                     |
| Captured tax capacity                            | \$ | <u>758,253</u>   |                     |                     |
| Retained by authority                            | \$ | 758,253          |                     |                     |
| 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          | 215,000             | 275,000             |
| G.O. Tax Increment Refunding Bonds, Series 2013B |    | 1,925,000        | -                   | 1,925,000           |
| Totals   | \$ | <u>5,905,000</u> | <u>\$ 3,705,000</u> | <u>\$ 2,200,000</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         | 1,660,000            | 3,260,000           |
| Totals   | \$ | <u>18,220,000</u> | <u>\$ 14,960,000</u> | <u>\$ 3,260,000</u> |

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

These notes provide for the payment of principal, equal to the developer’s costs. Some of the agreements also include payment for interest at various rates. In each case, payments on the loans will be made at the lesser of the note payment or the agreed upon percentage of actual net tax increment received during specific years as stated in the agreement. Payments are first applied to accrued interest and then to principal balances. The notes are cancelled at the end of the agreement term, whether or not they have been repaid. Any additional tax increments received in the years following the term are retained by the City.

The outstanding principal balance as of December 31, 2014, for all of these agreements was \$3,340,235. This amount is 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, 2014, there were 8 series of the limited-obligation revenue bonds outstanding. The aggregate principal amount payable for the one series of Industrial Revenue Bonds and the two series of Housing Revenue Bonds issued after January 1, 1996 was \$14.55 million. The aggregate principal amount payable for the eight series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$45.50 million as follows:

|                               | (In millions) |
|-------------------------------|---------------|
| Industrial Revenue Bonds (2)  | \$11.7        |
| Housing Revenue Bonds (2)     | 23.9          |
| Health Care Revenue Bonds (1) | 9.9           |

## H. REVENUE PLEDGED

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

| Bond Issue   | Use of Proceeds | Revenue Pledged                    |                               |                | Remaining Principal and Interest | Current Year                |                          |
|--|-----------------|------------------------------------|-------------------------------|----------------|----------------------------------|-----------------------------|--------------------------|
|  |                 | Type                               | Percent of Total Debt Service | Term of Pledge |                                  | Principal and Interest Paid | Pledged Revenue Received |
| General Obligation Improvement Refunding Bonds, Series 2007C               | Water & Sewer   | Water & Sewer Utility charges      | 15%                           | 2007-2016      | \$ 24,574                        | \$ 29,179                   | \$ 14,134,042            |
|  | Storm Water     | Storm Water Utility Charges        | 40%                           | 2007-2016      | \$ 252,915                       | \$ 155,064                  | \$ 4,177,901             |
| General Obligation Tax Abatement Bonds, Series 2008A                       | Ames Center     | Other Income & Ames Center Charges | 5%                            | 2009-2028      | \$ 20,342,441                    | \$ 961,356                  | \$ 244,035               |
| Taxable General Obligation Water Revenue Bonds, Series 2008D               | Water & Sewer   | Water & Sewer Utility charges      | 100%                          | 2008-2022      | \$ 1,230,070                     | \$ 406,255                  | \$ 14,134,042            |
| Taxable General Obligation Water Revenue Bonds, Series 2010A (BAB's)       | Water & Sewer   | Water & Sewer Utility charges      | 100%                          | 2010-2029      | \$ 3,474,640                     | \$ 242,895                  | \$ 14,134,042            |
| Taxable General Obligation Storm Sewer Revenue Bonds, Series 2010B (BAB's) | Storm Water     | Storm Water Utility Charges        | 100%                          | 2010-2022      | \$ 997,608                       | \$ 127,898                  | \$ 4,177,901             |
| General Obligation Improvement Refunding Bonds, Series 2010C               | Water & Sewer   | Water & Sewer Utility charges      | 29%                           | 2010-2016      | \$ 176,330                       | \$ 111,578                  | \$ 14,134,042            |
|  | Storm Water     | Storm Water Utility Charges        | 30%                           | 2010-2016      | \$ 149,745                       | \$ 115,948                  | \$ 4,177,901             |
| General Obligation Crossover Refunding Bonds, Series 2010E                 | Water & Sewer   | Water & Sewer Utility charges      | 31%                           | 2011-2017      | \$ 288,779                       | \$ 95,501                   | \$ 14,134,042            |
|  | Storm Water     | Storm Water Utility Charges        | 17%                           | 2011-2017      | \$ 155,496                       | \$ 51,424                   | \$ 4,177,901             |
| General Obligation Utility Revenue Bonds, Series 2011A                     | Water & Sewer   | Water & Sewer Utility charges      | 100%                          | 2011-2025      | \$ 2,773,025                     | \$ 250,875                  | \$ 14,134,042            |
| General Obligation Storm Sewer Revenue Bonds, Series 2011B                 | Storm Water     | Storm Water Utility Charges        | 100%                          | 2011-2025      | \$ 1,393,775                     | \$ 126,750                  | \$ 4,177,901             |
| General Obligation Crossover Refunding Bonds, Series 2011D                 | Storm Water     | Storm Water Utility Charges        | 23%                           | 2011-2019      | \$ 431,518                       | \$ 100,481                  | \$ 4,177,901             |
| General Obligation Utility Revenue Bonds, Series 2012B                     | Water & Sewer   | Water & Sewer Utility Charges      | 100%                          | 2012-2027      | \$ 2,982,800                     | \$ 251,300                  | \$ 14,134,042            |
| General Obligation Utility Revenue Bonds, Series 2013A                     | Water & Sewer   | Water & Sewer Utility Charges      | 100%                          | 2013-2023      | \$ 2,561,000                     | \$ 308,272                  | \$ 14,134,042            |
| General Obligation Utility Revenue Bonds, Series 2014A                     | Water & Sewer   | Water & Sewer Utility Charges      | 100%                          | 2014-2029      | \$ 2,845,983                     | \$ -                        | \$ 14,134,042            |

## I. 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% 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, 2014**

|  |    |           |
|--|----|-----------|
| Annual Required Contributions (ARC)    | \$ | 388,318   |
| Interest on Net OPEB Obligation        |    | 51,713    |
| Amortization Adjustment to ARC         |    | (74,764)  |
| Annual OPEB Cost (Expense)             |    | 365,267   |
| Contributions                          |    | (188,259) |
| Increase in Net OPEB Obligation        |    | 177,008   |
| Net OPEB Obligation, Beginning Balance |    | 1,292,818 |
| Net OPEB Obligation, Ending Balance    | \$ | 1,469,826 |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2012, 2013, and 2014 are as follows:

| Fiscal Year Ended | Annual OPEB<br>Cost | Employer<br>Contribution | Percentage of Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------|---------------------|--------------------------|---|------------------------|
| December 31, 2012 | \$ 304,344          | \$ 101,285               | 33%   | \$ 1,113,861           |
| December 31, 2013 | 299,877             | 120,920                  | 40%   | 1,292,818              |
| December 31, 2014 | 365,267             | 188,259                  | 52%   | 1,469,826              |

*Funded Status and Funding Progress* – As of January 1, 2014, the most recent actuarial valuation date, the City had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$3,309,776 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$3,309,776. The covered payroll (annual payroll of active employees covered by the plan) was \$23,579,960, and the ratio of the UAAL to the covered payroll was 14%.

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, 2014, actuarial valuation date, the projected unit credit method was used. The actuarial assumptions included a 4% 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%, 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 a reduction of 13.4% initially, increased incrementally to an ultimate rate of 5% after four years. Both the discount rate and the healthcare cost trend rate include a 3% inflation assumption. The UAAL is being amortized as a level dollar amount over an open period. The remaining amortization period, at January 1, 2014, is 30 years.

**J. FUND BALANCE CLASSIFICATION**

At December 31, 2014, a summary of the governmental fund balance classifications are as follows:

|                                     | General             | Infrastructure<br>Trust Capital<br>Projects | GO<br>Improvement<br>Bonds | Tax Increment<br>Bonds | Other<br>Governmental<br>Funds | Total               |
|-------------------------------------|---------------------|---|----------------------------|------------------------|--------------------------------|---------------------|
| Restricted for:                     |                     |   |                            |                        |                                |                     |
| Landfill abatement                  | \$ 2,288,160        | \$ -  | \$ -                       | \$ -                   | \$ 83,517                      | \$ 2,371,677        |
| Tax increment                       | -                   | -   | -                          | -                      | 553,729                        | 553,729             |
| Parks capital                       | -                   | -   | -                          | -                      | 123,149                        | 123,149             |
| Debt service                        | -                   | -   | 4,466,238                  | 503,872                | 1,455,876                      | 6,425,986           |
| <b>Total Restricted</b>             | <b>\$ 2,288,160</b> | <b>\$ -</b>                                 | <b>\$ 4,466,238</b>        | <b>\$ 503,872</b>      | <b>\$ 2,216,271</b>            | <b>\$ 9,474,541</b> |
| Committed to:                       |                     |   |                            |                        |                                |                     |
| Capital Projects                    | \$ -                | \$ 3,497,846                                | \$ -                       | \$ -                   | \$ -                           | \$ 3,497,846        |
| Cable                               | -                   | -   | -                          | -                      | 1,120,149                      | 1,120,149           |
| Economic development                | -                   | -   | -                          | -                      | 50,000                         | 50,000              |
| Forestry                            | -                   | -   | -                          | -                      | 298,764                        | 298,764             |
| <b>Total Committed</b>              | <b>\$ -</b>         | <b>\$ 3,497,846</b>                         | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 1,468,913</b>            | <b>\$ 4,966,759</b> |
| Assigned to:                        |                     |   |                            |                        |                                |                     |
| Infrastructure replacement          | \$ -                | \$ 1,261,375                                | \$ -                       | \$ -                   | \$ -                           | \$ 1,261,375        |
| Cable                               | -                   | -   | -                          | -                      | 169,200                        | 169,200             |
| Forfeiture                          | -                   | -   | -                          | -                      | 43,054                         | 43,054              |
| Community development               | -                   | -   | -                          | -                      | 11,726                         | 11,726              |
| Youth                               | -                   | -   | -                          | -                      | 116,244                        | 116,244             |
| Economic development                | -                   | -   | -                          | -                      | 941,643                        | 941,643             |
| Sustainability                      | -                   | -   | -                          | -                      | 21,583                         | 21,583              |
| Forestry                            | -                   | -   | -                          | -                      | 11,774                         | 11,774              |
| Subsequent year's budget            | 175,807             | -   | -                          | -                      | -                              | 175,807             |
| IT equipment & software development | -                   | -   | -                          | -                      | 1,128,018                      | 1,128,018           |
| Ice Center renovation debt service  | 980,000             | -   | -                          | -                      | -                              | 980,000             |
| Ice Center renovation               | -                   | -   | -                          | -                      | 9,064                          | 9,064               |
| Equipment, vehicles & facilities    | -                   | -   | -                          | -                      | 1,057,598                      | 1,057,598           |
| Parks capital improvements          | -                   | -   | -                          | -                      | 1,423,503                      | 1,423,503           |
| Street maintenance                  | -                   | -   | -                          | -                      | 259,855                        | 259,855             |
| <b>Total Assigned</b>               | <b>\$ 1,155,807</b> | <b>\$ 1,261,375</b>                         | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 5,193,262</b>            | <b>\$ 7,610,444</b> |

**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, 2014, the fund balance of the General Fund was 55 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 \$150,000 aggregate deductible. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

### **B. CONTINGENT LIABILITIES**

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

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

### **C. JOINTLY GOVERNED ORGANIZATIONS**

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

*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 (\$101,430 for the City in 2014). The Black Dog WMO is not fiscally dependent on the City. The audited 2014 financial statements 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 2014 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 COMPENSATIONS PLANS**

*Defined Benefit Pension Plans – Statewide:*

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

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

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

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

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

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

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

*Funding Policy* – Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. In 2014, the City of Burnsville was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members, 7.25% for Coordinated Plan members, and 15.3% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ended December 31, 2014, 2013, and 2012 were \$771,694, \$746,555, and \$716,265, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2014, 2013 and 2012 were \$1,577,299, \$1,483,185, and \$1,466,192, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) and the Police and Fire Fund (10.8% for members and 16.2% for employers).

#### *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% 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% 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 2014 were:

| Contribution Amount |          | Percentage of Covered Payroll |          | Required |
|---------------------|----------|-------------------------------|----------|----------|
| Employee            | Employer | Employee                      | Employer | Rates    |
| \$1,860             | \$1,860  | 5.0%                          | 5.0%     | 5.0%     |

**E. GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

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**CITY OF BURNSVILLE, MINNESOTA**  
**Required Supplementary Information**

**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**SCHEDULE OF FUNDING PROGRESS**

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| <b>Actuarial<br/>Valuation Date</b> | <b>Actuarial Value<br/>of Assets<br/>(a)</b> | <b>Actuarial Accrued<br/>Liability (AAL) -<br/>Projected Unit<br/>Credit<br/>(b)</b> | <b>Unfunded AAL<br/>(UAAL)<br/>(b-a)</b> | <b>Funding<br/>Ratio<br/>(a/b)</b> | <b>Covered Payroll<br/>(c)</b> | <b>UAAL as a<br/>Percentage of<br/>Covered Payroll<br/>((b-a)/c)</b> |
|-------------------------------------|--|--|--|------------------------------------|--------------------------------|--|
| 1/1/2010                            | \$ -   | \$ 3,867,297   | \$ 3,867,297                             | -                                  | \$ 22,014,764                  | 17.6%  |
| 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%  |

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# Combining and Individual Fund Statements and Schedules



**City of Burnsville  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

**Special Revenue Funds**

|   | <b>Cable<br/>Franchise<br/>Fee</b> | <b>Forfeiture</b> | <b>Grant Fund</b> | <b>Youth<br/>Center</b> | <b>Economic<br/>Development<br/>Authority</b> | <b>Sustainability</b> | <b>Forestry</b>   |
|---|------------------------------------|-------------------|-------------------|-------------------------|---|-----------------------|-------------------|
| <b>Assets</b>   |                                    |                   |                   |                         |   |                       |                   |
| Cash, cash equivalents and investments                                    | \$1,036,091                        | \$ 45,412         | \$ 21,726         | \$ 165,322              | \$ 907,508                                    | \$ 105,228            | \$ 299,986        |
| Restricted cash, cash equivalents and investments                         | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Receivables, net of allowance for uncollectible amounts:                  |                                    |                   |                   |                         |   |                       |                   |
| Property taxes  | -                                  | -                 | -                 | -                       | 4,387   | -                     | 2,169             |
| Special assessments   | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Accounts receivable   | 269,707                            | -                 | -                 | 9,423                   | -   | -                     | -                 |
| Due from other funds  | -                                  | -                 | -                 | -                       | 50,000  | -                     | -                 |
| Due from other governments  | 3,112                              | -                 | 4,152             | 30,778                  | 38,447  | -                     | 10,552            |
| <b>Total Assets</b>   | <b>\$1,308,910</b>                 | <b>\$ 45,412</b>  | <b>\$ 25,878</b>  | <b>\$ 205,523</b>       | <b>\$ 1,000,342</b>                           | <b>\$ 105,228</b>     | <b>\$ 312,707</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                                    |                   |                   |                         |   |                       |                   |
| <b>Liabilities:</b>   |                                    |                   |                   |                         |   |                       |                   |
| Accounts payable  | \$ 19,558                          | \$ -              | \$ 4,152          | \$ 12,163               | \$ 1,470                                      | \$ 128                | \$ -              |
| Contracts payable   | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Due to other funds  | -                                  | -                 | 10,000            | -                       | -   | -                     | -                 |
| Due to other governments  | 3                                  | -                 | -                 | 116                     | -   | -                     | -                 |
| Unearned revenue  | -                                  | -                 | -                 | 77,000                  | -   | -                     | -                 |
| Customer and other deposits   | -                                  | 2,358             | -                 | -                       | 2,842   | -                     | -                 |
| <b>Total Liabilities</b>  | <b>19,561</b>                      | <b>2,358</b>      | <b>14,152</b>     | <b>89,279</b>           | <b>4,312</b>                                  | <b>128</b>            | <b>-</b>          |
| <b>Deferred Inflows of Resources:</b>                                     |                                    |                   |                   |                         |   |                       |                   |
| Unavailable revenue - property taxes                                      | -                                  | -                 | -                 | -                       | 4,387   | -                     | 2,169             |
| Unavailable revenue - special assessments                                 | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| <b>Total Deferred Inflows of Resources</b>                                | <b>-</b>                           | <b>-</b>          | <b>-</b>          | <b>-</b>                | <b>4,387</b>                                  | <b>-</b>              | <b>2,169</b>      |
| <b>Fund Balances:</b>   |                                    |                   |                   |                         |   |                       |                   |
| Restricted  | -                                  | -                 | -                 | -                       | -   | 83,517                | -                 |
| Committed   | 1,120,149                          | -                 | -                 | -                       | 50,000  | -                     | 298,764           |
| Assigned  | 169,200                            | 43,054            | 11,726            | 116,244                 | 941,643                                       | 21,583                | 11,774            |
| Unassigned  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| <b>Total Fund Balances</b>  | <b>1,289,349</b>                   | <b>43,054</b>     | <b>11,726</b>     | <b>116,244</b>          | <b>991,643</b>                                | <b>105,100</b>        | <b>310,538</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$1,308,910</b>                 | <b>\$ 45,412</b>  | <b>\$ 25,878</b>  | <b>\$ 205,523</b>       | <b>\$ 1,000,342</b>                           | <b>\$ 105,228</b>     | <b>\$ 312,707</b> |

| Debt Service Funds |                          |                         | Capital Projects Funds |                    |                                 |                     |                     |                          |                               | Total Nonmajor Governmental Funds |
|--------------------|--------------------------|-------------------------|------------------------|--------------------|---------------------------------|---------------------|---------------------|--------------------------|-------------------------------|-----------------------------------|
| G.O. Bonds         | G.O. Tax Abatement Bonds | EDA Lease Revenue Bonds | I.T. Capital Fund      | Ice Center Project | Equipment, Vehicle & Facilities | Tax Increment       | Parks Capital       | Improvement Construction | Street Revolving Construction |                                   |
| \$ 544,514         | \$ 468,291               | \$ 104                  | \$ 1,218,851           | \$ 12,064          | \$ 1,104,717                    | \$ 1,060,468        | \$ 1,598,577        | \$ 1,118                 | \$ 250,788                    | \$ 8,840,765                      |
| -                  | -                        | 406,397                 | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 406,397                           |
| 2,170              | -                        | 2,358                   | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 11,084                            |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | 321,295                  | -                             | 321,295                           |
| -                  | -                        | -                       | 9,591                  | -                  | 18                              | -                   | 1,326               | 453,951                  | -                             | 744,016                           |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 50,000                            |
| 17,371             | -                        | 19,199                  | -                      | -                  | 113                             | -                   | -                   | 164,572                  | 14,101                        | 302,397                           |
| <u>\$ 564,055</u>  | <u>\$ 468,291</u>        | <u>\$ 428,058</u>       | <u>\$ 1,228,442</u>    | <u>\$ 12,064</u>   | <u>\$ 1,104,848</u>             | <u>\$ 1,060,468</u> | <u>\$ 1,599,903</u> | <u>\$ 940,936</u>        | <u>\$ 264,889</u>             | <u>\$ 10,675,954</u>              |
| \$ -               | \$ -                     | \$ -                    | \$ 100,424             | \$ -               | \$ 1,935                        | \$ -                | \$ 53,251           | \$ 152,141               | \$ 5,034                      | \$ 350,256                        |
| -                  | -                        | -                       | -                      | 3,000              | 45,228                          | -                   | -                   | 457,696                  | -                             | 505,924                           |
| -                  | -                        | -                       | -                      | -                  | -                               | 165,000             | -                   | 170,000                  | -                             | 345,000                           |
| -                  | -                        | -                       | -                      | -                  | 87                              | 341,739             | -                   | -                        | -                             | 341,945                           |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 77,000                            |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 5,200                             |
| -                  | -                        | -                       | 100,424                | 3,000              | 47,250                          | 506,739             | 53,251              | 779,837                  | 5,034                         | 1,625,325                         |
| 2,170              | -                        | 2,358                   | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 11,084                            |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | 321,295                  | -                             | 321,295                           |
| 2,170              | -                        | 2,358                   | -                      | -                  | -                               | -                   | -                   | 321,295                  | -                             | 332,379                           |
| 561,885            | 468,291                  | 425,700                 | -                      | -                  | -                               | 553,729             | 123,149             | -                        | -                             | 2,216,271                         |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | -                        | -                             | 1,468,913                         |
| -                  | -                        | -                       | 1,128,018              | 9,064              | 1,057,598                       | -                   | 1,423,503           | -                        | 259,855                       | 5,193,262                         |
| -                  | -                        | -                       | -                      | -                  | -                               | -                   | -                   | (160,196)                | -                             | (160,196)                         |
| 561,885            | 468,291                  | 425,700                 | 1,128,018              | 9,064              | 1,057,598                       | 553,729             | 1,546,652           | (160,196)                | 259,855                       | 8,718,250                         |
| <u>\$ 564,055</u>  | <u>\$ 468,291</u>        | <u>\$ 428,058</u>       | <u>\$ 1,228,442</u>    | <u>\$ 12,064</u>   | <u>\$ 1,104,848</u>             | <u>\$ 1,060,468</u> | <u>\$ 1,599,903</u> | <u>\$ 940,936</u>        | <u>\$ 264,889</u>             | <u>\$ 10,675,954</u>              |

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

**Special Revenue Funds**

|  | <b>Cable<br/>Franchise<br/>Fee</b> | <b>Forfeiture</b> | <b>Grant Fund</b> | <b>Youth<br/>Center</b> | <b>Economic<br/>Development<br/>Authority</b> | <b>Sustainability</b> | <b>Forestry</b>   |
|--|------------------------------------|-------------------|-------------------|-------------------------|---|-----------------------|-------------------|
| <b>Revenues</b>  |                                    |                   |                   |                         |   |                       |                   |
| Property taxes   | \$ -                               | \$ -              | \$ -              | \$ -                    | \$ 536,802                                    | \$ -                  | \$ 147,959        |
| Special assessments  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Licenses and permits   | -                                  | -                 | -                 | -                       | -   | -                     | 1,440             |
| Other taxes  | 729,211                            | -                 | -                 | -                       | -   | -                     | -                 |
| Intergovernmental revenue                                    | -                                  | -                 | 16,022            | 50,189                  | -   | 173,604               | -                 |
| Charges for services   | 315,861                            | -                 | -                 | 29,982                  | -   | -                     | -                 |
| Fines and forfeits   | -                                  | 19,050            | -                 | -                       | -   | -                     | -                 |
| Interest on investments (charges)                            | 13,743                             | 616               | -                 | 3,303                   | 9,767   | 2,541                 | 3,329             |
| Miscellaneous revenue  | 8,975                              | -                 | -                 | 51,569                  | -   | 2,282                 | -                 |
| <b>Total Revenues</b>  | <b>1,067,790</b>                   | <b>19,666</b>     | <b>16,022</b>     | <b>135,043</b>          | <b>546,569</b>                                | <b>178,427</b>        | <b>152,728</b>    |
| <b>Expenditures</b>  |                                    |                   |                   |                         |   |                       |                   |
| Current:   |                                    |                   |                   |                         |   |                       |                   |
| General government   | 705,395                            | -                 | 16,047            | -                       | -   | -                     | -                 |
| Public safety  | -                                  | 14,109            | -                 | -                       | -   | -                     | -                 |
| Public works and parks                                       | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Culture and recreation                                       | -                                  | -                 | -                 | 295,789                 | -   | -                     | -                 |
| Conservation of natural resources                            | -                                  | -                 | -                 | -                       | -   | 227,254               | 52,888            |
| Economic development   | -                                  | -                 | -                 | -                       | 171,827                                       | -                     | -                 |
| Capital outlay:  |                                    |                   |                   |                         |   |                       |                   |
| General government   | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Public safety  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Public works and parks                                       | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Infrastructure   | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Debt service:  |                                    |                   |                   |                         |   |                       |                   |
| Redemption of bonds  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Interest on bonds  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Fiscal agent fees  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Bond Issuance costs  | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| <b>Total Expenditures</b>                                    | <b>705,395</b>                     | <b>14,109</b>     | <b>16,047</b>     | <b>295,789</b>          | <b>171,827</b>                                | <b>227,254</b>        | <b>52,888</b>     |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | 362,395                            | 5,557             | (25)              | (160,746)               | 374,742                                       | (48,827)              | 99,840            |
| <b>Other Financing Sources (Uses)</b>                        |                                    |                   |                   |                         |   |                       |                   |
| Bonds issued   | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Premium on bonds issued                                      | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Sale of capital assets                                       | -                                  | -                 | -                 | -                       | -   | -                     | -                 |
| Transfers in   | -                                  | -                 | -                 | 74,000                  | -   | 75,000                | -                 |
| Transfers out  | (185,000)                          | -                 | -                 | -                       | (426,400)                                     | -                     | -                 |
| <b>Total other financing sources (uses)</b>                  | <b>(185,000)</b>                   | <b>-</b>          | <b>-</b>          | <b>74,000</b>           | <b>(426,400)</b>                              | <b>75,000</b>         | <b>-</b>          |
| <b>Net Change in Fund Balances</b>                           | <b>177,395</b>                     | <b>5,557</b>      | <b>(25)</b>       | <b>(86,746)</b>         | <b>(51,658)</b>                               | <b>26,173</b>         | <b>99,840</b>     |
| Fund Balances - Beginning                                    | 1,111,954                          | 37,497            | 11,751            | 202,990                 | 1,043,301                                     | 78,927                | 210,698           |
| Fund Balances - Ending                                       | <b>\$1,289,349</b>                 | <b>\$ 43,054</b>  | <b>\$ 11,726</b>  | <b>\$ 116,244</b>       | <b>\$ 991,643</b>                             | <b>\$ 105,100</b>     | <b>\$ 310,538</b> |

| Debt Service Funds |                          |                         | Capital Projects Funds |                    |                                 |                    |                     |                          |                               | Total Nonmajor Governmental Funds |
|--------------------|--------------------------|-------------------------|------------------------|--------------------|---------------------------------|--------------------|---------------------|--------------------------|-------------------------------|-----------------------------------|
| G.O. Bonds         | G.O. Tax Abatement Bonds | EDA Lease Revenue Bonds | I.T. Capital Fund      | Ice Center Project | Equipment, Vehicle & Facilities | Tax Increment      | Parks Capital       | Improvement Construction | Street Revolving Construction | Total Nonmajor Governmental Funds |
| \$ 250,747         | \$ -                     | \$ 276,683              | \$ -                   | \$ -               | \$ 317                          | \$ 625,000         | \$ -                | \$ -                     | \$ -                          | \$ 1,837,508                      |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | 288,039                  | -                             | 288,039                           |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 1,440                             |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 729,211                           |
| -                  | -                        | -                       | -                      | -                  | 113,514                         | -                  | -                   | 1,123,960                | -                             | 1,477,289                         |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | 27,933                        | 373,776                           |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 19,050                            |
| 4,009              | 5,181                    | 2,334                   | 19,762                 | -                  | 18,637                          | 25,910             | 24,946              | (44,423)                 | 7,714                         | 97,369                            |
| -                  | -                        | -                       | -                      | -                  | 34,898                          | -                  | 153,674             | 453,952                  | -                             | 705,350                           |
| <u>254,756</u>     | <u>5,181</u>             | <u>279,017</u>          | <u>19,762</u>          | <u>-</u>           | <u>167,366</u>                  | <u>650,910</u>     | <u>178,620</u>      | <u>1,821,528</u>         | <u>35,647</u>                 | <u>5,529,032</u>                  |
| -                  | -                        | -                       | 522,862                | -                  | -                               | -                  | -                   | -                        | -                             | 1,244,304                         |
| -                  | -                        | -                       | -                      | -                  | 1,062,731                       | -                  | -                   | -                        | -                             | 1,076,840                         |
| -                  | -                        | -                       | -                      | -                  | 456,341                         | -                  | -                   | -                        | 521,558                       | 977,899                           |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 295,789                           |
| -                  | -                        | -                       | -                      | -                  | 6,446                           | -                  | -                   | -                        | -                             | 286,588                           |
| -                  | -                        | -                       | -                      | -                  | -                               | 1,281              | -                   | -                        | -                             | 173,108                           |
| -                  | -                        | -                       | -                      | -                  | 151,449                         | -                  | -                   | -                        | -                             | 151,449                           |
| -                  | -                        | -                       | -                      | -                  | 143,005                         | -                  | -                   | -                        | -                             | 143,005                           |
| -                  | -                        | -                       | -                      | -                  | 5,610                           | -                  | 420,347             | -                        | 48,551                        | 474,508                           |
| -                  | -                        | -                       | -                      | -                  | -                               | 1,683,094          | -                   | 3,171,129                | -                             | 4,854,223                         |
| 380,000            | 345,000                  | 225,000                 | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 950,000                           |
| 38,600             | 616,356                  | 181,394                 | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 836,350                           |
| 450                | 450                      | 1,800                   | -                      | -                  | -                               | -                  | -                   | -                        | -                             | 2,700                             |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | 23,240                   | -                             | 23,240                            |
| <u>419,050</u>     | <u>961,806</u>           | <u>408,194</u>          | <u>522,862</u>         | <u>-</u>           | <u>1,825,582</u>                | <u>1,684,375</u>   | <u>420,347</u>      | <u>3,194,369</u>         | <u>570,109</u>                | <u>11,490,003</u>                 |
| <u>(164,294)</u>   | <u>(956,625)</u>         | <u>(129,177)</u>        | <u>(503,100)</u>       | <u>-</u>           | <u>(1,658,216)</u>              | <u>(1,033,465)</u> | <u>(241,727)</u>    | <u>(1,372,841)</u>       | <u>(534,462)</u>              | <u>(5,960,971)</u>                |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | 2,755,017                | -                             | 2,755,017                         |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | 31,402                   | -                             | 31,402                            |
| -                  | -                        | -                       | -                      | -                  | 153,027                         | -                  | -                   | -                        | -                             | 153,027                           |
| 183,976            | 1,024,000                | 140,000                 | 624,240                | -                  | 1,628,800                       | -                  | 880,000             | 30,000                   | 537,450                       | 5,197,466                         |
| -                  | -                        | -                       | -                      | -                  | -                               | -                  | -                   | -                        | -                             | (611,400)                         |
| <u>183,976</u>     | <u>1,024,000</u>         | <u>140,000</u>          | <u>624,240</u>         | <u>-</u>           | <u>1,781,827</u>                | <u>-</u>           | <u>880,000</u>      | <u>2,816,419</u>         | <u>537,450</u>                | <u>7,525,512</u>                  |
| 19,682             | 67,375                   | 10,823                  | 121,140                | -                  | 123,611                         | (1,033,465)        | 638,273             | 1,443,578                | 2,988                         | 1,564,541                         |
| 542,203            | 400,916                  | 414,877                 | 1,006,878              | 9,064              | 933,987                         | 1,587,194          | 908,379             | (1,603,774)              | 256,867                       | 7,153,709                         |
| <u>\$ 561,885</u>  | <u>\$ 468,291</u>        | <u>\$ 425,700</u>       | <u>\$ 1,128,018</u>    | <u>\$ 9,064</u>    | <u>\$ 1,057,598</u>             | <u>\$ 553,729</u>  | <u>\$ 1,546,652</u> | <u>\$ (160,196)</u>      | <u>\$ 259,855</u>             | <u>\$ 8,718,250</u>               |

**City of Burnsville  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2014**

|   | Budgeted Amounts |               | Actual Amounts | Variance with<br>Final Budget |
|---|------------------|---------------|----------------|-------------------------------|
|   | Original         | Final         |                |                               |
| <b>Revenues</b>                               |                  |               |                |                               |
| Property taxes                                | \$ 24,218,735    | \$ 24,218,735 | \$ 23,992,772  | \$ (225,963)                  |
| Special assessments                           | 3,700            | 3,700         | 13,870         | 10,170                        |
| Licenses and permits                          | 1,880,862        | 1,880,862     | 1,952,336      | 71,474                        |
| Other taxes                                   | 260,000          | 260,000       | 289,198        | 29,198                        |
| Intergovernmental revenue                     | 1,782,673        | 1,849,135     | 1,930,999      | 81,864                        |
| Charges for services                          | 5,378,510        | 5,378,510     | 5,511,388      | 132,878                       |
| Fines and forfeits                            | 424,000          | 424,000       | 398,225        | (25,775)                      |
| Interest on investments                       | 270,000          | 270,000       | 261,411        | (8,589)                       |
| Net change in fair value of investments       | -                | -             | 2,715,355      | 2,715,355                     |
| Miscellaneous revenue                         | 762,260          | 777,760       | 873,998        | 96,238                        |
| Total Revenues                                | 34,980,740       | 35,062,702    | 37,939,552     | 2,876,850                     |
| <b>Expenditures</b>                           |                  |               |                |                               |
| Current:                                      |                  |               |                |                               |
| General government:                           |                  |               |                |                               |
| Mayor and council                             | 130,057          | 133,557       | 95,953         | 37,604                        |
| Manager and administration                    | 672,020          | 672,020       | 631,934        | 40,086                        |
| Human resources                               | 441,969          | 441,969       | 337,220        | 104,749                       |
| Legal   | 529,110          | 529,110       | 538,997        | (9,887)                       |
| Information technologies                      | 924,452          | 924,452       | 874,254        | 50,198                        |
| Finance                                       | 538,188          | 538,188       | 507,392        | 30,796                        |
| Insurance                                     | 402,500          | 411,498       | 372,611        | 38,887                        |
| Planning                                      | 417,125          | 417,125       | 418,261        | (1,136)                       |
| General government buildings                  | 628,036          | 627,036       | 561,073        | 65,963                        |
| Lodging tax to Convention and Visitors Bureau | 247,000          | 247,000       | 274,738        | (27,738)                      |
| Total general government                      | 4,930,457        | 4,941,955     | 4,612,433      | 329,522                       |
| Public safety:                                |                  |               |                |                               |
| Police  | 12,582,087       | 12,622,238    | 12,348,761     | 273,477                       |
| Fire  | 5,843,406        | 5,907,577     | 5,784,862      | 122,715                       |
| Inspections                                   | 1,078,217        | 1,078,217     | 930,063        | 148,154                       |
| Total public safety                           | 19,503,710       | 19,608,032    | 19,063,686     | 544,346                       |
| Public works and parks:                       |                  |               |                |                               |
| Engineering                                   | 1,233,558        | 1,253,558     | 1,178,813      | 74,745                        |
| Parks & streets                               | 4,036,689        | 4,056,731     | 4,153,897      | (97,166)                      |
| Fleet maintenance                             | 222,819          | 222,819       | 281,952        | (59,133)                      |
| Total public works and parks                  | 5,493,066        | 5,533,108     | 5,614,662      | (81,554)                      |
| Culture & recreation:                         |                  |               |                |                               |
| Recreation                                    | 1,002,162        | 1,002,162     | 960,893        | 41,269                        |
| Conservation of natural resources:            |                  |               |                |                               |
| Natural Resources                             | 40,237           | 40,237        | 29,753         | 10,484                        |
| Forestry                                      | 697,952          | 697,952       | 679,149        | 18,803                        |
| Total conservation of natural resources       | 738,189          | 738,189       | 708,902        | 29,287                        |
| Total Expenditures                            | 31,667,584       | 31,823,446    | 30,960,576     | 862,870                       |
| Excess of Revenues Over Expenditures          | 3,313,156        | 3,239,256     | 6,978,976      | 3,739,720                     |
| <b>Other Financing Sources (Uses)</b>         |                  |               |                |                               |
| Transfers in                                  | 185,000          | 185,000       | 185,000        | -                             |
| Transfers out                                 | (3,923,000)      | (3,923,000)   | (3,921,000)    | 2,000                         |
| Total other financing sources (uses)          | (3,738,000)      | (3,738,000)   | (3,736,000)    | 2,000                         |
| Net Change in Fund Balances                   | (424,844)        | (498,744)     | 3,242,976      | 3,741,720                     |
| Fund Balances - Beginning                     | 17,161,857       | 17,161,857    | 17,161,857     | -                             |
| Fund Balances - Ending                        | \$ 16,737,013    | \$ 16,663,113 | \$ 20,404,833  | \$ 3,741,720                  |

**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, 2014**

|  | Budgeted Amounts |              | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|--------------|----------------|-------------------------------|
|  | Original         | Final        |                |                               |
| <b>Revenues</b>  |                  |              |                |                               |
| Property taxes   | \$ 3,100,000     | \$ 3,100,000 | \$ 3,063,775   | \$ (36,225)                   |
| Intergovernmental revenue                                    | 500,000          | 500,000      | 1,402,316      | 902,316                       |
| Interest on investments                                      | 41,020           | 41,020       | 92,302         | 51,282                        |
| Total Revenues   | 3,641,020        | 3,641,020    | 4,558,393      | 917,373                       |
| <b>Expenditures</b>  |                  |              |                |                               |
| Capital outlay:  |                  |              |                |                               |
| Infrastructure   | 4,230,000        | 4,880,000    | 3,737,222      | 1,142,778                     |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (588,980)        | (1,238,980)  | 821,171        | 2,060,151                     |
| <b>Other Financing Sources (Uses)</b>                        |                  |              |                |                               |
| Transfers out  | (674,008)        | (674,008)    | (674,008)      | -                             |
| Net Change in Fund Balances                                  | (1,262,988)      | (1,912,988)  | 147,163        | 2,060,151                     |
| Fund Balances - Beginning                                    | 4,612,058        | 4,612,058    | 4,612,058      | -                             |
| Fund Balances - Ending                                       | \$ 3,349,070     | \$ 2,699,070 | \$ 4,759,221   | \$ 2,060,151                  |

**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, 2014**

|                                       | Budgeted Amounts |              | Actual Amounts | Variance with<br>Final Budget |
|---------------------------------------|------------------|--------------|----------------|-------------------------------|
|                                       | Original         | Final        |                |                               |
| <b>Revenues</b>                       |                  |              |                |                               |
| Other taxes                           | \$ 700,000       | \$ 700,000   | \$ 729,211     | \$ 29,211                     |
| Charges for services                  | 322,900          | 322,900      | 315,861        | (7,039)                       |
| Interest on investments               | 7,000            | 7,000        | 13,743         | 6,743                         |
| Miscellaneous revenue                 | -                | -            | 8,975          | 8,975                         |
| Total Revenues                        | 1,029,900        | 1,029,900    | 1,067,790      | 37,890                        |
| <b>Expenditures</b>                   |                  |              |                |                               |
| Current:                              |                  |              |                |                               |
| General government:                   |                  |              |                |                               |
| Public relations                      | 795,539          | 803,039      | 705,395        | 97,644                        |
| Excess of Revenues Over Expenditures: | 234,361          | 226,861      | 362,395        | 135,534                       |
| <b>Other Financing Sources (Uses)</b> |                  |              |                |                               |
| Transfers out                         | (185,000)        | (185,000)    | (185,000)      | -                             |
| Net Change in Fund Balances           | 49,361           | 41,861       | 177,395        | 135,534                       |
| Fund Balances - Beginning             | 1,111,954        | 1,111,954    | 1,111,954      | -                             |
| Fund Balances - Ending                | \$ 1,161,315     | \$ 1,153,815 | \$ 1,289,349   | \$ 135,534                    |

**City of Burnsville  
Forfeiture Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2014**

|                             | Budgeted Amounts |                  | Actual Amounts   | Variance with<br>Final Budget |
|-----------------------------|------------------|------------------|------------------|-------------------------------|
|                             | Original         | Final            |                  |                               |
| <b>Revenues</b>             |                  |                  |                  |                               |
| Fines and forfeits          | \$ 25,000        | \$ 25,000        | \$ 19,050        | \$ (5,950)                    |
| Interest on investments     | -                | -                | 616              | 616                           |
| Total Revenues              | <u>25,000</u>    | <u>25,000</u>    | <u>19,666</u>    | <u>(5,334)</u>                |
| <b>Expenditures</b>         |                  |                  |                  |                               |
| Current:                    |                  |                  |                  |                               |
| Public safety:              |                  |                  |                  |                               |
| Police                      | 31,800           | 31,800           | 14,109           | 17,691                        |
| Net Change in Fund Balances | (6,800)          | (6,800)          | 5,557            | 12,357                        |
| Fund Balances - Beginning   | 37,497           | 37,497           | 37,497           | -                             |
| Fund Balances - Ending      | <u>\$ 30,697</u> | <u>\$ 30,697</u> | <u>\$ 43,054</u> | <u>\$ 12,357</u>              |

**City of Burnsville  
Grant Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2014**

|                             | Budgeted Amounts |                  | Actual Amounts   | Variance with<br>Final Budget |
|-----------------------------|------------------|------------------|------------------|-------------------------------|
|                             | Original         | Final            |                  |                               |
| <b>Revenues</b>             |                  |                  |                  |                               |
| Intergovernmental revenue   | \$ 9,000         | \$ 9,000         | \$ 16,022        | \$ 7,022                      |
| <b>Expenditures</b>         |                  |                  |                  |                               |
| Current:                    |                  |                  |                  |                               |
| General government:         |                  |                  |                  |                               |
| Manager and administration  | 9,000            | 9,000            | 16,047           | (7,047)                       |
| Net Change in Fund Balances | -                | -                | (25)             | (25)                          |
| Fund Balances - Beginning   | 11,751           | 11,751           | 11,751           | -                             |
| Fund Balances - Ending      | <u>\$ 11,751</u> | <u>\$ 11,751</u> | <u>\$ 11,726</u> | <u>\$ (25)</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, 2014**

|  | Budgeted Amounts |           | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|-----------|----------------|-------------------------------|
|  | Original         | Final     |                |                               |
| <b>Revenues</b>  |                  |           |                |                               |
| Intergovernmental revenue                                    | \$ 80,689        | \$ 80,689 | \$ 50,189      | \$ (30,500)                   |
| Charges for services   | 47,753           | 47,753    | 29,982         | (17,771)                      |
| Interest on investments                                      | 1,000            | 1,000     | 3,303          | 2,303                         |
| Miscellaneous revenue  | 48,876           | 48,876    | 51,569         | 2,693                         |
| Total Revenues   | 178,318          | 178,318   | 135,043        | (43,275)                      |
| <b>Expenditures</b>  |                  |           |                |                               |
| Current:   |                  |           |                |                               |
| Culture & Recreation:  |                  |           |                |                               |
| Recreation   | 355,584          | 355,584   | 295,789        | 59,795                        |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (177,266)        | (177,266) | (160,746)      | 16,520                        |
| <b>Other Financing Sources</b>                               |                  |           |                |                               |
| Transfers in   | 74,000           | 74,000    | 74,000         | -                             |
| Net Change in Fund Balances                                  | (103,266)        | (103,266) | (86,746)       | 16,520                        |
| Fund Balances - Beginning                                    | 202,990          | 202,990   | 202,990        | -                             |
| Fund Balances - Ending                                       | \$ 99,724        | \$ 99,724 | \$ 116,244     | \$ 16,520                     |

**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, 2014**

|                                       | Budgeted Amounts |            | Actual Amounts | Variance with<br>Final Budget |
|---------------------------------------|------------------|------------|----------------|-------------------------------|
|                                       | Original         | Final      |                |                               |
| <b>Revenues</b>                       |                  |            |                |                               |
| Property taxes                        | \$ 542,500       | \$ 542,500 | \$ 536,802     | \$ (5,698)                    |
| Interest on investments               | 10,000           | 10,000     | 9,767          | (233)                         |
| Total Revenues                        | 552,500          | 552,500    | 546,569        | (5,931)                       |
| <b>Expenditures</b>                   |                  |            |                |                               |
| Current:                              |                  |            |                |                               |
| Economic development                  | 192,683          | 192,683    | 171,827        | 20,856                        |
| Excess of Revenues Over Expenditures  | 359,817          | 359,817    | 374,742        | 14,925                        |
| <b>Other Financing Sources (Uses)</b> |                  |            |                |                               |
| Transfers out                         | (426,400)        | (426,400)  | (426,400)      | -                             |
| Net Change in Fund Balances           | (66,583)         | (66,583)   | (51,658)       | 14,925                        |
| Fund Balances - Beginning             | 1,043,301        | 1,043,301  | 1,043,301      | -                             |
| Fund Balances - Ending                | \$ 976,718       | \$ 976,718 | \$ 991,643     | \$ 14,925                     |

**City of Burnsville  
Sustainability Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2014**

|  | Budgeted Amounts |            | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|------------|----------------|-------------------------------|
|  | Original         | Final      |                |                               |
| <b>Revenues</b>  |                  |            |                |                               |
| Intergovernmental revenue                                    | \$ 173,604       | \$ 173,604 | \$ 173,604     | \$ -                          |
| Interest on investments                                      | -                | -          | 2,541          | 2,541                         |
| Miscellaneous revenue  | -                | -          | 2,282          | 2,282                         |
| Total Revenues   | 173,604          | 173,604    | 178,427        | 4,823                         |
| <b>Expenditures</b>  |                  |            |                |                               |
| Current:   |                  |            |                |                               |
| Conservation of natural resources:                           |                  |            |                |                               |
| Recycling  | 245,221          | 245,221    | 227,254        | 17,967                        |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (71,617)         | (71,617)   | (48,827)       | 22,790                        |
| <b>Other Financing Sources</b>                               |                  |            |                |                               |
| Transfers in   | 75,000           | 75,000     | 75,000         | -                             |
| Net Change in Fund Balances                                  | 3,383            | 3,383      | 26,173         | 22,790                        |
| Fund Balances - Beginning                                    | 78,927           | 78,927     | 78,927         | -                             |
| Fund Balances - Ending                                       | \$ 82,310        | \$ 82,310  | \$ 105,100     | \$ 22,790                     |

**City of Burnsville  
Forestry Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2014**

|                                    | Budgeted Amounts  |                   | Actual Amounts    | Variance with<br>Final Budget |
|------------------------------------|-------------------|-------------------|-------------------|-------------------------------|
|                                    | Original          | Final             |                   |                               |
| <b>Revenues</b>                    |                   |                   |                   |                               |
| Property taxes                     | \$ 150,000        | \$ 150,000        | \$ 147,959        | \$ (2,041)                    |
| Licenses and permits               | 1,200             | 1,200             | 1,440             | 240                           |
| Interest on investments            | -                 | -                 | 3,329             | 3,329                         |
| Total Revenues                     | <u>151,200</u>    | <u>151,200</u>    | <u>152,728</u>    | <u>1,528</u>                  |
| <b>Expenditures</b>                |                   |                   |                   |                               |
| Current:                           |                   |                   |                   |                               |
| Conservation of natural resources: |                   |                   |                   |                               |
| Forestry                           | <u>159,664</u>    | <u>159,664</u>    | <u>52,888</u>     | <u>106,776</u>                |
| Net Change in Fund Balances        | (8,464)           | (8,464)           | 99,840            | 108,304                       |
| Fund Balances - Beginning          | 210,698           | 210,698           | 210,698           | -                             |
| Fund Balances - Ending             | <u>\$ 202,234</u> | <u>\$ 202,234</u> | <u>\$ 310,538</u> | <u>\$ 108,304</u>             |

**City of Burnsville**  
**Information Technologies (I.T.) Capital Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2014**

|  | Budgeted Amounts  |                   | Actual Amounts      | Variance with<br>Final Budget |
|--|-------------------|-------------------|---------------------|-------------------------------|
|  | Original          | Final             |                     |                               |
| <b>Revenues</b>  |                   |                   |                     |                               |
| Interest on investments                                      | \$ 2,000          | \$ 2,000          | \$ 19,762           | \$ 17,762                     |
| <b>Expenditures</b>  |                   |                   |                     |                               |
| Current:   |                   |                   |                     |                               |
| General government:  |                   |                   |                     |                               |
| Information technologies                                     | 719,600           | 1,519,887         | 522,862             | 997,025                       |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (717,600)         | (1,517,887)       | (503,100)           | 1,014,787                     |
| <b>Other Financing Sources</b>                               |                   |                   |                     |                               |
| Transfers in   | 624,240           | 624,240           | 624,240             | -                             |
| Net Change in Fund Balances                                  | (93,360)          | (893,647)         | 121,140             | 1,014,787                     |
| Fund Balances - Beginning                                    | 1,006,878         | 1,006,878         | 1,006,878           | -                             |
| Fund Balances - Ending                                       | <u>\$ 913,518</u> | <u>\$ 113,231</u> | <u>\$ 1,128,018</u> | <u>\$ 1,014,787</u>           |

**City of Burnsville**  
**Equipment, Vehicles and Facilities Capital Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2014**

|  | Budgeted Amounts   |                    | Actual Amounts      | Variance with<br>Final Budget |
|--|--------------------|--------------------|---------------------|-------------------------------|
|  | Original           | Final              |                     |                               |
| <b>Revenues</b>  |                    |                    |                     |                               |
| Property taxes   | \$ -               | \$ -               | \$ 317              | \$ 317                        |
| Intergovernmental revenue                                    | -                  | 205,959            | 113,514             | (92,445)                      |
| Interest on investments                                      | 10,000             | 10,000             | 18,637              | 8,637                         |
| Miscellaneous revenue  | -                  | 22,500             | 34,898              | 12,398                        |
| Total Revenues   | <u>10,000</u>      | <u>238,459</u>     | <u>167,366</u>      | <u>(71,093)</u>               |
| <b>Expenditures</b>  |                    |                    |                     |                               |
| Current:   |                    |                    |                     |                               |
| General government:  |                    |                    |                     |                               |
| Administration   | -                  | 60,000             | -                   | 60,000                        |
| Public safety:   |                    |                    |                     |                               |
| Police   | 257,050            | 257,050            | 244,594             | 12,456                        |
| Fire   | 822,000            | 838,540            | 818,137             | 20,403                        |
| Total public safety  | <u>1,079,050</u>   | <u>1,095,590</u>   | <u>1,062,731</u>    | <u>32,859</u>                 |
| Public works and parks:                                      |                    |                    |                     |                               |
| Engineering  | 22,000             | 22,000             | 21,105              | 895                           |
| Parks & streets  | 433,000            | 478,000            | 382,178             | 95,822                        |
| Fleet maintenance  | 167,000            | 167,000            | 53,058              | 113,942                       |
| Total public works and parks                                 | <u>622,000</u>     | <u>667,000</u>     | <u>456,341</u>      | <u>210,659</u>                |
| Conservation of natural resources:                           |                    |                    |                     |                               |
| Forestry   | 7,000              | 7,000              | 6,446               | 554                           |
| Capital outlay:  |                    |                    |                     |                               |
| General government:  |                    |                    |                     |                               |
| General government buildings                                 | 130,000            | 230,605            | 151,449             | 79,156                        |
| Public safety:   |                    |                    |                     |                               |
| Fire   | 82,000             | 357,959            | 143,005             | 214,954                       |
| Public works and parks:                                      |                    |                    |                     |                               |
| Fleet maintenance  | 5,000              | 29,000             | 5,610               | 23,390                        |
| Total Expenditures   | <u>1,925,050</u>   | <u>2,447,154</u>   | <u>1,825,582</u>    | <u>621,572</u>                |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>(1,915,050)</u> | <u>(2,208,695)</u> | <u>(1,658,216)</u>  | <u>550,479</u>                |
| <b>Other Financing Sources</b>                               |                    |                    |                     |                               |
| Sale of capital assets                                       | 60,000             | 60,000             | 153,027             | 93,027                        |
| Transfers in   | 1,628,800          | 1,628,800          | 1,628,800           | -                             |
| Total other financing sources                                | <u>1,688,800</u>   | <u>1,688,800</u>   | <u>1,781,827</u>    | <u>93,027</u>                 |
| Net Change in Fund Balances                                  | (226,250)          | (519,895)          | 123,611             | 643,506                       |
| Fund Balances - Beginning                                    | 933,987            | 933,987            | 933,987             | -                             |
| Fund Balances - Ending                                       | <u>\$ 707,737</u>  | <u>\$ 414,092</u>  | <u>\$ 1,057,598</u> | <u>\$ 643,506</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, 2014**

|  | Budgeted Amounts   |                    | Actual Amounts      | Variance with<br>Final Budget |
|--|--------------------|--------------------|---------------------|-------------------------------|
|  | Original           | Final              |                     |                               |
| <b>Revenues</b>  |                    |                    |                     |                               |
| Interest on investments                                      | \$ -               | \$ -               | \$ 24,946           | \$ 24,946                     |
| Miscellaneous revenue  | 170,000            | 240,000            | 153,674             | (86,326)                      |
| Total Revenues   | <u>170,000</u>     | <u>240,000</u>     | <u>178,620</u>      | <u>(61,380)</u>               |
| <b>Expenditures</b>  |                    |                    |                     |                               |
| Capital outlay:  |                    |                    |                     |                               |
| Public works and parks:                                      |                    |                    |                     |                               |
| Park development   | 1,360,844          | 1,847,749          | 420,347             | 1,427,402                     |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>(1,190,844)</u> | <u>(1,607,749)</u> | <u>(241,727)</u>    | <u>1,366,022</u>              |
| <b>Other Financing Sources</b>                               |                    |                    |                     |                               |
| Transfers in   | 880,000            | 880,000            | 880,000             | -                             |
| Net Change in Fund Balances                                  | (310,844)          | (727,749)          | 638,273             | 1,366,022                     |
| Fund Balances - Beginning                                    | 908,379            | 908,379            | 908,379             | -                             |
| Fund Balances - Ending                                       | <u>\$ 597,535</u>  | <u>\$ 180,630</u>  | <u>\$ 1,546,652</u> | <u>\$ 1,366,022</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, 2014**

|  | Budgeted Amounts |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>Revenues</b>  |                  |                |                |                               |
| Special assessments  | \$ 2,150,000     | \$ 2,150,000   | \$ 288,039     | \$ (1,861,961)                |
| Intergovernmental revenue                                    | 735,000          | 985,000        | 1,123,960      | 138,960                       |
| Interest on investments (charges)                            | -                | -              | (44,423)       | (44,423)                      |
| Miscellaneous revenue  | -                | -              | 453,952        | 453,952                       |
| Total Revenues   | 2,885,000        | 3,135,000      | 1,821,528      | (1,313,472)                   |
| <b>Expenditures</b>  |                  |                |                |                               |
| Capital outlay:  |                  |                |                |                               |
| Infrastructure   | 3,067,000        | 3,317,000      | 3,171,129      | 145,871                       |
| Debt service:  |                  |                |                |                               |
| Bond Issuance costs  | -                | -              | 23,240         | (23,240)                      |
| Total Expenditures   | 3,067,000        | 3,317,000      | 3,194,369      | 122,631                       |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (182,000)        | (182,000)      | (1,372,841)    | (1,190,841)                   |
| <b>Other Financing Sources</b>                               |                  |                |                |                               |
| Bonds issued   | -                | -              | 2,755,017      | 2,755,017                     |
| Premium on bonds issued                                      | -                | -              | 31,402         | 31,402                        |
| Transfers in   | 32,000           | 32,000         | 30,000         | (2,000)                       |
| Total other financing sources                                | 32,000           | 32,000         | 2,816,419      | 2,784,419                     |
| Net Change in Fund Balances                                  | (150,000)        | (150,000)      | 1,443,578      | 1,593,578                     |
| Fund Balances (Deficits) - Beginning                         | (1,603,774)      | (1,603,774)    | (1,603,774)    | -                             |
| Fund Balances (Deficits) - Ending                            | \$ (1,753,774)   | \$ (1,753,774) | \$ (160,196)   | \$ 1,593,578                  |

**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, 2014**

|  | Budgeted Amounts  |                   | Actual Amounts    | Variance with<br>Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             |                   |                               |
| <b>Revenues</b>  |                   |                   |                   |                               |
| Charges for services   | \$ 15,000         | \$ 15,000         | \$ 27,933         | \$ 12,933                     |
| Interest on investments                                      | 5,000             | 5,000             | 7,714             | 2,714                         |
| Total Revenues   | <u>20,000</u>     | <u>20,000</u>     | <u>35,647</u>     | <u>15,647</u>                 |
| <b>Expenditures</b>  |                   |                   |                   |                               |
| Current:   |                   |                   |                   |                               |
| Public works and parks:                                      |                   |                   |                   |                               |
| Parks & streets  | 595,000           | 595,000           | 521,558           | 73,442                        |
| Capital outlay:  |                   |                   |                   |                               |
| Public works and parks:                                      |                   |                   |                   |                               |
| Parks & streets  | -                 | 49,032            | 48,551            | 481                           |
| Total Expenditures   | <u>595,000</u>    | <u>644,032</u>    | <u>570,109</u>    | <u>73,923</u>                 |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (575,000)         | (624,032)         | (534,462)         | 89,570                        |
| <b>Other Financing Sources</b>                               |                   |                   |                   |                               |
| Transfers in   | <u>537,450</u>    | <u>537,450</u>    | <u>537,450</u>    | <u>-</u>                      |
| Net Change in Fund Balances                                  | (37,550)          | (86,582)          | 2,988             | 89,570                        |
| Fund Balances - Beginning                                    | 256,867           | 256,867           | 256,867           | -                             |
| Fund Balances - Ending                                       | <u>\$ 219,317</u> | <u>\$ 170,285</u> | <u>\$ 259,855</u> | <u>\$ 89,570</u>              |

**City of Burnsville**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2014**

|  | Ice Arena           | Golf Course         | Street Lighting<br>Utility | Sidewalk Snow<br>Plowing | Total               |
|--|---------------------|---------------------|----------------------------|--------------------------|---------------------|
| <b>Assets</b>  |                     |                     |                            |                          |                     |
| Current Assets:  |                     |                     |                            |                          |                     |
| Cash, cash equivalents and investments                 | \$ 863,828          | \$ 333,623          | \$ 509,093                 | \$ 50,223                | \$ 1,756,767        |
| Accounts receivable                                    | 5,488               | 192                 | 111,525                    | 11,532                   | 128,737             |
| Total Current Assets                                   | <u>869,316</u>      | <u>333,815</u>      | <u>620,618</u>             | <u>61,755</u>            | <u>1,885,504</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             | 1,550,335                  | -                        | 7,449,797           |
| Equipment and vehicles                                 | 356,719             | 146,339             | -                          | -                        | 503,058             |
| Less accumulated depreciation                          | (3,802,893)         | (305,591)           | (410,459)                  | -                        | (4,518,943)         |
| Total capital assets (net of accumulated depreciation) | <u>5,142,531</u>    | <u>898,921</u>      | <u>1,139,876</u>           | <u>-</u>                 | <u>7,181,328</u>    |
| Total Assets   | <u>6,011,847</u>    | <u>1,232,736</u>    | <u>1,760,494</u>           | <u>61,755</u>            | <u>9,066,832</u>    |
| <b>Liabilities</b>                                     |                     |                     |                            |                          |                     |
| Current Liabilities:                                   |                     |                     |                            |                          |                     |
| Accrued compensated absences, current portion          | 6,328               | 2,632               | -                          | -                        | 8,960               |
| Accounts payable                                       | 32,791              | 3,733               | 64,291                     | 3,045                    | 103,860             |
| Contracts payable                                      | -                   | -                   | 14,647                     | -                        | 14,647              |
| Due to other governments                               | 4,898               | 278                 | -                          | -                        | 5,176               |
| Customer and other deposits                            | 825                 | 647                 | -                          | -                        | 1,472               |
| Total Current Liabilities                              | <u>44,842</u>       | <u>7,290</u>        | <u>78,938</u>              | <u>3,045</u>             | <u>134,115</u>      |
| Noncurrent Liabilities:                                |                     |                     |                            |                          |                     |
| Accrued compensated absences, net of current portion   | 56,956              | 23,687              | -                          | -                        | 80,643              |
| Total Liabilities                                      | <u>101,798</u>      | <u>30,977</u>       | <u>78,938</u>              | <u>3,045</u>             | <u>214,758</u>      |
| <b>Net Position</b>                                    |                     |                     |                            |                          |                     |
| Investment in capital assets                           | 5,142,531           | 898,921             | 1,139,876                  | -                        | 7,181,328           |
| Unrestricted   | 767,518             | 302,838             | 541,680                    | 58,710                   | 1,670,746           |
| Total Net Position                                     | <u>\$ 5,910,049</u> | <u>\$ 1,201,759</u> | <u>\$ 1,681,556</u>        | <u>\$ 58,710</u>         | <u>\$ 8,852,074</u> |

**City of Burnsville**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2014**

|  | <u>Ice Arena</u>    | <u>Golf Course</u>  | <u>Street Lighting<br/>Utility</u> | <u>Sidewalk Snow<br/>Plowing</u> | <u>Total</u>        |
|--|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>Operating Revenues</b>                        |                     |                     |                                    |                                  |                     |
| Charges for services                             | \$ 1,117,214        | \$ 253,902          | \$ 568,961                         | \$ 55,788                        | \$ 1,995,865        |
| <b>Operating Expenses</b>                        |                     |                     |                                    |                                  |                     |
| Personnel services                               | 565,995             | 181,824             | -                                  | -                                | 747,819             |
| Repairs and maintenance                          | 8,204               | 4,817               | 63,185                             | 114,210                          | 190,416             |
| Utilities  | 164,883             | 8,740               | 346,275                            | -                                | 519,898             |
| Other operating expenses                         | 214,089             | 53,132              | 2,100                              | -                                | 269,321             |
| Depreciation                                     | 338,093             | 18,832              | 70,550                             | -                                | 427,475             |
| Total Operating Expenses                         | <u>1,291,264</u>    | <u>267,345</u>      | <u>482,110</u>                     | <u>114,210</u>                   | <u>2,154,929</u>    |
| Operating Income (Loss)                          | <u>(174,050)</u>    | <u>(13,443)</u>     | <u>86,851</u>                      | <u>(58,422)</u>                  | <u>(159,064)</u>    |
| <b>Nonoperating Revenues (Expenses)</b>          |                     |                     |                                    |                                  |                     |
| Investment earnings                              | 12,474              | 4,970               | 9,188                              | 757                              | 27,389              |
| Gain on sale of capital assets                   | 20,719              | -                   | -                                  | -                                | 20,719              |
| Total Nonoperating Revenues (Expenses)           | <u>33,193</u>       | <u>4,970</u>        | <u>9,188</u>                       | <u>757</u>                       | <u>48,108</u>       |
| Income (Loss) Before Contributions and Transfers | <u>(140,857)</u>    | <u>(8,473)</u>      | <u>96,039</u>                      | <u>(57,665)</u>                  | <u>(110,956)</u>    |
| <b>Transfers</b>                                 |                     |                     |                                    |                                  |                     |
| Transfers in                                     | -                   | -                   | -                                  | 10,000                           | 10,000              |
| Change in Net Position                           | (140,857)           | (8,473)             | 96,039                             | (47,665)                         | (100,956)           |
| Total Net Position - Beginning                   | 6,050,906           | 1,210,232           | 1,585,517                          | 106,375                          | 8,953,030           |
| Total Net Position - Ending                      | <u>\$ 5,910,049</u> | <u>\$ 1,201,759</u> | <u>\$ 1,681,556</u>                | <u>\$ 58,710</u>                 | <u>\$ 8,852,074</u> |

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

|   | <u>Ice Arena</u>  | <u>Golf Course</u> | <u>Street Lighting<br/>Utility</u> | <u>Sidewalk Snow<br/>Plowing</u> | <u>Total</u>        |
|---|-------------------|--------------------|------------------------------------|----------------------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>   |                   |                    |                                    |                                  |                     |
| Receipts from customers and users   | \$ 1,096,283      | \$ 253,706         | \$ 571,477                         | \$ 55,916                        | \$ 1,977,382        |
| Payments to suppliers   | (387,246)         | (65,446)           | (392,805)                          | (133,676)                        | (979,173)           |
| Payments to employees   | (574,406)         | (180,400)          | -                                  | -                                | (754,806)           |
| Net cash provided (used) by operating activities  | <u>134,631</u>    | <u>7,860</u>       | <u>178,672</u>                     | <u>(77,760)</u>                  | <u>243,403</u>      |
| <b>Cash Flows from Noncapital Financing Activities</b>  |                   |                    |                                    |                                  |                     |
| Transfers in  | -                 | -                  | -                                  | 10,000                           | 10,000              |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                       |                   |                    |                                    |                                  |                     |
| Purchase or construction of capital assets  | (127,496)         | -                  | (278,687)                          | -                                | (406,183)           |
| Proceeds from sale of capital assets  | 25,204            | -                  | -                                  | -                                | 25,204              |
| Net cash provided (used) by capital and related financing activities                                  | <u>(102,292)</u>  | <u>-</u>           | <u>(278,687)</u>                   | <u>-</u>                         | <u>(380,979)</u>    |
| <b>Cash Flows from Investing Activities</b>   |                   |                    |                                    |                                  |                     |
| Investment earnings   | 12,474            | 4,970              | 9,188                              | 757                              | 27,389              |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <u>44,813</u>     | <u>12,830</u>      | <u>(90,827)</u>                    | <u>(67,003)</u>                  | <u>(100,187)</u>    |
| <b>Cash and Cash Equivalents</b>  |                   |                    |                                    |                                  |                     |
| Beginning   | 819,015           | 320,793            | 599,920                            | 117,226                          | 1,856,954           |
| Ending  | <u>\$ 863,828</u> | <u>\$ 333,623</u>  | <u>\$ 509,093</u>                  | <u>\$ 50,223</u>                 | <u>\$ 1,756,767</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>  |                   |                    |                                    |                                  |                     |
| Operating income (loss)   | \$ (174,050)      | \$ (13,443)        | \$ 86,851                          | \$ (58,422)                      | \$ (159,064)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                   |                    |                                    |                                  |                     |
| Depreciation  | 338,093           | 18,832             | 70,550                             | -                                | 427,475             |
| Changes in assets and liabilities:  |                   |                    |                                    |                                  |                     |
| (Increase) decrease in:   |                   |                    |                                    |                                  |                     |
| Receivables   | 10,278            | (192)              | 2,516                              | 128                              | 12,730              |
| (Decrease) increase in:   |                   |                    |                                    |                                  |                     |
| Accrued compensated absences  | (8,411)           | 1,424              | -                                  | -                                | (6,987)             |
| Accounts payable  | (580)             | 1,059              | 4,108                              | (19,466)                         | (14,879)            |
| Contracts payable   | -                 | -                  | 14,647                             | -                                | 14,647              |
| Due to other governments  | 510               | 184                | -                                  | -                                | 694                 |
| Customer deposits   | (31,209)          | (4)                | -                                  | -                                | (31,213)            |
| Net cash provided (used) by operating activities  | <u>\$ 134,631</u> | <u>\$ 7,860</u>    | <u>\$ 178,672</u>                  | <u>\$ (77,760)</u>               | <u>\$ 243,403</u>   |
| <b>Noncash investing, capital, and financing activities:</b>  |                   |                    |                                    |                                  |                     |
| (Loss) on disposal of capital assets  | <u>\$ (4,485)</u> |                    |                                    |                                  | <u>\$ (4,485)</u>   |

## 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.

| <b>Contents</b>   | <b>Pages</b> |
|---|--------------|
| <b>Financial Trends</b>   | 100-113      |
| <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>  |              |
| <b>Revenue Capacity</b>   | 114-119      |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>  |              |
| <b>Debt Capacity</b>  | 120-126      |
| <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>                    |              |
| <b>Demographic and Economic Information</b>   | 127-129      |
| <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>   |              |
| <b>Operating Information</b>  | 130-135      |
| <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)**

|  | <b>Fiscal Year</b>    |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <b>2005</b>           | <b>2006</b>           | <b>2007</b>           | <b>2008</b>           |
| <b>Governmental activities:</b>                    |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 73,449,590         | \$ 77,840,120         | \$ 83,191,789         | \$ 87,693,915         |
| Restricted   | 14,473,399            | 12,717,476            | 16,587,566            | 14,179,654            |
| Unrestricted                                       | 25,111,564            | 28,605,148            | 24,085,614            | 24,683,001            |
| <b>Total governmental activities net position</b>  | <b>\$ 113,034,553</b> | <b>\$ 119,162,744</b> | <b>\$ 123,864,969</b> | <b>\$ 126,556,570</b> |
| <b>Business-type activities:</b>                   |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 63,498,069         | \$ 64,709,078         | \$ 66,167,760         | \$ 77,555,775         |
| Restricted   | -                     | -                     | -                     | -                     |
| Unrestricted                                       | 30,034,205            | 31,304,478            | 33,282,509            | 27,736,643            |
| <b>Total business-type activities net position</b> | <b>\$ 93,532,274</b>  | <b>\$ 96,013,556</b>  | <b>\$ 99,450,269</b>  | <b>\$ 105,292,418</b> |
| <b>Primary government:</b>                         |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 136,947,659        | \$ 142,549,198        | \$ 149,359,549        | \$ 165,249,690        |
| Restricted   | 14,473,399            | 12,717,476            | 16,587,566            | 14,179,654            |
| Unrestricted                                       | 55,145,769            | 59,909,626            | 57,368,123            | 52,419,644            |
| <b>Total primary government net position</b>       | <b>\$ 206,566,827</b> | <b>\$ 215,176,300</b> | <b>\$ 223,315,238</b> | <b>\$ 231,848,988</b> |

Note: 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.

| <b>2009</b>           | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           | <b>2014</b>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 89,743,356         | \$ 89,557,378         | \$ 91,650,717         | \$ 93,885,247         | \$ 96,257,688         | \$ 97,997,455         |
| 15,087,958            | 16,317,306            | 14,948,803            | 18,399,208            | 18,110,203            | 16,258,586            |
| 3,628,167             | 5,216,775             | 6,796,441             | 6,074,729             | 2,675,019             | 9,795,144             |
| <b>\$ 108,459,481</b> | <b>\$ 111,091,459</b> | <b>\$ 113,395,961</b> | <b>\$ 118,359,184</b> | <b>\$ 117,042,910</b> | <b>\$ 124,051,185</b> |
| \$ 101,862,438        | \$ 105,898,194        | \$ 103,259,415        | \$ 102,137,786        | \$ 103,222,175        | \$ 104,005,794        |
| —                     | —                     | —                     | —                     | —                     | —                     |
| 27,362,643            | 26,882,913            | 28,682,367            | 30,510,760            | 30,142,747            | 30,077,288            |
| <b>\$ 129,225,081</b> | <b>\$ 132,781,107</b> | <b>\$ 131,941,782</b> | <b>\$ 132,648,546</b> | <b>\$ 133,364,922</b> | <b>\$ 134,083,082</b> |
| \$ 175,059,827        | \$ 173,719,912        | \$ 173,613,514        | \$ 175,255,525        | \$ 179,261,326        | \$ 182,353,752        |
| 15,087,958            | 16,968,677            | 15,678,447            | 19,147,865            | 18,925,996            | 17,152,577            |
| 47,536,777            | 53,183,977            | 56,045,782            | 56,604,340            | 52,220,510            | 58,627,938            |
| <b>\$ 237,684,562</b> | <b>\$ 243,872,566</b> | <b>\$ 245,337,743</b> | <b>\$ 251,007,730</b> | <b>\$ 250,407,832</b> | <b>\$ 258,134,267</b> |

**CITY OF BURNSVILLE, MINNESOTA**

**CHANGES IN NET POSITION (Page 1 of 2)  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

|   | Fiscal Year              |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
|   | 2005                     | 2006                     | 2007                     |
| Expenses:                                       |                          |                          |                          |
| Governmental activities:                        |                          |                          |                          |
| General government                              | \$ 5,543,112             | \$ 5,652,112             | \$ 5,867,616             |
| Public safety                                   | 14,313,043               | 15,095,490               | 16,402,700               |
| Public works and parks                          | 13,301,849               | 12,650,891               | 13,619,986               |
| Culture and recreation                          | 978,398                  | 1,033,458                | 1,048,227                |
| Conservation of natural resources               | 729,281                  | 670,150                  | 798,932                  |
| Economic development                            | 1,503,907                | 794,588                  | 1,052,282                |
| Interest on long-term debt                      | 1,629,250                | 1,465,681                | 1,335,920                |
| Total governmental activities expenses          | <u>37,998,840</u>        | <u>37,362,370</u>        | <u>40,125,663</u>        |
| Business-type activities:                       |                          |                          |                          |
| Water and sewer                                 | 9,403,330                | 10,302,765               | 11,212,098               |
| Storm water                                     | 2,981,656                | 3,053,409                | 3,230,987                |
| Performing arts center                          | -                        | -                        | 93,310                   |
| Ice arena                                       | 1,113,219                | 1,085,854                | 1,131,966                |
| Golf course                                     | 343,906                  | 352,719                  | 347,791                  |
| Street lighting                                 | 271,265                  | 308,564                  | 330,697                  |
| Sidewalk snow plowing                           | -                        | -                        | -                        |
| Total business-type activities expenses         | <u>14,113,376</u>        | <u>15,103,311</u>        | <u>16,346,849</u>        |
| Total primary government expenses               | <u><u>52,112,216</u></u> | <u><u>52,465,681</u></u> | <u><u>56,472,512</u></u> |
| Program revenues:                               |                          |                          |                          |
| Governmental activities:                        |                          |                          |                          |
| Charges for services                            |                          |                          |                          |
| General government                              | 372,455                  | 276,920                  | 146,085                  |
| Public safety                                   | 4,087,000                | 4,137,759                | 3,787,478                |
| Public works and parks                          | 4,878,614                | 2,709,239                | 2,038,952                |
| Other activities                                | 376,607                  | 432,334                  | 420,260                  |
| Operating grants and contributions              | 2,438,991                | 2,230,650                | 2,120,192                |
| Capital grants and contributions                | 3,772,604                | 3,600,287                | 3,586,888                |
| Total governmental activities program revenues  | <u>15,926,271</u>        | <u>13,387,189</u>        | <u>12,099,855</u>        |
| Business-type activities:                       |                          |                          |                          |
| Charges for services                            |                          |                          |                          |
| Water and sewer                                 | 11,649,027               | 11,542,575               | 11,830,785               |
| Storm water                                     | 3,478,083                | 3,279,826                | 3,619,858                |
| Performing arts center                          | -                        | -                        | 236,380                  |
| Ice arena                                       | 974,947                  | 990,061                  | 1,042,612                |
| Golf course                                     | 293,027                  | 314,549                  | 307,628                  |
| Street lighting                                 | 366,496                  | 370,222                  | 378,603                  |
| Sidewalk snow plowing                           | -                        | -                        | -                        |
| Operating grants and contributions              | -                        | -                        | 20,523                   |
| Capital grants and contributions                | 20,726                   | 541,037                  | 1,245,862                |
| Total business-type activities program revenues | <u>16,782,306</u>        | <u>17,038,270</u>        | <u>18,682,251</u>        |
| Total primary government program revenues       | <u><u>32,708,577</u></u> | <u><u>30,425,459</u></u> | <u><u>30,782,106</u></u> |

| <b>2008</b>       | <b>2009</b>       | <b>2010</b>       | <b>2011</b>       | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 6,580,402      | \$ 6,464,603      | \$ 6,314,566      | \$ 6,305,723      | \$ 5,939,542      | \$ 6,358,158      | \$ 6,362,440      |
| 17,888,750        | 18,043,348        | 18,511,365        | 18,831,240        | 19,082,421        | 19,553,700        | 19,941,045        |
| 17,361,531        | 14,567,283        | 11,997,631        | 15,178,938        | 14,588,069        | 14,980,830        | 15,837,464        |
| 1,356,559         | 1,246,814         | 1,192,601         | 1,338,806         | 1,216,633         | 1,243,917         | 1,246,522         |
| 1,002,785         | 762,532           | 877,533           | 884,024           | 869,001           | 994,318           | 1,023,827         |
| 2,009,359         | 1,012,304         | 737,782           | 583,638           | 528,412           | 484,771           | 465,692           |
| 1,928,196         | 1,861,210         | 1,750,308         | 1,878,214         | 1,768,022         | 1,612,989         | 1,422,743         |
| <u>48,127,582</u> | <u>43,958,094</u> | <u>41,381,786</u> | <u>45,000,583</u> | <u>43,992,100</u> | <u>45,228,683</u> | <u>46,299,733</u> |
| 11,965,373        | 13,436,014        | 14,371,093        | 14,990,935        | 13,802,181        | 14,803,579        | 14,929,321        |
| 4,090,758         | 2,838,135         | 3,269,937         | 3,368,332         | 3,460,146         | 3,186,443         | 3,369,746         |
| 358,121           | 1,530,095         | 1,665,052         | 1,703,766         | 1,841,428         | 1,908,984         | 2,192,667         |
| 1,136,559         | 1,131,844         | 1,132,571         | 1,320,505         | 1,211,326         | 1,324,739         | 1,291,264         |
| 349,954           | 331,769           | 279,185           | 267,631           | 282,104           | 285,725           | 267,345           |
| 350,196           | 384,312           | 333,233           | 347,731           | 502,597           | 513,401           | 482,110           |
| –                 | –                 | 99,021            | 34,183            | 24,813            | 61,892            | 114,210           |
| <u>18,250,961</u> | <u>19,652,169</u> | <u>21,150,092</u> | <u>22,033,083</u> | <u>21,124,595</u> | <u>22,084,763</u> | <u>22,646,663</u> |
| <u>66,378,543</u> | <u>63,610,263</u> | <u>62,531,878</u> | <u>67,033,666</u> | <u>65,116,695</u> | <u>67,313,446</u> | <u>68,946,396</u> |
| 139,557           | 467,112           | 482,874           | 402,893           | 406,633           | 447,925           | 438,976           |
| 3,995,016         | 3,638,213         | 3,933,898         | 4,157,945         | 4,121,061         | 5,339,716         | 4,788,939         |
| 2,152,855         | 2,198,357         | 2,450,688         | 3,015,419         | 2,727,797         | 2,840,172         | 3,241,456         |
| 413,036           | 498,042           | 479,069           | 615,472           | 442,644           | 487,282           | 469,564           |
| 2,444,770         | 2,255,331         | 2,569,489         | 2,103,083         | 2,224,711         | 2,179,315         | 2,134,004         |
| 5,181,684         | 3,779,174         | 5,781,105         | 3,853,073         | 6,590,199         | 3,911,739         | 7,016,281         |
| <u>14,326,918</u> | <u>12,836,229</u> | <u>15,697,123</u> | <u>14,147,885</u> | <u>16,513,045</u> | <u>15,206,149</u> | <u>18,089,220</u> |
| 11,625,377        | 12,225,208        | 12,142,805        | 13,180,764        | 13,903,091        | 13,824,144        | 14,234,693        |
| 3,714,996         | 3,875,828         | 3,900,057         | 4,021,224         | 4,122,459         | 4,209,992         | 4,222,512         |
| –                 | 506,291           | 749,643           | 859,454           | 975,388           | 1,172,363         | 1,387,480         |
| 1,028,998         | 1,089,021         | 859,490           | 939,392           | 957,018           | 1,104,497         | 1,137,933         |
| 315,308           | 319,363           | 285,643           | 254,578           | 268,956           | 247,831           | 253,902           |
| 390,043           | 409,366           | 426,754           | 443,658           | 561,780           | 580,766           | 568,961           |
| –                 | –                 | 40,096            | 61,251            | 55,113            | 55,311            | 55,788            |
| 320,511           | 396,010           | 479,493           | 438,862           | 298,925           | 315,892           | 404,262           |
| 7,825,984         | 4,612,571         | 770,539           | 866,649           | 448,728           | 881,724           | 1,173,117         |
| <u>25,221,217</u> | <u>23,433,658</u> | <u>19,654,520</u> | <u>21,065,832</u> | <u>21,591,458</u> | <u>22,392,520</u> | <u>23,438,648</u> |
| <u>39,548,135</u> | <u>36,269,887</u> | <u>35,351,643</u> | <u>35,213,717</u> | <u>38,104,503</u> | <u>37,598,669</u> | <u>41,527,868</u> |

**CITY OF BURNSVILLE, MINNESOTA**

**CHANGES IN NET POSITION (Page 2 of 2)  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

|   | Fiscal Year         |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | 2005                | 2006                | 2007                |
| Net (expense)/revenue:                              |                     |                     |                     |
| Governmental activities                             | (22,072,569)        | (23,975,181)        | (28,025,808)        |
| Business-type activities                            | 2,668,930           | 1,934,959           | 2,335,402           |
| Total primary government net expense                | <u>(19,403,639)</u> | <u>(22,040,222)</u> | <u>(25,690,406)</u> |
| General revenues and other changes in net position: |                     |                     |                     |
| Governmental activities:                            |                     |                     |                     |
| Taxes   |                     |                     |                     |
| Property taxes                                      | 24,590,608          | 25,894,438          | 27,405,129          |
| Lodging tax   | 307,417             | 318,427             | 308,176             |
| Franchise taxes                                     | 521,393             | 568,668             | 613,358             |
| Unrestricted grants and contributions               | 828,440             | 932,963             | 1,659,652           |
| Unrestricted investment earnings                    | 447,802             | 1,654,812           | 2,597,579           |
| Gain on sale of capital assets                      | 38,275              | 237,337             | -                   |
| Transfers   | (200,188)           | 496,727             | 144,139             |
| Total governmental activities                       | <u>26,533,747</u>   | <u>30,103,372</u>   | <u>32,728,033</u>   |
| Business-type activities:                           |                     |                     |                     |
| Unrestricted grants and contributions               | -                   | -                   | -                   |
| Unrestricted investment earnings                    | 926,160             | 1,043,050           | 1,245,450           |
| Transfers   | 200,188             | (496,727)           | (144,139)           |
| Total business-type activities                      | <u>1,126,348</u>    | <u>546,323</u>      | <u>1,101,311</u>    |
| Total primary government                            | <u>27,660,095</u>   | <u>30,649,695</u>   | <u>33,829,344</u>   |
| Change in net position:                             |                     |                     |                     |
| Governmental activities                             | 4,461,178           | 6,128,191           | 4,702,225           |
| Business-type activities                            | 3,795,278           | 2,481,282           | 3,436,713           |
| Total primary government                            | <u>\$ 8,256,456</u> | <u>\$ 8,609,473</u> | <u>\$ 8,138,938</u> |

Note: 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.

| <u>2008</u>         | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         | <u>2012</u>         | <u>2013</u>         | <u>2014</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| (33,800,664)        | (31,121,865)        | (25,684,663)        | (30,852,698)        | (27,479,055)        | (30,022,534)        | (28,210,513)        |
| <u>6,970,256</u>    | <u>3,781,489</u>    | <u>(1,495,572)</u>  | <u>(967,251)</u>    | <u>466,863</u>      | <u>307,757</u>      | <u>791,985</u>      |
| <u>(26,830,408)</u> | <u>(27,340,376)</u> | <u>(27,180,235)</u> | <u>(31,819,949)</u> | <u>(27,012,192)</u> | <u>(29,714,777)</u> | <u>(27,418,528)</u> |
| 29,459,753          | 30,141,996          | 30,149,626          | 29,464,723          | 29,876,431          | 30,374,410          | 29,444,693          |
| 288,271             | 221,356             | 222,954             | 237,962             | 259,879             | 287,358             | 289,198             |
| 651,606             | 644,821             | 663,664             | 665,605             | 697,660             | 723,624             | 729,211             |
| 1,465,106           | 1,089,676           | 1,024,440           | 919,549             | 824,390             | 815,677             | 915,373             |
| 2,234,359           | 349,735             | 747,245             | 1,387,955           | 504,517             | (3,219,479)         | 3,300,247           |
| -                   | -                   | -                   | 30,911              | -                   | -                   | -                   |
| <u>2,393,170</u>    | <u>(19,422,808)</u> | <u>(4,491,288)</u>  | <u>450,495</u>      | <u>279,401</u>      | <u>(4,182)</u>      | <u>540,066</u>      |
| <u>36,492,265</u>   | <u>13,024,776</u>   | <u>28,316,641</u>   | <u>33,157,200</u>   | <u>32,442,278</u>   | <u>28,977,408</u>   | <u>35,218,788</u>   |
| -                   | -                   | 50,690              | 58,434              | 57,531              | 51,697              | 50,574              |
| 1,265,063           | 728,366             | 509,620             | 519,987             | 461,771             | 469,429             | 415,667             |
| <u>(2,393,170)</u>  | <u>19,422,808</u>   | <u>4,491,288</u>    | <u>(450,495)</u>    | <u>(279,401)</u>    | <u>4,182</u>        | <u>(540,066)</u>    |
| <u>(1,128,107)</u>  | <u>20,151,174</u>   | <u>5,051,598</u>    | <u>127,926</u>      | <u>239,901</u>      | <u>525,308</u>      | <u>(73,825)</u>     |
| <u>35,364,158</u>   | <u>33,175,950</u>   | <u>33,368,239</u>   | <u>33,285,126</u>   | <u>32,682,179</u>   | <u>29,502,716</u>   | <u>35,144,963</u>   |
| 2,691,601           | (18,097,089)        | 2,631,978           | 2,304,502           | 4,963,223           | (1,045,126)         | 7,008,275           |
| 5,842,149           | 23,932,663          | 3,556,026           | (839,325)           | 706,764             | 833,065             | 718,160             |
| <u>\$ 8,533,750</u> | <u>\$ 5,835,574</u> | <u>\$ 6,188,004</u> | <u>\$ 1,465,177</u> | <u>\$ 5,669,987</u> | <u>\$ (212,061)</u> | <u>\$ 7,726,435</u> |

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# CITY OF BURNSVILLE, MINNESOTA

## GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

### LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

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| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Tax<br/>Increments</u> | <u>Lodging<br/>Tax</u> | <u>Franchise<br/>Tax</u> | <u>Total</u>  |
|--------------------|---------------------|---------------------------|------------------------|--------------------------|---------------|
| 2005               | \$ 21,401,705       | \$ 3,188,903              | \$ 307,417             | \$ 521,393               | \$ 25,419,418 |
| 2006               | 22,451,289          | 3,443,149                 | 318,427                | 568,668                  | 26,781,533    |
| 2007               | 23,439,871          | 3,965,258                 | 308,176                | 613,358                  | 28,326,663    |
| 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    |

**CITY OF BURNSVILLE, MINNESOTA**

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

|                                    | Fiscal Year          |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2005                 | 2006                 | 2007                 | 2008                 |
| General Fund:                      |                      |                      |                      |                      |
| Reserved                           | \$ 2,478,453         | \$ 2,662,043         | \$ 2,854,064         | \$ 2,942,875         |
| Unreserved                         | 14,101,766           | 16,524,126           | 15,565,140           | 14,422,362           |
| Nonspendable                       | -                    | -                    | -                    | -                    |
| Restricted                         | -                    | -                    | -                    | -                    |
| Assigned                           | -                    | -                    | -                    | -                    |
| Unassigned                         | -                    | -                    | -                    | -                    |
| Total General Fund                 | <u>\$ 16,580,219</u> | <u>\$ 19,186,169</u> | <u>\$ 18,419,204</u> | <u>\$ 17,365,237</u> |
| All other governmental funds:      |                      |                      |                      |                      |
| Reserved                           | \$ 10,782,687        | \$ 10,852,661        | \$ 12,809,751        | \$ 10,757,660        |
| Unreserved, reported in:           |                      |                      |                      |                      |
| Special revenue funds              | 2,006,424            | 2,056,024            | 1,409,338            | 2,017,387            |
| Capital projects funds             | 6,501,509            | 5,432,220            | 10,804,589           | 9,367,836            |
| Restricted                         | -                    | -                    | -                    | -                    |
| Committed                          | -                    | -                    | -                    | -                    |
| Assigned                           | -                    | -                    | -                    | -                    |
| Unassigned                         | -                    | -                    | -                    | -                    |
| Total all other governmental funds | <u>\$ 19,290,620</u> | <u>\$ 18,340,905</u> | <u>\$ 25,023,678</u> | <u>\$ 22,142,883</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.

| <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 2,890,405         | \$ 2,785,405         | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 14,685,258           | 15,968,934           | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | 250                  | -                    |
| -                    | -                    | 2,677,255            | 2,549,570            | 2,420,304            | 2,288,160            |
| -                    | -                    | 464,685              | 1,966,966            | 1,544,844            | 1,155,807            |
| -                    | -                    | 16,072,010           | 15,177,759           | 13,196,459           | 16,960,866           |
| <b>\$ 17,575,663</b> | <b>\$ 18,754,339</b> | <b>\$ 19,213,950</b> | <b>\$ 19,694,295</b> | <b>\$ 17,161,857</b> | <b>\$ 20,404,833</b> |
| \$ 10,356,997        | \$ 12,720,790        | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 2,058,503            | 1,990,930            | -                    | -                    | -                    | -                    |
| 4,390,877            | 8,858,711            | -                    | -                    | -                    | -                    |
| -                    | -                    | 11,214,091           | 13,488,828           | 14,580,498           | 7,186,381            |
| -                    | -                    | 5,870,374            | 5,835,537            | 4,652,856            | 4,966,759            |
| -                    | -                    | 5,186,835            | 5,854,591            | 5,709,328            | 6,454,637            |
| -                    | -                    | (545,997)            | (1,370,179)          | (1,603,774)          | (160,196)            |
| <b>\$ 16,806,377</b> | <b>\$ 23,570,431</b> | <b>\$ 21,725,303</b> | <b>\$ 23,808,777</b> | <b>\$ 23,338,908</b> | <b>\$ 18,447,581</b> |

**CITY OF BURNSVILLE, MINNESOTA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

|  | Fiscal Year         |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | 2005                | 2006                | 2007                |
| Revenues:  |                     |                     |                     |
| Taxes  | \$ 25,365,356       | \$ 26,741,225       | \$ 28,265,020       |
| Licenses and permits                                       | 1,705,692           | 2,205,039           | 1,689,016           |
| Intergovernmental  | 6,081,626           | 4,684,092           | 4,580,117           |
| Charges for services                                       | 4,613,838           | 4,669,869           | 4,086,567           |
| Fines and forfeits   | 449,315             | 524,355             | 626,978             |
| Investment income  | 381,288             | 1,574,102           | 2,505,050           |
| Special assessments  | 2,429,832           | 2,084,211           | 1,379,814           |
| Miscellaneous  | 1,652,090           | 1,046,325           | 808,927             |
| Total revenues   | <u>42,679,037</u>   | <u>43,529,218</u>   | <u>43,941,489</u>   |
| Expenditures:  |                     |                     |                     |
| Current:   |                     |                     |                     |
| General government   | 4,286,604           | 4,370,334           | 5,502,592           |
| Public safety  | 13,717,967          | 14,449,029          | 16,721,840          |
| Public works and parks                                     | 4,976,081           | 5,219,310           | 5,933,315           |
| Culture and recreation                                     | 967,213             | 1,025,746           | 1,154,366           |
| Conservation of natural resources                          | 709,869             | 656,776             | 786,576             |
| Economic development                                       | 1,129,508           | 794,002             | 1,052,095           |
| Other  | 628,747             | 553,397             | -                   |
| Capital outlay   | 11,507,358          | 8,946,299           | 11,054,103          |
| Debt service:  |                     |                     |                     |
| Redemption of bonds  | 4,305,264           | 5,282,172           | 4,891,081           |
| Interest on bonds  | 1,621,191           | 1,511,080           | 1,295,303           |
| Fiscal agent fees  | 10,462              | 15,368              | 94,122              |
| Bond issuance costs  | 54,316              | -                   | 66,273              |
| Total expenditures   | <u>43,914,580</u>   | <u>42,823,513</u>   | <u>48,551,666</u>   |
| Excess of revenues<br>over (under) expenditures            | (1,235,543)         | 705,705             | (4,610,177)         |
| Other financing sources (uses):                            |                     |                     |                     |
| Bonds issued   | 3,330,000           | -                   | 7,540,000           |
| Refunding bonds issued                                     | 2,405,000           | -                   | 1,983,338           |
| Premium (discount) on bonds issued                         | 7,252               | -                   | 161,774             |
| Payments to refunded bond escrow agent                     | (2,392,612)         | -                   | -                   |
| Sales of capital assets                                    | 500,594             | 393,534             | 48,441              |
| Transfers in   | 4,246,977           | 3,038,006           | 9,035,163           |
| Transfers out  | (3,838,804)         | (2,481,010)         | (8,242,731)         |
| Total other financing sources (uses)                       | <u>4,258,407</u>    | <u>950,530</u>      | <u>10,525,985</u>   |
| Net change in fund balances                                | <u>\$ 3,022,864</u> | <u>\$ 1,656,235</u> | <u>\$ 5,915,808</u> |
| Debt service as a percentage of noncapital<br>expenditures | <u>16.2%</u>        | <u>18.5%</u>        | <u>15.6%</u>        |

| <b>2008</b>           | <b>2009</b>           | <b>2010</b>         | <b>2011</b>           | <b>2012</b>         | <b>2013</b>           | <b>2014</b>           |
|-----------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|-----------------------|
| \$ 30,330,980         | \$ 30,760,837         | \$ 31,000,458       | \$ 30,567,623         | \$ 30,962,351       | \$ 31,436,569         | \$ 30,575,302         |
| 1,608,237             | 1,356,250             | 1,703,937           | 1,911,453             | 1,584,388           | 2,445,580             | 1,953,776             |
| 5,356,973             | 3,950,117             | 6,755,520           | 3,696,469             | 5,381,672           | 3,818,161             | 4,867,531             |
| 4,613,207             | 4,914,844             | 4,905,494           | 4,905,971             | 5,269,516           | 5,889,564             | 5,885,164             |
| 656,933               | 636,719               | 595,807             | 459,573               | 432,391             | 470,413               | 417,275               |
| 2,136,825             | 279,333               | 702,741             | 1,338,841             | 463,782             | (3,262,167)           | 3,260,938             |
| 1,796,193             | 2,005,413             | 1,779,650           | 1,769,771             | 1,877,487           | 1,890,774             | 1,813,996             |
| 786,860               | 844,514               | 1,228,423           | 1,699,041             | 1,912,691           | 1,068,837             | 1,579,348             |
| <u>47,286,208</u>     | <u>44,748,027</u>     | <u>48,672,030</u>   | <u>46,348,742</u>     | <u>47,884,278</u>   | <u>43,757,731</u>     | <u>50,353,330</u>     |
| 6,328,928             | 5,996,423             | 6,177,653           | 6,058,728             | 5,423,448           | 5,508,509             | 5,856,737             |
| 18,268,837            | 17,965,593            | 18,135,898          | 18,939,924            | 19,073,952          | 19,159,372            | 20,140,526            |
| 6,173,342             | 6,234,160             | 5,940,634           | 6,627,057             | 6,263,265           | 6,530,255             | 6,592,561             |
| 1,228,378             | 1,239,060             | 1,191,112           | 1,269,730             | 1,254,987           | 1,231,581             | 1,256,682             |
| 1,041,981             | 767,644               | 910,199             | 861,604               | 898,444             | 1,022,316             | 995,490               |
| 2,007,636             | 1,011,877             | 737,149             | 583,855               | 527,938             | 483,893               | 464,933               |
| –                     | –                     | –                   | –                     | –                   | –                     | –                     |
| 31,979,783            | 10,407,522            | 14,050,192          | 7,940,344             | 13,050,371          | 9,805,507             | 9,360,407             |
| 4,126,031             | 5,033,910             | 5,134,122           | 5,861,540             | 4,268,052           | 4,584,460             | 8,340,613             |
| 1,227,878             | 2,203,378             | 1,792,772           | 1,950,408             | 1,717,207           | 1,684,125             | 1,512,418             |
| 41,342                | 37,437                | 39,587              | 29,073                | 32,721              | 29,347                | 18,670                |
| 107,165               | –                     | 130,838             | 42,330                | 53,246              | 31,009                | 23,240                |
| <u>72,531,301</u>     | <u>50,897,004</u>     | <u>54,240,156</u>   | <u>50,164,593</u>     | <u>52,563,631</u>   | <u>50,070,374</u>     | <u>54,562,277</u>     |
| (25,245,093)          | (6,148,977)           | (5,568,126)         | (3,815,851)           | (4,679,353)         | (6,312,643)           | (4,208,947)           |
| 21,014,516            | –                     | 11,835,000          | 1,220,000             | 6,260,000           | 1,595,000             | 2,780,000             |
| 1,880,484             | –                     | 1,995,000           | 1,890,872             | –                   | 1,925,000             | –                     |
| 34,409                | –                     | (17,289)            | 63,745                | 211,113             | 96,248                | 39,933                |
| (4,459,043)           | –                     | (967,725)           | (1,250,000)           | –                   | (949,748)             | (952,430)             |
| 230,584               | 54,616                | 80,269              | 55,222                | 151,503             | 58,650                | 153,027               |
| 7,632,013             | 5,238,929             | 4,987,144           | 7,535,958             | 6,246,032           | 5,963,398             | 5,746,474             |
| <u>(5,022,632)</u>    | <u>(4,270,648)</u>    | <u>(4,401,543)</u>  | <u>(7,085,463)</u>    | <u>(5,625,476)</u>  | <u>(5,378,212)</u>    | <u>(5,206,408)</u>    |
| <u>21,310,331</u>     | <u>1,022,897</u>      | <u>13,510,856</u>   | <u>2,430,334</u>      | <u>7,243,172</u>    | <u>3,310,336</u>      | <u>2,560,596</u>      |
| <u>\$ (3,934,762)</u> | <u>\$ (5,126,080)</u> | <u>\$ 7,942,730</u> | <u>\$ (1,385,517)</u> | <u>\$ 2,563,819</u> | <u>\$ (3,002,307)</u> | <u>\$ (1,648,351)</u> |
| <u>11.8%</u>          | <u>16.9%</u>          | <u>17.4%</u>        | <u>17.6%</u>          | <u>14.8%</u>        | <u>14.7%</u>          | <u>21.0%</u>          |

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# CITY OF BURNSVILLE, MINNESOTA

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

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| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Tax<br/>Increments</u> | <u>Lodging<br/>Tax</u> | <u>Franchise<br/>Tax</u> | <u>Total</u>  |
|--------------------|---------------------|---------------------------|------------------------|--------------------------|---------------|
| 2005               | \$ 21,343,632       | \$ 3,188,903              | \$ 307,417             | \$ 525,404               | \$ 25,365,356 |
| 2006               | 22,410,981          | 3,443,149                 | 318,427                | 568,668                  | 26,741,225    |
| 2007               | 23,378,228          | 3,965,258                 | 308,176                | 613,358                  | 28,265,020    |
| 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    |

**CITY OF BURNSVILLE, MINNESOTA**

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

| <b>Fiscal<br/>Year</b> | <b>Real Property</b>            |                                | <b>Personal<br/>Property</b> | <b>Less<br/>Fiscal<br/>Disparities</b> | <b>Less<br/>Tax<br/>Increment</b> |
|------------------------|---------------------------------|--------------------------------|------------------------------|--|-----------------------------------|
|                        | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> |                              |  |                                   |
| 2005                   | \$ 42,197,198                   | \$ 21,395,399                  | \$ 704,222                   | \$ (1,843,913)                         | \$ (4,276,801)                    |
| 2006                   | 46,360,724                      | 23,295,017                     | 701,679                      | (1,730,322)                            | (4,264,180)                       |
| 2007                   | 49,199,426                      | 26,261,512                     | 749,965                      | (1,956,226)                            | (5,055,782)                       |
| 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)                         |

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.

| <b>Total Taxable<br/>Net Tax<br/>Capacity</b> | <b>Tax Capacity<br/>Value as a<br/>Percentage of<br/>Taxable<br/>Market Value</b> | <b>Total Direct<br/>Tax Rate</b> | <b>Estimated<br/>Actual<br/>Market Value</b> | <b>Taxable<br/>Market Value</b> | <b>Taxable Value<br/>as a Percentage<br/>of Estimated<br/>Actual Value</b> |
|---|---|----------------------------------|--|---------------------------------|--|
| \$ 58,176,105                                 | 1.11 %  | 38.004                           | \$ 6,088,781,680                             | \$ 5,218,085,900                | 85.7 %   |
| 64,362,918                                    | 1.12  | 35.414                           | 6,323,894,260                                | 5,729,448,200                   | 90.6   |
| 69,198,895                                    | 1.13  | 34.564                           | 6,700,317,647                                | 6,150,891,600                   | 91.8   |
| 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   |

**CITY OF BURNSVILLE, MINNESOTA**

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING (1) GOVERNMENTS  
LAST TEN FISCAL YEARS**

| Fiscal Year | City of Burnsville |              |            | Overlapping Rates: |                   |
|-------------|--------------------|--------------|------------|--------------------|-------------------|
|             | Operating          | Debt Service | Total City | Dakota County      | School District - |
|             | Tax Rate           | Tax Rate     | Tax Rate   | Total County       | ISD #191          |
|             |                    |              |            | Tax Rate (2)       | Total School      |
|             |                    |              |            |                    | Tax Rate (2)      |
| 2005        | 33.511             | 4.493        | 38.004     | 28.267             | 17.729            |
| 2006        | 31.121             | 4.293        | 35.414     | 26.318             | 18.315            |
| 2007        | 31.072             | 3.492        | 34.564     | 25.127             | 18.152            |
| 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            |

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.

| <b>School District -<br/>ISD #194</b> | <b>School District - ISD<br/>#196</b> | <b>Special<br/>Districts</b> | <b>Total Direct and Overlapping Rates</b> |                 |                 |
|---------------------------------------|---------------------------------------|------------------------------|---|-----------------|-----------------|
| <b>Total School<br/>Tax Rate (2)</b>  | <b>Total School<br/>Tax Rate (2)</b>  |                              | <b>ISD #191</b>                           | <b>ISD #194</b> | <b>ISD #196</b> |
| 25.411                                | 26.251                                | 5.371                        | 89.371                                    | 97.053          | 97.893          |
| 25.670                                | 27.554                                | 5.309                        | 85.356                                    | 92.711          | 94.595          |
| 25.252                                | 23.607                                | 5.031                        | 82.874                                    | 89.974          | 88.329          |
| 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                                | 3.247                        | 109.857                                   | 117.224         | 111.645         |
| 33.048                                | 27.606                                | 5.882                        | 110.040                                   | 117.427         | 111.985         |

**CITY OF BURNSVILLE, MINNESOTA**

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer                           | 2014                |      |  | 2005                |      |  |
|------------------------------------|---------------------|------|--|---------------------|------|--|
|                                    | Net Tax Capacity    | Rank | Percentage of Total Taxable Net Tax Capacity | Net Tax Capacity    | Rank | Percentage of Total Taxable Net Tax Capacity |
| Northern States Power Company      | \$ 2,324,768        | 1    | 3.8 %  | \$ 1,606,803        | 2    | 2.8 %  |
| Burnsville Center SPE LLC          | 2,079,250           | 2    | 3.4  | 1,859,250           | 1    | 3.2  |
| Minnegasco Inc.                    | 532,246             | 3    | 0.9  | 416,795             | 3    | 0.7  |
| JPT Industry Inc.                  | 455,826             | 4    | 0.7  | 398,094             | 4    | 0.7  |
| Kraus-Anderson Inc.                | 353,632             | 5    | 0.6  | 383,506             | 5    | 0.7  |
| WRPV XI Woods Burnsville LLC       | 350,394             | 6    | 0.6  | -                   | -    | -  |
| Capreit Atrium Apartments LP       | 334,175             | 7    | 0.5  | -                   | -    | -  |
| Rosemount Aerospace                | 333,894             | 8    | 0.5  | -                   | -    | -  |
| Dakota Electric Association        | 326,898             | 9    | 0.5  | 374,646             | 6    | 0.6  |
| Virtu Southwind Owner LLC          | 316,251             | 10   | 0.5  | -                   | -    | -  |
| IRET Properties                    | -                   | -    | -  | 318,103             | 7    | 0.5  |
| Multipoint                         | -                   | -    | -  | 300,000             | 8    | 0.5  |
| Summit Townhome Investors LLC      | -                   | -    | -  | 295,823             | 9    | 0.5  |
| Nicollet Ridge Limited Partnership | -                   | -    | -  | 281,250             | 10   | 0.5  |
| <b>Total</b>                       | <b>\$ 7,407,334</b> |      | <b>12.0 %</b>                                | <b>\$ 6,234,270</b> |      | <b>10.7 %</b>                                |

Source: Dakota County

**CITY OF BURNSVILLE, MINNESOTA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

| Fiscal Year<br>Ended<br>December 31, | Total Tax<br>Levy for<br>Fiscal Year | Collected Within the<br>Fiscal Year of the Levy |                          | Collections<br>in<br>Subsequent<br>Years | Total Collections to Date |                          |
|--------------------------------------|--------------------------------------|---|--------------------------|--|---------------------------|--------------------------|
|                                      |                                      | Amount  | Percentage<br>of<br>Levy |  | Amount                    | Percentage<br>of<br>Levy |
| 2005                                 | (1) \$ 21,346,474                    | \$ 20,962,459                                   | 98.20 %                  | \$ 262,040                               | \$ 21,224,499             | 99.43 %                  |
| 2006                                 | (1) 22,008,740                       | 21,677,748                                      | 98.50                    | 309,420                                  | 21,987,168                | 99.90                    |
| 2007                                 | (1) 23,976,993                       | 23,630,657                                      | 98.56                    | 340,692                                  | 23,971,349                | 99.98                    |
| 2008                                 | (2) 24,654,465                       | 24,265,503                                      | 98.42                    | 377,066                                  | 24,642,569                | 99.95                    |
| 2009                                 | (2) 25,215,756                       | 24,667,274                                      | 97.82                    | 473,970                                  | 25,141,244                | 99.70                    |
| 2010                                 | (2) 24,981,125                       | 24,531,528                                      | 98.20                    | 195,486                                  | 24,727,014                | 98.98                    |
| 2011                                 | (2) 26,186,791                       | 25,741,822                                      | 98.30                    | 177,807                                  | 25,919,629                | 98.98                    |
| 2012                                 | 26,348,820                           | 26,006,410                                      | 98.70                    | 114,046                                  | 26,120,456                | 99.13                    |
| 2013                                 | 26,988,262                           | 26,699,946                                      | 98.93                    | 167,676                                  | 26,867,622                | 99.55                    |
| 2014                                 | 28,448,573                           | 28,171,331                                      | 99.03                    | —  | 28,171,331                | 99.03                    |

Notes:

(1)- In 2005-2006 the property tax levy shown is net of the adjustment for loss of Market Value Homestead Credit (MVHC) from the State. In 2007 the State reinstated the reimbursement for the MVHC. The MVHC received from the State is included in the amount collected.

(2)- 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 Certificates of Indebtedness | General Obligation Improvement Bonds | Tax Increment Bonds and Notes | Tax Abatement Bonds | Lease Revenue Bonds |
| 2005        | \$ 1,075,000             | \$ 1,721,544                                    | \$ 20,205,322                        | \$ 9,842,909                  | \$ -                | \$ 2,655,000        |
| 2006        | 540,000                  | 808,203   | 17,641,423                           | 8,777,241                     | -                   | 2,460,000           |
| 2007        | -                        | 274,862   | 19,790,996                           | 12,641,867                    | -                   | 2,255,000           |
| 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           |

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.

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| <b>Business-Type Activities</b> |                                     |                       |                                 |  |                       |
|---------------------------------|-------------------------------------|-----------------------|---------------------------------|--|-----------------------|
| <b>General</b>                  |                                     |                       |                                 |  |                       |
| <b>Revenue Bonds</b>            | <b>Obligation Improvement Bonds</b> | <b>Capital Leases</b> | <b>Total Primary Government</b> | <b>Percentage of Personal Income (1)</b> | <b>Per Capita (1)</b> |
| \$ 1,556,205                    | \$ 7,317,158                        | –                     | \$ 44,373,138                   | 1.7 %                                    | \$ 724                |
| 1,461,521                       | 6,665,557                           | –                     | 38,353,945                      | 1.5                                      | 628                   |
| 1,366,837                       | 8,484,636                           | –                     | 44,814,198                      | 1.6                                      | 730                   |
| 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                                      | 958                   |

CITY OF BURNSVILLE, MINNESOTA

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

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds (1)</b> | <b>Bond<br/>Issuance<br/>Premium/<br/>(Discount)</b> | <b>Less Amounts<br/>Available<br/>in Debt<br/>Service Funds</b> | <b>Total</b> | <b>Percentage of<br/>Estimated Actual<br/>Taxable Value<br/>of Property (2)</b> | <b>Per Capita<br/>(3)</b> |
|--------------------|---|--|---|--------------|---|---------------------------|
| 2005               | \$ 2,800,000                                | \$ (3,456)   | \$ 1,353,055  | \$ 1,443,489 | 0.0277 %  | \$ 24                     |
| 2006               | 1,350,000                                   | (1,797)  | 654,755   | 693,448      | 0.0121  | 11                        |
| 2007               | 275,000                                     | (138)  | 274,862   | -            | -   | -                         |
| 2008               | 2,745,000                                   | 39,957   | 343,301   | 2,441,656    | 0.0383  | 40                        |
| 2009               | 2,525,000                                   | 35,994   | 451,422   | 2,109,572    | 0.0332  | 35                        |
| 2010               | 2,210,000                                   | 32,031   | 480,671   | 1,761,360    | 0.0295  | 29                        |
| 2011               | 1,865,000                                   | 28,069   | 490,049   | 1,403,020    | 0.0254  | 23                        |
| 2012               | 1,520,000                                   | 24,106   | 519,405   | 1,024,701    | 0.0200  | 17                        |
| 2013               | 1,155,000                                   | 20,143   | 542,203   | 632,940      | 0.0131  | 10                        |
| 2014               | 775,000                                     | 16,181   | 561,885   | 229,296      | 0.0046  | 4                         |

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

Sources:

- (1) Excludes General Obligation Revenue Bonds reported in the Enterprise Funds and General Obligation Improvement (special assessment) Bonds.
- (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, 2014**

| <u>Governmental Unit</u>          | <u>Debt Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable</u> | <u>Estimated<br/>Share of<br/>Overlapping Debt</u> |
|-----------------------------------|-------------------------|--|--|
| Direct Debt:                      |                         |  |  |
| City of Burnsville                | \$ 41,749,128           | 100.00 %                                       | <u>\$ 41,749,128</u>                               |
| Overlapping Debt:                 |                         |  |  |
| Dakota County                     | 45,575,000              | 15.07%   | 6,868,153  |
| ISD 191 (Burnsville)              | 103,405,000             | 62.29%   | 64,410,975   |
| ISD 194 (Lakeville)               | 155,085,000             | 7.00%  | 10,855,950   |
| ISD 196 (Rosemount)               | 82,722,253              | 10.36%   | 8,570,025  |
| Metropolitan Council              | 2,113,674               | 2.07%  | 43,753   |
| Metropolitan Transit District     | 306,885,092             | 2.24%  | <u>6,874,226</u>                                   |
| Total overlapping debt            |                         |  | <u>97,623,082</u>                                  |
| Total direct and overlapping debt |                         |  | <u><u>\$ 139,372,210</u></u>                       |

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

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

# CITY OF BURNSVILLE, MINNESOTA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

|   | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>Fiscal Year<br/>2008</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------------|
| Debt Limit  | \$ 104,361,718        | \$ 114,528,904        | \$ 123,017,832        | \$ 191,449,524              |
| Total net debt applicable to limit                                      | <u>1,446,945</u>      | <u>695,245</u>        | <u>—</u>              | <u>2,401,699</u>            |
| Legal debt margin   | <u>\$ 102,914,773</u> | <u>\$ 113,833,659</u> | <u>\$ 123,017,832</u> | <u>\$ 189,047,825</u>       |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 1.39%                 | 0.61%                 | 0.00%                 | 1.25%                       |

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.

| <u>2009</u>           | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 190,544,736        | \$ 178,892,583        | \$ 165,764,211        | \$ 153,356,362        | \$ 145,065,609        | \$ 148,591,232        |
| <u>2,073,578</u>      | <u>1,729,329</u>      | <u>1,374,951</u>      | <u>1,000,595</u>      | <u>612,797</u>        | <u>213,115</u>        |
| <u>\$ 188,471,158</u> | <u>\$ 177,163,254</u> | <u>\$ 164,389,260</u> | <u>\$ 152,355,767</u> | <u>\$ 144,452,812</u> | <u>\$ 148,378,117</u> |
| 1.09%                 | 0.97%                 | 0.83%                 | 0.65%                 | 0.42%                 | 0.14%                 |

Legal Debt Margin Calculation for Fiscal Year 2014

|   |                       |
|---|-----------------------|
| Market Value  | \$ 4,953,041,063      |
| Debt limit (3% of market value)                                   | 148,591,232           |
| Debt applicable to limit:   |                       |
| General obligation bonds  | 775,000               |
| Less amount set aside for repayment of<br>general obligation debt | <u>(561,885)</u>      |
| Total net debt applicable to limit                                | 213,115               |
| Legal debt margin   | <u>\$ 148,378,117</u> |

**CITY OF BURNSVILLE, MINNESOTA**

**Pledged Revenue Coverage  
Last Ten Fiscal Years**

| Fiscal Year                  | Revenue Bonds                |                         |                       |                  |           |     | Coverage Ratio |
|------------------------------|------------------------------|-------------------------|-----------------------|------------------|-----------|-----|----------------|
|                              | (2)                          | (3)                     | Net Available Revenue | Debt Service (1) |           |     |                |
|                              | Operating Revenues and Other | Less Operating Expenses |                       | Principal        | Interest  |     |                |
| <b>WATER AND SEWER FUND:</b> |                              |                         |                       |                  |           |     |                |
| 2005                         | \$ 12,348,821                | \$ 7,625,197            | \$ 4,723,624          | \$ 58,500        | \$ 40,617 |     | 47.66          |
| 2006                         | 12,618,803                   | 8,494,127               | 4,124,676             | 61,750           | 38,959    |     | 40.96          |
| 2007                         | 13,191,411                   | 9,296,278               | 3,895,133             | 61,750           | 37,107    |     | 39.40          |
| 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           |
| <b>STORM WATER FUND:</b>     |                              |                         |                       |                  |           |     |                |
| 2005                         | \$ 3,680,509                 | \$ 1,706,072            | \$ 1,974,437          | \$ 31,500        | \$ 21,871 |     | 36.99          |
| 2006                         | 3,680,289                    | 1,775,045               | 1,905,244             | 33,250           | 20,978    |     | 35.13          |
| 2007                         | 4,166,514                    | 1,913,984               | 2,252,530             | 33,250           | 19,981    |     | 42.32          |
| 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           |
| <b>ICE ARENA FUND:</b>       |                              |                         |                       |                  |           |     |                |
| 2005                         | \$ 977,286                   | \$ 981,560              | \$ (4,274)            | \$ 200,000       | \$ 4,500  | (4) | (0.02)         |

Notes: Details regarding the government's outstanding debt can be found in the notes to the 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 2004-2011, Operating Revenue and Other includes operating revenue, investment earnings, connection charges, and other nonoperating income for the Water & Sewer and Storm Water Funds. For 2012-2014, Operating Revenue and Other includes only operating revenues for the Water & Sewer and Storm Water Funds. Operating Revenue and Other includes operating revenue, investment earnings, and transfers in for the Ice Arena Fund.
- (3) Operating Expenses excludes depreciation.
- (4) Debt in the Ice Arena Fund fully matured in 2005.

# CITY OF BURNSVILLE, MINNESOTA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Number of Households (1)</b> | <b>Estimated Personal Income (2)</b> | <b>Per Capita Personal Income (3)</b> | <b>School Enrollment (4)</b> | <b>Unemployment Rate (5)</b> |
|--------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------------|------------------------------|------------------------------|
| 2005               | 61,262                | 24,380                          | \$ 2,537,226,992                     | \$ 41,416                             | 10,499                       | 3.7 %                        |
| 2006               | 61,048                | 24,425                          | 2,630,863,560                        | 43,095                                | 10,399                       | 3.5                          |
| 2007               | 61,393                | 24,622                          | 2,765,447,685                        | 45,045                                | 10,203                       | 4.1                          |
| 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                        | 7.4                          |
| 2010               | 60,306                | 24,283                          | 2,583,689,958                        | 42,843                                | 9,696                        | 6.7                          |
| 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                        | 5.1                          |
| 2013               | 61,300                | 24,854                          | 2,933,572,800                        | 47,856                                | 9,341                        | 4.5                          |
| 2014               | 61,300                | 24,854                          | 2,985,984,300                        | 48,711                                | 9,213                        | 3.7                          |

Sources:

- (1) 2014 is an estimate of 0% growth from the 2013 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 capital 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 2009-2014 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.

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**CITY OF BURNSVILLE, MINNESOTA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Employer  | 2014         |      |                                     | 2005         |      |                                     |
|---|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|   | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| Burnsville Public Schools - ISD #191                      | 1,600        | 1    | 4.7 %                               | 1,500        | 2    | 4.2 %                               |
| UTC Aerospace (formerly B.F.Goodrich/Rosemount Aerospace) | 1,400        | 2    | 4.1                                 | 800          | 3    | 2.2                                 |
| Fairview Ridges Hospital                                  | 1,200        | 3    | 3.5                                 | 1,700        | 1    | 4.8                                 |
| Pepsi-Cola Bottling Co.                                   | 600          | 4    | 1.7                                 | 550          | 4    | 1.5                                 |
| Northern Tool & Equipment Co.                             | 600          | 4    | 1.7                                 | 425          | 5    | 1.2                                 |
| Mackin Media Library                                      | 400          | 6    | 1.2                                 | –            | –    | –                                   |
| Yellow Transportation                                     | 400          | 6    | 1.2                                 | –            | –    | –                                   |
| Asset Marketing Services                                  | 350          | 8    | 1.0                                 | –            | –    | –                                   |
| Frontier Communications of MN                             | 300          | 9    | 0.9                                 | 250          | 10   | 0.7                                 |
| Cub Foods   | 300          | 9    | –                                   | –            | –    | –                                   |
| Walmart   | 300          | 9    | –                                   | –            | –    | –                                   |
| City of Burnsville  | –            | –    | –                                   | 318          | 6    | 0.9                                 |
| Park Nicollet Clinic                                      | –            | –    | –                                   | 277          | 7    | 0.8                                 |
| Byerly's  | –            | –    | –                                   | 270          | 8    | 0.8                                 |
| Ebenezer Ridges Care Center                               | –            | –    | –                                   | 262          | 9    | 0.7                                 |
| <b>Total</b>  | <b>7,450</b> |      | <b>20.0 %</b>                       | <b>6,352</b> |      | <b>17.8 %</b>                       |

Source: Minnesota Department of Employment and Economic Development and Minnesota Manufacturers Register

**CITY OF BURNSVILLE, MINNESOTA**

**Full Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

|                                   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Function:                         |               |               |               |               |
| General government                | 44.70         | 43.25         | 43.25         | 43.65         |
| Public safety:                    |               |               |               |               |
| Police                            | 97.10         | 101.60        | 92.40         | 93.40         |
| Fire                              | 41.00         | 41.00         | 41.00         | 41.00         |
| Inspections                       | 9.25          | 8.85          | 9.00          | 9.00          |
| Public works and parks:           |               |               |               |               |
| Engineering                       | 17.29         | 17.00         | 17.00         | 17.00         |
| Parks                             | 32.74         | 19.13         | 19.00         | 19.00         |
| Public works                      | 15.41         | 14.00         | 14.00         | 14.00         |
| Fleet maintenance                 | 8.22          | 8.00          | 8.00          | 8.00          |
| Recreation                        | 18.24         | 8.25          | 8.25          | 8.75          |
| Conservation of natural resources | 2.00          | 2.00          | 2.00          | 2.00          |
| Economic development              | 2.00          | 2.00          | 2.00          | 1.00          |
| Water and sewer                   | 15.08         | 13.00         | 13.00         | 13.00         |
| Storm drainage                    | 4.12          | 3.87          | 4.00          | 3.50          |
| Ice arena                         | 11.97         | 7.50          | 7.50          | 7.50          |
| Golf course                       | 4.32          | 2.30          | 2.30          | 2.30          |
|                                   |               |               |               |               |
| Total                             | <u>323.44</u> | <u>291.75</u> | <u>282.70</u> | <u>283.10</u> |

Source: Annual City Budget Documents

Note: Previous to fiscal year 2006, FTE calculations included a factor for seasonal part-time employee hours. For fiscal year 2006 and on, the hours include only full-time and regular part-time positions consistent with the City's budget process

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| <b>2009</b>   | <b>2010</b>   | <b>2011</b>   | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 40.40         | 40.40         | 41.10         | 41.20         | 41.40         | 41.40         |
| 89.90         | 91.90         | 91.90         | 91.40         | 91.40         | 90.90         |
| 40.00         | 40.00         | 40.00         | 40.00         | 40.00         | 40.00         |
| 7.00          | 7.00          | 7.00          | 7.00          | 11.50         | 12.50         |
| 14.00         | 14.00         | 14.00         | 14.00         | 13.00         | 13.00         |
| 19.00         | 18.00         | 18.00         | 18.00         | 18.00         | 18.00         |
| 12.00         | 12.00         | 12.00         | 12.00         | 12.00         | 12.00         |
| 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          |
| 7.00          | 8.00          | 8.00          | 7.00          | 6.00          | 6.00          |
| 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 14.00         | 15.00         | 15.00         | 15.00         | 15.00         | 15.00         |
| 3.50          | 3.50          | 3.50          | 3.50          | 3.50          | 3.50          |
| 7.50          | 7.30          | 7.30          | 7.30          | 6.50          | 6.50          |
| 1.50          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          |
| <b>266.80</b> | <b>269.60</b> | <b>270.30</b> | <b>268.90</b> | <b>270.80</b> | <b>271.30</b> |

**CITY OF BURNSVILLE, MINNESOTA**

**Operating Indicators by Function  
Last Ten Fiscal Years**

| Function   | Fiscal Year |        |        |        |
|--|-------------|--------|--------|--------|
|  | 2005        | 2006   | 2007   | 2008   |
| Police   |             |        |        |        |
| Total calls for service                                | 47,875      | 46,154 | 44,596 | 52,442 |
| Arrests - Adult  | 2,635       | 3,014  | 2,458  | 2,309  |
| Arrests - Juvenile                                     | 727         | 770    | 695    | 514    |
| Traffic citations                                      | 10,029      | 11,251 | 13,268 | 12,826 |
| Fire and Emergency Services                            |             |        |        |        |
| Number of calls (excluding EMS)                        | 1,321       | 1,279  | 1,347  | 1,435  |
| Number of Emergency Medical Service (EMS) calls        | 3,120       | 3,204  | 3,241  | 3,356  |
| EMS patients served                                    | 2,429       | 2,465  | 2,466  | 2,509  |
| Protective inspections                                 |             |        |        |        |
| Plan reviews   | 829         | 757    | 695    | 848    |
| Building permits issued                                | 5,465       | 5,650  | 6,037  | 5,424  |
| Field inspections (Bldg, Plbg, Htg, Gas, S&W)          | 10,291      | 10,652 | 9,922  | 9,765  |
| Code enforcement inspections                           | 2,407       | 3,184  | 4,263  | 2,786  |
| Public works   |             |        |        |        |
| Street rehabilitation/resurfacing (miles)              | 2.8         | 3.0    | 1.9    | 2.3    |
| Sealcoating (miles)                                    | 11.0        | 13.0   | 18.0   | 16.0   |
| Snow and ice control (miles)                           | 216         | 216    | 218    | 219    |
| Recreation   |             |        |        |        |
| Youth recreation activity participants                 | 14,645      | 18,558 | 19,381 | 19,937 |
| The Garage Attendance                                  | 30,388      | 32,380 | 20,243 | 17,990 |
| Water  |             |        |        |        |
| New connections  | 125         | 58     | 53     | 37     |
| Water main breaks                                      | 16          | 18     | 16     | 18     |
| Average daily consumption<br>(thousands of gallons)    | 7,200       | 8,155  | 7,989  | 7,618  |
| Total daily pumping capacity<br>(thousands of gallons) | 23,000      | 25,000 | 25,000 | 25,000 |
| Sewer  |             |        |        |        |
| Average daily flow<br>(thousands of gallons)           | 5,370       | 5,610  | 5,409  | 5,480  |
| Storm Water  |             |        |        |        |
| Street sweeping (miles)                                | 216         | 216    | 218    | 219    |
| Golf course  |             |        |        |        |
| Annual rounds sold                                     | 30,031      | 27,740 | 26,850 | 26,118 |
| Ice Center   |             |        |        |        |
| Learn to skate participants                            | 1,520       | 1,814  | 1,650  | 1,339  |

Sources: Various City departments

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

| 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |
|--------|--------|--------|--------|--------|--------|
| 53,550 | 51,698 | 40,771 | 46,632 | 47,906 | 46,209 |
| 2,090  | 1,851  | 2,069  | 2,058  | 2,110  | 1,888  |
| 532    | 473    | 490    | 410    | 370    | 367    |
| 11,751 | 11,095 | 9,346  | 8,981  | 7,960  | 7,898  |
| 1,351  | 1,353  | 1,305  | 1,248  | 1,388  | 1,353  |
| 3,496  | 3,375  | 3,650  | 3,732  | 4,023  | 4,303  |
| 2,559  | 2,469  | 2,678  | 2,861  | 3,035  | 3,269  |
| 394    | 428    | 317    | 438    | 468    | 488    |
| 4,473  | 5,852  | 2,097  | 6,415  | 6,161  | 7,252  |
| 7,269  | 7,072  | 6,584  | 6,426  | 5,622  | 6,244  |
| 2,846  | 1,639  | 3,515  | 538    | 2,690  | 3,970  |
| 4.1    | 4.2    | 6.2    | 7.6    | 5.2    | 5.2    |
| 19.9   | 11.2   | 12.9   | 23.3   | 7.5    | 18.5   |
| 220    | 221    | 221    | 222    | 222    | 222    |
| 19,693 | 18,635 | 21,722 | 20,106 | 20,842 | 23,006 |
| 20,566 | 23,738 | 31,992 | 16,267 | 25,044 | 22,500 |
| 23     | 14     | 21     | 20     | 15     | 27     |
| 28     | 27     | 17     | 12     | 19     | 17     |
| 8,040  | 8,422  | 8,940  | 9,830  | 9,215  | 9,008  |
| 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 |
| 5,497  | 5,153  | 5,352  | 5,031  | 5,125  | 5,346  |
| 220    | 221    | 221    | 222    | 222    | 222    |
| 27,243 | 24,918 | 22,124 | 23,847 | 20,541 | 20,851 |
| 1,192  | 410    | 687    | 602    | 580    | 513    |

# CITY OF BURNSVILLE, MINNESOTA

## Capital Asset Statistics by Function Last Ten Fiscal Years

| Function   | Fiscal Year |        |        |        |        |
|--|-------------|--------|--------|--------|--------|
|  | 2005        | 2006   | 2007   | 2008   | 2009   |
| Public safety                                    |             |        |        |        |        |
| Police   |             |        |        |        |        |
| Stations   | 1           | 1      | 1      | 1      | 1      |
| Patrol units                                     | 22          | 22     | 21     | 21     | 22     |
| Fire stations                                    | 2           | 2      | 2      | 2      | 2      |
| Public works                                     |             |        |        |        |        |
| Streets (miles)                                  | 216.2       | 216.4  | 218.3  | 218.7  | 220.0  |
| Traffic signals                                  | 19          | 19     | 19     | 19     | 20     |
| Parks and recreation                             |             |        |        |        |        |
| Parks acreage                                    | 1,746       | 1,800  | 1,800  | 1,800  | 1,800  |
| Parks  | 76          | 79     | 79     | 79     | 79     |
| Turf maintained (acres)                          | 645         | 645    | 645    | 645    | 645    |
| Atheletic fields maintained                      | 142         | 142    | 142    | 142    | 142    |
| Golf course                                      | 1           | 1      | 1      | 1      | 1      |
| Ice skating rinks                                |             |        |        |        |        |
| Indoor   | 2           | 2      | 2      | 2      | 2      |
| Outdoor  | 43          | 43     | 43     | 43     | 29     |
| Water  |             |        |        |        |        |
| Water mains (miles)                              | 254.1       | 254.1  | 254.9  | 254.8  | 255.2  |
| Wells  | 16          | 17     | 17     | 17     | 17     |
| Connections                                      | 16,129      | 16,187 | 16,240 | 16,277 | 16,300 |
| Total storage capacity<br>(thousands of gallons) | 19,000      | 19,000 | 19,000 | 19,000 | 19,000 |
| Sewer  |             |        |        |        |        |
| Sanitary sewers (miles)                          | 205.9       | 205.9  | 207.4  | 207.4  | 207.5  |
| Number of connections                            | 16,183      | 16,238 | 16,290 | 16,330 | 16,355 |
| Storm sewers (miles)                             | 191.4       | 191.5  | 192.1  | 193.6  | 193.9  |

Sources: Various City departments

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

| 2010   | 2011   | 2012   | 2013   | 2014   |
|--------|--------|--------|--------|--------|
| 1      | 1      | 1      | 1      | 1      |
| 20     | 21     | 26     | 26     | 26     |
| 2      | 2      | 2      | 2      | 2      |
| 220.8  | 221.4  | 221.8  | 221.9  | 220.4  |
| 21     | 22     | 22     | 22     | 22     |
| 1,750  | 1,750  | 1,750  | 1,750  | 1,750  |
| 76     | 76     | 76     | 76     | 76     |
| 645    | 645    | 645    | 645    | 645    |
| 142    | 142    | 142    | 142    | 142    |
| 1      | 1      | 1      | 1      | 1      |
| 2      | 2      | 2      | 2      | 2      |
| 29     | 29     | 29     | 29     | 29     |
| 257.3  | 257.7  | 258.2  | 258.3  | 259.8  |
| 17     | 17     | 17     | 17     | 17     |
| 16,572 | 16,593 | 16,613 | 16,628 | 16,655 |
| 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| 209.1  | 209.1  | 209.1  | 209.3  | 209.3  |
| 16,095 | 16,107 | 16,119 | 16,119 | 16,073 |
| 194.6  | 195.4  | 195.7  | 196.8  | 196.8  |

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