

CITY OF BURNSVILLE, MINNESOTA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2015

**Prepared by:
Department of Finance**

CITY OF BURNSVILLE, MINNESOTA

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June 7, 2016

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, 2015. 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 61,747, 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 the City has operational responsibility of the EDA. As a result of applying the entity definition criteria of the GASB, the EDA has been included in the City's financial statements as a blended component unit.

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

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

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

Local Economy

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has decreased 6% over the past ten years from \$5.73 billion in 2006 to \$5.37 billion in 2015. During this time there was a period of five years from 2009 through 2013 of flat or declining values with an average of 4.8 percent per year. The two most recent years have had increasing market values of 2.4 percent in 2014 and 8.5 percent in 2015. Burnsville continues to monitor valuation trends.

Property value growth consists of both growth from valuation increases on existing properties and growth due to new construction and remodeling. After a phase of rapid and extensive development, the City continues to grow but has attained many of its development objectives. Burnsville is now considered over 98% developed, however, the City continues to promote development and redevelopment. Citywide permits issued in 2015 totaled approximately \$55 million in valuation.

There are 24,960 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 2015, over 35,851 of the city's residents were in the labor force and the average unemployment rate for 2015 was 3.5%, which was the same as the rate for the metro area estimated at 3.2% 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 2,400 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 2016 budget that called for a total increase in tax levy of 4.6%. The adopted 2016 budget addresses fundamental community needs, including maintaining established basic service levels and long-term infrastructure replacement.

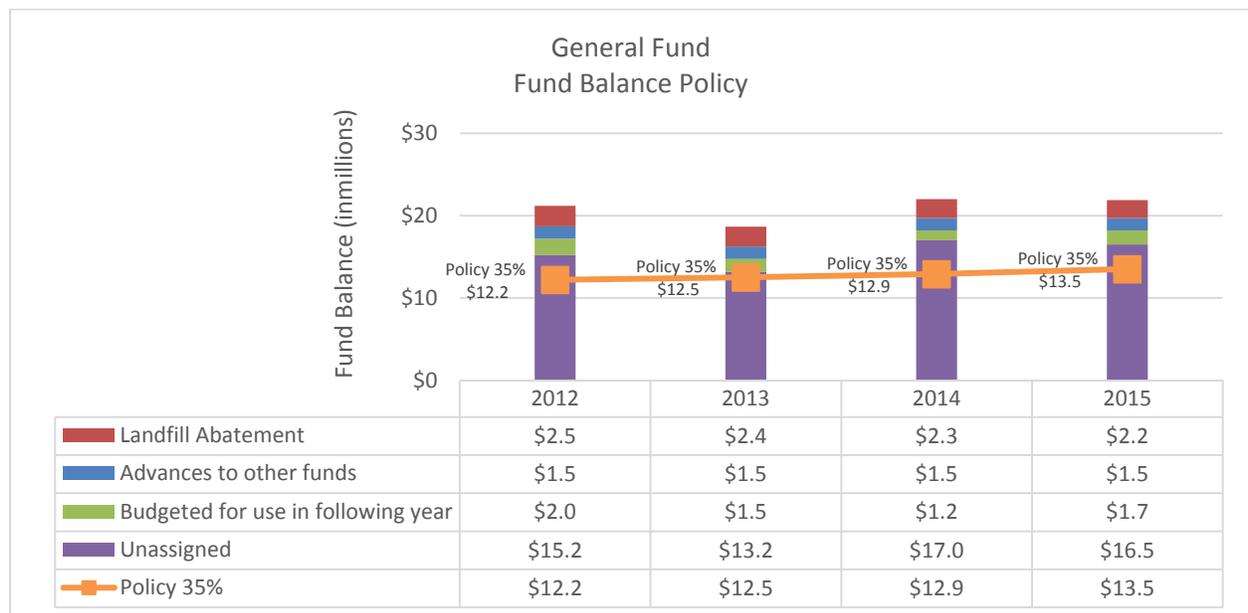
Relevant Financial Policies

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.



Major Initiatives

The year 2015 was the sixth 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 seventh 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 completed on a \$40 million intersection improvement project at County Road 5 and State Highway 13 during 2015. 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, 2014. This was the 20th 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, 2014

Executive Director/CEO

CITY OF BURNSVILLE, MINNESOTA

CITY COUNCIL AND OTHER OFFICIALS

City Council:		Term Expires:
Mayor	Elizabeth Kautz	December 31, 2016
Councilmember	Bill Coughlin	December 31, 2018
Councilmember	Dan Kealey	December 31, 2018
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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burnsville, Minnesota (the City) as of and for the year ended December 31, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, during the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 7, 2016 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
June 7, 2016

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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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the notes to the basic financial statements. Amounts presented in the narrative of this Management's Discussion and Analysis have been rounded to the nearest thousand.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$242,777,000 (net position). Of this amount, \$36,319,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; \$15,857,000 is restricted for specific purposes (restricted net position); and \$190,602,000 represents the net investment in capital assets.
- The City's total net position increased by \$5,324,000, excluding the change in accounting principle reported in the current year as discussed below. The increase is a combination of surpluses and deficits, including savings from operations, but a major reason is the City is generating sufficient cash to build significant new infrastructure and pay down current debt.
- The City recorded a change in accounting principle in the current year for reporting the City's participation in defined benefit pension plans. This change reduced beginning net position in the government-wide financial statements by \$20,680,000.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,605,000, an increase of \$6,752,000 in comparison with the prior year. There were a number of factors that contributed to this increase. The City issued crossover refunding bonds in December 2015. The proceeds of \$7,030,000 will be used to call outstanding debt in February 2018. The increase in the fair value of investments of \$548,000 during 2015 also contributed to the increase. The balance is a result of the net effect of budget surpluses and deficits.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,505,000, or 43% of total budgeted 2016 general fund expenditures and transfers.
- The City's general obligation debt increased by \$3,615,000, or 10%, during the current fiscal year. The City's general obligation net bonded debt per capita was \$457 at year-end, a decrease from \$503 as of December 31, 2014.

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 general obligation improvement bonds debt service fund, the improvement construction capital project fund, and the infrastructure trust capital projects fund. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund, improvement construction capital projects 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 43-78 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 79-81 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$242,777,000 at the close of the most recent fiscal year.

The largest portion of the City’s net position (79 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 (\$36,319,000) 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 62,493,664	\$ 56,882,103	\$ 30,030,262	\$ 31,811,981	\$ 92,523,926	\$ 88,694,084
Capital assets, net	121,195,276	119,507,086	124,627,766	120,969,964	245,823,042	240,477,050
Total assets	183,688,940	176,389,189	154,658,028	152,781,945	338,346,968	329,171,134
Total deferred outflows						
of resources	4,339,258	-	197,333	-	4,536,591	-
Long-term liabilities	70,729,824	45,983,152	18,753,068	17,218,068	89,482,892	63,201,220
Other liabilities	6,128,408	6,354,852	1,164,831	1,480,795	7,293,239	7,835,647
Total liabilities	76,858,232	52,338,004	19,917,899	18,698,863	96,776,131	71,036,867
Total deferred inflows						
of resources	3,153,692	-	176,242	-	3,329,934	-
Net position:						
Net investment in capital assets	102,170,883	97,997,455	107,526,787	104,005,794	190,601,833	182,353,752
Restricted	15,856,787	16,258,586	-	-	15,856,787	17,152,577
Unrestricted	(10,011,396)	9,795,144	27,234,433	30,077,288	36,318,874	58,627,938
Total net position	\$ 108,016,274	\$ 124,051,185	\$ 134,761,220	\$ 134,083,082	\$ 242,777,494	\$ 258,134,267

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position, for both the government as a whole as well as for its separate business-type activities. The City reported a deficit of (\$10,011,000) in unrestricted net position for the government activities due to a change in accounting principle in the current year for reporting the City’s participation in defined benefit plans.

There was a decrease in net position in the governmental activities of \$16,035,000 and an increase of \$678,000 in business-type activities, for a net total decrease of \$15,357,000 in net position. This change in net position reflects an increase of \$5,324,000 from the current year operating results while the change in accounting principle mentioned earlier reduced unrestricted net position by \$20,680,000. This change in accounting principle for pensions significantly increased deferred outflows of resources, long-term liabilities, and deferred inflows of resources, as presented in the table on the previous page. Crossover refunding bonds outstanding also contributed to an increase in assets and long-term liabilities in governmental activities as of December 31, 2015.

City of Burnsville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,605,546	\$ 8,938,935	\$ 21,964,343	\$ 21,861,269	\$ 30,569,889	\$ 30,800,204
Operating grants and contributions	2,367,689	2,134,004	378,154	404,262	2,745,843	2,538,266
Capital grants and contributions	8,609,473	7,016,281	300,664	1,173,117	8,910,137	8,189,398
General revenues:						
Property taxes	30,699,759	29,444,693	-	-	30,699,759	29,444,693
Other taxes	1,122,381	1,018,409	-	-	1,122,381	1,018,409
Grants and contributions not restricted to specific programs	973,068	915,373	48,681	50,574	1,021,749	965,947
Unrestricted investment earnings	1,091,944	3,300,247	358,342	415,667	1,450,286	3,715,914
Total revenues	53,469,860	52,767,942	23,050,184	23,904,889	76,520,044	76,672,831
Expenses:						
General government	6,573,281	6,362,440	-	-	6,573,281	6,362,440
Public safety	21,441,358	19,941,045	-	-	21,441,358	19,941,045
Public works and parks	15,901,625	15,837,464	-	-	15,901,625	15,837,464
Culture and recreation	1,089,081	1,246,522	-	-	1,089,081	1,246,522
Conservation of natural resources	1,071,242	1,023,827	-	-	1,071,242	1,023,827
Economic development	498,231	465,692	-	-	498,231	465,692
Interest on long-term debt	1,379,238	1,422,743	-	-	1,379,238	1,422,743
Water and sewer	-	-	14,889,284	14,929,321	14,889,284	14,929,321
Storm water	-	-	3,879,088	3,369,746	3,879,088	3,369,746
Performing arts center	-	-	2,090,481	2,192,667	2,090,481	2,192,667
Ice arena	-	-	1,423,315	1,291,264	1,423,315	1,291,264
Golf course	-	-	287,488	267,345	287,488	267,345
Street lighting	-	-	646,268	482,110	646,268	482,110
Sidewalk snow plowing	-	-	26,455	114,210	26,455	114,210
Total expenses	47,954,056	46,299,733	23,242,379	22,646,663	71,196,435	68,946,396
Increase (decrease) in net position before transfers	5,515,804	6,468,209	(192,195)	1,258,226	5,323,609	7,726,435
Transfers	(2,221,674)	540,066	2,221,674	(540,066)	-	-
Increase in net position	3,294,130	7,008,275	2,029,479	718,160	5,323,609	7,726,435
Net position on January 1, as restated*	104,722,144	117,042,910	132,731,741	133,364,922	237,453,885	250,407,832
Net position on December 31	\$ 108,016,274	\$124,051,185	\$134,761,220	\$134,083,082	\$242,777,494	\$ 258,134,267

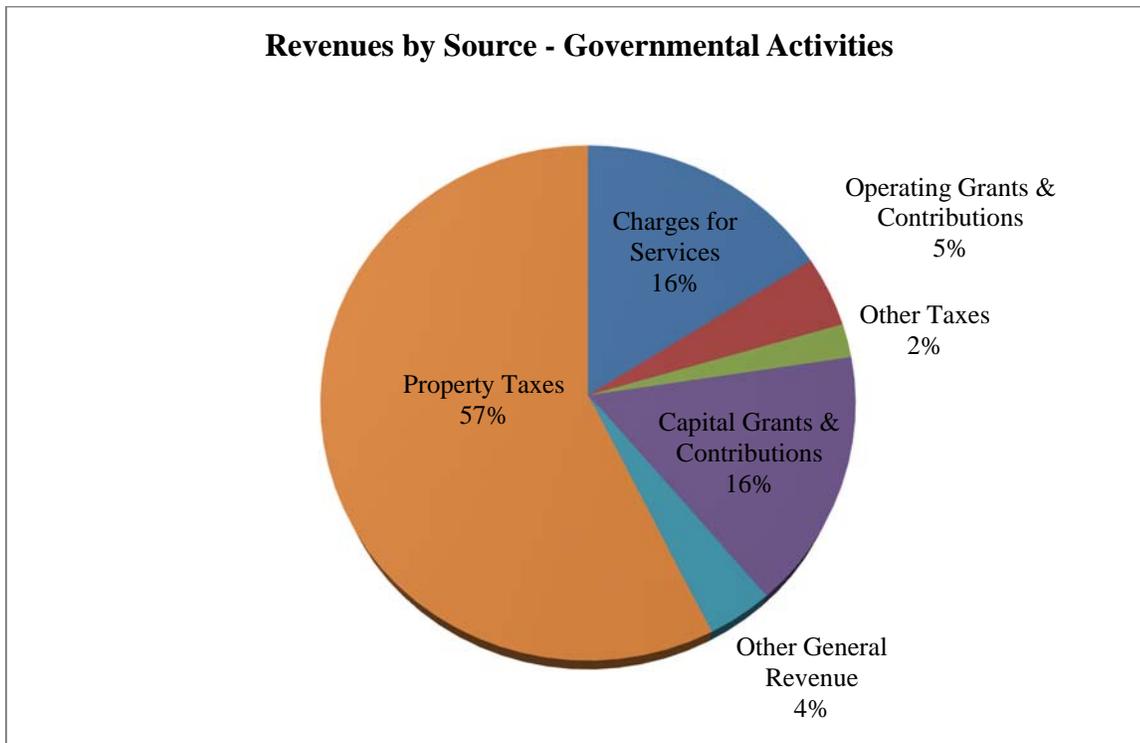
* The City implemented a change in accounting principle for the year ended December 31, 2015 that required a restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2014 and beginning net position on January 1, 2015. See Note 1.E.

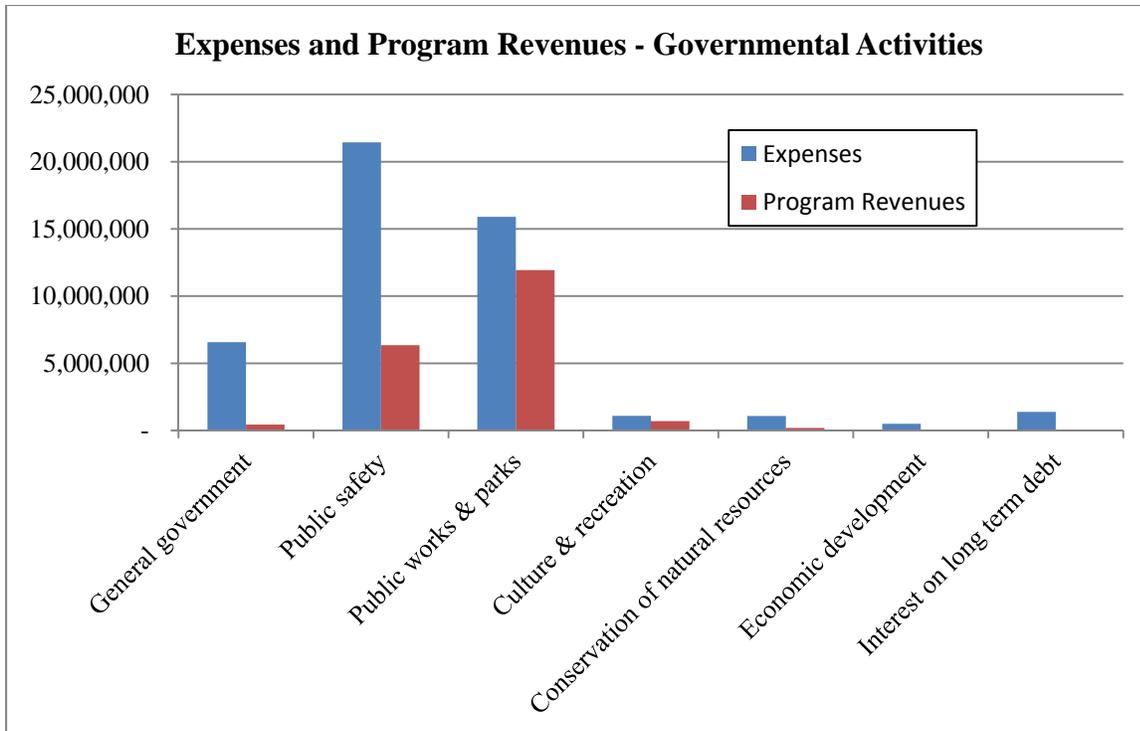
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City’s net position by \$3,294,000 in 2015, while the increase in total net position was \$5,324,000.

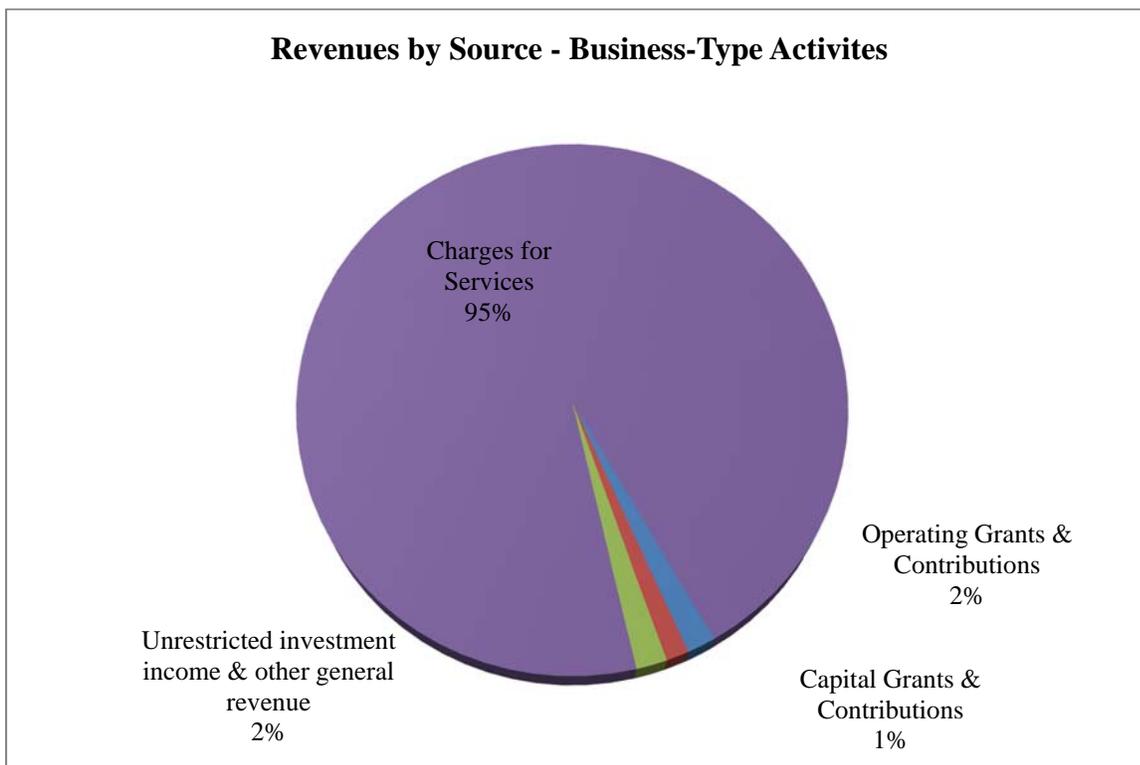
Revenues increased in total by \$702,000, or 1%, mainly due to increases in capital grants and property taxes offset partially by a decrease in unrestricted investment earnings of \$2,208,000. Expenses increased in total by \$1,654,000, or 4% in 2015. Key elements of these changes follow:

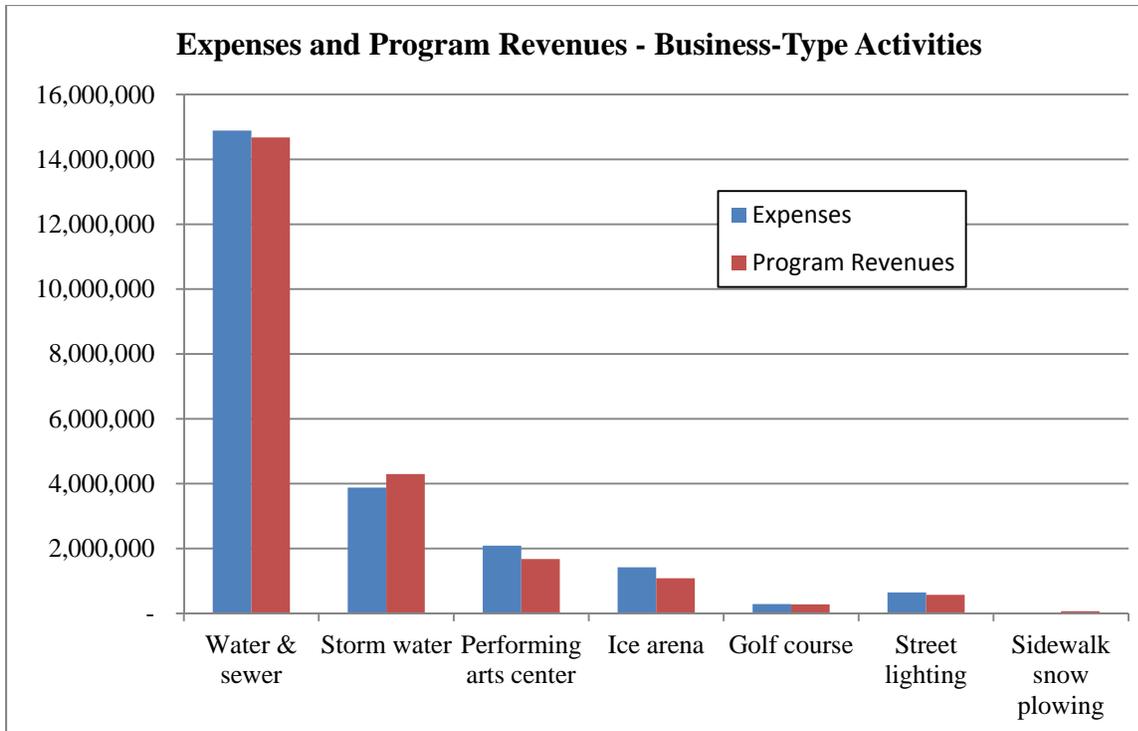
- Capital grants and contributions increased by \$1,593,000 in 2015. The City received an advance of municipal state aid funding which increased revenue for that purpose by \$2,821,000. Other state and local funding for completed construction projects decreased in 2015. Special assessments also decreased for smaller construction projects assessed in 2015.
- Unrestricted investment earnings decreased by \$2,208,000 in 2015, mainly a result of a smaller increase in the fair value of investments in the current year of \$548,000. In 2014, the fair value of investments increased by \$2,715,000.
- Expenses increased by \$1,654,000, or 4%, for 2015. Generally, changes in expenses closely paralleled budgeted amounts across functions.





Business-type activities. Business-type activities increased the City’s net position by \$2,029,000 in 2015, while the increase in total net position was \$5,324,000. In 2015 \$2,534,000 in utility infrastructure was transferred from the governmental activities to the business-type activities.





Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,605,000, an increase of \$6,752,000 in comparison with the prior year. Approximately 63% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is 1) not in spendable form (\$1,492,000), or 2) not available for new spending because it has already been obligated for specific purposes (\$15,566,000).

The general fund is the chief operating fund of the City. At the end of 2015, unassigned fund balance of the general fund was \$16,505,000, while total fund balance reached \$21,849,000. 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 43% of total general fund 2016 budgeted expenditures and transfers, while total fund balance represents 56% of that same amount.

The fund balance of the City's general fund increased by \$1,444,000 during the current fiscal year. While overall revenues decreased slightly, due mainly to a decrease in the net change in fair value of investments from 2014 to 2015, other revenue categories were close to expected amounts. Transfers from other funds remained unchanged in 2015.

Expenditures and transfers to other funds also increased by \$848,000 for 2015, but were lower than expected across most departments

The General Obligation Improvement Bond fund had a decrease in fund balance of \$280,000. Total fund balance was \$4,186,000 and \$4,466,000 as of December 31, 2015 and 2014 respectively. The entire fund balance is restricted for the payment of debt service. The decrease is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Improvement Construction Capital Projects fund had a decrease in fund balance of \$8,500 during 2015. Timing of funding for projects closely followed project expenditures during 2015.

The Infrastructure Trust Capital Projects fund had an increase in fund balance of \$170,000 during 2015. 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 expenditures in 2015. The City received municipal state aid advances in the current year to fund larger infrastructure replacement and rehabilitation projects which resulted in an increase to 2015 revenue. Offsetting the increase in revenues of \$2,821,000 was an increase in infrastructure expenditures of \$2,727,000.

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 \$18,578,000 for the Water and Sewer fund, \$8,344,000 for the Storm Water fund, and (\$1,058,000) for the Ames Center fund. The total change in net position of the major enterprise funds were \$695,000 for the Water and Sewer fund, \$1,995,000 for the Storm Water fund and (\$301,000) for the Ames Center fund.

The increase in the Water and Sewer fund net position was mainly due to capital contributions from the governmental activities of \$1,012,000 in 2015. Utility infrastructure associated with the County Road 5 and Highway 13 improvements was transferred to the Water and Sewer Fund in 2015. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2015 were offset by a slight decrease in water consumption due to timely summer rainfall, which decreased the need for outside watering during the summer. The increase in revenues was offset by a slight increase in operating expenses.

The increase in the Storm Water fund net position was mainly due to capital contributions from the governmental activities of \$1,522,000 in 2015. Storm water infrastructure associated with the County Road 5 and Highway 13 improvements was transferred to the Storm Water Fund in 2015. The increase in the net position of the Storm Water fund during 2015 was also affected by operating revenues exceeding expenses. Operating revenues remained stable with no increase in rates for 2015. Operating expenses increased during 2015 for increased rehabilitation and maintenance costs.

The change in net position of the Ames Center fund increased by \$12,000, from (\$313,000) in 2014 to (\$301,000) in 2015. The decrease in the net position of the Ames Center was mainly the expected result of operations, including the recognition of depreciation of \$545,000 during 2015. Operating revenues remained stable with a slight decrease of \$78,000 during 2015. The City continued to receive \$100,000 for the Ames Center naming rights in 2015. The decrease in revenues was offset by a decrease in operating expenses of \$102,000 to \$2,090,000.

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 \$195,000 for expenditures for the fiscal year. The difference between the original budget and final amended budget for revenue was a net increase of \$115,000.

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 2015 by \$481,000. The major factor contributing to the change in revenue was the net change in the fair value of investments in 2015 of \$568,000. The City does not budget for the increase or decrease in fair market value of investments. Revenues across other categories were close to budgeted amounts in 2015, and differences were small individually.

Actual expenditures were 4% below budgeted expenditures in total. Total budget savings in the general fund were \$1,384,000. Budget savings were spread throughout many departments and were a result of modest savings in current expenditures.

General Fund budget to actual information can be found on page 38 and page 88.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$245,823,000 (net of accumulated depreciation). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 2.2 percent (1.4 percent increase for governmental activities and a 3 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 sanitary and storm water lift station improvements, Black Dog Trail construction and the TH 13 and CSAH 5 intersection and related infrastructure improvements.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 21,118,100	\$ 19,172,542	\$ 3,234,899	\$ 3,234,899	\$ 24,352,999	\$ 22,407,441
Permanent easements	2,241,617	2,163,873	3,028,966	2,962,986	5,270,583	5,126,859
Buildings	17,838,909	18,302,501	29,967,046	31,017,498	47,805,955	49,319,999
Infrastructure and improvements	67,759,355	65,985,141	85,797,605	80,862,253	153,556,960	146,847,394
Equipment and vehicles	8,976,314	8,476,420	2,271,791	2,238,482	11,248,105	10,714,902
Construction in progress	3,260,981	5,406,609	327,459	653,846	3,588,440	6,060,455
Total	<u>\$ 121,195,276</u>	<u>\$ 119,507,086</u>	<u>\$ 124,627,766</u>	<u>\$ 120,969,964</u>	<u>\$ 245,823,042</u>	<u>\$ 240,477,050</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 \$61,600,000.

City of Burnsville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 380,000	\$ 775,000	\$ -	\$ -	\$ 380,000	\$ 775,000
Tax increment bonds	4,875,000	5,460,000	-	-	4,875,000	5,460,000
Tax abatement bonds	21,640,000	14,970,000	-	-	21,640,000	14,970,000
General obligation improvement bonds	13,433,078	15,507,779	806,922	1,417,221	14,240,000	16,925,000
Lease revenue bonds	4,470,000	4,695,000	-	-	4,470,000	4,695,000
General obligation revenue bonds	-	-	15,995,000	15,305,000	15,995,000	15,305,000
Total	<u>\$ 44,798,078</u>	<u>\$ 41,407,779</u>	<u>\$ 16,801,922</u>	<u>\$ 16,722,221</u>	<u>\$ 61,600,000</u>	<u>\$ 58,130,000</u>

The City's total debt increased by \$3,470,000 during the current fiscal year. The increase was the net effect of three key factors: debt issuance and refinancing and scheduled retirement of principal.

In 2015, the City issued \$2,970,000 G.O. Improvement and Utility Revenue Bonds to fund the special assessment and water and sewer portion of infrastructure improvements within the City. The City also issued \$7,030,000 G.O. Tax Abatement Refunding Bonds in December 2015 to partially refund the \$16,800,000 G.O. Tax Abatement Bonds, Series 2008A on the crossover date of February 1, 2018. The increase in debt due to bond issuance was partially offset by retirement of bond principal during 2015.

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 \$161,202,041, which is significantly in excess of the City’s general obligation debt of \$380,000.

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 2015 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 2015 levels with a 4.6% increase in the property tax levy for 2016. The City Council adopted a general operating and debt budget of \$65.6 million for fiscal year 2016, a 1% decrease from the 2015 budget, primarily due to a decrease in scheduled debt retirement. The 2016 budget for the enterprise funds is \$40.5 million compared to \$35.9 million for 2015.

- Significant budget changes worth noting for 2016 general operating budget as originally adopted include:
 - Modest increases to wages and increases to seasonal staffing for minimum wage law changes.
 - Approximately 6.7% increase in current expenditures across all funds.
 - Increases in the Community Development Department for the Comprehensive Plan update beginning in 2016.
 - Facilities improvements of \$8,350,000 and issuance of bonds to finance the improvements.
 - Issuance of bonds and related debt service payments for the special assessment portion of street projects.

- The 2016 enterprise fund budget changes include the following:
 - Increase of \$350,000 over 2015 in current expenses for Metropolitan Council Environmental Services (MCES) waste water treatment expense in the Water and Sewer Fund.
 - Increase in budgeted capital outlay including \$8,700,000 for replacement of water meters installed in homes and businesses across the City in 2016.
 - Capital improvements in the Storm water fund includes \$1,250,000 for Crystal Beach Park and Keller Lake water quality improvement project.
 - 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 2015 unemployment rate for the City was 3.2 percent, which compares favorably with the state’s unemployment rate of 3.7 percent and the national unemployment rate of 4.8 percent.
- The City had an 8.5 percent increase in tax base from 2015. Estimated taxable market value was \$5.37 billion in 2015.

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

The City has been instituting an increase in the rates charged for the various utilities as part of a multi-year plan to raise sufficient reserve balances in order to fully cover system depreciation, thereby allowing for adequate replacement of aging infrastructure. The City does an annual rate study considering budgeted operating costs, and replacement costs of property, plant, and equipment to establish adequate rates. It was determined that rate increases for 2016 (4.5% for Water and Sewer, 1% for Storm Water, 25% for Sidewalk Snow Plowing) were necessary to meet operating and replacement needs. No rate increase were proposed for the Street Light Utility Fund.

Requests for Information

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

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Basic Financial Statements



City of Burnsville
Statement of Net Position
December 31, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash, cash equivalents and investments	\$ 41,589,313	\$ 25,666,899	\$ 67,256,212
Restricted cash, cash equivalents, and investments	7,398,978	-	7,398,978
Receivables (net)	9,434,364	5,824,513	15,258,877
Due from other governments	2,529,465	55,505	2,584,970
Internal balances	1,541,544	(1,541,544)	-
Prepaid items	-	24,889	24,889
Capital assets:			
Land	21,118,100	3,234,899	24,352,999
Permanent easements	2,241,617	3,028,966	5,270,583
Construction-in-progress	3,260,981	327,459	3,588,440
Buildings	29,621,814	44,060,066	73,681,880
Infrastructure and improvements	175,082,472	159,528,454	334,610,926
Equipment and vehicles	21,915,833	6,486,955	28,402,788
	<u>253,240,817</u>	<u>216,666,799</u>	<u>469,907,616</u>
Less accumulated depreciation	(132,045,541)	(92,039,033)	(224,084,574)
Net capital assets	<u>121,195,276</u>	<u>124,627,766</u>	<u>245,823,042</u>
Total assets	<u>183,688,940</u>	<u>154,658,028</u>	<u>338,346,968</u>
Deferred Outflows of resources			
Deferred outflows of resources - pensions	<u>4,339,258</u>	<u>197,333</u>	<u>4,536,591</u>
Total assets and deferred outflows of resources	<u>\$ 188,028,198</u>	<u>\$ 154,855,361</u>	<u>\$ 342,883,559</u>
Liabilities			
Accounts payable	\$ 960,829	\$ 605,406	\$ 1,566,235
Salaries and other compensation payable	1,028,471	1,078	1,029,549
Accrued interest	323,456	33,652	357,108
Contracts payable	1,316,881	461,632	1,778,513
Due to other governments	500,608	23,613	524,221
Unearned revenue	156,597	-	156,597
Customer and other deposits	1,841,566	39,450	1,881,016
Noncurrent liabilities:			
Due within one year	3,351,243	2,246,883	5,598,126
Due in more than one year	67,378,581	16,506,185	83,884,766
Total liabilities	<u>76,858,232</u>	<u>19,917,899</u>	<u>96,776,131</u>
Deferred Inflows of resources			
Deferred inflows of resources - pensions	<u>3,153,692</u>	<u>176,242</u>	<u>3,329,934</u>
Net Position (Deficit)			
Net investment in capital assets	102,170,883	107,526,787	190,601,833
Restricted			
Debt service	13,271,113	-	13,271,113
Landfill abatement	2,276,208	-	2,276,208
Tax Increment	203,243	-	203,243
Facilities	48,000	-	48,000
Parks Capital	58,223	-	58,223
Unrestricted	<u>(10,011,396)</u>	<u>27,234,433</u>	<u>36,318,874</u>
Total net position	<u>108,016,274</u>	<u>134,761,220</u>	<u>242,777,494</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 188,028,198</u>	<u>\$ 154,855,361</u>	<u>\$ 342,883,559</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, 2015**

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	
Governmental Activities:							
General government	\$ 6,573,281	\$ 426,636	\$ 8,773	\$ -	\$ (6,137,872)	\$ -	\$ (6,137,872)
Public safety	21,441,358	4,973,384	1,225,133	142,450	(15,100,391)	-	(15,100,391)
Public works and parks	15,901,625	2,825,050	795,321	8,307,818	(3,973,436)	-	(3,973,436)
Culture and recreation	1,089,081	377,436	154,239	159,205	(398,201)	-	(398,201)
Conservation of natural resources	1,071,242	2,040	184,223	-	(884,979)	-	(884,979)
Economic development	498,231	1,000	-	-	(497,231)	-	(497,231)
Interest on long-term debt	1,379,238	-	-	-	(1,379,238)	-	(1,379,238)
Total governmental activities	<u>47,954,056</u>	<u>8,605,546</u>	<u>2,367,689</u>	<u>8,609,473</u>	<u>(28,371,348)</u>	<u>-</u>	<u>(28,371,348)</u>
Business-Type Activities:							
Water and sewer	14,889,284	14,448,498	2,600	223,515	-	(214,671)	(214,671)
Storm water	3,879,088	4,208,439	9,724	77,149	-	416,224	416,224
Performing arts center	2,090,481	1,308,981	365,830	-	-	(415,670)	(415,670)
Ice arena	1,423,315	1,081,207	-	-	-	(342,108)	(342,108)
Golf course	287,488	280,153	-	-	-	(7,335)	(7,335)
Street lighting	646,268	571,265	-	-	-	(75,003)	(75,003)
Sidewalk snow plowing	26,455	65,800	-	-	-	39,345	39,345
Total business-type activities	<u>23,242,379</u>	<u>21,964,343</u>	<u>378,154</u>	<u>300,664</u>	<u>-</u>	<u>(599,218)</u>	<u>(599,218)</u>
Total governmental and business-type activities	<u>\$71,196,435</u>	<u>\$ 30,569,889</u>	<u>\$ 2,745,843</u>	<u>\$ 8,910,137</u>	<u>(28,371,348)</u>	<u>(599,218)</u>	<u>(28,970,566)</u>
General Revenues:							
Property taxes					30,699,759	-	30,699,759
Lodging tax					363,409	-	363,409
Franchise taxes					758,972	-	758,972
Grants and contributions not restricted to specific programs					973,068	48,681	1,021,749
Unrestricted investment earnings					544,141	358,342	902,483
Net change in fair value of investments					547,803	-	547,803
Transfers					(2,221,674)	2,221,674	-
Total general revenues and transfers					<u>31,665,478</u>	<u>2,628,697</u>	<u>34,294,175</u>
Change in Net Position					3,294,130	2,029,479	5,323,609
Net Position - Beginning, as restated (Note I.E.)					104,722,144	132,731,741	237,453,885
Net Position - Ending					<u>\$ 108,016,274</u>	<u>\$ 134,761,220</u>	<u>\$ 242,777,494</u>

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

**City of Burnsville
Balance Sheet
Governmental Funds
December 31, 2015**

	General	GO Improvement Bonds	Improvement Construction	Infrastructure Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, cash equivalents, and investments	\$ 21,173,112	\$ 4,124,071	\$ 895,355	\$ 4,735,580	\$ 7,881,558	\$ 38,809,676
Restricted cash, cash equivalents, and investments	-	-	-	-	7,398,978	7,398,978
Receivables, net of allowance for uncollectible amounts:						
Property taxes	156,746	2,923	-	19,625	14,135	193,429
Special assessments	157,642	7,438,637	270,069	-	-	7,866,348
Accrued interest	118,868	-	-	-	21,437	140,305
Accounts receivable	966,985	-	-	-	267,297	1,234,282
Due from other funds	75,000	-	-	-	50,000	125,000
Due from other governments	1,696,912	62,497	316,794	193,406	259,856	2,529,465
Advances to other funds	1,491,544	-	-	-	-	1,491,544
Total Assets	<u>\$ 25,836,809</u>	<u>\$ 11,628,128</u>	<u>\$ 1,482,218</u>	<u>\$ 4,948,611</u>	<u>\$ 15,893,261</u>	<u>\$ 59,789,027</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 456,552	\$ -	\$ 156,444	\$ -	\$ 347,833	\$ 960,829
Salaries and other compensation payable	1,028,471	-	-	-	-	1,028,471
Contracts payable	-	-	762,677	-	554,204	1,316,881
Due to other funds	-	-	-	-	75,000	75,000
Due to other governments	103,270	-	305,085	-	92,253	500,608
Unearned revenue	-	-	156,597	-	-	156,597
Customer and other deposits	1,840,237	-	-	-	1,329	1,841,566
Total Liabilities	<u>3,428,530</u>	<u>-</u>	<u>1,380,803</u>	<u>-</u>	<u>1,070,619</u>	<u>5,879,952</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	156,746	2,923	-	19,625	14,135	193,429
Unavailable revenue - special assessments	-	7,438,637	270,069	-	-	7,708,706
Unavailable revenue - other revenue	402,309	-	-	-	-	402,309
Total Deferred Inflows of Resources	<u>559,055</u>	<u>7,441,560</u>	<u>270,069</u>	<u>19,625</u>	<u>14,135</u>	<u>8,304,444</u>
Fund Balances (Deficit):						
Nonspendable	1,491,544	-	-	-	-	1,491,544
Restricted	2,152,353	4,186,568	-	-	9,226,666	15,565,587
Committed	-	-	-	3,560,004	1,365,664	4,925,668
Assigned	1,700,678	-	-	1,368,982	4,216,177	7,285,837
Unassigned	16,504,649	-	(168,654)	-	-	16,335,995
Total Fund Balances (Deficit)	<u>21,849,224</u>	<u>4,186,568</u>	<u>(168,654)</u>	<u>4,928,986</u>	<u>14,808,507</u>	<u>45,604,631</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,836,809</u>	<u>\$ 11,628,128</u>	<u>\$ 1,482,218</u>	<u>\$ 4,948,611</u>	<u>\$ 15,893,261</u>	<u>\$ 59,789,027</u>

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

City of Burnsville
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2015

Total governmental fund balances	\$	45,604,631
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		253,240,817
Accumulated depreciation		(132,045,541)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Receivables, primarily special assessments		8,304,444
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		2,779,637
Accrued compensated absences		(2,878,453)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net other post-employment benefit obligations payable		(1,676,479)
Net pension liability		(20,995,945)
Bonds payable, net of unamortized discounts and premiums		(45,178,947)
Accrued interest payable		(323,456)
Governmental funds do not report long-term amounts related to pensions		
Deferred outflows of resources		4,339,258
Deferred inflows of resources		(3,153,692)
		\$ 108,016,274
Net position of governmental activities		\$ 108,016,274

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, 2015

	General	GO Improvement Bonds	Improvement Construction	Infrastructure Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 24,909,113	\$ 449,462	\$ -	\$ 3,130,738	\$ 2,256,120	\$ 30,745,433
Special assessments	11,624	2,076,840	497,079	-	-	2,585,543
Licenses and permits	2,024,375	-	-	-	2,040	2,026,415
Other taxes	363,409	-	-	-	758,972	1,122,381
Intergovernmental revenue	1,986,290	53,941	452,942	4,223,677	1,615,764	8,332,614
Charges for services	5,584,252	-	-	-	329,318	5,913,570
Fines and forfeits	358,164	-	-	-	20,776	378,940
Interest on investments (charges)	257,894	49,142	(43,668)	107,607	135,795	506,770
Net change in fair value of investments	568,448	-	-	-	(20,645)	547,803
Miscellaneous revenue	924,967	-	42,272	-	386,028	1,353,267
Total Revenues	<u>36,988,536</u>	<u>2,629,385</u>	<u>948,625</u>	<u>7,462,022</u>	<u>5,484,168</u>	<u>53,512,736</u>
Expenditures						
Current:						
General government	4,493,231	-	-	-	2,002,087	6,495,318
Public safety	19,933,325	-	-	-	470,152	20,403,477
Public works and parks	5,493,297	-	-	-	1,273,448	6,766,745
Culture and recreation	980,429	-	-	-	356,207	1,336,636
Conservation of natural resources	669,863	-	-	-	365,406	1,035,269
Economic development	-	-	-	-	495,624	495,624
Capital outlay:						
General government	-	-	-	-	249,330	249,330
Public safety	-	-	-	-	258,755	258,755
Public works and parks	-	-	-	-	3,440,037	3,440,037
Infrastructure	-	-	1,705,773	6,463,766	570,945	8,740,484
Debt service:						
Redemption of bonds	-	2,019,701	-	-	1,565,000	3,584,701
Interest on bonds	-	459,161	-	-	916,463	1,375,624
Fiscal agent fees	-	3,684	-	-	15,091	18,775
Bond issuance costs	-	-	7,782	-	61,229	69,011
Total Expenditures	<u>31,570,145</u>	<u>2,482,546</u>	<u>1,713,555</u>	<u>6,463,766</u>	<u>12,039,774</u>	<u>54,269,786</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,418,391</u>	<u>146,839</u>	<u>(764,930)</u>	<u>998,256</u>	<u>(6,555,606)</u>	<u>(757,050)</u>
Other Financing Sources (Uses)						
Bonds issued	-	-	735,000	-	-	735,000
Refunding bonds issued	-	-	-	-	7,030,000	7,030,000
Premium on bonds issued	-	-	21,472	-	59,512	80,984
Payment to refunded bond escrow agent	-	(790,000)	-	-	-	(790,000)
Sale of capital assets	-	-	-	-	141,253	141,253
Transfers in	185,000	363,491	-	-	5,687,149	6,235,640
Transfers out	<u>(4,159,000)</u>	<u>-</u>	<u>-</u>	<u>(828,491)</u>	<u>(936,119)</u>	<u>(5,923,610)</u>
Total Other financing sources (uses)	<u>(3,974,000)</u>	<u>(426,509)</u>	<u>756,472</u>	<u>(828,491)</u>	<u>11,981,795</u>	<u>7,509,267</u>
Net Change in Fund Balances	1,444,391	(279,670)	(8,458)	169,765	5,426,189	6,752,217
Fund Balances (Deficits) - Beginning	20,404,833	4,466,238	(160,196)	4,759,221	9,382,318	38,852,414
Fund Balances (Deficits) - Ending	<u>\$ 21,849,224</u>	<u>\$ 4,186,568</u>	<u>\$ (168,654)</u>	<u>\$ 4,928,986</u>	<u>\$ 14,808,507</u>	<u>\$ 45,604,631</u>

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

City of Burnsville
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2015

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

Net change in fund balances - total governmental funds	\$	6,752,217
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		10,651,596
Depreciation expense		(6,832,850)
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		(414,446)
Transfers of capital assets to business-type activities		(2,533,704)
Donations of capital assets		817,594
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		(1,001,341)
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		(7,845,984)
Principal repayments:		
General obligation debt		4,374,701
Amortization of premiums and discounts		41,464
Some revenues and expenses reported in the statement of activities do not provide or do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds.		
Accrued interest expense		42,708
Net other post-employment benefit obligations expense		(206,653)
Pension revenue from state contributions		103,500
Pension expense		(584,838)
The internal service fund is used by management to charge the costs of compensated absences to individual funds.		
		(107,205)
The net revenue of certain activities of internal service funds is reported with governmental activities.		
		37,371
Change in net position of governmental activities	\$	3,294,130

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 25,122,362	\$ 25,122,362	\$ 24,909,113	\$ (213,249)
Special assessments	3,700	3,700	11,624	7,924
Licenses and permits	1,918,115	1,918,115	2,024,375	106,260
Other taxes	290,000	290,000	363,409	73,409
Intergovernmental revenue	1,843,067	1,915,232	1,986,290	71,058
Charges for services	5,617,589	5,617,589	5,584,252	(33,337)
Fines and forfeits	428,750	428,750	358,164	(70,586)
Interest on investments	300,000	300,000	257,894	(42,106)
Net change in fair value of investments	-	-	568,448	568,448
Miscellaneous revenue	868,566	911,294	924,967	13,673
Total Revenues	36,392,149	36,507,042	36,988,536	481,494
Expenditures				
Current:				
General government	4,972,544	4,978,412	4,493,231	485,181
Public safety	20,327,738	20,491,661	19,933,325	558,336
Public works and parks	5,689,978	5,714,978	5,493,297	221,681
Culture & recreation	1,020,110	1,020,110	980,429	39,681
Conservation of natural resources	748,586	748,586	669,863	78,723
Total Expenditures	32,758,956	32,953,747	31,570,145	1,383,602
Excess of Revenues Over Expenditures	3,633,193	3,553,295	5,418,391	1,865,096
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	-
Transfers out	(4,134,000)	(4,134,000)	(4,159,000)	(25,000)
Total other financing sources (uses)	(3,949,000)	(3,949,000)	(3,974,000)	(25,000)
Net Change in Fund Balances	(315,807)	(395,705)	1,444,391	1,840,096
Fund Balances - Beginning	20,404,833	20,404,833	20,404,833	-
Fund Balances - Ending	\$ 20,089,026	\$ 20,009,128	\$ 21,849,224	\$ 1,840,096

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

**City of Burnsville
Statement of Net Position
Proprietary Funds
December 31, 2015**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Assets						
Current Assets:						
Cash, cash equivalents and investments	\$16,044,198	\$ 7,459,879	\$ 350,117	\$ 1,812,705	\$ 25,666,899	\$ 2,779,637
Special assessments receivable:						
Delinquent	54,481	84	-	-	54,565	-
Deferred, current portion	661	36,644	-	-	37,305	-
Accounts receivable	2,971,445	753,524	239,980	184,846	4,149,795	-
Notes receivable	360,000	-	-	-	360,000	-
Due from other governments	42,103	13,402	-	-	55,505	-
Prepaid items	-	-	24,889	-	24,889	-
Total Current Assets	<u>19,472,888</u>	<u>8,263,533</u>	<u>614,986</u>	<u>1,997,551</u>	<u>30,348,958</u>	<u>2,779,637</u>
Noncurrent Assets:						
Deferred special assessments receivable, less current portion	10,399	732,449	-	-	742,848	-
Notes Receivable, less current portion	480,000	-	-	-	480,000	-
Capital Assets:						
Land	316,892	2,160,687	-	757,320	3,234,899	-
Permanent easements	1,118,342	1,910,624	-	-	3,028,966	-
Construction-in-progress	69,348	258,111	-	-	327,459	-
Buildings	20,705,348	-	20,364,622	2,990,096	44,060,066	-
Infrastructure and improvements	90,310,146	61,653,990	114,521	7,449,797	159,528,454	-
Equipment and vehicles	4,927,739	756,942	274,216	528,058	6,486,955	-
Less accumulated depreciation	<u>(52,091,516)</u>	<u>(31,335,287)</u>	<u>(3,649,534)</u>	<u>(4,962,696)</u>	<u>(92,039,033)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>65,356,299</u>	<u>35,405,067</u>	<u>17,103,825</u>	<u>6,762,575</u>	<u>124,627,766</u>	<u>-</u>
Total Noncurrent Assets	<u>65,846,698</u>	<u>36,137,516</u>	<u>17,103,825</u>	<u>6,762,575</u>	<u>125,850,614</u>	<u>-</u>
Total Assets	<u>85,319,586</u>	<u>44,401,049</u>	<u>17,718,811</u>	<u>8,760,126</u>	<u>156,199,572</u>	<u>2,779,637</u>
Deferred Outflows of Resources						
Deferred outflows of resources - pensions	118,399	26,311	-	52,623	197,333	-
Liabilities						
Current Liabilities:						
Current maturities of long term debt	1,751,000	470,602	-	-	2,221,602	-
Salaries and other compensation payable	1,078	-	-	-	1,078	-
Accrued compensated absences, current portion	13,337	2,760	-	9,184	25,281	287,845
Accounts payable	263,241	59,555	131,017	151,593	605,406	-
Accrued interest	29,667	3,985	-	-	33,652	-
Contracts payable	85,338	369,361	-	6,933	461,632	-
Due to other funds	-	-	50,000	-	50,000	-
Due to other governments	8,515	6,878	-	8,220	23,613	-
Customer and other deposits	36,858	449	-	2,143	39,450	-
Total Current Liabilities	<u>2,189,034</u>	<u>913,590</u>	<u>181,017</u>	<u>178,073</u>	<u>3,461,714</u>	<u>287,845</u>
Noncurrent Liabilities:						
General obligation bonds payable, less current portion	12,976,628	1,902,749	-	-	14,879,377	-
Accrued compensated absences, net of current portion	120,031	24,849	-	82,649	227,529	2,590,608
Net pension liability	839,567	186,570	-	373,142	1,399,279	-
Advances from other funds	-	-	1,491,544	-	1,491,544	-
Total Noncurrent Liabilities	<u>13,936,226</u>	<u>2,114,168</u>	<u>1,491,544</u>	<u>455,791</u>	<u>17,997,729</u>	<u>2,590,608</u>
Total Liabilities	<u>16,125,260</u>	<u>3,027,758</u>	<u>1,672,561</u>	<u>633,864</u>	<u>21,459,443</u>	<u>2,878,453</u>
Deferred Inflows of Resources						
Deferred inflows of resources - pensions	105,745	23,499	-	46,998	176,242	-
Net Position (Deficit)						
Net investment in capital assets	50,628,671	33,031,716	17,103,825	6,762,575	107,526,787	-
Unrestricted	18,578,309	8,344,387	(1,057,575)	1,369,312	27,234,433	(98,816)
Total Net Position (Deficit)	<u>\$69,206,980</u>	<u>\$ 41,376,103</u>	<u>\$16,046,250</u>	<u>\$ 8,131,887</u>	<u>\$134,761,220</u>	<u>\$ (98,816)</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, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Compensated Absences
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	
Operating Revenues						
Charges for services	\$14,350,769	\$ 4,166,171	\$ 1,308,981	\$ 1,998,425	\$ 21,824,346	\$ 228,757
Operating Expenses						
Personnel services	3,194,986	799,700	-	751,685	4,746,371	335,962
Contracted labor	-	-	866,886	-	866,886	-
Sanitary sewer disposal costs	4,067,852	-	-	-	4,067,852	-
Repairs and maintenance	1,485,551	1,212,621	76,264	397,867	3,172,303	-
Utilities	1,073,897	76,851	95,830	535,191	1,781,769	-
Other operating expenses	1,869,378	435,545	506,988	255,030	3,066,941	-
Depreciation	2,710,276	1,270,182	544,513	443,753	4,968,724	-
Total Operating Expenses	<u>14,401,940</u>	<u>3,794,899</u>	<u>2,090,481</u>	<u>2,383,526</u>	<u>22,670,846</u>	<u>335,962</u>
Operating Income (Loss)	<u>(51,171)</u>	<u>371,272</u>	<u>(781,500)</u>	<u>(385,101)</u>	<u>(846,500)</u>	<u>(107,205)</u>
Nonoperating Revenues (Expenses)						
Intergovernmental	39,816	21,189	-	-	61,005	-
Investment earnings	224,741	108,330	-	25,271	358,342	37,371
Other income	97,729	42,268	365,830	-	505,827	-
Loss on disposal of capital assets	(88,093)	(2,978)	-	-	(91,071)	-
Interest expense	(399,251)	(81,211)	-	-	(480,462)	-
Total Nonoperating Revenues (Expenses)	<u>(125,058)</u>	<u>87,598</u>	<u>365,830</u>	<u>25,271</u>	<u>353,641</u>	<u>37,371</u>
Income (Loss) Before Contributions and Transfers	<u>(176,229)</u>	<u>458,870</u>	<u>(415,670)</u>	<u>(359,830)</u>	<u>(492,859)</u>	<u>(69,834)</u>
Transfers and Capital Contributions						
Capital contributions - connection charges	190,525	44,159	-	-	234,684	-
Capital contributions - from other funds	1,011,548	1,522,156	-	-	2,533,704	-
Capital contributions - from others	32,990	32,990	-	-	65,980	-
Transfers in	-	-	818,456	10,000	828,456	-
Transfers out	(364,155)	(62,875)	(703,456)	(10,000)	(1,140,486)	-
Total Transfers and Capital Contributions	<u>870,908</u>	<u>1,536,430</u>	<u>115,000</u>	<u>-</u>	<u>2,522,338</u>	<u>-</u>
Change in Net Position	694,679	1,995,300	(300,670)	(359,830)	2,029,479	(69,834)
Total Net Position - Beginning, as restated (Note I.E.)	<u>68,512,301</u>	<u>39,380,803</u>	<u>16,346,920</u>	<u>8,491,717</u>	<u>132,731,741</u>	<u>(28,982)</u>
Total Net Position (Deficit) - Ending	<u><u>\$69,206,980</u></u>	<u><u>\$ 41,376,103</u></u>	<u><u>\$16,046,250</u></u>	<u><u>\$ 8,131,887</u></u>	<u><u>\$ 134,761,220</u></u>	<u><u>\$ (98,816)</u></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, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Service Fund - Compensated Absences
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 14,403,611	\$ 4,186,110	\$ 1,251,787	\$ 1,942,987	\$ 21,784,495	\$ -
Receipts from interfund services provided	-	-	-	-	-	228,757
Payments to suppliers	(8,798,066)	(1,752,011)	(1,558,230)	(1,145,025)	(13,253,332)	-
Payments to employees	(3,185,500)	(793,380)	-	(742,295)	(4,721,175)	(221,707)
Net cash provided (used) by operating activities	<u>2,420,045</u>	<u>1,640,719</u>	<u>(306,443)</u>	<u>55,667</u>	<u>3,809,988</u>	<u>7,050</u>
Cash Flows from Noncapital Financing Activities						
Grants and host fees	134,945	104,716	365,830	-	605,491	-
Transfers in	-	-	818,456	10,000	828,456	-
Transfers out	(364,155)	(62,875)	(703,456)	(10,000)	(1,140,486)	-
Net cash provided (used) by noncapital financing activities	<u>(229,210)</u>	<u>41,841</u>	<u>480,830</u>	<u>-</u>	<u>293,461</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities						
Receipts from connection charges	190,525	44,159	-	-	234,684	-
Principal payment on notes receivable	340,000	-	-	-	340,000	-
Purchase or construction of capital assets	(3,466,125)	(2,600,958)	(25,830)	(25,000)	(6,117,913)	-
Principal payments on bonds payable	(1,580,092)	(575,207)	-	-	(2,155,299)	-
Proceeds from sale of bonds	2,325,192	-	-	-	2,325,192	-
Interest paid on bonds	(439,188)	(93,857)	-	-	(533,045)	-
Net cash provided (used) by capital and related financing activities	<u>(2,629,688)</u>	<u>(3,225,863)</u>	<u>(25,830)</u>	<u>(25,000)</u>	<u>(5,906,381)</u>	<u>-</u>
Cash Flows from Investing Activities						
Investment earnings	224,741	108,330	-	25,271	358,342	37,371
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(214,112)</u>	<u>(1,434,973)</u>	<u>148,557</u>	<u>55,938</u>	<u>(1,444,590)</u>	<u>44,421</u>
Cash and Cash Equivalents						
Beginning	<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>
Ending	<u>\$ 16,044,198</u>	<u>\$ 7,459,879</u>	<u>\$ 350,117</u>	<u>\$ 1,812,705</u>	<u>\$ 25,666,899</u>	<u>\$ 2,779,637</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ (51,171)	\$ 371,272	\$ (781,500)	\$ (385,101)	\$ (846,500)	\$ (107,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,710,276	1,270,182	544,513	443,753	4,968,724	-
(Increase) decrease in assets:						
Receivables	54,231	19,559	(57,194)	(56,109)	(39,513)	-
Due from other governments	(3,416)	(64)	-	-	(3,480)	-
Prepays	-	-	1,463	-	1,463	-
(Increase) decrease in deferred outflows of resources:						
Pensions	(83,654)	(18,590)	-	(37,180)	(139,424)	-
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	(6,622)	2,741	-	2,230	(1,651)	114,255
Accounts payable	(139,261)	(11,625)	(13,725)	47,733	(116,878)	-
Contracts payable	(38,092)	48,185	-	(7,714)	2,379	-
Due to other governments	(124,035)	(63,554)	-	3,044	(184,545)	-
Customer deposits	2,027	444	-	671	3,142	-
Net pension liability	(5,983)	(1,330)	-	(2,658)	(9,971)	-
(Decrease) increase in deferred inflows of resources:						
Pensions	105,745	23,499	-	46,998	176,242	-
Net cash provided (used) by operating activities	<u>\$ 2,420,045</u>	<u>\$ 1,640,719</u>	<u>\$ (306,443)</u>	<u>\$ 55,667</u>	<u>\$ 3,809,988</u>	<u>\$ 7,050</u>
Noncash investing, capital, and financing activities						
Capital assets contributed from other funds	<u>\$ 1,011,548</u>	<u>\$ 1,522,156</u>			<u>\$ 2,533,704</u>	
Capital assets contributed from others	<u>\$ 32,990</u>	<u>\$ 32,990</u>			<u>\$ 65,980</u>	
(Loss) on disposal of capital assets	<u>\$ (88,093)</u>	<u>\$ (2,978)</u>			<u>\$ (91,071)</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, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

Blended component unit

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The *Improvement Construction Capital Projects Fund* accounts for the receipt and disbursement of bond proceeds or other sources obtained to finance improvements which are to be paid for wholly or in part from special assessments levied against benefitted property.

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 City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

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

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

- *Information Technology (I.T.) Capital Fund* – Established in 2007 to account for capital purchases of information technology equipment and software development. The resources will be provided by an allocation of proceeds from the issuance of Certificates of Indebtedness and transfers from other funds.
- *Ice Center Project Fund* – Accounts for the revenues and expenditures for renovation and improvements at the Burnsville Ice Center.
- *Equipment and Vehicle Fund* – Established in 2002 to account for capital purchases of equipment and vehicles replacement and improvements. The resources will be provided by issuance of Certificates of Indebtedness, sale of existing equipment, and transfers from other funds.
- *Tax Increment 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.
- *Facilities Fund* – Established in 2015 to account for the receipt and disbursement of bond proceeds, transfers from other funds and other sources obtained to finance facilities replacement and improvements.
- *Street Revolving Construction Fund* – Established in 2004 to account for revenues and expenses for street rehabilitation projects, major street maintenance projects, and small traffic control issues.

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

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

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

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

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

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

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

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

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

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

1. Deposits and investments

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

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

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

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are considered current and are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

3. Prepaid Items

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

4. Notes receivable

Notes receivable 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 outflows/inflows of resources

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

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

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

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

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.

E. CHANGE IN ACCOUNTING PRINCIPLES

During the year ended December 31, 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of December 31 2014.

The net position of governmental activities in the government-wide financial statements as of December 31, 2014 was decreased by \$19,329,041. This change reflects the City’s proportionate share of the net pension liabilities (\$20,449,421 decrease in net position) and related deferred outflows of resources (\$1,120,380 increase in net position) for the PERA pension plans, which are now reported by employers under current guidance. The net position of business-type activities in the government-wide and enterprise funds financial statements as of December 31, 2014 was decreased by \$1,351,341. This change reflects the City’s proportionate share of the net pension liabilities (\$1,409,250 decrease in net position) and related deferred outflows of resources (\$57,909 increase in net position) for the PERA pension plans, which are now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal year 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated

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. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of \$168,654 as of December 31, 2015. 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 \$98,816 as of December 31, 2015. It is anticipated that the deficit will be financed through future charges for services and interest income.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Components of Cash and Investments

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

Deposits	\$ 2,559,214
Investments	72,092,551
Cash on hand	3,425
	74,655,190
	74,655,190

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

Primary Government:	
Statement of net position -	
Cash, cash equivalents, and investments	\$ 67,256,212
Restricted cash, cash equivalents and investments	7,398,978
	74,655,190
	74,655,190

Deposits

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

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

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

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

At year-end, the carrying amount of the City's deposits was \$2,559,214 and the bank deposit balances were \$2,785,616. The City's deposits at December 31, 2015, 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	\$ 94,924	\$ 6,887,737	\$ -	\$ 6,982,661
U.S. Agency Securities	NR	N/A	-	2,658,718	-	2,658,718
	AAA	Moody's	-	30,212,245	4,847,810	35,060,055
	A2	Moody's	2,042,060	-	-	2,042,060
Municipal Bonds	AAA	Moody's	-	977,210	-	977,210
	AA1	Moody's	-	1,000,627	-	1,000,627
	AA2	Moody's	-	-	1,119,466	1,119,466
Money market mutual funds	AAAm	S&P	22,251,754	-	-	22,251,754
Total investments			<u>\$ 24,388,738</u>	<u>\$ 41,736,537</u>	<u>\$ 5,967,276</u>	<u>\$ 72,092,551</u>

NR - Not Rated

N/A - Not Applicable

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

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

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

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

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

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

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

Issuer	% of Total Portfolio
Federal Home Loan Bank	20%
Federal National Mortgage Association	16%
Federal Farm Credit Bank	15%

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, 2015 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General	G.O. Improvement Bonds	Improvement Construction Capital Projects	Infrastructure Trust Capital Projects	Nonmajor Funds	Governmental Activities Total
Receivables:						
Interest	\$ 118,868	\$ -	\$ -	\$ -	\$ 21,437	\$ 140,305
Taxes	258,371	4,980	-	30,412	20,729	314,492
Accounts	3,587,226	-	-	-	267,297	3,854,523
Special assessments	157,642	7,438,637	270,069	-	-	7,866,348
Gross receivables	4,122,107	7,443,617	270,069	30,412	309,463	12,175,668
Less: allowance for uncollectibles	(2,721,866)	(2,057)	-	(10,787)	(6,594)	(2,741,304)
Net total receivables	\$ 1,400,241	\$ 7,441,560	\$ 270,069	\$ 19,625	\$ 302,869	\$ 9,434,364

Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,305
Taxes	-	-	-	-	-	314,492
Accounts	2,972,468	753,524	239,980	184,877	4,150,849	8,005,372
Notes	840,000	-	-	-	840,000	840,000
Special assessments	65,541	769,177	-	-	834,718	8,701,066
Gross receivables	3,878,009	1,522,701	239,980	184,877	5,825,567	18,001,235
Less: allowance for uncollectibles	(1,023)	-	-	(31)	(1,054)	(2,742,358)
Net total receivables	\$ 3,876,986	\$ 1,522,701	\$ 239,980	\$ 184,846	\$ 5,824,513	\$ 15,258,877

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:

	<u>Unavailable</u>
Delinquent property taxes receivable	\$ 193,429
Special assessments not yet due	7,708,706
Charges for services	402,309
	<u>8,304,444</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Governmental activities			Transfers and Completed Construction	Ending Balance
	Beginning Balance	Increases	Decreases		
Capital assets not being depreciated:					
Land	\$ 19,172,542	\$ 739,850	\$ (30,276)	\$ 1,235,984	\$ 21,118,100
Permanent easements	2,163,873	77,744	-	-	2,241,617
Construction in progress	5,406,609	6,765,501	-	(8,911,129)	3,260,981
Total capital assets not being depreciated	26,743,024	7,583,095	(30,276)	(7,675,145)	26,620,698
Capital assets being depreciated:					
Buildings	29,376,476	-	-	245,338	29,621,814
Infrastructure and improvements	170,611,270	1,770,038	(2,119,126)	4,820,290	175,082,472
Equipment and vehicles	21,278,375	2,116,057	(1,554,412)	75,813	21,915,833
Total capital assets being depreciated	221,266,121	3,886,095	(3,673,538)	5,141,441	226,620,119
Less accumulated depreciation for:					
Buildings	(11,073,975)	(708,930)	-	-	(11,782,905)
Infrastructure and improvements	(104,626,129)	(4,629,529)	1,932,541	-	(107,323,117)
Equipment and vehicles	(12,801,955)	(1,494,391)	1,356,827	-	(12,939,519)
Total accumulated depreciation	(128,502,059)	(6,832,850)	3,289,368	-	(132,045,541)
Total capital assets being depreciated, net	92,764,062	(2,946,755)	(384,170)	5,141,441	94,574,578
Governmental activities capital assets, net	\$119,507,086	\$ 4,636,340	\$ (414,446)	\$ (2,533,704)	\$ 121,195,276

Business-type activities

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	\$ 3,234,899	\$ -	\$ -	\$ -	\$ 3,234,899
Permanent easements	2,962,986	65,980	-	-	3,028,966
Construction in progress	653,846	2,005,776	-	(2,332,163)	327,459
Total capital assets not being depreciated	6,851,731	2,071,756	-	(2,332,163)	6,591,324
Capital assets being depreciated:					
Buildings	44,060,066	-	-	-	44,060,066
Infrastructure and improvements	151,397,041	3,745,720	(480,174)	4,865,867	159,528,454
Equipment and vehicles	6,195,632	366,417	(75,094)	-	6,486,955
Total capital assets being depreciated	201,652,739	4,112,137	(555,268)	4,865,867	210,075,475
Less accumulated depreciation for:					
Buildings	(13,042,568)	(1,050,452)	-	-	(14,093,020)
Infrastructure and improvements	(70,534,788)	(3,607,657)	411,596	-	(73,730,849)
Equipment and vehicles	(3,957,150)	(310,615)	52,601	-	(4,215,164)
Total accumulated depreciation	(87,534,506)	(4,968,724)	464,197	-	(92,039,033)
Total capital assets being depreciated, net	114,118,233	(856,587)	(91,071)	4,865,867	118,036,442
Business-type activities capital assets, net	\$120,969,964	\$ 1,215,169	\$ (91,071)	\$ 2,533,704	\$ 124,627,766

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

Governmental Activities:

General government	\$ 465,296
Public safety	657,454
Public works and parks	5,683,543
Culture and recreation	2,268
Conservation of natural resources	24,289
	<u>6,832,850</u>

Business-type activities:

Water and sewer	\$ 2,710,276
Storm water	1,270,182
Ames center	544,513
Ice arena	345,529
Golf course	20,707
Street lighting	77,517
	<u>4,968,724</u>

Construction Commitments

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

	<u>2015</u>
Cable Franchise Fee Fund	\$ 22,829
Improvement Construction Fund	1,113,006
Parks Capital Fund	871,959
Water and Sewer Fund	154,714
Storm Water Fund	577,379
Ice Center Fund	57,633
	<u>\$ 2,797,520</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:			
<u>Receivable Fund</u>	<u>Payable Fund</u>		
General	Nonmajor Governmental	\$ 75,000	(a)
Nonmajor Governmental	Ames Center	<u>50,000</u>	(b)
Total interfund balances		<u>\$ 125,000</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 2015 interfund transfers are as follows:

Transfers Out:	Transfers In:					Total
	General Fund (a)	G.O. Improvement Bonds (b)	Nonmajor Governmental (b)(c)(d)	Ames Center (b)(c)	Nonmajor Enterprise (c)	
General fund	\$ -	\$ -	\$ 3,774,000	\$ 375,000	\$ 10,000	\$ 4,159,000
Infrastructure trust capital projects	-	363,491	465,000	-	-	828,491
Nonmajor governmental	185,000	-	307,663	443,456	-	936,119
Water and sewer	-	-	364,155	-	-	364,155
Storm water	-	-	62,875	-	-	62,875
Ames center	-	-	703,456	-	-	703,456
Nonmajor enterprise	-	-	10,000	-	-	10,000
Total	\$185,000	\$ 363,491	\$ 5,687,149	\$ 818,456	\$ 10,000	\$ 7,064,096

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 2015 for operating leases were \$40,421. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2016	27,262
2017	5,489
	<u>\$ 32,751</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 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 \$380,000 is outstanding at December 31, 2015 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 \$4,875,000 are outstanding at December 31, 2015. 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 – Two issues of tax abatement bonds totaling \$21,640,000 are outstanding at December 31, 2015. Total original issue amount was \$23,830,000. The bonds bear interest at rates ranging from 2.00% to 5.00% and mature in varying annual amounts ranging from \$35,000 to \$1,890,000, with final payments due in the year ending 2028. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Improvement Bonds – Various issues of unmatured general obligation improvement bonds totaling \$14,240,000 are outstanding at December 31, 2015. Total original issue amount was \$27,780,000. 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, 2015 were \$16,355. These bonds bear interest at rates of 0.85% to 4.60% and mature in varying annual amounts ranging from \$45,000 to \$755,000, with the final payments due in the year ending 2030.

Lease Revenue Bonds – One issue of EDA lease revenue bonds totaling \$4,470,000 is outstanding at December 31, 2015. 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 – Nine issues of general obligation revenue bonds totaling \$15,995,000 are outstanding at December 31, 2015. Original issue amount was \$22,415,000. 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 2030. 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 December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 3,063,398	\$ 1,429,661	\$ 2,221,602	\$ 487,692
2017	2,928,661	1,340,516	2,061,339	423,470
2018	9,693,661	1,114,914	1,541,339	371,636
2019	2,782,358	892,056	1,512,642	332,599
2020	2,600,000	811,064	1,495,000	293,419
2021-2025	17,405,000	2,422,895	6,870,000	802,365
2026-2030	6,325,000	425,653	1,100,000	116,910
Total	<u>\$ 44,798,078</u>	<u>\$ 8,436,759</u>	<u>\$ 16,801,922</u>	<u>\$ 2,828,091</u>

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

	Beginning Balance	Change in Accounting Principle	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:						
G.O. bonds	\$ 775,000	\$ -	\$ -	\$ (395,000)	\$ 380,000	\$ 90,000
G.O. tax increment bonds	5,460,000	-	-	(585,000)	4,875,000	600,000
G.O. tax abatement bonds	14,970,000	-	7,030,000	(360,000)	21,640,000	375,000
G.O. improvement bonds	15,507,779	-	735,000	(2,809,701)	13,433,078	1,768,398
Lease revenue bonds	4,695,000	-	-	(225,000)	4,470,000	230,000
Subtotal	41,407,779	-	7,765,000	(4,374,701)	44,798,078	3,063,398
Deferred amounts for issuance premiums (discounts)	341,349	-	80,984	(41,464)	380,869	-
Total bonds and notes	41,749,128	-	7,845,984	(4,416,165)	45,178,947	3,063,398
Compensated absences	2,764,198	-	335,962	(221,707)	2,878,453	287,845
Net other post-employment benefits obligation	1,469,826	-	362,111	(155,458)	1,676,479	-
Net pension liability	-	20,449,421	6,892,985	(6,346,461)	20,995,945	-
Governmental activities - long-term liabilities	\$ 45,983,152	\$ 20,449,421	\$ 15,437,042	\$ (11,139,791)	\$ 70,729,824	\$ 3,351,243
Business-type activities:						
G.O. revenue bonds	\$ 15,305,000	\$ -	\$ 2,235,000	\$ (1,545,000)	\$ 15,995,000	\$ 1,785,000
G.O. improvement bonds	1,417,221	-	-	(610,299)	806,922	436,602
Subtotal	16,722,221	-	2,235,000	(2,155,299)	16,801,922	2,221,602
Deferred amounts for issuance premiums (discounts)	241,949	-	90,192	(33,084)	299,057	-
Total bonds and notes	16,964,170	-	2,325,192	(2,188,383)	17,100,979	2,221,602
Compensated absences	253,898	-	23,609	(24,697)	252,810	25,281
Net pension liability	-	1,409,250	342,500	(352,471)	1,399,279	-
Business-type activities - long-term liabilities	\$ 17,218,068	\$ 1,409,250	\$ 2,691,301	\$ (2,565,551)	\$ 18,753,068	\$ 2,246,883

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

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

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

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

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

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	\$ 947,246
Original tax capacity	(142,163)
Captured tax capacity	<u>\$ 805,083</u>

Retained by authority	\$ 805,083
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	255,000	235,000
G.O. Tax Increment Refunding Bonds, Series 2013B	1,925,000	295,000	1,630,000
Totals	<u>\$ 5,905,000</u>	<u>\$ 4,040,000</u>	<u>\$ 1,865,000</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	1,910,000	3,010,000
Totals	<u>\$ 18,220,000</u>	<u>\$ 15,210,000</u>	<u>\$ 3,010,000</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, 2015, for all of these agreements was \$3,311,606. 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, 2015, there were 7 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 \$13.8 million. The aggregate principal amount payable for the four series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$39.5 million as follows:

	(In millions)
Industrial Revenue Bonds (2)	\$ 5.7
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
G.O. Improvement Refunding Bonds, Series 2007C	Storm Water	Storm Water Utility Charges	40%	2007-2016	\$ 105,252	\$ 147,662	\$ 4,166,171
Taxable G.O. Water Revenue Bonds, Series 2008D	Water & Sewer	Water & Sewer Utility Charges	100%	2008-2017	\$ 820,890	\$ 409,180	\$14,350,769
Taxable G.O. Water Revenue Bonds, Series 2010A (BAB's)	Water & Sewer	Water & Sewer Utility Charges	100%	2010-2029	\$ 3,230,245	\$ 244,395	\$14,350,769
Taxable G.O. Storm Sewer Revenue Bonds, Series 2010B (BAB's)	Storm Water	Storm Water Utility Charges	100%	2010-2022	\$ 867,365	\$ 130,243	\$ 4,166,171
G.O. Improvement Refunding Bonds, Series 2010C	Water & Sewer	Water & Sewer Utility Charges	29%	2010-2016	\$ 66,853	\$ 109,477	\$14,350,769
	Storm Water	Storm Water Utility Charges	30%	2010-2016	\$ 35,998	\$ 113,748	\$ 4,166,171
G.O. Crossover Refunding Bonds, Series 2010E	Water & Sewer	Water & Sewer Utility Charges	31%	2010-2017	\$ 191,782	\$ 96,996	\$14,350,769
	Storm Water	Storm Water Utility Charges	17%	2010-2017	\$ 103,268	\$ 52,229	\$ 4,166,171
G.O. Utility Revenue Bonds, Series 2011A	Water & Sewer	Water & Sewer Utility Charges	100%	2011-2025	\$ 2,520,750	\$ 252,275	\$14,350,769
G.O. Storm Sewer Revenue Bonds, Series 2011B	Storm Water	Storm Water Utility Charges	100%	2011-2025	\$ 1,268,825	\$ 124,950	\$ 4,166,171
G.O. Crossover Refunding Bonds, Series 2011D	Storm Water	Storm Water Utility Charges	23%	2011-2019	\$ 332,847	\$ 98,671	\$ 4,166,171
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100%	2012-2027	\$ 2,730,400	\$ 252,400	\$14,350,769
G.O. Utility Revenue Bonds, Series 2013A	Water & Sewer	Water & Sewer Utility Charges	100%	2013-2023	\$ 2,255,800	\$ 305,200	\$14,350,769
G.O. Utility Revenue Bonds, Series 2014A	Water & Sewer	Water & Sewer Utility Charges	100%	2014-2024	\$ 2,548,494	\$ 297,489	\$14,350,769
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100%	2016-2025	\$ 2,551,244	\$ -	\$14,350,769

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, 2015

Annual Required Contributions (ARC)	\$	388,318
Interest on Net OPEB Obligation		58,793
Amortization Adjustment to ARC		(85,000)
Annual OPEB Cost (Expense)		<u>362,111</u>
Contributions		<u>(155,458)</u>
Increase in Net OPEB Obligation		206,653
Net OPEB Obligation, Beginning Balance		<u>1,469,826</u>
Net OPEB Obligation, Ending Balance	\$	<u><u>1,676,479</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2013, 2014, and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 299,877	\$ 120,920	40%	\$ 1,292,818
December 31, 2014	365,267	188,259	52%	1,469,826
December 31, 2015	362,111	155,458	43%	1,676,479

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, 2015, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Other Governmental Funds	Total
Nonspendable					
Advances to other funds	\$ 1,491,544	\$ -	\$ -	\$ -	\$ 1,491,544
Restricted for:					
Landfill abatement	\$ 2,152,353	\$ -	\$ -	\$ 123,855	\$ 2,276,208
Debt service	-	4,186,568	-	8,793,345	12,979,913
Tax increment	-	-	-	203,243	203,243
Parks capital	-	-	-	58,223	58,223
Facilities	-	-	-	48,000	48,000
Total Restricted	\$ 2,152,353	\$ 4,186,568	\$ -	\$ 9,226,666	\$ 15,565,587
Committed to:					
Capital Projects	\$ -	\$ -	\$ 3,560,004	\$ -	\$ 3,560,004
Cable	-	-	-	838,405	838,405
Forfeitures	-	-	-	43,217	43,217
Community development	-	-	-	11,667	11,667
Youth	-	-	-	71,973	71,973
Economic development	-	-	-	50,000	50,000
Forestry	-	-	-	350,402	350,402
Total Committed	\$ -	\$ -	\$ 3,560,004	\$ 1,365,664	\$ 4,925,668
Assigned to:					
Infrastructure replacement	\$ -	\$ -	\$ 1,368,982	\$ -	\$ 1,368,982
Cable	-	-	-	182,858	182,858
Economic development	-	-	-	794,113	794,113
Sustainability	-	-	-	24,584	24,584
Forestry	-	-	-	18,076	18,076
Subsequent year's budget	860,678	-	-	-	860,678
IT equipment & software development	-	-	-	890,047	890,047
Ice Center renovation debt service	840,000	-	-	-	840,000
Equipment, vehicles & facilities	-	-	-	939,378	939,378
Parks capital improvements	-	-	-	572,203	572,203
Facilities	-	-	-	323,917	323,917
Street maintenance	-	-	-	471,001	471,001
Total Assigned	\$ 1,700,678	\$ -	\$ 1,368,982	\$ 4,216,177	\$ 7,285,837

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, 2015, the fund balance of the General Fund was 56 percent of the subsequent year's budgeted use of funds.

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance policies through the League of Minnesota Cities Insurance Trust. The blanket policy includes coverage for buildings, personal property, contractors, and miscellaneous equipment, crime, employee performance bonds, autos, and general liability. General liability coverage amounts to \$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. SUBSEQUENT EVENT

On April 5, 2016 the City issued \$6,475,000 of General Obligation Tax Abatement Refunding Bonds, Series 2016A. The bonds will redeem the 2019 through 2023 maturities and a portion of the 2024 maturity of the General Obligation Tax Abatement Bonds, Series 2008A bonds on February 1, 2018 with a net present value savings of \$607,408. The bonds bear interest rates of 2% and mature in varying annual amounts ranging from \$455,000 to \$1,535,000. The proceeds were deposited into Governmental Activities.

D. 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 (\$118,803 for the City in 2015). The Black Dog WMO is not fiscally dependent on the City. Financial information for Black Dog WMO can be obtained at the City's offices.

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

Dakota County Drug Task Force (Task Force) – The Task Force was established through a joint powers agreement with 12 other municipalities and Dakota County. Its purpose is to coordinate efforts to apprehend and prosecute drug offenders within the members’ jurisdictions. The members appoint the Task Force’s board and donate police officers and equipment. The Task Force is not fiscally dependent on the City. The audited 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.

E. RETIREMENT AND DEFERRED COMPENSATION PLANS

1. Defined Benefit Pension Plans – State-Wide

a. Plan Descriptions

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

General Employees Retirement Fund (GERF)

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

Public Employees Police and Fire Fund (PEPFF)

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

b. Benefits Provided

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

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

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

GERF Benefits

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

PEPFF Benefits

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

c. Contributions

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

GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2015. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2015. The City's contributions to the GERF for the year ended December 31, 2015 were \$826,678. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2015. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2015. The City’s regular contributions to the PEPFF for the year ended December 31, 2015 were \$1,811,456. The City’s contributions were equal to the required contributions as set by state statute.

d. Pension Costs

GERF Pension Costs

At December 31, 2015, the City reported a liability of \$9,328,533 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2015, the City’s proportionate share was .18 percent, which was a decrease of .02 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$1,005,659 for its proportionate share of the GERF’s pension expense.

At December 31, 2015, the City reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 470,317
Differences between projected and actual investment earnings	883,089	-
Changes in proportion	-	704,625
Contributions paid to the PERA subsequent to the measurement date	432,457	-
	<u>\$ 1,315,546</u>	<u>\$ 1,174,942</u>

\$432,457 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amt</u>
2016	\$ (170,875)
2017	(170,875)
2018	(170,875)
2019	220,772
	<u>\$ (291,853)</u>

PEPFF Pension Costs

At December 31, 2015, the City reported a liability of \$13,066,691 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2015, the City’s proportion was 1.15 percent, which was a decrease of .004 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$2,244,160 for its proportionate share of the PEPFF’s pension expense. The City also recognized \$103,500 for the year ended December 31, 2015, as revenue for its proportionate share of the state of Minnesota’s on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,118,990
Differences between projected and actual investment earnings	2,276,655	-
Changes in proportion	-	36,002
Contributions paid to the PERA subsequent to the measurement date	944,390	-
	<u>\$ 3,221,045</u>	<u>\$ 2,154,992</u>

\$944,390 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amt
2016	\$ 138,165
2017	138,165
2018	138,165
2019	138,165
2020	(430,997)
	<u>\$ 121,663</u>

e. Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active member payroll growth	3.50% per year
Investment rate of return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st until 2034, then 2.5 percent for GERF and PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

f. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
The City's proportionate share of the GERF net pension liability	\$ 14,667,772	\$ 9,328,533	\$ 4,919,144
The City's proportionate share of the PEPFF net pension liability	\$ 25,467,118	\$ 13,066,691	\$ 2,821,778

h. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plans

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% 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 2015 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rates
\$1,931	\$1,931	5.0%	5.0%	5.0%

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funding Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2010	\$ -	\$ 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%

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

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

Public Employees General Employees Retirement Fund (GERF):

<u>Fiscal Year Ending</u>	<u>Statuorily Required Contributions</u> (a)	<u>Contributions in Relation to the Statuorily Required Contributions</u> (b)	<u>Contribution Deficiency (Excess)</u> (a-b)	<u>Covered Payroll</u> (d)	<u>Contributions as a Percentage of Covered Payroll</u> (b/d)
December 31, 2015	\$ 826,678	\$ 826,678	\$ -	11,022,307	7.5%

Public Employees Police and Fire Fund (PEPFF):

<u>Fiscal Year Ending</u>	<u>Statuorily Required Contributions</u> (a)	<u>Contributions in Relation to the Statuorily Required Contributions</u> (b)	<u>Contribution Deficiency (Excess)</u> (a-b)	<u>Covered Payroll</u> (d)	<u>Contributions as a Percentage of Covered Payroll</u> (b/d)
December 31, 2015	\$ 1,811,456	\$ 1,811,456	\$ -	11,181,833	16.2%

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

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

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

DEFINED BENEFIT PENSION PLANS
GERF/PEPFF RETIREMENT FUNDS
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
(LAST TEN YEARS)*

Public Employees General Employees Retirement Fund (GERF):

<u>Fiscal Year Ending</u>	<u>Employer's Proportion (Percentage) of the Net Pension Liability</u>	<u>Employer's Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Employer's Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	0.18%	\$ 9,328,533	\$ 10,581,137	88.2%	78.2%

Public Employees Police and Fire Fund (PEPFF):

<u>Fiscal Year Ending</u>	<u>Employer's Proportion (Percentage) of the Net Pension Liability</u>	<u>Employer's Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Employer's Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	1.15%	\$ 13,066,691	\$ 10,530,271	124.1%	86.6%

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

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

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Combining and Individual Fund Statements and Schedules



**City of Burnsville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

Special Revenue Funds

	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Assets							
Cash, cash equivalents and investments	\$ 802,251	\$ 45,945	\$ 21,667	\$ 98,954	\$ 763,649	\$ 156,722	\$ 355,977
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible amounts:							
Property taxes	-	-	-	-	3,566	-	1,849
Accrued interest	-	-	-	-	-	-	-
Accounts receivable	267,222	-	-	-	-	-	-
Due from other funds	-	-	-	-	50,000	-	-
Due from other governments	1,418	-	1,847	5,129	34,790	-	12,501
Total Assets	<u>\$1,070,891</u>	<u>\$ 45,945</u>	<u>\$ 23,514</u>	<u>\$ 104,083</u>	<u>\$ 852,005</u>	<u>\$ 156,722</u>	<u>\$ 370,327</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 2,999	\$ 734	\$ 1,847	\$ -	\$ 2,501	\$ 4,806	\$ -
Contracts payable	46,627	-	-	13,947	-	-	-
Due to other funds	-	-	10,000	-	-	-	-
Due to other governments	2	665	-	18,163	1,825	3,477	-
Customer and other deposits	-	1,329	-	-	-	-	-
Total Liabilities	<u>49,628</u>	<u>2,728</u>	<u>11,847</u>	<u>32,110</u>	<u>4,326</u>	<u>8,283</u>	<u>-</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	-	-	-	-	3,566	-	1,849
Fund Balances:							
Restricted	-	-	-	-	-	123,855	-
Committed	838,405	43,217	11,667	71,973	50,000	-	350,402
Assigned	182,858	-	-	-	794,113	24,584	18,076
Total Fund Balances	<u>1,021,263</u>	<u>43,217</u>	<u>11,667</u>	<u>71,973</u>	<u>844,113</u>	<u>148,439</u>	<u>368,478</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,070,891</u>	<u>\$ 45,945</u>	<u>\$ 23,514</u>	<u>\$ 104,083</u>	<u>\$ 852,005</u>	<u>\$ 156,722</u>	<u>\$ 370,327</u>

Debt Service Funds				Capital Projects Funds						Total Nonmajor Governmental Funds
G.O. Bonds	G.O. Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Facilities Fund	Street Revolving Construction	
\$ 242,498	\$ 582,475	\$ 24,200	\$ 703,342	\$ 960,888	\$ 945,053	\$ 272,694	\$1,062,397	\$ 371,917	\$ 470,929	\$ 7,881,558
-	6,993,318	405,660	-	-	-	-	-	-	-	7,398,978
2,835	-	1,670	4,215	-	-	-	-	-	-	14,135
-	21,437	-	-	-	-	-	-	-	-	21,437
-	-	-	-	-	75	-	-	-	-	267,297
-	-	-	-	-	-	-	-	-	-	50,000
27,335	-	16,647	3,603	-	12,788	-	142,367	-	1,431	259,856
<u>\$ 272,668</u>	<u>\$7,597,230</u>	<u>\$ 448,177</u>	<u>\$ 711,160</u>	<u>\$ 960,888</u>	<u>\$ 957,916</u>	<u>\$ 272,694</u>	<u>\$1,204,764</u>	<u>\$ 371,917</u>	<u>\$ 472,360</u>	<u>\$ 15,893,261</u>
\$ -	\$ 9,000	\$ -	\$ 154,558	\$ 70,841	\$ 18,480	\$ -	\$ 80,708	\$ -	\$ 1,359	\$ 347,833
-	-	-	-	-	-	-	493,630	-	-	554,204
-	-	-	-	-	-	65,000	-	-	-	75,000
-	-	-	63,612	-	58	4,451	-	-	-	92,253
-	-	-	-	-	-	-	-	-	-	1,329
-	9,000	-	218,170	70,841	18,538	69,451	574,338	-	1,359	1,070,619
2,835	-	1,670	4,215	-	-	-	-	-	-	14,135
269,833	7,588,230	446,507	488,775	-	-	203,243	58,223	48,000	-	9,226,666
-	-	-	-	-	-	-	-	-	-	1,365,664
-	-	-	-	890,047	939,378	-	572,203	323,917	471,001	4,216,177
<u>269,833</u>	<u>7,588,230</u>	<u>446,507</u>	<u>488,775</u>	<u>890,047</u>	<u>939,378</u>	<u>203,243</u>	<u>630,426</u>	<u>371,917</u>	<u>471,001</u>	<u>14,808,507</u>
<u>\$ 272,668</u>	<u>\$7,597,230</u>	<u>\$ 448,177</u>	<u>\$ 711,160</u>	<u>\$ 960,888</u>	<u>\$ 957,916</u>	<u>\$ 272,694</u>	<u>\$1,204,764</u>	<u>\$ 371,917</u>	<u>\$ 472,360</u>	<u>\$ 15,893,261</u>

City of Burnsville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

Special Revenue Funds

	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 563,768	\$ -	\$ 198,158
Licenses and permits	-	-	-	-	-	-	2,040
Other taxes	758,972	-	-	-	-	-	-
Intergovernmental revenue	-	-	8,773	149,547	-	184,223	-
Charges for services	309,198	-	-	-	-	-	-
Fines and forfeits	-	20,776	-	-	-	-	-
Interest on investments	13,933	774	-	1,972	7,596	3,001	4,263
Net change in fair value of investments	-	-	-	-	-	-	-
Miscellaneous revenue	10,338	-	-	102,417	-	-	-
Total Revenues	1,092,441	21,550	8,773	253,936	571,364	187,224	204,461
Expenditures							
Current:							
General government	1,175,527	-	8,832	-	-	-	-
Public safety	-	21,387	-	-	-	-	-
Public works and parks	-	-	-	-	-	-	-
Culture and recreation	-	-	-	356,207	-	-	-
Conservation of natural resources	-	-	-	-	-	218,885	146,521
Economic development	-	-	-	-	186,036	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works and parks	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	116,002	-	-
Debt service:							
Redemption of bonds	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-	-
Bond Issuance costs	-	-	-	-	-	-	-
Total Expenditures	1,175,527	21,387	8,832	356,207	302,038	218,885	146,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,086)	163	(59)	(102,271)	269,326	(31,661)	57,940
Other Financing Sources (Uses)							
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	26,600	-	-
Transfers in	-	-	-	58,000	-	75,000	-
Transfers out	(185,000)	-	-	-	(443,456)	-	-
Total other financing sources (uses)	(185,000)	-	-	58,000	(416,856)	75,000	-
Net Change in Fund Balances	(268,086)	163	(59)	(44,271)	(147,530)	43,339	57,940
Fund Balances - Beginning	1,289,349	43,054	11,726	116,244	991,643	105,100	310,538
Fund Balances - Ending	<u>\$1,021,263</u>	<u>\$ 43,217</u>	<u>\$ 11,667</u>	<u>\$ 71,973</u>	<u>\$ 844,113</u>	<u>\$ 148,439</u>	<u>\$ 368,478</u>

Debt Service Funds				Capital Projects Funds							Total
G.O. Bonds	G.O. Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Ice Center Project	Equipment & Vehicle	Tax Increment	Parks Capital	Facilities Fund	Street Revolving Construction	Nonmajor Governmental Funds
\$ 437,763	\$ -	\$ 273,021	\$ 683,410	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 2,256,120
-	-	-	-	-	-	-	-	-	-	-	2,040
-	-	-	-	-	-	-	-	-	-	-	758,972
-	-	-	-	-	-	146,839	-	1,126,382	-	-	1,615,764
-	-	-	-	-	-	-	1,000	-	-	19,120	329,318
-	-	-	-	-	-	-	-	-	-	-	20,776
3,935	7,414	2,416	5,147	17,742	-	25,550	4,932	27,364	318	9,438	135,795
-	(20,645)	-	-	-	-	-	-	-	-	-	(20,645)
-	-	-	-	-	-	5,934	-	219,339	48,000	-	386,028
441,698	(13,231)	275,437	688,557	17,742	-	178,323	105,932	1,373,085	48,318	28,558	5,484,168
-	-	-	-	809,093	-	8,635	-	-	-	-	2,002,087
-	-	-	-	-	-	448,765	-	-	-	-	470,152
-	-	-	-	-	-	756,586	-	-	-	516,862	1,273,448
-	-	-	-	-	-	-	-	-	-	-	356,207
-	-	-	-	-	-	-	-	-	-	-	365,406
-	-	-	308,113	-	-	-	1,475	-	-	-	495,624
-	-	-	-	-	-	249,330	-	-	-	-	249,330
-	-	-	-	-	-	258,755	-	-	-	-	258,755
-	-	-	-	-	-	110,726	-	3,329,311	-	-	3,440,037
-	-	-	-	-	-	-	454,943	-	-	-	570,945
645,000	360,000	225,000	335,000	-	-	-	-	-	-	-	1,565,000
88,300	603,119	176,894	48,150	-	-	-	-	-	-	-	916,463
450	450	1,800	12,391	-	-	-	-	-	-	-	15,091
-	61,229	-	-	-	-	-	-	-	-	-	61,229
733,750	1,024,798	403,694	703,654	809,093	-	1,832,797	456,418	3,329,311	-	516,862	12,039,774
(292,052)	(1,038,029)	(128,257)	(15,097)	(791,351)	-	(1,654,474)	(350,486)	(1,956,226)	48,318	(488,304)	(6,555,606)
-	7,030,000	-	-	-	-	-	-	-	-	-	7,030,000
-	59,512	-	-	-	-	-	-	-	-	-	59,512
-	-	-	-	-	-	114,653	-	-	-	-	141,253
-	1,068,456	149,064	-	553,380	-	1,720,200	-	1,040,000	323,599	699,450	5,687,149
-	-	-	-	-	(9,064)	(298,599)	-	-	-	-	(936,119)
-	8,157,968	149,064	-	553,380	(9,064)	1,536,254	-	1,040,000	323,599	699,450	11,981,795
(292,052)	7,119,939	20,807	(15,097)	(237,971)	(9,064)	(118,220)	(350,486)	(916,226)	371,917	211,146	5,426,189
561,885	468,291	425,700	503,872	1,128,018	9,064	1,057,598	553,729	1,546,652	-	259,855	9,382,318
\$ 269,833	\$ 7,588,230	\$ 446,507	\$ 488,775	\$ 890,047	\$ -	\$ 939,378	\$ 203,243	\$ 630,426	\$ 371,917	\$ 471,001	\$ 14,808,507

**City of Burnsville
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 25,122,362	\$ 25,122,362	\$ 24,909,113	\$ (213,249)
Special assessments	3,700	3,700	11,624	7,924
Licenses and permits	1,918,115	1,918,115	2,024,375	106,260
Other taxes	290,000	290,000	363,409	73,409
Intergovernmental revenue	1,843,067	1,915,232	1,986,290	71,058
Charges for services	5,617,589	5,617,589	5,584,252	(33,337)
Fines and forfeits	428,750	428,750	358,164	(70,586)
Interest on investments	300,000	300,000	257,894	(42,106)
Net change in fair value of investments	-	-	568,448	568,448
Miscellaneous revenue	868,566	911,294	924,967	13,673
Total Revenues	36,392,149	36,507,042	36,988,536	481,494
Expenditures				
Current:				
General government:				
Mayor and council	130,462	130,462	91,961	38,501
Manager and administration	572,982	572,982	559,284	13,698
Human resources	406,756	406,756	327,583	79,173
Legal	534,960	540,828	552,397	(11,569)
Information technologies	980,838	980,838	960,729	20,109
Finance	543,435	543,435	536,638	6,797
Insurance	396,780	396,780	136,167	260,613
Planning	451,791	451,791	383,302	68,489
General government buildings	679,040	679,040	600,813	78,227
Lodging tax to Convention and Visitors Bureau	275,500	275,500	344,357	(68,857)
Total general government	4,972,544	4,978,412	4,493,231	485,181
Public safety:				
Police	13,058,566	13,082,751	12,734,658	348,093
Fire	6,156,268	6,246,976	6,179,607	67,369
Inspections	1,112,904	1,161,934	1,019,060	142,874
Total public safety	20,327,738	20,491,661	19,933,325	558,336
Public works and parks:				
Engineering	1,284,263	1,284,263	1,204,642	79,621
Parks & streets	4,164,141	4,189,141	3,900,988	288,153
Fleet maintenance	241,574	241,574	387,667	(146,093)
Total public works and parks	5,689,978	5,714,978	5,493,297	221,681
Culture & recreation:				
Recreation	1,020,110	1,020,110	980,429	39,681
Conservation of natural resources:				
Natural Resources	40,384	40,384	23,178	17,206
Forestry	708,202	708,202	646,685	61,517
Total conservation of natural resources	748,586	748,586	669,863	78,723
Total Expenditures	32,758,956	32,953,747	31,570,145	1,383,602
Excess of Revenues Over Expenditures	3,633,193	3,553,295	5,418,391	1,865,096
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	-
Transfers out	(4,134,000)	(4,134,000)	(4,159,000)	(25,000)
Total other financing sources (uses)	(3,949,000)	(3,949,000)	(3,974,000)	(25,000)
Net Change in Fund Balances	(315,807)	(395,705)	1,444,391	1,840,096
Fund Balances - Beginning	20,404,833	20,404,833	20,404,833	-
Fund Balances - Ending	\$ 20,089,026	\$ 20,009,128	\$ 21,849,224	\$ 1,840,096

City of Burnsville
Improvement Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Special assessments	\$ 1,800,000	\$ 1,800,000	\$ 497,079	\$ (1,302,921)
Intergovernmental revenue	685,000	835,000	452,942	(382,058)
Interest on investments (charges)	-	-	(43,668)	(43,668)
Miscellaneous revenue	-	-	42,272	42,272
Total Revenues	<u>2,485,000</u>	<u>2,635,000</u>	<u>948,625</u>	<u>(1,686,375)</u>
Expenditures				
Capital outlay:				
Infrastructure	5,675,000	5,825,000	1,705,773	4,119,227
Debt service:				
Bond Issuance costs	-	-	7,782	(7,782)
Total Expenditures	<u>5,675,000</u>	<u>5,825,000</u>	<u>1,713,555</u>	<u>4,111,445</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,190,000)</u>	<u>(3,190,000)</u>	<u>(764,930)</u>	<u>2,425,070</u>
Other Financing Sources				
Bonds issued	3,190,000	3,190,000	735,000	(2,455,000)
Premium on bonds issued	-	-	21,472	21,472
Total other financing sources	<u>3,190,000</u>	<u>3,190,000</u>	<u>756,472</u>	<u>(2,433,528)</u>
Net Change in Fund Balances	-	-	(8,458)	(8,458)
Fund Balances (Deficits) - Beginning	(160,196)	(160,196)	(160,196)	-
Fund Balances (Deficits) - Ending	<u>\$ (160,196)</u>	<u>\$ (160,196)</u>	<u>\$ (168,654)</u>	<u>\$ (8,458)</u>

City of Burnsville
Infrastructure Trust Fund (ITF)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,130,738	\$ (19,262)
Intergovernmental revenue	1,827,000	1,827,000	4,223,677	2,396,677
Interest on investments	38,407	38,407	107,607	69,200
Total Revenues	5,015,407	5,015,407	7,462,022	2,446,615
Expenditures				
Capital outlay:				
Infrastructure	7,215,000	7,865,000	6,463,766	1,401,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,199,593)	(2,849,593)	998,256	3,847,849
Other Financing Sources (Uses)				
Transfers out	(828,491)	(828,491)	(828,491)	-
Net Change in Fund Balances	(3,028,084)	(3,678,084)	169,765	3,847,849
Fund Balances - Beginning	4,759,221	4,759,221	4,759,221	-
Fund Balances - Ending	\$ 1,731,137	\$ 1,081,137	\$ 4,928,986	\$ 3,847,849

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 720,000	\$ 720,000	\$ 758,972	\$ 38,972
Charges for services	317,450	318,650	309,198	(9,452)
Interest on investments	7,000	5,800	13,933	8,133
Miscellaneous revenue	-	-	10,338	10,338
Total Revenues	<u>1,044,450</u>	<u>1,044,450</u>	<u>1,092,441</u>	<u>47,991</u>
Expenditures				
Current:				
General government:				
Public relations	1,251,445	1,271,445	1,175,527	95,918
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	<u>(206,995)</u>	<u>(226,995)</u>	<u>(83,086)</u>	<u>143,909</u>
Other Financing Sources (Uses)				
Transfers out	<u>(185,000)</u>	<u>(185,000)</u>	<u>(185,000)</u>	<u>-</u>
Net Change in Fund Balances	(391,995)	(411,995)	(268,086)	143,909
Fund Balances - Beginning	1,289,349	1,289,349	1,289,349	-
Fund Balances - Ending	<u>\$ 897,354</u>	<u>\$ 877,354</u>	<u>\$ 1,021,263</u>	<u>\$ 143,909</u>

**City of Burnsville
Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeits	\$ 25,000	\$ 25,000	\$ 20,776	\$ (4,224)
Interest on investments	-	-	774	774
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>21,550</u>	<u>(3,450)</u>
Expenditures				
Current:				
Public safety:				
Police	30,000	30,000	21,387	8,613
Net Change in Fund Balances	(5,000)	(5,000)	163	5,163
Fund Balances - Beginning	43,054	43,054	43,054	-
Fund Balances - Ending	<u>\$ 38,054</u>	<u>\$ 38,054</u>	<u>\$ 43,217</u>	<u>\$ 5,163</u>

**City of Burnsville
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 9,000	\$ 9,000	\$ 8,773	\$ (227)
Expenditures				
Current:				
General government:				
Manager and administration	9,000	9,000	8,832	168
Net Change in Fund Balances	-	-	(59)	(59)
Fund Balances - Beginning	11,726	11,726	11,726	-
Fund Balances - Ending	<u>\$ 11,726</u>	<u>\$ 11,726</u>	<u>\$ 11,667</u>	<u>\$ (59)</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 151,489	\$ 156,249	\$ 149,547	\$ (6,702)
Interest on investments	-	-	1,972	1,972
Miscellaneous revenue	35,000	112,417	102,417	(10,000)
Total Revenues	186,489	268,666	253,936	(14,730)
Expenditures				
Current:				
Culture & Recreation:				
Recreation	397,000	444,254	356,207	88,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,511)	(175,588)	(102,271)	73,317
Other Financing Sources				
Transfers in	58,000	58,000	58,000	-
Net Change in Fund Balances	(152,511)	(117,588)	(44,271)	73,317
Fund Balances - Beginning	116,244	116,244	116,244	-
Fund Balances - Ending	\$ (36,267)	\$ (1,344)	\$ 71,973	\$ 73,317

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 567,500	\$ 567,500	\$ 563,768	\$ (3,732)
Interest on investments	10,000	10,000	7,596	(2,404)
Total Revenues	577,500	577,500	571,364	(6,136)
Expenditures				
Current:				
Economic development	203,880	203,880	186,036	17,844
Capital outlay:				
Infrastructure	-	117,000	116,002	998
Total Expenditures	203,880	320,880	302,038	18,842
Excess of Revenues Over Expenditures	373,620	256,620	269,326	12,706
Other Financing Sources (Uses)				
Sale of capital assets	-	-	26,600	26,600
Transfers out	(443,456)	(443,456)	(443,456)	-
Total other financing sources (uses)	(443,456)	(443,456)	(416,856)	26,600
Net Change in Fund Balances	(69,836)	(186,836)	(147,530)	39,306
Fund Balances - Beginning	991,643	991,643	991,643	-
Fund Balances - Ending	\$ 921,807	\$ 804,807	\$ 844,113	\$ 39,306

**City of Burnsville
Sustainability Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 179,000	\$ 188,000	\$ 184,223	\$ (3,777)
Interest on investments	-	-	3,001	3,001
Miscellaneous revenue	2,286	2,286	-	(2,286)
Total Revenues	<u>181,286</u>	<u>190,286</u>	<u>187,224</u>	<u>(3,062)</u>
Expenditures				
Current:				
Conservation of natural resources:				
Recycling	<u>253,317</u>	<u>262,317</u>	<u>218,885</u>	<u>43,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(72,031)</u>	<u>(72,031)</u>	<u>(31,661)</u>	<u>40,370</u>
Other Financing Sources				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net Change in Fund Balances	2,969	2,969	43,339	40,370
Fund Balances - Beginning	105,100	105,100	105,100	-
Fund Balances - Ending	<u>\$ 108,069</u>	<u>\$ 108,069</u>	<u>\$ 148,439</u>	<u>\$ 40,370</u>

**City of Burnsville
Forestry Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 200,000	\$ 200,000	\$ 198,158	\$ (1,842)
Licenses and permits	1,400	1,400	2,040	640
Interest on investments	-	-	4,263	4,263
Total Revenues	<u>201,400</u>	<u>201,400</u>	<u>204,461</u>	<u>3,061</u>
Expenditures				
Current:				
Conservation of natural resources:				
Forestry	<u>184,868</u>	<u>184,868</u>	<u>146,521</u>	<u>38,347</u>
Net Change in Fund Balances	16,532	16,532	57,940	41,408
Fund Balances - Beginning	310,538	310,538	310,538	-
Fund Balances - Ending	<u>\$ 327,070</u>	<u>\$ 327,070</u>	<u>\$ 368,478</u>	<u>\$ 41,408</u>

City of Burnsville
Information Technology (I.T.) Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest on investments	\$ 2,000	\$ 2,000	\$ 17,742	\$ 15,742
Expenditures				
Current:				
General government:				
Information technologies	744,234	1,707,524	809,093	898,431
Excess (Deficiency) of Revenues Over (Under) Expenditures	(742,234)	(1,705,524)	(791,351)	914,173
Other Financing Sources				
Transfers in	625,780	553,380	553,380	-
Net Change in Fund Balances	(116,454)	(1,152,144)	(237,971)	914,173
Fund Balances - Beginning	1,128,018	1,128,018	1,128,018	-
Fund Balances - Ending	<u>\$ 1,011,564</u>	<u>\$ (24,126)</u>	<u>\$ 890,047</u>	<u>\$ 914,173</u>

City of Burnsville
Equipment and Vehicle Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 50,000	\$ 140,000	\$ 146,839	\$ 6,839
Interest on investments	10,000	10,000	25,550	15,550
Miscellaneous revenue	-	-	5,934	5,934
Total Revenues	60,000	150,000	178,323	28,323
Expenditures				
Current:				
General government:				
Administration	-	60,000	-	60,000
General government buildings	34,000	9,000	8,635	365
Total general government	34,000	69,000	8,635	60,365
Public safety:				
Police	212,000	212,000	207,489	4,511
Fire	363,500	374,649	241,276	133,373
Total public safety	575,500	586,649	448,765	137,884
Public works and parks:				
Engineering	33,000	33,000	32,209	791
Parks & streets	619,300	662,785	610,575	52,210
Fleet maintenance	50,500	160,500	113,802	46,698
Total public works and parks	702,800	856,285	756,586	99,699
Capital outlay:				
General government:				
General government buildings	289,700	260,765	249,330	11,435
Public safety:				
Fire	103,400	268,443	258,755	9,688
Public works and parks:				
Fleet maintenance	330,000	165,604	110,726	54,878
Total Expenditures	2,035,400	2,206,746	1,832,797	373,949
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,975,400)	(2,056,746)	(1,654,474)	402,272
Other Financing Sources (Uses)				
Sale of capital assets	60,000	60,000	114,653	54,653
Transfers in	1,720,200	1,720,200	1,720,200	-
Transfers out	-	(298,599)	(298,599)	-
Total other financing sources (uses)	1,780,200	1,481,601	1,536,254	54,653
Net Change in Fund Balances	(195,200)	(575,145)	(118,220)	456,925
Fund Balances - Beginning	1,057,598	1,057,598	1,057,598	-
Fund Balances - Ending	\$ 862,398	\$ 482,453	\$ 939,378	\$ 456,925

**City of Burnsville
Parks Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 2,472,500	\$ 2,472,500	\$ 1,126,382	\$ (1,346,118)
Interest on investments	-	-	27,364	27,364
Miscellaneous revenue	162,000	162,000	219,339	57,339
Total Revenues	<u>2,634,500</u>	<u>2,634,500</u>	<u>1,373,085</u>	<u>(1,261,415)</u>
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	<u>3,645,351</u>	<u>5,036,982</u>	<u>3,329,311</u>	<u>1,707,671</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,010,851)</u>	<u>(2,402,482)</u>	<u>(1,956,226)</u>	<u>446,256</u>
Other Financing Sources				
Transfers in	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,040,000</u>	<u>-</u>
Net Change in Fund Balances	29,149	(1,362,482)	(916,226)	446,256
Fund Balances - Beginning	1,546,652	1,546,652	1,546,652	-
Fund Balances - Ending	<u>\$ 1,575,801</u>	<u>\$ 184,170</u>	<u>\$ 630,426</u>	<u>\$ 446,256</u>

**City of Burnsville
Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest on investments	\$ -	\$ -	\$ 318	\$ 318
Miscellaneous revenue	-	-	48,000	48,000
Total Revenues	-	-	48,318	48,318
Other Financing Sources				
Transfers in	-	298,599	323,599	25,000
Net Change in Fund Balances	-	298,599	371,917	73,318
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 298,599	\$ 371,917	\$ 73,318

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 19,120	\$ 4,120
Interest on investments	5,000	5,000	9,438	4,438
Total Revenues	20,000	20,000	28,558	8,558
Expenditures				
Current:				
Public works and parks:				
Parks & streets	735,000	735,000	516,862	218,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(715,000)	(715,000)	(488,304)	226,696
Other Financing Sources				
Transfers in	699,450	699,450	699,450	-
Net Change in Fund Balances	(15,550)	(15,550)	211,146	226,696
Fund Balances - Beginning	259,855	259,855	259,855	-
Fund Balances - Ending	\$ 244,305	\$ 244,305	\$ 471,001	\$ 226,696

City of Burnsville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015

	Ice Arena	Golf Course	Street Lighting Utility	Sidewalk Snow Plowing	Total
Assets					
Current Assets:					
Cash, cash equivalents and investments	\$ 847,077	\$ 326,577	\$ 536,920	\$ 102,131	\$ 1,812,705
Accounts receivable	55,901	-	116,726	12,219	184,846
Total Current Assets	<u>902,978</u>	<u>326,577</u>	<u>653,646</u>	<u>114,350</u>	<u>1,997,551</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	171,339	-	-	528,058
Less accumulated depreciation	(4,148,422)	(326,298)	(487,976)	-	(4,962,696)
Total capital assets (net of accumulated depreciation)	<u>4,797,002</u>	<u>903,214</u>	<u>1,062,359</u>	<u>-</u>	<u>6,762,575</u>
Total Assets	<u>5,699,980</u>	<u>1,229,791</u>	<u>1,716,005</u>	<u>114,350</u>	<u>8,760,126</u>
Deferred Outflows of Resources					
Deferred outflows of resources - pensions	<u>39,467</u>	<u>13,156</u>	<u>-</u>	<u>-</u>	<u>52,623</u>
Liabilities					
Current Liabilities:					
Accrued compensated absences, current portion	6,442	2,742	-	-	9,184
Accounts payable	33,481	710	102,053	15,349	151,593
Contracts payable	6,933	-	-	-	6,933
Due to other governments	8,135	85	-	-	8,220
Customer and other deposits	1,339	804	-	-	2,143
Total Current Liabilities	<u>56,330</u>	<u>4,341</u>	<u>102,053</u>	<u>15,349</u>	<u>178,073</u>
Noncurrent Liabilities:					
Accrued compensated absences, net of current portion	57,974	24,675	-	-	82,649
Net pension liability	279,856	93,286	-	-	373,142
Total Noncurrent Liabilities	<u>337,830</u>	<u>117,961</u>	<u>-</u>	<u>-</u>	<u>455,791</u>
Total Liabilities	<u>394,160</u>	<u>122,302</u>	<u>102,053</u>	<u>15,349</u>	<u>633,864</u>
Deferred Inflows of Resources					
Deferred inflows of resources - pensions	<u>35,249</u>	<u>11,749</u>	<u>-</u>	<u>-</u>	<u>46,998</u>
Net Position					
Investment in capital assets	4,797,002	903,214	1,062,359	-	6,762,575
Unrestricted	513,036	205,682	551,593	99,001	1,369,312
Total Net Position	<u>\$ 5,310,038</u>	<u>\$ 1,108,896</u>	<u>\$ 1,613,952</u>	<u>\$ 99,001</u>	<u>\$ 8,131,887</u>

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Sidewalk Snow Plowing</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 1,081,207	\$ 280,153	\$ 571,265	\$ 65,800	\$ 1,998,425
Operating Expenses					
Personnel services	557,440	194,245	-	-	751,685
Repairs and maintenance	140,085	14,937	216,390	26,455	397,867
Utilities	176,157	8,233	350,801	-	535,191
Other operating expenses	204,104	49,366	1,560	-	255,030
Depreciation	345,529	20,707	77,517	-	443,753
Total Operating Expenses	<u>1,423,315</u>	<u>287,488</u>	<u>646,268</u>	<u>26,455</u>	<u>2,383,526</u>
Operating Income (Loss)	<u>(342,108)</u>	<u>(7,335)</u>	<u>(75,003)</u>	<u>39,345</u>	<u>(385,101)</u>
Nonoperating Revenues					
Investment earnings	<u>12,365</u>	<u>4,561</u>	<u>7,399</u>	<u>946</u>	<u>25,271</u>
Income (Loss) Before Contributions and Transfers	<u>(329,743)</u>	<u>(2,774)</u>	<u>(67,604)</u>	<u>40,291</u>	<u>(359,830)</u>
Transfers					
Transfers in	-	-	-	10,000	10,000
Transfers out	-	-	-	(10,000)	(10,000)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(329,743)</u>	<u>(2,774)</u>	<u>(67,604)</u>	<u>40,291</u>	<u>(359,830)</u>
Total Net Position - Beginning, as restated (Note 1.E.)	<u>5,639,781</u>	<u>1,111,670</u>	<u>1,681,556</u>	<u>58,710</u>	<u>8,491,717</u>
Total Net Position - Ending	<u>\$ 5,310,038</u>	<u>\$ 1,108,896</u>	<u>\$ 1,613,952</u>	<u>\$ 99,001</u>	<u>\$ 8,131,887</u>

City of Burnsville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015

	Ice Arena	Golf Course	Street Lighting Utility	Sidewalk Snow Plowing	Total
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,031,308	\$ 280,502	\$ 566,064	\$ 65,113	\$ 1,942,987
Payments to suppliers	(509,486)	(75,752)	(545,636)	(14,151)	(1,145,025)
Payments to employees	(550,938)	(191,357)	-	-	(742,295)
Net cash provided (used) by operating activities	(29,116)	13,393	20,428	50,962	55,667
Cash Flows from Noncapital Financing Activities					
Transfers in	-	-	-	10,000	10,000
Transfers out	-	-	-	(10,000)	(10,000)
Net cash provided (used) by noncapital financing activities	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities					
Purchase or construction of capital assets	-	(25,000)	-	-	(25,000)
Cash Flows from Investing Activities					
Investment earnings	12,365	4,561	7,399	946	25,271
Net Increase (Decrease) in Cash and Cash Equivalents	(16,751)	(7,046)	27,827	51,908	55,938
Cash and Cash Equivalents					
Beginning	863,828	333,623	509,093	50,223	1,756,767
Ending	<u>\$ 847,077</u>	<u>\$ 326,577</u>	<u>\$ 536,920</u>	<u>\$ 102,131</u>	<u>\$ 1,812,705</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (342,108)	\$ (7,335)	\$ (75,003)	\$ 39,345	\$ (385,101)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	345,529	20,707	77,517	-	443,753
(Increase) decrease in assets:					
Receivables	(50,413)	192	(5,201)	(687)	(56,109)
(Increase) decrease in deferred outflows of resources:					
Pensions	(27,885)	(9,295)	-	-	(37,180)
(Decrease) increase in liabilities:					
Accrued compensated absences	1,132	1,098	-	-	2,230
Accounts payable	690	(3,023)	37,762	12,304	47,733
Contracts payable	6,933	-	(14,647)	-	(7,714)
Due to other governments	3,237	(193)	-	-	3,044
Customer deposits	514	157	-	-	671
Net pension liability	(1,994)	(664)	-	-	(2,658)
(Decrease) increase in deferred inflows of resources:					
Pensions	35,249	11,749	-	-	46,998
Net cash provided (used) by operating activities	<u>\$ (29,116)</u>	<u>\$ 13,393</u>	<u>\$ 20,428</u>	<u>\$ 50,962</u>	<u>\$ 55,667</u>

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Statistical Section

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

Contents	Pages
Financial Trends	108-121
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	122-127
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	128-134
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	135-137
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	138-143
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

CITY OF BURNSVILLE, MINNESOTA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 77,840,120	\$ 83,191,789	\$ 87,693,915	\$ 89,743,356
Restricted	12,717,476	16,587,566	14,179,654	15,087,958
Unrestricted	28,605,148	24,085,614	24,683,001	3,628,167
Total governmental activities net position	<u>\$ 119,162,744</u>	<u>\$ 123,864,969</u>	<u>\$ 126,556,570</u>	<u>\$ 108,459,481</u>
Business-type activities:				
Net investment in capital assets	\$ 64,709,078	\$ 66,167,760	\$ 77,555,775	\$ 101,862,438
Restricted	-	-	-	-
Unrestricted	31,304,478	33,282,509	27,736,643	27,362,643
Total business-type activities net position	<u>\$ 96,013,556</u>	<u>\$ 99,450,269</u>	<u>\$ 105,292,418</u>	<u>\$ 129,225,081</u>
Primary government:				
Net investment in capital assets	\$ 142,549,198	\$ 149,359,549	\$ 165,249,690	\$ 175,059,827
Restricted	12,717,476	16,587,566	14,179,654	15,087,958
Unrestricted	59,909,626	57,368,123	52,419,644	47,536,777
Total primary government net position	<u>\$ 215,176,300</u>	<u>\$ 223,315,238</u>	<u>\$ 231,848,988</u>	<u>\$ 237,684,562</u>

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

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

2010	2011	2012	2013	2014	2015
\$ 89,557,378	\$ 91,650,717	\$ 93,885,247	\$ 96,257,688	\$ 97,997,455	\$ 102,170,883
16,317,306	14,948,803	18,399,208	18,110,203	16,258,586	15,856,787
5,216,775	6,796,441	6,074,729	2,675,019	9,795,144	(10,011,396)
<u>\$ 111,091,459</u>	<u>\$ 113,395,961</u>	<u>\$ 118,359,184</u>	<u>\$ 117,042,910</u>	<u>\$ 124,051,185</u>	<u>\$ 108,016,274</u>
\$ 105,898,194	\$ 103,259,415	\$ 102,137,786	\$ 103,222,175	\$ 104,005,794	\$ 107,526,787
—	—	—	—	—	—
26,882,913	28,682,367	30,510,760	30,142,747	30,077,288	27,234,433
<u>\$ 132,781,107</u>	<u>\$ 131,941,782</u>	<u>\$ 132,648,546</u>	<u>\$ 133,364,922</u>	<u>\$ 134,083,082</u>	<u>\$ 134,761,220</u>
\$ 173,719,912	\$ 173,613,514	\$ 175,255,525	\$ 179,261,326	\$ 182,353,752	\$ 190,601,833
16,968,677	15,678,447	19,147,865	18,925,996	17,152,577	15,856,787
53,183,977	56,045,782	56,604,340	52,220,510	58,627,938	36,318,874
<u>\$ 243,872,566</u>	<u>\$ 245,337,743</u>	<u>\$ 251,007,730</u>	<u>\$ 250,407,832</u>	<u>\$ 258,134,267</u>	<u>\$ 242,777,494</u>

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year		
	2006	2007	2008
Expenses:			
Governmental activities:			
General government	\$ 5,652,112	\$ 5,867,616	\$ 6,580,402
Public safety	15,095,490	16,402,700	17,888,750
Public works and parks	12,650,891	13,619,986	17,361,531
Culture and recreation	1,033,458	1,048,227	1,356,559
Conservation of natural resources	670,150	798,932	1,002,785
Economic development	794,588	1,052,282	2,009,359
Interest on long-term debt	1,465,681	1,335,920	1,928,196
Total governmental activities expenses	<u>37,362,370</u>	<u>40,125,663</u>	<u>48,127,582</u>
Business-type activities:			
Water and sewer	10,302,765	11,212,098	11,965,373
Storm water	3,053,409	3,230,987	4,090,758
Performing arts center	-	93,310	358,121
Ice arena	1,085,854	1,131,966	1,136,559
Golf course	352,719	347,791	349,954
Street lighting	308,564	330,697	350,196
Sidewalk snow plowing	-	-	-
Total business-type activities expenses	<u>15,103,311</u>	<u>16,346,849</u>	<u>18,250,961</u>
Total primary government expenses	<u><u>52,465,681</u></u>	<u><u>56,472,512</u></u>	<u><u>66,378,543</u></u>
Program revenues:			
Governmental activities:			
Charges for services			
General government	276,920	146,085	139,557
Public safety	4,137,759	3,787,478	3,995,016
Public works and parks	2,709,239	2,038,952	2,152,855
Other activities	432,334	420,260	413,036
Operating grants and contributions	2,230,650	2,120,192	2,444,770
Capital grants and contributions	<u>3,600,287</u>	<u>3,586,888</u>	<u>5,181,684</u>
Total governmental activities program revenues	13,387,189	12,099,855	14,326,918
Business-type activities:			
Charges for services			
Water and sewer	11,542,575	11,830,785	11,625,377
Storm water	3,279,826	3,619,858	3,714,996
Performing arts center	-	236,380	-
Ice arena	990,061	1,042,612	1,028,998
Golf course	314,549	307,628	315,308
Street lighting	370,222	378,603	390,043
Sidewalk snow plowing	-	-	-
Operating grants and contributions	-	20,523	320,511
Capital grants and contributions	<u>541,037</u>	<u>1,245,862</u>	<u>7,825,984</u>
Total business-type activities program revenues	<u>17,038,270</u>	<u>18,682,251</u>	<u>25,221,217</u>
Total primary government program revenues	<u><u>30,425,459</u></u>	<u><u>30,782,106</u></u>	<u><u>39,548,135</u></u>

2009	2010	2011	2012	2013	2014	2015
\$ 6,464,603	\$ 6,314,566	\$ 6,305,723	\$ 5,939,542	\$ 6,358,158	\$ 6,362,440	\$ 6,573,281
18,043,348	18,511,365	18,831,240	19,082,421	19,553,700	19,941,045	21,441,358
14,567,283	11,997,631	15,178,938	14,588,069	14,980,830	15,837,464	15,901,625
1,246,814	1,192,601	1,338,806	1,216,633	1,243,917	1,246,522	1,089,081
762,532	877,533	884,024	869,001	994,318	1,023,827	1,071,242
1,012,304	737,782	583,638	528,412	484,771	465,692	498,231
1,861,210	1,750,308	1,878,214	1,768,022	1,612,989	1,422,743	1,379,238
<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>	<u>47,954,056</u>
13,436,014	14,371,093	14,990,935	13,802,181	14,803,579	14,929,321	14,889,284
2,838,135	3,269,937	3,368,332	3,460,146	3,186,443	3,369,746	3,879,088
1,530,095	1,665,052	1,703,766	1,841,428	1,908,984	2,192,667	2,090,481
1,131,844	1,132,571	1,320,505	1,211,326	1,324,739	1,291,264	1,423,315
331,769	279,185	267,631	282,104	285,725	267,345	287,488
384,312	333,233	347,731	502,597	513,401	482,110	646,268
–	99,021	34,183	24,813	61,892	114,210	26,455
<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>23,242,379</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>	<u>71,196,435</u>
467,112	482,874	402,893	406,633	447,925	438,976	426,636
3,638,213	3,933,898	4,157,945	4,121,061	5,339,716	4,788,939	4,973,384
2,198,357	2,450,688	3,015,419	2,727,797	2,840,172	3,241,456	2,825,050
498,042	479,069	615,472	442,644	487,282	469,564	380,476
2,255,331	2,569,489	2,103,083	2,224,711	2,179,315	2,134,004	2,367,689
<u>3,779,174</u>	<u>5,781,105</u>	<u>3,853,073</u>	<u>6,590,199</u>	<u>3,911,739</u>	<u>7,016,281</u>	<u>8,609,473</u>
12,836,229	15,697,123	14,147,885	16,513,045	15,206,149	18,089,220	19,582,708
12,225,208	12,142,805	13,180,764	13,903,091	13,824,144	14,234,693	14,448,498
3,875,828	3,900,057	4,021,224	4,122,459	4,209,992	4,222,512	4,208,439
506,291	749,643	859,454	975,388	1,172,363	1,387,480	1,308,981
1,089,021	859,490	939,392	957,018	1,104,497	1,137,933	1,081,207
319,363	285,643	254,578	268,956	247,831	253,902	280,153
409,366	426,754	443,658	561,780	580,766	568,961	571,265
–	40,096	61,251	55,113	55,311	55,788	65,800
396,010	479,493	438,862	298,925	315,892	404,262	378,154
<u>4,612,571</u>	<u>770,539</u>	<u>866,649</u>	<u>448,728</u>	<u>881,724</u>	<u>1,173,117</u>	<u>300,664</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>22,643,161</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>	<u>42,225,869</u>

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year		
	2006	2007	2008
Net (expense)/revenue:			
Governmental activities	(23,975,181)	(28,025,808)	(33,800,664)
Business-type activities	1,934,959	2,335,402	6,970,256
Total primary government net expense	<u>(22,040,222)</u>	<u>(25,690,406)</u>	<u>(26,830,408)</u>
General revenues and other changes in net position:			
Governmental activities:			
Taxes			
Property taxes	25,894,438	27,405,129	29,459,753
Lodging tax	318,427	308,176	288,271
Franchise taxes	568,668	613,358	651,606
Unrestricted grants and contributions	932,963	1,659,652	1,465,106
Unrestricted investment earnings	1,654,812	2,597,579	2,234,359
Gain on sale of capital assets	237,337	-	-
Transfers	496,727	144,139	2,393,170
Total governmental activities	<u>30,103,372</u>	<u>32,728,033</u>	<u>36,492,265</u>
Business-type activities:			
Unrestricted grants and contributions	-	-	-
Unrestricted investment earnings	1,043,050	1,245,450	1,265,063
Transfers	(496,727)	(144,139)	(2,393,170)
Total business-type activities	<u>546,323</u>	<u>1,101,311</u>	<u>(1,128,107)</u>
Total primary government	<u>30,649,695</u>	<u>33,829,344</u>	<u>35,364,158</u>
Change in net position:			
Governmental activities	6,128,191	4,702,225	2,691,601
Business-type activities	2,481,282	3,436,713	5,842,149
Total primary government	<u>\$ 8,609,473</u>	<u>\$ 8,138,938</u>	<u>\$ 8,533,750</u>

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

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
(31,121,865)	(25,684,663)	(30,852,698)	(27,479,055)	(30,022,534)	(28,210,513)	(28,371,348)
<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>(599,218)</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>	<u>(28,970,566)</u>
30,141,996	30,149,626	29,464,723	29,876,431	30,374,410	29,444,693	30,699,759
221,356	222,954	237,962	259,879	287,358	289,198	363,409
644,821	663,664	665,605	697,660	723,624	729,211	758,972
1,089,676	1,024,440	919,549	824,390	815,677	915,373	973,068
349,735	747,245	1,387,955	504,517	(3,219,479)	3,300,247	1,091,944
-	-	30,911	-	-	-	-
<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>(2,221,674)</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>	<u>31,665,478</u>
-	50,690	58,434	57,531	51,697	50,574	48,681
728,366	509,620	519,987	461,771	469,429	415,667	358,342
<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>2,221,674</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>2,628,697</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>	<u>34,294,175</u>
(18,097,089)	2,631,978	2,304,502	4,963,223	(1,045,126)	7,008,275	3,294,130
<u>23,932,663</u>	<u>3,556,026</u>	<u>(839,325)</u>	<u>706,764</u>	<u>833,065</u>	<u>718,160</u>	<u>2,029,479</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>	<u>\$ 5,323,609</u>

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CITY OF BURNSVILLE, MINNESOTA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
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
2015	29,916,349	783,410	363,409	758,972	31,822,140

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Reserved	\$ 2,662,043	\$ 2,854,064	\$ 2,942,875	\$ 2,890,405
Unreserved	16,524,126	15,565,140	14,422,362	14,685,258
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 19,186,169</u>	<u>\$ 18,419,204</u>	<u>\$ 17,365,237</u>	<u>\$ 17,575,663</u>
All other governmental funds:				
Reserved	\$ 10,852,661	\$ 12,809,751	\$ 10,757,660	\$ 10,356,997
Unreserved, reported in:				
Special revenue funds	2,056,024	1,409,338	2,017,387	2,058,503
Capital projects funds	5,432,220	10,804,589	9,367,836	4,390,877
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 18,340,905</u>	<u>\$ 25,023,678</u>	<u>\$ 22,142,883</u>	<u>\$ 16,806,377</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.

2010	2011	2012	2013	2014	2015
\$ 2,785,405	\$ -	\$ -	\$ -	\$ -	\$ -
15,968,934	-	-	-	-	-
-	-	-	250	-	1,491,544
-	2,677,255	2,549,570	2,420,304	2,288,160	2,152,353
-	464,685	1,966,966	1,544,844	1,155,807	1,700,678
-	16,072,010	15,177,759	13,196,459	16,960,866	16,504,649
\$ 18,754,339	\$ 19,213,950	\$ 19,694,295	\$ 17,161,857	\$ 20,404,833	\$ 21,849,224
\$ 12,720,790	\$ -	\$ -	\$ -	\$ -	\$ -
1,990,930	-	-	-	-	-
8,858,711	-	-	-	-	-
-	11,214,091	13,488,828	14,580,498	7,186,381	13,413,234
-	5,870,374	5,835,537	4,652,856	4,966,759	4,925,668
-	5,186,835	5,854,591	5,709,328	6,454,637	5,585,159
-	(545,997)	(1,370,179)	(1,603,774)	(160,196)	(168,654)
\$ 23,570,431	\$ 21,725,303	\$ 23,808,777	\$ 23,338,908	\$ 18,447,581	\$ 23,755,407

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year		
	2006	2007	2008
Revenues:			
Taxes	\$ 26,741,225	\$ 28,265,020	\$ 30,330,980
Licenses and permits	2,205,039	1,689,016	1,608,237
Intergovernmental	4,684,092	4,580,117	5,356,973
Charges for services	4,669,869	4,086,567	4,613,207
Fines and forfeits	524,355	626,978	656,933
Investment income	1,574,102	2,505,050	2,136,825
Special assessments	2,084,211	1,379,814	1,796,193
Miscellaneous	1,046,325	808,927	786,860
Total revenues	<u>43,529,218</u>	<u>43,941,489</u>	<u>47,286,208</u>
Expenditures:			
Current:			
General government	4,370,334	5,502,592	6,328,928
Public safety	14,449,029	16,721,840	18,268,837
Public works and parks	5,219,310	5,933,315	6,173,342
Culture and recreation	1,025,746	1,154,366	1,228,378
Conservation of natural resources	656,776	786,576	1,041,981
Economic development	794,002	1,052,095	2,007,636
Other	553,397	-	-
Capital outlay	8,946,299	11,054,103	31,979,783
Debt service:			
Redemption of bonds	5,282,172	4,891,081	4,126,031
Interest on bonds	1,511,080	1,295,303	1,227,878
Fiscal agent fees	15,368	94,122	41,342
Bond issuance costs	-	66,273	107,165
Total expenditures	<u>42,823,513</u>	<u>48,551,666</u>	<u>72,531,301</u>
Excess of revenues over (under) expenditures	705,705	(4,610,177)	(25,245,093)
Other financing sources (uses):			
Bonds issued	-	7,540,000	21,014,516
Refunding bonds issued	-	1,983,338	1,880,484
Premium (discount) on bonds issued	-	161,774	34,409
Payments to refunded bond escrow agent	-	-	(4,459,043)
Sales of capital assets	393,534	48,441	230,584
Transfers in	3,038,006	9,035,163	7,632,013
Transfers out	(2,481,010)	(8,242,731)	(5,022,632)
Total other financing sources (uses)	<u>950,530</u>	<u>10,525,985</u>	<u>21,310,331</u>
Net change in fund balances	<u>\$ 1,656,235</u>	<u>\$ 5,915,808</u>	<u>\$ (3,934,762)</u>
Debt service as a percentage of noncapital expenditures	<u>18.5%</u>	<u>15.6%</u>	<u>11.8%</u>

2009	2010	2011	2012	2013	2014	2015
\$ 30,760,837	\$ 31,000,458	\$ 30,567,623	\$ 30,962,351	\$ 31,436,569	\$ 30,575,302	\$ 31,867,814
1,356,250	1,703,937	1,911,453	1,584,388	2,445,580	1,953,776	2,026,415
3,950,117	6,755,520	3,696,469	5,381,672	3,818,161	4,867,531	8,332,614
4,914,844	4,905,494	4,905,971	5,269,516	5,889,564	5,885,164	5,913,570
636,719	595,807	459,573	432,391	470,413	417,275	378,940
279,333	702,741	1,338,841	463,782	(3,262,167)	3,260,938	1,054,573
2,005,413	1,779,650	1,769,771	1,877,487	1,890,774	1,813,996	2,585,543
844,514	1,228,423	1,699,041	1,912,691	1,068,837	1,579,348	1,353,267
<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>	<u>53,512,736</u>
5,996,423	6,177,653	6,058,728	5,423,448	5,508,509	5,856,737	6,495,318
17,965,593	18,135,898	18,939,924	19,073,952	19,159,372	20,140,526	20,403,477
6,234,160	5,940,634	6,627,057	6,263,265	6,530,255	6,592,561	6,766,745
1,239,060	1,191,112	1,269,730	1,254,987	1,231,581	1,256,682	1,336,636
767,644	910,199	861,604	898,444	1,022,316	995,490	1,035,269
1,011,877	737,149	583,855	527,938	483,893	464,933	495,624
–	–	–	–	–	–	–
10,407,522	14,050,192	7,940,344	13,050,371	9,805,507	9,360,407	12,688,606
5,033,910	5,134,122	5,861,540	4,268,052	4,584,460	8,340,613	3,584,701
2,203,378	1,792,772	1,950,408	1,717,207	1,684,125	1,512,418	1,375,624
37,437	39,587	29,073	32,721	29,347	18,670	18,775
–	130,838	42,330	53,246	31,009	23,240	69,011
<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>	<u>54,269,786</u>
(6,148,977)	(5,568,126)	(3,815,851)	(4,679,353)	(6,312,643)	(4,208,947)	(757,050)
–	11,835,000	1,220,000	6,260,000	1,595,000	2,780,000	735,000
–	1,995,000	1,890,872	–	1,925,000	–	7,030,000
–	(17,289)	63,745	211,113	96,248	39,933	80,984
–	(967,725)	(1,250,000)	–	(949,748)	(952,430)	(790,000)
54,616	80,269	55,222	151,503	58,650	153,027	141,253
5,238,929	4,987,144	7,535,958	6,246,032	5,963,398	5,746,474	6,235,640
<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>(5,923,610)</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>7,509,267</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>\$ 6,752,217</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>	<u>11.4%</u>

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CITY OF BURNSVILLE, MINNESOTA

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
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
2015	29,962,023	783,410	363,409	758,972	31,867,814

CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year	Real Property		Personal Property	Less Fiscal Disparities	Less Tax Increment
	Residential Property	Commercial Property			
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)
2015	39,954,586	28,740,490	824,450	(2,888,069)	(901,387)

Source: Dakota County

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

Total Taxable Net Tax Capacity	Tax Capacity Value as a Percentage of Taxable Market Value	Total Direct Tax Rate	Estimated Actual Market Value	Taxable Market Value	Taxable Value as a Percentage of Estimated Actual Value
\$ 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
65,730,070	1.22	44.790	5,625,420,202	5,373,401,377	95.5

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)
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
2015	43.020	1.770	44.790	29.633	24.554

Source: Dakota County

Notes:

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

School District - ISD #194	School District - ISD #196	Special Districts	Total Direct and Overlapping Rates		
Total School Tax Rate (2)	Total School Tax Rate (2)		ISD #191	ISD #194	ISD #196
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
31.459	23.271	5.427	104.404	111.309	103.121

CITY OF BURNSVILLE, MINNESOTA

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

Taxpayer	2015			2006		
	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity
Xcel Energy/Northern States Power Company	\$ 2,694,440	1	4.1 %	\$ 1,797,902	2	2.8 %
Burnsville Center SPE LLC	2,149,250	2	3.3	1,944,552	1	3.0
Minnegasco Inc.	524,490	3	0.8	437,148	5	0.7
JPT Industry Inc.	477,536	4	0.7	477,186	4	0.7
IP9 MF Atrium LLC, Apartments	367,594	5	0.6	-	-	-
WRPV XI Woods Burnsville LLC, Apartments	360,905	6	0.5	-	-	-
Kraus-Anderson Inc.	359,306	7	0.5	409,630	6	0.6
Virtu Southwind Owner LLC, Apartments	347,877	8	0.5	-	-	-
Rosemount Aerospace	343,334	9	0.5	-	-	-
Dakota Electric Association	322,900	10	0.5	392,188	7	0.6
AIMCO	-	-	-	550,000	3	0.9
IRET Properties	-	-	-	362,117	8	0.6
Summit Townhome Investors LLC	-	-	-	313,303	9	0.5
Nicollet Ridge Limited Partnership	-	-	-	312,501	10	0.5
Total	\$ 7,947,632		12.0 %	\$ 6,996,527		10.9 %

Source: Dakota County

CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	478,180	25,145,454	99.72
2010	(2) 24,981,125	24,531,528	98.20	176,328	24,707,856	98.91
2011	(2) 26,186,791	25,741,822	98.30	162,766	25,904,588	98.92
2012	26,348,820	26,006,410	98.70	60,542	26,066,952	98.93
2013	26,988,262	26,673,945	98.84	137,815	26,811,760	99.35
2014	28,448,573	28,171,331	99.03	142,312	28,313,643	99.53
2015	29,584,711	29,336,510	99.16	—	29,336,510	99.16

Notes:

(1)- In 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
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
2015	392,218	-	13,581,813	5,050,362	21,699,745	4,454,809

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

Sources:

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

Business-Type Activities					
General					
Revenue Bonds	Obligation Improvement Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 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	951
16,278,543	822,436	-	62,279,926	2.0	1,009

CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year	General Obligation Bonds (1)	Bond Issuance Premium/ (Discount)	Less Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2006	\$ 26,948,571	\$ (80,457)	\$ 10,272,823	\$ 16,595,291	0.2896 %	\$ 272
2007	31,826,376	168,250	12,228,530	19,766,096	0.3214	322
2008	48,737,076	177,042	10,737,660	38,176,458	0.5982	625
2009	43,870,830	150,239	10,336,997	33,684,072	0.5303	552
2010	46,233,848	123,367	12,314,384	34,042,831	0.5709	565
2011	42,513,643	157,542	10,400,855	32,270,330	0.5840	532
2012	44,795,030	330,998	10,965,938	34,160,090	0.6682	559
2013	43,000,822	375,891	12,516,260	30,860,453	0.6382	503
2014	36,712,779	357,552	6,000,286	31,070,045	0.6273	503
2015	40,328,078	396,060	12,533,406	28,190,732	0.5246	457

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

Sources:

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

CITY OF BURNSVILLE, MINNESOTA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Burnsville	\$ 45,178,947	100.00 %	<u>\$ 45,178,947</u>
Overlapping Debt:			
Dakota County	23,420,000	15.03%	3,520,928
ISD 191 (Burnsville)	162,490,000	63.61%	103,352,809
ISD 194 (Lakeville)	145,940,000	7.06%	10,310,204
ISD 196 (Rosemount)	69,650,000	10.33%	7,195,313
Metropolitan Council	206,140,000	1.99%	<u>4,101,412</u>
Total overlapping debt			<u>128,480,666</u>
Total direct and overlapping debt			<u><u>\$ 173,659,613</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>Fiscal Year 2009</u>
Debt Limit	\$ 114,528,904	\$ 123,017,832	\$ 191,449,524	\$ 190,544,736
Total net debt applicable to limit	<u>695,245</u>	<u>—</u>	<u>2,401,699</u>	<u>2,073,578</u>
Legal debt margin	<u>\$ 113,833,659</u>	<u>\$ 123,017,832</u>	<u>\$ 189,047,825</u>	<u>\$ 188,471,158</u>
Total net debt applicable to the limit as a percentage of debt limit	0.61%	0.00%	1.25%	1.09%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 178,892,583	\$ 165,764,211	\$ 153,356,362	\$ 145,065,609	\$ 148,591,232	\$ 161,202,041
<u>1,729,329</u>	<u>1,374,951</u>	<u>1,000,595</u>	<u>612,797</u>	<u>213,115</u>	<u>110,167</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>	<u>\$ 161,091,874</u>
0.97%	0.83%	0.65%	0.42%	0.14%	0.07%

Legal Debt Margin Calculation for Fiscal Year 2015

Market Value	\$ 5,373,401,377
Debt limit (3% of market value)	161,202,041
Debt applicable to limit:	
General obligation bonds	380,000
Less amount set aside for repayment of general obligation debt	<u>(269,833)</u>
Total net debt applicable to limit	110,167
Legal debt margin	<u>\$ 161,091,874</u>

CITY OF BURNSVILLE, MINNESOTA

**Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Revenue Bonds						Coverage Ratio
	(2)	(3)	Net Available Revenue	Debt Service (1)			
	Operating Revenues and Other	Less Operating Expenses		Principal	Interest		
WATER AND SEWER FUND:							
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	
2015	14,350,769	11,691,664	2,659,105	1,360,000	400,939	1.51	
STORM WATER FUND:							
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	
2015	4,166,171	2,524,717	1,641,454	185,000	70,193	6.43	

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.
- (3) Operating Expenses excludes depreciation.

CITY OF BURNSVILLE, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Number of Households (1)	Estimated Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2006	61,048	24,425	\$ 2,630,863,560	\$ 43,095	10,399	3.4 %
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	7.3
2010	60,306	24,283	2,583,689,958	42,843	9,696	7.0
2011	60,664	24,443	2,709,982,208	44,672	9,555	6.2
2012	61,061	24,609	2,865,287,425	46,925	9,478	5.2
2013	61,300	24,854	2,933,572,800	47,856	9,341	4.5
2014	61,747	24,960	3,007,758,117	48,711	9,213	3.7
2015	61,747	24,960	3,120,755,127	50,541	8,989	3.5

Sources:

- (1) 2015 is an estimate of 0% growth from the 2014 actual figures provided by the Metropolitan Council. 2010 is a census figure. All other years are best available estimates provided by the Metropolitan Council.
- (2) Estimated personal income is calculated by multiplying the per capita personal income by the City population.
- (3) Per capita personal income provided by the U.S. Bureau of Economic Analysis is that for Dakota County, the county in which the City is located. This is the smallest applicable region for which this data is available. In addition, the 2009-2015 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	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UTC Aerospace (formerly Goodrich Sensor Systems)	1,800	1	5.2 %	1,150	3	3.2 %
Burnsville Public Schools - ISD #191	1,550	2	4.5	1,600	1	4.5
Fairview Ridges Hospital	1,050	3	3.0	1,400	2	3.9
Pepsi-Cola Bottling Co.	500	4	1.4	550	5	1.5
City of Burnsville	404	5	1.2	—	—	—
Cub Foods	353	6	1.0	300	7	0.8
Northern Tool & Equipment Co.	300	7	0.9	600	4	1.7
YRC Freight (formerly Yellow Freight)	300	7	0.9	400	6	1.1
Super Target	300	7	0.9	—	—	—
Park Nicollet Clinic	300	7	0.9	—	—	—
Frontier Communications of MN	—	—	—	300	7	0.8
Genz-Ryan	—	—	—	300	7	0.8
Asset Marketing Services	—	—	—	275	10	0.8
Total	6,857		19.9 %	6,875		19.1 %

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

Source: Annual City Budget Documents

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

2009	2010	2011	2012	2013	2014	2015
40.40	40.40	41.10	41.20	41.40	41.40	41.40
89.90	91.90	91.90	91.40	91.40	90.90	91.10
40.00	40.00	40.00	40.00	40.00	40.00	40.00
7.00	7.00	7.00	7.00	11.50	12.50	12.80
14.00	14.00	14.00	14.00	13.00	13.00	13.00
19.00	18.00	18.00	18.00	18.00	18.00	18.00
12.00	12.00	12.00	12.00	12.00	12.00	12.00
8.00	8.00	8.00	8.00	8.00	8.00	8.00
7.00	8.00	8.00	7.00	6.00	6.00	6.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00
14.00	15.00	15.00	15.00	15.00	15.00	15.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50
7.50	7.30	7.30	7.30	6.50	6.50	6.50
1.50	1.50	1.50	1.50	1.50	1.50	1.50
266.80	269.60	270.30	268.90	270.80	271.30	271.80

CITY OF BURNSVILLE, MINNESOTA

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

	2006	2007	2008	2009
Function				
Police				
Total calls for service	46,154	44,596	52,442	53,550
Arrests - Adult	3,014	2,458	2,309	2,090
Arrests - Juvenile	770	695	514	532
Traffic citations	11,251	13,268	12,826	11,751
Fire and Emergency Services				
Number of calls (excluding EMS)	1,279	1,347	1,435	1,351
Number of Emergency Medical Service (EMS) calls	3,204	3,241	3,356	3,496
EMS patients served	2,465	2,466	2,509	2,559
Protective inspections				
Plan reviews	757	695	848	394
Building permits issued	5,650	6,037	5,424	4,473
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	10,652	9,922	9,765	7,269
Code enforcement inspections	3,184	4,263	2,786	2,846
Public works				
Street rehabilitation/resurfacing (miles)	3.0	1.9	2.3	4.1
Sealcoating (miles)	13.0	18.0	16.0	19.9
Snow and ice control (miles)	216	218	219	221
Recreation				
Youth recreation activity participants	18,558	19,381	19,937	19,693
The Garage Attendance	32,380	20,243	17,990	20,566
Water				
New connections	58	53	37	23
Water main breaks	18	16	18	28
Average daily consumption (thousands of gallons)	8,155	7,989	7,618	8,040
Total daily pumping capacity (thousands of gallons)	25,000	25,000	25,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,610	5,409	5,480	5,497
Storm Water				
Street sweeping (miles)	216	218	219	220
Golf course				
Annual rounds sold	27,740	26,850	26,118	27,243
Ice Center				
Learn to skate participants	1,814	1,650	1,339	1,192

Sources: Various City departments

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

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

2010	2011	2012	2013	2014	2015
51,698	40,771	46,632	47,906	46,209	49,924
1,851	2,069	2,058	2,110	1,888	1,922
473	490	410	370	367	351
11,095	9,346	8,981	7,960	7,898	6,613
1,353	1,305	1,248	1,388	1,353	1,355
3,375	3,650	3,732	4,023	4,303	4,665
2,469	2,678	2,861	3,035	3,269	3,400
428	317	438	468	488	546
5,852	2,097	6,415	6,161	7,252	6,888
7,072	6,584	6,426	5,622	6,244	6,869
1,639	3,515	538	2,690	3,970	3,904
4.2	6.2	7.6	5.2	5.2	8.8
11.2	12.9	23.3	7.5	18.5	6.1
221	221	222	222	222	222
18,635	21,722	20,106	20,842	23,006	27,195
23,738	31,992	16,267	25,044	22,500	*n/a
14	21	20	15	27	63
27	17	12	19	17	19
8,422	8,940	9,830	9,215	9,008	10,070
29,000	29,000	29,000	29,000	29,000	29,000
5,153	5,352	5,031	5,125	5,346	5,153
221	221	222	222	222	222
24,918	22,124	23,847	20,541	20,851	23,775
410	687	602	580	513	455

CITY OF BURNSVILLE, MINNESOTA

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2006	2007	2008	2009	2010
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	22	21	21	22	20
Fire stations	2	2	2	2	2
Public works					
Streets (miles)	216.4	218.3	218.7	220.0	220.8
Traffic signals	19	19	19	20	21
Parks and recreation					
Parks acreage	1,800	1,800	1,800	1,800	1,750
Parks	79	79	79	79	76
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	29	29
Water					
Water mains (miles)	254.1	254.9	254.8	255.2	257.3
Wells	17	17	17	17	17
Connections	16,187	16,240	16,277	16,300	16,572
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000	19,000
Sewer					
Sanitary sewers (miles)	205.9	207.4	207.4	207.5	209.1
Number of connections	16,238	16,290	16,330	16,355	16,095
Storm sewers (miles)	191.5	192.1	193.6	193.9	194.6

Sources: Various City departments

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

2011	2012	2013	2014	2015
1	1	1	1	1
21	26	26	26	26
2	2	2	2	2
221.4	221.8	221.9	220.4	221.9
22	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
257.7	258.2	258.3	259.8	260.7
17	17	17	17	17
16,593	16,613	16,628	16,655	16,718
19,000	19,000	19,000	19,000	19,000
209.1	209.1	209.3	209.3	209.6
16,107	16,119	16,119	16,073	16,079
195.4	195.7	196.8	196.8	199.4

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