This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 15, 2020

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "Tax Exemption" herein.

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: S&P Global Ratings**

CITY OF BURNSVILLE, MINNESOTA
(Dakota County)

$20,570,000* GENERAL OBLIGATION CIP, IMPROVEMENT AND REFUNDING BONDS, SERIES 2020A

PROPOSAL OPENING: October 27, 2020, 10:00 A.M., C.T. **CONSIDERATION**: October 27, 2020, 5:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $20,570,000* General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds") are being issued by the City of Burnsville, Minnesota (the "City") pursuant to Minnesota Statutes, Chapters 429 and 475, and Sections 475.521 and 475.67, for the purposes of: (i) financing the 2020 street improvement projects; (ii) financing the construction of a new Fire Station; and (iii) effecting a current refunding of certain outstanding general obligations of the City as more fully described herein. The Bonds are general obligations of the City, for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: November 17, 2020

MATURITY: December 20 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2021	$1,285,000	2028	$925,000	2035	$1,000,000
2022	1,295,000	2029	935,000	2036	960,000
2023	1,285,000	2030	945,000	2037	980,000
2024	1,285,000	2031	940,000	2038	1,000,000
2025	920,000	2032	955,000	2039	1,025,000
2026	925,000	2033	965,000	2040	1,045,000
2027	915,000	2034	985,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 20, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on December 20, 2031 and thereafter are subject to call for prior optional redemption on December 20, 2030 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: $20,405,440.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $411,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Kennedy & Graven, Chartered

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF BURNSVILLE
CITY COUNCIL

		Term Expires
Elizabeth Kautz	Mayor	January 2021
Dan Gustafson	Council Member	January 2021
Dan Kealey	Council Member	January 2023
Cara Schultz	Council Member	January 2021
Vince Workman	Council Member	January 2023

ADMINISTRATION

Melanie Mesko Lee, City Manager
Jennifer Rhode, Finance Director

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(*Other offices located in Waukesha, Wisconsin and Denver, Colorado*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Burnsville, Minnesota (the "City") and the issuance of its $20,570,000* General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on October 27, 2020.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of November 17, 2020. The Bonds will mature on December 20 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 20 and December 20 of each year, commencing June 20, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 20, 2031 shall be subject to optional redemption prior to maturity on December 20, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, and Sections 475.521 and 475.67, by the City for the purposes of: (i) financing the 2020 street improvement projects (the "Improvement Portion"); (ii) financing the construction of a new Fire Station (the "CIP Portion"); and (iii) effecting a current refunding of the City's $6,340,000 General Obligation Taxable Improvement Bonds, Series 2010D (Building America Bonds-Direct Pay) (the "Series 2010D Bonds" or the "Series 2010D Refunding Portion") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 122458
Series 2010D Bonds	7/1/10	12/20/20	Par	2021	4.15%	$435,000	YG1
				2022	4.30%	440,000	YH9
				2023	4.45%	445,000	YJ5
				2024	4.60%	455,000	YK2
Total Series 2010D Bonds Being Refunded						$1,775,000	

A portion of the Bonds proceeds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The City will pay the principal and interest payment due on December 20, 2020 from the Debt Service Fund for the Series 2010D Bonds.

Minnesota Statutes, Section 475.521, adopted by the 2003 Minnesota State Legislature and amended in 2005, allows cities and towns to plan for and finance the acquisition and betterment of public lands, buildings, and certain other improvements within the municipality, including financing the construction of city halls, town halls, libraries, public safety, and public works facilities. Annual principal and interest payments on General Obligation Capital Improvement Bonds are limited to 0.16% of the City's estimated market value. The estimated market value of the City for taxes collectible in 2020 is $7,276,823,500. This results in a maximum annual debt service allowable of $11,642,918 for General Obligation Capital Improvement Bonds outstanding at any time.

ESTIMATED SOURCES AND USES*

Sources	Improvement Portion	CIP Portion	Series 2010D Refunding Portion	Total Bond Issue
Par Amount of Bonds	$1,335,000	$17,755,000	$1,480,000	$20,570,000
Transfers from Prior Issue Debt Service Funds	-	-	316,153	316,153
Total Sources	**$1,335,000**	**$17,755,000**	**$1,796,153**	**$20,886,153**
Uses				
Total Underwriter's Discount (0.800%)	$10,680	$142,040	$11,840	$164,560
Costs of Issuance	8,177	108,757	9,066	126,000
Deposit to Project Construction Fund	1,317,000	17,500,000	-	18,817,000
Deposit to Current Refunding Fund	-	-	1,775,000	1,775,000
Rounding Amount	(857)	4,203	247	3,593
Total Uses	**$1,335,000**	**$17,755,000**	**$1,796,153**	**$20,886,153**

*Preliminary, subject to change.

Breakdown of Principal Payments*:

Payment Date	Improvement Portion	CIP Portion	Series 2010D Refunding Portion	Total Bond Issue
12/01/2021	$120,000	$790,000	$375,000	$1,285,000
12/01/2022	120,000	800,000	375,000	1,295,000
12/01/2023	115,000	805,000	365,000	1,285,000
12/01/2024	110,000	810,000	365,000	1,285,000
12/01/2025	105,000	815,000	-	920,000
12/01/2026	105,000	820,000	-	925,000
12/01/2027	90,000	825,000	-	915,000
12/01/2028	90,000	835,000	-	925,000
12/01/2029	85,000	850,000	-	935,000
12/01/2030	85,000	860,000	-	945,000
12/01/2031	65,000	875,000	-	940,000
12/01/2032	65,000	890,000	-	955,000
12/01/2033	60,000	905,000	-	965,000
12/01/2034	60,000	925,000	-	985,000
12/01/2035	60,000	940,000	-	1,000,000
12/01/2036	-	960,000	-	960,000
12/01/2037	-	980,000	-	980,000
12/01/2038	-	1,000,000	-	1,000,000
12/01/2039	-	1,025,000	-	1,025,000
12/01/2040	-	1,045,000	-	1,045,000
Total	**$1,335,000**	**$17,755,000**	**$1,480,000**	**$20,570,000**

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service on the Improvement Portion and the Series 2010D Refunding Portion will be paid from a combination of special assessments levied against properties benefitted by improvements financed by the Improvement Portion and the Series 2010D Refunding Portion of the Bonds and from ad valorem property taxes. Receipt of special assessments and collection of ad valorem taxes will be sufficient to provide not less than 105% of principal and interest on the Improvement Portion and the Series 2010D Refunding Portion of the Bonds as required by Minnesota law.

The City anticipates that the debt service on the CIP Portion will be paid from ad valorem taxes. In accordance with Minnesota Statutes, the City will levy each year an amount not less than 105% of the debt service requirements on the CIP Portion of the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the City is required to levy an additional ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

Should the revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AAA" by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Except to the extent the following deficiencies are deemed to be material, the City believes it has complied for the past five years in all material respects in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. The City notes the following:

Prior continuing disclosure undertakings entered into by the City included language stating that an Annual Report including the City's audited financial statements and operating data would be filed "as soon as available."Although the City did not always file the Annual Reports "as soon as available," the Annual Reports were timely filed within the required twelve month timeframe as provided for in each undertaking. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, interest on the Bonds is excluded from gross income of the owners thereof for purposes of federal income taxation and is excluded from taxable net income of individuals, estates or trusts for purposes of State of Minnesota income taxation, but is subject to State of Minnesota franchise taxes measured by income that are imposed upon corporations, including financial institutions.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2019 have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A. ("MMKR"), Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor has extended the peacetime emergency by 30 days. On June 5, 2020, the Governor signed Emergency Executive Order 20-74 which outlines guidelines for continuing to safely reopen Minnesota's economy and ensuring safe non-work activities during the COVID-19 peacetime emergency. This order is effective as of June 10, 2020, and outlines the guidelines for continuing to lift the restrictions that were identified in prior executive orders signed by the Governor.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2017/18	2018/19	2019/20
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,940,000 - 0.50% [2] Over $1,940,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,900,000 - 0.50% [2] Over $1,900,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,880,000 - 0.50% [2] Over $1,880,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $121,000 - .75% Over $121,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $139,000 - .75% Over $139,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $150,000 - .75% Over $150,000 - .25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

[1] A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

[2] Applies to land and buildings. Exempt from referendum market value tax.

[3] Exempt from referendum market value tax.

[4] Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

[5] The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2019/20 Economic Market Value $7,613,492,589[1]

	2019/20 Assessor's Estimated Market Value	2019/20 Net Tax Capacity
Real Estate	$7,225,658,300	$87,582,873
Personal Property	51,165,200	1,002,211
Total Valuation	$7,276,823,500	$88,585,084
Less: Captured Tax Increment Tax Capacity[2]		(225,215)
Fiscal Disparities Contribution[3]		(11,442,894)
Taxable Net Tax Capacity		$76,916,975
Plus: Fiscal Disparities Distribution[3]		10,095,453
Adjusted Taxable Net Tax Capacity		$87,012,428

[1] According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 95.70% of the actual selling prices of property most recently sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of $7,613,492,589.

[2] The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

[3] Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2019/20 NET TAX CAPACITY BY CLASSIFICATION

	2019/20 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$44,508,118	50.24%
Commercial/industrial	28,146,631	31.77%
Public utility	3,374,694	3.81%
Railroad operating property	136,592	0.15%
Apartments	11,416,838	12.89%
Personal property	1,002,211	1.13%
Total	$88,585,084	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent +/- in Estimated Market Value
2015/16	$5,802,581,900	$5,506,514,039	$70,791,596	$66,821,591	+2.28%
2016/17	5,954,492,900	5,670,777,401	72,210,663	68,901,853	+2.62%
2017/18	6,472,132,200	6,204,343,440	78,424,976	75,716,499	+8.69%
2018/19	6,844,680,400	6,590,112,904	82,871,831	80,056,691	+5.76%
2019/20	7,276,823,500	7,034,358,859	88,585,084	87,012,428	+6.31%

[1] Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

[2] Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2019/20 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Xcel Energy	Utility	$3,159,593	3.57%
Burnsville Center SPE, LLC	Commercial	1,473,424	1.66%
RRE Woods Holdings, LLC	Apartment	669,898	0.76%
New Southwind, LLC	Apartment	657,900	0.74%
RRE Nicollet Ridge Holdings, LLC	Apartment	601,626	0.68%
JPT Industries, Inc.	Commercial	585,950	0.66%
FPA5 Atrium, LLC	Apartment	538,866	0.61%
FLT Summit Park Apartments, LLC	Apartment	478,169	0.54%
PRCP-Minnesota Stone, LLC	Apartment	468,669	0.53%
Fairview Health Services	Commercial	447,187	0.50%
Total		$9,081,282	10.25%

City's Total 2019/20 Net Tax Capacity $88,585,084

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Dakota County.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes (includes the Improvement Portion and the Series 2010D Refunding Portion of the Bonds)*	$ 10,840,000
Total G.O. debt secured by tax abatement revenues	16,575,000
Total G.O. debt secured by tax increment revenues	2,000,000
Total G.O. debt secured by taxes (includes the CIP Portion of the Bonds)*	26,355,000
Total G.O. debt secured by utility revenues	25,961,197
Total General Obligation Debt*	$ 81,731,197

*Preliminary, subject to change.

[1] Outstanding debt is as of the dated date of the Bonds.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/17/2020)

	Improvement Bonds Series 2007A		Taxable Improvement Bonds (BABS) Series 2010D		Improvement Crossover Refunding Bonds Series 2011D		Improvement Bonds Series 2012C		Improvement Bonds 1) Series 2013A	
Dated	12/15/2007		07/01/2010		12/01/2011		11/01/2012		12/01/2013	
Amount	$2,595,000		$6,340,000		$2,450,000		$1,340,000		$1,595,000	
Maturity	02/01		12/20		12/20		12/20		12/20	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	0	0	430,000	47,560	105,000	1,050	90,000	5,750	110,000	13,375
2021	160,000	14,800					85,000	9,700	110,000	23,450
2022	160,000	8,400					80,000	8,000	105,000	20,150
2023	130,000	2,600					80,000	6,400	105,000	17,000
2024							65,000	4,800	105,000	13,850
2025							65,000	3,500	100,000	10,700
2026							60,000	2,200	75,000	7,700
2027							50,000	1,000	75,000	5,075
2028									70,000	2,450
2029										
2030										
2031										
2032										
2033										
2034										
2035										
	450,000	25,800	430,000	47,560	105,000	1,050	575,000	41,350	855,000	113,750

1) This represents the $1,595,000 Improvement portion of the $4,100,000 General Obligation Improvement and Utility Revenue Bonds, Series 2013A.

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City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/17/2020)

	Improvement Bonds 2) Series 2014A		Improvement Bonds 3) Series 2015A		Improvement Bonds 4) Series 2016B		Improvement Bonds 5) Series 2018A		Improvement and Refunding Bonds 6) Series 2019A	
Dated	10/01/2014		12/10/2015		11/16/2016		12/13/2018		11/26/2019	
Amount	$2,780,000		$735,000		$910,000		$965,000		$1,625,000	
Maturity	12/20		12/20		12/20		12/20		12/20	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	175,000	23,656	50,000	6,994	85,000	6,350	95,000	16,231	165,000	40,625
2021	180,000	43,813	50,000	12,488	80,000	11,000	95,000	28,663	175,000	73,000
2022	185,000	40,213	50,000	10,988	65,000	9,400	95,000	24,863	180,000	64,250
2023	185,000	36,513	50,000	9,488	65,000	8,100	80,000	21,063	175,000	55,250
2024	190,000	32,813	45,000	7,988	65,000	6,800	75,000	17,863	180,000	46,500
2025	195,000	28,775	45,000	7,088	65,000	5,500	75,000	14,863	185,000	37,500
2026	200,000	23,900	45,000	6,188	60,000	4,428	75,000	11,863	150,000	28,250
2027	205,000	18,900	45,000	4,950	35,000	3,438	75,000	8,863	80,000	20,750
2028	210,000	12,750	45,000	3,713	35,000	2,738	50,000	6,613	80,000	16,750
2029	215,000	6,450	45,000	2,475	35,000	2,038	35,000	5,113	80,000	12,750
2030			45,000	1,238	35,000	1,338	35,000	4,063	35,000	8,750
2031					30,000	638	35,000	2,925	35,000	7,000
2032							35,000	1,788	35,000	5,250
2033							20,000	650	35,000	3,500
2034									35,000	1,750
2035										
	1,940,000	267,781	515,000	73,594	655,000	61,765	875,000	165,419	1,625,000	421,875

2) This represents the $2,780,000 Improvement portion of the $5,325,000 General Obligation Improvement and Utility Revenue Bonds, Series 2014A.

3) This represents the $735,000 Improvement portion of the $2,970,000 General Obligation Improvement and Utility Revenue Bonds, Series 2015A.

4) This represents the $910,000 Improvement portion of the $2,510,000 General Obligation Improvement and Utility Revenue Bonds, Series 2016B.

5) This represents the $965,000 Improvement portion of the $7,665,000 General Obligation Tax Abatement, Improvement and Utility Bonds, Series 2018A.

6) This represents the $1,625,000 Improvement and Refunding portion of the $6,790,000 General Obligation Improvement, Utility Revenue and Refunding Bonds, Series 2019A.

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City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/17/2020)

	Improvement Bonds 7) Series 2020A							
Dated	11/17/2020							
Amount	$2,815,000*							
Maturity	12/20							
Calendar Year Ending	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	0	0	1,305,000	161,591	1,466,591	9,535,000	12.04%	**2020**
2021	495,000	22,943	1,430,000	239,855	1,669,855	8,105,000	25.23%	**2021**
2022	495,000	20,223	1,415,000	206,485	1,621,485	6,690,000	38.28%	**2022**
2023	480,000	17,995	1,350,000	174,408	1,524,408	5,340,000	50.74%	**2023**
2024	475,000	15,595	1,200,000	146,208	1,346,208	4,140,000	61.81%	**2024**
2025	105,000	12,508	835,000	120,433	955,433	3,305,000	69.51%	**2025**
2026	105,000	11,720	770,000	96,248	866,248	2,535,000	76.61%	**2026**
2027	90,000	10,775	655,000	73,750	728,750	1,880,000	82.66%	**2027**
2028	90,000	9,830	580,000	54,843	634,843	1,300,000	88.01%	**2028**
2029	85,000	8,570	495,000	37,395	532,395	805,000	92.57%	**2029**
2030	85,000	7,253	235,000	22,640	257,640	570,000	94.74%	**2030**
2031	65,000	5,850	165,000	16,413	181,413	405,000	96.26%	**2031**
2032	65,000	4,713	135,000	11,750	146,750	270,000	97.51%	**2032**
2033	60,000	3,510	115,000	7,660	122,660	155,000	98.57%	**2033**
2034	60,000	2,370	95,000	4,120	99,120	60,000	99.45%	**2034**
2035	60,000	1,200	60,000	1,200	61,200	0	100.00%	**2035**
	2,815,000	155,053	10,840,000	1,374,996	12,214,996			

* Preliminary, subject to change.

7) This represents the $2,815,000 Improvement portion and the Series 2010D Refunding portion of the $20,570,000 General Obligation CIP, Improvement and Refunding Bonds, Series 2020A. A portion of this issue will refund the 2021 through 2024 maturities of the City's $6,340,000 General Obligation Taxable Improvement Bonds, Series 2010D (Build America Bonds-Direct Pay), dated July 1, 2010.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 11/17/2020)

	Tax Abatement Series 2015B		Tax Abatement Series 2016A		Tax Abatement Bonds 1) Series 2018A							
Dated	12/10/2015		04/05/2016		12/13/2018							
Amount	$7,030,000		$6,475,000		$4,395,000							
Maturity	12/20		12/20		12/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	40,000	75,688	1,460,000	55,500	340,000	74,500	1,840,000	205,688	2,045,688	14,735,000	11.10%	**2020**
2021	40,000	150,575	1,495,000	81,800	355,000	135,400	1,890,000	367,775	2,257,775	12,845,000	22.50%	**2021**
2022	40,000	149,775	1,535,000	51,900	365,000	121,200	1,940,000	322,875	2,262,875	10,905,000	34.21%	**2022**
2023	550,000	148,975	1,060,000	21,200	380,000	106,600	1,990,000	276,775	2,266,775	8,915,000	46.21%	**2023**
2024	1,765,000	132,475			400,000	91,400	2,165,000	223,875	2,388,875	6,750,000	59.28%	**2024**
2025	1,810,000	97,175			415,000	75,400	2,225,000	172,575	2,397,575	4,525,000	72.70%	**2025**
2026	1,855,000	60,975			435,000	58,800	2,290,000	119,775	2,409,775	2,235,000	86.52%	**2026**
2027	855,000	19,238			445,000	41,400	1,300,000	60,638	1,360,638	935,000	94.36%	**2027**
2028					460,000	28,050	460,000	28,050	488,050	475,000	97.13%	**2028**
2029					475,000	14,250	475,000	14,250	489,250	0	100.00%	**2029**
	6,955,000	834,875	5,550,000	210,400	4,070,000	747,000	16,575,000	1,792,275	18,367,275			

1) This represents the $4,395,000 Tax Abatement portion of the $7,665,000 General Obligation Tax Abatement, Improvement and Utility Bonds, Series 2018A.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 11/17/2020)

	Tax Increment Bonds Series 2012A							
Dated	11/01/2012							
Amount	$4,920,000							
Maturity	12/20							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	260,000	20,000	260,000	20,000	280,000	1,740,000	13.00%	**2020**
2021	265,000	34,800	265,000	34,800	299,800	1,475,000	26.25%	**2021**
2022	270,000	29,500	270,000	29,500	299,500	1,205,000	39.75%	**2022**
2023	275,000	24,100	275,000	24,100	299,100	930,000	53.50%	**2023**
2024	275,000	18,600	275,000	18,600	293,600	655,000	67.25%	**2024**
2025	280,000	13,100	280,000	13,100	293,100	375,000	81.25%	**2025**
2026	185,000	7,500	185,000	7,500	192,500	190,000	90.50%	**2026**
2027	190,000	3,800	190,000	3,800	193,800	0	100.00%	**2027**
	2,000,000	151,400	2,000,000	151,400	2,151,400			

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/17/2020)

	CIP Bonds 1) Series 2017A		CIP Bonds 2) Series 2020A							
Dated	11/15/2017		11/17/2020							
Amount	$9,585,000		$17,755,000*							
Maturity	12/20		12/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	530,000	139,670	0	0	530,000	139,670	669,670	25,825,000	2.01%	**2020**
2021	550,000	258,140	790,000	279,922	1,340,000	538,062	1,878,062	24,485,000	7.10%	**2021**
2022	570,000	236,140	800,000	267,733	1,370,000	503,873	1,873,873	23,115,000	12.29%	**2022**
2023	595,000	213,340	805,000	264,133	1,400,000	477,473	1,877,473	21,715,000	17.61%	**2023**
2024	620,000	189,540	810,000	260,108	1,430,000	449,648	1,879,648	20,285,000	23.03%	**2024**
2025	645,000	164,740	815,000	254,843	1,460,000	419,583	1,879,583	18,825,000	28.57%	**2025**
2026	670,000	138,940	820,000	248,730	1,490,000	387,670	1,877,670	17,335,000	34.23%	**2026**
2027	695,000	112,140	825,000	241,350	1,520,000	353,490	1,873,490	15,815,000	39.99%	**2027**
2028	710,000	97,545	835,000	232,688	1,545,000	330,233	1,875,233	14,270,000	45.85%	**2028**
2029	725,000	81,215	850,000	220,998	1,575,000	302,213	1,877,213	12,695,000	51.83%	**2029**
2030	745,000	63,815	860,000	207,823	1,605,000	271,638	1,876,638	11,090,000	57.92%	**2030**
2031	760,000	44,818	875,000	193,633	1,635,000	238,450	1,873,450	9,455,000	64.12%	**2031**
2032	785,000	23,158	890,000	178,320	1,675,000	201,478	1,876,478	7,780,000	70.48%	**2032**
2033			905,000	161,855	905,000	161,855	1,066,855	6,875,000	73.91%	**2033**
2034			925,000	144,660	925,000	144,660	1,069,660	5,950,000	77.42%	**2034**
2035			940,000	126,623	940,000	126,623	1,066,623	5,010,000	80.99%	**2035**
2036			960,000	107,823	960,000	107,823	1,067,823	4,050,000	84.63%	**2036**
2037			980,000	88,143	980,000	88,143	1,068,143	3,070,000	88.35%	**2037**
2038			1,000,000	67,563	1,000,000	67,563	1,067,563	2,070,000	92.15%	**2038**
2039			1,025,000	46,063	1,025,000	46,063	1,071,063	1,045,000	96.03%	**2039**
2040			1,045,000	23,513	1,045,000	23,513	1,068,513	0	100.00%	**2040**
	8,600,000	1,763,200	17,755,000	3,616,517	26,355,000	5,379,717	31,734,717			

* Preliminary, subject to change.

1) This represents the $9,585,000 CIP portion of the $14,320,000 General Obligation Bonds, Series 2017A.

2) This represents the $17,755,000 CIP portion of the $20,570,000 General Obligation CIP, Improvement and Refunding Bonds, Series 2020A.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 11/17/2020)

	Utility Revenue Bonds Series 2012B		Utility Revenue Bonds 1) Series 2013A		Utility Revenue Bonds 2) Series 2014A		Utility Revenue Bonds 3) Series 2015A		Taxable Water Revenue Note-PFA Series 2016	
Dated	11/01/2012		12/01/2013		10/01/2014		12/10/2015		07/14/2016	
Amount	$3,005,000		$2,505,000		$2,545,000		$2,235,000		$6,247,194	
Maturity	12/20		12/20		12/20		12/20		08/20	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	205,000	16,150	250,000	15,000	255,000	13,372	215,000	18,600	0	0
2021	210,000	28,200	250,000	22,500	260,000	21,644	225,000	30,750	289,000	64,579
2022	210,000	24,000	250,000	15,000	265,000	16,444	230,000	24,000	293,000	60,915
2023	215,000	19,800	250,000	7,500	265,000	11,144	240,000	17,100	296,000	57,199
2024	220,000	15,500			275,000	5,844	245,000	9,900	300,000	53,446
2025	225,000	11,100					250,000	5,000	304,000	49,642
2026	165,000	6,600							308,000	45,787
2027	165,000	3,300							312,000	41,882
2028									316,000	37,926
2029									320,000	33,919
2030									324,000	29,861
2031									328,000	25,753
2032									332,000	21,594
2033									336,000	17,384
2034									340,000	13,124
2035									345,000	8,813
2036									350,000	4,438
2037										
2038										
2039										
2040										
	1,615,000	124,650	1,000,000	60,000	1,320,000	68,447	1,405,000	105,350	5,093,000	566,263

1) This represents the $2,505,000 Utility Revenue portion of the $4,100,000 General Obligation Improvement and Utility Revenue Bonds, Series 2013A.

2) This represents the $2,545,000 Utility Revenue portion of the $5,325,000 General Obligation Improvement and Utility Revenue Bonds, Series 2014A.

3) This represents the $2,235,000 Utility Revenue portion of the $2,970,000 General Obligation Improvement and Utility Revenue Bonds, Series 2015A.

--Continued on next page

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Utility Revenues
(As of 11/17/2020)

	Utility Revenue Bonds 4) Series 2016B		Utility Revenue Bonds 5) Series 2017A		Utility Revenue Bonds 6) Series 2018A		Utility Revenue and Refunding Bonds 7) Series 2019A		Taxable Water Revenue Note Series 2020B							
Dated	11/16/2016		11/15/2017		12/13/2018		11/26/2019		07/13/2020							
Amount	$1,600,000		$4,735,000		$2,305,000		$5,165,000		$2,678,197							
Maturity	12/20		12/20		12/20		12/20		08/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	100,000	12,890	260,000	68,981	200,000	39,625	480,000	129,125	0	0	1,965,000	313,743	2,278,743	23,996,197	7.57%	**2020**
2021	100,000	23,780	270,000	127,563	205,000	71,250	510,000	234,250	103,197	45,942	2,422,197	670,457	3,092,654	21,574,000	16.90%	**2021**
2022	105,000	21,780	280,000	116,763	215,000	63,050	545,000	208,750	119,000	35,896	2,512,000	586,596	3,098,596	19,062,000	26.58%	**2022**
2023	105,000	19,680	295,000	105,563	225,000	54,450	570,000	181,500	121,000	34,237	2,582,000	508,172	3,090,172	16,480,000	36.52%	**2023**
2024	105,000	17,580	305,000	93,763	235,000	45,450	605,000	153,000	123,000	32,550	2,413,000	427,032	2,840,032	14,067,000	45.82%	**2024**
2025	110,000	15,480	320,000	81,563	245,000	36,050	635,000	122,750	124,000	30,835	2,213,000	352,420	2,565,420	11,854,000	54.34%	**2025**
2026	110,000	13,665	330,000	68,763	255,000	26,250	420,000	91,000	126,000	29,107	1,714,000	281,172	1,995,172	10,140,000	60.94%	**2026**
2027	115,000	11,850	345,000	55,563	265,000	16,050	445,000	70,000	128,000	27,350	1,775,000	225,995	2,000,995	8,365,000	67.78%	**2027**
2028	115,000	9,550	350,000	48,318	270,000	8,100	465,000	47,750	130,000	25,566	1,646,000	177,209	1,823,209	6,719,000	74.12%	**2028**
2029	115,000	7,250	360,000	40,268			490,000	24,500	131,000	23,754	1,416,000	129,690	1,545,690	5,303,000	79.57%	**2029**
2030	120,000	4,950	370,000	31,628					133,000	21,928	947,000	88,367	1,035,367	4,356,000	83.22%	**2030**
2031	120,000	2,550	375,000	22,193					135,000	20,074	958,000	70,569	1,028,569	3,398,000	86.91%	**2031**
2032			390,000	11,505					137,000	18,192	859,000	51,291	910,291	2,539,000	90.22%	**2032**
2033									139,000	16,282	475,000	33,666	508,666	2,064,000	92.05%	**2033**
2034									141,000	14,344	481,000	27,468	508,468	1,583,000	93.90%	**2034**
2035									143,000	12,379	488,000	21,191	509,191	1,095,000	95.78%	**2035**
2036									145,000	10,385	495,000	14,823	509,823	600,000	97.69%	**2036**
2037									147,000	8,364	147,000	8,364	155,364	453,000	98.26%	**2037**
2038									149,000	6,315	149,000	6,315	155,315	304,000	98.83%	**2038**
2039									151,000	4,238	151,000	4,238	155,238	153,000	99.41%	**2039**
2040									153,000	2,133	153,000	2,133	155,133	0	100.00%	**2040**
	1,320,000	161,005	4,250,000	872,429	2,115,000	360,275	5,165,000	1,262,625	2,678,197	419,868	25,961,197	4,000,912	29,962,109			

4) This represents the $1,600,000 Utility Revenue portion of the $2,510,000 General Obligation Improvement and Utility Revenue Bonds, Series 2016B.

5) This represents the $4,735,000 Utility Revenue portion of the $14,320,000 General Obligation Bonds, Series 2017A.

6) This represents the $2,305,000 Utility Revenue portion of the $7,665,000 General Obligation Tax Abatement, Improvement and Utility Bonds, Series 2018A.

7) This represents the $5,165,000 Utility Revenue and Refunding portion of the $6,790,000 General Obligation Improvement, Utility Revenue and Refunding Bonds, Series 2019A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations payable wholly or partly from special assessments levied against benefitted property (includes the Improvement Portion and the Series 2010D Refunding Portion of the Bonds); (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations issued to pay judgments against the City; and (8) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2019/20 Assessor's Estimated Market Value	$7,276,823,500
Multiply by 3%	0.03
Statutory Debt Limit	$ 218,304,705
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the CIP Portion of the Bonds)*	(26,355,000)
Unused Debt Limit*	$ 191,949,705

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2019/20 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt[2]	City's Proportionate Share
I.S.D. No. 191 (Burnsville-Eagan-Savage)	$ 62,937,643	83.5446%	$130,050,000[3]	$108,649,752
I.S.D. No. 194 (Lakeville Area Public Schools)	69,631,561	8.7028%	159,785,000[4]	13,905,769
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)	195,089,579	9.3681%	122,785,000	11,502,622
Metropolitan Council	4,576,187,142	1.6808%	230,225,000[5]	3,869,622
City's Share of Total Overlapping Debt				$137,927,765

[1] Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

[2] Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

[3] Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota. This includes the District's General Obligation Alternative Facilities Refunding Bonds, Series 2020A, outstanding principal of $11,485,000, dated November 4, 2020.

[4] Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

[5] The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value ($7,613,492,589)	Debt/ Current Population Estimate (62,785)
Direct G.O. Debt Secured By:			
Special Assessments & Taxes*	$ 10,840,000		
Tax Abatement Revenues	16,575,000		
Tax Increment Revenues	2,000,000		
Taxes*	26,355,000		
Utility Revenues	25,961,197		
Total General Obligation Debt (includes the Bonds)*	$ 81,731,197		
Less: G.O. Debt Paid Entirely from Revenues[1]	(25,961,197)		
Tax Supported General Obligation Debt*	$ 55,770,000	0.73%	$888.27
City's Share of Total Overlapping Debt	137,927,765	1.81%	$2,196.83
Total*	$ 193,697,765	2.54%	$3,085.10

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City plans to issue approximately $900,000 General Obligation Street Improvement Bonds and approximately $3,500,000 General Obligation Utility Revenue Bonds in the next 12 months.

[1] Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date[2]	% Collected
2015/16	$ 27,384,456	$27,220,355	$27,375,656	99.97%
2016/17	28,103,762	27,861,190	28,086,779	99.94%
2017/18	29,077,824	28,922,896	29,052,379	99.91%
2018/19	30,797,950	30,671,993	30,675,506	99.60%
2019/20	33,188,039	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[3] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The City cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

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[1] This reflects the Final Levy Certification of the City after all adjustments have been made.

[2] Collections are through February 29, 2020.

[3] Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES[1]

	2015/16	2016/17	2017/18	2018/19	2019/20
Dakota County	28.570%	28.004%	26.580%	25.386%	24.133%
City of Burnsville	46.525%	46.557%	43.552%	43.595%	43.148%
I.S.D. No. 191 (Burnsville-Eagan-Savage)	31.065%	27.529%	25.759%	26.202%	23.765%
I.S.D. No. 194 (Lakeville Area Public Schools)	35.319%	32.914%	32.992%	32.535%	34.851%
I.S.D. No. 196 (Burnsville-Apple Valley-Eagan)	24.317%	23.336%	21.352%	20.613%	19.860%
Metropolitan Council	0.958%	0.878%	0.821%	0.666%	0.606%
Mosquito Abatement	0.491%	0.475%	0.443%	0.435%	0.406%
Transit District	1.261%	1.215%	1.104%	1.244%	1.150%
Dakota County CDA	1.547%	1.548%	1.479%	1.479%	1.469%
Light Rail	0.357%	0.342%	0.031%	0.000%	0.000%
Burnsville EDA	0.891%	0.897%	0.955%	0.924%	0.136%
Watershed-M	0.691%	0.745%	0.712%	0.664%	0.540%
Watershed-Vermillion	0.449%	0.449%	0.429%	0.403%	0.399%
Referendum Market Value Rates:					
I.S.D. No. 191 (Burnsville-Eagan-Savage)	0.24692%	0.23334%	0.27448%	0.24409%	0.23263%
I.S.D. No. 194 (Lakeville Area Public Schools)	0.27898%	0.25441%	0.26835%	0.26992%	0.31225%
I.S.D. No. 196 (Burnsville-Apple Valley-Eagan)	0.26999%	0.27380%	0.26715%	0.26162%	0.34367%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Dakota County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

[1] After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1964. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Manager and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 282 full-time and 11 part-time employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
IAFF 2910 (International Association of Fire Fighters Local #2910)	December 31, 2021
IAFF 4481 (International Association of Fire Fighters Local #4481)	December 31, 2021
LELS 3 (Law Enforcement Labor Services, Inc. Local #3)	December 31, 2020
LELS 180 (Law Enforcement Labor Services, Inc. Local #180)	December 31, 2020
IUOE 49 (International Union of Operating Engineers Local #49)	December 31, 2022

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of $7,669,988 as of December 31, 2019. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (As of August 31, 2020)

Fund	Total Cash and Investments
General	$25,243,492
Special Revenue	2,364,733
Debt Service	8,439,009
Capital Projects	9,267,205
Enterprise Funds	25,453,215
Internal Service	3,115,486
Total Funds on Hand	$73,883,140

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2017	2018	2019
Water and Sewer			
Total Operating Revenues	$15,436,661	$15,520,599	$15,935,623
Less: Operating Expenses	(15,465,032)	(15,574,242)	(17,693,653)
Operating Income	$ (28,371)	$ (53,643)	$ (1,758,030)
Plus: Depreciation	2,696,682	2,564,038	3,235,453
Revenues Available for Debt Service	$ 2,668,311	$ 2,510,395	$ 1,477,423
Storm Water			
Total Operating Revenues	$ 4,251,318	$ 4,271,323	$ 4,326,247
Less: Operating Expenses	(4,434,840)	(4,477,159)	(4,346,709)
Operating Income	$ (183,522)	$ (205,836)	$ (20,462)
Plus: Depreciation	1,376,664	1,469,754	1,469,474
Revenues Available for Debt Service	$ 1,193,142	$ 1,263,918	$ 1,449,012
Performing Arts Center (Ames)			
Total Operating Revenues	$ 1,837,534	$ 2,111,847	$ 2,119,851
Less: Operating Expenses	(2,591,863)	(2,781,704)	(2,770,717)
Operating Income	$ (754,329)	$ (669,857)	$ (650,866)
Plus: Depreciation	556,439	558,435	563,305
Revenues Available for Debt Service	$ (197,890)	$ (111,422)	$ (87,561)
Other Enterprise Funds			
Total Operating Revenues	$ 2,005,333	$ 1,950,309	$ 1,884,645
Less: Operating Expenses	(2,282,254)	(2,379,050)	(2,270,075)
Operating Income	$ (276,921)	$ (428,741)	$ (385,430)
Plus: Depreciation	453,047	454,915	460,191
Revenues Available for Debt Service	$ 176,126	$ 26,174	$ 74,761

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the City's 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget 1)
Revenues					
Property taxes	$25,747,629	$26,796,827	$24,970,084	$27,119,595	$28,560,967
Special assessments	11,746	12,117	9,803	11,052	9,700
Licenses and permits	1,901,900	2,060,186	2,464,794	3,367,440	2,281,277
Other taxes	366,918	365,555	389,019	351,690	380,000
Intergovernmental revenue	2,028,283	2,218,985	2,354,659	2,501,534	1,968,248
Charges for services	5,993,461	6,330,958	6,926,738	6,112,741	6,364,884
Fines and forfeitures	321,451	338,953	340,484	320,101	338,660
Interest on investments	191,610	241,298	452,301	532,834	445,000
Net change in fair value of investments	251,328	(115,688)	(278,007)	794,585	0
Miscellaneous revenue	965,273	933,032	1,022,301	1,012,376	1,009,357
Total Revenues	$37,779,599	$39,182,223	$38,652,176	$42,123,948	$41,358,093
Expenditures					
Current:					
General government	$5,431,731	$5,662,001	$5,497,196	$5,801,852	$6,808,918
Public safety	20,359,131	21,694,499	22,842,428	23,144,350	25,916,048
Public works and parks	5,617,029	5,683,109	5,997,627	6,621,045	6,385,364
Culture and recreation	952,106	881,006	897,047	1,036,613	1,348,681
Conversation of natural resources	699,594	680,739	705,185	695,030	813,397
Total Expenditures	$33,059,591	$34,601,354	$35,939,483	$37,298,890	$41,272,408
Excess of revenues over (under) expenditures	$4,720,008	$4,580,869	$2,712,693	$4,825,058	$85,685
Other Financing Sources (Uses)					
Transfers in	$185,000	$185,000	$185,000	$185,000	$185,000
Transfers out	(4,542,000)	(4,640,100)	(2,627,000)	(1,783,000)	(1,298,476)
Total Other Financing Sources (Uses)	($4,357,000)	($4,455,100)	($2,442,000)	($1,598,000)	($1,113,476)
Net changes in Fund Balances	$363,008	$125,769	$270,693	$3,227,058	($1,027,791)
General Fund Balance January 1	$21,849,224	$22,212,232	$22,338,001	$22,608,694	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	$22,212,232	$22,338,001	$22,608,694	$25,835,752	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$1,491,544	$1,191,544	$1,191,544	$1,191,544	
Restricted	2,013,830	1,872,537	1,711,337	1,546,137	
Assigned	991,293	991,657	985,000	820,000	
Unassigned	17,715,565	18,282,263	18,720,813	22,278,071	
Total	$22,212,232	$22,338,001	$22,608,694	$25,835,752	

1) The 2020 budget was adopted as of December 3, 2019.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 60,306 and a current population estimate of 62,785, and comprising an area of 26.93 square miles, is located approximately 15 miles south of the Minneapolis-St. Paul metropolitan area.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Collins Aerospace	Design/manufacturing aircraft & engine sensors	1,800
I.S.D. No. 191 (Burnsville-Eagan-Savage)	Elementary and secondary education	1,308
Fairview Ridges Hospital	Hospital	967 [2]
Pepsi-Cola Bottling Company	Beverage distribution	500
Ames Construction	Construction company	400 [3]
Ebenezer Ridges Care Center	Nursing home care	400
Northern Tool & Equipment Company	Industrial tools	350
Cub Foods	Grocery	350
Walmart	Retail & grocery	335
Park Nicollet Clinic	Clinics	300 [4]
Super Target	Retail & grocery	300
Telex Communications, Inc.	Radio dispatch software and products	300

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[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

[2] Employee count from November 2019.

[3] 400 employees who work on the job sites, are not limited to the City. 60 corporate employees work in the Burnsville office.

[4] Employee count from December 2019.

LARGER EMPLOYERS - continued

YRC Freight	Ground freight	300
City of Burnsville	Municipal government and services	293
Costco	Wholesale Club	200
Mackin Media Library	Printing/distributing of books	200
Firefly Credit Union	Credit union	200
Menards	Home improvement center	187
Olive Garden Italian Kitchen	Restaurant	163
Apothecary Products, Inc.	Physicians and surgeons	150

BUILDING PERMITS

	2016	2017	2018	2019	2020[1]
New Single Family Homes					
No. of building permits	26	18	22	17	4
Valuation	$6,622,068	$4,032,617	$4,319,116	$3,525,832	$1,087,074
New Multiple Family Buildings					
No. of building permits	0	0	1	3	0
Valuation	$0	$0	$16,744,149	$71,965,677	$0
New Commercial/Industrial					
No. of building permits	5	3	6	6	3
Valuation	$1,483,116	$6,809,828	$17,440,582	$33,404,035	$1,700,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	1,395	1,964	1,971	3,762	3,218
Valuation	$41,096,840	$60,833,266	$139,256,193	$635,019,494	$44,474,381

Source: The City.

[1] As of August 31, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census population	60,148
2010 U.S. Census population	60,306
2019 State Demographer's Estimate	62,785
Percent of Change 2000 - 2010	+ 0.26%

Income and Age Statistics

	The City	Dakota County	State of Minnesota	United States
2018 per capita income	$35,200	$40,441	$36,245	$32,621
2018 median household income	$70,600	$83,288	$68,411	$60,293
2018 median family income	$84,170	$100,822	$86,204	$73,965
2018 median gross rent	$1,164	$1,119	$944	$1,023
2018 median value owner occupied units	$237,100	$252,000	$211,800	$204,900
2018 median age	36.9 yrs.	37.8 yrs.	37.9 yrs.	37.9 yrs.

	State of Minnesota	United States
City % of 2018 per capita income	97.12%	107.91%
City % of 2018 median family income	97.64%	113.80%

Housing Statistics

	The City		
	2010	2018	Percent of Change
All Housing Units	24,259	25,759	6.18%

Source: *2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).*

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Dakota County	Dakota County	State of Minnesota
2016	227,759	3.4%	3.9%
2017	230,951	3.0%	3.4%
2018	233,744	2.5%	2.9%
2019	235,645	2.9%	3.2%
2020, August	225,338	7.6%	7.1%

Source: *Minnesota Department of Employment and Economic Development.*

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

CITY OF BURNSVILLE, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

Prepared by:
Department of Finance

CITY OF BURNSVILLE, MINNESOTA

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City Of Burnsville
100 Civic Center Parkway • Burnsville, Minnesota 55337-3817
952-895-4400
www.burnsville.org

June 8, 2020

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

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

Minnesota Statutes require all cities to issue an annual report on the city's financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, the City hereby issues the Comprehensive Annual Financial Report of the City of Burnsville, Minnesota (the City) for the year ended December 31, 2019. The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Code.

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

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

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

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

Profile of the City

The City is a southern second-tier suburb of Minneapolis and St. Paul, Minnesota. It was incorporated in 1964 and covers 27 square miles. With a population of 62,657, Burnsville is the second largest city in Dakota County, tenth largest suburb in the Twin Cities metro area, and the fifteenth largest city in the State of Minnesota.

The City is a Plan B statutory city with a City Council / City Manager form of government. The City Council consists of a Mayor and four Council Members elected at-large. All policy and legislative decisions are the responsibility of the Council.

The Council delegates administrative duties to the City Manager. The City Manager is responsible for hiring and managing City staff.

A strong emphasis has been placed on the City Council's Governance Model. The City Council has adopted a fundamentally different approach to governing by focusing on policy, instead of the details of organizational management. This initiative begins with establishing a broad framework of desired Ends and Outcomes. The Council governs through strategic leadership and by articulating a collective community vision.

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

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

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

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

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

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

Local Economy

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has increased 10.5 percent over the past ten years from $6.0 billion in 2010 to $6.6 billion in 2019. In the five years 2014-2019, the market value growth averaged 5.9 percent per year. Burnsville continues to monitor valuation trends.

Property value growth consists of both growth from valuation increases on existing properties and growth due to new construction and remodeling. After a phase of rapid and extensive development, the City continues to grow but has attained many of its development objectives. Burnsville is now considered over 98% developed, however, the City continues to promote development and redevelopment. Citywide permits issued in 2019 totaled approximately $201 million in valuation.

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

In December 2019, over 35,125 of the city's residents were in the labor force and the average unemployment rate for 2019 was 3.0%, which was the same as the rate for the metro area estimated at 3.0% for the same period. Businesses contribute almost 40 percent of the City's total tax base. Approximately 2,500 businesses are located in Burnsville. The County Road 42 shopping corridor includes Burnsville Center, one of the largest shopping centers in the Midwest with roughly 1.4 million square feet. Burnsville Center maintains an average occupancy rate of close to 85 percent and attracts 8 million visitors per year. Other popular retailers are also located in the corridor making it a regional drawing area. While the city is known for retail shopping, ranking eighth in Minnesota, the City also ranks tenth in manufacturing and health care, ninth in information, and twelfth in scientific companies.

Long-term Financial Planning

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

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

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

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

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

The City Council approved a 2020 budget that called for a total increase in tax levy of 6.0%. The adopted 2020 budget addresses fundamental community needs, including maintaining established basic service levels and long-term infrastructure replacement.

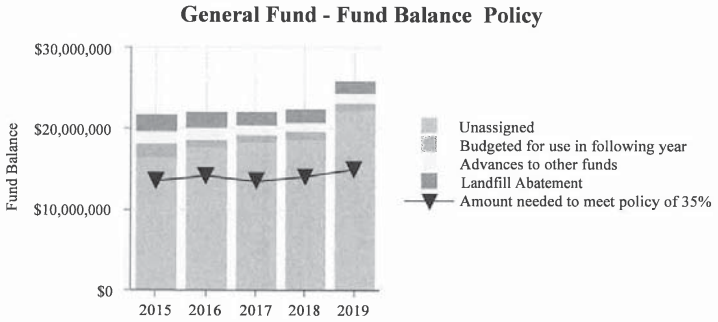
Relevant Financial Policies

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

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

Fund Balances

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



Major Initiatives

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

The City began working on a utility rate study in 2019 to evaluate the City's base charges and rate structure to provide an appropriate balance between stability of base costs while still maintaining a high level of ground water conservation and equity. The goal is to provide sufficient revenue to each utility for current and future operations, infrastructure, and capital improvements by modifying the existing rates as needed to fairly distribute the costs of service among different users.

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

The City began Phase II of the facilities plan and purchased land in 2020 for the future replacement of Fire Station I. The site at Newton Ave in the Pinnacle Park area was selected based on factors such as location, size, access and lot layout. Construction of the new fire station is scheduled to begin in 2020 and is estimated to cost$14.6 million.

The City's Northwest River Quadrant along the Minnesota River (MRQ) is the city's largest area for future development and redevelopment. The City has been preparing for the long-term future development of this 1,700 acre area for several years. The City has received special legislation from the State for Tax Increment Financing (TIF) districts in this area. Street improvements and soil remediation in the area continued in 2019. 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 eleventh year of operation. The City's 54-acre redevelopment project, Heart of the City, continues to develop a pedestrian-friendly, mixed use downtown area for Burnsville including Nicollet Commons Park, a 1.5-acre town square style park with a water feature, open green area, and a 250-seat outdoor amphitheater. Enhancements to Heart of the City infrastructure including street rehabilitation, additional parking, street lighting, and concrete sidewalks were constructed in 2018 and 2019. In addition, development of a market rate apartment complex continued in 2019.

Improving water quality in the City's lakes and ponds has been a priority. The City has achieved success by having two lakes removed from the Minnesota Pollution Control Agency's (MPCA) impaired water body list and has addressed many past flooding issues. A major update to the City's Comprehensive Water Resources Management Plan was completed in 2018, and includes work on the parks and recreation master plan, as well as the water resources management plan. The plan is a combination of resource management, regulatory controls, public works management and water quality goals.

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

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, 2018. This was the 24th consecutive year that the City has achieved this prestigious award.

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

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

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

Respectfully submitted,

Jennifer Rhode

Jennifer Rhode
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, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF BURNSVILLE, MINNESOTA

CITY COUNCIL AND OTHER OFFICIALS

City Council:		Term Expires:
Mayor	Elizabeth Kautz	December 31, 2020
Councilmember	Dan Gustafson	December 31, 2020
Councilmember	Dan Kealey	December 31, 2022
Councilmember	Cara Schulz	December 31, 2020
Councilmember	Vince Workman	December 31, 2022
City Manager	Melanie Mesko Lee	
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:

- Deputy City Manager
- Public Works Director
- Fire Chief
- Police Chief
- Community Development Director
- Finance Director
- Director of Parks, Recreation, & Facilities
- Human Resources Director
- Information Technology Director
- Communications and Community Engagement Director

Coordinators

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

- City Engineer
- Assistant Public Works Director
- Recreation & Facilities Superintendent
- City Clerk
- Assistant Finance Director
- Assistant Human Resources Director
- Economic Development Coordinator
- Building Official
- Licensing and Code Enforcement Coordinator
- Assistant Fire Chiefs (three)
- Police Captains (three)

Supervisors

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

CITY OF BURNSVILLE, MINNESOTA

ORGANIZATION OF CITY SERVICES

ORGANIZATIONAL MODEL

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

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
Thomas A Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, 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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

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

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 8, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral pait of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Minneapolis, Minnesota
June 8, 2020

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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, 2019. 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 $250,588,000 (net position). Of this amount, $32,745,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; $15,897,000 is restricted for specific purposes (restricted net position); and $201,946,000 represents the net investment in capital assets.
- The City's total net position increased by $7,390,000. The increase is a combination of surpluses and deficits, including savings from operations for 2019. In addition, the City is generating sufficient cash to build significant new infrastructure and pay down current debt.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $50,467,000, an increase of $5,321,000 in comparison with the prior year. A number of factors contributed to this increase. License and permit revenues increased $902,000 in 2019. The increase in the fair value of investments of $795,000 during 2019 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 $22,278,000, or 52% of total budgeted 2020 general fund expenditures and transfers.
- The City's general obligation governmental activities debt decreased by $2,344,000, or 6%, during the current fiscal year. The City's general obligation net bonded debt per capita was $495 at year-end, a decrease from $550 as of December 31, 2018.

Overview of the Financial Statements

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

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

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

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to

ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, storm water, performing arts center, ice arena, golf course, and street lighting operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for compensated absences. 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 three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. The compensated absences internal service fund is presented separately in the proprietary fund financial statements.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-76 of this report.

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

Other information. The combining statements and schedules referred to earlier in connection with nonmajor governmental and enterprise funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 86-107 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $250,588,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (81 percent) reflects the City's investment in capital assets (e.g., land, permanent easements, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($32,745,000) 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 70,178,682	$ 63,888,523	$ 28,286,592	$ 28,741,686	$ 98,465,274	$ 92,630,209
Capital assets, net	134,016,614	133,718,756	131,723,135	132,023,020	265,739,749	265,741,776
Total assets	204,195,296	197,607,279	160,009,727	160,764,706	364,205,023	358,371,985
Total deferred outflows of resources	15,305,553	20,293,889	111,858	250,829	15,417,411	20,544,718
Long-term liabilities	70,644,841	71,633,498	26,781,271	26,706,610	97,426,112	98,340,108
Other liabilities	9,567,044	8,349,646	1,185,616	1,853,256	10,752,660	10,202,902
Total liabilities	80,211,885	79,983,144	27,966,887	28,559,866	108,178,772	108,543,010
Total deferred inflows of resources	20,560,227	26,784,625	295,035	391,130	20,855,262	27,175,755
Net position:						
Net investment in capital assets	112,053,594	110,069,219	106,718,734	107,069,459	201,946,410	200,481,420
Restricted	15,896,522	14,981,193	—	—	15,896,522	14,981,193
Unrestricted	(9,221,379)	(13,917,013)	25,140,929	24,995,080	32,745,468	27,735,325
Total net position	$118,728,737	$111,133,399	$131,859,663	$132,064,539	$250,588,400	$243,197,938

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 ($9,221,000) in unrestricted net position for the government activities due to the City's participation in defined benefit plans.

There was an increase in net position in the governmental activities of $7,595,000 and a decrease of $205,000 in business-type activities, for a net total increase of $7,390,000 in net position. This change in net position reflects pension expense of $3,145,000 for 2019, which increased $822,000 over 2018. Other pension related accounts as presented in the table above also fluctuated during 2019. Deferred inflows of resources and deferred outflows of resources related to pensions decreased in 2019, due to positive investment results and changes in actuarial assumptions for the City's pension funds. Long-term pension liabilities remained stable, while liabilities reported for the City's other post-employment benefits (OPEB) plan increased due to increases in health insurance premiums and changes in actuarial assumptions.

City of Burnsville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 10,899,455	$ 10,203,911	$ 24,371,057	$ 23,953,095	$ 35,270,512	$ 34,157,006
Operating grants and contributions	2,918,182	2,875,147	669,409	516,121	3,587,591	3,391,268
Capital grants and contributions	7,210,112	4,584,959	1,494,601	538,013	8,704,713	5,122,972
General revenues:						
Property taxes	36,745,654	34,816,920	—	—	36,745,654	34,816,920
Other taxes	2,297,387	2,361,237	—	—	2,297,387	2,361,237
Grants and contributions not restricted to specific programs	854,002	1,086,925	36,907	40,749	890,909	1,127,674
Unrestricted investment earnings	1,898,702	674,333	495,048	462,133	2,393,750	1,136,466
Total revenues	62,823,494	56,603,432	27,067,022	25,510,111	89,890,516	82,113,543
Expenses:						
General government	7,922,564	8,142,548	—	—	7,922,564	8,142,548
Public safety	24,636,452	23,360,171	—	—	24,636,452	23,360,171
Public works and parks	17,890,927	14,539,501	—	—	17,890,927	14,539,501
Culture and recreation	1,111,709	1,023,202	—	—	1,111,709	1,023,202
Conservation of natural resources	1,320,038	1,356,205	—	—	1,320,038	1,356,205
Economic development	815,386	515,776	—	—	815,386	515,776
Interest on long-term debt	1,041,948	1,162,754	—	—	1,041,948	1,162,754
Water and sewer	—	—	18,324,199	17,169,446	18,324,199	17,169,446
Storm water	—	—	4,396,039	4,537,849	4,396,039	4,537,849
Performing arts center	—	—	2,770,717	2,781,704	2,770,717	2,781,704
Ice arena	—	—	1,390,573	1,406,241	1,390,573	1,406,241
Golf course	—	—	284,904	294,452	284,904	294,452
Street lighting	—	—	594,598	571,937	594,598	571,937
Sidewalk snow plowing	—	—	—	106,420	—	106,420
Total expenses	54,739,024	50,100,157	27,761,030	26,868,049	82,500,054	76,968,206
Increase (decrease) in net position before transfers	8,084,470	6,503,275	(694,008)	(1,357,938)	7,390,462	5,145,337
Transfers	(489,132)	588,800	489,132	(588,800)	—	—
Increase (decrease) in net position	7,595,338	7,092,075	(204,876)	(1,946,738)	7,390,462	5,145,337
Net position on January 1	111,133,399	104,041,324	132,064,539	134,011,277	243,197,938	238,052,601
Net position on December 31	$118,728,737	$111,133,399	$131,859,663	$132,064,539	$250,588,400	$243,197,938

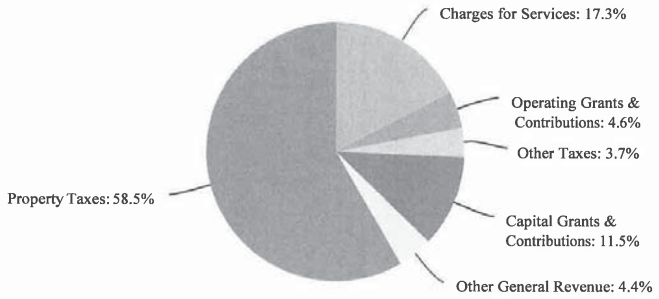
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City's net position by $7,595,000 in 2019, while the increase in total net position was $7,390,000.

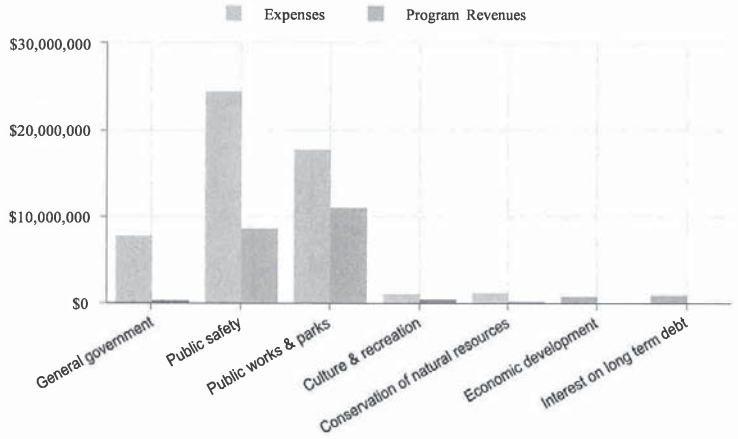
Revenues increased in total by $6,220,000, or 11%, mainly due to increases in property taxes of $1,929,000, increases to investment earnings of $1,224,000, and increases in program revenues totaling $3,364,000. Expenses increased in total by $4,639,000, or 9% in 2019. Key elements of these changes follow:

- Property taxes increased during 2019 due to a 4.9% increase in the levy.
- Unrestricted investment earnings increased by $1,224,000 in 2019, a result of higher interest earnings and an increase in the fair value of investments in the current year of $795,000. In 2018, the fair value of investments decreased by $278,000.
- Increases to charges for services and capital grants and contributions were due to increased development within the City in 2019. Licenses and permits increased by $902,000 and park dedication fees increased $1,009,000 during the year. Additionally, an increase in roof permits after a 2019 hailstorm contributed to the increase in permits.
- Expenses increased by $4,639,000, or 9%, for 2019 in public safety, public works and parks, and economic development. A majority of the increase was due to budgeted street repair and maintenance projects. Generally, changes in other expenses closely paralleled budgeted amounts across functions.

Revenues by Source - Governmental Activities

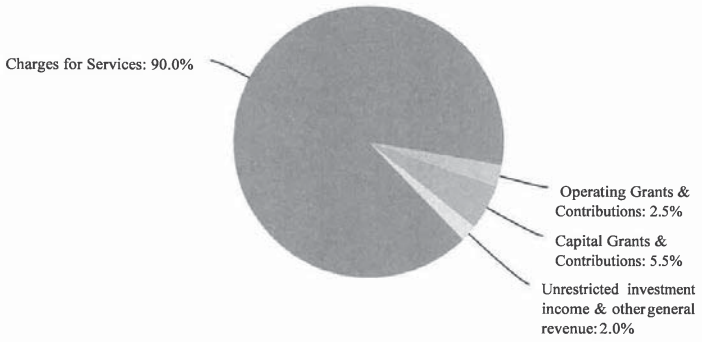


Expenses and Program Revenues - Governmental Activities

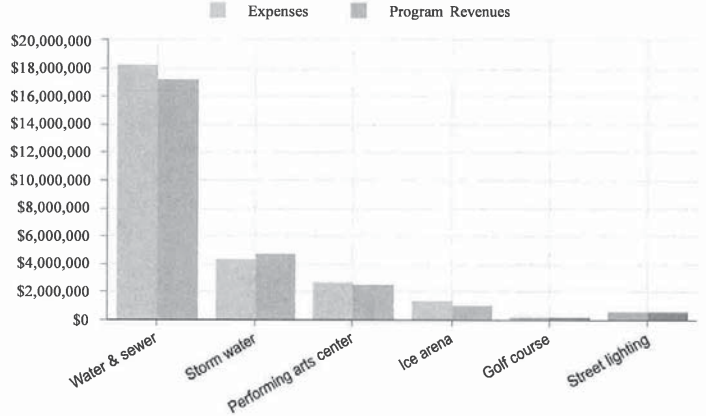


Business-type activities. Business-type activities decreased the City's net position by $205,000 in 2019, while the increase in total net position was $7,390,000. Contributing to the 2019 decrease in net position of the business-type activities was an increase in repair and maintenance projects, offset by an increase in transfers in of $1,078,000. Improvements to the ice arena were funded by governmental activities and transferred to the business-type activities in 2019.

Revenues by Source - Business-Type Activities



Expenses and Program Revenues - Business-Type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $50,467,000, an increase of $5,321,000 in comparison with the prior year. Approximately 78% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is 1) not in spendable form ($1,192,000), or 2) not available for new spending because it has already been obligated for specific purposes ($9,731,000).

The general fund is the chief operating fund of the City. At the end of 2019, unassigned fund balance of the general fund was $22,278,000, while total fund balance reached $25,836,000. 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 52% of total general fund 2020 budgeted expenditures and transfers, while total fund balance represents 61% of that same amount.

The fund balance of the City's general fund increased by $3,227,000 during the current fiscal year. Overall revenues increased by $3,472,000, due to an increase in property taxes of $2,150,000. Increases to licenses and permits and the net change in fair value of investments during 2019 also contributed to this increase. Licenses and permits increased due several large permits issued during 2019 and an increase in roof permits following a summer hailstorm. Other revenue categories were close to expected amounts. Transfers from other funds remained unchanged in 2019.

Expenditures increased by $1,359,000 and were lower than expected across most departments. The largest increases were $367,000 for increases in fire personnel expenditures and $300,000 in insurance for workers compensation expenditures. Transfers to other funds decreased by $844,000 for 2019 as budgeted.

The General Obligation Improvement Bond fund had an increase in fund balance of $318,000. Total fund balance was $4,835,000 and $4,516,000 as of December 31, 2019 and 2018 respectively. The entire fund balance is restricted for the

payment of debt service. The increase is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Infrastructure Trust Capital Projects Fund had a decrease in fund balance of $2,164,000 during 2019. The decrease is the result of the short time lag between the collection of project funding sources and the expenditures of current projects.

The Facilities Capital Projects fund had an increase in fund balance of $143,000 during 2019. This change in fund balance is the result of the timing difference between the collection of project funding sources and the completion of the facilities projects.

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

Unrestricted net position of the respective major enterprise funds at the end of the year were $16,584,000 for the Water and Sewer fund, $6,509,000 for the Storm Water fund, and $697,000 for the Ames Center fund. The total change in net position of the major enterprise funds were ($1,365,000) for the Water and Sewer fund, $396,000 for the Storm Water fund and $117,000 for the Ames Center fund.

The decrease in the Water and Sewer fund net position was mainly due to operating expenses in excess of revenues for 2019. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2019 were outpaced by an increase in operating expenses. Operating expenses for maintenance and rehabilitation increased by $1,000,000 during 2019. Connection charges, which are dependent on new construction, increased by $784,000.

The increase in the Storm Water fund net position was mainly due to the smaller operating loss of ($20,000), an improvement over the 2018 operating loss of ($206,000). Operating revenues increased slightly with a one percent increase in rates for 2019. Operating expenses decreased during 2019 for decreased maintenance and rehabilitation costs.

The change in net position of the Ames Center fund increased by $45,000, from $72,000 in 2018 to $117,000 in 2019. The increase in the net position of the Ames Center was mainly the expected result of operations, including the recognition of depreciation of $563,000 during 2019. Operating revenues and expenses remained stable for 2019.

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 $475,000 for expenditures for the fiscal year. The difference between the original budget and final amended budget for revenue was a net increase of $166,000.

Budget amendments during the year were due to a couple of factors. An amendment of $139,000 was made to increase personnel expenditures in accordance with the City's Updated Compensation Policy and Pay Plan approved in 2019. Additionally, expenditures were increased to purchase additional snow and ice control materials and spring flood cleanup at Riverfront Park. Generally, the remainder of the amendments to the budget were relatively minor individually and were for changes in expenditures due to new revenue sources such as grants and donations that occur throughout the year.

Actual revenues were greater than budgeted amounts in 2019 by $2,899,000. Licenses and permits exceeded budgeted revenues in 2019 by $1,268,000 mainly due to a significant increase in large permit projects for multifamily developments and an increase in roofing permits following a large summer hailstorm. Intergovernmental revenues also exceeded budget by $318,000, for public safety grants in 2019. Another major factor contributing to the change in revenue was the net change in the fair value of investments in 2019 of $795,000. 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 2019, and differences were small individually.

Actual expenditures were 4% below budgeted expenditures in total. Total budget savings in the general fund were $1,507,000. Budget savings were spread throughout many departments, with the largest savings coming from the public safety function.

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to $265,739,000 (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 0 percent (.2 percent increase for governmental activities and a .2 percent decrease for business-type activities).

Other than routine infrastructure repairs and replacements, the City's major capital asset events during the current fiscal year included completion of the ice arena improvements.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 19,981,110	$ 21,079,610	$ 3,234,899	$ 3,234,899	$ 23,216,009	$ 24,314,509
Permanent easements	2,241,617	2,241,617	3,756,015	3,368,766	5,997,632	5,610,383
Buildings	25,118,340	26,097,634	26,173,925	27,122,205	51,292,265	53,219,839
Infrastructure and improvements	73,824,423	71,352,452	95,628,957	95,906,567	169,453,380	167,259,019
Equipment and vehicles	11,931,863	12,018,713	2,429,621	2,256,754	14,361,484	14,275,467
Construction in progress	919,261	928,730	499,718	133,829	1,418,979	1,062,559
Total	$134,016,614	$133,718,756	$131,723,135	$132,023,020	$265,739,749	$265,741,776

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

Long-term debt. At the end of the current fiscal year, the City had total bonds and notes outstanding of $61,103,000.

City of Burnsville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 8,600,000	$ 9,215,000	$ —	$ —	$ 8,600,000	$ 9,215,000
Tax increment bonds	2,395,000	3,040,000	—	—	2,395,000	3,040,000
Tax abatement bonds	16,575,000	17,410,000	—	—	16,575,000	17,410,000
General obligation improvement bonds	9,965,000	10,352,358	—	32,642	9,965,000	10,385,000
General obligation revenue bonds	—	—	18,190,000	19,170,000	18,190,000	19,170,000
General obligation revenue notes	—	—	5,378,000	5,149,825	5,378,000	5,149,825
Total	$ 37,535,000	$ 40,017,358	$ 23,568,000	$ 24,352,467	$ 61,103,000	$ 64,369,825

The City's total debt decreased by $3,267,000 during the current fiscal year. The decrease was the net effect of three key factors: debt issuance, debt refunding and scheduled retirement of principal.

In 2019, the City issued $6,790,000 G.O. Improvement, Utility Revenue, and Refunding Bonds, Series 2019A to finance the special assessment (Improvement Portion) and water and sewer portion (Utility Portion) of infrastructure improvements and to effect a current refunding of three series of bonds (Refunding Portion). The City also issued $511,000 G.O. Revenue Notes to finance the replacement of water meters city-wide. The increase in debt due to bond issuance was offset by the scheduled retirement and refunding of bond principal during 2019.

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 $197,703,387, which is significantly in excess of the City's general obligation debt applicable to the limit of $8,600,000.

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

Economic Factors and Next Year's Budgets and Rates

The City has completed comprehensive 5-year financial plans for all budgeted funds. These plans provide a future perspective to today's decision making. The projections provide an estimate of future fund balances, tax needs for the current service level and the impact that the 2020 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 2019 levels with a 6.0% increase in the property tax levy for 2020. Expanded economic development investment and overall City placemaking initiatives were also included in the 2020 budget. The City Council adopted a general operating and debt budget of $80.3 million for fiscal year 2020, a 12.5% increase from the 2019 budget. The 2020 budget for the enterprise funds is $30.2 million compared to $34.8 million for 2019.

- Significant budget changes worth noting for 2020 general operating budget as originally adopted include:
  - Incremental increases to staffing, wages and employer contribution towards employee benefits, as the City continues to implement the Compensation Study the City Council adopted in 2019.
  - Increases in franchise fees to achieve stable funding for long-term facility needs including the proposed new construction of Fire Station #1.
  - Reallocation of personnel costs from Economic Development Authority (EDA) Fund to the General fund, allowing the EDA fund to support increased economic development initiatives.
  - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
- The 2020 enterprise fund budget changes include the following:
  - Increase of $244,000 from 2019 in current expenses for Metropolitan Council Environmental Services (MCES) waste water treatment expense in the Water and Sewer Fund.
  - Capital improvements in the Water and Sewer and Storm water funds include rehabilitation and maintenance with the City's street projects and other storm water management projects across the City.
  - Issuance of bonds and related debt service payments for the water and sewer portion of the street reconstruction program.
- The December 2019 unemployment rate for the City was 3.0 percent, which compares favorably with the state's unemployment rate of 3.5 percent and the national unemployment rate of 3.4 percent.
- The City had a 6.7 percent increase in tax base from 2019 to 2020. Estimated taxable market value was $6.6 billion in 2019.

In the first several months of 2020 the Novel Coronavirus (COVID-19) pandemic has caused significant volatility in economic conditions. Currently the City's evaluation of the effects of these events is ongoing; however the situation could result in declines in revenues, decreases in demand for certain services, an increase in delinquencies or uncollectible accounts receivable, decreases in investment valuations and income, and increased costs related to labor and insurance.

The impact on the City's operation and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

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 2020 (4.5% for Water and Sewer and 1.0% for Storm Water,) were necessary to meet operating and replacement needs. No rate increase was proposed for the Street Lighting Fund.

Requests for Information

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

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Basic Financial Statements

Burnsville

City of Burnsville
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	$ 55,769,151	$ 24,039,679	$ 79,808,830
Receivables (net)	8,686,466	5,259,111	13,945,577
Due from other governments	4,521,521	174,709	4,696,230
Internal balances	1,201,544	(1,201,544)	—
Prepaid items	—	14,637	14,637
Capital assets:			
Land	19,981,110	3,234,899	23,216,009
Permanent easements	2,241,617	3,756,015	5,997,632
Construction-in-progress	919,261	499,718	1,418,979
Buildings	40,201,121	44,060,066	84,261,187
Infrastructure and improvements	190,889,901	182,202,618	373,092,519
Equipment and vehicles	28,432,391	7,001,229	35,433,620
	282,665,401	240,754,545	523,419,946
Less accumulated depreciation	(148,648,787)	(109,031,410)	(257,680,197)
Net capital assets	134,016,614	131,723,135	265,739,749
Total assets	204,195,296	160,009,727	364,205,023
Deferred Outflows of resources			
Deferred outflows of resources - other post-employment benefits	1,897,372	—	1,897,372
Deferred outflows of resources - pensions	13,408,181	111,858	13,520,039
Total deferred outflows of resources	15,305,553	111,858	15,417,411
Total assets and deferred ouflows of resources	$ 219,500,849	$ 160,121,585	$ 379,622,434
Liabilities			
Accounts payable	$ 1,332,106	$ 798,744	$ 2,130,850
Salaries and other compensation payable	1,562,061	3,629	1,565,690
Accrued interest	54,038	60,668	114,706
Contracts payable	502,132	237,187	739,319
Due to other governments	1,005,017	47,059	1,052,076
Unearned revenue	976,368	—	976,368
Customer and other deposits	4,135,322	38,329	4,173,651
Noncurrent liabilities:			
Due within one year	4,827,838	2,285,792	7,113,630
Due in more than one year	65,817,003	24,495,479	90,312,482
Total liabilities	80,211,885	27,966,887	108,178,772
Deferred Inflows of resources			
Deferred inflows of resources - pensions	20,560,227	295,035	20,855,262
Net Position			
Net investment in capital assets	112,053,594	106,718,734	201,946,410
Restricted			
Debt service	14,143,902	—	14,143,902
Landfill abatement	1,564,094	—	1,564,094
Tax Increment	188,526	—	188,526
Unrestricted	(9,221,379)	25,140,929	32,745,468
Total net position	118,728,737	131,859,663	250,588,400
Total liabilites, deferred inflows of resources and net position	$ 219,500,849	$ 160,121,585	$ 379,622,434

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, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General government	$ 7,922,564	$ 416,291	$ 23,200	$ —	$ (7,483,073)	$ —	$ (7,483,073)
Public safety	24,636,452	6,901,859	1,845,916	—	(15,888,677)	—	(15,888,677)
Public works and parks	17,890,927	3,165,521	728,749	7,210,112	(6,786,545)	—	(6,786,545)
Culture and recreation	1,111,709	414,144	106,644	—	(590,921)	—	(590,921)
Conservation of natural resources	1,320,038	1,640	213,673	—	(1,104,725)	—	(1,104,725)
Economic development	815,386	—	—	—	(815,386)	—	(815,386)
Interest on long-term debt	1,041,948	—	—	—	(1,041,948)	—	(1,041,948)
Total governmental activities	54,739,024	10,899,455	2,918,182	7,210,112	(33,711,275)	—	(33,711,275)
Business-Type Activities:							
Water and sewer	18,324,199	16,021,187	72,315	1,200,625	—	(1,030,072)	(1,030,072)
Storm water	4,396,039	4,345,374	141,562	293,976	—	384,873	384,873
Performing arts center	2,770,717	2,119,851	454,652	—	—	(196,214)	(196,214)
Ice arena	1,390,573	1,063,694	661	—	—	(326,218)	(326,218)
Golf course	284,904	238,093	219	—	—	(46,592)	(46,592)
Street lighting	594,598	582,858	—	—	—	(11,740)	(11,740)
Total business-type activities	27,761,030	24,371,057	669,409	1,494,601	—	(1,225,963)	(1,225,963)
Total governmental and business-type activities	$ 82,500,054	$ 35,270,512	$ 3,587,591	$ 8,704,713	(33,711,275)	(1,225,963)	(34,937,238)
General Revenues:							
Property taxes					36,745,654	—	36,745,654
Lodging tax					351,690	—	351,690
Franchise taxes					1,945,697	—	1,945,697
Grants and contributions not restricted to specific programs					854,002	36,907	890,909
Unrestricted investment earnings					1,898,702	495,048	2,393,750
Transfers					(489,132)	489,132	—
Total general revenues and transfers					41,306,613	1,021,087	42,327,700
Change in Net Position					7,595,338	(204,876)	7,390,462
Net Position - Beginning, as restated Note 1.E.					111,133,399	132,064,539	243,197,938
Net Position - Ending					$ 118,728,737	$131,859,663	$250,588,400

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

City of Burnsville
Balance Sheet
Governmental Funds
December 31, 2019

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, cash equivalents, and investments	$ 28,595,093	$ 4,836,841	$ 2,011,769	$ 2,269,386	$ 14,916,647	$ 52,629,736
Receivables, net of allowance for uncollectible amounts:						
Property taxes	112,265	608	14,259	—	21,334	148,466
Special assessments	90,692	6,315,455	—	—	128,090	6,534,237
Accrued interest	238,380	—	—	—	—	238,380
Accounts receivable	1,078,641	—	—	421,504	265,238	1,765,383
Due from other funds	10,000	—	—	—	10,000	20,000
Due from other governments	1,694,460	17,635	1,542,178	—	1,267,248	4,521,521
Advances to other funds	1,191,544	—	—	—	—	1,191,544
Total Assets	$ 33,011,075	$ 11,170,539	$ 3,568,206	$ 2,690,890	$ 16,608,557	$ 67,049,267
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	$ 701,122	$ 19,936	$ —	$ 53,751	$ 557,297	$ 1,332,106
Salaries and other compensation payable	1,562,061	—	—	—	—	1,562,061
Contracts payable	—	—	—	—	502,132	502,132
Due to other funds	—	—	—	—	10,000	10,000
Due to other governments	211,974	—	—	—	793,043	1,005,017
Unearned revenue	750	—	835,618	—	140,000	976,368
Customer and other deposits	4,120,126	—	—	—	15,196	4,135,322
Total Liabilities	6,596,033	19,936	835,618	53,751	2,017,668	9,523,006
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	112,265	608	14,259	—	21,334	148,466
Unavailable revenue - special assessments	—	6,315,455	—	—	128,090	6,443,545
Unavailable revenue - other revenue	467,025	—	—	—	—	467,025
Total Deferred Inflows of Resources	579,290	6,316,063	14,259	—	149,424	7,059,036
Fund Balances:						
Nonspendable	1,191,544	—	—	—	—	1,191,544
Restricted	1,546,137	4,834,540	—	117,135	3,233,332	9,731,144
Committed	—	—	2,718,329	2,520,004	2,436,730	7,675,063
Assigned	820,000	—	—	—	8,985,040	9,805,040
Unassigned	22,278,071	—	—	—	(213,637)	22,064,434
Total Fund Balances	25,835,752	4,834,540	2,718,329	2,637,139	14,441,465	50,467,225
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 33,011,075	$ 11,170,539	$ 3,568,206	$ 2,690,890	$ 16,608,557	$ 67,049,267

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, 2019

Total governmental fund balances	$	50,467,225
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		282,665,401
Accumulated depreciation		(148,648,787)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Receivables, primarily special assessments		7,059,036
The internal service fund is used by management to charge the costs of compensated absences to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Cash		3,139,415
Accrued compensated absences		(3,328,378)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Total other post-employment benefit obligations payable		(7,669,988)
Net pension liability		(20,740,402)
Bonds payable, net of unamortized discounts and premiums		(38,906,073)
Accrued interest payable		(54,038)
Governmental funds do not report long-term amounts related to pensions and OPEB		
Deferred outflows of resources - OPEB		1,897,372
Deferred outflows of resources - pensions		13,408,181
Deferred inflows of resources - pensions		(20,560,227)
Net position of governmental activities	$	118,728,737

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, 2019

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 27,119,595	$ 161,173	$ 3,352,761	$ 4,776	$ 6,155,070	$ 36,793,375
Special assessments	11,052	1,499,568	—	—	793,144	2,303,764
Licenses and permits	3,367,440	—	—	—	1,640	3,369,080
Other taxes	351,690	—	—	1,251,211	694,486	2,297,387
Intergovernmental revenue	2,501,534	36,792	1,960,507	—	1,236,690	5,735,523
Charges for services	6,112,741	—	—	777,632	327,525	7,217,898
Fines and forfeits	320,101	—	—	—	38,316	358,417
Interest on investments	532,834	106,188	101,416	56,609	240,935	1,037,982
Net change in fair value of investments	794,585	—	—	—	—	794,585
Miscellaneous revenue	1,012,376	—	—	—	1,947,073	2,959,449
Total Revenues	42,123,948	1,803,721	5,414,684	2,090,228	11,434,879	62,867,460
Expenditures						
Current:						
General government	5,801,852	—	—	—	1,232,293	7,034,145
Public safety	23,144,350	—	—	—	1,010,468	24,154,818
Public works and parks	6,621,045	—	—	—	1,101,063	7,722,108
Culture and recreation	1,036,613	—	—	—	67,877	1,104,490
Conservation of natural resources	695,030	—	—	—	569,366	1,264,396
Economic development	—	—	—	—	813,210	813,210
Capital outlay:						
General government	—	—	—	281,177	—	281,177
Public safety	—	—	—	61,749	—	61,749
Public works and parks	—	—	—	50,083	1,388,074	1,438,157
Culture and recreation	—	—	—	1,068,065	—	1,068,065
Infrastructure	—	—	6,867,306	—	2,893,634	9,760,940
Debt service:						
Redemption of bonds	—	1,487,358	—	—	2,332,805	3,820,163
Interest on bonds	—	324,901	—	—	793,865	1,118,766
Fiscal agent fees	—	24,055	—	—	24,513	48,568
Bond issuance costs	—	3,763	—	—	13,535	17,298
Total Expenditures	37,298,890	1,840,077	6,867,306	1,461,074	12,240,703	59,708,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,825,058	(36,356)	(1,452,622)	629,154	(805,824)	3,159,410
Other Financing Sources (Uses)						
Bonds issued	—	—	—	—	1,165,000	1,165,000
Refunding bonds issued	—	460,000	—	—	—	460,000
Premium on bonds issued	—	68,763	—	—	207,667	276,430
Payment to refunded bond escrow agent	—	(525,000)	—	—	—	(525,000)
Sale of capital assets	—	—	—	—	191,620	191,620
Transfers in	185,000	351,081	—	323,960	3,632,563	4,492,604
Transfers out	(1,783,000)	—	(711,081)	(809,790)	(595,000)	(3,898,871)
Total other financing sources (uses)	(1,598,000)	354,844	(711,081)	(485,830)	4,601,850	2,161,783
Net Change in Fund Balances	3,227,058	318,488	(2,163,703)	143,324	3,796,026	5,321,193
Fund Balances - Beginning	22,608,694	4,516,052	4,882,032	2,493,815	10,645,439	45,146,032
Fund Balances - Ending	$ 25,835,752	$ 4,834,540	$ 2,718,329	$ 2,637,139	$ 14,441,465	$ 50,467,225

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, 2019

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

Net change in fund balances - total governmental funds	$	5,321,193
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		10,584,462
Depreciation expense		(7,645,583)
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		(1,558,156)
Transfers of capital assets to business-type activities		(1,082,865)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(289,857)
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		(1,901,430)
Principal repayments:		
General obligation debt		4,107,358
Capital leases		237,805
Amortization of premiums and discounts		137,989
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		4,695
Net other post-employment benefit obligations expense		(570,197)
Pension expense		286,638
The internal service fund is used by management to charge the costs of compensated absences to individual funds.		(102,849)
The investment earnings of internal service funds is reported with governmental activities.		66,135
Change in net position of governmental activities	$	7,595,338

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 26,832,000	$ 26,832,000	$ 27,119,595	$ 287,595
Special assessments	10,800	10,800	11,052	252
Licenses and permits	2,099,629	2,099,629	3,367,440	1,267,811
Other taxes	400,000	400,000	351,690	(48,310)
Intergovernmental revenue	2,048,778	2,183,479	2,501,534	318,055
Charges for services	6,011,505	6,011,505	6,112,741	101,236
Fines and forfeits	318,300	318,300	320,101	1,801
Interest on investments	375,000	375,000	532,834	157,834
Net change in fair value of investments	—	—	794,585	794,585
Miscellaneous revenue	962,380	993,783	1,012,376	18,593
Total Revenues	39,058,392	39,224,496	42,123,948	2,899,452
Expenditures				
Current:				
General government	6,356,405	6,416,885	5,801,852	615,033
Public safety	23,731,433	23,860,940	23,144,350	716,590
Public works and parks	6,435,333	6,632,096	6,621,045	11,051
Culture & recreation	1,001,991	1,090,149	1,036,613	53,536
Conservation of natural resources	805,430	805,430	695,030	110,400
Total Expenditures	38,330,592	38,805,500	37,298,890	1,506,610
Excess of Revenues Over Expenditures	727,800	418,996	4,825,058	4,406,062
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(1,783,000)	(1,783,000)	(1,783,000)	—
Total other financing sources (uses)	(1,598,000)	(1,598,000)	(1,598,000)	—
Net Change in Fund Balances	(870,200)	(1,179,004)	3,227,058	4,406,062
Fund Balances - Beginning	22,608,694	22,608,694	22,608,694	—
Fund Balances - Ending	$ 21,738,494	$ 21,429,690	$ 25,835,752	$ 4,406,062

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

City of Burnsville
Statement of Net Position
Proprietary Funds
December 31, 2019

	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	$ 15,013,100	$ 5,498,555	$ 1,594,488	$ 1,933,536	$ 24,039,679	$ 3,139,415
Special assessments receivable:						
Delinquent	28,427	47	—	—	28,474	—
Deferred, current portion	669	43,248	—	—	43,917	—
Accounts receivable	3,082,965	765,547	597,466	115,351	4,561,329	—
Due from other governments	154,041	20,668	—	—	174,709	—
Prepaid items	—	—	14,637	—	14,637	—
Total Current Assets	18,279,202	6,328,065	2,206,591	2,048,887	28,862,745	3,139,415
Noncurrent Assets:						
Deferred special assessments receivable, less current portion	8,087	617,304	—	—	625,391	—
Capital Assets:						
Land	316,892	2,160,687	—	757,320	3,234,899	—
Permanent easements	1,481,866	2,274,149	—	—	3,756,015	—
Construction-in-progress	16,115	387,655	—	95,948	499,718	—
Buildings	20,705,348	—	20,364,622	2,990,096	44,060,066	—
Infrastructure and improvements	106,760,057	66,326,644	332,662	8,783,255	182,202,618	—
Equipment and vehicles	4,609,224	1,351,073	477,512	563,420	7,001,229	—
Less accumulated depreciation	(59,560,643)	(36,819,725)	(5,873,995)	(6,777,047)	(109,031,410)	—
Total capital assets (net of accumulated depreciation)	74,328,859	35,680,483	15,300,801	6,412,992	131,723,135	—
Total Noncurrent Assets	74,336,946	36,297,787	15,300,801	6,412,992	132,348,526	—
Total Assets	92,616,148	42,625,852	17,507,392	8,461,879	161,211,271	3,139,415
Deferred Outflows of Resources						
Deferred outflows of resources - pensions	67,115	14,914	—	29,829	111,858	—
Liabilities						
Current Liabilities:						
Current maturities of long term debt	2,250,000	—	—	—	2,250,000	—
Salaries and other compensation payable	2,610	1,019	—	—	3,629	—
Accrued compensated absences, current portion	22,218	4,350	—	9,224	35,792	332,838
Accounts payable	229,658	87,444	308,101	173,541	798,744	—
Accrued interest	60,668	—	—	—	60,668	—
Contracts payable	170,375	66,812	—	—	237,187	—
Due to other funds	—	—	10,000	—	10,000	—
Due to other governments	21,240	24,277	—	1,542	47,059	—
Customer and other deposits	34,888	55	—	3,386	38,329	—
Total Current Liabilities	2,791,657	183,957	318,101	187,693	3,481,408	332,838
Noncurrent Liabilities:						
General obligation bonds payable, less current maturities	22,754,401	—	—	—	22,754,401	—
Accrued compensated absences, net of current portion	199,961	39,147	—	83,009	322,117	2,995,540
Net pension liability	851,376	189,196	—	378,389	1,418,961	—
Advances from other funds	—	—	1,191,544	—	1,191,544	—
Total Noncurrent Liabilities	23,805,738	228,343	1,191,544	461,398	25,687,023	2,995,540
Total Liabilities	26,597,395	412,300	1,509,645	649,091	29,168,431	3,328,378
Deferred Inflows of Resources						
Deferred inflows of resources - pensions	177,021	39,338	—	78,676	295,035	—
Net Position						
Net investment in capital assets	49,324,458	35,680,483	15,300,801	6,412,992	106,718,734	—
Unrestricted	16,584,389	6,508,645	696,946	1,350,949	25,140,929	(188,963)
Total Net Position	$ 65,908,847	$ 42,189,128	$15,997,747	$ 7,763,941	$ 131,859,663	$ (188,963)

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, 2019

	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	$ 15,935,623	$ 4,326,247	$ 2,119,851	$ 1,884,645	$ 24,266,366	$ 264,202
Operating Expenses						
Personnel services	3,959,880	1,017,042	—	874,456	5,851,378	367,051
Contracted labor	—	—	1,187,447	—	1,187,447	—
Sanitary sewer disposal costs	4,663,379	—	—	—	4,663,379	—
Repairs and maintenance	2,915,726	1,162,746	82,581	127,453	4,288,506	—
Utilities	903,214	113,989	109,932	579,660	1,706,795	—
Other operating expenses	2,016,001	583,458	827,452	228,315	3,655,226	—
Depreciation	3,235,453	1,469,474	563,305	460,191	5,728,423	—
Total Operating Expenses	17,693,653	4,346,709	2,770,717	2,270,075	27,081,154	367,051
Operating Income (Loss)	(1,758,030)	(20,462)	(650,866)	(385,430)	(2,814,788)	(102,849)
Nonoperating Revenues (Expenses)						
Intergovernmental	103,235	128,253	—	880	232,368	—
Investment earnings	295,162	146,582	13,945	39,359	495,048	66,135
Other income	85,564	38,423	454,652	—	578,639	—
Loss on disposal of capital assets	(65)	(6,327)	—	—	(6,392)	—
Interest expense	(630,481)	(43,003)	—	—	(673,484)	—
Total Nonoperating Revenues (Expenses)	(146,585)	263,928	468,597	40,239	626,179	66,135
Income (Loss) Before Contributions and Transfers	(1,904,615)	243,466	(182,269)	(345,191)	(2,188,609)	(36,714)
Transfers and Capital Contributions						
Capital contributions - connection charges	1,007,001	100,351	—	—	1,107,352	—
Capital contributions - from other funds	—	—	—	1,082,865	1,082,865	—
Capital contributions - from others	193,624	193,625	—	—	387,249	—
Transfers in	—	—	885,000	—	885,000	—
Transfers out	(661,018)	(141,815)	(585,900)	(90,000)	(1,478,733)	—
Total Transfers and Capital Contributions	539,607	152,161	299,100	992,865	1,983,733	—
Change in Net Position	(1,365,008)	395,627	116,831	647,674	(204,876)	(36,714)
Total Net Position - Beginning	67,273,855	41,793,501	15,880,916	7,116,267	132,064,539	(152,249)
Total Net Position - Ending	$ 65,908,847	$42,189,128	$ 15,997,747	$ 7,763,941	$ 131,859,663	$ (188,963)

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, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Fund - Compensated Absences
Cash Flows from Operating Activities						
Receipts from customers and users	$ 15,780,738	$ 4,325,526	$ 2,404,736	$ 1,891,470	$ 24,402,470	$ —
Receipts from interfund services provided	—	—	—	—	—	264,202
Payments to suppliers	(10,829,492)	(1,966,530)	(2,486,486)	(897,503)	(16,180,011)	—
Payments to employees	(3,924,553)	(1,000,536)	—	(859,658)	(5,784,747)	(293,607)
Net cash provided (used) by operating activities	1,026,693	1,358,460	(81,750)	134,309	2,437,712	(29,405)
Cash Flows from Noncapital Financing Activities						
Grants and host fees	205,237	215,252	454,652	880	876,021	—
Transfers in	—	—	885,000	—	885,000	—
Transfers out	(661,018)	(141,815)	(585,900)	(90,000)	(1,478,733)	—
Interfund financing	—	—	(10,000)	—	(10,000)	—
Net cash provided (used) by noncapital financing activities	(455,781)	73,437	743,752	(89,120)	272,288	—
Cash Flows from Capital and Related Financing Activities						
Receipts from connection charges	1,007,001	100,351	—	—	1,107,352	—
Purchase or construction of capital assets	(2,378,953)	(1,352,549)	(168,515)	(64,799)	(3,964,816)	—
Principal payments on bonds and notes payable	(5,208,224)	(1,252,642)	—	—	(6,460,866)	—
Proceeds from sale of bonds and notes	6,584,515	—	—	—	6,584,515	—
Interest paid on bonds and notes	(666,959)	(45,928)	—	—	(712,887)	—
Net cash provided (used) by capital and related financing activities	(662,620)	(2,550,768)	(168,515)	(64,799)	(3,446,702)	—
Cash Flows from Investing Activities						
Investment earnings	295,162	146,582	13,945	39,359	495,048	66,135
Net Increase (Decrease) in Cash and Cash Equivalents	203,454	(972,289)	507,432	19,749	(241,654)	36,730
Cash and Cash Equivalents						
Beginning	14,809,646	6,470,844	1,087,056	1,913,787	24,281,333	3,102,685
Ending	$ 15,013,100	$ 5,498,555	$ 1,594,488	$ 1,933,536	$ 24,039,679	$ 3,139,415
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	$ (1,758,030)	$ (20,462)	$ (650,866)	$ (385,430)	$ (2,814,788)	$ (102,849)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,235,453	1,469,474	563,305	460,191	5,728,423	—
(Increase) decrease in assets:						
Receivables	(107,255)	510	284,885	9,259	187,399	—
Due from other governments	(40,195)	(1,233)	—	—	(41,428)	—
Prepaids	—	—	12,455	—	12,455	—
(Increase) decrease in deferred outflows of resources:						
Pensions	83,382	18,530	—	37,059	138,971	—
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	25,980	14,428	—	10,643	51,051	73,444
Accounts payable	(12,802)	422	(291,529)	37,962	(265,947)	—
Contracts payable	(339,610)	(113,498)	—	—	(453,108)	—
Due to other governments	21,240	6,739	—	(37)	27,942	—
Customer deposits	(7,435)	2	—	(2,434)	(9,867)	—
Net pension liability	(16,378)	(3,639)	—	(7,279)	(27,296)	—
(Decrease) increase in deferred inflows of resources:						
Pensions	(57,657)	(12,813)	—	(25,625)	(96,095)	—
Net cash provided (used) by operating activities	$ 1,026,693	$ 1,358,460	$ (81,750)	$ 134,309	$ 2,437,712	$ (29,405)
Noncash investing, capital, and financing activities						
Capital assets contributed from other funds				$ 1,082,865	$ 1,082,865	
Capital assets contributed from others	$ 193,624	$ 193,625			$ 387,249	
(Loss) on disposal of capital assets	$ (65)	$ (6,327)			$ (6,392)	

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

Blended component unit

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Deposits and investments

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

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

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

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

See Note III. for the City's recurring fair value measurements as of December 31, 2019.

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

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

2. Receivables and payables

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

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

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

3. Prepaid Items

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

4. Capital assets

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

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

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

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

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

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

5. Compensated absences

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

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

6. **Long-term obligations**

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

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

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

7. **Deferred outflows/inflows of resources**

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

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

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

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

8. **Pensions**

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

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

9. **Fund balances**

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

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

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

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

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

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

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

10. **Use of estimates**

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

11. Net Position

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2019, expenditures exceeded appropriations in the following funds:

Forfeiture Fund - Over-expenditures of $(5,466) were offset by use of fund balance.

Grant Fund - Over-expenditures of $(8,200) were offset by use of fund balance.

Youth Center Fund - Over-expenditures of $(877) were offset by use of fund balance.

Improvement Construction Fund - Over-expenditures of $(82,810) were offset by use of fund balance.

Street Revolving Construction Fund - Over-expenditures of $(8,852) were offset by use of fund balance.

C. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of $(213,637) as of December 31, 2019. 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 $(188,963) as of December 31, 2019. 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	$	5,531,989
Investments		74,272,866
Cash on hand		3,975
	$	79,808,830

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

Primary Government:	
Statement of net position -	
Cash, cash equivalents, and investments	$ 79,808,830

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 $5,531,989 and the bank deposit balances were $5,677,682. The City's deposits at December 31, 2019, 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 Rating	Credit Risk Agency	Fair Value Measurements Using	Interest Risk - Maturity Duration in Years Less than 1	1 to 10	Total
U.S. Agency Securities	NR	N/A	Level 2	$ 2,650,265	$ —	$ 2,650,265
	AA+	S&P	Level 2	—	15,749,257	15,749,257
Municipal Bonds	AAA	Moody's	Level 2	501,620	—	501,620
	AAA	S&P	Level 2	507,605	2,475,576	2,983,181
	Aa1	Moody's	Level 2	—	1,504,257	1,504,257
	AA	S&P	Level 2	993,796	—	993,796
	Aa2	Moody's	Level 2	—	891,296	891,296
Certificates of Deposit	NR	N/A	Level 2	—	2,062,464	2,062,464
Money market mutual funds						
Wells Fargo Government	AAAm	S&P	Level 1	46,700,965	—	46,700,965
4M Fund	N/R	N/A	N/A	235,765	—	235,765
Total investments				$51,590,016	$22,682,850	$ 74,272,866

NR - Not Rated
N/A - Not Applicable

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

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

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

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

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

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

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

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

Issuer	% of Total Portfolio
Federal National Mortgage Association	6 %
Federal Home Loan Bank	7 %
Federal Farm Credit Bank	8 %

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

B. RECEIVABLES

Receivables as of December 31, 2019 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General	G.O. Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Nonmajor Funds	Governmental Activities Total
Receivables:						
Interest	$ 238,380	$ —	$ —	$ —	$ —	$ 238,380
Taxes	192,401	1,596	23,914	1,346	29,498	248,755
Accounts	4,402,236	—	—	421,504	265,238	5,088,978
Special assessments	90,692	6,315,455	—	—	128,090	6,534,237
Gross receivables	4,923,709	6,317,051	23,914	422,850	422,826	12,110,350
Less: allowance for uncollectibles	(3,403,731)	(988)	(9,655)	(1,346)	(8,164)	(3,423,884)
Net total receivables	$ 1,519,978	$ 6,316,063	$ 14,259	$ 421,504	$ 414,662	$ 8,686,466

Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	$ —	$ —	$ —	$ —	$ —	$ 238,380
Taxes	—	—	—	—	—	248,755
Accounts	3,082,965	765,547	597,466	115,351	4,561,329	9,650,307
Special assessments	37,183	660,599	—	—	697,782	7,232,019
Gross receivables	3,120,148	1,426,146	597,466	115,351	5,259,111	17,369,461
Less: allowance for uncollectibles	—	—	—	—	—	(3,423,884)
Net total receivables	$ 3,120,148	$ 1,426,146	$ 597,466	$ 115,351	$ 5,259,111	$13,945,577

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

	Unavailable
Delinquent property taxes receivable	$ 148,466
Special assessments not yet due	6,443,545
Charges for services	467,025
	$ 7,059,036

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

Governmental activities

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	$ 21,079,610	$ —	$(1,098,500)	$ —	$ 19,981,110
Permanent easements	2,241,617	—	—	—	2,241,617
Construction in progress	928,730	7,241,008	(395,535)	(6,854,942)	919,261
Total capital assets not being depreciated	24,249,957	7,241,008	(1,494,035)	(6,854,942)	23,141,988
Capital assets being depreciated:					
Buildings	40,201,121	—	—	—	40,201,121
Infrastructure and improvements	186,484,833	1,364,685	(2,731,694)	5,772,077	190,889,901
Equipment and vehicles	28,085,346	1,978,769	(1,631,724)	—	28,432,391
Total capital assets being depreciated	254,771,300	3,343,454	(4,363,418)	5,772,077	259,523,413
Less accumulated depreciation for:					
Buildings	(14,103,487)	(979,294)	—	—	(15,082,781)
Infrastructure and improvements	(115,132,381)	(4,664,792)	2,731,695	—	(117,065,478)
Equipment and vehicles	(16,066,633)	(2,001,497)	1,567,602	—	(16,500,528)
Total accumulated depreciation	(145,302,501)	(7,645,583)	4,299,297	—	(148,648,787)
Total capital assets being depreciated, net	109,468,799	(4,302,129)	(64,121)	5,772,077	110,874,626
Governmental activities capital assets, net	$ 133,718,756	$ 2,938,879	$(1,558,156)	$ (1,082,865)	$ 134,016,614

	Business-type activities				
	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	$ 3,234,899	$ —	$ —	$ —	$ 3,234,899
Permanent easements	3,368,766	387,249	—	—	3,756,015
Construction in progress	133,829	365,889	—	—	499,718
Total capital assets not being depreciated	6,737,494	753,138	—	—	7,490,632
Capital assets being depreciated:					
Buildings	44,060,066	—	—	—	44,060,066
Infrastructure and improvements	178,180,837	3,058,724	(119,808)	1,082,865	182,202,618
Equipment and vehicles	6,538,259	540,203	(77,233)	—	7,001,229
Total capital assets being depreciated	228,779,162	3,598,927	(197,041)	1,082,865	233,263,913
Less accumulated depreciation for:					
Buildings	(16,937,861)	(948,280)	—	—	(17,886,141)
Infrastructure and improvements	(82,274,270)	(4,412,807)	113,416	—	(86,573,661)
Equipment and vehicles	(4,281,505)	(367,336)	77,233	—	(4,571,608)
Total accumulated depreciation	(103,493,636)	(5,728,423)	190,649	—	(109,031,410)
Total capital assets being depreciated, net	125,285,526	(2,129,496)	(6,392)	1,082,865	124,232,503
Business-type activities capital assets, net	$ 132,023,020	$(1,376,358)	$ (6,392)	$ 1,082,865	$ 131,723,135

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

Governmental Activities:	
General government	$ 807,224
Public safety	1,046,080
Public works and parks	5,747,412
Culture and recreation	2,268
Conservation of natural resources	42,599
	$ 7,645,583
Business-type activities:	
Water and sewer	$ 3,235,453
Storm water	1,469,474
Ames center	563,305
Ice arena	356,914
Golf course	13,230
Street lighting	90,047
	$ 5,728,423

Construction Commitments

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

	2019
Parks Capital Fund	$ 11,914
Improvement Construction Fund	1,056,608
Forestry Fund (non major govt)	100,323
Water and Sewer Fund	172,430
Storm Water Fund	144,714
	$ 1,485,989

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund		
General	Nonmajor Governmental	$	10,000 (a)
Nonmajor Governmental	Ames Center		10,000 (b)
Total interfund balances		$	20,000

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

The composition of interfund advances as of December 31, 2019, is as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund		
General	Ames Center	$	1,191,544 (a)

(a) Loans to cover negative cash balances.

The 2019 interfund transfers are as follows:

	Transfers In:					
Transfers Out:	General Fund (a)	G.O. Improvement Bonds (b)	Facilities Capital Projects (d)	Nonmajor Governmental (b)(c)(d)	Ames Center (b)(c)	Total
General fund	$ —	$ —	$ —	$ 1,308,000	$ 475,000	$ 1,783,000
Infrastructure Trust	—	351,081	—	360,000	—	711,081
Facilities Capital Projects	—	—	—	809,790	—	809,790
Nonmajor governmental	185,000	—	—	—	410,000	595,000
Water and sewer	—	—	242,970	418,048	—	661,018
Storm water	—	—	80,990	60,825	—	141,815
Ames center	—	—	—	585,900	—	585,900
Nonmajor enterprise	—	—	—	90,000	—	90,000
Total:	$ 185,000	$ 351,081	$ 323,960	$ 3,632,563	$ 885,000	$ 5,377,604

Transfers were used for the following:

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

E. LEASES

Operating leases

The City has various non-cancelable operating lease agreements expiring at various dates through 2020. Total rental costs during 2019 for operating leases were $59,062. The future minimum lease payment for these leases are as follows:

Year Ended December 31	Amount
2020	$ 28,195

Capital lease

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

The assets acquired through the capital lease are as follows:

Year Ended December 31	Amount
Network Infrastructure Equipment	$ 679,739
Network Infrastructure Software	33,674
Total	713,413
Less: accumulated depreciation	(431,842)
	$ 281,571

F. LONG-TERM DEBT

General Obligation Bonds - Two issues of general obligation bonds totaling $8,600,000 are outstanding at December 31, 2019 and are backed by the full faith and credit of the City. Total original issue amount was $12,330,000. The bonds bear interest at rates ranging from 2.1% to 4% and mature in varying annual amounts ranging from $90,000 to $785,000, with final payments due in the year ending 2032. The bonds were issued to finance (a) the refunding of the December 1, 2008 through December 1, 2014 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 1994, (b) an expansion of the City's maintenance facility, and (c) renovations to City Hall and the City Police facilities. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Increment Bonds - Three issues of general obligation tax increment bonds totaling $2,395,000 are outstanding at December 31, 2019. Total original issue amount was $7,335,000. The bonds bear interest at rates ranging from 2.00% to 5.00% and mature in varying annual amounts ranging from $10,000 to $1,660,000, with final payments due in the year ending 2027. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Tax Abatement Bonds - Three issues of tax abatement bonds totaling $16,575,000 are outstanding at December 31, 2019. Total original issue amount was $17,900,000. The bonds bear interest at rates ranging from 2.00% to 4.00% and mature in varying annual amounts ranging from $35,000 to $1,855,000, with final payments due in the year ending 2029. The bonds were issued to finance (a) a current refunding of the December 20, 2019 through December 20, 2030 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 2010A, (b) improvements to the ice arena roof, and (c) the crossover refunding of the February 1, 2019 through the February 1, 2028 maturities of the G.O. Tax Abatement Bonds, Series 2008A. The interest and principal payments are accounted for in the Debt Service Funds.

General Obligation Improvement Bonds - Various issues of unmatured general obligation improvement bonds totaling $9,965,000 are outstanding at December 31, 2019. Total original issue amount was $20,775,872. 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, 2019 were $8,078. These bonds bear interest at rates of 0.85% to 5.00% and mature in varying annual amounts ranging from $20,000 to $485,000, with the final payments due in the year ending 2034.

General Obligation Revenue Bonds - Eight issues of general obligation revenue bonds totaling $18,190,000 are outstanding at December 31, 2019. Original issue amount was $24,225,000. The bonds are accounted for in the Enterprise Funds. The bonds bear interest rates of 1.65% to 5.00% and mature in varying annual amounts ranging from $90,000 to $390,000, with final payments due in the year ending 2032. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

General Obligation Taxable Utility Revenue Notes - One issue of general obligation taxable utility revenue notes totaling $5,378,000 was outstanding at December 31, 2019. The note was issued through a general obligation loan agreement with the Minnesota Public Facilities Authority. The original issue amount was $7,388,970. The note was issued to finance the City's water meter replacement project and is drawn down on a reimbursement basis. During the year, $511,399 of the Note was drawn down. The remaining available balance for the City to draw down is $1,141,776. The notes are accounted for in the Enterprise Funds. The notes bear an interest rate of 1.268% and mature in varying annual amounts ranging from $335,000 to $420,000, with final payments due in the year ending 2036. The resolution authorizing the issuance of the notes contains various restrictions and requirements.

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

Year Ended	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2020	$ 4,495,000	$ 1,085,389	$ 2,250,000	$ 712,896
2021	4,075,000	955,333	2,319,000	624,515
2022	4,140,000	834,430	2,393,000	550,701
2023	4,175,000	711,360	2,461,000	473,936
2024	4,240,000	583,558	2,290,000	394,482
2025-2029	13,710,000	1,343,532	8,125,000	1,029,874
2030-2034	2,700,000	170,677	3,035,000	180,542
2035-2039	—	—	695,000	13,251
Total	$ 37,535,000	$ 5,684,279	$ 23,568,000	$ 3,980,197

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
G.O. bonds	$ 9,215,000	$ —	$ (615,000)	$ 8,600,000	$ 530,000
G.O. tax increment bonds	3,040,000	—	(645,000)	2,395,000	655,000
G.O. tax abatement bonds	17,410,000	—	(835,000)	16,575,000	1,840,000
G.O. improvement bonds	10,352,358	1,625,000	(2,012,358)	9,965,000	1,470,000
Subtotal	40,017,358	1,625,000	(4,107,358)	37,535,000	4,495,000
Deferred amounts for issuance premiums (discounts)	1,232,632	276,430	(137,989)	1,371,073	—
Total bonds and notes	41,249,990	1,901,430	(4,245,347)	38,906,073	4,495,000
Capital leases	237,805	—	(237,805)	—	—
Compensated absences	3,254,934	367,051	(293,607)	3,328,378	332,838
Total other post-employment benefits liability	6,377,808	1,292,180	—	7,669,988	—
Net pension liability	20,512,961	3,786,470	(3,559,029)	20,740,402	—
Governmental activities - long-term liabilities	$ 71,633,498	$ 7,347,131	$ (8,335,788)	$70,644,841	$ 4,827,838
Business-type activities:					
G.O. revenue bonds	$ 19,170,000	$ 5,165,000	$ (6,145,000)	$18,190,000	$ 1,965,000
G.O. revenue notes	5,149,825	511,399	(283,224)	5,378,000	285,000
G.O. improvement bonds	32,642	—	(32,642)	—	—
Subtotal	24,352,467	5,676,399	(6,460,866)	23,568,000	2,250,000
Deferred amounts for issuance premiums (discounts)	601,094	908,116	(72,809)	1,436,401	—
Total bonds and notes	24,953,561	6,584,515	(6,533,675)	25,004,401	2,250,000
Compensated absences	306,792	54,404	(3,287)	357,909	35,792
Net pension liability	1,446,257	162,406	(189,702)	1,418,961	—
Business-type activities - long-term liabilities	$ 26,706,610	$ 6,801,325	$ (6,726,664)	$26,781,271	$ 2,285,792

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.

The City participates in two state-wide, cost-sharing, multi-employer defined benefit pension plans administered by the PERA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended December 31, 2019:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA - GERF	$ 9,459,736	$ 745,718	$ 1,966,896	$ 1,073,696
PERA - PEPFF	12,699,627	12,774,321	18,888,366	2,071,112
Total - all pensions	$ 22,159,363	$ 13,520,039	$ 20,855,262	$ 3,144,808

Build America Bonds - In 2010, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), the City issued $3,060,000 General Obligation Taxable Water Revenue Bonds, Series 2010A, $1,275,000 General Obligation Taxable Storm Sewer Revenue Bonds, Series 2010B, and $6,340,000 General Obligation Improvement Bonds, Series 2010D. The bonds are direct pay tax credit Build America Bonds (BAB), in which the City receives a 35% credit on bond interest paid. The City has complied with all requirements of ARRA to be eligible for the BAB interest credit. The City has received notice from the Internal Revenue Service (IRS) that the BAB interest credit will be reduced by 5.9% for all payments scheduled for October 1, 2019 through September 30, 2020.

Current Refunding - In November 2019, the City issued $3,635,000 of bonds for a current refunding of the $1,220,000 General Obligation Improvement Bonds, Series, 2011C, $3,060,000 General Obligation Taxable Water Revenue Bonds, Series 2010A (Build America Bonds - Direct Pay), and the $3,065,000 General Obligation Utility Revenue Bonds, Series 2011A in the governmental and business-type activities. The refunding was undertaken to reduce total debt service payments over the next ten years by $286,021 and resulted in an economic gain of $261,465. The bonds were called on December 20, 2019.

Legal Debt Margin - As of December 31, 2019, the general obligation debt issued by the City did not exceed its legal debt margin. The legal debt limit applies to the City's general obligation tax levy bonds and excludes improvement and revenue-supported bonds.

Following is the computation of legal debt margin as of December 31, 2019:

Estimated market value of taxable property	$ 6,590,112,904
Debt limit - 3% of market value of taxable property	$ 197,703,387
Debt applicable to debt limit	
General obligation bonds outstanding	8,600,000
Less amount set aside for repayment of general obligation debt	(261,435)
Total net debt applicable to debt limit	8,338,565
Legal debt margin	$ 189,364,822

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

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

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

Current tax capacity	$ 1,099,701
Original tax capacity	(137,136)
Captured tax capacity	$ 962,565
Retained by authority	$ 962,565
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	435,000	55,000
G.O. Tax Increment Refunding Bonds, Series 2013B	1,925,000	1,585,000	340,000
Totals	$ 5,905,000	$ 5,510,000	$ 395,000

Renewal and Renovation TIF District No. 7 is a Soils Deficiency District pursuant to a Special Law (2008 Minnesota Laws, Chapter 154, Article 9, Sections 21 and 25(b)). The district was established in 2012 for the purpose of enabling redevelopment of certain property within the Minnesota River Quadrant (MRQ) Project Area. There were no bonds issued or outstanding at December 31, 2019.

Current tax capacity	$ 253,160
Original tax capacity	(169,391)
Captured tax capacity	$ 83,769
Retained by authority	$ 53,538
Shared with other tax districts	$ 30,231

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

Bonds and notes:	Issued	Redeemed	Balance
G.O. Tax Increment Bonds, Series 1997B	$ 3,775,000	$ 3,775,000	$ —
G.O. Taxable Tax Increment Bonds, Series 1997C	1,230,000	1,230,000	—
G.O. Tax Increment Bonds, Series 2007B	4,945,000	4,945,000	—
G.O. Taxable Tax Increment Bonds, Series 2008B	3,350,000	3,350,000	—
G.O. Tax Increment Bonds, Series 2012A	4,920,000	2,920,000	2,000,000
Totals	$ 18,220,000	$ 16,220,000	$ 2,000,000

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

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

In 2002, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate 95% of the incremental taxes received through execution of a tax increment revenue note. Semiannual payments on the note, including interest at 6.4%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated $122,478 in 2019. The outstanding principal balance as of December 31, 2019 for this agreement was $882,383.

In 2005, the City entered into a private development agreement with a private developer to construct a mixed used housing and commercial development within Renewal and Renovation TIF District No. 6. The City will abate the incremental taxes received, less the greater of 30% of the taxes received or $75,000, through execution of a tax increment revenue note. Payments on the note, including interest at 7.0%, will be made at the lesser of the note payments or the actual tax increment received and will be made over the life of the district with the final payment due February 1, 2020. The City rebated $216,886 in 2019. The outstanding principal balance as of December 31, 2019 for this agreement was $2,217,000.

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

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

As of December 31, 2019, there were four series of the limited-obligation revenue bonds outstanding. The aggregate principal amount payable for the one series of Housing Revenue Bonds issued after January 1, 1996 was $5.1 million. The aggregate principal amount payable for the three series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled $22.7 million as follows:

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

G. REVENUE PLEDGED

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

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100 %	2012-2027	$ 1,755,800	$ 241,400	$ 15,935,623
G.O. Utility Revenue Bonds, Series 2013A	Water & Sewer	Water & Sewer Utility Charges	100 %	2013-2023	$ 1,075,000	$ 295,200	$ 15,935,623
G.O. Utility Revenue Bonds, Series 2014A	Water & Sewer	Water & Sewer Utility Charges	100 %	2014-2024	$ 1,401,819	$ 281,743	$ 15,935,623
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100 %	2015-2025	$ 1,528,950	$ 256,500	$ 15,935,623
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100 %	2016-2031	$ 1,493,895	$ 122,680	$ 15,935,623
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2032	$ 6,012,456	$ 351,818	$ 15,935,623
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2032	$ 5,191,410	$ 400,613	$ 15,935,623
G.O. Utility Bonds, Series 2018A	Water & Sewer	Water & Sewer Utility Charges	100 %	2018-2028	$ 2,514,900	$ 278,539	$ 15,935,623
G.O. Utility Revenue & Refunding Bonds, Series 2019A	Water & Sewer	Water & Sewer Utility Charges	100 %	2019-2029	$ 6,573,967	$ —	$ 15,935,623

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

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

Benefits Provided - All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

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

Contributions - The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled $314,956.

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

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

Total OPEB Liability of the City - The City's total OPEB liability of $7,669,988 as of year-end was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions - The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.26 %
20-year municipal bond yield	3.26 %
Inflation rate	2.50 %
Healthcare trend rate	7.50 % grading to 4.50% over 7 years

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

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

Changes in the Total OPEB Liability -

	Total OPEB Liability
Beginning balance - January 1, 2019	$ 6,377,808
Changes for the year	
Service cost	359,135
Interest	270,481
Changes of assumptions	552,343
Differences between expected and actual experience	425,177
Benefit payments	(314,956)
Total net changes	1,292,180
Ending balance - December 31, 2019	$ 7,669,988

Assumption changes since the prior measurement date include the following:

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	2.26 %	3.26 %	4.26 %
Total OPEB liability	$ 8,382,194	$ 7,669,988	$ 7,025,014

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

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB healthcare trend rate	6.50% decreasing to 3.50% over 7 years	7.50% decreasing to 4.50% over 7 years	8.50% decreasing to 5.50% over 7 years
Total OPEB liability	$ 6,773,091	$ 7,669,988	$ 8,726,213

OPEB Expense and Related Deferred Outflows of Resources - For the current year ended, the City recognized OPEB expense of $885,152. As of year-end, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,130,787
Changes in assumptions	766,585
	$ 1,897,372

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

Year Ended December 31,	OPEB Expense Amount
2020	$ 255,536
2021	255,536
2022	255,536
2023	255,536
2024	255,536
Thereafter	619,692
	$ 1,897,372

I. FUND BALANCE CLASSIFICATION

At December 31, 2019, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	Infrastructure Trust Capital Projects	Facilities Capital Projects	Other Governmental Funds	Total
Nonspendable						
Advances to other funds	$ 1,191,544	$ —	$ —	$ —	$ —	$ 1,191,544
Restricted for:						
Landfill abatement	$ 1,546,137	$ —	$ —	$ —	$ 17,957	$ 1,564,094
Debt service	—	4,834,540	—	—	3,026,849	7,861,389
Facilities capital	—	—	—	117,135	—	117,135
Tax increment	—	—	—	—	188,526	188,526
Total Restricted	$ 1,546,137	$ 4,834,540	$ —	$ 117,135	$ 3,233,332	$ 9,731,144
Committed to:						
Capital Projects	$ —	$ —	$ 2,718,329	$ —	$ —	$ 2,718,329
Facilities	—	—	—	2,520,004	—	2,520,004
Cable	—	—	—	—	971,619	971,619
Forfeitures	—	—	—	—	36,368	36,368
Community development	—	—	—	—	12,217	12,217
Youth	—	—	—	—	17,460	17,460
Economic development	—	—	—	—	729,782	729,782
Sustainability	—	—	—	—	39,345	39,345
Forestry	—	—	—	—	629,939	629,939
Total Committed	$ —	$ —	$ 2,718,329	$ 2,520,004	$ 2,436,730	$ 7,675,063
Assigned to:						
Subsequent year's budget	$ 540,000	$ —	$ —	$ —	$ —	$ 540,000
IT equipment & software development	—	—	—	—	1,196,358	1,196,358
Ice Center renovation debt service	280,000	—	—	—	—	280,000
Equipment & vehicles	—	—	—	—	2,378,591	2,378,591
Parks capital improvements	—	—	—	—	4,878,783	4,878,783
Street maintenance	—	—	—	—	531,308	531,308
Total Assigned	$ 820,000	$ —	$ —	$ —	$ 8,985,040	$ 9,805,040

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, 2019, the fund balance of the General Fund was 61 percent of the subsequent year's budgeted use of funds.

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance policies through the League of Minnesota Cities Insurance Trust. The blanket policy includes coverage for buildings, personal property, contractors, and miscellaneous equipment, crime, employee performance bonds, autos, and general liability. General liability coverage amounts to $2,000,000 per occurrence (and aggregate), with a $50,000 per occurrence, and a $300,000 aggregate deductible. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

B. CONTINGENT LIABILITIES

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

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

C. JOINTLY GOVERNED ORGANIZATIONS

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

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

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

Black Dog Water Management Organization (Black Dog WMO) - This organization was established through a joint powers agreement with four other cities. Its purpose is to regulate water storage and run off, improve water quality, and prevent flooding and erosion from surface flows within the watershed. The member cities appoint the Black Dog WMO's board, approve budgets, and contribute management fees ($110,798 for the City in 2019). The Black Dog WMO is not fiscally dependent on the City. Financial information for Black Dog WMO can be obtained at the City's offices.

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

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

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

D. SUBSEQUENT EVENT DISCLOSURE

1. Subsequent Event – COVID-19

The City generally reports its investments at fair value based on standards described earlier in these notes. Subsequent to year end, the Novel Coronavirus (COVID – 19) pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. The City's portfolio consists primarily of shorter-term investments, many with guaranteed maturity values. The City does not expect any losses ultimately realized from this market decline to be material. However, the potential negative impact could be heightened if increased demand on City resources and/or a sustained economic downturn hampers the City's ability to hold such investments to maturity as planned. The potential future impact of these conditions on the fair value of the City's investment portfolio is not determinable at this time.

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 Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

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

Public Employees Police and Fire Fund (PEPFF)

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

b. Benefits Provided

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

GERF Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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 ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

c. Contributions

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

GERF Contributions

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2019. The City was required to contribute 7.5 percent for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2019 were $946,691. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the PEPFF for the year ended December 31, 2019 were $2,124,192. The City's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

GERF Pension Costs

At December 31, 2019, the City reported a liability of $9,459,736 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State of Minnesota's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $293,987. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.1711 percent, which was a decrease of 0.0029 percent from its proportionate share measured as of June 30, 2018.

City's proportionate share of the net pension liability	$	9,459,736
State of Minnesota's proportionate share of the net pension liability associated with the City		293,987
	$	9,753,723

For the year ended December 31, 2019, the City recognized pension expense of $1,051,679 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional $22,017 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Retirement Fund.

At December 31, 2019, 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	$ 264,175	$ —
Changes in actuarial assumptions	—	752,841
Differences between projected and actual investment earnings	—	953,535
Changes in proportion	—	260,520
Contributions paid to the PERA subsequent to the measurement date	481,543	—
	$ 745,718	$ 1,966,896

$481,543 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	$ (676,964)
2021	(811,054)
2022	(229,950)
2023	15,247
	$ (1,702,721)

PEPFF Pension Costs

At December 31, 2019, the City reported a liability of $12,699,627 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018 through June 30, 2019, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2019, the City's proportion was 1.19 percent, which was an increase of 0.03 percent from its proportion measured as of June 30, 2018. The City also recognized $161,041 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing $9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay $4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay $9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of $2,071,112 for its proportionate share of the PEPFF's pension expense.

At December 31, 2019, 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	$ 517,430	$ 1,889,792
Changes in actuarial assumptions	10,345,200	13,236,197
Differences between projected and actual investment earnings	—	2,430,829
Changes in proportion	866,293	1,331,548
Contributions paid to the PERA subsequent to the measurement date	1,045,398	—
	$ 12,774,321	$ 18,888,366

$1,045,398 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	$ (745,081)
2021	(1,672,328)
2022	(4,968,208)
2023	170,658
2024	55,516
	$ (7,159,443)

e. **Actuarial Assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

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

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

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2019. The most recent four-year experience study for the PEPFF was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

GERF

Change in actuarial assumptions:

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

Changes in plan provisions:

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

PEPFF

Change in actuarial assumptions:

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	36%	5.10%
International stocks	17%	5.90%
Fixed Income	20%	0.75%
Private markets	25%	5.90%
Cash	2%	—%
Total	100%	

f Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on these assumptions, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g Pension Liability Sensitivity

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

	GERF		PEPFF	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease in Discount Rate	6.5 %	$ 15,551,296	6.5 %	$ 27,759,022
Current Discount Rate	7.5 %	9,459,736	7.5 %	12,699,627
1% Increase in Discount Rate	8.5 %	4,429,942	8.5 %	245,749

h Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plans

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

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

Total contributions made by the City of Burnsville during fiscal year 2019 were:

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

F. SOLAR GARDEN ENERGY PURCHASE COMMITMENTS

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

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

OTHER POST-EMPLOYMENT BENEFITS PLAN

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIO
YEAR ENDED DECEMBER 31, 2019
(LAST TEN YEARS)*

	2018	2019
Total OPEB liability		
Service Cost	$ 305,355	$ 359,135
Interest	172,004	270,481
Changes of assumptions	354,359	552,343
Differences between expected and actual experience	967,952	425,177
Benefit payments	(231,297)	(314,956)
Net changes in total OPEB liability	1,568,373	1,292,180
Total OPEB liability - beginning of year	4,809,435	6,377,808
Total OPEB liability - end of year	$ 6,377,808	$ 7,669,988
Covered payroll	$21,765,682	$23,331,280
Total OPEB liability as a percentage of covered payroll	29.3 %	32.9 %

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

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

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

Public Employees General Employees Retirement Fund (GERF):

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	$ 826,678	$ 826,678	$ —	$ 11,022,307	7.5 %
December 31, 2016	827,245	827,245	—	11,030,299	7.5 %
December 31, 2017	848,499	848,499	—	11,313,288	7.5 %
December 31, 2018	892,984	892,984	—	11,906,448	7.5 %
December 31, 2019	946,691	946,691	—	12,622,473	7.5 %

Public Employees Police and Fire Fund (PEPFF):

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	$ 1,811,456	$ 1,811,456	$ —	$ 11,181,833	16.20 %
December 31, 2016	1,792,322	1,792,322	—	11,063,712	16.20 %
December 31, 2017	1,903,312	1,903,312	—	11,748,845	16.20 %
December 31, 2018	2,005,044	2,005,044	—	12,376,817	16.20 %
December 31, 2019	2,124,192	2,124,192	—	12,532,112	16.95 %

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.
**For purposes of this schedule, covered payroll is defined as "pensionable wages."

CITY OF BURNSVILLE, MINNESOTA
Required Supplementary Information

DEFINED BENEFIT PENSION PLANS
GERF RETIREMENT FUND
SCHEDULE OF CITY'S AND NON-EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
(LAST TEN YEARS)*

Public Employees General Employees Retirement Fund (GERF):

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability (b)	Proportionate Share of the Net Pension Liability and the Employer's Share of the State of Minnesota's Share of the Net Pension Liability (c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.180 %	$ 9,328,533	$ —	$ —	$10,581,137	88.2 %	78.2 %
June 30, 2016	0.181 %	14,704,422	192,082	14,896,504	11,239,458	130.8 %	68.9 %
June 30, 2017	0.174 %	11,095,277	139,516	11,234,793	11,186,096	99.2 %	75.9 %
June 30, 2018	0.174 %	9,641,712	316,264	9,957,976	11,683,592	82.5 %	79.5 %
June 30, 2019	0.171 %	9,459,736	293,987	9,753,723	12,108,826	78.1 %	80.2 %

* 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
PEPFF RETIREMENT FUND
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
(LAST TEN YEARS)*

Public Employees Police and Fire Fund (PEPFF):

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	1.15 %	$ 13,066,691	$ 10,530,271	124.1 %	86.6 %
June 30, 2016	1.17 %	46,994,268	11,279,611	416.6 %	63.9 %
June 30, 2017	1.11 %	14,918,815	11,345,319	131.5 %	85.4 %
June 30, 2018	1.16 %	12,317,506	12,178,923	101.1 %	88.8 %
June 30, 2019	1.19 %	12,699,627	12,579,661	101.0 %	89.3 %

* 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."

GENERAL EMPLOYEES RETIREMENT FUND (GERF)

2019 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

2018 Changes

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Plan Provisions:

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

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

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

2015 Changes

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

Changes in Actuarial Assumptions:

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

PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)

2019 Changes

Changes in Actuarial Assumptions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing $9.0 million state contribution.
- New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.

- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred member will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

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

2016 Changes

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

2015 Changes

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

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

OTHER POST-EMPLOYMENT BENEFIT PLAN

2019 Changes

Changes in Actuarial Assumptions:
- The discount rate was changed from 4.11 percent to 3.26 percent
- The healthcare trend rate was changed from 8.00 percent to 7.50 percent.

2018 Changes

Changes in Actuarial Assumptions:
- The discount rate was changed from 4.00 percent to 4.11 percent.

Combining and Individual Fund Statements and Schedules

City of Burnsville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Assets							
Cash, cash equivalents and investments	$ 815,930	$ 44,324	$ 22,217	$ 17,546	$ 701,833	$ 98,082	$ 616,876
Receivables, net of allowance for uncollectible amounts:							
Property taxes	—	—	—	—	3,051	—	475
Special assessments	—	—	—	—	—	—	—
Accounts receivable	250,317	13,069	—	—	—	—	—
Due from other funds	—	—	—	—	10,000	—	—
Due from other governments	—	—	7,849	13,250	42,695	—	16,323
Total Assets	$ 1,066,247	$ 57,393	$ 30,066	$ 30,796	$ 757,579	$ 98,082	$ 633,674
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	$ 94,626	$ 5,501	$ 7,849	$ 86	$ 24,746	$ 2,089	$ —
Contracts payable	—	—	—	—	—	—	3,260
Due to other funds	—	—	10,000	—	—	—	—
Due to other governments	2	328	—	13,250	—	38,691	—
Unearned revenue	—	—	—	—	—	—	—
Customer and other deposits	—	15,196	—	—	—	—	—
Total Liabilities	94,628	21,025	17,849	13,336	24,746	40,780	3,260
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	—	—	—	—	3,051	—	475
Unavailable revenue - special assessments	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	3,051	—	475
Fund Balances:							
Restricted	—	—	—	—	—	17,957	—
Committed	971,619	36,368	12,217	17,460	729,782	39,345	629,939
Assigned	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—
Total Fund Balances	971,619	36,368	12,217	17,460	729,782	57,302	629,939
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,066,247	$ 57,393	$ 30,066	$ 30,796	$ 757,579	$ 98,082	$ 633,674

Debt Service Funds				Capital Projects Funds						Total Nonmajor Governmental Funds
G.O. Bonds	Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Street Revolving Construction	
$ 243,939	$1,243,712	$ 88,189	$ 1,576,757	$1,183,330	$2,318,808	$ 192,977	$4,801,218	$ 434,775	$ 516,134	$ 14,916,647
1,284	1,574	1,126	1,480	2,999	6,320	—	3,025	—	—	21,334
—	—	—	—	—	—	—	16,474	111,616	—	128,090
—	—	—	—	—	1,852	—	—	—	—	265,238
—	—	—	—	—	—	—	—	—	—	10,000
17,496	21,960	15,210	780	24,197	87,940	—	368,555	635,819	15,174	1,267,248
$ 262,719	$1,267,246	$ 104,525	$ 1,579,017	$1,210,526	$2,414,920	$ 192,977	$5,189,272	$ 1,182,210	$ 531,308	$ 16,608,557
$ —	$ —	$ —	$ 168,660	$ 11,169	$ 29,894	$ —	$ 102,641	$ 110,036	$ —	$ 557,297
—	—	—	—	—	—	—	48,349	450,523	—	502,132
—	—	—	—	—	—	—	—	—	—	10,000
—	—	—	12,534	—	115	4,451	—	723,672	—	793,043
—	—	—	—	—	—	—	140,000	—	—	140,000
—	—	—	—	—	—	—	—	—	—	15,196
—	—	—	181,194	11,169	30,009	4,451	290,990	1,284,231	—	2,017,668
1,284	1,574	1,126	1,480	2,999	6,320	—	3,025	—	—	21,334
—	—	—	—	—	—	—	16,474	111,616	—	128,090
1,284	1,574	1,126	1,480	2,999	6,320	—	19,499	111,616	—	149,424
261,435	1,265,672	103,399	1,396,343	—	—	188,526	—	—	—	3,233,332
—	—	—	—	—	—	—	—	—	—	2,436,730
—	—	—	—	1,196,358	2,378,591	—	4,878,783	—	531,308	8,985,040
—	—	—	—	—	—	—	—	(213,637)	—	(213,637)
261,435	1,265,672	103,399	1,396,343	1,196,358	2,378,591	188,526	4,878,783	(213,637)	531,308	14,441,465
$ 262,719	$1,267,246	$ 104,525	$ 1,579,017	$1,210,526	$2,414,920	$ 192,977	$5,189,272	$ 1,182,210	$ 531,308	$ 16,608,557

City of Burnsville

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended December 31, 2019

	Special Revenue Funds						
	Cable Franchise Fee	Forfeiture	Grant Fund	Youth Center	Economic Development Authority	Sustainability	Forestry
Revenues							
Property taxes	$ —	$ —	$ —	$ —	$ 744,329	$ —	$ 300,962
Special assessments	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	1,640
Other taxes	694,486	—	—	—	—	—	—
Intergovernmental revenue	—	—	22,200	52,176	20	213,673	—
Charges for services	308,597	—	—	—	—	—	—
Fines and forfeits	—	38,316	—	—	—	—	—
Interest on investments (charges)	17,265	863	239	517	9,570	4,534	12,126
Miscellaneous revenue	—	—	—	—	—	—	—
Total Revenues	1,020,348	39,179	22,439	52,693	753,919	218,207	314,728
Expenditures							
Current:							
General government	923,807	—	22,200	—	—	—	—
Public safety	—	30,466	—	—	—	—	—
Public works and parks	—	—	—	—	—	—	—
Culture and recreation	—	—	—	67,877	—	—	—
Conservation of natural resources	—	—	—	—	—	325,055	244,311
Economic development	—	—	—	—	473,219	—	—
Capital outlay:							
Public works and parks	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—
Debt service:							
Redemption of bonds	—	—	—	—	—	—	—
Interest on bonds	—	—	—	—	—	—	—
Fiscal agent fees	—	—	—	—	—	—	—
Bond Issuance costs	—	—	—	—	—	—	—
Total Expenditures	923,807	30,466	22,200	67,877	473,219	325,055	244,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,541	8,713	239	(15,184)	280,700	(106,848)	70,417
Other Financing Sources (Uses)							
Bonds issued	—	—	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	64,625	—	—
Transfers in	—	—	—	5,000	—	75,000	—
Transfers out	(185,000)	—	—	—	(410,000)	—	—
Total other financing sources (uses)	(185,000)	—	—	5,000	(345,375)	75,000	—
Net Change in Fund Balances	(88,459)	8,713	239	(10,184)	(64,675)	(31,848)	70,417
Fund Balances (Deficits) - Beginning	1,060,078	27,655	11,978	27,644	794,457	89,150	559,522
Fund Balances (Deficits)- Ending	$ 971,619	$ 36,368	$ 12,217	$ 17,460	$ 729,782	$ 57,302	$ 629,939

Debt Service Funds				Capital Projects Funds						
G.O. Bonds	Tax Abatement Bonds	EDA Lease Revenue Bonds	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Improvement Construction	Street Revolving Construction	Total Nonmajor Governmental Funds
$ 321,718	$ 404,417	$ 279,165	$ 951,661	$ 444,576	$1,622,748	$ 60,000	$1,025,494	$ —	$ —	$ 6,155,070
—	—	—	—	—	—	—	14,724	778,420	—	793,144
—	—	—	—	—	—	—	—	—	—	1,640
—	—	—	—	—	—	—	—	—	—	694,486
—	—	—	—	—	—	—	312,963	635,658	—	1,236,690
—	—	—	—	—	—	—	—	—	18,928	327,525
—	—	—	—	—	—	—	—	—	—	38,316
9,174	22,338	7,274	22,583	22,553	38,116	4,338	83,217	(32,711)	18,939	240,935
—	—	—	—	—	6,249	—	1,935,824	5,000	—	1,947,073
330,892	426,755	286,439	974,244	467,129	1,667,113	64,338	3,372,222	1,386,367	37,867	11,434,879
—	—	—	—	286,286	—	—	—	—	—	1,232,293
—	—	—	—	—	980,002	—	—	—	—	1,010,468
—	—	—	—	—	434,711	—	—	—	666,352	1,101,063
—	—	—	—	—	—	—	—	—	—	67,877
—	—	—	—	—	—	—	—	—	—	569,366
—	—	—	338,341	—	—	1,650	—	—	—	813,210
—	—	—	—	—	—	—	1,388,074	—	—	1,388,074
—	—	—	—	—	—	107,059	—	2,786,575	—	2,893,634
875,000	510,000	325,000	385,000	237,805	—	—	—	—	—	2,332,805
341,990	272,575	165,150	14,150	—	—	—	—	—	—	793,865
618	1,375	8,093	14,427	—	—	—	—	—	—	24,513
—	—	—	—	—	—	—	—	13,535	—	13,535
1,217,608	783,950	498,243	751,918	524,091	1,414,713	108,709	1,388,074	2,800,110	666,352	12,240,703
(886,716)	(357,195)	(211,804)	222,326	(56,962)	252,400	(44,371)	1,984,148	(1,413,743)	(628,485)	(805,824)
—	—	—	—	—	—	—	—	1,165,000	—	1,165,000
—	—	—	—	—	—	—	—	207,667	—	207,667
—	—	—	—	—	126,995	—	—	—	—	191,620
809,790	927,900	230,000	—	217,423	400,000	—	335,000	—	632,450	3,632,563
—	—	—	—	—	—	—	—	—	—	(595,000)
809,790	927,900	230,000	—	217,423	526,995	—	335,000	1,372,667	632,450	4,601,850
(76,926)	570,705	18,196	222,326	160,461	779,395	(44,371)	2,319,148	(41,076)	3,965	3,796,026
338,361	694,967	85,203	1,174,017	1,035,897	1,599,196	232,897	2,559,635	(172,561)	527,343	10,645,439
$ 261,435	$ 1,265,672	$ 103,399	$1,396,343	$1,196,358	$2,378,591	$ 188,526	$4,878,783	$ (213,637)	$ 531,308	$ 14,441,465

City of Burnsville
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 26,832,000	$ 26,832,000	$ 27,119,595	$ 287,595
Special assessments	10,800	10,800	11,052	252
Licenses and permits	2,099,629	2,099,629	3,367,440	1,267,811
Other taxes	400,000	400,000	351,690	(48,310)
Intergovernmental revenue	2,048,778	2,183,479	2,501,534	318,055
Charges for services	6,011,505	6,011,505	6,112,741	101,236
Fines and forfeits	318,300	318,300	320,101	1,801
Interest on investments	375,000	375,000	532,834	157,834
Net change in fair value of investments	—	—	794,585	794,585
Miscellaneous revenue	962,380	993,783	1,012,376	18,593
Total Revenues	39,058,392	39,224,496	42,123,948	2,899,452
Expenditures				
Current:				
General government:				
Mayor and council	134,578	134,578	146,501	(11,923)
Manager and administration	704,862	647,641	533,249	114,392
Human resources	496,642	503,736	351,458	152,278
Legal	573,004	573,004	595,042	(22,038)
Information technologies	1,567,077	1,567,116	1,376,125	190,991
Finance	611,198	652,847	651,893	954
Insurance	510,000	510,000	705,626	(195,626)
Planning	671,254	731,890	483,345	248,545
General government buildings	707,790	716,073	624,507	91,566
Lodging tax to Convention and Visitors Bureau	380,000	380,000	334,106	45,894
Total general government	6,356,405	6,416,885	5,801,852	615,033
Public safety:				
Police	14,873,966	14,917,981	14,275,361	642,620
Fire	7,551,808	7,620,067	7,685,208	(65,141)
Inspections	1,305,659	1,322,892	1,183,781	139,111
Total public safety	23,731,433	23,860,940	23,144,350	716,590
Public works and parks:				
Engineering	1,408,367	1,069,318	1,033,567	35,751
Parks & streets	4,659,868	5,192,870	5,142,047	50,823
Fleet maintenance	367,098	369,908	445,431	(75,523)
Total public works and parks	6,435,333	6,632,096	6,621,045	11,051
Culture & recreation:				
Recreation	1,001,991	1,090,149	1,036,613	53,536
Conservation of natural resources:				
Natural Resources	36,820	36,820	17,339	19,481
Forestry	768,610	768,610	677,691	90,919
Total conservation of natural resources	805,430	805,430	695,030	110,400
Total Expenditures	38,330,592	38,805,500	37,298,890	1,506,610
Excess of Revenues Over Expenditures	727,800	418,996	4,825,058	4,406,062
Other Financing Sources (Uses)				
Transfers in	185,000	185,000	185,000	—
Transfers out	(1,783,000)	(1,783,000)	(1,783,000)	—
Total other financing sources (uses)	(1,598,000)	(1,598,000)	(1,598,000)	—
Net Change in Fund Balances	(870,200)	(1,179,004)	3,227,058	4,406,062
Fund Balances - Beginning	22,608,694	22,608,694	22,608,694	—
Fund Balances - Ending	$ 21,738,494	$ 21,429,690	$ 25,835,752	$ 4,406,062

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 3,350,000	$ 3,350,000	$ 3,352,761	$ 2,761
Intergovernmental revenue	2,115,000	2,115,000	1,960,507	(154,493)
Interest on investments	50,324	50,324	101,416	51,092
Total Revenues	5,515,324	5,515,324	5,414,684	(100,640)
Expenditures				
Capital outlay:				
Infrastructure	8,055,000	8,055,000	6,867,306	1,187,694
Excess (Deficiency) of Revenues Over (Under)Expenditures	(2,539,676)	(2,539,676)	(1,452,622)	1,087,054
Other Financing Sources (Uses)				
Transfers out	(711,081)	(711,081)	(711,081)	—
Net Change in Fund Balances	(3,250,757)	(3,250,757)	(2,163,703)	1,087,054
Fund Balances - Beginning	4,882,032	4,882,032	4,882,032	—
Fund Balances - Ending	$ 1,631,275	$ 1,631,275	$ 2,718,329	$ 1,087,054

City of Burnsville
Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ —	$ —	$ 4,776	$ 4,776
Other taxes	1,220,000	1,220,000	1,251,211	31,211
Charges for services	570,000	570,000	777,632	207,632
Interest on investments	12,984	12,984	56,609	43,625
Total Revenues	1,802,984	1,802,984	2,090,228	287,244
Expenditures				
Current:				
General government:				
General government buildings	—	25,000	—	25,000
Capital outlay:				
General government:				
General government buildings	377,900	414,900	281,177	133,723
Public safety:				
Fire	—	2,110,435	61,749	2,048,686
Public works and parks:				
Fleet maintenance	87,500	87,500	50,083	37,417
Culture and recreation:				
Performing arts center	—	—	4,200	(4,200)
Ice center	—	1,181,000	1,063,865	117,135
Total culture and recreation	—	1,181,000	1,068,065	112,935
Total Expenditures	465,400	3,818,835	1,461,074	2,357,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,337,584	(2,015,851)	629,154	2,645,005
Other Financing Sources (Uses)				
Transfers in	323,960	323,960	323,960	—
Transfers out	(809,790)	(809,790)	(809,790)	—
Total other financing sources (uses)	(485,830)	(485,830)	(485,830)	—
Net Change in Fund Balances	851,754	(2,501,681)	143,324	2,645,005
Fund Balances - Beginning	2,493,815	2,493,815	2,493,815	—
Fund Balances - Ending	$ 3,345,569	$ (7,866)	$ 2,637,139	$ 2,645,005

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	$ 728,000	$ 728,000	$ 694,486	$ (33,514)
Charges for services	328,600	328,600	308,597	(20,003)
Interest on investments	7,000	7,000	17,265	10,265
Total Revenues	1,063,600	1,063,600	1,020,348	(43,252)
Expenditures				
Current:				
General government:				
Public relations	889,169	1,022,596	923,807	98,789
Excess (Deficiency) of Revenues Over (Under) Expenditures:	174,431	41,004	96,541	55,537
Other Financing Sources (Uses)				
Transfers out	(185,000)	(185,000)	(185,000)	—
Net Change in Fund Balances	(10,569)	(143,996)	(88,459)	55,537
Fund Balances - Beginning	1,060,078	1,060,078	1,060,078	—
Fund Balances - Ending	$ 1,049,509	$ 916,082	$ 971,619	$ 55,537

City of Burnsville
Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeits	$ 25,000	$ 25,000	$ 38,316	$ 13,316
Interest on investments	—	—	863	863
Total Revenues	25,000	25,000	39,179	14,179
Expenditures				
Current:				
Public safety:				
Police	25,000	25,000	30,466	(5,466)
Net Change in Fund Balances	—	—	8,713	8,713
Fund Balances - Beginning	27,655	27,655	27,655	—
Fund Balances - Ending	$ 27,655	$ 27,655	$ 36,368	$ 8,713

City of Burnsville
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental revenue	$ 14,000	$ 14,000	$ 22,200	$ 8,200
Interest on investments	—	—	239	239
Total Revenues	14,000	14,000	22,439	8,439
Expenditures				
Current:				
General government:				
Manager and administration	14,000	14,000	22,200	(8,200)
Net Change in Fund Balances	—	—	239	239
Fund Balances - Beginning	11,978	11,978	11,978	—
Fund Balances - Ending	$ 11,978	$ 11,978	$ 12,217	$ 239

City of Burnsville
Youth Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental revenue	$ 57,000	$ 57,000	$ 52,176	$ (4,824)
Interest on investments	—	—	517	517
Miscellaneous revenue	500	500	—	(500)
Total Revenues	57,500	57,500	52,693	(4,807)
Expenditures				
Current:				
Culture & Recreation:				
Recreation	67,000	67,000	67,877	(877)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,500)	(9,500)	(15,184)	(5,684)
Other Financing Sources (Uses)				
Transfers in	5,000	5,000	5,000	—
Net Change in Fund Balances	(4,500)	(4,500)	(10,184)	(5,684)
Fund Balances - Beginning	27,644	27,644	27,644	—
Fund Balances - Ending	$ 23,144	$ 23,144	$ 17,460	$ (5,684)

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 742,500	$ 742,500	$ 744,329	$ 1,829
Intergovernmental revenue	1,150,000	1,150,000	20	(1,149,980)
Interest on investments	7,000	7,000	9,570	2,570
Total Revenues	1,899,500	1,899,500	753,919	(1,145,581)
Expenditures				
Current:				
Economic development	1,734,045	1,734,045	473,219	1,260,826
Excess of Revenues Over Expenditures	165,455	165,455	280,700	115,245
Other Financing Sources (Uses)				
Sale of capital assets	—	—	64,625	64,625
Transfers out	(410,000)	(410,000)	(410,000)	—
Total other financing sources (uses)	(410,000)	(410,000)	(345,375)	64,625
Net Change in Fund Balances	(244,545)	(244,545)	(64,675)	179,870
Fund Balances - Beginning	794,457	794,457	794,457	—
Fund Balances - Ending	$ 549,912	$ 549,912	$ 729,782	$ 179,870

City of Burnsville
Sustainability Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental revenue	$ 247,416	$ 252,364	$ 213,673	$ (38,691)
Interest on investments	—	—	4,534	4,534
Total Revenues	247,416	252,364	218,207	(34,157)
Expenditures				
Current:				
Conservation of natural resources:				
Recycling	341,383	363,080	325,055	38,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	(93,967)	(110,716)	(106,848)	3,868
Other Financing Sources				
Transfers in	75,000	75,000	75,000	—
Net Change in Fund Balances	(18,967)	(35,716)	(31,848)	3,868
Fund Balances - Beginning	89,150	89,150	89,150	—
Fund Balances - Ending	$ 70,183	$ 53,434	$ 57,302	$ 3,868

City of Burnsville
Forestry Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 300,000	$ 300,000	$ 300,962	$ 962
Licenses and permits	1,760	1,760	1,640	(120)
Interest on investments	—	—	12,126	12,126
Total Revenues	301,760	301,760	314,728	12,968
Expenditures				
Current:				
Conservation of natural resources:				
Forestry	416,309	418,967	244,311	174,656
Net Change in Fund Balances	(114,549)	(117,207)	70,417	187,624
Fund Balances - Beginning	559,522	559,522	559,522	—
Fund Balances - Ending	$ 444,973	$ 442,315	$ 629,939	$ 187,624

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 446,000	$ 446,000	$ 444,576	$ (1,424)
Interest on investments	1,000	1,000	22,553	21,553
Total Revenues	447,000	447,000	467,129	20,129
Expenditures				
Current:				
General government:				
Information technologies	506,500	1,052,269	286,286	765,983
Debt service:				
Redemption of bonds	237,805	237,805	237,805	—
Total Expenditures	744,305	1,290,074	524,091	765,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,305)	(843,074)	(56,962)	786,112
Other Financing Sources				
Transfers in	217,423	217,423	217,423	—
Net Change in Fund Balances	(79,882)	(625,651)	160,461	786,112
Fund Balances - Beginning	1,035,897	1,035,897	1,035,897	—
Fund Balances - Ending	$ 956,015	$ 410,246	$ 1,196,358	$ 786,112

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 1,624,000	$ 1,624,000	$ 1,622,748	$ (1,252)
Interest on investments	10,000	10,000	38,116	28,116
Miscellaneous revenue	—	—	6,249	6,249
Total Revenues	1,634,000	1,634,000	1,667,113	33,113
Expenditures				
Current:				
Public safety:				
Police	748,500	825,401	549,017	276,384
Fire	433,500	631,513	352,481	279,032
Inspections	29,000	85,000	78,504	6,496
Total public safety	1,211,000	1,541,914	980,002	561,912
Public works and parks:				
Parks & streets	534,500	611,210	376,486	234,724
Fleet maintenance	70,000	115,213	28,661	86,552
Total public works and parks	649,500	771,423	434,711	336,712
Total Expenditures	1,860,500	2,313,337	1,414,713	898,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,500)	(679,337)	252,400	931,737
Other Financing Sources				
Sale of capital assets	117,000	117,000	126,995	9,995
Transfers in	400,000	400,000	400,000	—
Total other financing sources	517,000	517,000	526,995	9,995
Net Change in Fund Balances	290,500	(162,337)	779,395	941,732
Fund Balances - Beginning	1,599,196	1,599,196	1,599,196	—
Fund Balances - Ending	$ 1,889,696	$ 1,436,859	$ 2,378,591	$ 941,732

City of Burnsville
Parks Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 1,025,000	$ 1,025,000	$ 1,025,494	$ 494
Special assessments	—	—	14,724	14,724
Intergovernmental revenue	5,012,572	5,012,572	312,963	(4,699,609)
Interest on investments	10,000	10,000	83,217	73,217
Miscellaneous revenue	468,000	608,000	1,935,824	1,327,824
Total Revenues	6,515,572	6,655,572	3,372,222	(3,283,350)
Expenditures				
Capital outlay:				
Public works and parks:				
Park development	7,046,685	7,955,581	1,388,074	6,567,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(531,113)	(1,300,009)	1,984,148	3,284,157
Other Financing Sources				
Transfers in	335,000	335,000	335,000	—
Net Change in Fund Balances	(196,113)	(965,009)	2,319,148	3,284,157
Fund Balances - Beginning	2,559,635	2,559,635	2,559,635	—
Fund Balances - Ending	$ 2,363,522	$ 1,594,626	$ 4,878,783	$ 3,284,157

City of Burnsville
Improvement Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Special assessments	$ 2,180,000	$ 2,302,300	$ 778,420	$ (1,523,880)
Intergovernmental revenue	415,000	415,000	635,658	220,658
Interest on investments (charges)	—	—	(32,711)	(32,711)
Miscellaneous revenue	—	—	5,000	5,000
Total Revenues	2,595,000	2,717,300	1,386,367	(1,330,933)
Expenditures				
Capital outlay:				
Infrastructure	2,595,000	2,717,300	2,786,575	(69,275)
Debt service:				
Bond Issuance costs	—	—	13,535	(13,535)
Total Expenditures	2,595,000	2,717,300	2,800,110	(82,810)
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	—	(1,413,743)	(1,413,743)
Other Financing Sources				
Bonds issued	—	—	1,165,000	1,165,000
Premium on bonds issued	—	—	207,667	207,667
Total other financing sources	—	—	1,372,667	1,372,667
Net Change in Fund Balances	—	—	(41,076)	(41,076)
Fund Balances (Deficits) - Beginning	(172,561)	(172,561)	(172,561)	—
Fund Balances (Deficits) - Ending	$ (172,561)	$ (172,561)	$ (213,637)	$ (41,076)

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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	$ 15,000	$ 15,000	$ 18,928	$ 3,928
Interest on investments	7,000	7,000	18,939	11,939
Total Revenues	22,000	22,000	37,867	15,867
Expenditures				
Current:				
Public works and parks:				
Parks & streets	657,500	657,500	666,352	(8,852)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(635,500)	(635,500)	(628,485)	7,015
Other Financing Sources				
Transfers in	632,450	632,450	632,450	—
Net Change in Fund Balances	(3,050)	(3,050)	3,965	7,015
Fund Balances - Beginning	527,343	527,343	527,343	—
Fund Balances - Ending	$ 524,293	$ 524,293	$ 531,308	$ 7,015

City of Burnsville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Ice Arena	Golf Course	Street Lighting Utility	Total
Assets				
Current Assets:				
Cash, cash equivalents and investments	$ 1,023,877	$ 224,556	$ 685,103	$ 1,933,536
Accounts receivable	9,610	—	105,741	115,351
Total Current Assets	1,033,487	224,556	790,844	2,048,887
Noncurrent Assets:				
Capital Assets:				
Land	—	757,320	—	757,320
Construction-in-progress	—	—	95,948	95,948
Buildings	2,858,799	131,297	—	2,990,096
Infrastructure and improvements	6,812,771	169,556	1,800,928	8,783,255
Equipment and vehicles	392,081	171,339	—	563,420
Less accumulated depreciation	(5,547,132)	(394,882)	(835,033)	(6,777,047)
Total capital assets (net of accumulated depreciation)	4,516,519	834,630	1,061,843	6,412,992
Total Assets	5,550,006	1,059,186	1,852,687	8,461,879
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	22,372	7,457	—	29,829
Liabilities				
Current Liabilities:				
Accrued compensated absences, current portion	8,958	266	—	9,224
Accounts payable	38,526	1,308	133,707	173,541
Due to other governments	1,452	90	—	1,542
Customer and other deposits	1,513	1,849	24	3,386
Total Current Liabilities	50,449	3,513	133,731	187,693
Noncurrent Liabilities:				
Accrued compensated absences, net of current portion	80,617	2,392	—	83,009
Net pension liability	283,792	94,597	—	378,389
Total Noncurrent Liabilities	364,409	96,989	—	461,398
Total Liabilities	414,858	100,502	133,731	649,091
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	59,007	19,669	—	78,676
Net Position				
Investment in capital assets	4,516,519	834,630	1,061,843	6,412,992
Unrestricted	581,994	111,842	657,113	1,350,949
Total Net Position	$ 5,098,513	$ 946,472	$ 1,718,956	$ 7,763,941

City of Burnsville
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Ice Arena	Golf Course	Street Lighting Utility	Total
Operating Revenues				
Charges for services	$ 1,063,694	$ 238,093	$ 582,858	$ 1,884,645
Operating Expenses				
Personnel services	670,158	204,298	—	874,456
Repairs and maintenance	7,592	13,049	106,812	127,453
Utilities	176,379	7,403	395,878	579,660
Other operating expenses	179,530	46,924	1,861	228,315
Depreciation	356,914	13,230	90,047	460,191
Total Operating Expenses	1,390,573	284,904	594,598	2,270,075
Operating Income (Loss)	(326,879)	(46,811)	(11,740)	(385,430)
Nonoperating Revenues				
Intergovernmental	661	219	—	880
Investment earnings	20,615	5,317	13,427	39,359
Total Nonoperating Revenues	21,276	5,536	13,427	40,239
Income (Loss) Before Transfers	(305,603)	(41,275)	1,687	(345,191)
Transfers and Capital Contributions				
Capital contributions - from other funds	1,082,865	—	—	1,082,865
Transfers out	(90,000)	—	—	(90,000)
Total Transfers	992,865	—	—	992,865
Change in Net Position	687,262	(41,275)	1,687	647,674
Total Net Position - Beginning	4,411,251	987,747	1,717,269	7,116,267
Total Net Position - Ending	$ 5,098,513	$ 946,472	$ 1,718,956	$ 7,763,941

City of Burnsville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Ice Arena	Golf Course	Street Lighting Utility	Total
Cash Flows from Operating Activities				
Receipts from customers and users	$ 1,065,052	$ 238,221	$ 588,197	$ 1,891,470
Payments to suppliers	(353,016)	(67,316)	(477,171)	(897,503)
Payments to employees	(658,238)	(201,420)	—	(859,658)
Net cash provided (used) by operating activities	53,798	(30,515)	111,026	134,309
Cash Flows from Noncapital Financing Activities				
Grants and other income	661	219	—	880
Transfers out	(90,000)	—	—	(90,000)
Net cash provided (used) by noncapital financing activities	(89,339)	219	—	(89,120)
Cash Flows from Capital and Related Financing Activities				
Purchase or construction of capital assets	—	—	(64,799)	(64,799)
Cash Flows from Investing Activites				
Investment earnings	20,615	5,317	13,427	39,359
Net Increase (Decrease) in Cash and Cash Equivalents	(14,926)	(24,979)	59,654	19,749
Cash and Cash Equivalents				
Beginning	1,038,803	249,535	625,449	1,913,787
Ending	$ 1,023,877	$ 224,556	$ 685,103	$ 1,933,536
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	$ (326,879)	$ (46,811)	$ (11,740)	$ (385,430)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	356,914	13,230	90,047	460,191
(Increase) decrease in assets:				
Receivables	3,920	—	5,339	9,259
(Increase) decrease in deferred outflows of resources:				
Pensions	27,794	9,265	—	37,059
(Decrease) increase in liabilities:				
Accrued compensated absences	8,804	1,839	—	10,643
Accounts payable	10,552	30	27,380	37,962
Due to other governments	(67)	30	—	(37)
Customer deposits	(2,562)	128	—	(2,434)
Net pension liability	(5,459)	(1,820)	—	(7,279)
(Decrease) increase in deferred inflows of resources:				
Pensions	(19,219)	(6,406)	—	(25,625)
Net cash provided (used) by operating activities	$ 53,798	$ (30,515)	$ 111,026	$ 134,309
Noncash investing, capital, and financing activities				
Capital assets contributed from other funds	$ 1,082,865			$ 1,082,865

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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 *These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*	110 - 123
Revenue Capacity *These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*	124 - 129
Debt Capacity *These schedules present information to help the reader assess the affordabiliy of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*	130 - 136
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*	137 - 139
Operating Information *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.*	140 - 145

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		
	2010	2011	2012
Governmental activities:			
Net investment in capital assets	$ 89,557,378	$ 91,650,717	$ 93,885,247
Restricted	16,317,306	14,948,803	18,399,208
Unrestricted	5,216,775	6,796,441	6,074,729
Total governmental activities net position	111,091,459	113,395,961	118,359,184
Business-type activities:			
Net investment in capital assets	105,898,194	103,259,415	102,137,786
Unrestricted	26,882,913	28,682,367	30,510,760
Total business-type activities net position	132,781,107	131,941,782	132,648,546
Primary government:			
Net investment in capital assets	173,719,912	173,613,514	175,255,525
Restricted	16,968,677	15,678,447	19,147,865
Unrestricted	53,183,977	56,045,782	56,604,340
Total primary government net position	243,872,566	245,337,743	251,007,730

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

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

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

2013	2014	2015	2016	2017	2018	2019
$ 96,257,688	$ 97,997,455	$ 102,170,883	$ 104,771,961	$ 106,229,087	$ 110,069,219	$ 112,053,594
18,110,203	16,258,586	15,856,787	15,575,435	15,273,178	14,981,193	15,896,522
2,675,019	9,795,144	(10,011,396)	(16,105,677)	(14,906,686)	(13,917,013)	(9,221,379)
117,042,910	124,051,185	108,016,274	104,241,719	106,595,579	111,133,399	118,728,737
103,222,175	104,005,794	107,526,787	108,404,200	109,180,617	107,069,459	106,718,734
30,142,747	30,077,288	27,234,433	25,931,257	24,830,660	24,995,080	25,140,929
133,364,922	134,083,082	134,761,220	134,335,457	134,011,277	132,064,539	131,859,663
179,261,326	182,353,752	190,601,833	194,714,746	197,577,330	200,481,420	201,946,410
18,925,996	17,152,577	15,856,787	15,575,435	15,273,178	14,981,193	15,896,522
52,220,510	58,627,938	36,318,874	28,286,995	27,756,348	27,735,325	32,745,468
250,407,832	258,134,267	242,777,494	238,577,176	240,606,856	243,197,938	250,588,400

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year		
	2010	2011	2012
Expenses:			
Governmental activities:			
General government	$ 6,314,566	$ 6,305,723	$ 5,939,542
Public safety	18,511,365	18,831,240	19,082,421
Public works and parks	11,997,631	15,178,938	14,588,069
Culture and recreation	1,192,601	1,338,806	1,216,633
Conservation of natural resources	877,533	884,024	869,001
Economic development	737,782	583,638	528,412
Interest on long-term debt	1,750,308	1,878,214	1,768,022
Total governmental activities expenses	41,381,786	45,000,583	43,992,100
Business-type activities:			
Water and sewer	14,371,093	14,990,935	13,802,181
Storm water	3,269,937	3,368,332	3,460,146
Performing arts center	1,665,052	1,703,766	1,841,428
Ice arena	1,132,571	1,320,505	1,211,326
Golf course	279,185	267,631	282,104
Street lighting	333,233	347,731	502,597
Sidewalk snow plowing	99,021	34,183	24,813
Total business-type activities expenses	21,150,092	22,033,083	21,124,595
Total primary government expenses	62,531,878	67,033,666	65,116,695
Program revenues:			
Governmental activities:			
Charges for services			
General government	482,874	402,893	406,633
Public safety	3,933,898	4,157,945	4,121,061
Public works and parks	2,450,688	3,015,419	2,727,797
Other activities	479,069	615,472	442,644
Operating grants and contributions	2,569,489	2,103,083	2,224,711
Capital grants and contributions	5,781,105	3,853,073	6,590,199
Total governmental activities program revenues	15,697,123	14,147,885	16,513,045
Business-type activities:			
Charges for services			
Water and sewer	12,142,805	13,180,764	13,903,091
Storm water	3,900,057	4,021,224	4,122,459
Performing arts center	749,643	859,454	975,388
Ice arena	859,490	939,392	957,018
Golf course	285,643	254,578	268,956
Street lighting	426,754	443,658	561,780
Sidewalk snow plowing	40,096	61,251	55,113
Operating grants and contributions	479,493	438,862	298,925
Capital grants and contributions	770,539	866,649	448,728
Total business-type activities program revenues	19,654,520	21,065,832	21,591,458
Total primary government program revenues	35,351,643	35,213,717	38,104,503

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense)/revenue:										
Governmental activities	$ (25,684,663)	$ (30,852,698)	$ (27,479,055)	$ 6,358,158	$ 6,362,440	$ 6,573,281	$ 7,382,481	$ 8,085,296	$ 8,142,548	$ 7,922,564
Business-type activities	(1,495,572)	(967,251)	466,863	19,553,700	19,941,045	21,441,358	28,086,233	24,679,300	23,360,171	24,636,452
Total primary government	(27,180,235)	(31,819,949)	(27,012,192)	14,980,830	15,837,464	15,901,625	15,292,294	15,303,864	14,539,501	17,890,927
				1,243,917	1,246,522	1,089,081	1,145,294	1,067,828	1,023,202	1,111,709
				994,318	1,023,827	1,071,242	1,228,567	1,305,308	1,356,205	1,320,038
				484,771	465,692	498,231	496,285	482,403	515,776	815,386
				1,612,989	1,422,743	1,379,238	1,527,893	1,503,981	1,162,754	1,041,948
				45,228,683	46,299,733	47,954,056	55,159,047	52,427,980	50,100,157	54,739,024
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes	30,149,626	29,464,723	29,876,431	14,803,579	14,929,321	14,889,284	15,476,767	15,875,566	17,169,446	18,324,199
Lodging tax	222,954	237,962	259,879	3,186,443	3,369,746	3,879,088	4,293,053	4,499,643	4,537,849	4,396,039
Franchise taxes	663,664	665,605	697,660	1,908,984	2,192,667	2,090,481	2,232,993	2,591,863	2,781,704	2,770,717
Unrestricted grants and contributions	1,024,440	919,549	824,390	1,324,739	1,291,264	1,423,315	1,455,693	1,312,900	1,406,241	1,390,573
Unrestricted investment earnings	747,245	1,387,955	504,517	285,725	267,345	287,488	313,047	286,178	294,452	284,904
Gain on sale of capital assets	—	30,911	—	513,401	482,110	646,268	568,363	643,775	571,937	594,598
Transfers	(4,491,288)	450,495	279,401	61,892	114,210	26,455	57,343	39,401	106,420	—
Total governmental activities	28,316,641	33,157,200	32,442,278	22,084,763	22,646,663	23,242,379	24,397,259	25,249,326	26,868,049	27,761,030
Business-type activities:										
Unrestricted grants and contributions	50,690	58,434	57,531	67,313,446	68,946,396	71,196,435	79,556,306	77,677,306	76,968,206	82,500,054
Unrestricted investment earnings	509,620	519,987	461,771							
Transfers	4,491,288	(450,495)	(279,401)	447,925	438,976	426,636	405,299	357,080	380,061	416,291
Total business-type activities	5,051,598	127,926	239,901	5,339,716	4,788,939	4,973,384	4,914,888	5,955,569	6,485,649	6,901,859
				2,840,172	3,241,456	2,825,050	2,798,069	3,123,103	2,950,887	3,165,521
				487,282	469,564	380,476	385,875	544,773	387,314	415,784
				2,179,315	2,134,004	2,367,689	2,326,628	2,614,858	2,875,147	2,918,182
				3,911,739	7,016,281	8,609,473	4,802,301	4,270,577	4,584,959	7,210,112
				15,206,149	18,089,220	19,582,708	15,633,060	16,865,960	17,664,017	21,027,749
Total primary government	33,368,239	33,285,126	32,682,179							
Change in net position:										
Governmental activities	2,631,978	2,304,502	4,963,223	13,824,144	14,234,693	14,448,498	15,132,165	15,522,270	15,602,993	16,021,187
Business-type activities	3,556,026	(839,325)	706,764	4,209,992	4,222,512	4,208,439	4,318,018	4,284,928	4,287,946	4,345,374
Total primary government	6,188,004	1,465,177	5,669,987	1,172,363	1,387,480	1,308,981	1,493,365	1,837,534	2,111,847	2,119,851
				1,104,497	1,137,933	1,081,207	1,080,874	1,091,259	1,060,331	1,063,694
				247,831	253,902	280,153	270,610	256,647	230,732	238,093
				580,766	568,961	571,265	594,775	574,180	576,018	582,858
				55,311	55,788	65,800	83,116	83,247	83,228	—
				315,892	404,262	378,154	474,969	625,268	516,121	669,409
				881,724	1,173,117	300,664	359,822	524,891	538,013	1,494,601
				22,392,520	23,438,648	22,643,161	23,807,714	24,800,224	25,007,229	26,535,067
				37,598,669	41,527,868	42,225,869	39,440,774	41,666,184	42,671,246	47,562,816

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

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

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

2013	2014	2015	2016	2017	2018	2019
$ (30,022,534)	$ (28,210,513)	$ (28,371,348)	$ (39,525,987)	$ (35,562,020)	$ (32,436,140)	$ (33,711,275)
307,757	791,985	(599,218)	(589,545)	(449,102)	(1,860,820)	(1,225,963)
(29,714,777)	(27,418,528)	(28,970,566)	(40,115,532)	(36,011,122)	(34,296,960)	(34,937,238)
30,374,410	29,444,693	30,699,759	32,127,976	33,668,989	34,816,920	36,745,654
287,358	289,198	363,409	366,918	365,555	389,019	351,690
723,624	729,211	758,972	1,274,060	2,116,955	1,972,218	1,945,697
815,677	915,373	973,068	1,143,996	1,091,139	1,086,925	854,002
(3,219,479)	3,300,247	1,091,944	721,735	503,205	674,333	1,898,702
—	—	—	—	—	—	—
(4,182)	540,066	(2,221,674)	116,747	170,037	588,800	(489,132)
28,977,408	35,218,788	31,665,478	35,751,432	37,915,880	39,528,215	41,306,613
51,697	50,574	48,681	46,401	43,642	40,749	36,907
469,429	415,667	358,342	234,128	251,317	462,133	495,048
4,182	(540,066)	2,221,674	(116,747)	(170,037)	(588,800)	489,132
525,308	(73,825)	2,628,697	163,782	124,922	(85,918)	1,021,087
29,502,716	35,144,963	34,294,175	35,915,214	38,040,802	39,442,297	42,327,700
(1,045,126)	7,008,275	3,294,130	(3,774,555)	2,353,860	7,092,075	7,595,338
833,065	718,160	2,029,479	(425,763)	(324,180)	(1,946,738)	(204,876)
(212,061)	7,726,435	5,323,609	(4,200,318)	2,029,680	5,145,337	7,390,462

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CITY OF BURNSVILLE, MINNESOTA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Tax Increments	Lodging Tax	Franchise Tax	Total
2010	$ 25,567,362	$ 4,582,264	$ 222,954	$ 663,664	$ 31,036,244
2011	26,547,376	2,917,347	237,962	665,605	30,368,290
2012	26,841,984	3,034,447	259,879	697,660	30,833,970
2013	27,383,429	2,990,981	287,358	723,624	31,385,392
2014	28,653,243	791,450	289,198	729,211	30,463,102
2015	29,916,349	783,410	363,409	758,972	31,822,140
2016	31,308,269	819,707	366,918	1,274,060	33,768,954
2017	32,845,130	823,859	365,555	2,116,955	36,151,499
2018	33,887,763	929,157	389,019	1,972,218	37,178,157
2019	35,733,994	1,011,660	351,690	1,945,697	39,043,041

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year 2010	2011	2012
General Fund:			
Reserved	$ 2,785,405	$ —	$ —
Unreserved	15,968,934	—	—
Nonspendable	—	—	—
Restricted	—	2,677,255	2,549,570
Assigned	—	464,685	1,966,966
Unassigned	—	16,072,010	15,177,759
Total General Fund	18,754,339	19,213,950	19,694,295
All other governmental funds:			
Reserved	12,720,790	—	—
Unreserved, reported in:			
Special revenue funds	1,990,930	—	—
Capital projects funds	8,858,711	—	—
Restricted	—	11,214,091	13,488,828
Committed	—	5,870,374	5,835,537
Assigned	—	5,186,835	5,854,591
Unassigned	—	(545,997)	(1,370,179)
Total all other governmental funds	$ 23,570,431	$ 21,725,303	$ 23,808,777

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.

2013	2014	2015	2016	2017	2018	2019
$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—
250	—	1,491,544	1,491,544	1,191,544	1,191,544	1,191,544
2,420,304	2,288,160	2,152,353	2,013,830	1,872,537	1,711,337	1,546,137
1,544,844	1,155,807	1,700,678	991,293	991,657	985,000	820,000
13,196,459	16,960,866	16,504,649	17,715,565	18,282,263	18,720,813	22,278,071
17,161,857	20,404,833	21,849,224	22,212,232	22,338,001	22,608,694	25,835,752
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
14,580,498	7,186,381	13,413,234	20,000,824	21,171,456	8,276,836	8,185,007
4,652,856	4,966,759	4,925,668	4,702,767	8,115,285	7,184,681	7,675,063
5,709,328	6,454,637	5,585,159	6,146,013	5,626,630	7,248,382	8,985,040
(1,603,774)	(160,196)	(168,654)	(173,369)	(840,879)	(172,561)	(213,637)
$ 23,338,908	$ 18,447,581	$ 23,755,407	$ 30,676,235	$ 34,072,492	$ 22,537,338	$ 24,631,473

CITY OF BURNSVILLE, MINNESOTA

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

	Fiscal Year		
	2010	2011	2012
Revenues:			
Taxes	$ 31,000,458	$ 30,567,623	$ 30,962,351
Licenses and permits	1,703,937	1,911,453	1,584,388
Intergovernmental	6,755,520	3,696,469	5,381,672
Charges for services	4,905,494	4,905,971	5,269,516
Fines and forfeits	595,807	459,573	432,391
Investment income	702,741	1,338,841	463,782
Special assessments	1,779,650	1,769,771	1,877,487
Miscellaneous	1,228,423	1,699,041	1,912,691
Total revenues	48,672,030	46,348,742	47,884,278
Expenditures:			
Current:			
General government	6,177,653	6,058,728	5,423,448
Public safety	18,135,898	18,939,924	19,073,952
Public works and parks	5,940,634	6,627,057	6,263,265
Culture and recreation	1,191,112	1,269,730	1,254,987
Conservation of natural resources	910,199	861,604	898,444
Economic development	737,149	583,855	527,938
Capital outlay	14,050,192	7,940,344	13,050,371
Debt service:			
Redemption of bonds	5,134,122	5,861,540	4,268,052
Interest on bonds	1,792,772	1,950,408	1,717,207
Fiscal agent fees	39,587	29,073	32,721
Bond issuance costs	130,838	42,330	53,246
Total expenditures	54,240,156	50,164,593	52,563,631
Excess of revenues over (under) expenditures	(5,568,126)	(3,815,851)	(4,679,353)
Other financing sources (uses):			
Bonds issued	11,835,000	1,220,000	6,260,000
Refunding bonds issued	1,995,000	1,890,872	—
Premium (discount) on bonds issued	(17,289)	63,745	211,113
Payments to refunded bond escrow agent	(967,725)	(1,250,000)	—
Capital leases	—	—	—
Sales of capital assets	80,269	55,222	151,503
Transfers in	4,987,144	7,535,958	6,246,032
Transfers out	(4,401,543)	(7,085,463)	(5,625,476)
Total other financing sources (uses)	13,510,856	2,430,334	7,243,172
Net change in fund balances	$ 7,942,730	$ (1,385,517)	$ 2,563,819
Debt service as a percentage of noncapital expenditures	17.4%	17.6%	14.8%

2013	2014	2015	2016	2017	2018	2019
$ 31,436,569	$ 30,575,302	$ 31,867,814	$ 33,753,006	$ 35,989,886	$ 37,352,958	$ 39,090,762
2,445,580	1,953,776	2,026,415	1,903,820	2,061,946	2,466,914	3,369,080
3,818,161	4,867,531	8,332,614	5,118,254	5,077,504	5,357,166	5,735,523
5,889,564	5,885,164	5,913,570	6,345,229	6,634,410	7,230,588	7,217,898
470,413	417,275	378,940	337,171	422,347	359,347	358,417
(3,262,167)	3,260,938	1,054,573	694,824	469,779	615,245	1,832,567
1,890,774	1,813,996	2,585,543	1,800,511	1,866,666	1,756,074	2,303,764
1,068,837	1,579,348	1,353,267	1,085,021	1,683,990	2,024,617	2,959,449
43,757,731	50,353,330	53,512,736	51,037,836	54,206,528	57,162,909	62,867,460
5,508,509	5,856,737	6,495,318	7,356,451	7,109,756	7,036,828	7,034,145
19,159,372	20,140,526	20,403,477	20,699,670	23,300,734	23,500,121	24,154,818
6,530,255	6,592,561	6,766,745	6,931,564	6,806,529	7,770,000	7,722,108
1,231,581	1,256,682	1,336,636	1,060,369	1,023,582	1,002,556	1,104,490
1,022,316	995,490	1,035,269	1,198,458	1,310,566	1,461,642	1,264,396
483,893	464,933	495,624	484,650	476,108	516,894	813,210
9,805,507	9,360,407	12,688,606	9,894,133	17,058,821	11,109,667	12,610,088
4,584,460	8,340,613	3,584,701	3,063,398	3,251,465	4,487,329	3,820,163
1,684,125	1,512,418	1,375,624	1,521,390	1,489,498	1,467,934	1,118,766
29,347	18,670	18,775	18,338	24,278	23,791	48,568
31,009	23,240	69,011	77,620	57,965	51,495	17,298
50,070,374	54,562,277	54,269,786	52,306,041	61,909,302	58,428,257	59,708,050
(6,312,643)	(4,208,947)	(757,050)	(1,268,205)	(7,702,774)	(1,265,348)	3,159,410
1,595,000	2,780,000	735,000	910,000	9,585,000	2,125,000	1,165,000
1,925,000	—	7,030,000	6,475,000	—	3,235,000	460,000
96,248	39,933	80,984	300,502	584,230	239,989	276,430
(949,748)	(952,430)	(790,000)	—	—	(16,784,136)	(525,000)
—	—	—	519,909	193,504	—	—
58,650	153,027	141,253	118,894	421,224	596,234	191,620
5,963,398	5,746,474	6,235,640	6,141,582	6,502,685	5,464,671	4,492,604
(5,378,212)	(5,206,408)	(5,923,610)	(5,913,846)	(6,061,843)	(4,875,871)	(3,898,871)
3,310,336	2,560,596	7,509,267	8,552,041	11,224,800	(9,999,113)	2,161,783
$ (3,002,307)	$ (1,648,351)	$ 6,752,217	$ 7,283,836	$ 3,522,026	$ (11,264,461)	$ 5,321,193
14.7%	21.0%	11.4%	10.5%	10.3%	12.5%	10.1%

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CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year	Property Tax	Tax Increments	Lodging Tax	Franchise Tax	Total
2010	$ 25,531,576	$ 4,582,264	$ 222,954	$ 663,664	$ 31,000,458
2011	26,746,709	2,917,347	237,962	665,605	30,567,623
2012	26,970,365	3,034,447	259,879	697,660	30,962,351
2013	27,434,606	2,990,981	287,358	723,624	31,436,569
2014	28,765,443	791,450	289,198	729,211	30,575,302
2015	29,962,023	783,410	363,409	758,972	31,867,814
2016	31,292,321	819,707	366,918	1,274,060	33,753,006
2017	32,683,517	823,859	365,555	2,116,955	35,989,886
2018	34,062,564	929,157	389,019	1,972,218	37,352,958
2019	35,781,715	1,011,660	351,690	1,945,697	39,090,762

CITY OF BURNSVILLE, MINNESOTA

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

Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Personal Property	Less Fiscal Disparities	Less Tax Increment
2010	$ 45,313,438	$ 29,968,032	$ 725,685	$ (2,262,684)	$ (5,521,245)
2011	41,564,948	28,383,619	792,954	(2,313,874)	(3,231,981)
2012	37,598,236	28,018,520	794,954	(2,287,609)	(3,025,708)
2013	34,997,156	27,649,303	828,786	(2,538,320)	(2,867,371)
2014	36,175,049	27,747,684	816,729	(2,988,905)	(850,866)
2015	39,954,586	28,740,490	824,450	(2,888,069)	(901,387)
2016	41,440,693	28,490,235	860,668	(3,073,160)	(896,845)
2017	43,601,698	27,701,119	907,851	(2,382,401)	(926,409)
2018	48,949,347	28,530,496	945,133	(1,655,814)	(929,157)
2019	52,425,000	29,503,800	943,031	(1,656,580)	(1,158,569)

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
$ 68,223,226	1.14 %	38.566	$ 6,203,584,803	$ 5,963,086,100	96.1 %
65,195,666	1.18	42.598	5,449,742,955	5,525,473,700	101.4
61,098,393	1.20	43.213	4,997,862,158	5,111,878,744	102.3
58,069,554	1.20	47.021	5,019,680,534	4,835,520,311	96.3
60,899,691	1.23	46.670	5,258,005,375	4,953,041,063	94.2
65,730,070	1.22	44.790	5,625,420,202	5,373,401,377	95.5
66,821,591	1.21	46.525	5,915,258,394	5,506,514,039	93.1
68,901,858	1.22	46.557	6,138,533,666	5,670,777,401	92.4
75,840,005	1.22	43.552	6,670,619,761	6,204,343,440	93.0
80,056,682	1.21	43.595	7,026,455,810	6,590,112,904	93.8

CITY OF BURNSVILLE, MINNESOTA

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

	City of Burnsville			Overlapping Rates: Dakota County	Overlapping Rates: School District - ISD #191
Fiscal Year	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Total County Tax Rate (2)	Total School Tax Rate (2)
2010	37.383	1.183	38.566	27.269	20.668
2011	40.763	1.835	42.598	29.149	21.854
2012	41.513	1.700	43.213	31.426	21.881
2013	45.215	1.806	47.021	33.421	26.168
2014	44.969	1.701	46.670	31.827	25.661
2015	43.020	1.770	44.790	29.633	24.554
2016	44.831	1.694	46.525	28.570	31.065
2017	44.922	1.635	46.557	28.004	27.529
2018	42.076	1.476	43.552	26.580	27.448
2019	42.187	1.408	43.595	25.386	24.409

Source: Dakota County

Notes:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Burnsville. Not all overlapping rates apply to all City of Burnsville property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

(2) The breakdown between operating and debt service tax rates were not available at the time of this report.

School District - ISD #194	School District - ISD #196				
Total School Tax Rate (2)	Total School Tax Rate (2)	Special Districts	Total Direct and Overlapping Rates ISD #191	ISD #194	ISD #196
27.714	25.391	5.028	91.531	98.577	96.254
32.138	26.959	5.366	98.967	109.251	104.072
32.061	28.440	5.827	102.347	112.527	108.906
33.535	27.956	6.247	112.857	120.224	114.645
33.048	27.606	5.882	110.040	117.427	111.985
31.459	23.271	5.427	104.404	111.309	103.121
35.319	24.317	5.505	111.665	115.919	104.917
32.914	23.336	5.355	107.445	112.830	103.252
26.835	26.715	4.833	102.413	101.800	101.680
26.992	26.162	4.748	98.138	100.721	99.891

CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2019			2010		
Taxpayer	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	$ 2,313,814	1	2.9 %	$ 1,825,063	2	2.7 %
Burnsville Center SPE, LLC	1,869,724	2	2.3	2,000,000	1	2.9
Southwind Village LL, LLC	636,512	3	0.8	312,500	9	0.5
RRE Woods Holdings, LLC	608,036	4	0.8	350,000	7	0.5
RRE Nicollet Ridge Holdings, LLC	590,129	5	0.7	—	—	—
JPT Industries, Inc.	568,222	6	0.7	506,520	3	0.7
FPA5 Atrium, LLC	501,079	7	0.6	325,000	8	0.5
Fairview Health Services	447,187	8	0.6	—	—	—
PRCP-Minnesota Stone, LLC	442,355	9	0.6	—	—	—
FLT Summit Park Apartments, LLC	436,770	10	0.5	—	—	—
Minnegasco	N/A	N/A	—	434,942	4	0.6
Kraus-Anderson	N/A	N/A	—	405,694	5	0.6
IRET Properties	N/A	N/A	—	363,266	6	0.5
Summit Townhomes Investors	N/A	N/A	—	282,682	10	0.4
Total	$ 8,413,828		10.5 %	$ 6,805,667		9.9 %

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
2010	(1)	$ 24,981,125	$ 24,531,528	98.20 %	$ 165,344	$ 24,696,872	98.86 %
2011	(1)	26,186,791	25,741,822	98.30	108,562	25,850,384	98.72
2012		26,348,820	26,006,410	98.70	32,579	26,038,989	98.82
2013		26,988,262	26,673,945	98.84	94,404	26,768,349	99.19
2014		28,448,573	28,171,331	99.03	112,366	28,283,697	99.42
2015		29,584,711	29,336,510	99.16	72,847	29,409,357	99.41
2016		30,951,674	30,715,364	99.24	114,433	30,829,797	99.61
2017		32,075,674	31,654,894	98.69	307,757	31,962,651	99.65
2018		33,242,674	32,996,925	99.26	34,191	33,031,116	99.36
2019		34,896,674	34,691,735	99.41	—	34,691,735	99.41

Notes:

(1)- In 2010-2011 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 $1,098,590 for 2010 and $1,210,920 for 2011.

CITY OF BURNSVILLE, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	General Obligation Improvement Bonds	Tax Increment Bonds and Notes	General Obligation Tax Abatement Bonds	Lease Revenue Bonds	Capital Leases
2010	$ 2,242,031	$ 18,257,955	$ 9,811,217	$ 16,260,914	$ 5,474,746	$ —
2011	1,893,069	17,707,353	7,184,342	15,960,860	5,335,759	—
2012	1,544,106	17,090,834	10,845,281	15,645,807	5,121,771	—
2013	1,175,143	15,783,435	11,102,382	15,315,753	4,902,784	—
2014	791,181	15,653,186	5,655,264	14,970,700	4,678,797	—
2015	392,218	13,581,813	5,050,362	21,699,745	4,454,809	—
2016	298,255	12,719,251	4,430,461	28,053,905	4,225,822	519,909
2017	10,365,277	11,020,862	3,800,560	27,621,866	3,986,835	475,609
2018	9,757,365	10,498,708	3,155,659	17,838,258	—	237,805
2019	9,103,087	10,369,176	2,490,757	16,943,053	—	—

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

Sources:

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

Business-Type Activities						
Revenue Bonds	General Obligation Revenue Notes	General Obligation Improvement Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
$ 7,539,476	$ —	$ 4,659,031	$ 45,622	$ 64,290,992	2.5 %	1,066
10,306,697	—	4,335,446	35,146	62,758,672	2.3	1,035
12,622,031	—	3,438,123	23,903	66,331,856	2.3	1,086
14,207,176	—	2,287,718	11,836	64,786,227	2.2	1,057
15,517,211	—	1,446,959	—	58,713,298	2.0	951
16,278,543	—	822,436	—	62,279,926	2.0	1,006
16,088,093	—	378,373	—	66,714,069	2.1	1,079
19,168,507	3,735,390	132,553	—	80,307,459	2.4	1,290
19,770,295	5,149,825	33,441	—	66,441,356	1.7	1,060
19,626,401	5,378,000	—	—	63,910,474	1.7	1,020

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)
2010	$ 46,233,848	$ 123,367	$ 12,314,384	$ 34,042,831	0.5709 %	$ 565
2011	42,513,643	157,542	10,400,855	32,270,330	0.5840	532
2012	44,795,030	330,998	10,965,938	34,160,090	0.6682	559
2013	43,000,822	375,891	12,516,260	30,860,453	0.6382	503
2014	36,712,779	357,552	6,000,286	31,070,045	0.6273	503
2015	40,328,078	396,060	12,533,406	28,190,732	0.5246	455
2016	44,879,680	622,192	19,183,290	26,318,582	0.4780	426
2017	51,691,019	1,117,546	19,635,217	33,173,348	0.5850	533
2018	40,017,358	1,232,632	6,808,600	34,441,390	0.5551	550
2019	37,535,000	1,371,073	7,861,389	31,044,684	0.4711	495

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

Sources:

(1) Excludes Taxable Tax Increment Revenue Notes and Lease Revenue Bonds reported in the Governmental Activities, and General Obligation Revenue Notes and General Obligation and Improvement Bonds reported in the Enterprise Funds.

(2) See the Schedule of Taxable Market Value and Estimated Actual Value of Taxable Property for property value data.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF BURNSVILLE, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Burnsville	$ 38,906,073	100.00 %	$ 38,906,073
Overlapping Debt:			
ISD 191 (Burnsville)	138,355,000	83.41 %	115,400,799
ISD 194 (Lakeville)	107,580,000	8.89 %	9,558,591
ISD 196 (Rosemount)	134,115,000	9.61 %	12,887,110
Metropolitan Council	263,285,000	1.66 %	4,362,632
Total overlapping debt			142,209,132
Total direct and overlapping debt			$ 181,115,205

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

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

CITY OF BURNSVILLE, MINNESOTA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	$178,892,583	$165,764,211	$153,356,362	$145,065,609
Total net debt applicable to limit	1,729,329	1,374,951	1,000,595	612,797
Legal debt margin	177,163,254	164,389,260	152,355,767	144,452,812
Total net debt applicable to the limit as a percentage of debt limit	0.97 %	0.83 %	0.65 %	0.42 %

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.

2014	2015	2016	2017	2018	2019
$ 148,591,232	$ 161,202,041	$ 165,195,421	$ 170,123,322	$ 186,130,303	$ 197,703,387
213,115	110,167	—	9,472,289	8,876,639	8,338,565
148,378,117	161,091,874	165,195,421	160,651,033	177,253,664	189,364,822
0.14 %	0.07 %	— %	5.57 %	4.77 %	4.22 %

Legal Debt Margin Calculation for Fiscal Year 2019

Market Value	$ 6,590,112,904
Debt limit (3% of market value)	197,703,387
Debt applicable to limit:	
General obligation bonds	8,600,000
Less amount set aside for repayment of general obligation debt	(261,435)
Total net debt applicable to limit	8,338,565
Legal debt margin	$ 189,364,822

CITY OF BURNSVILLE, MINNESOTA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Revenue Bonds					
	(2)	(3)		Debt Service (1)		
Fiscal Year	Operating Revenues and Other	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage Ratio
WATER AND SEWER FUND:						
2010	$ 12,702,448	$ 11,707,995	$ 994,453	$ 496,500	$ 257,181	1.32
2011	13,770,116	12,208,482	1,561,634	1,310,750	302,930	0.97
2012	13,698,367	10,932,542	2,765,825	620,000	296,478	3.02
2013	13,723,661	11,921,512	1,802,149	820,000	344,980	1.55
2014	14,134,042	11,939,434	2,194,608	1,085,000	374,597	1.50
2015	14,350,769	11,691,664	2,659,105	1,360,000	400,939	1.51
2016	15,044,358	12,293,736	2,750,622	1,595,000	404,673	1.38
2017	15,436,661	12,768,350	2,668,311	1,715,000	390,838	1.27
2018	15,520,599	13,010,204	2,510,395	1,570,000	513,981	1.20
2019	15,935,623	14,458,200	1,477,423	5,208,224	625,508	0.25
STORM WATER FUND:						
2010	$ 4,108,362	$ 1,998,356	$ 2,110,006	$ 128,500	$ 53,557	11.59
2011	4,659,299	2,056,934	2,602,365	559,250	79,277	4.08
2012	4,067,584	2,113,882	1,953,702	180,000	81,893	7.46
2013	4,161,216	1,869,461	2,291,755	180,000	78,428	8.87
2014	4,177,901	2,054,181	2,123,720	180,000	74,648	8.34
2015	4,166,171	2,524,717	1,641,454	185,000	70,193	6.43
2016	4,271,318	2,852,255	1,419,063	185,000	65,305	5.67
2017	4,251,318	3,058,176	1,193,142	195,000	58,845	4.70
2018	4,271,323	3,007,405	1,263,918	200,000	51,995	5.02
2019	4,326,247	2,877,235	1,449,012	1,252,642	43,312	1.12

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

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

(2) For 2010-2011, Operating Revenue and Other includes operating revenue, investment earnings, connection charges, and other nonoperating income for the Water & Sewer and Storm Water Funds. For 2012-2019, 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)
2010	60,306	24,283	$ 2,583,689,958	$ 42,843	9,696	7.0 %
2011	60,664	24,443	2,709,982,208	44,672	9,555	6.2
2012	61,061	24,609	2,865,287,425	46,925	9,478	5.2
2013	61,300	24,854	2,933,572,800	47,856	9,341	4.5
2014	61,747	24,960	3,007,758,117	48,711	9,213	3.7
2015	61,908	24,990	3,128,892,228	50,541	8,989	3.5
2016	61,849	25,132	3,223,384,333	52,117	8,914	3.5
2017	62,239	25,252	3,383,249,801	54,359	8,563	3.2
2018	62,657	25,339	3,800,209,707	60,651	8,874	2.5
2019	62,657	25,339	3,800,209,707	60,651	8,603	3.0

Sources:

(1) 2019 is an estimate of 0% growth from the 2018 actual figures provided by the Metropolitan Council. 2010 is a census figure. All other years are best available estimates provided by the Metropolitan Council.

(2) Estimated personal income is calculated by multiplying the per capita personal income by the City population.

(3) Per capita personal income provided by the U.S. Bureau of Economic Analysis is an estimate for the State of Minnesota, the state in which the City is located. This is the smallest applicable region for which this data is available.

(4) School enrollment is enrollment in the largest district, ISD# 191 (Burnsville). Burnsville is also served by ISD# 194 (Lakeville) and ISD# 196 (Rosemount-Eagan-Apple Valley). Data is compiled by the Minnesota Department of Education

(5) Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

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CITY OF BURNSVILLE, MINNESOTA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2019			2010		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UTC Aerospace (formerly Goodrich Sensor Systems)	1800	1	5.1 %	900	3	2.6 %
Burnsville Public Schools - ISD #191	1355	2	3.9	1500	1	4.4
Fairview Ridges Hospital	967	3	2.8	1200	2	3.5
Pepsi-Cola Bottling Co.	500	4	1.4	550	4	1.6
Ames Construction	400	5	1.1	N/A	N/A	
Ebenezer Ridges Care Center	385	6	1.1	N/A	N/A	
City of Burnsville	350	7	1.0	318	7	0.9
Northern Tool & Equipment	350	7	1.0	500	5	1.5
Cub Foods	350	7	1.0	N/A	N/A	
Park Nicollet Clinic	300	10	0.9	300	9	0.9
Target	300	10	0.9	315	8	0.9
Telex Communications	300	10	0.9	N/A	N/A	
YRC Freight (formerly Yellow Freight)	300	10	0.9	400	6	1.2
Frontier Communications	N/A	N/A		300	9	0.9
Total	7,657		22.0 %	6,283		18.4 %

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

CITY OF BURNSVILLE, MINNESOTA

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Function:				
General government	40.4	41.1	41.2	41.4
Public safety:				
Police	91.9	91.9	91.4	91.4
Fire	40	40	40	40
Inspections	7	7	7	11.5
Public works and parks:				
Engineering	14	14	14	13
Parks	18	18	18	18
Public works	12	12	12	12
Fleet maintenance	8	8	8	8
Recreation	8	8	7	6
Conservation of natural resources	2	2	2	2
Economic development	1	1	1	1
Water and sewer	15	15	15	15
Storm drainage	3.5	3.5	3.5	3.5
Ice arena	7.3	7.3	7.3	6.5
Golf course	1.5	1.5	1.5	1.5
Total	269.6	270.3	268.9	270.8

Source: Annual City Budget Documents

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

2014	2015	2016	2017	2018	2019
41.40	41.40	41.40	41.70	42.30	45.50
90.9	91.1	91.1	91.1	91.1	91.1
40	40	40	44	44	44
12.5	12.8	12.8	12.5	13	13
13	13	13	14	14	14
18	18	18	18	18	18.5
12	12	12	12	12	12.5
8	8	8	8	8	8
6	6	6	6	5.8	6.6
2	2	2.8	3.3	3.5	5.5
1	1	1	1	1	2
15	15	15	15	15	13
3.5	3.5	3.5	3.5	3.5	1.5
6.5	6.5	6.5	6.5	6.5	6.5
1.5	1.5	1.5	1.5	1.5	1.5
271.3	271.8	272.6	278.1	279.2	283.2

CITY OF BURNSVILLE, MINNESOTA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Function				
Police				
Total calls for service	51,698	40,771	46,632	47,906
Arrests - Adult	1,851	2,069	2,058	2,110
Arrests - Juvenile	473	490	410	370
Traffic citations	11,095	9,346	8,981	7,960
Fire and Emergency Services				
Number of calls (excluding EMS)	1,353	1,305	1,248	1,388
Number of Emergency Medical Service (EMS) calls	3,375	3,650	3,732	4,023
EMS patients served	2,469	2,678	2,861	3,035
Protective inspections				
Plan reviews	428	317	438	468
Building permits issued	5,852	2,097	6,415	6,161
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	7,072	6,584	6,426	5,622
Code enforcement inspections	1,639	3,515	538	2,690
Public works				
Street rehabilitation/resurfacing (miles)	4.2	6.2	7.6	5.2
Sealcoating (miles)	11.2	12.9	23.3	7.5
Snow and ice control (miles)	221	221	222	222
Recreation				
Youth recreation activity participants	18,635	21,722	20,106	20,842
The Garage Attendance	23,738	31,992	16,267	25,044
Water				
New connections	14	21	20	15
Water main breaks	27	17	12	19
Average daily consumption (thousands of gallons)	8,422	8,940	9,830	9,215
Total daily pumping capacity (thousands of gallons)	29,000	29,000	29,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,153	5,352	5,031	5,125
Storm Water				
Street sweeping (miles)	221	221	222	222
Golf course				
Annual rounds sold	24,918	22,124	23,847	20,541
Ice Center				
Learn to skate participants	410	687	602	580

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).

2014	2015	2016	2017	2018	2019
46,209	49,924	48,859	48,575	49,482	47,653
1,888	1,922	1,846	1,758	1,691	1,572
367	351	323	409	238	192
7,898	6,613	5,452	6,426	5,547	4,286
1,353	1,355	1,536	1,507	1,571	1,594
4,303	4,665	5,037	5,116	5,427	5,685
3,269	3,400	3,765	4,009	4,372	4,910
488	546	530	610	491	596
7,252	6,888	6,871	7,044	7,359	8,853
6,244	6,869	6,765	6,824	7,351	8,673
3,970	3,904	4,716	4,238	4,806	3,350
5.2	8.8	9.1	10.7	4.9	11.8
18.5	6.1	5	4.7	6.4	6.8
222	222	222	222	222	222
23,006	27,195	23,200	22,917	27,662	49,432
22,500	*n/a	*n/a	*n/a	*n/a	*n/a
27	63	36	18	9	48
17	19	15	12	12	11
9,008	10,070	8,683	8,268	8,150	8,090
29,000	29,000	29,000	29,000	29,000	29,000
5,346	5,153	5,129	5,146	5,047	5,004
222	222	222	222	222	222
20,851	23,775	23,059	20,725	17,107	18,676
513	455	354	298	347	299

CITY OF BURNSVILLE, MINNESOTA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Function				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	20	21	26	26
Fire stations	2	2	2	2
Public works				
Streets (miles)	220.8	221.4	221.8	221.9
Traffic signals	21	22	22	22
Parks and recreation				
Parks acreage	1,750	1,750	1,750	1,750
Parks	76	76	76	76
Turf maintained (acres)	645	645	645	645
Atheletic fields maintained	142	142	142	142
Golf course	1	1	1	1
Ice skating rinks				
Indoor	2	2	2	2
Outdoor	29	29	29	29
Water				
Water mains (miles)	257.3	257.7	258.2	258.3
Wells	17	17	17	17
Connections	16,572	16,593	16,613	16,628
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer				
Sanitary sewers (miles)	209.1	209.1	209.1	209.3
Number of connections	16,095	16,107	16,119	16,119
Storm sewers (miles)	194.6	195.4	195.7	196.8

Source: Various City departments

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

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
26	26	26	26	26	26
2	2	2	2	2	2
220.4	221.9	221.9	221.9	221.9	221.9
22	22	22	22	22	22
1,750	1,750	1,750	1,750	1,750	1,750
76	76	76	76	76	76
645	645	645	645	645	645
142	142	142	142	142	142
1	1	1	1	1	1
2	2	2	2	2	2
29	29	29	29	29	29
259.8	260.7	260.7	260.7	260.7	260.7
17	17	17	17	17	17
16,655	16,718	16,754	16,772	16,781	16,829
19,000	19,000	19,000	19,000	19,000	19,000
209.3	209.6	209.7	209.7	209.7	209.7
16,073	16,079	16,113	16,133	16,149	16,188
196.8	199.4	199.9	200.0	200.4	200.4

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APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Kennedy
&
Graven
CHARTERED

Offices in
Minneapolis
Saint Paul
St. Cloud

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200 South Sixth Street
Minneapolis MN 55402

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$20,570,000*
City of Burnsville
General Obligation CIP, Improvement and Refunding Bonds
Series 2020A

We have acted as bond counsel to the City of Burnsville, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds"), originally dated the date hereof, and issued in the original aggregate principal amount of $20,570,000*. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from special assessments levied or to be levied on property specially benefited by local improvements and ad valorem taxes for the Issuer's share of the cost of the improvements and ad valorem taxes, but if necessary for the payment thereof ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated November __, 2020 at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$20,570,000*
City of Burnsville, Minnesota
General Obligation CIP, Improvement and Refunding Bonds
Series 2020A

CONTINUING DISCLOSURE CERTIFICATE

November __, 2020

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Burnsville, Minnesota (the "Issuer") in connection with the issuance of its General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds") in the original aggregate principal amount of $20,570,000*. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the "Resolutions"). The Bonds are being delivered to _____, _____, _____ (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation CIP, Improvement and Refunding Bonds, Series 2020A, issued by the Issuer in the original aggregate principal amount of $20,570,000.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final Official Statement, dated November __, 2020, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means the City of Burnsville, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means _____, _____, _____.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2020, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized

bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF BURNSVILLE, MINNESOTA

_____
Mayor

_____
City Manager

APPENDIX E

TERMS OF PROPOSAL

$20,570,000* GENERAL OBLIGATION CIP, IMPROVEMENT AND REFUNDING BONDS, SERIES 2020A CITY OF BURNSVILLE, MINNESOTA

Proposals for the purchase of $20,570,000* General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds") of the City of Burnsville, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on October 27, 2020, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 5:30 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are being issued by the City pursuant to Minnesota Statutes, Chapters 429 and 475, and Sections 475.521 and 475.67, for the purposes of: (i) financing the 2020 street improvement projects; (ii) financing the construction of a new Fire Station; and (iii) effecting a current refunding of certain outstanding general obligations of the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated November 17, 2020, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on December 20 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2021	$1,285,000	2028	$925,000	2035	$1,000,000
2022	1,295,000	2029	935,000	2036	960,000
2023	1,285,000	2030	945,000	2037	980,000
2024	1,285,000	2031	940,000	2038	1,000,000
2025	920,000	2032	955,000	2039	1,025,000
2026	925,000	2033	965,000	2040	1,045,000
2027	915,000	2034	985,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 20 and December 20 of each year, commencing June 20, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 20, 2031 shall be subject to optional redemption prior to maturity on December 20, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about November 17, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $20,405,440 plus accrued interest on the principal sum of $20,570,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $411,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall

have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the

supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test</u>, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of Burnsville, Minnesota

PROPOSAL FORM

The City Council **October 27, 2020**
City of Burnsville, Minnesota

RE: $20,570,000* General Obligation CIP, Improvement and Refunding Bonds, Series 2020A (the "Bonds")
DATED: November 17, 2020

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $20,405,440) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2021	_____	% due	2028	_____	% due	2035
_____	% due	2022	_____	% due	2029	_____	% due	2036
_____	% due	2023	_____	% due	2030	_____	% due	2037
_____	% due	2024	_____	% due	2031	_____	% due	2038
_____	% due	2025	_____	% due	2032	_____	% due	2039
_____	% due	2026	_____	% due	2033	_____	% due	2040
_____	% due	2027	_____	% due	2034			

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $411,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about November 17, 2020.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from November 17, 2020 of the above proposal is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Burnsville, Minnesota, on October 27, 2020.

By: _____ By: _____

Title: _____ Title: _____