

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2025**

*In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, Bond Counsel is of the opinion that, under existing State of Minnesota statutes, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a specific preference item for purpose of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. However, such interest may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. For a more detailed description of such opinions of Bond Counsel 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)

**\$73,000,000\* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS,  
SERIES 2025A**

**PROPOSAL OPENING:** May 6, 2025, 10:00 A.M., C.T.

**CONSIDERATION:** May 6, 2025, 5:30 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$73,000,000\* General Obligation Capital Improvement Plan Bonds, Series 2025A (the "Bonds") are being issued pursuant to Minnesota Statutes, Section 475.521 and Chapter 475, as amended, by the City of Burnsville, Minnesota (the "City"), for the purpose of financing the improvement and expansion of a combined police station and city hall and other projects as authorized in the 2025-2029 Capital Improvement Plan approved by the City Council on December 17, 2024. The Bonds are general obligations of the City, for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota.

**DATE OF BONDS:** May 22, 2025

**MATURITY:** December 20 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$2,535,000	2033	\$3,185,000	2040	\$4,215,000
2027	2,615,000	2034	3,300,000	2041	4,405,000
2028	2,695,000	2035	3,420,000	2042	4,610,000
2029	2,785,000	2036	3,550,000	2043	4,825,000
2030	2,875,000	2037	3,700,000	2044	5,050,000
2031	2,970,000	2038	3,865,000	2045	5,290,000
2032	3,075,000	2039	4,035,000		

**\*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:** December 20, 2025 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing on December 20, 2036 and thereafter are subject to call for prior optional redemption on December 20, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

**MINIMUM PROPOSAL:** \$72,635,000.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$1,460,000 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation.

**BOND COUNSEL:** Kutak Rock LLP

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

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

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.

## 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 Underwriter (Syndicate Manager). 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**

		<u>Term Expires</u>
Elizabeth Kautz	Mayor	January 2029
Dan Gustafson	Council Member	January 2029
Dan Kealey	Council Member	January 2027
Cara Schulz	Council Member	January 2029
Vince Workman	Council Member	January 2027

## **ADMINISTRATION**

Gregg Lindberg, City Manager  
Jennifer Rhode, Deputy City Manager & Chief Financial Officer  
Elissa Ryan, Finance Director

## **PROFESSIONAL SERVICES**

Campbell Knutson, P.A., City Attorney, Eagan, Minnesota

Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota

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

# INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Burnsville, Minnesota (the "City") and the issuance of its \$73,000,000\* General Obligation Capital Improvement Plan Bonds, Series 2025A (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 May 6, 2025.

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](http://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 May 22, 2025. 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 December 20, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 5th 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 2026 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 ("BTSC") to act as paying agent (the "Paying Agent"). BTSC 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, 2036 shall be subject to optional redemption prior to maturity on December 20, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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 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, Section 475.521 and Chapter 475, as amended, by the City, for the purpose of financing the improvement and expansion of a combined police station and city hall and other projects as authorized in the 2025-2029 Capital Improvement Plan approved by the City Council on December 17, 2024.

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 and all outstanding bonds issued under Section 475.521 are limited to 0.16% of the City's estimated market value of property in the City. The estimated market value of the property in the City for taxes payable in 2025 is \$9,748,560,600. This results in a maximum annual debt service allowable of \$15,597,697 for capital improvement bonds outstanding at any time.

## ESTIMATED SOURCES AND USES\*

### Sources

Par Amount of Bonds	<u>\$73,000,000</u>	
<b>Total Sources</b>		<b>\$73,000,000</b>

### Uses

Total Underwriter's Discount (0.500%)	\$365,000	
Costs of Issuance	205,000	
Capitalized Interest	1,738,792	
Deposit to Construction Fund	<u>70,691,208</u>	
<b>Total Uses</b>		<b>\$73,000,000</b>

\*Preliminary, subject to change.

## **SECURITY**

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. The City anticipates that the debt service on the Bonds will be paid from ad valorem property 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 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.

## **RATING**

General obligation debt of the City, is currently rated "AAA"/Stable outlook by S&P Global Ratings ("S&P").

The City has requested an underlying 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.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. 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 Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), 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 MATTERS

**General Matters.** In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Minnesota statutes and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a specific preference item for purpose of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Minnesota or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.



**Original Issue Discount.** The Bonds that have an original yield above their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

**Original Issue Premium.** The Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

## **Backup Withholding**

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Bonds.**

## **NON-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **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**

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, 2023 have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A., 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**

The 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 will be 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. 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 of Minnesota (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.

**Levy Limits:** The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. 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.

**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.

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	2022/23	2023/24	2024/25
Residential homestead <sup>1</sup>	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 <sup>1</sup>	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% <sup>2</sup> Over \$1,890,000 - 1.00% <sup>2</sup>	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% <sup>2</sup> Over \$2,150,000 - 1.00% <sup>2</sup>	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% <sup>2</sup> Over \$3,500,000 - 1.00% <sup>2</sup>
Agricultural non-homestead	Land - 1.00% <sup>2</sup>	Land - 1.00% <sup>2</sup>	Land - 1.00% <sup>2</sup>
Seasonal recreational residential	First \$500,000 - 1.00% <sup>3</sup> Over \$500,000 - 1.25% <sup>3</sup>	First \$500,000 - 1.00% <sup>3</sup> Over \$500,000 - 1.25% <sup>3</sup>	First \$500,000 - 1.00% <sup>3</sup> Over \$500,000 - 1.25% <sup>3</sup>
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 <sup>4</sup> - 1.25% Affordable Rental: First \$174,000 - .75% Over \$174,000 - .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 <sup>4</sup> - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .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 <sup>4</sup> - 1.25% Affordable Rental - .25%
Industrial/Commercial/Utility <sup>5</sup>	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%

<sup>1</sup> A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

<sup>2</sup> Applies to land and buildings. Exempt from referendum market value tax.

<sup>3</sup> Exempt from referendum market value tax.

<sup>4</sup> 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.

<sup>5</sup> The estimated market value of utility property is determined by the Minnesota Department of Revenue.

## CURRENT PROPERTY VALUATIONS

<b>2023/24 Economic Market Value<sup>1</sup></b>	<u><u>\$9,976,739,962<sup>2</sup></u></u>
<b>2024/25 Assessor's Estimated Market Value</b>	
Real Estate	\$9,720,057,600
Personal Property	28,503,000
Total Valuation	<u><u>\$9,748,560,600</u></u>
<b>2024/25 Net Tax Capacity</b>	
Real Estate	\$117,570,579
Personal Property	554,592
Net Tax Capacity	<u>\$118,125,171</u>
Less:	
Captured Tax Increment Tax Capacity <sup>3</sup>	(555,743)
Fiscal Disparities Contribution <sup>4</sup>	<u>(15,016,771)</u>
Taxable Net Tax Capacity	<u>\$102,552,657</u>
Plus: Fiscal Disparities Distribution <sup>4</sup>	13,909,803
Adjusted Taxable Net Tax Capacity	<u><u>\$116,462,460</u></u>

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<sup>1</sup> Most recent value available from the Minnesota Department of Revenue.

<sup>2</sup> According to the Minnesota Department of Revenue, the 2023/24 Assessor's Estimated Market Value (the "AEMV") for the City was about 96.73% of the actual selling prices of property 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 a 2023/24 Economic Market Value ("EMV") for the City of \$9,976,739,962.

<sup>3</sup> The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

<sup>4</sup> Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

**2024/25 NET TAX CAPACITY BY CLASSIFICATION**

	<b>2024/25 Net Tax Capacity</b>	<b>Percent of Total Net Tax Capacity</b>
Residential homestead	\$59,080,830	50.02%
Commercial/industrial	37,119,586	31.42%
Public utility	3,637,158	3.08%
Railroad operating property	174,692	0.15%
Non-homestead residential	17,558,313	14.86%
Personal property	<u>554,592</u>	<u>0.47%</u>
 Total	 <u><u>\$118,125,171</u></u>	 <u><u>100.00%</u></u>

**TREND OF VALUATIONS**

<b>Levy Year</b>	<b>Assessor's Estimated Market Value</b>	<b>Assessor's Taxable Market Value</b>	<b>Net Tax Capacity<sup>1</sup></b>	<b>Adjusted Taxable Net Tax Capacity<sup>2</sup></b>	<b>Percent Increase/Decrease in Estimated Market Value</b>
2020/21	\$7,613,867,800	\$7,381,171,260	\$93,041,863	\$91,073,769	4.63%
2021/22	7,948,971,100	7,733,407,321	96,728,032	95,079,447	4.40%
2022/23	9,094,988,500	8,928,557,140	110,037,390	108,840,602	14.42%
2023/24	9,632,867,600	9,471,276,483	117,902,962	116,619,395	5.91%
2024/25	9,748,560,600	9,458,882,746	118,125,171	116,462,460	1.20%

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<sup>1</sup> Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

<sup>2</sup> Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

## LARGEST TAXPAYERS

Taxpayer	Type of Property	2024/25 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Xcel Energy	Utility	\$3,195,737	2.71%
Neon Burnsville, LLC	Apartments	815,219	0.69%
RRE Woods Holdings, LLC	Apartments	781,250	0.66%
RRE Nicollet Ridge Holdings, LLC	Apartments	742,117	0.63%
PC Felix, LLC	Apartments	643,800	0.55%
Park Nicollet Clinic	Commercial	623,890	0.53%
JPT Ind Inc	Commercial	618,442	0.52%
FLT Summit Park Apartments, LLC	Apartments	607,149	0.51%
New Southwind, LLC	Apartments	606,251	0.51%
Rosemount Aerospace Inc	Industrial	<u>548,772</u>	<u>0.46%</u>
Total		\$9,182,627	7.77%

City's Total 2024/25 Net Tax Capacity \$118,125,171

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

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes	\$9,230,000
Total G.O. debt secured by tax abatement revenues	6,750,000
Total G.O. debt secured by tax increment revenues	655,000
Total G.O. debt secured by taxes (includes the Bonds)*	93,270,000
Total G.O. debt secured by utility revenues	23,477,000
Total General Obligation Debt*	<u><u>\$133,382,000</u></u>

\*Preliminary, subject to change.

<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.



**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 an additional \$27,000,000 in general obligation bonds in 2026 for the remainder of the expansion and renovation of their combined police station and city hall facility. The City also anticipates issuing approximately \$11,350,000 for equipment purchases and its annual street and utility improvement projects in 2026.

**DEBT LIMIT**

The statutory limit on net 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" means 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 certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (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 revenue producing public 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 to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all 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.

2024/25 Assessor's Estimated Market Value	\$9,748,560,600
Multiply by 3%	0.03
Statutory Debt Limit	<u>\$292,456,818</u>
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	<u>(93,270,000)</u>
Unused Debt Limit*	<u><u>\$199,186,818</u></u>

\*Preliminary, subject to change.

City of Burnsville, Minnesota  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Special Assessments and Taxes  
 (As of 05/22/2025)

	Improvement Bonds Series 2012C		Improvement Bonds 1) Series 2013A		Improvement Bonds 2) Series 2014A		Improvement Bonds 3) Series 2015A		Improvement Bonds 4) Series 2016B	
Dated	11/01/2012		12/01/2013		10/01/2014		12/10/2015		11/16/2016	
Amount	\$1,340,000		\$1,595,000		\$2,780,000		\$735,000		\$910,000	
Maturity	12/20		12/20		12/20		12/20		12/20	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	65,000	3,500	100,000	10,700	195,000	28,775	45,000	7,088	65,000	5,500
2026	60,000	2,200	75,000	7,700	200,000	23,900	45,000	6,188	60,000	4,428
2027	50,000	1,000	75,000	5,075	205,000	18,900	45,000	4,950	35,000	3,438
2028			70,000	2,450	210,000	12,750	45,000	3,713	35,000	2,738
2029					215,000	6,450	45,000	2,475	35,000	2,038
2030							45,000	1,238	35,000	1,338
2031									30,000	638
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
	175,000	6,700	320,000	25,925	1,025,000	90,775	270,000	25,650	295,000	20,115

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

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City of Burnsville, Minnesota  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Special Assessments and Taxes  
(As of 05/22/2025)

Dated Amount	Improvement Bonds 5) Series 2018A		Improvement and Refunding Bonds 6) Series 2019A		Improvement and Refunding Bonds 7) Series 2020A		Improvement Bonds 8) Series 2022A		Improvement Bonds 9) Series 2024A							
	12/13/2018		11/26/2019		11/17/2020		11/09/2022		12/05/2024							
\$965,000		\$1,625,000		\$2,490,000		\$4,150,000		\$1,420,000								
Maturity	12/20		12/20		12/20		02/01		12/20							
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
2025	75,000	14,863	185,000	37,500	90,000	28,300	0	83,950	100,000	71,563	920,000	291,738	1,211,738	8,310,000	9.97%	2025
2026	75,000	11,863	150,000	28,250	90,000	24,700	235,000	162,025	100,000	63,700	1,090,000	334,953	1,424,953	7,220,000	21.78%	2026
2027	75,000	8,863	80,000	20,750	80,000	21,100	240,000	150,150	100,000	58,700	985,000	292,925	1,277,925	6,235,000	32.45%	2027
2028	50,000	6,613	80,000	16,750	80,000	17,900	250,000	137,900	100,000	53,700	920,000	254,513	1,174,513	5,315,000	42.42%	2028
2029	35,000	5,113	80,000	12,750	80,000	14,700	260,000	125,150	100,000	48,700	850,000	217,375	1,067,375	4,465,000	51.63%	2029
2030	35,000	4,063	35,000	8,750	75,000	11,500	265,000	112,025	100,000	43,700	590,000	182,613	772,613	3,875,000	58.02%	2030
2031	35,000	2,925	35,000	7,000	65,000	8,500	275,000	98,525	100,000	38,700	540,000	156,288	696,288	3,335,000	63.87%	2031
2032	35,000	1,788	35,000	5,250	60,000	5,900	285,000	84,525	100,000	33,700	515,000	131,163	646,163	2,820,000	69.45%	2032
2033	20,000	650	35,000	3,500	60,000	4,100	300,000	71,400	100,000	28,700	515,000	108,350	623,350	2,305,000	75.03%	2033
2034			35,000	1,750	60,000	2,300	310,000	59,200	100,000	23,700	505,000	86,950	591,950	1,800,000	80.50%	2034
2035					55,000	1,100	320,000	46,600	95,000	18,700	470,000	66,400	536,400	1,330,000	85.59%	2035
2036							325,000	33,700	95,000	13,950	420,000	47,650	467,650	910,000	90.14%	2036
2037							335,000	20,500	90,000	9,200	425,000	29,700	454,700	485,000	94.75%	2037
2038							345,000	6,900	90,000	5,600	435,000	12,500	447,500	50,000	99.46%	2038
2039									50,000	2,000	50,000	2,000	52,000	0	100.00%	2039
	435,000	56,738	750,000	142,250	795,000	140,100	3,745,000	1,192,550	1,420,000	514,313	9,230,000	2,215,115	11,445,115			

- 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 portions of the \$6,790,000 General Obligation Improvement, Utility Revenue and Refunding Bonds, Series 2019A.
- 7) This represents the \$2,490,000 Improvement and the Series 2010D Refunding portions of the \$18,515,000 General Obligation CIP, Improvement and Refunding Bonds, Series 2020A.
- 8) This represents the \$4,150,000 Improvement portion of the \$8,765,000 General Obligation Equipment, Improvement and Utility Revenue Bonds, Series 2022A.
- 9) This represents the \$1,420,000 Improvement portion of the \$7,550,000 General Obligation Improvement and Utility Revenue Bonds, Series 2024A.

**City of Burnsville, Minnesota**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt Secured by Tax Abatement Revenues**  
**(As of 05/22/2025)**

	<b>Tax Abatement Refunding Bonds Series 2015B</b>		<b>Tax Abatement Bonds 1) Series 2018A</b>							
<b>Dated</b>	12/10/2015		12/13/2018							
<b>Amount</b>	\$7,030,000		\$4,395,000							
<b>Maturity</b>	12/20		12/20							
<b>Calendar Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total P &amp; I</b>	<b>Principal Outstanding</b>	<b>% Paid</b>	<b>Calendar Year Ending</b>
<b>2025</b>	1,810,000	97,175	415,000	75,400	2,225,000	172,575	2,397,575	4,525,000	32.96%	<b>2025</b>
<b>2026</b>	1,855,000	60,975	435,000	58,800	2,290,000	119,775	2,409,775	2,235,000	66.89%	<b>2026</b>
<b>2027</b>	855,000	19,238	445,000	41,400	1,300,000	60,638	1,360,638	935,000	86.15%	<b>2027</b>
<b>2028</b>			460,000	28,050	460,000	28,050	488,050	475,000	92.96%	<b>2028</b>
<b>2029</b>			475,000	14,250	475,000	14,250	489,250	0	100.00%	<b>2029</b>
	4,520,000	177,388	2,230,000	217,900	6,750,000	395,288	7,145,288			

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 05/22/2025)**

Tax Increment Bonds Series 2012A								
<b>Dated</b>	11/01/2012							
<b>Amount</b>	\$4,920,000							
<b>Maturity</b>	12/20							
<b>Calendar Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total P &amp; I</b>	<b>Principal Outstanding</b>	<b>% Paid</b>	<b>Calendar Year Ending</b>
<b>2025</b>	280,000	13,100	280,000	13,100	293,100	375,000	42.75%	<b>2025</b>
<b>2026</b>	185,000	7,500	185,000	7,500	192,500	190,000	70.99%	<b>2026</b>
<b>2027</b>	190,000	3,800	190,000	3,800	193,800	0	100.00%	<b>2027</b>
	655,000	24,400	655,000	24,400	679,400			

City of Burnsville, Minnesota  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 05/22/2025)

Dated Amount	CIP Bonds 1) Series 2017A		CIP Bonds 2) Series 2020A		Equipment Certificates 3) Series 2022A		Capital Improvement Plan Bonds Series 2025A							
	11/15/2017 \$9,585,000		11/17/2020 \$16,025,000		11/09/2022 \$1,020,000		05/22/2025 \$73,000,000*							
Maturity	12/20		12/20		02/01		12/20							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	645,000	164,740	655,000	394,550	0	21,000	0	1,738,792	1,300,000	2,319,082	3,619,082	91,970,000	1.39%	2025
2026	670,000	138,940	680,000	368,350	100,000	39,500	2,535,000	3,009,448	3,985,000	3,556,238	7,541,238	87,985,000	5.67%	2026
2027	695,000	112,140	705,000	341,150	110,000	34,250	2,615,000	2,929,595	4,125,000	3,417,135	7,542,135	83,860,000	10.09%	2027
2028	710,000	97,545	735,000	312,950	115,000	28,625	2,695,000	2,847,223	4,255,000	3,286,343	7,541,343	79,605,000	14.65%	2028
2029	725,000	81,215	765,000	283,550	120,000	22,750	2,785,000	2,760,983	4,395,000	3,148,498	7,543,498	75,210,000	19.36%	2029
2030	745,000	63,815	795,000	252,950	125,000	16,625	2,875,000	2,669,078	4,540,000	3,002,468	7,542,468	70,670,000	24.23%	2030
2031	760,000	44,818	825,000	221,150	130,000	10,250	2,970,000	2,571,328	4,685,000	2,847,545	7,532,545	65,985,000	29.25%	2031
2032	785,000	23,158	860,000	188,150	140,000	3,500	3,075,000	2,470,348	4,860,000	2,685,155	7,545,155	61,125,000	34.46%	2032
2033			885,000	162,350			3,185,000	2,361,185	4,070,000	2,523,535	6,593,535	57,055,000	38.83%	2033
2034			915,000	135,800			3,300,000	2,244,933	4,215,000	2,380,733	6,595,733	52,840,000	43.35%	2034
2035			930,000	117,500			3,420,000	2,122,833	4,350,000	2,240,333	6,590,333	48,490,000	48.01%	2035
2036			950,000	98,900			3,550,000	1,994,583	4,500,000	2,093,483	6,593,483	43,990,000	52.84%	2036
2037			970,000	79,900			3,700,000	1,841,933	4,670,000	1,921,833	6,591,833	39,320,000	57.84%	2037
2038			990,000	60,500			3,865,000	1,680,983	4,855,000	1,741,483	6,596,483	34,465,000	63.05%	2038
2039			1,005,000	40,700			4,035,000	1,510,923	5,040,000	1,551,623	6,591,623	29,425,000	68.45%	2039
2040			1,030,000	20,600			4,215,000	1,329,348	5,245,000	1,349,948	6,594,948	24,180,000	74.08%	2040
2041							4,405,000	1,137,565	4,405,000	1,137,565	5,542,565	19,775,000	78.80%	2041
2042							4,610,000	934,935	4,610,000	934,935	5,544,935	15,165,000	83.74%	2042
2043							4,825,000	720,570	4,825,000	720,570	5,545,570	10,340,000	88.91%	2043
2044							5,050,000	493,795	5,050,000	493,795	5,543,795	5,290,000	94.33%	2044
2045							5,290,000	253,920	5,290,000	253,920	5,543,920	0	100.00%	2045
	5,735,000	726,370	13,695,000	3,079,050	840,000	176,500	73,000,000	39,624,294	93,270,000	43,606,214	136,876,214			

\* 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 \$16,025,000 CIP portion of the \$18,515,000 General Obligation CIP, Improvement and Refunding Bonds, Series 2020A.
- 3) This represents the \$1,020,000 Equipment Certificates portion of the \$8,765,000 General Obligation Equipment, Improvement and Utility Revenue Bonds, Series 2022A.

City of Burnsville, Minnesota  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Utility Revenues  
 (As of 05/22/2025)

	Utility Revenue Bonds Series 2012B		Utility Revenue Bonds 1) Series 2015A		Taxable Water Revenue Note-PFA Series 2016		Utility Revenue Bonds 2) Series 2016B		Utility Revenue Bonds 3) Series 2017A	
Dated	11/01/2012		12/10/2015		07/14/2016		11/16/2016		11/15/2017	
Amount	\$3,005,000		\$2,235,000		\$6,247,194		\$1,600,000		\$4,735,000	
Maturity	12/20		12/20		08/20		12/20		12/20	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	225,000	11,100	250,000	5,000	304,000	24,821	110,000	15,480	320,000	81,563
2026	165,000	6,600			308,000	45,787	110,000	13,665	330,000	68,763
2027	165,000	3,300			312,000	41,882	115,000	11,850	345,000	55,563
2028					316,000	37,926	115,000	9,550	350,000	48,318
2029					320,000	33,919	115,000	7,250	360,000	40,268
2030					324,000	29,861	120,000	4,950	370,000	31,628
2031					328,000	25,753	120,000	2,550	375,000	22,193
2032					332,000	21,594			390,000	11,505
2033					336,000	17,384				
2034					340,000	13,124				
2035					345,000	8,813				
2036					350,000	4,438				
2037										
2038										
2039										
2040										
	555,000	21,000	250,000	5,000	3,915,000	305,303	805,000	65,295	2,840,000	359,798

- 1) This represents the \$2,235,000 Utility Revenue portion of the \$2,970,000 General Obligation Improvement and Utility Revenue Bonds, Series 2015A.
- 2) This represents the \$1,600,000 Utility Revenue portion of the \$2,510,000 General Obligation Improvement and Utility Revenue Bonds, Series 2016B.
- 3) This represents the \$4,735,000 Utility Revenue portion of the \$14,320,000 General Obligation Bonds, Series 2017A.

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City of Burnsville, Minnesota  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Utility Revenues  
(As of 05/22/2025)

Dated Amount	Utility Revenue Bonds 4) Series 2018A		Utility Revenue and Refunding Bonds 5) Series 2019A		Taxable Water Revenue Note Series 2020B		Utility Revenue Bonds 6) Series 2022A		Utility Revenue Bonds 7) Series 2024A							
	12/13/2018		11/26/2019		07/13/2020		11/09/2022		12/05/2024							
Maturity	12/20		12/20		08/20		02/01		12/20							
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
2025	245,000	36,050	635,000	122,750	124,000	15,418	0	73,225	285,000	304,427	2,498,000	689,833	3,187,833	20,979,000	10.64%	2025
2026	255,000	26,250	420,000	91,000	126,000	29,107	190,000	141,700	315,000	278,000	2,219,000	700,872	2,919,872	18,760,000	20.09%	2026
2027	265,000	16,050	445,000	70,000	128,000	27,350	200,000	131,950	325,000	262,250	2,300,000	620,195	2,920,195	16,460,000	29.89%	2027
2028	270,000	8,100	465,000	47,750	130,000	25,566	205,000	121,825	340,000	246,000	2,191,000	545,034	2,736,034	14,269,000	39.22%	2028
2029			490,000	24,500	131,000	23,754	215,000	111,325	360,000	229,000	1,991,000	470,015	2,461,015	12,278,000	47.70%	2029
2030					133,000	21,928	225,000	100,325	375,000	211,000	1,547,000	399,692	1,946,692	10,731,000	54.29%	2030
2031					135,000	20,074	240,000	88,700	400,000	192,250	1,598,000	351,519	1,949,519	9,133,000	61.10%	2031
2032					137,000	18,192	250,000	76,450	415,000	172,250	1,524,000	299,991	1,823,991	7,609,000	67.59%	2032
2033					139,000	16,282	265,000	64,900	435,000	151,500	1,175,000	250,066	1,425,066	6,434,000	72.59%	2033
2034					141,000	14,344	275,000	54,100	460,000	129,750	1,216,000	211,318	1,427,318	5,218,000	77.77%	2034
2035					143,000	12,379	285,000	42,900	485,000	106,750	1,258,000	170,841	1,428,841	3,960,000	83.13%	2035
2036					145,000	10,385	300,000	31,200	510,000	82,500	1,305,000	128,523	1,433,523	2,655,000	88.69%	2036
2037					147,000	8,364	310,000	19,000	530,000	57,000	987,000	84,364	1,071,364	1,668,000	92.90%	2037
2038					149,000	6,315	320,000	6,400	555,000	35,800	1,024,000	48,515	1,072,515	644,000	97.26%	2038
2039					151,000	4,238			340,000	13,600	491,000	17,838	508,838	153,000	99.35%	2039
2040					153,000	2,133					153,000	2,133	155,133	0	100.00%	2040
	1,035,000	86,450	2,455,000	356,000	2,212,000	255,827	3,280,000	1,064,000	6,130,000	2,472,077	23,477,000	4,990,749	28,467,749			

- 4) This represents the \$2,305,000 Utility Revenue portion of the \$7,665,000 General Obligation Tax Abatement, Improvement and Utility Bonds, Series 2018A.
- 5) This represents the \$5,165,000 Utility Revenue and Refunding portions of the \$6,790,000 General Obligation Improvement, Utility Revenue and Refunding Bonds, Series 2019A.
- 6) This represents the \$3,595,000 Utility Revenue portion of the \$8,765,000 General Obligation Equipment, Improvement and Utility Revenue Bonds, Series 2022A.
- 7) This represents the \$6,130,000 Utility Revenue portion of the \$7,550,000 General Obligation Improvement and Utility Revenue Bonds, Series 2024A.



**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2024/25 Taxable Net Tax Capacity</b>	<b>% In City</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>City's Proportionate Share</b>
I.S.D. No. 191 (Burnsville-Eagan-Savage) <sup>3</sup>	\$115,285,166	60.9255%	\$89,955,000 <sup>4</sup>	\$54,805,534
I.S.D. No. 194 (Lakeville Area Public Schools) <sup>3</sup>	135,458,121	5.8003%	167,015,000	9,687,371
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan) <sup>3</sup>	276,550,097	8.8438%	358,710,000	31,723,595
Metropolitan Council	5,709,259,708	1.8250%	235,750,000 <sup>5</sup>	<u>4,302,438</u>
City's Share of Total Overlapping Debt				<u><u>\$100,518,937</u></u>

<sup>1</sup> 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. It 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.

<sup>2</sup> Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

<sup>3</sup> Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aids for the purposes of the Bonds.

<sup>4</sup> Includes I.S.D. No. 191 (Burnsville-Eagan-Savage)'s \$33,485,000 General Obligation Refunding Bonds, Series 2025A, which are scheduled to sell on May 15, 2025 and close on June 12, 2025.

<sup>5</sup> Includes Metropolitan Council's \$77,705,000 General Obligation Transit Bonds, Series 2025B and \$74,505,000 General Obligation Park Bonds, Series 2025D, which are scheduled to close May 1, 2025. The above debt also includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council has general obligation wastewater revenue, grant anticipation notes and certificates of participation 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 \$9,976,739,962	Debt/ Per Capita 65,327 <sup>1</sup>
Direct G.O. Debt Secured By:			
Special Assessments & Taxes	\$9,230,000		
Tax Abatement Revenues	6,750,000		
Tax Increment Revenues	655,000		
Taxes*	93,270,000		
Utility Revenues	23,477,000		
Total General Obligation Debt*	<u>\$133,382,000</u>		
Less: G.O. Debt Paid Entirely from Revenues <sup>2</sup>	<u>(23,477,000)</u>		
Tax Supported General Obligation Debt*	\$109,905,000	1.10%	\$1,682.38
 City's Share of Total Overlapping Debt	 <u>\$100,518,937</u>	 <u>1.01%</u>	 <u>\$1,538.70</u>
 Total*	 <u><u>\$210,423,937</u></u>	 <u><u>2.11%</u></u>	 <u><u>\$3,221.09</u></u>

\*Preliminary, subject to change.

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<sup>1</sup> Estimated 2023 population.

<sup>2</sup> Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

## TAX LEVIES, COLLECTIONS AND RATES

### TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy <sup>1</sup>	Total Collected Following Year	Collected to Date	% Collected
2020/21	\$34,498,200	\$34,343,791	\$34,490,705	99.98%
2021/22	35,940,799	35,702,517	35,918,901	99.94%
2022/23	41,080,757	40,869,335	41,034,194	99.89%
2023/24	44,117,366	43,904,937	43,961,341	99.65%
2024/25	46,975,173	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.<sup>2</sup> 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.

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<sup>1</sup> This reflects the Final Levy Certification of the City after all adjustments have been made.

<sup>2</sup> Second half tax payments on agricultural property are due on November 15th of each year.

## TAX CAPACITY RATES<sup>1</sup>

	2020/21	2021/22	2022/23	2023/24	2024/25
Dakota County	22.716%	21.630%	18.816%	18.323%	19.948%
City of Burnsville	42.853%	43.054%	42.374%	42.503%	45.806%
I.S.D. No. 191 (Burnsville-Eagan-Savage)	23.699%	20.273%	19.403%	17.021%	20.374%
I.S.D. No. 194 (Lakeville Area Public Schools)	33.894%	33.983%	29.473%	29.650%	29.927%
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)	20.046%	19.971%	17.904%	23.624%	22.968%
Burnsville EDA	0.290%	0.317%	0.992%	1.081%	1.316%
Dakota County CDA	1.375%	1.391%	1.176%	1.309%	1.360%
Metropolitan Council	0.635%	0.649%	0.564%	0.620%	0.549%
Mosquito Control	0.384%	0.372%	0.325%	0.315%	0.320%
Transit District	1.038%	0.969%	0.849%	0.750%	0.824%
Watershed-MN	0.540%	0.523%	0.493%	0.675%	0.717%
Watershed-Vermillion	0.370%	0.348%	0.287%	0.270%	0.271%

### *Referendum Market Value Rates:*

I.S.D. No. 191 (Burnsville-Eagan-Savage)	0.20745%	0.19053%	0.22396%	0.23321%	0.17764%
I.S.D. No. 194 (Lakeville Area Public Schools)	0.27269%	0.25582%	0.26581%	0.27666%	0.24436%
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)	0.32712%	0.31336%	0.29771%	0.30078%	0.28258%

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

## 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, Deputy City Manager/Chief Finance Officer, and Finance Director are responsible for administrative details and financial records.

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

## **EMPLOYEES; PENSIONS; UNIONS**

The City currently has 314 full-time, 12 part-time, and 67 seasonal 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**

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
IAFF 2910 (International Association of Fire Fighters Local #2910)	December 31, 2025
IAFF 4481 (International Association of Fire Fighters Local #4481)	December 31, 2025
LELS 3 (Law Enforcement Labor Services, Inc. Local #3)	December 31, 2025
LELS 180 (Law Enforcement Labor Services, Inc. Local #180)	December 31, 2025
IUOE 49 (International Union of Operating Engineers Local #49)	December 31, 2026

## **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 \$13,225,559 as of December 31, 2024. 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, Section 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 February 28, 2025)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$36,394,952
Special Revenue	6,542,745
Debt Service	6,100,765
Capital Projects	31,873,866
Enterprise Funds	29,217,449
Internal Service	<u>3,692,930</u>
 Total Funds on Hand	 <u><u>\$113,822,707</u></u>

## ENTERPRISE FUNDS

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

	<b>2021 Audited</b>	<b>2022 Audited</b>	<b>2023 Audited</b>
<b>Water and Sewer</b>			
Total Operating Revenues	\$18,363,656	\$19,227,464	\$20,249,799
Less: Operating Expenses	<u>(18,307,335)</u>	<u>(19,166,505)</u>	<u>(21,491,898)</u>
Operating Income	\$56,321	\$60,959	(\$1,242,099)
Plus: Depreciation	<u>3,254,504</u>	<u>3,275,370</u>	<u>3,336,873</u>
Revenues Available for Debt Service	<u><u>\$3,310,825</u></u>	<u><u>\$3,336,329</u></u>	<u><u>\$2,094,774</u></u>
<b>Storm Water</b>			
Total Operating Revenues	\$4,521,217	\$4,626,016	\$4,755,651
Less: Operating Expenses	<u>(4,519,506)</u>	<u>(4,591,562)</u>	<u>(4,750,453)</u>
Operating Income	\$1,711	\$34,454	\$5,198
Plus: Depreciation	<u>1,512,075</u>	<u>1,525,437</u>	<u>1,504,953</u>
Revenues Available for Debt Service	<u><u>\$1,513,786</u></u>	<u><u>\$1,559,891</u></u>	<u><u>\$1,510,151</u></u>
<b>Performing Arts Center (Ames)</b>			
Total Operating Revenues	\$1,202,727	\$1,879,668	\$2,185,466
Less: Operating Expenses	<u>(2,224,212)</u>	<u>(2,579,667)</u>	<u>(2,863,507)</u>
Operating Income	(\$1,021,485)	(\$699,999)	(\$678,041)
Plus: Depreciation	<u>578,191</u>	<u>582,030</u>	<u>584,673</u>
Revenues Available for Debt Service	<u><u>(\$443,294)</u></u>	<u><u>(\$117,969)</u></u>	<u><u>(\$93,368)</u></u>
<b>Other Enterprise Funds</b>			
Total Operating Revenues	\$1,945,026	\$2,048,393	\$2,148,880
Less: Operating Expenses	<u>(2,388,602)</u>	<u>(2,720,063)</u>	<u>(2,381,482)</u>
Operating Income	(\$443,576)	(\$671,670)	(\$232,602)
Plus: Depreciation	<u>520,952</u>	<u>528,018</u>	<u>554,350</u>
Revenues Available for Debt Service	<u><u>\$77,376</u></u>	<u><u>(\$143,652)</u></u>	<u><u>\$321,748</u></u>

**SUMMARY GENERAL FUND INFORMATION**

The 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 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Adopted Budget <sup>1</sup>	2025 Adopted Budget <sup>2</sup>
<b>Revenues</b>					
Property taxes	\$30,034,504	\$30,929,189	\$37,245,715	\$40,447,907	\$43,729,343
Special assessments	2,356	5,493	3,243	8,700	7,700
Licenses and permits	2,875,169	3,091,208	2,678,364	2,582,485	2,708,661
Other taxes	258,761	338,254	349,871	320,000	330,000
Intergovernmental revenue	2,021,208	4,246,370	5,494,858	5,081,875	2,720,330
Charges for services	6,171,004	7,379,616	6,875,798	7,137,479	7,071,792
Fine and forfeitures	212,254	203,466	246,902	253,370	277,034
Interest on investments (loss)	222,932	440,314	1,084,853	1,058,600	1,071,520
Net change in fair value of investments	(897,475)	(4,040,241)	1,537,759	0	0
Miscellaneous revenue	1,108,170	1,469,526	1,252,806	949,853	977,158
<b>Total Revenues</b>	<b>\$42,008,883</b>	<b>\$44,063,195</b>	<b>\$56,770,169</b>	<b>\$57,840,269</b>	<b>\$58,893,538</b>
<b>Expenditures</b>					
Current:					
General government	\$6,524,898	\$7,657,550	\$7,848,160	\$10,253,784	\$10,823,612
Public safety	25,801,410	27,680,906	30,481,326	35,208,124	38,320,315
Public works and parks	6,738,066	7,295,984	7,916,838	8,385,933	8,776,925
Culture and recreation	1,035,708	1,147,212	1,272,688	1,382,430	1,491,759
Conservation of natural resources	860,361	686,533	716,452	880,147	1,034,855
Economic development	431,584	381,435	449,037	546,820	473,360
Debt service	0	45,288	347,818	0	0
<b>Total Expenditures</b>	<b>\$41,392,027</b>	<b>\$44,894,908</b>	<b>\$49,032,319</b>	<b>\$56,657,238</b>	<b>\$60,920,826</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$616,856</b>	<b>(\$831,713)</b>	<b>\$7,737,850</b>	<b>\$1,183,031</b>	<b>(\$2,027,288)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$185,000	\$0	\$335,000	\$300,000	\$265,000
Transfers (out)	(1,029,577)	(869,558)	(522,812)	(927,919)	(543,241)
<b>Total Other Financing Sources (Uses)</b>	<b>(844,577)</b>	<b>(869,558)</b>	<b>(187,812)</b>	<b>(627,919)</b>	<b>(278,241)</b>
<b>Net changes in Fund Balances</b>	<b>(\$227,721)</b>	<b>(\$1,701,271)</b>	<b>\$7,550,038</b>	<b>\$555,112</b>	<b>(\$2,305,529)<sup>3</sup></b>
General Fund Balance January 1	\$28,856,928	\$28,629,207	\$26,927,936		
Prior Period Adjustment	0	0	0		
Residual Equity Transfer in (out)	0	0	0		
General Fund Balance December 31	\$28,629,207	\$26,927,936	\$34,477,974		
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	\$0	\$1,822,469	\$1,774,421		
Restricted	1,046,802	892,437	712,825		
Assigned	1,054,500	0	0		
Unassigned	26,527,905	24,213,030	31,990,728		
<b>Total</b>	<b>\$28,629,207</b>	<b>\$26,927,936</b>	<b>\$34,477,974</b>		

<sup>1</sup> The 2024 budget was adopted on November 28, 2023.

<sup>2</sup> The 2025 budget was adopted on December 3, 2024.

<sup>3</sup> The negative net change in fund balance was planned as part of the City's long range financial plan.



## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 64,317 and a 2023 population estimate of 65,327, and comprising an area of 26.93 square miles, is located approximately 21 miles south of St. Paul, Minnesota.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
UTC Aerospace Systems	Design/manufacturing aircraft & engine sensors	1,800
I.S.D. No. 191 (Burnsville-Eagan-Savage)	Elementary and secondary education	1,200
Fairview Ridges Hospital <sup>2</sup>	Hospital	967
Pepsi-Cola Bottling Company	Beverage distribution	500
Buck Hill	Skiing center & resorts	500
Ames Construction	Construction company	400
City of Burnsville	Municipal government and services	393
Cub Foods <sup>3</sup>	Grocery	350
Walmart	Retail & grocery	335
Super Target	Retail & grocery	300
Telex Communications, Inc. Northern	Radio dispatch software and products	300
Tool & Equipment Company Park	Industrial tools	300
Nicollet Clinic	Clinics	300
Costco	Wholesale Club	200
Mackin Educational Resources	Printing/distributing of books	200

**Source:** The City, Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

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<sup>1</sup> 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.

<sup>2</sup> This includes Fairview Ridges hospital, Fairview Ridges clinic and Ebenezer Ridges Care Center.

<sup>3</sup> Includes multiple locations in the City.

**BUILDING PERMITS** (as of March 27, 2025)

	2021	2022	2023	2024	2025
<u>New Single Family Homes</u>					
No. of building permits	30	21	15	3	0
Valuation	\$5,541,173	\$5,713,000	\$2,550,000	\$1,999,000	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	4	3	1	2	0
Valuation	\$57,650,000	\$79,684,711	\$20,605,995	\$44,662,651	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	7	5	6	7	0
Valuation	\$18,715,509	\$6,372,000	\$18,550,534	\$17,207,758	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	1,741	1,263	1,919	1,775	257
Valuation	\$58,126,501	\$78,166,482	\$199,114,553	\$167,888,156	\$30,284,100

**Source:** The City.

**U.S. CENSUS DATA****Population Trend:** The City

2010 U.S. Census population	60,306
2020 U.S. Census population	64,317
Percent of Change 2010 - 2020	6.65%
2023 Metropolitan Council Population Estimate	65,327

**Income and Age Statistics**

	<b>The City</b>	<b>Dakota County</b>	<b>State of Minnesota</b>	<b>United States</b>
2023 per capita income	\$43,093	\$50,901	\$46,957	\$43,289
2023 median household income	\$83,953	\$105,212	\$87,556	\$78,538
2023 median family income	\$108,378	\$130,111	\$111,492	\$96,922
2023 median gross rent	\$1,501	\$1,497	\$1,235	\$1,348
2023 median value owner occupied units	\$335,100	\$362,100	\$305,500	\$303,400
2023 median age	36.9 yrs.	38.4 yrs.	38.6 yrs.	38.7 yrs.

	<b>State of Minnesota</b>	<b>United States</b>
City % of 2023 per capita income	91.77%	99.55%
City % of 2023 median family income	97.21%	111.82%

**Housing Statistics**

	<b><u>The City</u></b>		<b>Percent of Change</b>
	<b>2020</b>	<b>2023</b>	
All Housing Units	25,480	26,290	3.18%

**Source:** 2010 and 2020 Census of Population and Housing, and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2023 Population Estimates, Metropolitan Council (<https://metro council.org/>).

**EMPLOYMENT/UNEMPLOYMENT DATA**

Rates are not compiled for individual communities within counties.

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Dakota County</b>	<b>Dakota County</b>	<b>State of Minnesota</b>	
2021	233,005	3.4%	3.7%	
2022	239,805	2.2%	2.5%	
2023	242,905	2.5%	2.8%	
2024	243,060	2.7%	3.0%	
2025, March	242,957	3.3%	3.9%	

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

**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 changes 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.



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**City of Burnsville, Minnesota**

*For the year ended December 31, 2023*

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**CITY OF BURNSVILLE, MINNESOTA**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**

**For the Year Ended December 31, 2023**

**Prepared by:**  
**Department of Finance**

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June 12, 2024

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

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

Minnesota Statutes require all cities to issue an annual report on the city's financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, the City hereby issues the Annual Comprehensive Financial Report (ACFR) of the City of Burnsville, Minnesota (the City) for the year ended December 31, 2023. 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 64,522, Burnsville is the third largest city in Dakota County, ninth largest suburb in the Twin Cities metro area, and the fourteenth largest city in the State of Minnesota.

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

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

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

The City provides a full range of services including police protection, a full-time fire department, street and park maintenance and construction, protection of environmental resources, recreation opportunities, city planning, licensing, permits, inspections, and code enforcement. The City operates a water & sewer utility, a storm water utility, a street lighting system, a youth center, a 9-hole golf course, an ice arena, and a performing arts center. The Council has adopted six strategic priorities. The strategic priorities are safety, community engagement, community vibrancy, sustainability, infrastructure, and organizational culture. The City is committed to delivering quality services at an affordable price. The City Council has directed the City staff to provide services to the community through a clearly defined goal, or Vision, that states:

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

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

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

The Black Dog Lake Water Management Organization, Dakota 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 strategic priorities. The annual budget includes financial plans for each budgeted fund projecting revenues and expenses for the next five years.

The Council is required to adopt a maximum tax levy and a preliminary budget by September 30th. The City Council discusses the proposed budget at Council work sessions throughout the year. The final budget for the coming year must be adopted no later than December 31<sup>st</sup> of each year. After the budget is adopted the City Manager has the authority to reallocate resources between departments within funds; however, changes to the total budgeted expenditures require approval by the City Council.

### **Local Economy**

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has increased 80.3 percent over the past ten years from \$5.0 billion in 2014 to \$8.9 billion in 2023. In the five years 2019-2023, the market value growth averaged 7.6 percent per year. Burnsville continues to monitor valuation trends.

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

There are 25,834 housing units in Burnsville and about 66% are owner occupied. Just over 65% of the City's housing stock was constructed between 1970 and 1990. The City is proactively addressing the needs for redevelopment and housing maintenance as the City ages to continue to maintain the City's healthy property value growth.

In December 2023, over 35,473 of the city's residents were in the labor force and the average unemployment rate for 2023 was 2.6%, which was lower than the rate for the metro area estimated at 2.7% for the same period. Burnsville is a connected community providing a variety of services and experiences to more than 64,000 residents, 2,500 businesses, thousands of annual visitors and 310 city staff and teammates.

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

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

### **Long-term Financial Planning**

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

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

Among the most significant steps taken to date has been the commitment by the City Council to allocate a portion of the general property tax levy to the Infrastructure Trust Fund. In addition, the City Council made a commitment to set utility rates to fund system depreciation for adequate maintenance and replacement of the water and sewer utilities and storm water improvements. These steps have placed the City in a proactive stance for preserving the value of the community's nearly \$580 million capital asset investment. The City prepares annual 5-year capital improvements plan for addition and replacement of the City's infrastructure.

The Council has dedicated franchise fee revenue as a funding source for the long-term capital plan to invest in improving the City's aging facilities. The City Council identified long-term funding needs to maintain, improve and replace the City's existing facilities. In 2014, the City completed a facility study to identify the City's 20-year facility needs. In 2015, the City established the Facilities Capital Fund to centralize facility capital projects and funding sources. In 2016, the City implemented gas and electric utility franchise fees and the City Council has directed these franchise fees to fund facilities capital projects. In 2020, these utility franchise fees were increased and will continue to support facilities capital projects.

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

The City Council approved a 2024 budget that called for a total increase in tax levy of 7.6%. The adopted 2024 budget addresses fundamental community needs, including maintaining established basic service levels, increasing staffing to match service levels, and long-term infrastructure replacement.

**Relevant Financial Policies**

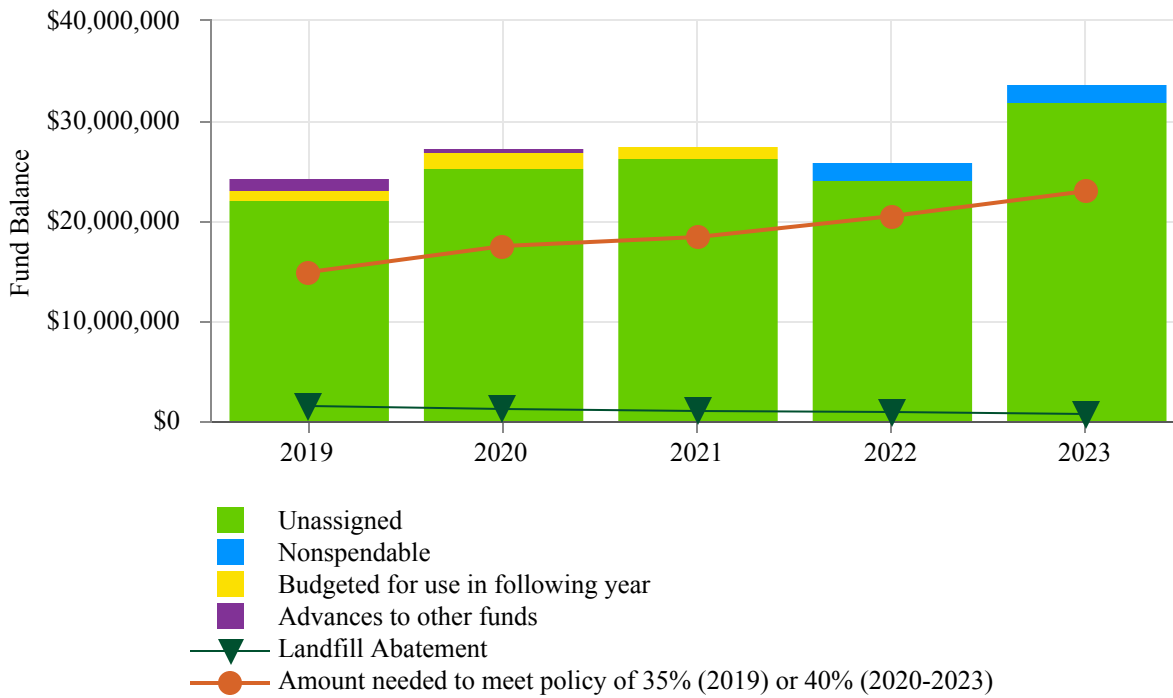
The City has a Financial Management Plan that serves two main purposes. It draws together, in a single document, the City’s major financial policies. Also, the plan establishes principles to guide both staff and Council members to make consistent and informed financial decisions. The plan establishes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

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

**Fund Balances**

It is important for the financial stability of the City to maintain reserve funds for unanticipated expenditures or unforeseen emergencies, as well as to provide adequate working capital for current operating needs to avoid short-term borrowing. The City’s financial management plan states that the fund balances in the General and Special Revenue Funds will be maintained at a target level of 40-50% of the operating budget; however, this could fluctuate with each year’s budget objectives and appropriations such as large capital expenditures and variation in the collection of revenues. The fund balance policy was updated in 2020 with the target fund balance levels. Prior to 2020, a minimum fund balance policy for the General Fund was set at 35% of the operating budget. The balance in the general fund is currently higher than the target level. The financial management plan directs that the use of one-time revenues be used for one-time expenditures.

**General Fund - Fund Balance Policy**



## **Major Initiatives**

The City completed a utility rate study in 2020 to evaluate the City's base charges and rate structure to provide an appropriate balance between stability of base costs while still maintaining a high level of ground water conservation and equity. The new utility rate structure was implemented in 2021. The goal is to provide sufficient revenue to each utility for current and future operations, infrastructure, and capital improvements by modifying the existing rates as needed to fairly distribute the costs of service among different users.

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

The Council has embarked on a long-term capital plan to invest in improving the City's aging facilities. The first phase of construction was completed in 2018. It includes a comprehensive renovation of the police station facilities, covered vehicle storage for police vehicles, a redesigned City Hall entrance, community room renovations, additional conference room space and Americans with Disabilities Act (ADA) compliance improvements. The City completed Phase II of the facilities plan in 2022 with the construction of Fire Station I at Newton Ave in the Pinnacle Park area.

The City's Northwest River Quadrant along the Minnesota River (MRQ) is the city's largest area for future development and redevelopment. The City has been preparing for the long-term future development of this 1,700 acre area for several years. The City has received special legislation from the State for Tax Increment Financing (TIF) districts in this area. The City estimates future construction value for this area will exceed \$1.0 billion. Construction improvements will happen over the next 10-15 years.

Additionally, in December of 2018 the City Council adopted the Center Village Vision redevelopment plan to address the evolving County Road 42 retail corridor and the Burnsville Center. The plan outlines short, mid- and long-range goals for redevelopment of the retail area west of I-35W, south of McAndrews Road, east of Burnhaven Drive and north of Southcross Drive - including the Burnsville Center. It is meant to help guide future policy decisions and spark reinvestment into the area. The plan envisions new neighborhoods and housing mixed with retail uses; as well as other uses such as parks, hotels, clinics, co-sharing work places, start-up offices, brew pubs and maker spaces. The Center Village Vision Plan was developed through a collaborative effort with the consultant and their team of industry experts, along with City representatives, area stakeholders and property owners. The plan calls for a future mixed-use pedestrian friendly area. In 2019 the City began working on a Traffic Study which was led by a consultant and involved city, county and state staff serving in a technical advisory capacity to identify issues, concerns, potential roadway improvements and traffic capacity in the area. This Traffic Study was made possible through a Department of Employment and Economic Development (DEED) Host grant. The Traffic Study was adopted by the City Council in 2020. The City also completed an Alternative Urban Areawide Review (AUAR) to examine redevelopment scenarios and plan for mitigation related to environmental impacts. The AUAR for the Center Village funded in part by the Dakota County Redevelopment Incentive Grant program. For three years the City actively pursued special legislation from the State to consider the area as a Tax Increment Financing (TIF) district area. The area, particularly the mall, has seen a decline in foot traffic, mass vacancies and obsolete building types. In 2021 the City was successful in obtaining special legislation to consider the Burnsville Center properties and adjacent right of way as Redevelopment TIF eligible. In 2021 the City proactively changed the land use and zoning north of County Road 42 and south of McAndrews to Mixed Use to support implementation strategies outlined in the Center Village Vision and Economic Development Strategic Priorities. The City of Burnsville, in partnership with Dakota County, applied for a MnDOT Transportation Economic Development (TED) grant for construction of a new exit ramp from southbound I-35W under County State Aid Highway (CSAH) 42 to Buck Hill Road. The project was selected and will be awarded \$3.1 million in TED grant funding. The total project cost is estimated to be about \$5 million. The City has begun predesign work for a future Aldrich Road connection and new I35W exit ramp to improve access within the Burnsville Center properties.

## **Awards & Acknowledgments**

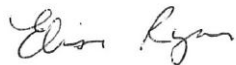
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burnsville for its ACFR for the fiscal year ended December 31, 2022. This was the 28th consecutive year that the City has achieved this prestigious award.

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Elissa Ryan".

Elissa Ryan  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Burnsville  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

# CITY OF BURNSVILLE, MINNESOTA

## CITY COUNCIL AND OTHER OFFICIALS

City Council:		Term Expires:
Mayor	Elizabeth Kautz	December 31, 2024
Councilmember	Dan Gustafson	December 31, 2024
Councilmember	Dan Kealey	December 31, 2026
Councilmember	Cara Schulz	December 31, 2024
Councilmember	Vince Workman	December 31, 2026
City Manager	Gregg Lindberg	
City Clerk	Macheal Collins	

## ***LEADERSHIP TEAM AND PEOPLE MANAGERS***

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

### ***Leadership Team***

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

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

### ***Senior Managers***

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

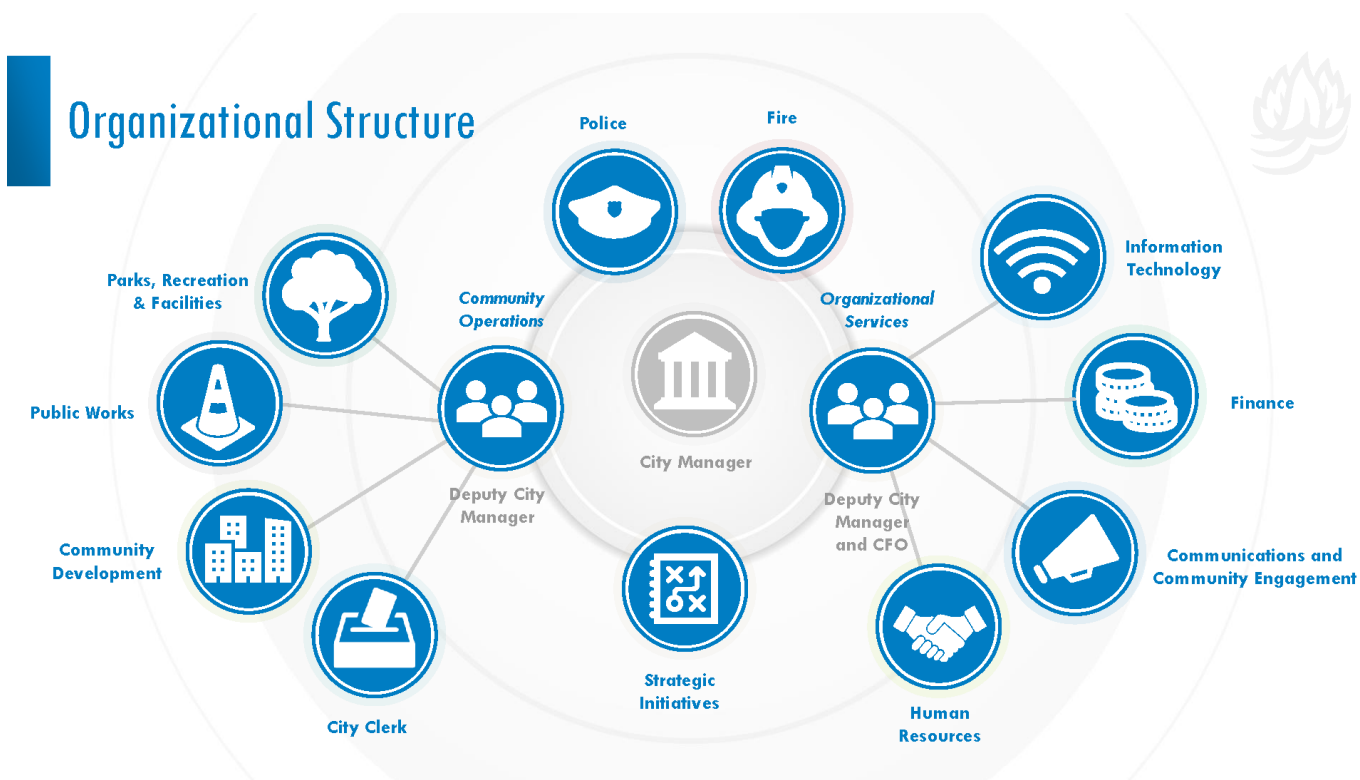
- City Engineer
- Assistant Public Works Director
- Deputy Police Chief
- Police Captains (three)
- Assistant Fire Chiefs (three)
- Organizational Development Manager
- Recreation & Facilities Superintendent
- Building Official
- Neighborhood Services Coordinator
- Accounting Managers (two)

### ***People Managers***

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

# CITY OF BURNSVILLE, MINNESOTA

## ORGANIZATION OF CITY SERVICES



### **ORGANIZATIONAL MODEL**

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

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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 AUDIT OF THE FINANCIAL STATEMENTS**

**OPINIONS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burnsville, Minnesota (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and budgeted major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**BASIS FOR OPINIONS**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**EMPHASIS OF MATTER**

***Change in Accounting Principle***

As described in Note 1 of the notes to basic financial statements, in fiscal 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

(continued)

## RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

## REQUIRED SUPPLEMENTARY INFORMATION

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

## SUPPLEMENTARY INFORMATION

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

## OTHER INFORMATION

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

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

## OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
June 12, 2024

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# Management's Discussion and Analysis

As management of the City of Burnsville, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. 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 \$285,984,000 (net position). Of this amount, \$55,177,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; \$19,884,000 is restricted for specific purposes (restricted net position); and \$210,923,000 represents the net investment in capital assets.
- The City's total net position increased by \$12,997,000. The increase is a combination of surpluses and deficits, and includes planned increases for future budget needs.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$75,553,000, an increase of \$15,617,000 in comparison with the prior year. A number of factors contributed to this increase. Intergovernmental revenue related to public safety capital expenditures was \$2,828,000. The City planned increases in fund balance in the General Fund for future staffing and budgeting needs. The balance is a result of the net effect of budget surpluses and deficits.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$31,991,000, or 56% of total budgeted 2024 general fund expenditures and transfers.
- During the year ended December 31, 2023, the City implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs). The implementation of this new GASB statement in the current year resulted in adjustments to capital assets and long-term liabilities, but did not require a restatement of net position in the current year.

## 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 six 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 grants special revenue fund, the general obligation improvement bonds debt service fund, the infrastructure trust capital projects fund, the improvement construction capital projects fund, and the facilities capital projects fund. Data from the other fifteen 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, grant fund, infrastructure trust capital projects fund, improvement construction capital projects fund and facilities capital projects fund and ten 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 32-37 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 38-40 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the basic government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-79 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 80-89 of this report.

**Other information.** The combining statements and schedules referred to earlier in connection with nonmajor governmental, enterprise, and internal service funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 92-116 of this report.

Further, a statistical section has been included as part of the Annual Comprehensive Financial Report (ACFR) to facilitate additional analysis and is the third and final section of the report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$285,984,000 at the close of the most recent fiscal year.

The largest portion of the City’s net position (74 percent) reflects the City’s investment in capital assets (e.g., land, permanent easements, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$55,177,000) 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$112,831,826	\$103,275,108	\$ 32,419,667	\$ 33,480,296	\$145,251,493	\$136,755,404
Capital assets, net	155,942,718	155,174,976	120,170,098	123,708,154	276,112,816	278,883,130
Total assets	268,774,544	258,450,084	152,589,765	157,188,450	421,364,309	415,638,534
Total deferred outflows						
of resources	38,363,554	46,221,767	446,778	773,649	38,810,332	46,995,416
Long-term liabilities	91,065,786	127,693,189	23,161,214	26,607,759	114,227,000	154,300,948
Other liabilities	11,531,819	15,803,731	984,941	1,580,000	12,516,760	17,383,731
Total liabilities	102,597,605	143,496,920	24,146,155	28,187,759	126,743,760	171,684,679
Total deferred inflows						
of resources	46,725,109	17,769,274	722,112	192,871	47,447,221	17,962,145
Net position:						
Net investment in						
capital assets	120,940,298	118,138,873	99,024,723	99,364,372	210,922,788	206,410,807
Restricted	19,884,115	17,448,211	—	—	19,884,115	17,448,211
Unrestricted	16,990,971	7,818,573	29,143,553	30,217,097	55,176,757	49,128,108
Total net position	<u>\$157,815,384</u>	<u>\$143,405,657</u>	<u>\$128,168,276</u>	<u>\$129,581,469</u>	<u>\$285,983,660</u>	<u>\$272,987,126</u>

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

There was an increase in net position in the governmental activities of \$14,410,000 and a decrease of \$1,413,000 in business-type activities, for a net total increase of \$12,997,000 in net position. This change in net position reflects changes in deferred outflows of resources, deferred inflows of resources, and long-term liabilities as a result in the City's participation in defined benefit plans. Liabilities reported for the City's pension plan decreased in 2023 due to changes in actuarial assumptions. Non-current liabilities also decreased in 2023 due to repayment of debt obligations.

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

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 13,294,312	\$ 12,222,434	\$ 29,924,383	\$ 28,110,567	\$ 43,218,695	\$ 40,333,001
Operating grants and contributions	5,961,313	6,217,950	95,240	143,468	6,056,553	6,361,418
Capital grants and contributions	5,104,454	13,088,700	311,534	1,602,859	5,415,988	14,691,559
General revenues:						
Property taxes	46,790,405	41,303,580	—	—	46,790,405	41,303,580
Other taxes	6,220,619	6,178,098	—	—	6,220,619	6,178,098
Grants and contributions not restricted to specific programs	3,163,204	2,788,716	—	—	3,163,204	2,788,716
Unrestricted investment earnings (charges)	4,051,477	(3,138,002)	842,593	310,769	4,894,070	(2,827,233)
Total revenues	<u>84,585,784</u>	<u>78,661,476</u>	<u>31,173,750</u>	<u>30,167,663</u>	<u>115,759,534</u>	<u>108,829,139</u>
Expenses:						
General government	10,571,108	11,061,187	—	—	10,571,108	11,061,187
Public safety	37,398,025	33,903,053	—	—	37,398,025	33,903,053
Public works and parks	18,179,904	19,687,730	—	—	18,179,904	19,687,730
Culture and recreation	1,447,158	1,399,057	—	—	1,447,158	1,399,057
Conservation of natural resources	1,458,326	1,332,858	—	—	1,458,326	1,332,858
Economic development	560,065	3,173,721	—	—	560,065	3,173,721
Interest on long-term debt	1,169,503	1,170,232	—	—	1,169,503	1,170,232
Water and sewer	—	—	22,002,160	19,675,040	22,002,160	19,675,040
Storm water	—	—	4,750,457	4,610,749	4,750,457	4,610,749
Performing arts center	—	—	2,863,507	2,579,667	2,863,507	2,579,667
Ice arena	—	—	1,470,429	1,514,688	1,470,429	1,514,688
Golf course	—	—	432,835	411,006	432,835	411,006
Street lighting	—	—	459,523	794,369	459,523	794,369
Total expenses	<u>70,784,089</u>	<u>71,727,838</u>	<u>31,978,911</u>	<u>29,585,519</u>	<u>102,763,000</u>	<u>101,313,357</u>
Increase (decrease) in net position before transfers	13,801,695	6,933,638	(805,161)	582,144	12,996,534	7,515,782
Transfers	608,032	(238,577)	(608,032)	238,577	—	—
Increase (decrease) in net position	14,409,727	6,695,061	(1,413,193)	820,721	12,996,534	7,515,782
Net position on January 1	143,405,657	136,710,596	129,581,469	128,760,748	272,987,126	265,471,344
Net position on December 31	<u>\$157,815,384</u>	<u>\$143,405,657</u>	<u>\$128,168,276</u>	<u>\$129,581,469</u>	<u>\$285,983,660</u>	<u>\$272,987,126</u>

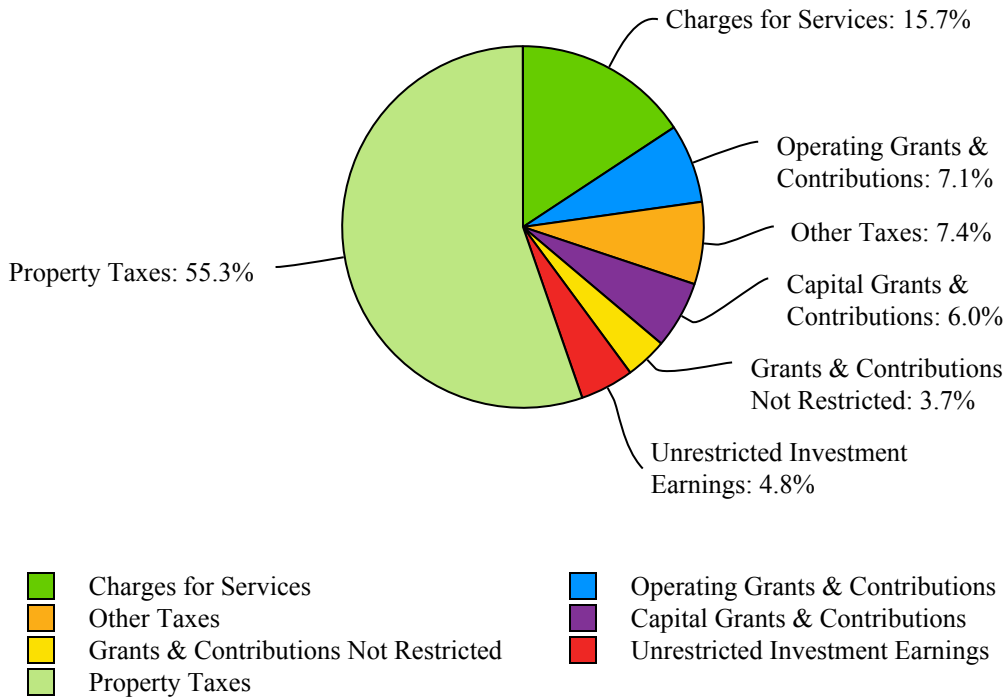
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

**Governmental activities.** Governmental activities resulted in an increase of the City’s net position by \$14,410,000 in 2023, while the increase in total net position was \$12,997,000.

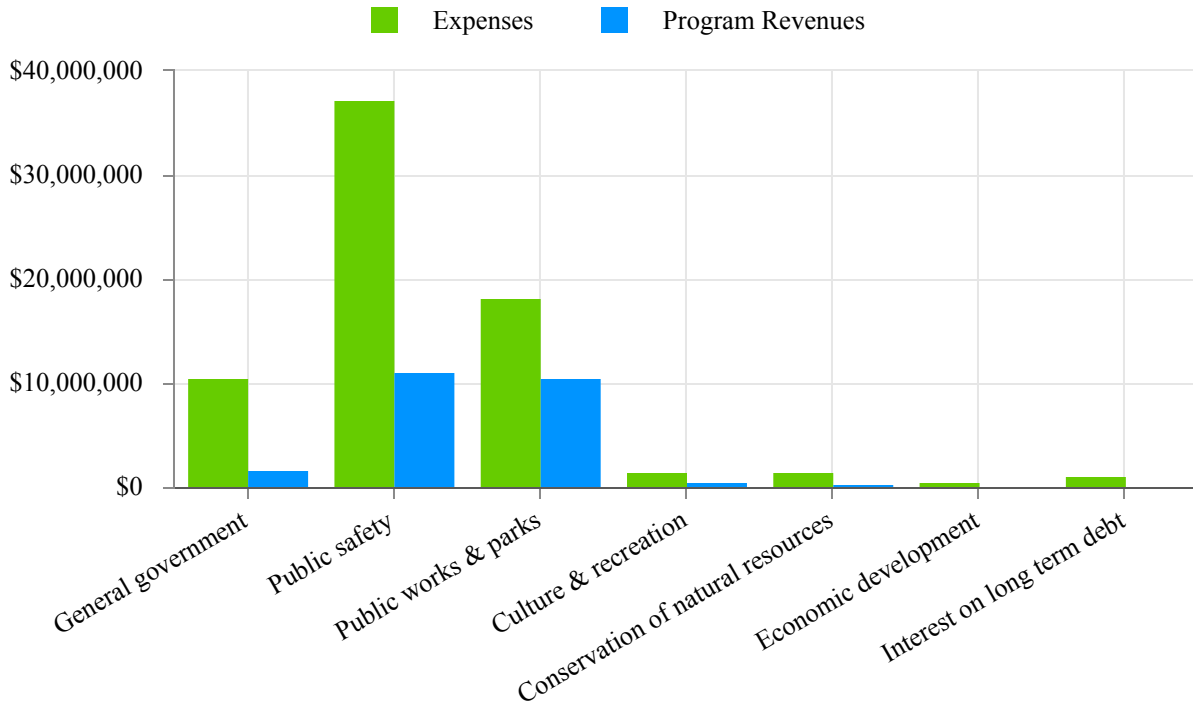
Revenues increased in total by \$5,924,000, or 8%, primarily due to increases in unrestricted investment earnings of \$7,189,000, property taxes of \$5,487,000, increases in charges for services totaling \$1,072,000, and increases in grants and contributions not restricted to specific programs of \$374,000. These increases were offset by a decrease in capital grants and contributions of \$7,984,000. Expenses decreased in total by \$944,000, or 1% in 2023. Key elements of these changes follow:

- Unrestricted investment earnings increased due to market conditions and interest rate environment at the end of 2023.
- Property taxes increased during 2023 due to a 14.5% increase in the levy.
- Charges for services increased due to increased host fees.
- Grants and contributions not restricted to specific programs revenue increased due to grants and aid the City received from various sources. American Rescue Plan Act federal relief aid recognized in 2023 was the largest at \$3,000,000.
- Capital grants and contributions decreased due to park dedication fee revenue.
- Revenues across other categories remained flat.
- Expenses decreased by \$4,612,000 or 14%, for 2023 in general government, public works and parks, and economic development. A majority of the decrease was due to the City's contributions to regional road construction and economic development in the prior year. Expenses increased by \$3,495,000, or 10%, for 2023 in public safety. This increase was due to increased staffing levels for police and fire. Generally, changes in other expenses closely paralleled budgeted amounts across functions.

### Revenues by Source - Governmental Activities

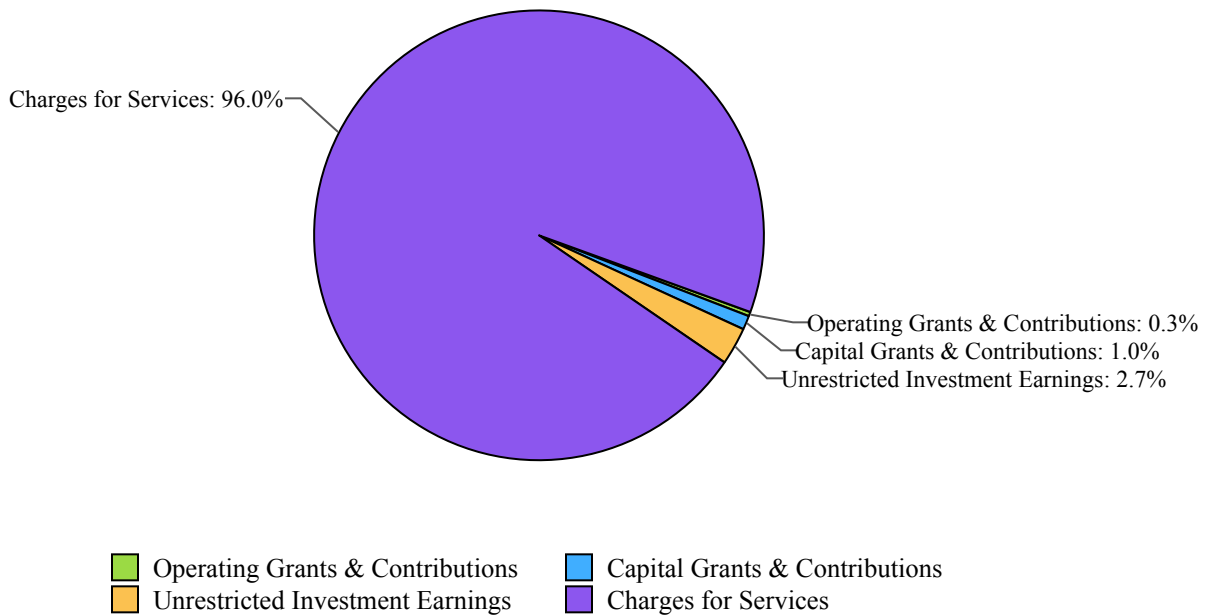


## Expenses and Program Revenues - Governmental Activities

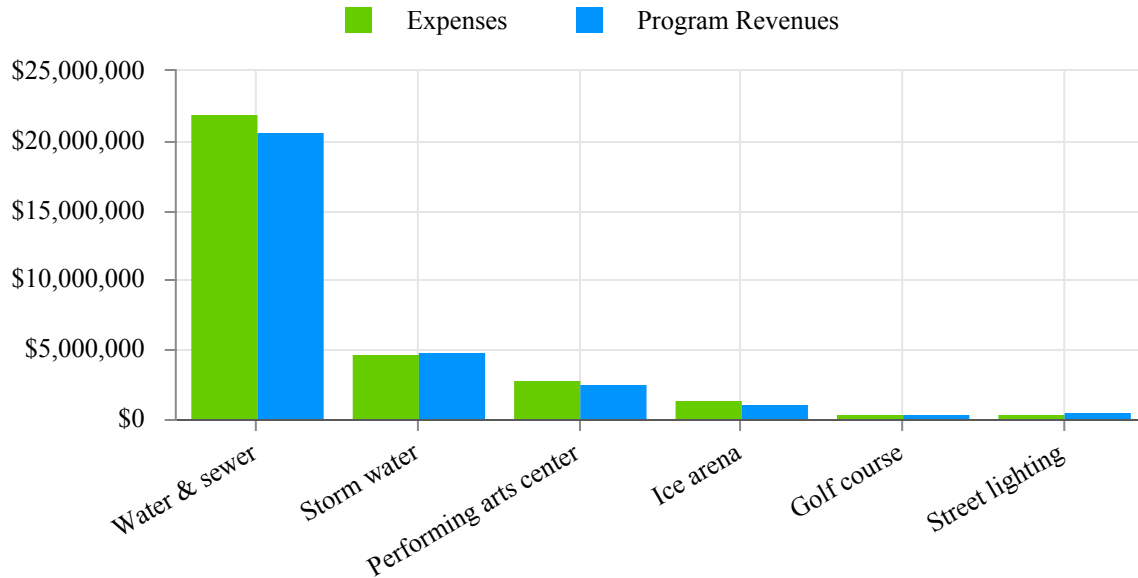


**Business-type activities.** Business-type activities decreased the City’s net position by \$1,413,000 in 2023, while the increase in total net position was \$12,997,000. The 2023 net position of the business-type activities remained level.

## 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 \$75,553,000, an increase of \$15,617,000 in comparison with the prior year. Approximately 82% of this balance constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted and nonspendable* to indicate that it is not available for new spending because it has already been obligated for specific purposes (\$13,479,000).

The general fund is the chief operating fund of the City. At the end of 2023, unassigned fund balance of the general fund was \$31,991,000, while total fund balance was \$34,478,000. 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 56% of total general fund 2024 budgeted expenditures and transfers, while total fund balance represents 60% of that same amount.

The fund balance of the City's general fund increased by \$7,550,000 during the current fiscal year. Overall revenues increased by \$12,707,000, due to an increase in property tax revenue of \$6,317,000, an increase to net change in fair value of investments of \$5,578,000, and an increase in intergovernmental revenue of \$1,248,000, including \$1,000,000 in additional America Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) funding in 2023 used largely to offset public safety expenditures. Transfers from other funds increased by \$335,000 in 2023. Expenditures increased by \$4,137,000 and were lower than expected across most departments. The largest increase was \$3,360,000 for increases in personnel expenditures. Transfers to other funds decreased by \$347,000 for 2023 as budgeted.

The Grant Special Revenue Fund had an increase in fund balance of \$156,000 during 2023. This increase is the result of investment income received on federal grant funds.

The General Obligation Improvement Bond Fund had a decrease in fund balance of \$127,000. Total fund balance was \$4,158,000 and \$4,285,000 as of December 31, 2023 and 2022 respectively. The entire fund balance is restricted for the payment of debt service. The decrease is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Infrastructure Trust Capital Fund had a decrease in fund balance of \$1,664,000. This decrease is the result of property tax and intergovernmental revenue offset by the timing of projects.

The Improvement Construction Capital Fund had a decrease in fund balance of \$1,535,000. This decrease results from not issuing bonds to offset activity.

The Facilities Capital Projects fund had an increase in fund balance of \$3,652,000 during 2023. This change in fund balance is the result of the timing difference between the collection of franchise fee revenue offset by the timing of projects.

**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 \$15,105,000 for the Water and Sewer Fund, \$9,146,000 for the Storm Water Fund, and \$3,571,000 for the Ames Center Fund. The total change in net position of the major enterprise funds were \$(1,611,000) for the Water and Sewer Fund, \$340,000 for the Storm Water Fund and \$(197,000) for the Ames Center Fund.

The decrease in the Water and Sewer Fund net position was mainly due to repairs and maintenance in 2023. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2023 were matched by an increase in operating expenses. Connection charges, which are dependent on new construction, were \$250,000.

The increase in the Storm Water Fund net position was mainly due to investment earnings. Operating revenues increased slightly pursuant to a small increase in rates for 2023. Operating expenses increased during 2023 for increased maintenance and rehabilitation costs. Capital contributions - from others decreased by \$581,000 due to projects in the prior year.

The decrease in net position of the Ames Center Fund was mainly due to repairs and maintenance and labor expenses in 2023. Operating revenues and operating expenses increased during 2023 as the number of shows increased to meet demand as the economy continues to recover from the pandemic.

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

## **General Fund Budgetary Highlights**

Actual revenues were more than budgeted amounts in 2023 by \$6,728,000. License and permit revenue exceeded budget by \$283,000. Development exceeded expectations in 2023. Charges for services revenues were \$469,000 more than budget, due to increased recreation and EMS revenue. Another factor contributing to the change in revenue was the net change in the fair value of investments in 2023 of \$1,538,000. The City does not budget for the increase or decrease in fair value of investments. Intergovernmental revenues exceeded budgeted amounts in 2023 by \$3,459,000. The City had initially budgeted for ARPA funds through a transfer from the Grant Fund, but recorded revenue directly into the General fund. The variance of \$3,000,000 in budgeted transfers is offset by the variance in budgeted intergovernmental revenue due to how the ARPA funds were ultimately recorded.

Actual expenditures were 3% below budgeted expenditures in total. Total budget savings in the general fund were \$1,671,000. Budget savings were spread throughout many departments, with the largest savings coming from the manager and administration, communications, human resources, information technology, finance and planning departments. Savings were largely due to open full-time and seasonal positions in those departments.

General Fund budget to actual information can be found on page 36 and page 96.

## **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, 2023 amounts to \$276,113,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, leased equipment, technology subscriptions and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 1.0 percent (0.5 percent increase for governmental activities and a 2.9 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 expenditures for leases and technology subscriptions.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 21,394,922	\$ 21,378,922	\$ 3,237,899	\$ 3,237,899	\$ 24,632,821	\$ 24,616,821
Permanent easements	4,924,492	4,912,181	4,608,483	4,596,387	9,532,975	9,508,568
Buildings	34,707,583	36,042,223	22,432,096	23,370,727	57,139,679	59,412,950
Infrastructure and improvements	79,380,573	77,488,753	87,110,168	89,908,046	166,490,741	167,396,799
Equipment and vehicles	11,537,842	13,029,877	2,470,254	2,536,546	14,008,096	15,566,423
Leased equipment	467,253	229,622	—	—	467,253	229,622
Technology subscriptions	775,354	—	—	—	775,354	—
Construction in progress	2,754,699	2,093,398	311,198	58,549	3,065,897	2,151,947
<b>Total</b>	<b>\$155,942,718</b>	<b>\$155,174,976</b>	<b>\$120,170,098</b>	<b>\$123,708,154</b>	<b>\$276,112,816</b>	<b>\$278,883,130</b>

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonds, certificates of indebtedness, notes, leases, and technology subscriptions outstanding of \$62,198,000.

**City of Burnsville’s Outstanding Debt**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 20,680,000	\$ 21,880,000	\$ —	\$ —	\$ 20,680,000	\$ 21,880,000
General obligation certificates of indebtedness	1,020,000	1,020,000	—	—	1,020,000	1,020,000
G.O. Tax increment bonds	930,000	1,205,000	—	—	930,000	1,205,000
G.O. Tax abatement bonds	8,915,000	10,905,000	—	—	8,915,000	10,905,000
General obligation improvement bonds	9,380,000	10,680,000	—	—	9,380,000	10,680,000
General obligation revenue bonds	—	—	13,525,000	15,690,000	13,525,000	15,690,000
General obligation revenue notes	—	—	6,550,000	6,967,000	6,550,000	6,967,000
Lease liability	456,405	201,352	—	—	456,405	201,352
Technology subscriptions liability	741,543	—	—	—	741,543	—
<b>Total</b>	<b>\$ 42,122,948</b>	<b>\$ 45,891,352</b>	<b>\$ 20,075,000</b>	<b>\$ 22,657,000</b>	<b>\$ 62,197,948</b>	<b>\$ 68,548,352</b>

The City’s total debt decreased by \$6,350,000 during the current fiscal year. The decrease was the result of scheduled retirement of principal. No bonds were issued in 2023.

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 \$267,857,000, which is significantly in excess of the City's general obligation debt applicable to the limit of \$20,680,000.

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

## **Economic Factors and Next Year's Budgets and Rates**

The City has completed comprehensive 5-year financial plans for all budgeted funds. These plans provide a future perspective to today's decision making. The projections provide an estimate of future fund balances, tax needs for the current service level and the impact that the 2024 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 2023 levels with a 7.6% increase in the property tax levy for 2024. The City plans to increase staffing levels over multiple years to better match the level of services provided. The City Council adopted a general operating and debt budget of \$123.7 million for fiscal year 2024, a 43.3% increase from the 2023 budget. The 2024 budget for the enterprise funds is \$40.9 million compared to \$35.3 million for 2023.

- Significant budget changes worth noting for 2024 general operating budget as originally adopted include:
  - Implementation of the second year of the Organization Analysis with an increase in staffing levels of 12 full time equivalent positions.
  - First year of a phased implementation of an updated compensation plan for employees.
  - Issuance of bonds and related expenses of \$26.0 million for municipal facility improvements for a Police/City Hall renovation.
  - Maintained funding for infrastructure and parks.
  - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
- The 2024 enterprise fund budget changes include the following:
  - Capital improvements in the Water and Sewer and Storm Water funds include rehabilitation and maintenance of utility infrastructure as part of the City's street projects and other storm water management projects across the City.
  - Issuance of bonds and related debt service payments for the water and sewer portion of the street reconstruction program.
- The December 2023 unemployment rate for the City was 2.6 percent, which compares favorably with the state's unemployment rate of 2.8 percent and the national unemployment rate of 3.6 percent.
- The City had a 0.5 percent decrease in tax base from 2023 to 2024. Estimated taxable market value was \$8.9 billion in 2023.

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

The City has been instituting an increase in the rates charged for the various utilities as part of a multi-year plan to raise sufficient reserve balances in order to fully cover system depreciation, thereby allowing for adequate replacement of aging infrastructure. The City contracted to complete a comprehensive utility rate study for the water and sewer and storm water utility funds. The rate study results are considered revenue neutral and are designed only to generate enough revenue needed to maintain adequate fund balances. Pursuant to the rate study, it was determined that rate increases for 2024 (3.5% for water service, 7.0% for sewer service, and 2.5% for storm water rates) were necessary to meet operating and capital replacement needs. No rate increase was necessary in 2024 for the Street Lighting Fund to meet operating and capital replacement needs.

## **Requests for Information**

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

# Basic Financial Statements



**City of Burnsville**  
**Statement of Net Position**  
**December 31, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 82,406,862	\$ 24,965,877	\$ 107,372,739
Receivables (net)	22,270,441	7,196,969	29,467,410
Due from other governments	8,154,523	214,737	8,369,260
Prepaid items	—	42,084	42,084
Capital assets:			
Land	21,394,922	3,237,899	24,632,821
Permanent easements	4,924,492	4,608,483	9,532,975
Construction in progress	2,754,699	311,198	3,065,897
Buildings	54,099,568	44,090,419	98,189,987
Infrastructure and improvements	208,071,618	191,565,615	399,637,233
Equipment and vehicles	33,322,042	8,153,390	41,475,432
Leased equipment	1,046,902	—	1,046,902
Technology subscriptions	1,128,195	—	1,128,195
	<u>326,742,438</u>	<u>251,967,004</u>	<u>578,709,442</u>
Less accumulated depreciation/amortization	(170,799,720)	(131,796,906)	(302,596,626)
Net capital assets	<u>155,942,718</u>	<u>120,170,098</u>	<u>276,112,816</u>
Total assets	<u>268,774,544</u>	<u>152,589,765</u>	<u>421,364,309</u>
<b>Deferred Outflows of resources</b>			
Deferred outflows of resources - other post-employment benefits	5,859,928	—	5,859,928
Deferred outflows of resources - pensions	32,503,626	446,778	32,950,404
Total deferred outflows of resources	<u>38,363,554</u>	<u>446,778</u>	<u>38,810,332</u>
Total assets and deferred outflows of resources	<u>\$ 307,138,098</u>	<u>\$ 153,036,543</u>	<u>\$ 460,174,641</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,144,053	\$ 724,107	\$ 1,868,160
Salaries and other compensation payable	2,238,744	3,608	2,242,352
Accrued interest	131,663	110,064	241,727
Contracts payable	703,927	60,001	763,928
Due to other governments	651,119	22,789	673,908
Unearned revenue	3,301,124	—	3,301,124
Customer and other deposits	3,361,189	64,372	3,425,561
Noncurrent liabilities:			
Due within one year	6,548,439	2,590,512	9,138,951
Due in more than one year	84,517,347	20,570,702	105,088,049
Total liabilities	<u>102,597,605</u>	<u>24,146,155</u>	<u>126,743,760</u>
<b>Deferred Inflows of resources</b>			
Deferred inflows of resources - other post-employment benefits	3,238,886	—	3,238,886
Deferred inflows of resources - pensions	32,011,186	532,276	32,543,462
Deferred inflows of resources - lease revenue for subsequent years	11,475,037	189,836	11,664,873
Total deferred inflows of resources	<u>46,725,109</u>	<u>722,112</u>	<u>47,447,221</u>
<b>Net Position</b>			
Net investment in capital assets	120,940,298	99,024,723	210,922,788
Restricted			
Debt service	11,872,024	—	11,872,024
Landfill abatement	1,063,734	—	1,063,734
Public safety	2,828,097	—	2,828,097
State-funded street projects	4,120,260	—	4,120,260
Unrestricted	16,990,971	29,143,553	55,176,757
Total net position	<u>157,815,384</u>	<u>128,168,276</u>	<u>285,983,660</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 307,138,098</u>	<u>\$ 153,036,543</u>	<u>\$ 460,174,641</u>

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

**City of Burnsville  
Statement of Activities  
For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 10,571,108	\$ 1,726,820	\$ —	\$ —	\$ (8,844,288)	\$ —	\$ (8,844,288)
Public safety	37,398,025	6,816,385	4,370,548	—	(26,211,092)	—	(26,211,092)
Public works and parks	18,179,904	4,263,026	1,203,171	5,104,454	(7,609,253)	—	(7,609,253)
Culture and recreation	1,447,158	480,458	69,376	—	(897,324)	—	(897,324)
Conservation of natural resources	1,458,326	7,623	313,453	—	(1,137,250)	—	(1,137,250)
Economic development	560,065	—	4,765	—	(555,300)	—	(555,300)
Interest on long-term debt	1,169,503	—	—	—	(1,169,503)	—	(1,169,503)
Total governmental activities	<u>70,784,089</u>	<u>13,294,312</u>	<u>5,961,313</u>	<u>5,104,454</u>	<u>(46,424,010)</u>	<u>—</u>	<u>(46,424,010)</u>
Business-Type Activities:							
Water and sewer	22,002,160	20,407,004	123	255,993	—	(1,339,040)	(1,339,040)
Storm water	4,750,457	4,793,653	95,062	55,541	—	193,799	193,799
Performing arts center	2,863,507	2,574,840	—	—	—	(288,667)	(288,667)
Ice arena	1,470,429	1,118,049	41	—	—	(352,339)	(352,339)
Golf course	432,835	426,682	14	—	—	(6,139)	(6,139)
Street lighting	459,523	604,155	—	—	—	144,632	144,632
Total business-type activities	<u>31,978,911</u>	<u>29,924,383</u>	<u>95,240</u>	<u>311,534</u>	<u>—</u>	<u>(1,647,754)</u>	<u>(1,647,754)</u>
Total governmental and business-type activities	<u>\$102,763,000</u>	<u>\$ 43,218,695</u>	<u>\$ 6,056,553</u>	<u>\$ 5,415,988</u>	<u>(46,424,010)</u>	<u>(1,647,754)</u>	<u>(48,071,764)</u>
General Revenues:							
Property taxes					46,790,405	—	46,790,405
Lodging tax					349,871	—	349,871
Franchise taxes					5,870,748	—	5,870,748
Grants and contributions not restricted to specific programs					3,163,204	—	3,163,204
Unrestricted investment earnings					4,051,477	842,593	4,894,070
Transfers					608,032	(608,032)	—
Total general revenues and transfers					<u>60,833,737</u>	<u>234,561</u>	<u>61,068,298</u>
Change in Net Position					<u>14,409,727</u>	<u>(1,413,193)</u>	<u>12,996,534</u>
Net Position - Beginning					<u>143,405,657</u>	<u>129,581,469</u>	<u>272,987,126</u>
Net Position - Ending					<u>\$ 157,815,384</u>	<u>\$128,168,276</u>	<u>\$285,983,660</u>

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

**City of Burnsville  
Balance Sheet  
Governmental Funds  
December 31, 2023**

	General	Grant Fund	GO Improvement Bonds	Infrastructure Trust (ITF) Capital Fund	Improvement Construction Capital Fund	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash, cash equivalents, and investments	\$ 33,852,998	\$ 3,540,274	\$ 4,136,405	\$ 3,158,185	\$ 4,284	\$ 9,829,614	\$ 24,264,001	\$ 78,785,761
Receivables, net of allowance for uncollectible amounts:								
Property taxes	214,888	—	—	13,215	—	—	36,518	264,621
Special assessments	76,900	—	5,592,165	—	85,632	—	—	5,754,697
Mortgages	—	—	—	—	—	—	215,084	215,084
Accrued interest	755,348	—	—	—	—	—	—	755,348
Accounts	1,517,326	—	—	—	—	1,349,412	313,195	3,179,933
Leases	12,097,776	—	—	—	—	—	—	12,097,776
Due from other funds	800,000	—	—	—	—	—	—	800,000
Due from other governments	2,262,827	—	22,707	4,240,234	453,384	62	1,175,309	8,154,523
Advances to other funds	1,774,421	—	—	—	—	—	—	1,774,421
<b>Total Assets</b>	<b>\$ 53,352,484</b>	<b>\$ 3,540,274</b>	<b>\$ 9,751,277</b>	<b>\$ 7,411,634</b>	<b>\$ 543,300</b>	<b>\$ 11,179,088</b>	<b>\$ 26,004,107</b>	<b>\$111,782,164</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 718,732	\$ —	\$ 1,121	\$ —	\$ 138,128	\$ 80,884	\$ 189,069	\$ 1,127,934
Salaries and other compensation payable	2,238,744	—	—	—	—	—	—	2,238,744
Contracts payable	—	—	—	—	678,889	—	25,038	703,927
Due to other funds	—	—	—	—	800,000	—	—	800,000
Due to other governments	133,960	—	—	—	499,286	—	17,873	651,119
Unearned revenue	—	3,301,124	—	—	—	—	—	3,301,124
Customer and other deposits	3,360,049	—	—	—	—	—	1,140	3,361,189
Advances from other funds	—	—	—	—	—	—	1,774,421	1,774,421
<b>Total Liabilities</b>	<b>6,451,485</b>	<b>3,301,124</b>	<b>1,121</b>	<b>—</b>	<b>2,116,303</b>	<b>80,884</b>	<b>2,007,541</b>	<b>13,958,458</b>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue - property taxes	214,888	—	—	13,215	—	—	36,518	264,621
Unavailable revenue - special assessments	—	—	5,592,165	—	85,632	—	—	5,677,797
Unavailable revenue - long-term receivable	—	—	—	4,120,260	—	—	—	4,120,260
Lease revenue for subsequent years	11,475,037	—	—	—	—	—	—	11,475,037
Unavailable revenue - other revenue	733,100	—	—	—	—	—	—	733,100
<b>Total Deferred Inflows of Resources</b>	<b>12,423,025</b>	<b>—</b>	<b>5,592,165</b>	<b>4,133,475</b>	<b>85,632</b>	<b>—</b>	<b>36,518</b>	<b>22,270,815</b>
<b>Fund Balances (Deficits):</b>								
Nonspendable	1,774,421	—	—	—	—	—	—	1,774,421
Restricted	712,825	—	4,157,991	—	—	318,382	6,515,601	11,704,799
Committed	—	239,150	—	3,278,159	—	10,779,822	3,617,754	17,914,885
Assigned	—	—	—	—	—	—	15,190,269	15,190,269
Unassigned	31,990,728	—	—	—	(1,658,635)	—	(1,363,576)	28,968,517
<b>Total Fund Balances (Deficits)</b>	<b>34,477,974</b>	<b>239,150</b>	<b>4,157,991</b>	<b>3,278,159</b>	<b>(1,658,635)</b>	<b>11,098,204</b>	<b>23,960,048</b>	<b>75,552,891</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 53,352,484</b>	<b>\$ 3,540,274</b>	<b>\$ 9,751,277</b>	<b>\$ 7,411,634</b>	<b>\$ 543,300</b>	<b>\$ 11,179,088</b>	<b>\$ 26,004,107</b>	<b>\$111,782,164</b>

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

**City of Burnsville  
Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
December 31, 2023**

Total governmental fund balances	\$	75,552,891
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		326,742,438
Accumulated depreciation/amortization		(170,799,720)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Receivables, primarily special assessments and Municipal State Aid (MSA) funding		10,795,778
The internal service fund is used by management to charge the costs of compensated absences and dental self insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Cash		3,621,101
Accrued compensated absences		(4,491,760)
Dental self insurance		(13,137)
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		(12,544,787)
Net pension liability		(29,264,920)
Bonds payable, net of unamortized discounts and premiums		(43,566,371)
Lease liability		(456,405)
Technology subscriptions liability		(741,543)
Accrued interest payable		(131,663)
Governmental funds do not report long-term amounts related to pensions and OPEB		
Deferred outflows of resources - OPEB		5,859,928
Deferred inflows of resources - OPEB		(3,238,886)
Deferred outflows of resources - pensions		32,503,626
Deferred inflows of resources - pensions		(32,011,186)
Net position of governmental activities	\$	<u>157,815,384</u>

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, 2023**

	General	Grant Fund	GO Improvement Bonds	Infrastructure Trust (ITF) Capital Fund	Improvement Construction Capital Fund	Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 37,245,715	\$ —	\$ 232,202	\$ 2,318,000	\$ —	\$ 66	\$ 7,081,761	\$ 46,877,744
Special assessments	3,243	—	1,163,549	—	507,946	—	—	1,674,738
Licenses and permits	2,678,364	—	—	—	—	—	2,385	2,680,749
Other taxes	349,871	—	—	—	—	5,277,208	593,540	6,220,619
Intergovernmental revenue	5,494,858	15,186	—	2,307,306	692,117	—	3,591,293	12,100,760
Charges for services	6,875,798	—	—	—	—	545,053	1,922,560	9,343,411
Fines and forfeits	246,902	—	—	—	—	—	2,875	249,777
Interest on investments (charges)	1,084,853	155,565	142,479	218,592	(113,153)	270,804	644,401	2,403,541
Net change in fair value of investments	1,537,759	—	—	—	—	—	—	1,537,759
Miscellaneous revenue	1,252,806	—	—	—	—	6,134	710,196	1,969,136
Total Revenues	<u>56,770,169</u>	<u>170,751</u>	<u>1,538,230</u>	<u>4,843,898</u>	<u>1,086,910</u>	<u>6,099,265</u>	<u>14,549,011</u>	<u>85,058,234</u>
<b>Expenditures</b>								
Current:								
General government	7,848,160	—	—	—	—	42,154	848,286	8,738,600
Public safety	30,481,326	15,186	—	—	—	11,731	1,119,648	31,627,891
Public works and parks	7,916,838	—	—	—	—	—	949,564	8,866,402
Culture and recreation	1,272,688	—	—	—	—	—	55,936	1,328,624
Conservation of natural resources	716,452	—	—	—	—	—	664,463	1,380,915
Economic development	449,037	—	—	—	—	—	94,609	543,646
Capital outlay:								
General government	—	—	—	—	—	377,716	1,059,510	1,437,226
Public safety	—	—	—	—	—	112,476	—	112,476
Public works and parks	—	—	—	—	—	8,380	1,088,534	1,096,914
Culture and recreation	—	—	—	—	—	177,256	—	177,256
Infrastructure	—	—	—	6,483,362	2,621,558	—	28,593	9,133,513
Debt service:								
Principal	347,625	—	1,300,000	—	—	—	3,867,219	5,514,844
Interest	193	—	356,444	—	—	—	1,056,983	1,413,620
Fiscal agent fees	—	—	8,765	—	—	—	7,660	16,425
Total Expenditures	<u>49,032,319</u>	<u>15,186</u>	<u>1,665,209</u>	<u>6,483,362</u>	<u>2,621,558</u>	<u>729,713</u>	<u>10,841,005</u>	<u>71,388,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,737,850</u>	<u>155,565</u>	<u>(126,979)</u>	<u>(1,639,464)</u>	<u>(1,534,648)</u>	<u>5,369,552</u>	<u>3,708,006</u>	<u>13,669,882</u>
<b>Other Financing Sources (Uses)</b>								
Leases issued	—	—	—	—	—	—	618,245	618,245
Technology subscriptions issued	—	—	—	—	—	—	441,265	441,265
Sale of capital assets	—	—	—	—	—	—	65,284	65,284
Transfers in	335,000	—	—	—	—	140,520	3,438,321	3,913,841
Transfers out	(522,812)	—	—	(25,000)	—	(1,858,205)	(685,034)	(3,091,051)
Total other financing sources (uses)	<u>(187,812)</u>	<u>—</u>	<u>—</u>	<u>(25,000)</u>	<u>—</u>	<u>(1,717,685)</u>	<u>3,878,081</u>	<u>1,947,584</u>
Net Change in Fund Balances	7,550,038	155,565	(126,979)	(1,664,464)	(1,534,648)	3,651,867	7,586,087	15,617,466
Fund Balances (Deficits) - Beginning	26,927,936	83,585	4,284,970	4,942,623	(123,987)	7,446,337	16,373,961	59,935,425
Fund Balances (Deficits) - Ending	<u>\$ 34,477,974</u>	<u>\$ 239,150</u>	<u>\$ 4,157,991</u>	<u>\$ 3,278,159</u>	<u>\$ (1,658,635)</u>	<u>\$ 11,098,204</u>	<u>\$ 23,960,048</u>	<u>\$ 75,552,891</u>

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



**City of Burnsville**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2023**

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

Net change in fund balances - total governmental funds	\$	15,617,466
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.</p>		
Capital outlay		9,714,846
Depreciation/amortization expense		(9,316,767)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
Net book value of capital assets disposed		(130,820)
Transfers of capital assets to business-type activities		(214,758)
Donations of capital assets		28,311
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(667,562)
<p>The issuance of long-term debt (e.g., bonds, leases, technology subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt issued:		
Lease financing		(618,245)
Technology subscription financing		(441,265)
Principal repayments:		
General obligation debt		4,765,000
Leases		363,192
Technology subscriptions		386,652
Amortization of premiums and discounts		299,311
<p>Some expenses reported in the statement of activities do not provide or do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest expense		(38,769)
Net other post-employment benefit obligations expense		(1,182,721)
Pension expense		(3,811,255)
<p>The internal service fund is used by management to charge the costs of compensated absences and dental self insurance to individual funds.</p>		
		(453,066)
<p>The investment earnings of internal service funds is reported with governmental activities.</p>		
		110,177
Change in net position of governmental activities	\$	14,409,727

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 37,294,374	\$ 37,294,374	\$ 37,245,715	\$ (48,659)
Special assessments	8,700	8,700	3,243	(5,457)
Licenses and permits	2,394,931	2,394,931	2,678,364	283,433
Other taxes	295,000	295,000	349,871	54,871
Intergovernmental revenue	2,035,744	2,035,744	5,494,858	3,459,114
Charges for services	6,406,456	6,406,456	6,875,798	469,342
Fines and forfeits	194,170	194,170	246,902	52,732
Interest on investments	476,600	476,600	1,084,853	608,253
Net change in fair value of investments	—	—	1,537,759	1,537,759
Miscellaneous revenue	936,162	936,162	1,252,806	316,644
<b>Total Revenues</b>	<u>50,042,137</u>	<u>50,042,137</u>	<u>56,770,169</u>	<u>6,728,032</u>
<b>Expenditures</b>				
Current:				
General government	9,494,619	9,494,619	7,848,160	1,646,459
Public safety	30,709,292	30,709,292	30,481,326	227,966
Public works and parks	7,960,660	7,960,660	7,916,838	43,822
Culture & recreation	1,261,463	1,261,463	1,272,688	(11,225)
Conservation of natural resources	773,964	773,964	716,452	57,512
Economic development	503,007	503,007	449,037	53,970
Debt Service:				
Principal	—	—	347,625	(347,625)
Interest	—	—	193	(193)
<b>Total Expenditures</b>	<u>50,703,005</u>	<u>50,703,005</u>	<u>49,032,319</u>	<u>1,670,686</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(660,868)	(660,868)	7,737,850	8,398,718
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,335,000	3,335,000	335,000	(3,000,000)
Transfers out	(522,812)	(522,812)	(522,812)	—
<b>Total other financing sources (uses)</b>	<u>2,812,188</u>	<u>2,812,188</u>	<u>(187,812)</u>	<u>(3,000,000)</u>
Net Change in Fund Balances	2,151,320	2,151,320	7,550,038	5,398,718
Fund Balances - Beginning	26,927,936	26,927,936	26,927,936	—
<b>Fund Balances - Ending</b>	<u>\$ 29,079,256</u>	<u>\$ 29,079,256</u>	<u>\$ 34,477,974</u>	<u>\$ 5,398,718</u>

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

**City of Burnsville**  
**Grant Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenue	\$ 67,956	\$ 111,956	\$ 15,186	\$ (96,770)
Interest on investments	20,000	20,000	155,565	135,565
Total Revenues	<u>87,956</u>	<u>131,956</u>	<u>170,751</u>	<u>38,795</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Fire	—	44,000	15,186	28,814
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,956	87,956	155,565	67,609
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(3,000,000)</u>	<u>(3,000,000)</u>	—	<u>3,000,000</u>
Net Change in Fund Balances	(2,912,044)	(2,912,044)	155,565	3,067,609
Fund Balances - Beginning	83,585	83,585	83,585	—
Fund Balances - Ending	<u><u>\$ (2,828,459)</u></u>	<u><u>\$ (2,828,459)</u></u>	<u><u>\$ 239,150</u></u>	<u><u>\$ 3,067,609</u></u>

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

**City of Burnsville  
Statement of Net Position  
Proprietary Funds  
December 31, 2023**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Storm Water</b>	<b>Ames Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>Assets</b>						
<b>Current Assets:</b>						
Cash, cash equivalents and investments	\$ 12,095,071	\$ 8,224,398	\$ 2,863,549	\$ 1,782,859	\$ 24,965,877	\$ 3,621,101
<b>Special assessments receivable:</b>						
Delinquent	26,967	1,050	—	—	28,017	—
Deferred, current portion	10,698	16,379	—	—	27,077	—
Accounts receivable	4,470,086	890,522	924,333	238,251	6,523,192	2,982
Leases receivable, current portion	21,467	—	—	—	21,467	—
Due from other governments	119,957	94,780	—	—	214,737	—
Prepaid items	—	—	42,084	—	42,084	—
<b>Total Current Assets</b>	<b>16,744,246</b>	<b>9,227,129</b>	<b>3,829,966</b>	<b>2,021,110</b>	<b>31,822,451</b>	<b>3,624,083</b>
<b>Noncurrent Assets:</b>						
Deferred special assessments receivable, less current portion	134,204	272,779	—	—	406,983	—
Leases receivable, less current portion	190,233	—	—	—	190,233	—
<b>Capital Assets:</b>						
Land	319,892	2,160,687	—	757,320	3,237,899	—
Permanent easements	1,908,100	2,700,383	—	—	4,608,483	—
Construction in progress	311,198	—	—	—	311,198	—
Buildings	20,735,701	—	20,364,622	2,990,096	44,090,419	—
Infrastructure and improvements	111,813,845	70,007,830	419,265	9,324,675	191,565,615	—
Equipment and vehicles	5,013,609	1,495,236	691,621	952,924	8,153,390	—
Less accumulated depreciation	(72,493,007)	(42,441,539)	(8,183,988)	(8,678,372)	(131,796,906)	—
<b>Total capital assets (net of accumulated depreciation)</b>	<b>67,609,338</b>	<b>33,922,597</b>	<b>13,291,520</b>	<b>5,346,643</b>	<b>120,170,098</b>	<b>—</b>
<b>Total Noncurrent Assets</b>	<b>67,933,775</b>	<b>34,195,376</b>	<b>13,291,520</b>	<b>5,346,643</b>	<b>120,767,314</b>	<b>—</b>
<b>Total Assets</b>	<b>84,678,021</b>	<b>43,422,505</b>	<b>17,121,486</b>	<b>7,367,753</b>	<b>152,589,765</b>	<b>3,624,083</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources - pensions	268,067	59,570	—	119,141	446,778	—
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Current maturities of long term debt	2,548,000	—	—	—	2,548,000	—
Salaries and other compensation payable	3,088	520	—	—	3,608	—
Accrued compensated absences, current portion	22,207	7,590	—	12,715	42,512	449,176
Accounts payable	320,726	44,881	259,101	99,399	724,107	16,119
Accrued interest	110,064	—	—	—	110,064	—
Contracts payable	45,454	12,502	—	2,045	60,001	—
Due to other governments	19,546	720	—	2,523	22,789	—
Customer and other deposits	56,716	821	—	6,835	64,372	—
<b>Total Current Liabilities</b>	<b>3,125,801</b>	<b>67,034</b>	<b>259,101</b>	<b>123,517</b>	<b>3,575,453</b>	<b>465,295</b>
<b>Noncurrent Liabilities:</b>						
General obligation bonds and notes payable, less current maturities	18,537,374	—	—	—	18,537,374	—
Accrued compensated absences, net of current portion	199,862	68,307	—	114,434	382,603	4,042,584
Net pension liability	990,435	220,097	—	440,193	1,650,725	—
<b>Total Noncurrent Liabilities</b>	<b>19,727,671</b>	<b>288,404</b>	<b>—</b>	<b>554,627</b>	<b>20,570,702</b>	<b>4,042,584</b>
<b>Total Liabilities</b>	<b>22,853,472</b>	<b>355,438</b>	<b>259,101</b>	<b>678,144</b>	<b>24,146,155</b>	<b>4,507,879</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources - pensions	319,366	70,970	—	141,940	532,276	—
Deferred inflows of resources - lease revenue for subsequent years	189,836	—	—	—	189,836	—
<b>Total Deferred Inflows of Resources</b>	<b>509,202</b>	<b>70,970</b>	<b>—</b>	<b>141,940</b>	<b>722,112</b>	<b>—</b>
<b>Net Position</b>						
Net investment in capital assets	46,478,510	33,910,095	13,291,520	5,344,598	99,024,723	—
Unrestricted	15,104,904	9,145,572	3,570,865	1,322,212	29,143,553	(883,796)
<b>Total Net Position</b>	<b>\$ 61,583,414</b>	<b>\$ 43,055,667</b>	<b>\$16,862,385</b>	<b>\$ 6,666,810</b>	<b>\$ 128,168,276</b>	<b>\$ (883,796)</b>

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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Storm Water</b>	<b>Ames Center</b>	<b>Other Enterprise Funds</b>		
<b>Operating Revenues</b>						
Charges for services	\$ 20,249,799	\$ 4,755,651	\$ 2,185,466	\$ 2,148,880	\$ 29,339,796	\$ 660,770
<b>Operating Expenses</b>						
Personnel services	5,335,536	1,383,351	—	1,021,200	7,740,087	844,539
Contracted labor	—	—	1,248,490	—	1,248,490	—
Sanitary sewer disposal costs	5,710,350	—	—	—	5,710,350	—
Repairs and maintenance	3,107,429	1,135,165	118,549	22,029	4,383,172	—
Utilities	1,085,997	44,732	117,388	573,492	1,821,609	—
Other operating expenses	2,915,713	682,252	794,407	210,411	4,602,783	269,297
Depreciation	3,336,873	1,504,953	584,673	554,350	5,980,849	—
Total Operating Expenses	<u>21,491,898</u>	<u>4,750,453</u>	<u>2,863,507</u>	<u>2,381,482</u>	<u>31,487,340</u>	<u>1,113,836</u>
Operating Income (Loss)	<u>(1,242,099)</u>	<u>5,198</u>	<u>(678,041)</u>	<u>(232,602)</u>	<u>(2,147,544)</u>	<u>(453,066)</u>
<b>Nonoperating Revenues (Expenses)</b>						
Intergovernmental	123	95,062	—	55	95,240	—
Investment earnings	455,162	242,622	91,463	53,346	842,593	110,177
Other income	157,205	38,002	389,374	6	584,587	—
Gain on disposal of capital assets	—	—	—	18,695	18,695	—
Loss on disposal of capital assets	(16,164)	(4)	—	—	(16,168)	—
Interest expense	(494,098)	—	—	—	(494,098)	—
Total Nonoperating Revenues (Expenses)	<u>102,228</u>	<u>375,682</u>	<u>480,837</u>	<u>72,102</u>	<u>1,030,849</u>	<u>110,177</u>
Income (Loss) Before Contributions and Transfers	<u>(1,139,871)</u>	<u>380,880</u>	<u>(197,204)</u>	<u>(160,500)</u>	<u>(1,116,695)</u>	<u>(342,889)</u>
<b>Capital Contributions and Transfers</b>						
Capital contributions - connection charges	249,945	49,493	—	—	299,438	—
Capital contributions - from other funds	—	—	—	214,758	214,758	—
Capital contributions - from others	6,048	6,048	—	—	12,096	—
Transfers out	(726,835)	(95,955)	—	—	(822,790)	—
Total Capital Contributions and Transfers	<u>(470,842)</u>	<u>(40,414)</u>	<u>—</u>	<u>214,758</u>	<u>(296,498)</u>	<u>—</u>
Change in Net Position	(1,610,713)	340,466	(197,204)	54,258	(1,413,193)	(342,889)
Total Net Position - Beginning	63,194,127	42,715,201	17,059,589	6,612,552	129,581,469	(540,907)
Total Net Position - Ending	<u>\$ 61,583,414</u>	<u>\$ 43,055,667</u>	<u>\$ 16,862,385</u>	<u>\$ 6,666,810</u>	<u>\$ 128,168,276</u>	<u>\$ (883,796)</u>

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

**City of Burnsville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 19,810,391	\$ 4,662,128	\$ 2,169,948	\$ 2,051,258	\$ 28,693,725	\$ —
Receipts from interfund services provided	—	—	—	—	—	660,126
Payments to suppliers	(13,187,226)	(2,134,566)	(2,224,912)	(919,927)	(18,466,631)	(258,474)
Payments to employees	(5,265,961)	(1,366,669)	—	(971,661)	(7,604,291)	(281,989)
Net cash provided (used) by operating activities	<u>1,357,204</u>	<u>1,160,893</u>	<u>(54,964)</u>	<u>159,670</u>	<u>2,622,803</u>	<u>119,663</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Grants and host fees	145,656	359,467	389,374	61	894,558	—
Transfers out	(726,835)	(95,955)	—	—	(822,790)	—
Net cash provided (used) by noncapital financing activities	<u>(581,179)</u>	<u>263,512</u>	<u>389,374</u>	<u>61</u>	<u>71,768</u>	<u>—</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Receipts from connection charges	249,945	49,493	—	—	299,438	—
Purchase or construction of capital assets	(1,714,443)	(278,077)	(38,916)	(124,020)	(2,155,456)	—
Principal payments on bonds and notes payable	(2,582,000)	—	—	—	(2,582,000)	—
Interest and fiscal agent fees paid on bonds and notes	(631,826)	—	—	—	(631,826)	—
Net cash provided (used) by capital and related financing activities	<u>(4,678,324)</u>	<u>(228,584)</u>	<u>(38,916)</u>	<u>(124,020)</u>	<u>(5,069,844)</u>	<u>—</u>
<b>Cash Flows from Investing Activities</b>						
Investment earnings	455,162	242,622	91,463	53,346	842,593	110,177
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(3,447,137)</u>	<u>1,438,443</u>	<u>386,957</u>	<u>89,057</u>	<u>(1,532,680)</u>	<u>229,840</u>
<b>Cash and Cash Equivalents</b>						
Beginning	15,542,208	6,785,955	2,476,592	1,693,802	26,498,557	3,391,261
Ending	<u>\$ 12,095,071</u>	<u>\$ 8,224,398</u>	<u>\$ 2,863,549</u>	<u>\$ 1,782,859</u>	<u>\$ 24,965,877</u>	<u>\$ 3,621,101</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating income (loss)	\$ (1,242,099)	\$ 5,198	\$ (678,041)	\$ (232,602)	\$ (2,147,544)	\$ (453,066)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,336,873	1,504,953	584,673	554,350	5,980,849	—
(Increase) decrease in assets:						
Receivables	\$ (440,700)	(36,680)	(15,518)	(93,151)	(586,049)	(644)
Due from other governments	(58,156)	(56,680)	—	—	(114,836)	—
Prepays	—	—	(133)	—	(133)	—
(Increase) decrease in deferred outflows of resources:						
Pensions	196,122	43,583	—	87,166	326,871	—
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	(2,047)	766	—	17,706	16,425	562,550
Accounts payable	(101,570)	(57,892)	54,055	(113,289)	(218,696)	10,823
Contracts payable	(285,713)	(211,865)	—	(1,465)	(499,043)	—
Due to other governments	19,546	(2,660)	—	818	17,704	—
Customer deposits	14,747	(163)	—	(4,530)	10,054	—
Net pension liability	(423,766)	(94,170)	—	(188,340)	(706,276)	—
(Decrease) increase in deferred inflows of resources:						
Pensions	299,266	66,503	—	133,007	498,776	—
Leases receivable in subsequent years	44,701	—	—	—	44,701	—
Net cash provided (used) by operating activities	<u>\$ 1,357,204</u>	<u>\$ 1,160,893</u>	<u>\$ (54,964)</u>	<u>\$ 159,670</u>	<u>\$ 2,622,803</u>	<u>\$ 119,663</u>
<b>Noncash investing, capital, and financing activities</b>						
Capital assets contributed from other funds	\$ —	\$ —	\$ —	\$ 214,758	\$ 214,758	\$ —
Capital assets contributed from others	\$ 6,048	\$ 6,048	\$ —	\$ —	\$ 12,096	\$ —
Lease revenue over lease receivable payments	\$ 14,236	\$ —	\$ —	\$ —	\$ 14,236	\$ —
Net book value of capital asset disposals	\$ (16,164)	\$ (4)	\$ —	\$ 11,305	\$ (4,863)	\$ —
Trade in on capital asset purchase	\$ —	\$ —	\$ —	\$ 30,000	\$ 30,000	\$ —
Amortization of bond premium	\$ 178,830	\$ —	\$ —	\$ —	\$ 178,830	\$ —
Payments of capital assets on account	\$ (45,454)	\$ (12,502)	\$ —	\$ —	\$ (57,956)	\$ —

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

# CITY OF BURNSVILLE, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

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

The City reports the following major governmental funds:

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

The *Grant Special Revenue Fund* was established in 1996 to account for the revenues and expenditures related to federal and state financial assistance programs.

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

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

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



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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

- *General Obligation Bonds Fund* - Accounts for the accumulation of resources for the payment of general obligation bonds or other general indebtedness and interest thereon.
- *General Obligation Tax Abatement Bonds Fund* - Accounts for the accumulation of resources for payment of principal and interest on general obligation tax abatement bonds.
- *Certificate of Indebtedness Fund* - Accounts for the accumulation of resources for payment of principal and interest on equipment certificate bonds.

- *Tax Increment Bonds Fund* - Accounts for the accumulation of resources for payment of principal and interest on general obligation tax increment bonds

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

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

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

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

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

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

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

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

### **1. Deposits and investments**

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

Investments are generally stated at fair value, except for short-term highly liquid debt instruments (including commercial paper, bankers' acceptance, U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less, the 4M Fund, and money market mutual funds, which are reported at amortized cost.

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

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

See Note III. for the City's recurring fair value measurements as of December 31, 2023.

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

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

## **2. Receivables and payables**

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

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

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

## **3. Prepaid items**

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

#### 4. Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), and intangible assets such as easements, computer software, leases and subscriptions, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund type statement of net position. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Lease capital assets are recorded based on the measurement of payments applicable to the lease term. Technology subscriptions are recorded based on the measurement of any subscription liability plus the payments due to a subscription vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard.

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

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

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

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

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

#### 5. Compensated absences

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

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

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

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

The City also reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables in the government-wide Statement of Net Position, governmental funds balance sheet, and enterprise funds Statement of Net

Position. These amounts are deferred and amortized in a systematic and rational manner over the term of the lease.

## **8. Pensions**

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

## **9. Fund balances**

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

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

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

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

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

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

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

## **10. Use of estimates**

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

## **11. Net position**

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital

assets, consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position consists of all other elements of net position that does not meet the definition of restricted or net investment in capital assets. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

## **E. CHANGE IN ACCOUNTING PRINCIPLE**

### **1. Change in Accounting Principle**

During the year ended December 31, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. Certain amounts necessary to fully restate fiscal year 2022 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the City reporting new capital assets and long-term debt for technology subscriptions, but did not change beginning net position in the government-wide financial statements in the current year. See Note III for additional details on this change in the current year.

## **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, culture and recreation, conservation of natural resources, and economic development.) Additional information for departments or divisions by category is maintained as required by City policy. Budgetary control for the budgeted Special Revenue and Capital Projects Funds is maintained at the fund level.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2023, expenditures exceeded appropriations in the following funds:

General Fund culture and recreation function - over expenditures of \$(11,225) were offset by charges for services.

Improvement Construction Fund - over expenditures of \$(815,631) were offset by grant revenues and use of fund balance.

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

The Improvement Construction Capital Projects Fund had a deficit fund balance of \$(1,658,635) as of December 31, 2023. It is anticipated that the deficit will be financed by future project revenues.

The Tax Increment Capital Projects Fund had a deficit fund balance of \$(1,363,576) as of December 31, 2023. It is anticipated that the deficit will be financed by future revenues.

The Compensated Absences Internal Service Fund had a deficit net position balance of \$(1,027,482) as of December 31, 2023. It is anticipated that the deficit will be financed through future charges for services and interest income.

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

**Components of Cash and Investments**

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

Deposits	\$	2,244,591
Investments		105,124,298
Cash on hand		3,850
	\$	<u>107,372,739</u>

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

Primary Government:

Statement of net position -

Cash, cash equivalents, and investments \$ 107,372,739

**Deposits**

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

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

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

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



At year-end, the carrying amount of the City's deposits was \$2,244,591 and the bank deposit balances were \$2,713,363. The City's deposits at December 31, 2023, consisting of checking accounts and certificates of deposit, were entirely covered by insurance or by collateral held by the City's custodial bank in the City's name.

## Investments

At year-end, the City's investment balances were as follows:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years		Total
	Rating	Agency		Less than 1	1 to 10	
U.S. Treasury Securities	N/A	N/A	Level 2	\$ 1,132,530	\$ —	\$ 1,132,530
U.S. Agency Securities	Aaa	Moody's	Level 2	5,584,253	28,211,940	33,796,193
U.S. Agency Securities	AA	S&P	Level 2	1,960,300	6,856,250	8,816,550
Municipal Bonds	AAA	Moody's	Level 2	—	2,508,955	2,508,955
	AAA	S&P	Level 2	—	2,497,021	2,497,021
	AA	Moody's	Level 2	4,922,610	13,763,035	18,685,645
	AA	S&P	Level 2	577,866	1,553,380	2,131,246
Certificates of Deposit	BBB	S&P	Level 2	583,701	—	583,701
	NR	N/A	Level 2	3,896,401	7,666,071	11,562,472
Money market mutual funds						
Allspring Government	AAAm	S&P	Level 1	23,199,254	—	23,199,254
Ehlers Pershing	AAAm	S&P	Level 1	25,312	—	25,312
4M Fund	NR	N/A	Amortized Cost	185,419	—	185,419
Total investments				<u>\$42,067,646</u>	<u>\$63,056,652</u>	<u>\$105,124,298</u>

NR - Not Rated

N/A - Not Applicable

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

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

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

The City's investment with the 4M fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is 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 include 5 percent or more in securities of a single issuer:

<u>Issuer</u>	<u>% of Total Portfolio</u>
FHLB-Federal Home Loan Bank	16.73%
FFCB-Federal Farm Credit Bank	14.46%
FHLMC-Federal Home Loan Mortgage Corp	5.67%

**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, 2023 for the government's individual major funds, nonmajor funds in the aggregate, and internal service funds including the applicable allowances for uncollectible accounts, are as follows:

### Governmental Activities

	General	G.O. Improvement Bonds	Infrastructure Trust Fund	Improvement Construction	Facilities Capital Projects	Nonmajor Funds	Internal Service Funds	Governmental Activities Total
Receivables:								
Interest	\$ 755,348	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 755,348
Taxes	278,872	—	25,547	—	—	55,621	—	360,040
Accounts	6,211,348	—	—	—	1,349,412	313,195	2,982	7,876,937
Mortgages	—	—	—	—	—	215,084	—	215,084
Leases	12,097,776	—	—	—	—	—	—	12,097,776
Special assessments	76,900	5,592,165	—	85,632	—	—	—	5,754,697
Gross receivables	19,420,244	5,592,165	25,547	85,632	1,349,412	583,900	2,982	27,059,882
Less: allowance								
for uncollectibles	(4,758,006)	—	(12,332)	—	—	(19,103)	—	(4,789,441)
Net total receivables	\$14,662,238	\$ 5,592,165	\$ 13,215	\$ 85,632	\$ 1,349,412	\$ 564,797	\$ 2,982	\$ 22,270,441

### Business - Type Activities

	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business - Type Activities Total	Grand Total of All Funds
Receivables:						
Interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 755,348
Taxes	—	—	—	—	—	360,040
Accounts	4,470,086	890,522	924,333	238,251	6,523,192	14,400,129
Mortgages	—	—	—	—	—	215,084
Leases	211,700	—	—	—	211,700	12,309,476
Special assessments	171,869	290,208	—	—	462,077	6,216,774
Gross receivables	4,853,655	1,180,730	924,333	238,251	7,196,969	34,256,851
Less: allowance						
for uncollectibles	—	—	—	—	—	(4,789,441)
Net total receivables	\$ 4,853,655	\$ 1,180,730	\$ 924,333	\$ 238,251	\$ 7,196,969	\$ 29,467,410

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	\$ 264,621
Special assessments not yet due	5,677,797
Intergovernmental revenue	4,120,260
Charges for services	733,100
Leases revenue for subsequent years	11,475,037
	<u>\$ 22,270,815</u>

### Mortgage Receivable

The City has entered into mortgage receivable agreements for home rehabilitation loans. The loans are reporting using a rate ranging from two to three percent with a final maturity in 2042. During the current year, the City received principal and interest payments on these loans of \$29,085.

### Lease Receivable

The City has entered into lease receivable agreements for cell tower rental space and fiber on City property. The leases are reported using an incremental rate ranging from 0.4 to 18.0 percent with a final maturity in 2054. During the current year, the City received principal and interest payments on these leases of \$621,277.

## C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Governmental activities					Ending Balance
	Beginning Balance	Change in Accounting Principle *	Increases	Decreases	Transfers and Completed Construction	
Capital assets not being depreciated/amortized:						
Land	\$ 21,378,922	\$ —	\$ 16,000	\$ —	\$ —	\$ 21,394,922
Permanent easements	4,912,181	—	12,311	—	—	4,924,492
Construction in progress	2,093,398	—	7,928,746	—	(7,267,445)	2,754,699
<b>Total capital assets not being depreciated/amortized</b>	<b>28,384,501</b>	<b>—</b>	<b>7,957,057</b>	<b>—</b>	<b>(7,267,445)</b>	<b>29,074,113</b>
Capital assets being depreciated/amortized:						
Buildings	54,099,568	—	—	—	—	54,099,568
Infrastructure and improvements	201,947,541	—	—	(928,610)	7,052,687	208,071,618
Equipment and vehicles	33,011,290	—	726,590	(415,838)	—	33,322,042
Leased equipment	428,657	—	618,245	—	—	1,046,902
Technology subscriptions	—	686,930	441,265	—	—	1,128,195
<b>Total capital assets being depreciated/amortized</b>	<b>289,487,056</b>	<b>686,930</b>	<b>1,786,100</b>	<b>(1,344,448)</b>	<b>7,052,687</b>	<b>297,668,325</b>
Less accumulated depreciation/amortization for:						
Buildings	(18,057,345)	—	(1,334,640)	—	—	(19,391,985)
Infrastructure and improvements	(124,458,788)	—	(5,160,867)	928,610	—	(128,691,045)
Equipment and vehicles	(19,981,413)	—	(2,087,805)	285,018	—	(21,784,200)
Leased equipment	(199,035)	—	(380,614)	—	—	(579,649)
Technology subscriptions	—	—	(352,841)	—	—	(352,841)
<b>Total accumulated depreciation/amortization</b>	<b>(162,696,581)</b>	<b>—</b>	<b>(9,316,767)</b>	<b>1,213,628</b>	<b>—</b>	<b>(170,799,720)</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>126,790,475</b>	<b>686,930</b>	<b>(7,530,667)</b>	<b>(130,820)</b>	<b>7,052,687</b>	<b>126,868,605</b>
<b>Governmental activities capital assets, net</b>	<b>\$155,174,976</b>	<b>\$ 686,930</b>	<b>\$ 426,390</b>	<b>\$ (130,820)</b>	<b>\$ (214,758)</b>	<b>\$155,942,718</b>

\*The change in accounting principle was for new SBITA standard requirements in the current year.

**Business-type activities**

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Capital assets not being depreciated:					
Land	\$ 3,237,899	\$ —	\$ —	\$ —	\$ 3,237,899
Permanent easements	4,596,387	12,096	—	—	4,608,483
Construction in progress	58,549	268,764	(16,115)	—	311,198
Total capital assets not being depreciated	7,892,835	280,860	(16,115)	—	8,157,580
Capital assets being depreciated:					
Buildings	44,090,419	—	—	—	44,090,419
Infrastructure and improvements	189,817,511	1,781,712	(33,608)	—	191,565,615
Equipment and vehicles	7,899,609	192,936	(153,913)	214,758	8,153,390
Total capital assets being depreciated	241,807,539	1,974,648	(187,521)	214,758	243,809,424
Less accumulated depreciation for:					
Buildings	(20,719,692)	(938,631)	—	—	(21,658,323)
Infrastructure and improvements	(99,909,465)	(4,579,537)	33,555	—	(104,455,447)
Equipment and vehicles	(5,363,063)	(462,681)	142,608	—	(5,683,136)
Total accumulated depreciation	(125,992,220)	(5,980,849)	176,163	—	(131,796,906)
Total capital assets being depreciated, net	115,815,319	(4,006,201)	(11,358)	214,758	112,012,518
Business-type activities capital assets, net	\$ 123,708,154	\$ (3,725,341)	\$ (27,473)	\$ 214,758	\$ 120,170,098

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

Governmental Activities:	
General government	\$ 1,250,162
Public safety	1,786,285
Public works and parks	6,243,439
Conservation of natural resources	36,881
	<u>\$ 9,316,767</u>

Business-type activities:	
Water and sewer	\$ 3,336,873
Storm water	1,504,953
Ames center	584,673
Ice arena	421,195
Golf course	34,492
Street lighting	98,663
	<u>\$ 5,980,849</u>

**Construction Commitments**

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

	2023
Improvement Construction Fund	\$ 4,556
Forestry Fund (non major govt)	49,626
Parks Capital Fund (non major govt)	73,833
Water and Sewer Fund	150,210
	<u>\$ 278,225</u>

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

The composition of interfund balances as of December 31, 2023, is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	
<u>General</u>	<u>Improvement Construction</u>	\$ 800,000 (a)

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

The composition of interfund advances as of December 31, 2023, is as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	
General	Tax Increment Capital Projects (non major govt)	\$ 1,774,421 (a)

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

The 2023 interfund transfers are as follows:

Transfers Out:	Transfers In:			
	General Fund (a)	Facilities Capital Projects (b)	Nonmajor Governmental (b)(c)(d)	Total
General	\$ —	\$ —	\$ 522,812	\$ 522,812
Infrastructure Trust	—	—	25,000	25,000
Facilities Capital Projects	—	—	1,858,205	1,858,205
Nonmajor governmental	335,000	—	350,034	685,034
Water and sewer	—	105,390	621,445	726,835
Storm water	—	35,130	60,825	95,955
<b>Total:</b>	<b>\$ 335,000</b>	<b>\$ 140,520</b>	<b>\$ 3,438,321</b>	<b>\$ 3,913,841</b>

Transfers were used for the following:

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

## E. LONG-TERM DEBT

*General Obligation Bonds* - Two issues of general obligation bonds totaling \$20,680,000 are outstanding at December 31, 2023 and are backed by the full faith and credit of the City. Total original issue amount was \$25,610,000. The bonds bear interest at rates ranging from 2% to 4% and mature in varying annual amounts ranging from \$470,000 to \$1,005,000, with final payments due in the year ending 2040. The bonds were issued to finance (a) renovations to City Hall and the City Police facilities, and (b) construction of new Fire Station. The interest and principal payments are accounted for in the Debt Service Funds.

*General Obligation Certificates of Indebtedness* - One issue of general obligation certificate of indebtedness totaling \$1,020,000 is outstanding at December 31, 2023. Total original issue amount was \$1,020,000. The certificates bear interest at a rate of 5.00% and mature in varying annual amounts ranging from \$80,000 to \$140,000, with final payments due in the year ending 2032. The interest and principal payments are accounted for in the Debt Service Funds.

*General Obligation Tax Increment Bonds* - One issue of general obligation tax increment bonds totaling \$930,000 is outstanding at December 31, 2023. Total original issue amount was \$4,920,000. The bonds bear interest at a rate of 2.00% and mature in varying annual amounts ranging from \$185,000 to \$1,660,000,



with final payments due in the year ending 2027. The interest and principal payments are accounted for in the Debt Service Funds.

*General Obligation Tax Abatement Bonds* - Three issues of tax abatement bonds totaling \$8,915,000 are outstanding at December 31, 2023. Total original issue amount was \$11,425,000. The bonds bear interest at rates ranging from 2.00% to 4.00% and mature in varying annual amounts ranging from \$35,000 to \$1,855,000, with final payments due in the year ending 2029. The bonds were issued to finance (a) a current refunding of the December 20, 2019 through December 20, 2030 maturities of the Burnsville Economic Development Authority's (EDA) Lease Revenue Bonds, Series 2010A, (b) improvements to the ice arena roof, and (c) the crossover refunding of the February 1, 2019 through the February 1, 2028 maturities of the G.O. Tax Abatement Bonds, Series 2008A. The interest and principal payments are accounted for in the Debt Service Funds.

*General Obligation Improvement Bonds* - Various issues of general obligation improvement bonds totaling \$9,380,000 are outstanding at December 31, 2023. Total original issue amount was \$19,185,000. The interest and principal payments on these bonds are accounted for in the Debt Service Funds and Enterprise Funds. These issues are secured by the full faith and credit of the City. A significant portion of the debt is to be repaid by the enterprise funds and from the collection of special assessments. Delinquent special assessments receivable at December 31, 2023 were \$8,989. These bonds bear interest at rates of 1.65% to 5.00% and mature in varying annual amounts ranging from \$20,000 to \$350,000, with the final payments due in the year ending 2038.

*General Obligation Revenue Bonds* - Ten issues of general obligation revenue bonds totaling \$13,525,000 are outstanding at December 31, 2023. Original issue amount was \$25,315,000. The bonds are accounted for in the Enterprise Funds. The bonds bear interest rates of 1.65% to 5.00% and mature in varying annual amounts ranging from \$90,000 to \$675,000, with final payments due in the year ending 2038. The bond resolutions authorizing the issuance of the bonds contain various restrictions and requirements.

*General Obligation Taxable Utility Revenue Notes* - Two issues of general obligation taxable utility revenue notes totaling \$6,550,000 were outstanding at December 31, 2023. These notes were issued through a general obligation loan agreement with the Minnesota Public Facilities Authority. The original authorized amount was \$10,067,167. The notes were issued to finance the City's water meter replacement project and for the reconditioning of the seven million gallon Heather Hills drinking water reservoir. These notes are drawn down on a reimbursement basis. The notes are accounted for in the Enterprise Funds. The notes bear an interest rate of 1.268% and 1.394% and mature in varying annual amounts ranging from \$103,197 to \$350,000, with final payments due in the year ending 2040. The resolution authorizing the issuance of the notes contains various restrictions and requirements.

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

Year Ended December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 5,115,000	\$ 1,260,928	\$ 2,548,000	\$ 585,857
2025	4,950,000	1,099,215	2,393,000	503,370
2026	4,915,000	945,318	1,904,000	422,872
2027	3,885,000	786,203	1,975,000	357,945
2028	2,840,000	667,983	1,851,000	299,034
2029-2033	10,645,000	1,990,818	5,850,000	815,283
2034-2038	6,540,000	664,650	3,250,000	231,762
2039-2040	2,035,000	61,300	304,000	6,369
Total	<u>\$ 40,925,000</u>	<u>\$ 7,476,415</u>	<u>\$ 20,075,000</u>	<u>\$ 3,222,492</u>

### Lease Liability

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

<u>Lease Description</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Computer Equipment - general	1.4993 %	4/1/2023	3/31/2027	\$ 180,090
Multi-function print/scan/copy devices	0.3100 %	8/1/2020	8/1/2024	18,855
Firewall	3.3923 %	1/1/2023	12/31/2025	257,460
Total				<u>\$ 456,405</u>

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

<u>Year Ended</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 204,577	\$ 11,448
2025	190,903	6,253
2026	60,925	913
Total	<u>\$ 456,405</u>	<u>\$ 18,614</u>

### Technology Subscriptions Liability

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

<u>Technology Subscription Description</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Software - general	0.2420 %	1/1/2023	12/31/2025	\$ 158,425
Wearable technology	0.4950 %	1/1/2023	12/31/2025	226,034
Vehicle technology	2.2300 %	5/1/2023	4/30/2029	357,084
Total				<u>\$ 741,543</u>

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

Year Ended December 31	Governmental Activities	
	Principal	Interest
2024	\$ 357,830	\$ 9,465
2025	143,170	6,980
2026	72,464	5,364
2027	77,194	3,748
2028	90,885	2,027
Total	<u>\$ 741,543</u>	<u>\$ 27,584</u>

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

	Beginning Balance	Change in Accounting Principle*	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>						
G.O. bonds	\$ 21,880,000	\$ —	\$ —	\$ (1,200,000)	\$20,680,000	\$ 1,250,000
G.O. certificates of indebtedness	1,020,000	—	—	—	1,020,000	80,000
G.O. tax increment bonds	1,205,000	—	—	(275,000)	930,000	275,000
G.O. tax abatement bonds	10,905,000	—	—	(1,990,000)	8,915,000	2,165,000
G.O. improvement bonds	10,680,000	—	—	(1,300,000)	9,380,000	1,345,000
Subtotal	45,690,000	—	—	(4,765,000)	40,925,000	5,115,000
Deferred amounts for issuance						
premiums (discounts)	2,940,682	—	—	(299,311)	2,641,371	—
Total bonds and notes	48,630,682	—	—	(5,064,311)	43,566,371	5,115,000
Lease liability	201,352	—	618,245	(363,192)	456,405	204,577
Technology subscriptions liability	—	686,930	441,265	(386,652)	741,543	357,830
Compensated absences	3,929,210	—	843,391	(280,841)	4,491,760	449,176
Total other post-employment benefits liability	11,223,178	—	1,604,577	(282,968)	12,544,787	421,856
Net pension liability	63,708,767	—	10,315,344	(44,759,191)	29,264,920	—
Governmental activities - long-term liabilities	<u>\$ 127,693,189</u>	<u>\$ 686,930</u>	<u>\$13,822,822</u>	<u>\$ (51,137,155)</u>	<u>\$91,065,786</u>	<u>\$ 6,548,439</u>
<b>Business-type activities:</b>						
G.O. revenue bonds	\$ 15,690,000	\$ —	\$ —	\$ (2,165,000)	\$13,525,000	\$ 2,125,000
G.O. revenue notes	6,967,000	—	—	(417,000)	6,550,000	423,000
Subtotal	22,657,000	—	—	(2,582,000)	20,075,000	2,548,000
Deferred amounts for issuance						
premiums (discounts)	1,189,204	—	—	(178,830)	1,010,374	—
Total bonds and notes	23,846,204	—	—	(2,760,830)	21,085,374	2,548,000
Compensated absences	404,554	—	63,413	(42,852)	425,115	42,512
Net pension liability	2,357,001	—	271,295	(977,571)	1,650,725	—
Business-type activities - long-term liabilities	<u>\$ 26,607,759</u>	<u>\$ —</u>	<u>\$ 334,708</u>	<u>\$ (3,781,253)</u>	<u>\$23,161,214</u>	<u>\$ 2,590,512</u>

\* The change in accounting principle was for new SBITA standard requirements in the current year.

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

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

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

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

The City participates in two state-wide, cost-sharing, multi-employer defined benefit pension plans administered by the PERA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended December 31, 2023:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA - GERF	\$ 11,004,834	\$ 2,978,519	\$ 3,548,515	\$ 2,001,165
PERA - PEPFF	19,910,811	29,971,885	28,994,947	5,952,432
Total - all pensions	\$ 30,915,645	\$ 32,950,404	\$ 32,543,462	\$ 7,953,597

*Legal Debt Margin* - As of December 31, 2023, 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, 2023:

Estimated market value of taxable property	\$ 8,928,557,140
Debt limit - 3% of market value of taxable property	\$ 267,856,714
Debt applicable to debt limit	
General obligation bonds outstanding	20,680,000
Less amount set aside for repayment of general obligation debt	(336,026)
Total net debt applicable to debt limit	20,343,974
Legal debt margin	\$ 247,512,740

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

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

**Renewal and Renovation TIF District No. 7** is a Soils Deficiency District pursuant to a Special Law (2008 Minnesota Laws, Chapter 154, Article 9, Sections 21 and 25(b)). The district was established in 2012 for the purpose of enabling redevelopment of certain property within the Minnesota River Quadrant (MRQ) Project Area. There were no bonds issued or outstanding at December 31, 2023.

Current tax capacity	\$ 324,025
Original tax capacity	(169,287)
Captured tax capacity	\$ 154,738
Retained by authority	\$ 99,256
Shared with other tax districts	\$ 55,482

**TIF District No. 9** is an Economic Development District established June 2019, pursuant to M.S. 469.174 Subd. 12, to facilitate the development of an 81,000 square foot high-tech flex industrial facility in the City. The maximum duration of this district is 8 years after the first receipt of tax increment. First receipt was in 2021 and the District will decertify in 2029, or when all obligations are satisfied. There were no bonds issued or outstanding at December 31, 2023.

Current tax capacity	\$ 76,614
Original tax capacity	<u>(22,816)</u>
Captured tax capacity	<u>\$ 53,798</u>
Retained by authority	\$ 34,509
Shared with other tax districts	\$ 19,289

**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	3,990,000	930,000
Totals	<u>\$ 18,220,000</u>	<u>\$ 17,290,000</u>	<u>\$ 930,000</u>

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

As of December 31, 2023, there were three series of the limited-obligation revenue bonds outstanding. The aggregate principal amount payable for the one series of Housing Revenue Bonds issued after January 1, 1996 was \$5.1 million. The aggregate principal amount payable for the two series issued prior to January 1, 1996 could not be determined; however, their original issue amounts totaled \$12.8 million as follows:

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

## F. REVENUE PLEDGED

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

Bond Issue	Use of Proceeds	Revenue Pledged			Current Year		
		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	\$ 811,500	\$ 234,800	\$ 20,249,799
G.O. Utility Revenue Bonds, Series 2014A	Water & Sewer	Water & Sewer Utility Charges	100 %	2014-2024	\$ 280,843	\$ 276,144	\$ 20,249,799
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100 %	2015-2025	\$ 509,900	\$ 257,100	\$ 20,249,799
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100 %	2016-2031	\$ 992,875	\$ 124,680	\$ 20,249,799
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2036	\$ 4,598,570	\$ 353,199	\$ 20,249,799
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100 %	2017-2032	\$ 3,598,560	\$ 400,563	\$ 20,249,799
G.O. Utility Bonds, Series 2018A	Water & Sewer	Water & Sewer Utility Charges	100 %	2018-2028	\$ 1,401,900	\$ 279,450	\$ 20,249,799
G.O. Utility Revenue & Refunding Bonds, Series 2019A	Water & Sewer	Water & Sewer Utility Charges	100 %	2019-2029	\$ 3,569,000	\$ 751,500	\$ 20,249,799
G.O. Taxable Water Revenue Notes, Series 2020	Water & Sewer	Water & Sewer Utility Charges	100 %	2020-2040	\$ 2,638,794	\$ 155,237	\$ 20,249,799
G.O. Utility Revenue Bonds, Series 2022A	Water & Sewer	Water & Sewer Utility Charges	100 %	2023-2038	\$ 4,895,550	\$ 118,046	\$ 20,249,799

## G. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

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

*Benefits Provided* - All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to

continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

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

*Contributions* - The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$421,856.

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

Retirees and beneficiaries receiving benefits	28
Active plan members	296
Total members	<u>324</u>

*Total OPEB Liability of the City* - The City's total OPEB liability of \$12,544,787 as of year-end was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

*Actuarial Methods and Assumptions* - The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.00 %
20-year municipal bond yield	4.00 %
Inflation rate	3.00 %
Healthcare trend rate	7.00 % grading to 4.50% over 6 years

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

Mortality rates were based on the SOA Pub-2010 mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.



*Changes in the Total OPEB Liability -*

	<u>Total OPEB Liability</u>
Beginning balance - January 1, 2023	\$ 11,223,178
Changes for the year	
Service cost	472,856
Interest	495,104
Changes of benefit terms	60,900
Changes of assumptions	408,171
Differences between expected and actual experience	306,434
Benefit payments	<u>(421,856)</u>
Total net changes	<u>1,321,609</u>
Ending balance - December 31, 2023	<u>\$ 12,544,787</u>

Benefit changes since the prior measurement date include the following:

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

Assumption changes since the prior measurement date include the following:

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.00 %	4.00 %	5.00 %
Total OPEB liability	\$ 14,000,240	\$ 12,544,787	\$ 11,292,156

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB healthcare trend rate	6.00% decreasing to 3.50% over 6 years	7.00% decreasing to 4.50% over 6 years	8.00 % decreasing to 5.50% over 6 years
Total OPEB liability	\$ 10,994,203	\$ 12,544,787	\$ 14,391,944

*OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources* - For the current year ended, the City recognized OPEB expense of \$1,604,577. As of year-end, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,785,631	\$ 1,088,635
Changes in assumptions	2,074,297	2,150,251
	<u>\$ 5,859,928</u>	<u>\$ 3,238,886</u>

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

Year Ended December 31,	OPEB Expense Amount
2024	\$ 575,717
2025	575,717
2026	575,721
2027	428,797
2028	320,176
Thereafter	144,914
	<u>\$ 2,621,042</u>

## H. NET POSITION/FUND BALANCE CLASSIFICATION

The government-wide Statement of Net Position at December 31, 2023 includes the City's net investment in capital assets calculated as follows:

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets:			
Capital assets			
Nondepreciable/nonamortizable	\$ 29,074,113	\$ 8,157,580	\$ 37,231,693
Depreciable, net of accumulated depreciation/amortization	126,868,605	112,012,518	238,881,123
Less: capital related long-term debt outstanding	(35,636,875)	(21,085,374)	(65,764,482)
Less capital related accounts/contracts payable	(703,927)	(60,001)	(763,928)
Add unspent bond proceeds	1,338,382	—	1,338,382
Total net investment in capital assets	<u>\$ 120,940,298</u>	<u>\$ 99,024,723</u>	<u>\$ 210,922,788</u>

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

At December 31, 2023, a summary of the governmental fund balance classifications are as follows:

	General	Grant	GO Improvement Bonds	Infrastructure Trust	Facilities Capital Projects	Other Governmental	Total
Nonspendable							
Advances to other funds	\$ 1,774,421	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,774,421
Restricted for:							
Landfill abatement	\$ 712,825	\$ —	\$ —	\$ —	\$ —	\$ 350,909	\$ 1,063,734
Debt service	—	—	4,157,991	—	—	2,229,765	6,387,756
Facilities capital	—	—	—	—	318,382	—	318,382
Public safety	—	—	—	—	—	2,828,097	2,828,097
Equipment	—	—	—	—	—	1,106,830	1,106,830
<b>Total Restricted</b>	<b>\$ 712,825</b>	<b>\$ —</b>	<b>\$ 4,157,991</b>	<b>\$ —</b>	<b>\$ 318,382</b>	<b>\$ 6,515,601</b>	<b>\$ 11,704,799</b>
Committed to:							
Capital Projects	\$ —	\$ —	\$ —	\$ 3,278,159	\$ —	\$ —	\$ 3,278,159
Facilities	—	—	—	—	10,779,822	—	10,779,822
Cable	—	—	—	—	—	554,945	554,945
Forfeitures	—	—	—	—	—	32,248	32,248
Community development	—	239,150	—	—	—	—	239,150
Youth	—	—	—	—	—	17,137	17,137
Economic development	—	—	—	—	—	1,981,804	1,981,804
Sustainability	—	—	—	—	—	57,024	57,024
Forestry	—	—	—	—	—	974,596	974,596
<b>Total Committed</b>	<b>\$ —</b>	<b>\$ 239,150</b>	<b>\$ —</b>	<b>\$ 3,278,159</b>	<b>\$ 10,779,822</b>	<b>\$ 3,617,754</b>	<b>\$ 17,914,885</b>
Assigned to:							
IT equipment & software development	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,647,308	\$ 1,647,308
Equipment & vehicles	—	—	—	—	—	2,761,305	2,761,305
Parks capital improvements	—	—	—	—	—	9,648,956	9,648,956
Street maintenance	—	—	—	—	—	1,132,700	1,132,700
<b>Total Assigned</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 15,190,269</b>	<b>\$ 15,190,269</b>

### Minimum Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes that the City will strive to maintain a General Fund Balance of 40 percent of the subsequent year's General Fund operating budget. At December 31, 2023, the fund balance of the General Fund was 60 percent of the subsequent year's budgeted use of funds.

## IV. OTHER INFORMATION

### A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance policies through the League of Minnesota Cities Insurance Trust. The blanket policy includes coverage for buildings, personal property, contractors, and miscellaneous equipment, crime, employee performance bonds, autos, and general liability. General liability coverage amounts to \$2,000,000 per occurrence (and aggregate), with a \$50,000 per

occurrence, and a \$300,000 aggregate deductible. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

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

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

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

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

	Balance - Beginning of Year		Charges and Changes in Estimates		Claim Payments		Balance - End of Year
2023	\$ 351	\$	247,980	\$	241,980	\$	6,351
2022	\$ 6,586	\$	180,795	\$	187,030	\$	351

**B. CONTINGENT LIABILITIES**

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

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

**C. JOINTLY GOVERNED ORGANIZATIONS**

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

*Dakota 911 (formerly Dakota Communications Center)* - Dakota 911 was established through a joint powers agreement with 11 municipalities and Dakota County. Its purpose is to establish, operate, and maintain a public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents of member cities and Dakota County. The members appoint the Dakota 911 Board of Directors, which shall consist of an elected official from each member city and Dakota County. Each member may also designate one elected official as an alternate director. The Board of Directors approves the annual operating and capital budgets, and the member fees and assessments. Pursuant to the joint powers agreement, members are required to provide Dakota 911 their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding Dakota 911 can be obtained from the website <https://dakota911mn.gov/> or by contacting the City of Lakeville, 20195 Holyoke Avenue, Lakeville, MN 55044-9177.

*Black Dog Water Management Organization (Black Dog WMO)* - This organization was established through a joint powers agreement with four other cities. Its purpose is to regulate water storage and run off, improve water quality, and prevent flooding and erosion from surface flows within the watershed. The member cities appoint the Black Dog WMO's board, approve budgets, and contribute management fees (\$103,200 for the City in 2023). The Black Dog WMO is not fiscally dependent on the City. Financial information for Black Dog WMO can be obtained at the City's offices.

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

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

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

## **D. RETIREMENT AND DEFERRED COMPENSATION PLANS**

### **1. Defined Benefit Pension Plans - State-Wide**

#### **a. Plan Descriptions**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) of Minnesota. 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 GERF. The GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### ***Public Employees Police and Fire Fund (PEPFF)***

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

- b. Benefits Provided** The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature. 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 accrual rate for a Coordinated Plan member is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent 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.

Benefits increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost-of-living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

***PEPFF Benefits***

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50.0 percent after five years up to 100.0 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50.0 percent after 10 years up, to 100.0 percent after 20 years of credited service. The annuity accrual rate is 3.0 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1.0 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months, but less than 36 months as of the June 30 before the effective date of the increase, will receive a reduced prorated increase.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in the statute. The one-time payment is noncompounding towards future benefits.

- 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 2023 and the City was required to contribute 7.5 percent for Coordinated Plan members.

The City's contributions to the GERP for the year ended December 31, 2023 were \$1,202,963. The City's contributions were equal to the required contributions as set by state statute.

***PEPFF Contributions***

Police and Fire members were required to contribute 11.8 percent of their annual covered salary in calendar year 2023 and the City was required to contribute 17.7 percent for PoliceFire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023 were \$2,763,708. The City's contributions were equal to the required contributions as set by state statute.

**d. Pension Costs**

***GERF Pension Costs***

At December 31, 2023, the City reported a liability of \$11,004,834 for its proportionate share of the GERP's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$303,477. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.1968 percent at the end of the measurement period and 0.1984 percent for the beginning of the period.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 11,004,834
State of Minnesota's proportionate share of the net pension liability associated with the City	303,477
	<u>\$ 11,308,311</u>

For the year ended December 31, 2023, the City recognized pension expense of \$1,999,801 for its proportionate share of the GERP's pension expense. In addition, the City recognized \$1,364 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

At December 31, 2023, the City reported its proportionate share of the GERP'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	\$ 362,109	\$ 75,156
Changes in actuarial assumptions	1,767,331	3,016,332
Net collective difference between projected and actual investment earnings	—	361,987
Changes in proportion	242,832	95,040
Contributions paid to the PERA subsequent to the measurement date	606,247	—
	<u>\$ 2,978,519</u>	<u>\$ 3,548,515</u>

The \$606,247 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 442,322
2025	(1,616,551)
2026	236,717
2027	(238,731)
	<u>\$ (1,176,243)</u>

***PEPFF Pension Costs***

At December 31, 2023, the City reported a liability of \$19,910,811 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportion was 1.1530 percent at the end of the measurement period and 1.1571 percent for the beginning of the period.

The State of Minnesota contributed \$18 million to the PEPFF in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048 whichever is earlier. The \$9 million in supplemental state aid will continue until the PEPFF is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The state of Minnesota's proportionate share of the net position liability associated to the City totaled \$802,059.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 19,910,811
State's proportionate share of the net pension liability associated with the City	802,059
	<u>\$ 20,712,870</u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$6,000,739 for its proportionate share of the Police and Fire Plan's pension expense.



The City recognized \$48,307 as a reduction to grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$103,769 for the year ended December 31, 2023, 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 PEPFF.

At December 31, 2023, 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	\$ 5,441,471	\$ —
Changes in actuarial assumptions	22,622,071	27,992,982
Net collective difference between projected and actual investment earnings	—	308,473
Changes in proportion	493,378	693,492
Contributions paid to the PERA subsequent to the measurement date	1,414,965	—
	<u>\$ 29,971,885</u>	<u>\$ 28,994,947</u>

A total of \$1,414,965 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 902,780
2025	211,131
2026	4,656,071
2027	(1,238,282)
2028	(4,969,727)
	<u>\$ (438,027)</u>

**e. Long-term Expected Return on Investments**

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

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

**f. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the Police and Fire Plan.

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020, adopted by the Board, and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

**1. GERF**

Changes in actuarial assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in plan provisions

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

**2. PEPFF**

Changes in actuarial assumptions

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

Changes in plan provisions

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

**g. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**h. Pension Liability Sensitivity**

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

	1% Decrease Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City's proportionate share of the GERF net pension liability	\$ 19,468,438	\$ 11,004,834	\$ 4,043,201
City's proportionate share of the PEPFF net position liability	\$ 39,505,423	\$ 19,910,811	\$ 3,801,418

**i. Pension Plan Fiduciary Net Position**

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

**2. Defined Contribution Plans**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.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. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member’s account annually.

Total contributions made by the City of Burnsville during fiscal year 2023 were:

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

## **E. SOLAR GARDEN ENERGY PURCHASE COMMITMENTS**

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

**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, 2023**

**(LAST TEN YEARS)\***

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

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

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

**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):**

<b>City Fiscal Year-End Date</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a-b)</b>	<b>(d)</b>	<b>(b/d)</b>
December 31, 2015	\$ 826,678	\$ 826,678	\$ —	\$ 11,022,307	7.5 %
December 31, 2016	827,245	827,245	—	11,030,299	7.5 %
December 31, 2017	848,499	848,499	—	11,313,288	7.5 %
December 31, 2018	892,984	892,984	—	11,906,448	7.5 %
December 31, 2019	946,691	946,691	—	12,622,473	7.5 %
December 31, 2020	1,017,619	1,017,619	—	13,568,206	7.5 %
December 31, 2021	1,085,798	1,085,798	—	14,477,796	7.5 %
December 31, 2022	1,138,709	1,138,709	—	15,182,839	7.5 %
December 31, 2023	1,202,963	1,202,963	—	16,039,474	7.5 %

**Public Employees Police and Fire Fund (PEPFF):**

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

\* Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

**CITY OF BURNSVILLE, MINNESOTA**

**Required Supplementary Information**

**DEFINED BENEFIT PENSION PLANS**

**PERA - GENERAL EMPLOYEES RETIREMENT FUND**

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

**(LAST TEN YEARS)\***

**Public Employees General Employees Retirement Fund (GERF):**

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

\* Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.



**CITY OF BURNSVILLE, MINNESOTA**

**Required Supplementary Information**

**DEFINED BENEFIT PENSION PLANS**

**PERA - PUBLIC EMPLOYEES POLICE AND FIRE FUND**

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

**(LAST TEN YEARS)\***

**Public Employees Police and Fire Fund (PEPFF):**

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

\* Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

# CITY OF BURNSVILLE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023

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### OTHER POST-EMPLOYMENT BENEFIT PLAN

#### 2023 Changes

##### Changes in Benefits:

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

##### Changes in Actuarial Assumptions:

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

#### 2022 Changes

##### Changes in Benefits:

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

##### Changes in Actuarial Assumptions:

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

#### 2021 Changes

##### Changes in Actuarial Assumptions:

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

#### 2020 Changes

##### Changes in Actuarial Assumptions:

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

#### 2019 Changes

##### Changes in Actuarial Assumptions:

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

## 2018 Changes

### Changes in Actuarial Assumptions:

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

## GENERAL EMPLOYEES RETIREMENT FUND (GERF)

## 2023 Changes

### Changes in Plan Provisions:

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

### Changes in Actuarial Assumptions:

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

## 2022 Changes

### Changes in Actuarial Assumptions:

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

## 2021 Changes

### Changes in Actuarial Assumptions:

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

## 2020 Changes

### Changes in Plan Provisions:

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

### Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was

changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

## **2019 Changes**

### **Changes in Plan Provisions:**

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

### **Changes in Actuarial Assumptions:**

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

## **2018 Changes**

### **Changes in Plan Provisions:**

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

### **Changes in Actuarial Assumptions:**

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

## **2017 Changes**

### **Changes in Plan Provisions:**

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

**Changes in Actuarial Assumptions:**

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

**2016 Changes****Changes in Actuarial Assumptions:**

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

**2015 Changes****Changes in Plan Provisions:**

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

**Changes in Actuarial Assumptions:**

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

**PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)****2023 Changes****Changes in Plan Provisions:**

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

**Changes in Actuarial Assumptions:**

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

## **2022 Changes**

### **Changes in Actuarial Assumptions:**

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

## **2021 Changes**

### **Changes in Actuarial Assumptions:**

- The investment return and single discount rates were changed from 7.50% to 6.50%.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

## **2020 Changes**

### **Changes in Actuarial Assumptions:**

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

## **2019 Changes**

### **Changes in Actuarial Assumptions:**

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

## **2018 Changes**

### **Changes in Plan Provisions:**

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred member will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**Changes in Actuarial Assumptions:**

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

**2017 Changes**

**Changes in Actuarial Assumptions:**

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

**2016 Changes**

**Changes in Actuarial Assumptions:**

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

**2015 Changes**

**Changes in Plan Provisions:**

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

**Changes in Actuarial Assumptions:**

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

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# Combining and Individual Fund Statements and Schedules



**City of Burnsville**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2023**

	<b>Special Revenue Funds</b>					
	<b>Cable Franchise Fee</b>	<b>Forfeiture</b>	<b>Youth Center</b>	<b>Economic Development Authority</b>	<b>Sustainability</b>	<b>Forestry</b>
<b>Assets</b>						
Cash, cash equivalents and investments	\$ 356,792	\$ 33,388	\$ 17,799	\$ 1,752,840	\$ 228,723	\$ 968,320
Receivables, net of allowance for uncollectible amounts:						
Property taxes	—	—	—	6,051	—	—
Mortgages	—	—	—	215,084	—	—
Accounts	207,581	—	—	3,402	—	1,490
Due from other governments	194	—	13,250	18,681	185,313	13,023
Total Assets	<u>\$ 564,567</u>	<u>\$ 33,388</u>	<u>\$ 31,049</u>	<u>\$ 1,996,058</u>	<u>\$ 414,036</u>	<u>\$ 982,833</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 9,621	\$ —	\$ 662	\$ 8,203	\$ 6,103	\$ 3,250
Contracts payable	—	—	—	—	—	4,987
Due to other governments	1	—	13,250	—	—	—
Customer and other deposits	—	1,140	—	—	—	—
Advances from other funds	—	—	—	—	—	—
Total Liabilities	<u>9,622</u>	<u>1,140</u>	<u>13,912</u>	<u>8,203</u>	<u>6,103</u>	<u>8,237</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	—	—	—	6,051	—	—
Fund Balances (Deficits)						
Restricted	—	—	—	—	350,909	—
Committed	554,945	32,248	17,137	1,981,804	57,024	974,596
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances (Deficits)	<u>554,945</u>	<u>32,248</u>	<u>17,137</u>	<u>1,981,804</u>	<u>407,933</u>	<u>974,596</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 564,567</u>	<u>\$ 33,388</u>	<u>\$ 31,049</u>	<u>\$ 1,996,058</u>	<u>\$ 414,036</u>	<u>\$ 982,833</u>

Debt Service Funds			Capital Projects Funds						Total Nonmajor Governmental Funds
G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Street Revolving Construction	Total Nonmajor Governmental Funds
\$320,038	\$ 710,563	\$ 122,111	\$ 920,790	\$1,636,549	\$6,705,396	\$ 415,296	\$ 8,953,891	\$ 1,121,505	\$ 24,264,001
1,672	12,735	2,556	—	1,090	6,763	—	5,651	—	36,518
—	—	—	—	—	—	—	—	—	215,084
—	—	—	—	—	50,361	—	50,361	—	313,195
15,988	119,850	20,703	150	20,836	79,608	—	676,518	11,195	1,175,309
<u>\$337,698</u>	<u>\$ 843,148</u>	<u>\$ 145,370</u>	<u>\$ 920,940</u>	<u>\$1,658,475</u>	<u>\$6,842,128</u>	<u>\$ 415,296</u>	<u>\$ 9,686,421</u>	<u>\$ 1,132,700</u>	<u>\$ 26,004,107</u>
\$ —	\$ —	\$ 257	\$ —	\$ 10,077	\$ 139,133	\$ —	\$ 11,763	\$ —	\$ 189,069
—	—	—	—	—	—	—	20,051	—	25,038
—	171	—	—	—	—	4,451	—	—	17,873
—	—	—	—	—	—	—	—	—	1,140
—	—	—	—	—	—	1,774,421	—	—	1,774,421
—	171	257	—	10,077	139,133	1,778,872	31,814	—	2,007,541
1,672	12,735	2,556	—	1,090	6,763	—	5,651	—	36,518
336,026	830,242	142,557	920,940	—	3,934,927	—	—	—	6,515,601
—	—	—	—	—	—	—	—	—	3,617,754
—	—	—	—	1,647,308	2,761,305	—	9,648,956	1,132,700	15,190,269
—	—	—	—	—	—	(1,363,576)	—	—	(1,363,576)
<u>336,026</u>	<u>830,242</u>	<u>142,557</u>	<u>920,940</u>	<u>1,647,308</u>	<u>6,696,232</u>	<u>(1,363,576)</u>	<u>9,648,956</u>	<u>1,132,700</u>	<u>23,960,048</u>
<u>\$337,698</u>	<u>\$ 843,148</u>	<u>\$ 145,370</u>	<u>\$ 920,940</u>	<u>\$1,658,475</u>	<u>\$6,842,128</u>	<u>\$ 415,296</u>	<u>\$ 9,686,421</u>	<u>\$ 1,132,700</u>	<u>\$ 26,004,107</u>

**City of Burnsville**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>Special Revenue Funds</b>					
	<b>Cable Franchise Fee</b>	<b>Forfeiture</b>	<b>Youth Center</b>	<b>Economic Development Authority</b>	<b>Sustainability</b>	<b>Forestry</b>
<b>Revenues</b>						
Property taxes	\$ —	\$ —	\$ —	\$ 992,082	\$ —	\$ 255,870
Licenses and permits	—	—	—	—	—	2,385
Other taxes	593,540	—	—	—	—	—
Intergovernmental revenue	—	—	53,000	215	313,453	—
Charges for services	266,927	—	—	—	—	—
Fines and forfeits	—	2,875	—	—	—	—
Interest on investments	7,424	1,304	451	37,477	10,203	28,795
Miscellaneous revenue	1,384	—	—	4,550	—	5,238
<b>Total Revenues</b>	<b>869,275</b>	<b>4,179</b>	<b>53,451</b>	<b>1,034,324</b>	<b>323,656</b>	<b>292,288</b>
<b>Expenditures</b>						
Current:						
General government	490,328	—	—	—	—	—
Public safety	—	12,362	—	—	—	—
Public works and parks	—	—	—	—	—	—
Culture and recreation	—	—	55,936	—	—	—
Conservation of natural resources	—	—	—	—	389,971	274,492
Economic development	—	—	—	90,028	—	—
Capital outlay:						
General government	—	—	—	—	—	—
Public works and parks	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Fiscal agent fees	—	—	—	—	—	—
<b>Total Expenditures</b>	<b>490,328</b>	<b>12,362</b>	<b>55,936</b>	<b>90,028</b>	<b>389,971</b>	<b>274,492</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	378,947	(8,183)	(2,485)	944,296	(66,315)	17,796
<b>Other Financing Sources (Uses)</b>						
Leases issued	—	—	—	—	—	—
Technology subscriptions issued	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—
Transfers in	—	—	10,000	—	127,812	—
Transfers out	(335,000)	—	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>(335,000)</b>	<b>—</b>	<b>10,000</b>	<b>—</b>	<b>127,812</b>	<b>—</b>
Net Change in Fund Balances	43,947	(8,183)	7,515	944,296	61,497	17,796
Fund Balances (Deficits) - Beginning	510,998	40,431	9,622	1,037,508	346,436	956,800
<b>Fund Balances (Deficits) - Ending</b>	<b>\$ 554,945</b>	<b>\$ 32,248</b>	<b>\$ 17,137</b>	<b>\$ 1,981,804</b>	<b>\$ 407,933</b>	<b>\$ 974,596</b>

Debt Service Funds				Capital Projects Funds					Total Nonmajor Governmental Funds
G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	I.T. Capital Fund	Equipment & Vehicle	Tax Increment	Parks Capital	Street Revolving Construction	
\$ 310,884	\$ 2,290,479	\$ 176,505	\$ 113,690	\$ 409,879	\$1,537,475	\$ —	\$ 994,897	\$ —	\$ 7,081,761
—	—	—	—	—	—	—	—	—	2,385
—	—	—	—	—	—	—	—	—	593,540
—	—	—	—	—	2,828,097	—	396,528	—	3,591,293
—	—	—	—	—	817,579	—	817,579	20,475	1,922,560
—	—	—	—	—	—	—	—	—	2,875
23,257	40,622	3,480	28,901	51,929	113,303	11,771	244,492	40,992	644,401
—	—	—	—	7,358	34,600	—	657,066	—	710,196
<u>334,141</u>	<u>2,331,101</u>	<u>179,985</u>	<u>142,591</u>	<u>469,166</u>	<u>5,331,054</u>	<u>11,771</u>	<u>3,110,562</u>	<u>61,467</u>	<u>14,549,011</u>
—	—	—	—	357,958	—	—	—	—	848,286
—	—	—	—	—	1,107,286	—	—	—	1,119,648
—	—	—	—	—	451,103	—	—	498,461	949,564
—	—	—	—	—	—	—	—	—	55,936
—	—	—	—	—	—	—	—	—	664,463
—	—	—	630	—	—	3,951	—	—	94,609
—	—	—	—	1,059,510	—	—	—	—	1,059,510
—	—	—	—	—	—	—	1,088,534	—	1,088,534
—	—	—	—	—	—	28,593	—	—	28,593
1,475,000	1,990,000	—	—	402,219	—	—	—	—	3,867,219
681,390	276,775	37,117	—	19,733	—	41,968	—	—	1,056,983
4,713	949	311	1,687	—	—	—	—	—	7,660
<u>2,161,103</u>	<u>2,267,724</u>	<u>37,428</u>	<u>2,317</u>	<u>1,839,420</u>	<u>1,558,389</u>	<u>74,512</u>	<u>1,088,534</u>	<u>498,461</u>	<u>10,841,005</u>
<u>(1,826,962)</u>	<u>63,377</u>	<u>142,557</u>	<u>140,274</u>	<u>(1,370,254)</u>	<u>3,772,665</u>	<u>(62,741)</u>	<u>2,022,028</u>	<u>(436,994)</u>	<u>3,708,006</u>
—	—	—	—	618,245	—	—	—	—	618,245
—	—	—	—	441,265	—	—	—	—	441,265
—	—	—	—	—	65,284	—	—	—	65,284
1,858,205	34	—	—	420,820	—	350,000	—	671,450	3,438,321
(34)	—	—	(350,000)	—	—	—	—	—	(685,034)
<u>1,858,171</u>	<u>34</u>	<u>—</u>	<u>(350,000)</u>	<u>1,480,330</u>	<u>65,284</u>	<u>350,000</u>	<u>—</u>	<u>671,450</u>	<u>3,878,081</u>
31,209	63,411	142,557	(209,726)	110,076	3,837,949	287,259	2,022,028	234,456	7,586,087
304,817	766,831	—	1,130,666	1,537,232	2,858,283	(1,650,835)	7,626,928	898,244	16,373,961
<u>\$ 336,026</u>	<u>\$ 830,242</u>	<u>\$ 142,557</u>	<u>\$ 920,940</u>	<u>\$1,647,308</u>	<u>\$6,696,232</u>	<u>\$(1,363,576)</u>	<u>\$ 9,648,956</u>	<u>\$ 1,132,700</u>	<u>\$ 23,960,048</u>

**City of Burnsville**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 37,294,374	\$ 37,294,374	\$ 37,245,715	\$ (48,659)
Special assessments	8,700	8,700	3,243	(5,457)
Licenses and permits	2,394,931	2,394,931	2,678,364	283,433
Other taxes	295,000	295,000	349,871	54,871
Intergovernmental revenue	2,035,744	2,035,744	5,494,858	3,459,114
Charges for services	6,406,456	6,406,456	6,875,798	469,342
Fines and forfeits	194,170	194,170	246,902	52,732
Interest on investments	476,600	476,600	1,084,853	608,253
Net change in fair value of investments	—	—	1,537,759	1,537,759
Miscellaneous revenue	936,162	936,162	1,252,806	316,644
<b>Total Revenues</b>	<u>50,042,137</u>	<u>50,042,137</u>	<u>56,770,169</u>	<u>6,728,032</u>
<b>Expenditures</b>				
Current:				
General government:				
Mayor and council	168,964	168,964	157,612	11,352
Manager and administration	1,043,111	971,165	725,950	245,215
Communications	1,171,871	1,171,871	912,431	259,440
Human resources	1,062,566	1,134,512	946,087	188,425
Legal	594,300	594,300	629,517	(35,217)
Information technologies	2,373,047	2,373,047	1,732,252	640,795
Finance	862,709	862,709	734,971	127,738
Insurance	586,700	586,700	574,816	11,884
Planning	513,997	513,997	332,023	181,974
General government buildings	837,104	837,104	770,087	67,017
Lodging tax to Convention and Visitors Bureau	280,250	280,250	332,414	(52,164)
<b>Total general government</b>	<u>9,494,619</u>	<u>9,494,619</u>	<u>7,848,160</u>	<u>1,646,459</u>
Public safety:				
Police	18,593,962	18,593,962	18,538,835	55,127
Fire	10,329,601	10,329,601	10,300,002	29,599
Inspections	1,785,729	1,785,729	1,642,489	143,240
<b>Total public safety</b>	<u>30,709,292</u>	<u>30,709,292</u>	<u>30,481,326</u>	<u>227,966</u>
Public works and parks:				
Engineering	1,377,225	1,377,225	1,324,508	52,717
Parks & streets	5,903,944	5,903,944	5,856,649	47,295
Fleet maintenance	679,491	679,491	735,681	(56,190)
<b>Total public works and parks</b>	<u>7,960,660</u>	<u>7,960,660</u>	<u>7,916,838</u>	<u>43,822</u>
Culture & recreation:				
Recreation	1,261,463	1,261,463	1,272,688	(11,225)
Conservation of natural resources:				
Natural Resources	27,686	27,686	18,528	9,158
Forestry	746,278	746,278	697,924	48,354
<b>Total conservation of natural resources</b>	<u>773,964</u>	<u>773,964</u>	<u>716,452</u>	<u>57,512</u>
Economic development:				
Economic development	503,007	503,007	449,037	53,970
Debt Service:				
Principal	—	—	347,625	(347,625)
Interest	—	—	193	(193)
<b>Total debt service</b>	<u>—</u>	<u>—</u>	<u>347,818</u>	<u>(347,818)</u>
<b>Total Expenditures</b>	<u>50,703,005</u>	<u>50,703,005</u>	<u>49,032,319</u>	<u>1,670,686</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(660,868)</u>	<u>(660,868)</u>	<u>7,737,850</u>	<u>8,398,718</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,335,000	3,335,000	335,000	(3,000,000)
Transfers out	(522,812)	(522,812)	(522,812)	—
<b>Total other financing sources (uses)</b>	<u>2,812,188</u>	<u>2,812,188</u>	<u>(187,812)</u>	<u>(3,000,000)</u>
<b>Net Change in Fund Balances</b>	<u>2,151,320</u>	<u>2,151,320</u>	<u>7,550,038</u>	<u>5,398,718</u>
Fund Balances - Beginning	26,927,936	26,927,936	26,927,936	—
Fund Balances - Ending	<u>\$ 29,079,256</u>	<u>\$ 29,079,256</u>	<u>\$ 34,477,974</u>	<u>\$ 5,398,718</u>

**City of Burnsville**  
**Infrastructure Trust Fund (ITF)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 2,343,745	\$ 2,343,745	\$ 2,318,000	\$ (25,745)
Intergovernmental revenue	2,375,600	2,375,600	2,307,306	(68,294)
Interest on investments	78,000	78,000	218,592	140,592
Total Revenues	<u>4,797,345</u>	<u>4,797,345</u>	<u>4,843,898</u>	<u>46,553</u>
<b>Expenditures</b>				
Capital outlay:				
Infrastructure	7,457,998	7,457,998	6,483,362	974,636
Excess (Deficiency) of Revenues Over (Under)Expenditures	<u>(2,660,653)</u>	<u>(2,660,653)</u>	<u>(1,639,464)</u>	<u>1,021,189</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>—</u>
Net Change in Fund Balances	(2,685,653)	(2,685,653)	(1,664,464)	1,021,189
Fund Balances - Beginning	4,942,623	4,942,623	4,942,623	—
Fund Balances - Ending	<u>\$ 2,256,970</u>	<u>\$ 2,256,970</u>	<u>\$ 3,278,159</u>	<u>\$ 1,021,189</u>

**City of Burnsville**  
**Improvement Construction Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 1,432,827	\$ 1,432,827	\$ 507,946	\$ (924,881)
Intergovernmental revenue	415,000	415,000	692,117	277,117
Interest on investments (charges)	(41,900)	(41,900)	(113,153)	(71,253)
Total Revenues	<u>1,805,927</u>	<u>1,805,927</u>	<u>1,086,910</u>	<u>(719,017)</u>
<b>Expenditures</b>				
Capital outlay:				
Infrastructure	<u>1,805,927</u>	<u>1,805,927</u>	<u>2,621,558</u>	<u>(815,631)</u>
Net Change in Fund Balances	—	—	(1,534,648)	(1,534,648)
Fund Balances (Deficits) - Beginning	(123,987)	(123,987)	(123,987)	—
Fund Balances (Deficits) - Ending	<u>\$ (123,987)</u>	<u>\$ (123,987)</u>	<u>\$ (1,658,635)</u>	<u>\$ (1,534,648)</u>



**City of Burnsville**  
**Facilities Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ —	\$ —	\$ 66	\$ 66
Other taxes	5,170,000	5,170,000	5,277,208	107,208
Charges for services	400,600	400,600	545,053	144,453
Interest on investments	43,000	43,000	270,804	227,804
Miscellaneous revenue	—	—	6,134	6,134
Total Revenues	<u>5,613,600</u>	<u>5,613,600</u>	<u>6,099,265</u>	<u>485,665</u>
<b>Expenditures</b>				
Current:				
General government:				
General government buildings	—	48,581	42,154	6,427
Public safety:				
Police	—	—	11,731	(11,731)
Capital outlay:				
General government:				
General government buildings	213,500	441,072	377,716	63,356
Public safety:				
Fire	60,000	173,000	112,476	60,524
Public works and parks:				
Park development	—	424,278	8,380	415,898
Fleet maintenance	266,300	266,300	—	266,300
Total public works and parks	<u>266,300</u>	<u>690,578</u>	<u>8,380</u>	<u>682,198</u>
Culture and recreation:				
Performing arts center	250,895	250,895	12,425	238,470
Ice center	50,000	494,011	144,361	349,650
Golf course	40,000	40,000	20,470	19,530
Total culture and recreation	<u>340,895</u>	<u>784,906</u>	<u>177,256</u>	<u>607,650</u>
Total Expenditures	<u>880,695</u>	<u>2,138,137</u>	<u>729,713</u>	<u>1,408,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,732,905</u>	<u>3,475,463</u>	<u>5,369,552</u>	<u>1,894,089</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	140,520	140,520	140,520	—
Transfers out	(1,858,205)	(1,858,205)	(1,858,205)	—
Total other financing sources (uses)	<u>(1,717,685)</u>	<u>(1,717,685)</u>	<u>(1,717,685)</u>	<u>—</u>
Net Change in Fund Balances	3,015,220	1,757,778	3,651,867	1,894,089
Fund Balances - Beginning	7,446,337	7,446,337	7,446,337	—
Fund Balances - Ending	<u>\$10,461,557</u>	<u>\$ 9,204,115</u>	<u>\$11,098,204</u>	<u>\$ 1,894,089</u>

**City of Burnsville**  
**Cable Franchise Fee Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other taxes	\$ 645,000	\$ 645,000	\$ 593,540	\$ (51,460)
Charges for services	306,600	306,600	266,927	(39,673)
Interest on investments	15,900	15,900	7,424	(8,476)
Miscellaneous revenue	—	—	1,384	1,384
Total Revenues	<u>967,500</u>	<u>967,500</u>	<u>869,275</u>	<u>(98,225)</u>
<b>Expenditures</b>				
Current:				
General government:				
Public relations	683,596	703,496	490,328	213,168
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	283,904	264,004	378,947	114,943
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(335,000)</u>	<u>(335,000)</u>	<u>(335,000)</u>	<u>—</u>
Net Change in Fund Balances	(51,096)	(70,996)	43,947	114,943
Fund Balances - Beginning	510,998	510,998	510,998	—
Fund Balances - Ending	<u>\$ 459,902</u>	<u>\$ 440,002</u>	<u>\$ 554,945</u>	<u>\$ 114,943</u>

**City of Burnsville**  
**Forfeiture Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeits	\$ 25,000	\$ 25,000	\$ 2,875	\$ (22,125)
Interest on investments	—	—	1,304	1,304
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>4,179</u>	<u>(20,821)</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Police	<u>25,000</u>	<u>25,000</u>	<u>12,362</u>	<u>12,638</u>
Net Change in Fund Balances	—	—	(8,183)	(8,183)
Fund Balances - Beginning	40,431	40,431	40,431	—
Fund Balances - Ending	<u>\$ 40,431</u>	<u>\$ 40,431</u>	<u>\$ 32,248</u>	<u>\$ (8,183)</u>

**City of Burnsville**  
**Youth Center Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenue	\$ 53,000	\$ 53,000	\$ 53,000	\$ —
Interest on investments	—	—	451	451
Total Revenues	<u>53,000</u>	<u>53,000</u>	<u>53,451</u>	<u>451</u>
<b>Expenditures</b>				
Current:				
Culture & Recreation:				
Recreation	63,000	63,000	55,936	7,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(2,485)</u>	<u>7,515</u>
<b>Other Financing Sources</b>				
Transfers in	10,000	10,000	10,000	—
Net Change in Fund Balances	—	—	7,515	7,515
Fund Balances - Beginning	9,622	9,622	9,622	—
Fund Balances - Ending	<u>\$ 9,622</u>	<u>\$ 9,622</u>	<u>\$ 17,137</u>	<u>\$ 7,515</u>

**City of Burnsville**  
**Economic Development Authority (EDA) Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,000,000	\$ 1,000,000	\$ 992,082	\$ (7,918)
Intergovernmental revenue	—	—	215	215
Interest on investments	11,500	11,500	37,477	25,977
Miscellaneous revenue	—	—	4,550	4,550
Total Revenues	<u>1,011,500</u>	<u>1,011,500</u>	<u>1,034,324</u>	<u>22,824</u>
<b>Expenditures</b>				
Current:				
Economic development	<u>703,835</u>	<u>703,835</u>	<u>90,028</u>	<u>613,807</u>
Net Change in Fund Balances	307,665	307,665	944,296	636,631
Fund Balances - Beginning	1,037,508	1,037,508	1,037,508	—
Fund Balances - Ending	<u>\$ 1,345,173</u>	<u>\$ 1,345,173</u>	<u>\$ 1,981,804</u>	<u>\$ 636,631</u>

**City of Burnsville**  
**Sustainability Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenue	\$ 347,427	\$ 347,427	\$ 313,453	\$ (33,974)
Interest on investments	4,300	4,300	10,203	5,903
Total Revenues	<u>351,727</u>	<u>351,727</u>	<u>323,656</u>	<u>(28,071)</u>
<b>Expenditures</b>				
Current:				
Conservation of natural resources:				
Recycling	<u>479,539</u>	<u>479,539</u>	<u>389,971</u>	<u>89,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(127,812)</u>	<u>(127,812)</u>	<u>(66,315)</u>	<u>61,497</u>
<b>Other Financing Sources</b>				
Transfers in	<u>127,812</u>	<u>127,812</u>	<u>127,812</u>	<u>—</u>
Net Change in Fund Balances	—	—	61,497	61,497
Fund Balances - Beginning	346,436	346,436	346,436	—
Fund Balances - Ending	<u>\$ 346,436</u>	<u>\$ 346,436</u>	<u>\$ 407,933</u>	<u>\$ 61,497</u>

**City of Burnsville  
Forestry Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 257,500	\$ 257,500	\$ 255,870	\$ (1,630)
Licenses and permits	1,980	1,980	2,385	405
Interest on investments	11,500	11,500	28,795	17,295
Miscellaneous revenue	—	—	5,238	5,238
Total Revenues	<u>270,980</u>	<u>270,980</u>	<u>292,288</u>	<u>21,308</u>
<b>Expenditures</b>				
Current:				
Conservation of natural resources:				
Forestry	<u>320,000</u>	<u>349,250</u>	<u>274,492</u>	<u>74,758</u>
Net Change in Fund Balances	(49,020)	(78,270)	17,796	96,066
Fund Balances - Beginning	<u>956,800</u>	<u>956,800</u>	<u>956,800</u>	<u>—</u>
Fund Balances - Ending	<u><u>\$ 907,780</u></u>	<u><u>\$ 878,530</u></u>	<u><u>\$ 974,596</u></u>	<u><u>\$ 96,066</u></u>

**City of Burnsville**  
**Information Technology (I.T.) Capital Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 412,800	\$ 412,800	\$ 409,879	\$ (2,921)
Interest on investments	20,200	20,200	51,929	31,729
Miscellaneous revenue	—	—	7,358	7,358
Total Revenues	433,000	433,000	469,166	36,166
<b>Expenditures</b>				
Current:				
General government:				
Information technologies	1,266,800	2,292,223	357,958	1,934,265
Capital:				
General government:				
Information technologies	—	—	1,059,510	(1,059,510)
Debt service:				
Principal	—	—	402,219	(402,219)
Interest	—	—	19,733	(19,733)
Total debt service	—	—	421,952	(421,952)
Total Expenditures	1,266,800	2,292,223	1,839,420	452,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	(833,800)	(1,859,223)	(1,370,254)	488,969
<b>Other Financing Sources</b>				
Leases issued	—	—	618,245	618,245
Technology subscriptions issued	—	—	441,265	441,265
Transfers in	420,820	420,820	420,820	—
Total other financing sources	420,820	420,820	1,480,330	1,059,510
Net Change in Fund Balances	(412,980)	(1,438,403)	110,076	1,548,479
Fund Balances - Beginning	1,537,232	1,537,232	1,537,232	—
Fund Balances - Ending	\$ 1,124,252	\$ 98,829	\$ 1,647,308	\$ 1,548,479



**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,551,800	\$ 1,551,800	\$ 1,537,475	\$ (14,325)
Intergovernmental revenue	—	—	2,828,097	2,828,097
Charges for services	600,800	600,800	817,579	216,779
Interest on investments	26,000	26,000	113,303	87,303
Miscellaneous revenue	—	—	34,600	34,600
Total Revenues	<u>2,178,600</u>	<u>2,178,600</u>	<u>5,331,054</u>	<u>3,152,454</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Police	935,460	1,354,012	802,133	551,879
Fire	729,000	1,159,057	305,153	853,904
Inspections	—	34,000	—	34,000
Total public safety	<u>1,664,460</u>	<u>2,547,069</u>	<u>1,107,286</u>	<u>1,439,783</u>
Public works and parks:				
Engineering	96,500	96,500	35,869	60,631
Parks & streets	846,000	1,714,529	415,234	1,299,295
Fleet maintenance	15,000	15,000	—	15,000
Total public works and parks	<u>957,500</u>	<u>1,826,029</u>	<u>451,103</u>	<u>1,374,926</u>
Recreation	—	30,000	—	30,000
Conservation of natural resources:				
Forestry	103,000	103,000	—	103,000
Total Expenditures	<u>2,724,960</u>	<u>4,506,098</u>	<u>1,558,389</u>	<u>2,947,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(546,360)	(2,327,498)	3,772,665	6,100,163
<b>Other Financing Sources</b>				
Sale of capital assets	100,000	100,000	65,284	(34,716)
Net Change in Fund Balances	(446,360)	(2,227,498)	3,837,949	6,065,447
Fund Balances - Beginning	2,858,283	2,858,283	2,858,283	—
Fund Balances - Ending	<u>\$ 2,411,923</u>	<u>\$ 630,785</u>	<u>\$ 6,696,232</u>	<u>\$ 6,065,447</u>

**City of Burnsville**  
**Parks Capital Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,005,900	\$ 1,005,900	\$ 994,897	\$ (11,003)
Intergovernmental revenue	300,000	300,000	396,528	96,528
Charges for services	600,800	600,800	817,579	216,779
Interest on investments	66,800	66,800	244,492	177,692
Miscellaneous revenue	3,179,537	3,179,537	657,066	(2,522,471)
Total Revenues	<u>5,153,037</u>	<u>5,153,037</u>	<u>3,110,562</u>	<u>(2,042,475)</u>
<b>Expenditures</b>				
Capital outlay:				
Public works and parks:				
Park development	6,621,700	8,366,698	1,088,534	7,278,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,468,663)</u>	<u>(3,213,661)</u>	<u>2,022,028</u>	<u>5,235,689</u>
<b>Other Financing Sources</b>				
Bonds issued	3,000,000	3,000,000	—	(3,000,000)
Net Change in Fund Balances	1,531,337	(213,661)	2,022,028	2,235,689
Fund Balances - Beginning	7,626,928	7,626,928	7,626,928	—
Fund Balances - Ending	<u>\$ 9,158,265</u>	<u>\$ 7,413,267</u>	<u>\$ 9,648,956</u>	<u>\$ 2,235,689</u>

**City of Burnsville**  
**Street Revolving Construction Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 15,000	\$ 15,000	\$ 20,475	\$ 5,475
Interest on investments	15,900	15,900	40,992	25,092
Total Revenues	<u>30,900</u>	<u>30,900</u>	<u>61,467</u>	<u>30,567</u>
<b>Expenditures</b>				
Current:				
Public works and parks:				
Parks & streets	<u>687,500</u>	<u>687,500</u>	<u>498,461</u>	<u>189,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(656,600)</u>	<u>(656,600)</u>	<u>(436,994)</u>	<u>219,606</u>
<b>Other Financing Sources</b>				
Transfers in	<u>671,450</u>	<u>671,450</u>	<u>671,450</u>	<u>—</u>
Net Change in Fund Balances	14,850	14,850	234,456	219,606
Fund Balances - Beginning	898,244	898,244	898,244	—
Fund Balances - Ending	<u>\$ 913,094</u>	<u>\$ 913,094</u>	<u>\$ 1,132,700</u>	<u>\$ 219,606</u>

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**City of Burnsville**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2023**

	<b>Ice Arena</b>	<b>Golf Course</b>	<b>Street Lighting Utility</b>	<b>Total</b>
<b>Assets</b>				
Current Assets:				
Cash, cash equivalents and investments	\$ 603,517	\$ 229,756	\$ 949,586	\$ 1,782,859
Accounts receivable	83,608	114	154,529	238,251
Total Current Assets	<u>687,125</u>	<u>229,870</u>	<u>1,104,115</u>	<u>2,021,110</u>
Noncurrent Assets:				
Capital Assets:				
Land	—	757,320	—	757,320
Buildings	2,858,799	131,297	—	2,990,096
Infrastructure and improvements	6,939,116	323,736	2,061,823	9,324,675
Equipment and vehicles	649,960	302,964	—	952,924
Less accumulated depreciation	(7,054,457)	(397,312)	(1,226,603)	(8,678,372)
Total capital assets (net of accumulated depreciation)	<u>3,393,418</u>	<u>1,118,005</u>	<u>835,220</u>	<u>5,346,643</u>
Total Assets	<u>4,080,543</u>	<u>1,347,875</u>	<u>1,939,335</u>	<u>7,367,753</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources - pensions	89,356	29,785	—	119,141
<b>Liabilities</b>				
Current Liabilities:				
Accrued compensated absences, current portion	11,494	1,221	—	12,715
Accounts payable	34,492	2,737	62,170	99,399
Contracts payable	—	—	2,045	2,045
Due to other governments	2,092	431	—	2,523
Customer and other deposits	4,630	2,101	104	6,835
Total Current Liabilities	<u>52,708</u>	<u>6,490</u>	<u>64,319</u>	<u>123,517</u>
Noncurrent Liabilities:				
Accrued compensated absences, net of current portion	103,449	10,985	—	114,434
Net pension liability	330,145	110,048	—	440,193
Total Noncurrent Liabilities	<u>433,594</u>	<u>121,033</u>	<u>—</u>	<u>554,627</u>
Total Liabilities	<u>486,302</u>	<u>127,523</u>	<u>64,319</u>	<u>678,144</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources - pensions	106,455	35,485	—	141,940
<b>Net Position</b>				
Net Investment in capital assets	3,393,418	1,118,005	833,175	5,344,598
Unrestricted	183,724	96,647	1,041,841	1,322,212
Total Net Position	<u>\$ 3,577,142</u>	<u>\$ 1,214,652</u>	<u>\$ 1,875,016</u>	<u>\$ 6,666,810</u>

**City of Burnsville**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	<b>Ice Arena</b>	<b>Golf Course</b>	<b>Street Lighting Utility</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for services	\$ 1,118,049	\$ 426,682	\$ 604,149	\$ 2,148,880
<b>Operating Expenses</b>				
Personnel services	734,874	286,326	—	1,021,200
Repairs and maintenance	3,288	18,741	—	22,029
Utilities	205,013	9,102	359,377	573,492
Other operating expenses	124,754	84,174	1,483	210,411
Depreciation	421,195	34,492	98,663	554,350
Total Operating Expenses	<u>1,489,124</u>	<u>432,835</u>	<u>459,523</u>	<u>2,381,482</u>
Operating Income (Loss)	<u>(371,075)</u>	<u>(6,153)</u>	<u>144,626</u>	<u>(232,602)</u>
<b>Nonoperating Revenues</b>				
Intergovernmental	41	14	—	55
Investment earnings	20,652	6,767	25,927	53,346
Other income	—	—	6	6
Gain on disposal of capital assets	18,695	—	—	18,695
Total Nonoperating Revenues	<u>39,388</u>	<u>6,781</u>	<u>25,933</u>	<u>72,102</u>
Income (Loss) Before Capital Contributions	<u>(331,687)</u>	<u>628</u>	<u>170,559</u>	<u>(160,500)</u>
<b>Capital Contributions</b>				
Capital contributions - from other funds	<u>214,758</u>	<u>—</u>	<u>—</u>	<u>214,758</u>
Change in Net Position	(116,929)	628	170,559	54,258
Total Net Position - Beginning	3,694,071	1,214,024	1,704,457	6,612,552
Total Net Position - Ending	<u>\$ 3,577,142</u>	<u>\$ 1,214,652</u>	<u>\$ 1,875,016</u>	<u>\$ 6,666,810</u>

**City of Burnsville**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	<u>Ice Arena</u>	<u>Golf Course</u>	<u>Street Lighting Utility</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 1,065,309	\$ 426,668	\$ 559,281	\$ 2,051,258
Payments to suppliers	(322,912)	(169,779)	(427,236)	(919,927)
Payments to employees	(700,598)	(271,063)	—	(971,661)
Net cash provided (used) by operating activities	41,799	(14,174)	132,045	159,670
<b>Cash Flows from Noncapital Financing Activities</b>				
Grants and host fees	41	14	6	61
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase or construction of capital assets	(124,020)	—	—	(124,020)
<b>Cash Flows from Investing Activities</b>				
Investment earnings	20,652	6,767	25,927	53,346
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(61,528)	(7,393)	157,978	89,057
<b>Cash and Cash Equivalents</b>				
Beginning	665,045	237,149	791,608	1,693,802
Ending	<u>\$ 603,517</u>	<u>\$ 229,756</u>	<u>\$ 949,586</u>	<u>\$ 1,782,859</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (371,075)	\$ (6,153)	\$ 144,626	\$ (232,602)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	421,195	34,492	98,663	554,350
(Increase) decrease in assets:				
Receivables	(48,169)	(114)	(44,868)	(93,151)
(Increase) decrease in deferred outflows of resources:				
Pensions	65,374	21,792	—	87,166
(Decrease) increase in liabilities:				
Accrued compensated absences	10,402	7,304	—	17,706
Accounts payable	9,613	(56,585)	(66,317)	(113,289)
Contracts payable	—	(1,465)	—	(1,465)
Due to other governments	530	288	—	818
Customer and other deposits	(4,571)	100	(59)	(4,530)
Net pension liability	(141,255)	(47,085)	—	(188,340)
(Decrease) increase in deferred inflows of resources:				
Pensions	99,755	33,252	—	133,007
Net cash provided (used) by operating activities	<u>\$ 41,799</u>	<u>\$ (14,174)</u>	<u>\$ 132,045</u>	<u>\$ 159,670</u>
<b>Noncash investing, capital, and financing activities</b>				
Capital assets contributed from other funds	<u>\$ 214,758</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 214,758</u>
Net book value of capital asset disposals	<u>\$ 11,305</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,305</u>
Trade in on capital asset purchase	<u>\$ 30,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 30,000</u>

**City of Burnsville**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2023**

	<b>Compensated Absences</b>	<b>Dental Insurance</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash, cash equivalents and investments	\$ 3,464,278	\$ 156,823	\$ 3,621,101
Accounts receivable	—	2,982	2,982
Total Assets	3,464,278	159,805	3,624,083
<b>Liabilities</b>			
Current Liabilities:			
Accrued compensated absences, current portion	449,176	—	449,176
Accounts payable	—	16,119	16,119
Total Current Liabilities	449,176	16,119	465,295
Noncurrent Liabilities:			
Accrued compensated absences, net of current portion	4,042,584	—	4,042,584
Total Liabilities	4,491,760	16,119	4,507,879
<b>Net Position</b>			
Unrestricted	\$ (1,027,482)	\$ 143,686	\$ (883,796)



**City of Burnsville**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<u>Compensated Absences</u>	<u>Dental Insurance</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 400,941	\$ 259,829	\$ 660,770
<b>Operating Expenses</b>			
Personnel services	844,539	—	844,539
Other operating expenses	—	269,297	269,297
Total Operating Expenses	<u>844,539</u>	<u>269,297</u>	<u>1,113,836</u>
Operating Income (Loss)	<u>(443,598)</u>	<u>(9,468)</u>	<u>(453,066)</u>
<b>Nonoperating Revenues</b>			
Investment earnings	<u>105,179</u>	<u>4,998</u>	<u>110,177</u>
Change in Net Position	(338,419)	(4,470)	(342,889)
Total Net Position - Beginning	(689,063)	148,156	(540,907)
Total Net Position - Ending	<u>\$ (1,027,482)</u>	<u>\$ 143,686</u>	<u>\$ (883,796)</u>

**City of Burnsville**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<b>Compensated Absences</b>	<b>Dental Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from interfund services provided	\$ 400,941	\$ 259,185	\$ 660,126
Payments to suppliers	—	(258,474)	(258,474)
Payments to employees	(281,989)	—	(281,989)
Net cash provided by operating activities	118,952	711	119,663
<b>Cash Flows from Investing Activities</b>			
Investment earnings	105,179	4,998	110,177
<b>Net Increase in Cash and Cash Equivalents</b>	224,131	5,709	229,840
<b>Cash and Cash Equivalents</b>			
Beginning	3,240,147	151,114	3,391,261
Ending	\$ 3,464,278	\$ 156,823	\$ 3,621,101
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (443,598)	\$ (9,468)	\$ (453,066)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in assets:			
Receivables	—	(644)	(644)
(Decrease) increase in liabilities:			
Accrued compensated absences	562,550	—	562,550
Accounts payable	—	10,823	10,823
Net cash provided by operating activities	\$ 118,952	\$ 711	\$ 119,663

## Statistical Section

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

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	<a href="#">118</a> - <a href="#">131</a>
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	<a href="#">132</a> - <a href="#">137</a>
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	<a href="#">138</a> - <a href="#">144</a>
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	<a href="#">145</a> - <a href="#">147</a>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b>	<a href="#">148</a> - <a href="#">154</a>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

**CITY OF BURNSVILLE, MINNESOTA**

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

	<b>Fiscal Year</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Governmental activities:</b>			
Net investment in capital assets	\$ 97,997,455	\$ 102,170,883	\$ 104,771,961
Restricted	16,258,586	15,856,787	15,575,435
Unrestricted	9,795,144	(10,011,396)	(16,105,677)
<b>Total governmental activities net position</b>	<b>124,051,185</b>	<b>108,016,274</b>	<b>104,241,719</b>
<b>Business-type activities:</b>			
Net investment in capital assets	104,005,794	107,526,787	108,404,200
Unrestricted	30,077,288	27,234,433	25,931,257
<b>Total business-type activities net position</b>	<b>134,083,082</b>	<b>134,761,220</b>	<b>134,335,457</b>
<b>Primary government:</b>			
Net investment in capital assets	182,353,752	190,601,833	194,714,746
Restricted	17,152,577	15,856,787	15,575,435
Unrestricted	58,627,938	36,318,874	28,286,995
<b>Total primary government net position</b>	<b>258,134,267</b>	<b>242,777,494</b>	<b>238,577,176</b>

Note 1: 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 2: The City implemented GASB Statement No. 75 in fiscal year 2018 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 3: The City implemented GASB Statement No. 87 in fiscal year 2022 and recorded a prior period adjustment which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle or prior period adjustment.

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 106,229,087	\$ 110,069,219	\$ 112,053,594	\$ 114,534,535	\$ 118,184,855	\$ 118,138,873	\$ 120,940,298
15,273,178	14,981,193	15,896,522	14,548,526	16,740,952	17,448,211	19,884,115
(14,906,686)	(13,917,013)	(9,221,379)	(5,646,557)	591,272	7,818,573	16,990,971
<u>106,595,579</u>	<u>111,133,399</u>	<u>118,728,737</u>	<u>123,436,504</u>	<u>135,517,079</u>	<u>143,405,657</u>	<u>157,815,384</u>
109,180,617	107,069,459	106,718,734	103,572,217	102,988,125	99,364,372	99,024,723
24,830,660	24,995,080	25,140,929	23,380,859	25,772,623	30,217,097	29,143,553
<u>134,011,277</u>	<u>132,064,539</u>	<u>131,859,663</u>	<u>126,953,076</u>	<u>128,760,748</u>	<u>129,581,469</u>	<u>128,168,276</u>
197,577,330	200,481,420	201,946,410	203,181,039	208,080,337	206,410,807	210,922,788
15,273,178	14,981,193	15,896,522	14,548,526	16,740,952	17,448,211	19,884,115
27,756,348	27,735,325	32,745,468	32,660,015	39,456,538	49,128,108	55,176,757
<u>240,606,856</u>	<u>243,197,938</u>	<u>250,588,400</u>	<u>250,389,580</u>	<u>264,277,827</u>	<u>272,987,126</u>	<u>285,983,660</u>

**CITY OF BURNSVILLE, MINNESOTA**

**CHANGES IN NET POSITION (Page 1 of 2)**

**LAST TEN FISCAL YEARS**

**(Accrual Basis of Accounting)**

	Fiscal Year		
	2014	2015	2016
Expenses:			
Governmental activities:			
General government	\$ 6,362,440	\$ 6,573,281	\$ 7,382,481
Public safety	19,941,045	21,441,358	28,086,233
Public works and parks	15,837,464	15,901,625	15,292,294
Culture and recreation	1,246,522	1,089,081	1,145,294
Conservation of natural resources	1,023,827	1,071,242	1,228,567
Economic development	465,692	498,231	496,285
Interest on long-term debt	1,422,743	1,379,238	1,527,893
Total governmental activities expenses	<u>46,299,733</u>	<u>47,954,056</u>	<u>55,159,047</u>
Business-type activities:			
Water and sewer	14,929,321	14,889,284	15,476,767
Storm water	3,369,746	3,879,088	4,293,053
Performing arts center	2,192,667	2,090,481	2,232,993
Ice arena	1,291,264	1,423,315	1,455,693
Golf course	267,345	287,488	313,047
Street lighting	482,110	646,268	568,363
Sidewalk snow plowing	114,210	26,455	57,343
Total business-type activities expenses	<u>22,646,663</u>	<u>23,242,379</u>	<u>24,397,259</u>
Total primary government expenses	<u><u>68,946,396</u></u>	<u><u>71,196,435</u></u>	<u><u>79,556,306</u></u>
Program revenues:			
Governmental activities:			
Charges for services			
General government	438,976	426,636	405,299
Public safety	4,788,939	4,973,384	4,914,888
Public works and parks	3,241,456	2,825,050	2,798,069
Other activities	469,564	380,476	385,875
Operating grants and contributions	2,134,004	2,367,689	2,326,628
Capital grants and contributions	7,016,281	8,609,473	4,802,301
Total governmental activities program revenues	<u>18,089,220</u>	<u>19,582,708</u>	<u>15,633,060</u>
Business-type activities:			
Charges for services			
Water and sewer	14,234,693	14,448,498	15,132,165
Storm water	4,222,512	4,208,439	4,318,018
Performing arts center	1,387,480	1,308,981	1,493,365
Ice arena	1,137,933	1,081,207	1,080,874
Golf course	253,902	280,153	270,610
Street lighting	568,961	571,265	594,775
Sidewalk snow plowing	55,788	65,800	83,116
Operating grants and contributions	404,262	378,154	474,969
Capital grants and contributions	1,173,117	300,664	359,822
Total business-type activities program revenues	<u>23,438,648</u>	<u>22,643,161</u>	<u>23,807,714</u>
Total primary government program revenues	<u><u>41,527,868</u></u>	<u><u>42,225,869</u></u>	<u><u>39,440,774</u></u>

	2017	2018	2019	2020	2021	2022	2023
\$	8,085,296	\$ 8,142,548	\$ 7,922,564	\$ 8,679,351	\$ 8,366,829	\$ 11,061,187	\$ 10,571,108
	24,679,300	23,360,171	24,636,452	26,023,426	25,215,845	33,903,053	37,398,025
	15,303,864	14,539,501	17,890,927	22,598,334	19,479,051	19,687,730	18,179,904
	1,067,828	1,023,202	1,111,709	1,044,401	1,118,846	1,399,057	1,447,158
	1,305,308	1,356,205	1,320,038	1,260,877	1,452,729	1,332,858	1,458,326
	482,403	515,776	815,386	2,760,012	727,005	3,173,721	560,065
	1,503,981	1,162,754	1,041,948	1,101,623	1,246,843	1,170,232	1,169,503
	<u>52,427,980</u>	<u>50,100,157</u>	<u>54,739,024</u>	<u>63,468,024</u>	<u>57,607,148</u>	<u>71,727,838</u>	<u>70,784,089</u>
	15,875,566	17,169,446	18,324,199	20,796,230	18,812,106	19,675,040	22,002,160
	4,499,643	4,537,849	4,396,039	5,684,615	4,590,763	4,610,749	4,750,457
	2,591,863	2,781,704	2,770,717	1,539,460	2,233,683	2,579,667	2,863,507
	1,312,900	1,406,241	1,390,573	1,317,016	1,370,543	1,514,688	1,470,429
	286,178	294,452	284,904	262,174	361,360	411,006	432,835
	643,775	571,937	594,598	441,881	656,699	794,369	459,523
	39,401	106,420	—	—	—	—	—
	<u>25,249,326</u>	<u>26,868,049</u>	<u>27,761,030</u>	<u>30,041,376</u>	<u>28,025,154</u>	<u>29,585,519</u>	<u>31,978,911</u>
	<u>77,677,306</u>	<u>76,968,206</u>	<u>82,500,054</u>	<u>93,509,400</u>	<u>85,632,302</u>	<u>101,313,357</u>	<u>102,763,000</u>
	357,080	380,061	416,291	386,363	408,567	414,016	1,726,820
	5,955,569	6,485,649	6,901,859	5,477,746	5,493,934	8,109,894	6,816,385
	3,123,103	2,950,887	3,165,521	3,070,976	3,127,190	3,299,502	4,263,026
	544,773	387,314	415,784	179,415	392,535	399,022	488,081
	2,614,858	2,875,147	2,918,182	5,747,316	5,906,437	6,217,950	5,961,313
	4,270,577	4,584,959	7,210,112	6,301,915	9,259,847	13,088,700	5,104,454
	<u>16,865,960</u>	<u>17,664,017</u>	<u>21,027,749</u>	<u>21,163,731</u>	<u>24,588,510</u>	<u>31,529,084</u>	<u>24,360,079</u>
	15,522,270	15,602,993	16,021,187	17,060,401	18,470,743	19,355,318	20,407,004
	4,284,928	4,287,946	4,345,374	4,408,773	4,679,577	4,659,188	4,793,653
	1,837,534	2,111,847	2,119,851	508,047	1,367,727	2,044,668	2,574,840
	1,091,259	1,060,331	1,063,694	586,849	969,308	1,066,645	1,118,049
	256,647	230,732	238,093	327,715	387,902	396,623	426,682
	574,180	576,018	582,858	582,859	587,816	588,125	604,155
	83,247	83,228	—	—	—	—	—
	625,268	516,121	669,409	1,246,323	1,859,616	143,468	95,240
	524,891	538,013	1,494,601	229,503	1,639,089	1,602,859	311,534
	<u>24,800,224</u>	<u>25,007,229</u>	<u>26,535,067</u>	<u>24,950,470</u>	<u>29,961,778</u>	<u>29,856,894</u>	<u>30,331,157</u>
	<u>41,666,184</u>	<u>42,671,246</u>	<u>47,562,816</u>	<u>46,114,201</u>	<u>54,550,288</u>	<u>61,385,978</u>	<u>54,691,236</u>

**CITY OF BURNSVILLE, MINNESOTA**

**CHANGES IN NET POSITION (Page 2 of 2)**

**LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	<b>Fiscal Year</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Net revenue (expense):			
Governmental activities	\$ (28,210,513)	\$ (28,371,348)	\$ (39,525,987)
Business-type activities	791,985	(599,218)	(589,545)
	<u>(27,418,528)</u>	<u>(28,970,566)</u>	<u>(40,115,532)</u>
General revenues and other changes in net position:			
Governmental activities:			
Taxes			
Property taxes	29,444,693	30,699,759	32,127,976
Lodging tax	289,198	363,409	366,918
Franchise taxes	729,211	758,972	1,274,060
Unrestricted grants and contributions	915,373	973,068	1,143,996
Unrestricted investment earnings (charges)	3,300,247	1,091,944	721,735
Transfers	540,066	(2,221,674)	116,747
Total governmental activities	<u>35,218,788</u>	<u>31,665,478</u>	<u>35,751,432</u>
Business-type activities:			
Unrestricted grants and contributions	50,574	48,681	46,401
Unrestricted investment earnings	415,667	358,342	234,128
Transfers	(540,066)	2,221,674	(116,747)
Total business-type activities	<u>(73,825)</u>	<u>2,628,697</u>	<u>163,782</u>
Total primary government	<u>35,144,963</u>	<u>34,294,175</u>	<u>35,915,214</u>
Change in net position:			
Governmental activities	7,008,275	3,294,130	(3,774,555)
Business-type activities	718,160	2,029,479	(425,763)
Total primary government	<u>7,726,435</u>	<u>5,323,609</u>	<u>(4,200,318)</u>

Note 1: 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 2: The City implemented GASB Statement No. 75 in fiscal year 2018 which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Note 3: The City implemented GASB Statement No. 87 in fiscal year 2022 and recorded a prior period adjustment which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle or prior period adjustment.



<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (35,562,020)	\$ (32,436,140)	\$ (33,711,275)	\$ (42,304,293)	\$ (33,018,638)	\$ (40,198,754)	\$ (46,424,010)
(449,102)	(1,860,820)	(1,225,963)	(5,090,906)	1,936,624	271,375	(1,647,754)
<u>(36,011,122)</u>	<u>(34,296,960)</u>	<u>(34,937,238)</u>	<u>(47,395,199)</u>	<u>(31,082,014)</u>	<u>(39,927,379)</u>	<u>(48,071,764)</u>
33,668,989	34,816,920	36,745,654	37,901,657	39,305,483	41,303,580	46,790,405
365,555	389,019	351,690	174,326	258,761	338,254	349,871
2,116,955	1,972,218	1,945,697	3,245,103	5,812,043	5,839,844	5,870,748
1,091,139	1,086,925	854,002	4,774,662	9,004	2,788,716	3,163,204
503,205	674,333	1,898,702	957,840	(535,066)	(3,138,002)	4,051,477
170,037	588,800	(489,132)	(41,528)	248,988	(238,577)	608,032
<u>37,915,880</u>	<u>39,528,215</u>	<u>41,306,613</u>	<u>47,012,060</u>	<u>45,099,213</u>	<u>46,893,815</u>	<u>60,833,737</u>
43,642	40,749	36,907	—	—	—	—
251,317	462,133	495,048	142,791	120,036	310,769	842,593
(170,037)	(588,800)	489,132	41,528	(248,988)	238,577	(608,032)
<u>124,922</u>	<u>(85,918)</u>	<u>1,021,087</u>	<u>184,319</u>	<u>(128,952)</u>	<u>549,346</u>	<u>234,561</u>
<u>38,040,802</u>	<u>39,442,297</u>	<u>42,327,700</u>	<u>47,196,379</u>	<u>44,970,261</u>	<u>47,443,161</u>	<u>61,068,298</u>
2,353,860	7,092,075	7,595,338	4,707,767	12,080,575	6,695,061	14,409,727
(324,180)	(1,946,738)	(204,876)	(4,906,587)	1,807,672	820,721	(1,413,193)
<u>2,029,680</u>	<u>5,145,337</u>	<u>7,390,462</u>	<u>(198,820)</u>	<u>13,888,247</u>	<u>7,515,782</u>	<u>12,996,534</u>

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**CITY OF BURNSVILLE, MINNESOTA**

**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**

**LAST TEN FISCAL YEARS**

**(Accrual Basis of Accounting)**

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Tax Increments</b>	<b>Lodging Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
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
2020	37,834,370	67,287	174,326	3,245,103	41,321,086
2021	39,210,650	94,833	258,761	5,812,043	45,376,287
2022	41,246,486	57,094	338,254	5,839,844	47,481,678
2023	46,676,715	113,690	349,871	5,870,748	53,011,024

**CITY OF BURNSVILLE, MINNESOTA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

**(Modified Accrual Basis of Accounting)**

	<b>Fiscal Year</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Fund:			
Nonspendable	\$ —	\$ 1,491,544	\$ 1,491,544
Restricted	2,288,160	2,152,353	2,013,830
Assigned	1,155,807	1,700,678	991,293
Unassigned	16,960,866	16,504,649	17,715,565
Total General Fund	<u>20,404,833</u>	<u>21,849,224</u>	<u>22,212,232</u>
All other governmental funds:			
Nonspendable	—	—	—
Restricted	7,186,381	13,413,234	20,000,824
Committed	4,966,759	4,925,668	4,702,767
Assigned	6,454,637	5,585,159	6,146,013
Unassigned	(160,196)	(168,654)	(173,369)
Total all other governmental funds	<u>\$ 18,447,581</u>	<u>\$ 23,755,407</u>	<u>\$ 30,676,235</u>

	2017	2018	2019	2020	2021	2022	2023
\$	1,191,544	\$ 1,191,544	\$ 1,191,544	\$ 446,544	\$ —	\$ 1,822,469	\$ 1,774,421
	1,872,537	1,711,337	1,546,137	1,198,346	1,046,802	892,437	712,825
	991,657	985,000	820,000	1,751,382	1,054,500	—	—
	18,282,263	18,720,813	22,278,071	25,460,656	26,527,905	24,213,030	31,990,728
	<u>22,338,001</u>	<u>22,608,694</u>	<u>25,835,752</u>	<u>28,856,928</u>	<u>28,629,207</u>	<u>26,927,936</u>	<u>34,477,974</u>
	—	—	—	—	—	130,420	—
	21,171,456	8,276,836	8,185,007	21,003,274	7,875,624	8,313,988	10,991,974
	8,115,285	7,184,681	7,675,063	7,096,266	9,409,598	14,524,046	17,914,885
	5,626,630	7,248,382	8,985,040	6,345,225	7,705,296	11,813,857	15,190,269
	(840,879)	(172,561)	(213,637)	(68,452)	(627,270)	(1,774,822)	(3,022,211)
\$	<u>34,072,492</u>	<u>22,537,338</u>	<u>24,631,473</u>	<u>34,376,313</u>	<u>24,363,248</u>	<u>33,007,489</u>	<u>41,074,917</u>

# CITY OF BURNSVILLE, MINNESOTA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2014	2015	2016
Revenues:			
Taxes	\$ 30,575,302	\$ 31,867,814	\$ 33,753,006
Licenses and permits	1,953,776	2,026,415	1,903,820
Intergovernmental	4,867,531	8,332,614	5,118,254
Charges for services	5,885,164	5,913,570	6,345,229
Fines and forfeits	417,275	378,940	337,171
Investment income (charges)	3,260,938	1,054,573	694,824
Special assessments	1,813,996	2,585,543	1,800,511
Miscellaneous	1,579,348	1,353,267	1,085,021
Total revenues	50,353,330	53,512,736	51,037,836
Expenditures:			
Current:			
General government	5,856,737	6,495,318	7,356,451
Public safety	20,140,526	20,403,477	20,699,670
Public works and parks	6,592,561	6,766,745	6,931,564
Culture and recreation	1,256,682	1,336,636	1,060,369
Conservation of natural resources	995,490	1,035,269	1,198,458
Economic development	464,933	495,624	484,650
Capital outlay	9,360,407	12,688,606	9,894,133
Debt service:			
Principal	8,340,613	3,584,701	3,063,398
Interest	1,512,418	1,375,624	1,521,390
Fiscal agent fees	18,670	18,775	18,338
Bond issuance costs	23,240	69,011	77,620
Total expenditures	54,562,277	54,269,786	52,306,041
Excess of revenues over (under) expenditures	(4,208,947)	(757,050)	(1,268,205)
Other financing sources (uses):			
Bonds issued	2,780,000	735,000	910,000
Refunding bonds issued	—	7,030,000	6,475,000
Premium (discount) on bonds issued	39,933	80,984	300,502
Payments to refunded bond escrow agent	(952,430)	(790,000)	—
Leases issued	—	—	519,909
Technology subscriptions issued	—	—	—
Sales of capital assets	153,027	141,253	118,894
Transfers in	5,746,474	6,235,640	6,141,582
Transfers out	(5,206,408)	(5,923,610)	(5,913,846)
Total other financing sources (uses)	2,560,596	7,509,267	8,552,041
Net change in fund balances	\$ (1,648,351)	\$ 6,752,217	\$ 7,283,836
Debt service as a percentage of noncapital expenditures	21.0%	11.4%	10.5%

	2017	2018	2019	2020	2021	2022	2023
\$	35,989,886	\$ 37,352,958	\$ 39,090,762	\$ 41,122,345	\$ 45,531,303	\$ 47,321,909	\$ 53,098,363
	2,061,946	2,466,914	3,369,080	2,028,388	2,877,014	3,093,773	2,680,749
	5,077,504	5,357,166	5,735,523	11,932,400	8,795,140	13,295,518	12,100,760
	6,634,410	7,230,588	7,217,898	6,106,670	6,486,842	7,678,413	9,343,411
	422,347	359,347	358,417	205,089	247,954	204,966	249,777
	469,779	615,245	1,832,567	933,690	(556,046)	(3,183,616)	3,941,300
	1,866,666	1,756,074	2,303,764	1,931,638	1,719,051	1,726,203	1,674,738
	1,683,990	2,024,617	2,959,449	1,801,226	2,392,134	5,787,658	1,969,136
	54,206,528	57,162,909	62,867,460	66,061,446	67,493,392	75,924,824	85,058,234
	7,109,756	7,036,828	7,034,145	7,883,492	7,714,554	9,178,565	8,738,600
	23,300,734	23,500,121	24,154,818	26,192,495	26,473,939	29,937,337	31,627,891
	6,806,529	7,770,000	7,722,108	7,704,347	8,291,068	8,028,486	8,866,402
	1,023,582	1,002,556	1,104,490	1,048,450	1,099,712	1,212,831	1,328,624
	1,310,566	1,461,642	1,264,396	1,270,493	1,497,920	1,234,845	1,380,915
	476,108	516,894	813,210	2,750,100	617,859	3,156,964	543,646
	17,058,821	11,109,667	12,610,088	19,660,455	26,297,662	16,299,556	11,957,385
	3,251,465	4,487,329	3,820,163	4,811,153	4,560,000	4,927,305	5,514,844
	1,489,498	1,467,934	1,118,766	1,085,390	1,514,997	1,323,817	1,413,620
	24,278	23,791	48,568	12,606	20,431	10,904	16,425
	57,965	51,495	17,298	120,230	—	87,256	—
	61,909,302	58,428,257	59,708,050	72,539,211	78,088,142	75,397,866	71,388,352
	(7,702,774)	(1,265,348)	3,159,410	(6,477,765)	(10,594,750)	526,958	13,669,882
	9,585,000	2,125,000	1,165,000	17,175,000	—	5,170,000	—
	—	3,235,000	460,000	1,340,000	—	—	—
	584,230	239,989	276,430	1,884,433	—	380,965	—
	—	(16,784,136)	(525,000)	(1,458,847)	—	—	—
	193,504	—	—	—	—	273,886	618,245
	—	—	—	—	—	—	441,265
	421,224	596,234	191,620	82,737	104,976	42,621	65,284
	6,502,685	5,464,671	4,492,604	2,466,874	4,126,288	3,299,503	3,913,841
	(6,061,843)	(4,875,871)	(3,898,871)	(2,246,416)	(3,877,300)	(2,750,963)	(3,091,051)
	11,224,800	(9,999,113)	2,161,783	19,243,781	353,964	6,416,012	1,947,584
\$	3,522,026	\$ (11,264,461)	\$ 5,321,193	\$ 12,766,016	\$ (10,240,786)	\$ 6,942,970	\$ 15,617,466
	10.3%	12.5%	10.1%	9.9%	10.8%	9.7%	11.2%

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# CITY OF BURNSVILLE, MINNESOTA

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

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<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
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
2020	37,635,629	67,287	174,326	3,245,103	41,122,345
2021	39,365,666	94,833	258,761	5,812,043	45,531,303
2022	41,086,717	57,094	338,254	5,839,844	47,321,909
2023	46,764,054	113,690	349,871	5,870,748	53,098,363

**CITY OF BURNSVILLE, MINNESOTA**

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

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Less Fiscal Disparities</b>	<b>Less Tax Increment</b>
	<b>Residential Property</b>	<b>Commercial Property</b>			
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)
2020	55,924,956	31,657,917	1,002,211	(1,347,441)	(225,215)
2021	58,847,414	33,181,384	1,013,065	(1,823,844)	(144,251)
2022	62,591,306	33,641,212	495,514	(1,490,458)	(158,129)
2023	74,399,844	35,103,808	533,738	(1,063,024)	(133,765)

Source: Dakota County

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	<b>Total Taxable Net Tax Capacity</b>	<b>Tax Capacity Value as a Percentage of Taxable Market Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Market Value</b>	<b>Taxable Market Value</b>	<b>Taxable Value as a Percentage of Estimated Actual Value</b>
\$	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
	87,012,428	1.24	43.147	7,350,427,230	7,034,358,859	95.7
	91,073,768	1.23	42.853	7,749,261,165	7,381,171,260	95.3
	95,079,445	1.23	43.054	8,426,026,717	7,733,407,321	91.8
	108,840,601	1.22	42.374	9,520,747,643	8,928,557,140	93.8

**CITY OF BURNSVILLE, MINNESOTA**

**PROPERTY TAX RATES**

**DIRECT AND OVERLAPPING (1) GOVERNMENTS**

**LAST TEN FISCAL YEARS**

Fiscal Year	City of Burnsville			Overlapping Rates:	
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Dakota County	School District - ISD #191
				Total County Tax Rate (2)	Total School Tax Rate (2)
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
2020	40.844	2.303	43.147	24.133	23.263
2021	40.651	2.202	42.853	22.716	20.745
2022	40.277	2.777	43.054	21.630	19.053
2023	39.590	2.784	42.374	18.816	19.403

Source: Dakota County

Notes:

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

<b>School District - ISD #194</b>	<b>School District - ISD #196</b>	<b>Special Districts</b>	<b>Total Direct and Overlapping Rates</b>		
<b>Total School Tax Rate (2)</b>	<b>Total School Tax Rate (2)</b>		<b>ISD #191</b>	<b>ISD #194</b>	<b>ISD #196</b>
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
31.225	34.367	3.767	94.310	102.272	105.414
27.269	32.712	3.722	90.036	96.560	102.003
25.582	31.336	3.698	87.435	93.964	99.718
29.473	17.904	3.906	84.499	94.569	83.000

**CITY OF BURNSVILLE, MINNESOTA**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity
Northern States Power Company	\$ 3,300,070	1	3.0 %	\$ 2,324,768	1	3.8 %
RRE Woods Holdings, LLC	853,433	2	0.8	—	—	—
New Southwind LLC	749,751	3	0.7	—	—	—
RRE Nicollet Ridge Holdings LLC	721,250	4	0.7	—	—	—
PC Felix LLC	698,640	5	0.6	—	—	—
Burnsville Center Captial Holdings LLC (previously Burnsville Center SPE LLC)	633,588	6	0.6	2,079,250	2	3.4
FLT Summit Park Apartments LLC	609,775	7	0.6	—	—	—
Neon Burnsville LLC	604,589	8	0.6	—	—	—
PRCP-Minnesota Stone LLC	596,656	9	0.5	—	—	—
JPT Ind Inc	585,950	10	0.5	455,826	4	0.7
Minnegasco Inc.	—	—	—	532,246	3	0.9
Kraus Anderson	—	—	—	353,632	5	0.6
WRPV XI Woods Burnsville LLC	—	—	—	350,394	6	0.6
Capreit Atrium Apartments LP	—	—	—	334,175	7	0.5
Rosemount Aerospace	—	—	—	333,894	8	0.5
Dakota Electric Association	—	—	—	326,898	9	0.5
Virtu Southwind Owner LLC	—	—	—	316,251	10	0.5
<b>Total</b>	<b>\$9,353,702</b>		<b>8.6 %</b>	<b>\$7,407,334</b>		<b>12.0 %</b>

Source: Dakota County

**CITY OF BURNSVILLE, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year Ended December 31,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 28,448,573	\$ 28,171,331	99.03 %	\$ 126,149	\$ 28,297,480	99.47 %
2015	29,584,711	29,336,510	99.16	88,640	29,425,150	99.46
2016	30,951,674	30,715,364	99.24	130,689	30,846,053	99.66
2017	32,075,674	31,654,894	98.69	330,289	31,985,183	99.72
2018	33,242,674	32,996,925	99.26	62,051	33,058,976	99.45
2019	34,896,674	34,691,735	99.41	65,673	34,757,408	99.60
2020	37,588,674	37,199,804	98.97	96,412	37,296,216	99.22
2021	39,058,352	38,811,612	99.37	62,290	38,873,902	99.53
2022	40,912,255	40,472,208	98.92	42,913	40,515,121	99.03
2023	46,199,176	45,820,400	99.18	—	45,820,400	99.18

**CITY OF BURNSVILLE, MINNESOTA**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities							
	General Obligation Bonds	General Obligation Certificates of Indebtedness	General Obligation Improvement Bonds	Tax Increment Bonds and Notes	General Obligation Tax Abatement Bonds	Lease Revenue Bonds	Leases	Technology Subscriptions
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	—	—	—
2020	26,134,094	—	9,885,809	1,823,204	15,042,848	—	—	—
2021	24,951,068	—	8,464,028	1,546,317	13,092,643	—	—	—
2022	23,683,042	1,115,752	11,475,019	1,264,431	11,092,438	—	201,352	—
2023	22,365,016	1,105,211	10,076,366	977,545	9,042,233	—	456,405	741,543

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

Sources:

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



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**Business-Type Activities**

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<b>Revenue Bonds</b>	<b>General Obligation Revenue Notes</b>	<b>General Obligation Improvement Bonds</b>	<b>Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$ 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	2.2	1,290
19,770,295	5,149,825	33,441	—	66,441,356	1.8	1,060
19,626,401	5,378,000	—	—	63,910,474	1.6	1,018
17,497,972	6,250,081	—	—	76,634,008	1.8	1,192
15,304,543	7,195,319	—	—	70,553,918	1.6	1,092
16,879,204	6,967,000	—	—	72,678,238	1.6	1,126
14,535,374	6,550,000	—	—	65,849,693	1.5	1,021

**CITY OF BURNSVILLE, MINNESOTA**

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

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Bond Issuance Premium/ (Discount)</b>	<b>Less Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Taxable Market Value of Property (2)</b>	<b>Per Capita (3)</b>
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	494
2020	49,780,000	3,105,955	6,637,860	46,248,095	0.6575	719
2021	45,220,000	2,834,056	6,432,965	41,621,091	0.5639	644
2022	45,690,000	2,940,682	6,487,284	42,143,398	0.5450	653
2023	40,925,000	2,641,371	6,387,756	37,178,615	0.4164	576

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, 2023**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Direct Debt:			
City of Burnsville	\$ 44,764,319	100.00 %	\$ 44,764,319
Overlapping Debt:			
ISD 191 (Burnsville)	106,710,000	83.45 %	89,049,495
ISD 194 (Lakeville)	174,415,000	8.14 %	14,197,381
ISD 196 (Rosemount)	85,260,000	8.98 %	7,656,348
Metropolitan Council	218,520,000	1.61 %	3,518,172
			<u>114,421,396</u>
Total overlapping debt			<u>114,421,396</u>
Total direct and overlapping debt			<u>\$ 159,185,715</u>

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

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

**CITY OF BURNSVILLE, MINNESOTA**

**LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Debt Limit	\$148,591,232	\$161,202,041	\$165,195,421	\$170,123,322
Total net debt applicable to limit	213,115	110,167	—	9,472,289
Legal debt margin	<u>148,378,117</u>	<u>161,091,874</u>	<u>165,195,421</u>	<u>160,651,033</u>
Total net debt applicable to the limit as a percentage of debt limit	0.14 %	0.07 %	0.00 %	5.57 %

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.

2018	2019	2020	2021	2022	2023
\$ 186,130,303	\$ 197,703,387	\$ 211,030,766	\$ 221,435,138	\$ 232,002,220	\$ 267,856,714
8,876,639	8,338,565	23,820,999	22,746,093	21,575,183	20,343,974
<u>177,253,664</u>	<u>189,364,822</u>	<u>187,209,767</u>	<u>198,689,045</u>	<u>210,427,037</u>	<u>247,512,740</u>
4.77 %	4.22 %	11.29 %	10.27 %	9.30 %	7.60 %

Legal Debt Margin Calculation for Fiscal Year 2023

Market Value	\$ 8,928,557,140
Debt limit (3% of market value)	267,856,714
Debt applicable to limit:	
General obligation bonds	20,680,000
Less amount set aside for repayment of general obligation debt	<u>(336,026)</u>
Total net debt applicable to limit	<u>20,343,974</u>
Legal debt margin	<u>\$ 247,512,740</u>

**CITY OF BURNSVILLE, MINNESOTA**

**PLEDGED REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

Fiscal Year	Revenue Bonds						Coverage Ratio
	(2) Operating Revenues and Other	(3) Less Operating Expenses	Net Available Revenue	Debt Service (1)			
				Principal	Interest		
<b>WATER AND SEWER FUND:</b>							
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	
2020	16,978,500	17,001,282	(22,782)	2,250,000	712,897	-0.01	
2021	18,363,656	15,052,831	3,310,825	2,422,197	645,947	1.08	
2022	19,227,464	15,891,135	3,336,329	2,512,000	584,948	1.08	
2023	20,249,799	18,155,025	2,094,774	2,582,000	626,218	0.65	
<b>STORM WATER FUND:</b>							
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	
2020	4,384,431	4,180,757	203,674	—	—	—	
2021	4,521,217	3,007,431	1,513,786	—	—	—	
2022	4,626,016	3,066,125	1,559,891	—	—	—	
2023	4,755,651	3,245,500	1,510,151	—	—	—	

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

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

(2) Operating Revenue and Other includes only operating revenues for the Water & Sewer and Storm Water Funds.

(3) Operating Expenses excludes depreciation.

**CITY OF BURNSVILLE, MINNESOTA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Number of Households (1)</b>	<b>Estimated Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2014	61,747	24,960	\$ 3,007,758,117	\$ 48,711	9,213	3.8 %
2015	61,908	24,990	3,128,892,228	50,541	8,989	3.5
2016	61,849	25,132	3,223,384,333	52,117	8,914	3.5
2017	62,239	25,252	3,628,844,895	58,305	8,563	3.1
2018	62,657	25,339	3,793,192,123	60,539	8,874	2.7
2019	62,785	25,405	3,891,225,945	61,977	8,603	3.2
2020	64,317	25,480	4,164,397,116	64,748	8,010	7.3
2021	64,627	25,696	4,389,918,229	67,927	7,837	3.6
2022	64,522	25,834	4,515,507,648	69,984	7,822	2.4
2023	64,522	25,834	4,515,507,648	69,984	7,822	2.6

Sources:

- (1) 2023 is an estimate of 0% growth from the 2022 actual figures provided by the Metropolitan Council. All years are best available estimates provided by the Metropolitan Council.
- (2) Estimated personal income is calculated by multiplying the per capita personal income by the City population.
- (3) Per capita personal income provided by the U.S. Bureau of Economic Analysis is an estimate for the State of Minnesota, the state in which the City is located. This is the smallest applicable region for which this data is available.
- (4) School enrollment is enrollment in the largest district, ISD# 191 (Burnsville). Burnsville is also served by ISD# 194 (Lakeville) and ISD# 196 (Rosemount-Eagan-Apple Valley). Data is compiled by the Minnesota Department of Education
- (5) Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

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**CITY OF BURNSVILLE, MINNESOTA**

**PRINCIPAL EMPLOYERS**

**CURRENT AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Collins Aerospace	1,800	1	5.2 %	1,400	2	4.1 %
Burnsville Public Schools - ISD #191	1,200	2	3.4	1,600	1	4.7
Fairview Ridges Hospital	967	3	2.8	1,200	3	3.5
Buck Hill Ski Area	500	4	1.4	—	—	—
Pepsi-Cola Bottling Co.	500	4	1.4	600	4	1.7
Ames Construction	400	6	1.1	—	—	—
YRC Freight	300	7	0.9	—	—	—
Telex Communications	300	7	0.9	—	—	—
Target	300	7	0.9	—	—	—
Park Nicollet Clinic	300	7	0.9	—	—	—
Northern Tool & Equipment	—	—	—	600	4	1.7
Mackin Media Library	—	—	—	400	6	1.2
Yellow Transportation	—	—	—	400	6	1.2
Asset Marketing Services	—	—	—	350	8	1.0
Frontier Communications of MN	—	—	—	300	9	0.9
Cub Foods	—	—	—	300	9	0.9
Walmart	—	—	—	300	9	0.9
<b>Total</b>	<b>6,567</b>		<b>18.9 %</b>	<b>7,450</b>		<b>21.8 %</b>

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			
	2014	2015	2016	2017
Function:				
General government	41.4	41.4	41.4	41.7
Public safety:				
Police	90.9	91.1	91.1	91.1
Fire	40	40	40	44
Inspections	12.5	12.8	12.8	12.5
Public works and parks:				
Engineering	13	13	13	14
Parks	18	18	18	18
Public works	12	12	12	12
Fleet maintenance	8	8	8	8
Recreation	6	6	6	6
Conservation of natural resources	2	2	2.8	3.3
Economic development	1	1	1	1
Water and sewer	15	15	15	15
Storm drainage	3.5	3.5	3.5	3.5
Ice arena	6.5	6.5	6.5	6.5
Golf course	1.5	1.5	1.5	1.5
	<u>271.3</u>	<u>271.8</u>	<u>272.6</u>	<u>278.1</u>
Total				

Source: Annual City Budget Documents

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

2018	2019	2020	2021	2022	2023
42.30	45.50	45.50	48.40	48.40	54.20
91.1	91.1	91.1	91.1	91.1	99.1
44	44	45	45	45	48
13	13	14	14	14	14
14	14	14	14	14	14
18	18.5	18	18	18	18
12	12.5	14.5	14	14	14
8	8	9	9	9	9
5.8	6.6	8	6	6	6
3.5	5.5	3.5	2.5	2.5	2.5
1	2	—	—	—	—
15	13	16	17	17	19
3.5	1.5	4.0	4.5	4.5	4.5
6.5	6.5	6.5	6	6	6
1.5	1.5	1.5	1.5	1.5	1.5
<u>279.2</u>	<u>283.2</u>	<u>290.6</u>	<u>291.0</u>	<u>291.0</u>	<u>309.8</u>

**CITY OF BURNSVILLE, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
Total calls for service	46,209	49,924	48,859	48,575
Arrests - Adult	1,888	1,922	1,846	1,758
Arrests - Juvenile	367	351	323	409
Traffic citations	7,898	6,613	5,452	6,426
Fire and Emergency Services				
Number of calls (excluding EMS)	1,353	1,355	1,536	1,507
Number of Emergency Medical Service (EMS) calls	4,303	4,665	5,037	5,116
EMS patients served	3,269	3,400	3,765	4,009
Protective inspections				
Plan reviews	488	546	530	610
Building permits issued	7,252	6,888	6,871	7,044
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	6,244	6,869	6,765	6,824
Code enforcement inspections	3,970	3,904	4,716	4,238
Public works				
Street rehabilitation/resurfacing (miles)	5.2	8.8	9.1	10.7
Sealcoating (miles)	18.5	6.1	5	4.7
Snow and ice control (miles)	222	222	222	222
Recreation				
Youth recreation activity participants	23,006	27,195	23,200	22,917
The Garage Attendance	22,500	*n/a	*n/a	*n/a
Water				
New connections	27	63	36	18
Water main breaks	17	19	15	12
Average daily consumption (thousands of gallons)	9,008	10,070	8,683	8,268
Total daily pumping capacity (thousands of gallons)	29,000	29,000	29,000	29,000
Sewer				
Average daily flow (thousands of gallons)	5,346	5,153	5,129	5,146
Storm Water				
Street sweeping (miles)	222	222	222	222
Golf course				
Annual rounds sold	20,851	23,775	23,059	20,725
Ice Center				
Learn to skate participants	513	455	354	298

Sources: Various City departments

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

\* In 2015, the City transitioned the programs at THE GARAGE to the new Burnsville Youth Collaborative (BYC).

2018	2019	2020	2021	2022	2023
49,482	47,653	47,196	48,731	51,804	54,737
1,691	1,572	1,482	1,255	1,514	1,715
238	192	111	101	179	148
5,547	4,286	2,642	3,311	3,528	3,217
1,571	1,594	1,455	1,683	1,976	2,071
5,427	5,685	5,863	6,312	7,170	7,449
4,372	4,910	5,216	5,723	6,545	6,853
491	596	588	681	705	807
7,359	8,853	9,781	7,402	8,089	7,152
7,351	8,673	10,606	10,192	9,826	11,397
4,806	3,350	605	1,116	1,420	1,130
4.9	11.8	9.1	7.3	8.0	5.6
6.4	6.8	5.3	9.7	7.4	6.8
222	222	222	222	222	223
27,662	49,432	3,913	19,129	17,238	12,715
*n/a	*n/a	*n/a	*n/a	*n/a	*n/a
9	48	135	8	26	45
12	11	14	14	11	13
8,150	8,090	8,590	9,322	6,315	6,646
29,000	29,000	29,000	29,000	29,000	29,000
5,047	5,004	5,255	5,159	5,189	4,871
222	222	222	222	222	223
17,107	18,676	26,213	25,004	27,985	28,403
347	299	104	157	366	349

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

Function	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police				
Stations	1	1	1	1
Patrol units	26	26	26	26
Fire stations	2	2	2	2
Public works				
Streets (miles)	220.4	221.9	221.9	221.9
Traffic signals	22	22	22	22
Parks and recreation				
Parks acreage	1,750	1,750	1,750	1,750
Parks	76	76	76	76
Turf maintained (acres)	645	645	645	645
Atheletic fields maintained	142	142	142	142
Golf course	1	1	1	1
Ice skating rinks				
Indoor	2	2	2	2
Outdoor	29	29	29	29
Water				
Water mains (miles)	259.8	260.7	260.7	260.7
Wells	17	17	17	17
Connections	16,655	16,718	16,754	16,772
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer				
Sanitary sewers (miles)	209.3	209.6	209.7	209.7
Number of connections	16,073	16,079	16,113	16,133
Storm sewers (miles)	196.8	199.4	199.9	200.0

Source: Various City departments

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

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
26	26	26	26	26	30
2	2	2	2	2	2
221.9	221.9	221.9	221.9	222.1	222.6
22	22	23	23	23	24
1,750	1,750	1,750	1,750	1,750	1,750
76	76	76	76	76	76
645	645	645	449	449	462
142	142	142	142	142	142
1	1	1	1	1	1
2	2	2	2	2	2
29	29	28	25	25	25
260.7	260.7	260.7	264.8	264.8	264.9
17	17	17	17	17	17
16,781	16,829	16,964	16,974	17,000	17,045
19,000	19,000	19,000	19,000	19,000	19,000
209.7	209.7	209.7	198.3	198.3	198.3
16,149	16,188	16,199	16,835	16,978	17,016
200.4	200.4	200.4	195.9	196.3	196.4

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**FORM OF LEGAL OPINION**

(See following pages)

\$73,000,000  
City of Burnsville, Minnesota  
General Obligation Capital Improvement Plan Bonds  
Series 2025A

We have acted as bond counsel to the City of Burnsville, Hennepin County, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Capital Improvement Plan Bonds, Series 2025A (the “Bonds”), originally dated the date hereof, and issued in the original aggregate principal amount of \$73,000,000. 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 Bond are payable from ad valorem taxes, but if necessary for the payment thereof additional 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 for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is excludable, to the same extent, from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes and is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The opinion set forth in the preceding sentences 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 the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and 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 retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. 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 creditors’ rights generally and by equitable principles, whether considered at law or in equity.

# KUTAKROCK

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 \_\_\_\_\_, 2025 at Minneapolis, Minnesota.

**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](http://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.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)



\$73,000,000  
City of Burnsville, Minnesota  
General Obligation Capital Improvement Plan Bonds  
Series 2025A

**CONTINUING DISCLOSURE CERTIFICATE**

\_\_\_\_\_, 2025

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 Capital Improvement Plan Bonds, Series 2025A (the “Bonds”) in the original aggregate principal amount of \$73,000,000. 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 Capital Improvement Plan Bonds, Series 2025A, issued by the Issuer in the original aggregate principal amount of \$73,000,000.

“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 \_\_\_\_\_, 2025, 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, 2024, 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**

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Mayor

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City Administrator

**TERMS OF PROPOSAL**

**\$73,000,000\* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2025A  
CITY OF BURNSVILLE, MINNESOTA**

Proposals for the purchase of \$73,000,000\* General Obligation Capital Improvement Plan Bonds, Series 2025A (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 [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com) or **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on May 6, 2025, 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.

**AUTHORITY; PURPOSE; SECURITY**

The Bonds are being issued pursuant to Minnesota Statutes, Section 475.521 and Chapter 475, as amended, by the City, for the purpose of financing the improvement and expansion of a combined police station and city hall and other projects as authorized in the 2025-2029 Capital Improvement Plan approved by the City Council on December 17, 2024. The Bonds are general obligations of the City, for which its full faith and credit and taxing powers are pledged.

**DATES AND MATURITIES**

The Bonds will be dated May 22, 2025, 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:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$2,535,000	2033	\$3,185,000	2040	\$4,215,000
2027	2,615,000	2034	3,300,000	2041	4,405,000
2028	2,695,000	2035	3,420,000	2042	4,610,000
2029	2,785,000	2036	3,550,000	2043	4,825,000
2030	2,875,000	2037	3,700,000	2044	5,050,000
2031	2,970,000	2038	3,865,000	2045	5,290,000
2032	3,075,000	2039	4,035,000		

**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 December 20, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 5th 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 2026 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 ("BTSC") to act as paying agent (the "Paying Agent"). BTSC 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, 2036 shall be subject to optional redemption prior to maturity on December 20, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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 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 May 22, 2025, 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 Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), 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 \$72,635,000 plus accrued interest on the principal sum of \$73,000,000 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](mailto: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 IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

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 submission.

**A good faith deposit ("Deposit") in the amount of \$1,460,000 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.

### **NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Bonds shall not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter (Syndicate Manager) 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, the form of 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<sup>th</sup>) 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<sup>th</sup>) 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-offering-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) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, 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 of the Bonds (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](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Underwriter (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  
City of Burnsville, Minnesota (the "City")

May 6, 2025

**RE: \$73,000,000\* General Obligation Capital Improvement Plan Bonds, Series 2025A (the "Bonds")**  
**DATED: May 22, 2025**

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 \$72,635,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2026	_____	% due	2033	_____	% due	2040
_____	% due	2027	_____	% due	2034	_____	% due	2041
_____	% due	2028	_____	% due	2035	_____	% due	2042
_____	% due	2029	_____	% due	2036	_____	% due	2043
_____	% due	2030	_____	% due	2037	_____	% due	2044
_____	% due	2031	_____	% due	2038	_____	% due	2045
_____	% due	2032	_____	% due	2039			

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 2026 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 \$1,460,000 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 May 22, 2025.

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 Underwriter (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 either the: \_\_\_ 10% test, or the \_\_\_ 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 May 22, 2025 of the above proposal is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

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The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Burnsville, Minnesota, on May 6, 2025.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_