PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 9, 2026

In the opinion of Kutak Rock LLP, Bond Counsel to the Issuer, 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 [(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. Further, 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 preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) 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 Matters" herein and "Appendix B – Form of Legal Opinion."

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, 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)

$34,335,000* GENERAL OBLIGATION IMPROVEMENT, UTILITY AND CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2026A

PROPOSAL OPENING: October 20, 2026, 10:00 A.M., C.T. **CONSIDERATION**: October 20, 2026, 5:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $34,335,000* General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475, as amended, and Minnesota Statutes, Section 475.521, by the City of Burnsville, Minnesota (the "City"), for the purposes of financing various public improvements within the City, including the 2025 and 2026 street projects and various utility system improvements, and the improvement and expansion of a combined police station and city hall as authorized in the City's Five-Year Capital Improvement Plan, dated 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: November 12, 2026

MATURITY: December 20 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$1,290,000	2034	$1,825,000	2041	$1,850,000
2028	1,495,000	2035	1,885,000	2042	1,275,000
2029	1,540,000	2036	1,960,000	2043	1,340,000
2030	1,590,000	2037	2,050,000	2044	1,410,000
2031	1,630,000	2038	2,135,000	2045	1,485,000
2032	1,690,000	2039	2,235,000	2046	1,560,000
2033	1,760,000	2040	2,330,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 20, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on December 20, 2037 and thereafter are subject to call for prior optional redemption on December 20, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $33,991,650.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $686,700 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.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT 1

THE BONDS 1
- GENERAL 1
- OPTIONAL REDEMPTION 2
- AUTHORITY; PURPOSE 2
- ESTIMATED SOURCES AND USES 2
- SECURITY 3
- RATING 4
- CONTINUING DISCLOSURE 4
- LEGAL MATTERS 5
- TAX MATTERS 5
- NOT QUALIFIED TAX-EXEMPT OBLIGATIONS 7
- MUNICIPAL ADVISOR 7
- MUNICIPAL ADVISOR AFFILIATED COMPANIES . . 8
- INDEPENDENT AUDITORS 8
- RISK FACTORS 8

VALUATIONS 10
- OVERVIEW 10
- CURRENT PROPERTY VALUATIONS 11
- 2025/26 NET TAX CAPACITY BY CLASSIFICATION 12
- TREND OF VALUATIONS 12
- LARGEST TAXPAYERS 13

DEBT 13
- DIRECT DEBT 13
- DEBT PAYMENT HISTORY 14
- FUTURE FINANCING 14
- DEBT LIMIT 14
- SCHEDULES OF BONDED INDEBTEDNESS 15
- OVERLAPPING DEBT 23
- DEBT RATIOS 24

TAX LEVIES, COLLECTIONS AND RATES 25
- TAX LEVIES AND COLLECTIONS 25
- TAX CAPACITY RATES 26

THE ISSUER 26
- CITY GOVERNMENT 26
- EMPLOYEES; PENSIONS; UNIONS 27
- POST EMPLOYMENT BENEFITS 27
- LITIGATION 27
- MUNICIPAL BANKRUPTCY 28
- FUNDS ON HAND 28
- ENTERPRISE FUNDS 29
- SUMMARY GENERAL FUND INFORMATION 30
- GENERAL FUND BUDGET SUMMARY 31

GENERAL INFORMATION 32
- LOCATION 32
- LARGER EMPLOYERS 32
- BUILDING PERMITS 33
- U.S. CENSUS DATA 33
- EMPLOYMENT/UNEMPLOYMENT DATA 34

FINANCIAL STATEMENTS A-1

FORM OF LEGAL OPINION B-1

BOOK-ENTRY-ONLY SYSTEM C-1

FORM OF CONTINUING DISCLOSURE CERTIFICATE D-1

TERMS OF PROPOSAL E-1

PROPOSAL FORM

CITY OF BURNSVILLE
CITY COUNCIL

		Term Expires
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, Minneapolis, 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 $34,335,000* General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on October 20, 2026.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of November 12, 2026. The Bonds will mature on December 20 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 20 and December 20 of each year, commencing June 20, 2027, 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 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 2027 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, Minneapolis, 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, 2037 shall be subject to optional redemption prior to maturity on December 20, 2036 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, Chapters 429, 444 and 475, as amended, and Minnesota Statutes, Section 475.521, by the City, for the purposes of financing: (i) various public improvements within the City, including the 2025 and 2026 street projects (the "Improvement Portion"); (ii) and various utility system improvements related to the 2025 and 2026 street projects (the "Utility Revenue Portion"); and (iii) the improvement and expansion of a combined police station and city hall as authorized in the City's Five-Year Capital Improvement Plan, dated December 17, 2024 (the "Capital Improvement Plan (CIP) Portion").

ESTIMATED SOURCES AND USES*

Sources	**Improvement Portion**	**Utility Revenue Portion**	**CIP Portion**	**Total Bond Issue**
Par Amount of Bonds	$1,650,000	$12,015,000	$20,670,000	$34,335,000
Prepaid Assessments	981,273	-	-	981,273
Assessments Collected in 2026	109,469	-	-	109,469
Total Sources	**$2,740,742**	**$12,015,000**	**$20,670,000**	**$35,425,742**
Uses				
Total Underwriter's Discount (1.000%)	$16,500	$120,150	$206,700	$343,350
Costs of Issuance	9,179	66,838	114,984	191,000
Deposit to Construction Fund	2,713,077	11,828,000	20,350,132	34,891,209
Rounding Amount	1,986	12	(1,816)	183
Total Uses	**$2,740,742**	**$12,015,000**	**$20,670,000**	**$35,425,742**

*Preliminary, subject to change.

Breakdown of Principal Payments*:

Payment Date	Improvement Portion	Utility Revenue Portion	CIP Portion	Total Bond Issue
12/20/2027	$115,000	$585,000	$590,000	$1,290,000
12/20/2028	125,000	655,000	715,000	1,495,000
12/20/2029	125,000	675,000	740,000	1,540,000
12/20/2030	120,000	705,000	765,000	1,590,000
12/20/2031	115,000	725,000	790,000	1,630,000
12/20/2032	115,000	755,000	820,000	1,690,000
12/20/2033	115,000	790,000	855,000	1,760,000
12/20/2034	115,000	820,000	890,000	1,825,000
12/20/2035	110,000	850,000	925,000	1,885,000
12/20/2036	110,000	885,000	965,000	1,960,000
12/20/2037	110,000	930,000	1,010,000	2,050,000
12/20/2038	110,000	970,000	1,055,000	2,135,000
12/20/2039	110,000	1,020,000	1,105,000	2,235,000
12/20/2040	105,000	1,065,000	1,160,000	2,330,000
12/20/2041	50,000	585,000	1,215,000	1,850,000
12/20/2042	-	-	1,275,000	1,275,000
12/20/2043	-	-	1,340,000	1,340,000
12/20/2044	-	-	1,410,000	1,410,000
12/20/2045	-	-	1,485,000	1,485,000
12/20/2046	-	-	1,560,000	1,560,000
Total	**$1,650,000**	**$12,015,000**	**$20,670,000**	**$34,335,000**

*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 Improvement Portion of the Bonds will be paid from a combination of special assessments levied against properties benefitted by improvements financed by the Improvement Portion of the Bonds and from ad valorem property taxes. Receipt of special assessments and collection of ad valorem taxes will be sufficient to provide not less than 105% of principal and interest on the Improvement Portion of the Bonds as required by Minnesota law.

The City anticipates that the debt service on the Utility Revenue Portion of the Bonds will be paid entirely from net revenues of the water and sewer systems ("utility revenues") which are owned and operated by the City. In accordance with Minnesota Statutes, receipt of utility revenues will be sufficient to provide not less than 105% of principal and interest on the Utility Revenue Portion of the Bonds.

The City anticipates that the debt service on the CIP Portion of 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 CIP Portion of the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the City is required to levy an additional ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

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

RATING

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

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

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

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

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

The City did not timely file a financial obligation that occurred in June of 2025. Except to the extent that the preceding (is/are) deemed to be material, the City believes it has not failed to comply in the previous five years 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 MATTERS

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.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX MATTERS" in this Official Statement and the Form of Legal Opinion found in APPENDIX B) and has not performed any investigation as to its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

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 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, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions described above assume the accuracy of certain representations and compliance by City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (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 and in taxable net income for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

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.

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, if any, 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, if any, 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 WITH 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.

NOT 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(b)(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, 2025 have been audited by Redpath and Company, LLC, St. Paul, 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 are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments and utility revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State 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 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 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 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.

State Economy; State Aids: State 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	2023/24	2024/25	2025/26
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $2,150,000 - 0.50% [2] Over $2,150,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City[4] - 1.25% Affordable Rental: First $174,000 - 0.75% Over $174,000 - 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: – 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental – 0.25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

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

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

[3] Exempt from referendum market value tax.

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

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

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value	$10,607,620,072[1]
2025/26 Assessor's Estimated Market Value	
Real Estate	$9,959,070,500
Personal Property	28,306,900
Total Valuation	$9,987,377,400
2025/26 Net Tax Capacity	
Real Estate	$121,107,550
Personal Property	551,371
Net Tax Capacity	$121,658,921
Less:	
Captured Tax Increment Tax Capacity[2]	(629,577)
Fiscal Disparities Contribution[3]	(15,442,354)
Taxable Net Tax Capacity	$105,586,990
Plus: Fiscal Disparities Distribution[3]	13,688,204
Adjusted Taxable Net Tax Capacity	$119,275,194

[1] According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City was about 94.46% 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 an Economic Market Value ("EMV") for the City of $10,607,620,072.

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

[3] Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base 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.

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$60,862,200	50.03%
Commercial/industrial	38,988,588	32.05%
Public utility	4,210,934	3.46%
Railroad operating property	171,266	0.14%
Non-homestead residential	16,874,562	13.87%
Personal property	551,371	0.45%
Total	$121,658,921	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
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%
2025/26	9,987,377,400	9,702,621,701	121,658,921	119,275,194	2.45%

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

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

LARGEST TAXPAYERS

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Xcel Energy	Utility	$3,756,818	3.09%
RRE Woods Holdings LLC	Apartments	788,108	0.65%
Neon Burnsville LLC	Apartments	755,724	0.62%
AMFP VI Meridian LLC	Apartments	718,148	0.59%
Park Nicollet Clinic	Commercial	648,154	0.53%
JPT Ind Inc.	Commercial	640,688	0.53%
PC Felix LLC	Apartments	633,168	0.52%
FLT Summit Park Apartments LLC	Apartments	593,638	0.49%
New Southwind LLC	Apartments	590,900	0.49%
Rosemount Aerospace Inc.	Industrial	581,748	0.48%
Total		$9,707,094	7.98%

City's Total 2025/26 Net Tax Capacity $121,658,921

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

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes (includes the Improvement Portion of the Bonds)*	$9,725,000
Total G.O. debt secured by tax abatement revenues	4,525,000
Total G.O. debt secured by tax increment revenues	375,000
Total G.O. debt secured by taxes (includes the CIP Portion of the Bonds)*	108,150,000
Total G.O. debt secured by utility revenues (includes the Utility Revenue Portion of the Bonds)*	32,370,000
Total General Obligation Debt*	$155,145,000

*Preliminary, subject to change.

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

Other Debt

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
6/24/25	$1,188,763	Cisco Systems Equipment Lease Purchase	7/24/29	$713,258
4/9/26	$650,025	Equipment and software lease	3/25/29	$433,350
9/25/26	$1,089,849	Equipment lease	9/25/30	$1,089,849

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City has no current plans for additional financing in the next 12 months.

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 (includes the Improvement Portion of the Bonds); (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any revenue producing public convenience (includes the Utility Revenue Portion of the Bonds); (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.

2025/26 Assessor's Estimated Market Value	$9,987,377,400
Multiply by 3%	0.03
Statutory Debt Limit	$299,621,322
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the CIP Portion of the Bonds)*	(108,150,000)
Unused Debt Limit*	$191,471,322

*Preliminary, subject to change.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/12/2026)

	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**
2026	60,000	1,100	75,000	3,850	200,000	11,950	45,000	3,094	60,000	2,214
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										
2040										
2041										
	110,000	2,100	220,000	11,375	830,000	50,050	225,000	15,469	230,000	12,401

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.

--Continued on next page

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/12/2026)

	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	
Dated	12/13/2018		11/26/2019		11/17/2020		11/09/2022		12/05/2024	
Amount	$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**
2026	75,000	5,931	150,000	14,125	90,000	12,350	0	0	100,000	31,850
2027	75,000	8,863	80,000	20,750	80,000	21,100	240,000	150,150	100,000	58,700
2028	50,000	6,613	80,000	16,750	80,000	17,900	250,000	137,900	100,000	53,700
2029	35,000	5,113	80,000	12,750	80,000	14,700	260,000	125,150	100,000	48,700
2030	35,000	4,063	35,000	8,750	75,000	11,500	265,000	112,025	100,000	43,700
2031	35,000	2,925	35,000	7,000	65,000	8,500	275,000	98,525	100,000	38,700
2032	35,000	1,788	35,000	5,250	60,000	5,900	285,000	84,525	100,000	33,700
2033	20,000	650	35,000	3,500	60,000	4,100	300,000	71,400	100,000	28,700
2034			35,000	1,750	60,000	2,300	310,000	59,200	100,000	23,700
2035					55,000	1,100	320,000	46,600	95,000	18,700
2036							325,000	33,700	95,000	13,950
2037							335,000	20,500	90,000	9,200
2038							345,000	6,900	90,000	5,600
2039									50,000	2,000
2040										
2041										
	360,000	35,944	565,000	90,625	705,000	99,450	3,510,000	946,575	1,320,000	410,900

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.

--Continued on next page

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 11/12/2026)

	Improvement Bonds 10) Series 2026A
Dated	11/12/2026
Amount	$1,650,000*
Maturity	12/20

Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	0	855,000	86,464	941,464	8,870,000	8.79%	**2026**
2027	115,000	75,744	1,100,000	368,669	1,468,669	7,770,000	20.10%	**2027**
2028	125,000	64,603	1,045,000	319,115	1,364,115	6,725,000	30.85%	**2028**
2029	125,000	60,228	975,000	277,603	1,252,603	5,750,000	40.87%	**2029**
2030	120,000	55,728	710,000	238,340	948,340	5,040,000	48.17%	**2030**
2031	115,000	51,288	655,000	207,575	862,575	4,385,000	54.91%	**2031**
2032	115,000	46,918	630,000	178,080	808,080	3,755,000	61.39%	**2032**
2033	115,000	42,375	630,000	150,725	780,725	3,125,000	67.87%	**2033**
2034	115,000	37,718	620,000	124,668	744,668	2,505,000	74.24%	**2034**
2035	110,000	32,945	580,000	99,345	679,345	1,925,000	80.21%	**2035**
2036	110,000	28,105	530,000	75,755	605,755	1,395,000	85.66%	**2036**
2037	110,000	23,155	535,000	52,855	587,855	860,000	91.16%	**2037**
2038	110,000	18,095	545,000	30,595	575,595	315,000	96.76%	**2038**
2039	110,000	12,925	160,000	14,925	174,925	155,000	98.41%	**2039**
2040	105,000	7,645	105,000	7,645	112,645	50,000	99.49%	**2040**
2041	50,000	2,500	50,000	2,500	52,500	0	100.00%	**2041**
	1,650,000	559,969	9,725,000	2,234,858	11,959,858			

* Preliminary, subject to change.

10) This represents the $1,650,000 Improvement Portion of the $34,335,000 General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 11/12/2026)

	Tax Abatement Refunding Bonds Series 2015B		Tax Abatement Bonds 1) Series 2018A							
Dated	12/10/2015		12/13/2018							
Amount	$7,030,000		$4,395,000							
Maturity	12/20		12/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	1,855,000	30,488	435,000	29,400	2,290,000	59,888	2,349,888	2,235,000	50.61%	**2026**
2027	855,000	19,238	445,000	41,400	1,300,000	60,638	1,360,638	935,000	79.34%	**2027**
2028			460,000	28,050	460,000	28,050	488,050	475,000	89.50%	**2028**
2029			475,000	14,250	475,000	14,250	489,250	0	100.00%	**2029**
	2,710,000	49,725	1,815,000	113,100	4,525,000	162,825	4,687,825			

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

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 11/12/2026)

Tax Increment Bonds
Series 2012A

Dated	11/01/2012
Amount	$4,920,000
Maturity	12/20

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	185,000	3,750	185,000	3,750	188,750	190,000	49.33%	**2026**
2027	190,000	3,800	190,000	3,800	193,800	0	100.00%	**2027**
	375,000	7,550	375,000	7,550	382,550			

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/12/2026)

	Capital Improvement Plan Bonds 1) Series 2017A		CIP Bonds 2) Series 2020A		Equipment Certificates 3) Series 2022A		Capital Improvement Plan Bonds Series 2025A		Capital Improvement Plan Bonds 4) Series 2026A							
Dated	11/15/2017		11/17/2020		11/09/2022		05/22/2025		11/12/2026							
Amount	$9,585,000		$16,025,000		$1,020,000		$68,610,000		$20,670,000*							
Maturity	12/20		12/20		02/01		12/20		12/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	670,000	69,470	680,000	184,175	0	0	2,095,000	1,615,722	0	0	3,445,000	1,869,367	5,314,367	104,705,000	3.19%	**2026**
2027	695,000	112,140	705,000	341,150	110,000	34,250	2,195,000	3,126,694	590,000	1,049,465	4,295,000	4,663,699	8,958,699	100,410,000	7.16%	**2027**
2028	710,000	97,545	735,000	312,950	115,000	28,625	2,305,000	3,016,944	715,000	929,205	4,580,000	4,385,269	8,965,269	95,830,000	11.39%	**2028**
2029	725,000	81,215	765,000	283,550	120,000	22,750	2,420,000	2,901,694	740,000	904,180	4,770,000	4,193,389	8,963,389	91,060,000	15.80%	**2029**
2030	745,000	63,815	795,000	252,950	125,000	16,625	2,545,000	2,780,694	765,000	877,540	4,975,000	3,991,624	8,966,624	86,085,000	20.40%	**2030**
2031	760,000	44,818	825,000	221,150	130,000	10,250	2,670,000	2,653,444	790,000	849,235	5,175,000	3,778,896	8,953,896	80,910,000	25.19%	**2031**
2032	785,000	23,158	860,000	188,150	140,000	3,500	2,805,000	2,519,944	820,000	819,215	5,410,000	3,553,966	8,963,966	75,500,000	30.19%	**2032**
2033			885,000	162,350			2,945,000	2,379,694	855,000	786,825	4,685,000	3,328,869	8,013,869	70,815,000	34.52%	**2033**
2034			915,000	135,800			3,090,000	2,232,444	890,000	752,198	4,895,000	3,120,441	8,015,441	65,920,000	39.05%	**2034**
2035			930,000	117,500			3,245,000	2,077,944	925,000	715,263	5,100,000	2,910,706	8,010,706	60,820,000	43.76%	**2035**
2036			950,000	98,900			3,410,000	1,915,694	965,000	674,563	5,325,000	2,689,156	8,014,156	55,495,000	48.69%	**2036**
2037			970,000	79,900			3,580,000	1,745,194	1,010,000	631,138	5,560,000	2,456,231	8,016,231	49,935,000	53.83%	**2037**
2038			990,000	60,500			3,755,000	1,566,194	1,055,000	584,678	5,800,000	2,211,371	8,011,371	44,135,000	59.19%	**2038**
2039			1,005,000	40,700			3,945,000	1,378,444	1,105,000	535,093	6,055,000	1,954,236	8,009,236	38,080,000	64.79%	**2039**
2040			1,030,000	20,600			4,140,000	1,181,194	1,160,000	482,053	6,330,000	1,683,846	8,013,846	31,750,000	70.64%	**2040**
2041							4,310,000	1,015,594	1,215,000	425,213	5,525,000	1,440,806	6,965,806	26,225,000	75.75%	**2041**
2042							4,490,000	832,419	1,275,000	364,463	5,765,000	1,196,881	6,961,881	20,460,000	81.08%	**2042**
2043							4,680,000	641,594	1,340,000	300,075	6,020,000	941,669	6,961,669	14,440,000	86.65%	**2043**
2044							4,885,000	436,844	1,410,000	231,735	6,295,000	668,579	6,963,579	8,145,000	92.47%	**2044**
2045							5,100,000	223,125	1,485,000	159,120	6,585,000	382,245	6,967,245	1,560,000	98.56%	**2045**
2046									1,560,000	81,900	1,560,000	81,900	1,641,900	0	100.00%	**2046**
	5,090,000	492,160	13,040,000	2,500,325	740,000	116,000	68,610,000	36,241,510	20,670,000	12,153,153	108,150,000	51,503,147	159,653,147			

* 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 portion of the $8,765,000 General Obligation Equipment, Improvement and Utility Revenue Bonds, Series 2022A.

4) This represents the $20,670,000 Capital Improvement Plan Portion of the $34,335,000 General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A.

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 11/12/2026)

	Utility Revenue Bonds Series 2012B		Taxable Water Revenue Note-PFA Series 2016		Utility Revenue Bonds 1) Series 2016B		Utility Revenue Bonds 2) Series 2017A		Utility Revenue Bonds 3) Series 2018A	
Dated	11/01/2012		07/14/2016		11/16/2016		11/15/2017		12/13/2018	
Amount	$3,005,000		$6,247,194		$1,600,000		$4,735,000		$2,305,000	
Maturity	12/20		08/20		12/20		12/20		12/20	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	165,000	3,300	0	0	110,000	6,833	330,000	34,381	255,000	13,125
2027	165,000	3,300	312,000	41,882	115,000	11,850	345,000	55,563	265,000	16,050
2028			316,000	37,926	115,000	9,550	350,000	48,318	270,000	8,100
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										
2041										
	330,000	6,600	3,303,000	234,694	695,000	42,983	2,520,000	243,854	790,000	37,275

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

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

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

--Continued on next page

City of Burnsville, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Utility Revenues
(As of 11/12/2026)

	Utility Revenue and Refunding Bonds 4) Series 2019A		Taxable Water Revenue Note Series 2020B		Utility Revenue Bonds 5) Series 2022A		Utility Revenue Bonds 6) Series 2024A		Utility Revenue Bonds 7) Series 2026A							
Dated	11/26/2019		07/13/2020		11/09/2022		12/05/2024		11/12/2026							
Amount	$5,165,000		$2,678,197		$3,595,000		$6,130,000		$12,015,000*							
Maturity	12/20		08/20		02/01		12/20		12/20							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	420,000	45,500	0	0	0	0	315,000	139,000	0	0	1,595,000	242,139	1,837,139	30,775,000	4.93%	**2026**
2027	445,000	70,000	128,000	27,350	200,000	131,950	325,000	262,250	585,000	566,694	2,885,000	1,186,889	4,071,889	27,890,000	13.84%	**2027**
2028	465,000	47,750	130,000	25,566	205,000	121,825	340,000	246,000	655,000	492,698	2,846,000	1,037,732	3,883,732	25,044,000	22.63%	**2028**
2029	490,000	24,500	131,000	23,754	215,000	111,325	360,000	229,000	675,000	469,773	2,666,000	939,788	3,605,788	22,378,000	30.87%	**2029**
2030			133,000	21,928	225,000	100,325	375,000	211,000	705,000	445,473	2,252,000	845,164	3,097,164	20,126,000	37.83%	**2030**
2031			135,000	20,074	240,000	88,700	400,000	192,250	725,000	419,388	2,323,000	770,907	3,093,907	17,803,000	45.00%	**2031**
2032			137,000	18,192	250,000	76,450	415,000	172,250	755,000	391,838	2,279,000	691,828	2,970,828	15,524,000	52.04%	**2032**
2033			139,000	16,282	265,000	64,900	435,000	151,500	790,000	362,015	1,965,000	612,081	2,577,081	13,559,000	58.11%	**2033**
2034			141,000	14,344	275,000	54,100	460,000	129,750	820,000	330,020	2,036,000	541,338	2,577,338	11,523,000	64.40%	**2034**
2035			143,000	12,379	285,000	42,900	485,000	106,750	850,000	295,990	2,108,000	466,831	2,574,831	9,415,000	70.91%	**2035**
2036			145,000	10,385	300,000	31,200	510,000	82,500	885,000	258,590	2,190,000	387,113	2,577,113	7,225,000	77.68%	**2036**
2037			147,000	8,364	310,000	19,000	530,000	57,000	930,000	218,765	1,917,000	303,129	2,220,129	5,308,000	83.60%	**2037**
2038			149,000	6,315	320,000	6,400	555,000	35,800	970,000	175,985	1,994,000	224,500	2,218,500	3,314,000	89.76%	**2038**
2039			151,000	4,238			340,000	13,600	1,020,000	130,395	1,511,000	148,233	1,659,233	1,803,000	94.43%	**2039**
2040			153,000	2,133					1,065,000	81,435	1,218,000	83,568	1,301,568	585,000	98.19%	**2040**
2041									585,000	29,250	585,000	29,250	614,250	0	100.00%	**2041**
	1,820,000	187,750	1,962,000	211,303	3,090,000	849,075	5,845,000	2,028,650	12,015,000	4,668,306	32,370,000	8,510,489	40,880,489			

* Preliminary, subject to change.

4) 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.

5) This represents the $3,595,000 Utility Revenue portion of the $8,765,000 General Obligation Equipment, Improvement and Utility Revenue Bonds, Series 2022A.

6) This represents the $6,130,000 Utility Revenue portion of the $7,550,000 General Obligation Improvement and Utility Revenue Bonds, Series 2024A.

7) This represents the $12,015,000 Utility Revenue Portion of the $34,335,000 General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A.

OVERLAPPING DEBT[1]

Taxing District	2025/26 Taxable Net Tax Capacity	% In City	Total G.O. Debt[2]	City's Proportionate Share
Dakota County	$795,197,255	13.2781%	$35,640,000	$4,732,315
I.S.D. No. 191 (Burnsville-Eagan-Savage)[3]	117,715,003	61.6350%	81,300,000	50,109,255
I.S.D. No. 194 (Lakeville Area Public Schools)[3]	143,341,332	5.6334%	230,355,000[4]	12,976,819
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)[3]	289,586,390	8.6186%	437,075,000	37,669,746
Metropolitan Council	5,881,710,017	1.7952%	261,560,000[5]	4,695,525
City's Share of Total Overlapping Debt				$110,183,659

[1] Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. 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.

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

[3] 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.

[4] Includes I.S.D No. 194 (Lakeville Area Public Schools)'s sale of its $65,000,000 General Obligation School Building Bonds, Series 2026B, which were sold on September 22, 2026 and anticipated to close on October 15, 2026.

[5] The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also 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 $10,607,620,072	Debt/ Per Capita 66,725[1]
Direct G.O. Debt Secured By:			
Special Assessments & Taxes*	$9,725,000		
Tax Abatement Revenues	4,525,000		
Tax Increment Revenues	375,000		
Taxes*	108,150,000		
Utility Revenues*	32,370,000		
Total General Obligation Debt*	$155,145,000		
Less: G.O. Debt Paid Entirely from Revenues[2]	(32,370,000)		
Tax Supported General Obligation Debt*	$122,775,000	1.16%	$1,840.02
City's Share of Total Overlapping Debt	$110,183,659	1.04%	$1,651.31
Total*	$232,958,659	2.20%	$3,491.33

*Preliminary, subject to change.

[1] Estimated 2025 population.

[2] 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[1]	Total Collected Following Year	Collected to Date	% Collected
2021/22	$35,940,799	$35,702,517	$35,930,864	99.97%
2022/23	41,080,757	40,869,335	41,056,400	99.94%
2023/24	44,117,366	43,904,937	44,061,757	99.87%
2024/25	46,663,089	46,415,165	46,471,551	99.59%
2025/26	51,441,771	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[2] 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.

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

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

TAX CAPACITY RATES[1]

	2021/22	2022/23	2023/24	2024/25	2025/26
Dakota County	21.630%	18.816%	18.323%	19.948%	21.031%
City of Burnsville	43.054%	42.374%	42.503%	45.806%	48.720%
I.S.D. No. 191 (Burnsville-Eagan-Savage)	20.273%	19.403%	17.021%	20.374%	21.857%
I.S.D. No. 194 (Lakeville Area Public Schools)	33.983%	29.473%	29.650%	29.927%	27.593%
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)	19.971%	17.904%	23.624%	22.968%	24.900%
Burnsville EDA	0.317%	0.992%	1.081%	1.316%	0.492%
Dakota County CDA	1.391%	1.176%	1.309%	1.360%	1.331%
Metropolitan Council	0.649%	0.564%	0.620%	0.549%	0.594%
Mosquito Control	0.372%	0.325%	0.315%	0.320%	0.332%
Transit District	0.969%	0.849%	0.750%	0.824%	0.793%
Watershed-MN	0.523%	0.493%	0.675%	0.717%	0.934%
Watershed-Vermillion	0.348%	0.287%	0.270%	0.271%	0.270%
Referendum Market Value Rates:					
I.S.D. No. 191 (Burnsville-Eagan-Savage)	0.19053%	0.22396%	0.23321%	0.17764%	0.18899%
I.S.D. No. 194 (Lakeville Area Public Schools)	0.25582%	0.26581%	0.27666%	0.24436%	0.24401%
I.S.D. No. 196 (Rosemount-Apple Valley-Eagan)	0.31336%	0.29771%	0.30078%	0.28258%	0.28896%

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.

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

EMPLOYEES; PENSIONS; UNIONS

The City currently has 343 full-time, four (4) part-time, and 304 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

Bargaining Unit	Expiration Date of Current Contract
IAFF 2910 (International Association of Fire Fighters Local #2910)[1]	December 31, 2028
LELS 3 (Law Enforcement Labor Services, Inc. Local 3#)	December 31, 2028
LELS 180 (Law Enforcement Labor Services, Inc. Local #180)	December 31, 2028
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 Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of $15,756,576 as of December 31, 2025. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent Audit.

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.

[1] The former Bargaining Unit IAFF 4481 (International Association of Fire Fighters Local #4481) was dissolved and merged with IAFF 2910 (International Association of Fire Fighters Local #2910) beginning January 1, 2026.

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

FUNDS ON HAND (as of August 31, 2026)

Fund	Total Cash and Investments
General	$38,048,017
Special Revenue	9,730,806
Debt Service	9,520,128
Capital Projects	77,953,036
Enterprise Funds	20,069,370
Internal Service	4,308,043
Total Funds on Hand	$159,629,400

ENTERPRISE FUNDS

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

	2023 Audited	2024 Audited	2025 Audited
Water and Sewer			
Total Operating Revenues	$20,249,799	$20,361,454	$21,556,966
Less: Operating Expenses	(21,491,898)	(21,800,782)	(23,337,161)
Operating Income	($1,242,099)	($1,439,328)	($1,780,195)
Plus: Depreciation	3,336,873	3,341,236	3,410,688
Revenues Available for Debt Service	$2,094,774	$1,901,908	$1,630,493
Storm Water			
Total Operating Revenues	$4,755,651	$4,881,045	$4,993,943
Less: Operating Expenses	(4,750,453)	(5,055,716)	(6,769,687)
Operating Income	$5,198	($174,671)	($1,775,744)
Plus: Depreciation	1,504,953	1,497,412	1,503,716
Revenues Available for Debt Service	$1,510,151	$1,322,741	($272,028)
Performing Arts Center (Ames)			
Total Operating Revenues	$2,185,466	$2,267,612	$2,180,280
Less: Operating Expenses	(2,863,507)	(2,965,772)	(2,983,735)
Operating Income	($678,041)	($698,160)	($803,455)
Plus: Depreciation	584,673	573,606	573,410
Revenues Available for Debt Service	($93,368)	($124,554)	($230,045)
Other Enterprise Funds			
Total Operating Revenues	$2,148,880	$2,268,846	$2,498,972
Less: Operating Expenses	(2,381,482)	(2,686,000)	(2,845,843)
Operating Income	($232,602)	($417,154)	($346,871)
Plus: Depreciation	554,350	571,531	586,078
Revenues Available for Debt Service	$321,748	$154,377	$239,207

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, 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 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues					
Property taxes	$30,034,504	$30,929,189	$37,245,715	$40,210,519	$43,190,245
Special assessments	2,356	5,493	3,243	3,048	4,336
Licenses and permits	2,875,169	3,091,208	2,678,364	2,731,096	2,707,810
Other taxes	258,761	338,254	349,871	316,583	433,983
Intergovernmental revenue	2,021,208	4,246,370	5,494,858	5,782,462	3,477,737
Charges for services	6,171,004	7,379,616	6,875,798	6,513,730	6,846,400
Fine and forfeitures	212,254	203,466	246,902	222,075	206,482
Interest on investments (loss)	222,932	440,314	1,084,853	1,461,259	1,394,892
Net change in fair value of investments	(897,475)	(4,040,241)	1,537,759	577,470	1,576,254
Miscellaneous revenue	1,108,170	1,469,526	1,252,806	1,279,419	1,497,003
Total Revenues	$42,008,883	$44,063,195	$56,770,169	$59,097,661	$61,335,142
Expenditures					
General government	$6,524,898	$7,657,550	$7,848,160	$9,088,090	$8,717,786
Public safety	25,801,410	27,680,906	30,481,326	34,543,787	39,028,465
Public works and parks	6,738,066	7,295,984	7,916,838	8,091,766	8,246,495
Culture and recreation	1,035,708	1,147,212	1,272,688	1,352,286	1,396,450
Conservation of natural resources	860,361	686,533	716,452	1,105,447	865,316
Economic development	431,584	381,435	449,037	416,165	354,548
Capital outlay	0	0	0	110,655	4,673,781
Debt service	0	45,288	347,818	342,068	902,723
Total Expenditures	$41,392,027	$44,894,908	$49,032,319	$55,050,264	$64,185,564
Excess of revenues over (under) expenditures	$616,856	($831,713)	$7,737,850	$4,047,397	($2,850,422)
Other Financing Sources (Uses)					
Leases issued	$0	$0	$0	$0	$0
Technology subscriptions issued	0	0	0	0	4,673,781
Leases issued	0	0	0	110,655	0
Transfers in	185,000	0	335,000	300,000	265,000
Transfers (out)	(1,029,577)	(869,558)	(522,812)	(927,919)	(543,241)
Total Other Financing Sources (Uses)	($844,577)	($869,558)	($187,812)	($517,264)	$4,395,540
Net changes in Fund Balances	($227,721)	($1,701,271)	$7,550,038	$3,530,133	$1,545,118
General Fund Balance January 1	$28,856,928	$28,629,207	$26,927,936	$34,477,974	$38,008,107
General Fund Balance December 31	$28,629,207	$26,927,936	$34,477,974	$38,008,107	$39,553,225
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$0	$1,822,469	$1,774,421	$1,742,314	$1,654,336
Restricted	1,046,802	892,437	712,825	529,838	353,429
Assigned	1,054,500	0	0	2,129,120	3,632,570
Unassigned	26,527,905	24,213,030	31,990,728	33,606,835	33,912,890
Total	$28,629,207	$26,927,936	$34,477,974	$38,008,107	$39,553,225

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31 2026 Adopted Budget[1]
Revenues	
Property taxes	$47,914,191
Special assessments	6,100
Licenses and permits	2,792,402
Other taxes	315,000
Intergovernmental revenue	3,694,814
Charges for services	7,297,325
Fine and forfeitures	281,859
Interest on investments (loss)	1,074,400
Miscellaneous revenue	1,035,541
Total Revenues	$64,411,632
Expenditures	
General government	$11,314,885
Public safety	43,461,207
Public works and parks	9,567,895
Culture and recreation	1,563,810
Conservation of natural resources	1,062,221
Economic development	582,518
Total Expenditures	$67,552,536
Excess of revenues over (under) expenditures	($3,140,904)
Other Financing Sources (Uses)	
Transfers in	$287,506
Transfers (out)	(779,172)
Total Other Financing Sources (Uses)	($491,666)
Net changes in Fund Balances	($3,632,570)
General Fund Balance January 1	$39,553,225
General Fund Balance December 31	$35,920,655

[1] The 2026 budget was adopted on December 2, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 64,317 and a 2025 population estimate of 66,725, and comprising an area of 26.93 square miles, is located approximately 21 miles south of St. Paul, Minnesota.

LARGER EMPLOYERS[1]

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	1,185
Fairview Ridges Hospital[2]	Hospital	967
City of Burnsville	Municipal government and services	651
Pepsi-Cola Bottling Company	Beverage distribution	500
Buck Hill	Skiing center & resorts	500
Ames Construction	Construction company	400
Cub Foods[3]	Grocery	311
Walmart	Retail & grocery	300
Super Target	Retail & grocery	300
Telex Communications, Inc.	Radio dispatch software and products	300
Northern Tool & Equipment Company	Industrial tools	300
Park Nicollet Clinic	Clinics	300
Burnsville YMCA	Health club	299
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.

---

[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

[2] This includes Fairview Ridges Hospital, Fairview Ridges clinic, and Ebenezer Ridges Care Center.

[3] Includes multiple locations in the City.

BUILDING PERMITS (as of September 16, 2026)

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	21	15	3	1	0
Valuation	$5,713,000	$2,550,000	$1,999,000	$478,000	$0
New Multiple Family Buildings					
No. of building permits	3	1	2	0	1
Valuation	$79,684,711	$20,605,995	$44,662,651	$0	$27,888,943
New Commercial/Industrial					
No. of building permits	5	6	7	4	4
Valuation	$6,372,000	$18,550,534	$17,207,758	$4,737,090	$22,331,682
All Building Permits *(including additions and remodelings)*					
No. of building permits	1,263	1,919	1,775	1,901	1,339
Valuation	$78,166,482	$199,114,553	$167,888,156	$163,090,613	$49,384,520

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%
2025 State Demographer Population Estimate	66,725

Income and Age Statistics

	The City	Dakota County	State of Minnesota	United States
2024 per capita income	$43,192	$52,084	$48,237	$44,673
2024 median household income	$87,024	$106,318	$89,062	$80,734
2024 median family income	$108,845	$131,618	$113,993	$99,999
2024 median gross rent	$1,513	$1,548	$1,280	$1,413
2024 median value owner occupied units	$355,200	$381,000	$329,300	$332,700
2024 median age	36.7 yrs.	38.6 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
City % of 2024 per capita income	89.54%	96.68%
City % of 2024 median family income	95.48%	108.85%

Housing Statistics

	The City		
	2020	2025	Percent of Change
All Housing Units	25,480	26,952	5.78%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov), and 2025 Population Estimates, Metropolitan Council (https://metrocouncil.org/).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Dakota County	Dakota County	State of Minnesota
2022	239,965	2.1%	2.5%
2023	242,833	2.5%	2.8%
2024	243,542	2.9%	3.1%
2025	244,759	3.6%	3.9%
2026, August	239,089	4.6%	4.8%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

FINANCIAL STATEMENTS

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

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

City Of Burnsville

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Burnsville, Minnesota | For the year ended December 31, 2025

- This page intentionally left blank -

CITY OF BURNSVILLE, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2025

Prepared by: Department of Finance

- This page intentionally left blank -

CITY OF BURNSVILLE, MINNESOTA
TABLE OF CONTENTS

	Reference	Page No.
I. INTRODUCTORY SECTION		
Letter of Transmittal		3
Certificate of Achievement for Excellence in Financial Reporting		11
Elected Officials and Administration		13
Organizational Chart		15
II. FINANCIAL SECTION		
Independent Auditor's Report		19
Management's Discussion and Analysis		23
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	34
Statement of Activities	Statement 2	35
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	36
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Activities	Statement 4	37
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 5	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities - Governmental Funds	Statement 6	39
Statement of Net Position - Proprietary Funds	Statement 7	40
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 8	41
Statement of Cash Flows - Proprietary Funds	Statement 9	42
Notes to Financial Statements		43
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	82
Schedule of Changes in the Total OPEB Liability and Related Ratios	Statement 11	83
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 12	84
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 13	85
Schedule of Proportionate Share of Net Pension Liability - Public Employees Police and Fire Fund	Statement 14	86
Schedule of Pension Contributions - Public Employees Police and Fire Fund	Statement 15	87
Notes to RSI		89

CITY OF BURNSVILLE, MINNESOTA
TABLE OF CONTENTS

	Reference	Page No.
Combining and Individual Nonmajor Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 16	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 17	101
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 18	102
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 19	104
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 20	106
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 21	107
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 22	108
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 23	109
Capital Project Funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Infrastructure Trust Fund (ITF)	Statement 24	110
Improvement Construction Fund	Statement 25	111
Facilities Fund	Statement 26	112
Nonmajor Special Revenue Funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Cable Franchise Fee Fund	Statement 27	113
Forfeiture Fund	Statement 28	114
Grant Fund	Statement 29	115
Opioid Settlement Fund	Statement 30	116
Housing Fund	Statement 31	117
Youth Center Fund	Statement 32	118
Economic Development Authority (EDA) Fund	Statement 33	119
Sustainability Fund	Statement 34	120
Forestry Fund	Statement 35	121
Nonmajor Capital Project Funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Information Technology (I.T.) Capital Fund	Statement 36	122
Equipment and Vehicle Capital Fund	Statement 37	123
Parks Renovation Fund	Statement 38	124
Parks Investment Fund	Statement 39	125
Street Revolving Construction Fund	Statement 40	126

CITY OF BURNSVILLE, MINNESOTA
TABLE OF CONTENTS

	Reference	Page No.
Combining Statement of Net Position - Proprietary Funds	Statement 41	127
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	Statement 42	128
Combining Statement of Cash Flows - Proprietary Funds	Statement 43	129
Combining Statement of Net Position - Internal Service Fund	Statement 44	130
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	Statement 45	131
Combining Statement of Cash Flows - Internal Service Fund	Statement 46	132
III. STATISTICAL SECTION (Unaudited)		
Financial Trends:		
Net Position by Component	Table 1	136
Changes in Net Position	Table 2	138
Governmental Activities Tax Revenues By Source	Table 3	143
Fund Balances - Governmental Funds	Table 4	144
Changes in Fund Balances - Governmental Funds	Table 5	146
Revenue Capacity:		
Taxable Market Value and Estimated Actual Value of Taxable Property	Table 6	148
Property Tax Rates	Table 7	149
Principal Property Taxpayers	Table 8	150
Property Tax Levies and Collections	Table 9	151
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 10	152
Ratios of General Obligation Bonded Debt Outstanding	Table 11	154
Direct and Overlapping Governmental Activities Debt	Table 12	155
Legal Debt Margin Information	Table 13	156
Pledged Revenue Coverage	Table 14	158
Demographic and Economic:		
Demographic and Economic Statistics	Table 15	159
Principal Employers	Table 16	161
Operating Information:		
Full-Time Equivalent City Government Employees by Function	Table 17	162
Operating Indicators by Function	Table 18	164
Capital Asset Statistics by Function	Table 19	166

- This page intentionally left blank -

I. INTRODUCTORY SECTION

- This page intentionally left blank -

952-895-4400
burnsvillemn.gov
100 Civic Center Parkway, Burnsville, MN 55337

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

June 9, 2026

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, 2025. 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 Redpath and Company, LLC, 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 65,696, 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 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, infrastructure trust capital projects fund, improvement construction capital projects fund and facilities capital projects fund and fourteen 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 911, 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 31st of each year. After the budget is adopted the City Manager has the authority to reallocate resources between departments within funds; however, changes to the total budgeted expenditures require approval by the City Council.

Local Economy

The City's tax base is balanced between residential and commercial property. Total market value has fluctuated over the past 10 years consistent with the state-wide and nation-wide trend in the housing market. The total taxable market value has increased 71.8 percent over the past ten years from $5.5 billion in 2016 to $9.5 billion in 2025. In the five years 2021-2025, the market value growth averaged 6.2 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 26,551 housing units in Burnsville and about 65% are owner occupied. Just over 65% of the City's housing stock was constructed between 1970 and 1990. The City is proactively addressing the needs for redevelopment and housing maintenance as the City ages to continue to maintain the City's healthy property value growth.

In December 2025, over 35,878 of the city's residents were in the labor force and the average unemployment rate for 2025 was 4.0%, which was lower than the rate for the metro area estimated at 4.1% for the same period. Burnsville is a connected community providing a variety of services and experiences to more than 65,000 residents, 2,500 businesses, thousands of annual visitors and 333 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 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 neighborhood services department 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 $629 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 both 2020 and 2025, 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 2026 budget that called for a total increase in tax levy of 7.4%. The adopted 2026 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

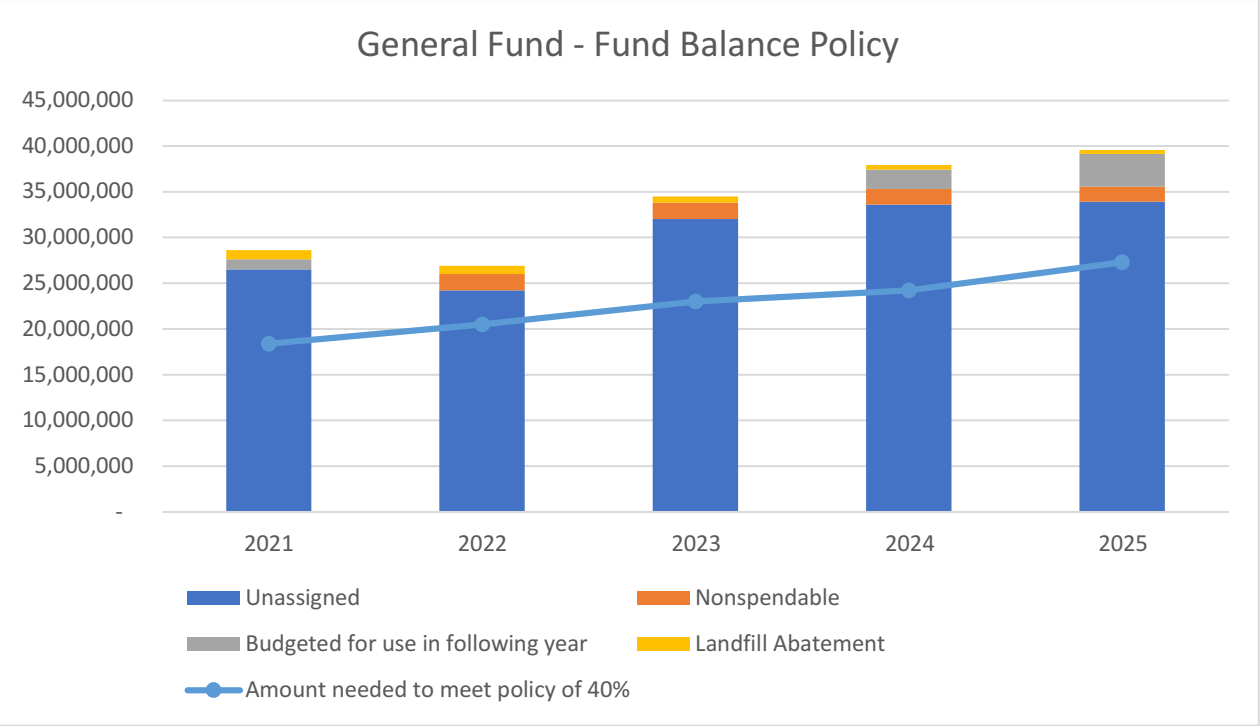
The City has a Financial Management Plan that serves two main purposes. It draws together, in a single document, the City's major financial policies. Also, the plan establishes principles to guide both staff and Council members to make consistent and informed financial decisions. The plan establishes 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 balance in the general fund is currently higher than the target level. The financial management plan directs that the use of one-time revenues be used for one-time expenditures.



Major Initiatives

The City completed 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. Utility rates are updated annually. 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 has begun Phase III of the facilities plan with construction of a Police City Hall Renovation.

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.

The City has identified a number of studies to be future ready to ensure the City Council has the information and data needed to make short- and long-term budget decisions. Studies include the pavement management program, parks plan, municipal facilities inventory, water treatment master plan, fleet study, information technology master plan, police staffing assessment, updated organizational analysis and the fire department standards of cover.

Awards & Acknowledgments

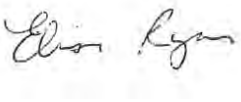
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burnsville for its ACFR for the fiscal year ended December 31, 2024. This was the 30th consecutive year that the City has achieved 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,



Jennifer Rhode
Deputy City Manager and Chief Financial Officer

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, 2024

Executive Director/CEO

- This page intentionally left blank -

CITY OF BURNSVILLE, MINNESOTA
ELECTED OFFICIALS AND ADMINISTRATION
December 31, 2025

		Term Expires
City Council		
Mayor	Elizabeth Kautz	December 31, 2028
Councilmember	Dan Gustafson	December 31, 2028
Councilmember	Dan Kealey	December 31, 2026
Councilmember	Cara Schultz	December 31, 2028
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/Community Development Director
- Deputy City Manager/Chief Financial Officer
- Public Works Director
- Fire Chief
- Police Chief
- 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)
- Assistant Communications Director
- Recreation & Facilities Superintendent
- Building Official
- Deputy Community Development Director
- Neighborhood Services Coordinator
- Accounting Managers (two)

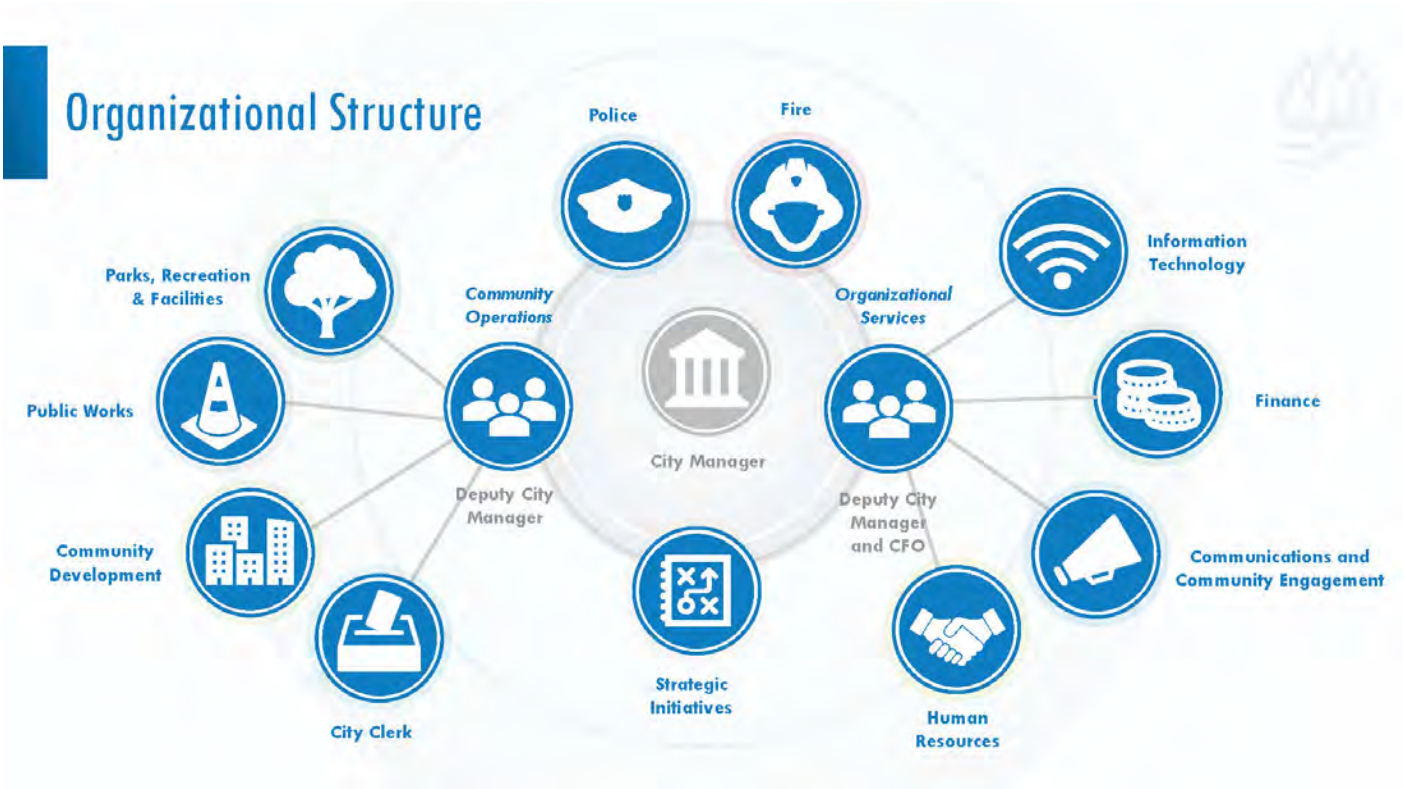
People Managers

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

- This page intentionally left blank -

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.

- This page intentionally left blank -

II. FINANCIAL SECTION

- This page intentionally left blank -

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Burnsville
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, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Burnsville, Minnesota'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 of Burnsville, Minnesota, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, 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 of Burnsville, Minnesota 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of Burnsville, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 of Burnsville, Minnesota'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 of Burnsville, Minnesota'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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burnsville, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

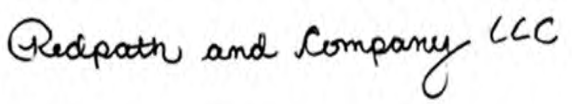
Other Information

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 9, 2026 on our consideration of the City of Burnsville, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 of Burnsville, Minnesota'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 of Burnsville, Minnesota's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 9, 2026

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, 2025. 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 $318,368,000 (net position). Of this amount, $84,863,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors; $22,051,000 is restricted for specific purposes (restricted net position); and $211,454,000 represents the net investment in capital assets.
- The City's total net position increased by $15,741,000. 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 $149,524,000, an increase of $64,100,000 in comparison with the prior year. A number of factors contributed to this increase. The City issued $68,610,000 in bonds for Police City Hall construction, which is a three-year project that began in 2025. Property Tax revenue increased by $3,357,000. Utility franchise fees in the Facilities fund increased by $2,800,000. The City received $1,141,000 of state Local Affordable Housing Aid intergovernmental revenue. Investment revenue increased by $2,400,000. The balance is a result of the net effect of budget surpluses and deficits.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $33,913,000, or 50% of total budgeted 2026 general fund expenditures and transfers.

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 34-35 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 five individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general obligation improvement bonds debt service fund, the infrastructure trust capital projects fund, the improvement construction capital projects fund, and the facilities capital projects fund. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund, infrastructure trust capital projects fund, improvement construction capital projects fund and facilities capital projects fund and fourteen nonmajor 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 36-39 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, Ames Center (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 benefit 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 nonmajor 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 40-42 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 43-80 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 81-95 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 97-132 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 $318,368,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (66 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 ($84,863,000) 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$193,644,228	$123,745,339	$ 30,175,149	$ 35,506,871	$223,819,377	$159,252,210
Capital assets, net	183,481,794	159,146,103	118,647,150	119,269,650	302,128,944	278,415,753
Total assets	377,126,022	282,891,442	148,822,299	154,776,521	525,948,321	437,667,963
Total deferred outflows of resources	29,449,457	31,201,271	309,071	215,750	29,758,528	31,417,021
Long-term liabilities	153,474,295	80,743,482	23,841,963	26,720,004	177,316,258	107,463,486
Other liabilities	15,231,987	10,888,479	2,149,996	1,796,387	17,381,983	12,684,866
Total liabilities	168,706,282	91,631,961	25,991,959	28,516,391	194,698,241	120,148,352
Total deferred inflows of resources	41,857,747	45,418,379	782,548	891,144	42,640,295	46,309,523
Net position:						
Net investment in capital assets	115,555,410	125,189,303	95,898,633	95,691,405	211,454,043	214,026,656
Restricted	22,051,153	20,327,804	—	—	22,051,153	20,327,804
Unrestricted	58,404,887	31,525,266	26,458,230	29,893,331	84,863,117	68,272,649
Total net position	$196,011,450	$177,042,373	$122,356,863	$125,584,736	$318,368,313	$302,627,109

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 $18,969,000 and a decrease of $3,228,000 in business-type activities, for a net total increase of $15,741,000 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 of the City's participation in defined benefit plans. The proceeds of bonds issued in 2025 for the Police City Hall facility construction in the amount of $68,610,000 contributed to the increase in long-term liabilities and current and other assets.

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

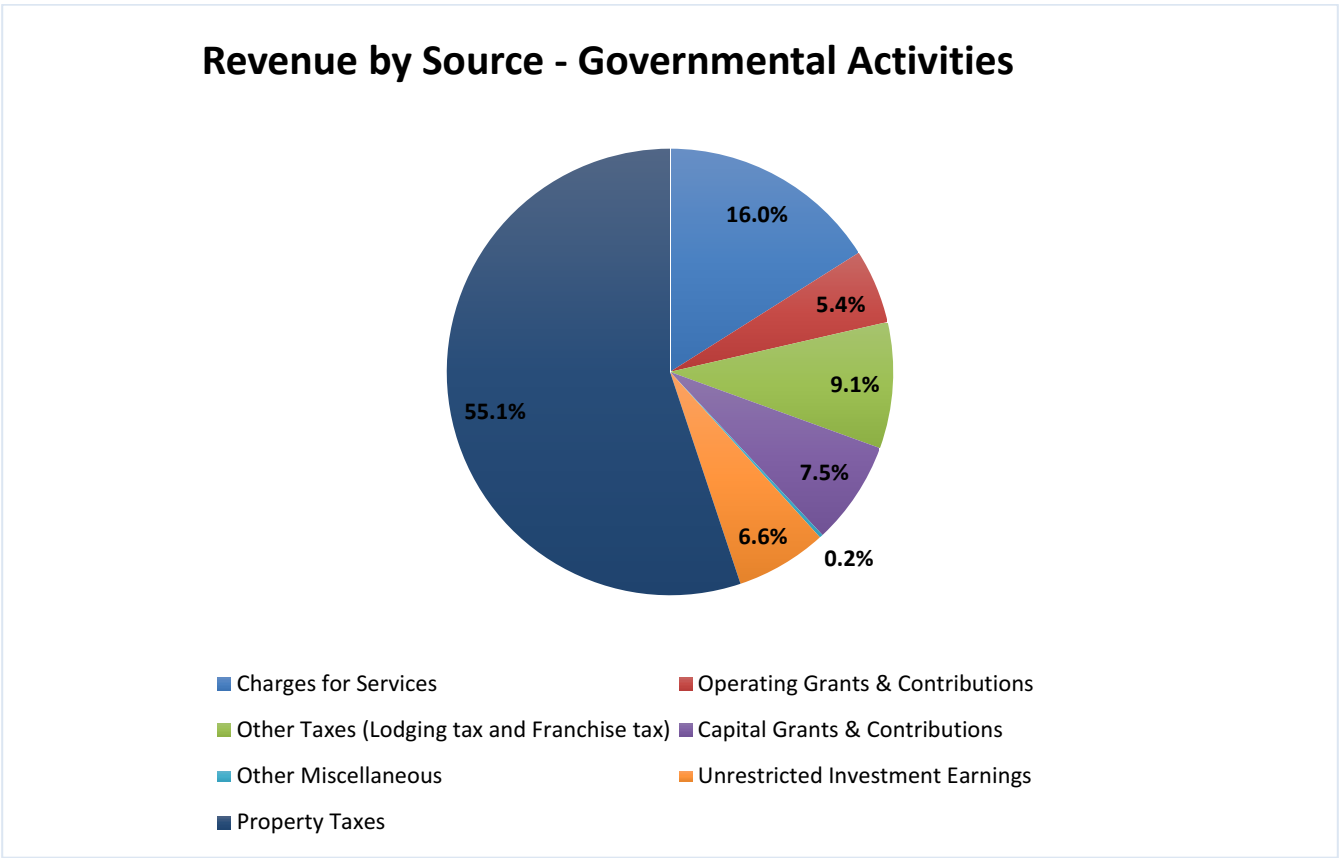
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 15,764,514	$ 13,634,445	$ 33,299,587	$ 30,224,489	$ 49,064,101	$ 43,858,934
Operating grants and contributions	5,291,343	4,218,600	—	129,929	5,291,343	4,348,529
Capital grants and contributions	7,368,405	7,433,013	613,776	638,661	7,982,181	8,071,674
General revenues:						
Property taxes	54,202,371	50,792,604	—	—	54,202,371	50,792,604
Other taxes	9,061,936	6,089,516	—	—	9,061,936	6,089,516
Grants and contributions not restricted to specific programs	—	3,612,383	—	—	—	3,612,383
Miscellaneous	7,717	—	—	—	7,717	—
Gain on sale of capital assets	148,839	—	—	—	148,839	—
Unrestricted investment earnings	6,494,386	4,077,535	846,381	856,975	7,340,767	4,934,510
Total revenues	98,339,511	89,858,096	34,759,744	31,850,054	133,099,255	121,708,150
Expenses:						
General government	10,063,592	10,563,767	—	—	10,063,592	10,563,767
Public safety	44,374,165	37,938,937	—	—	44,374,165	37,938,937
Public works and parks	19,437,490	17,752,415	—	—	19,437,490	17,752,415
Culture and recreation	1,413,276	1,506,580	—	—	1,413,276	1,506,580
Conservation of natural resources	1,623,095	1,899,409	—	—	1,623,095	1,899,409
Economic development	730,916	883,453	—	—	730,916	883,453
Interest on long-term debt	3,175,014	1,143,724	—	—	3,175,014	1,143,724
Water and sewer	—	—	23,939,062	22,321,516	23,939,062	22,321,516
Storm water	—	—	6,771,863	5,055,920	6,771,863	5,055,920
Performing arts center	—	—	2,983,735	2,965,772	2,983,735	2,965,772
Ice arena	—	—	1,650,751	1,591,562	1,650,751	1,591,562
Golf course	—	—	450,519	415,158	450,519	415,158
Street lighting	—	—	744,573	679,280	744,573	679,280
Total expenses	80,817,548	71,688,285	36,540,503	33,029,208	117,358,051	104,717,493
Increase (decrease) in net position before transfers	17,521,963	18,169,811	(1,780,759)	(1,179,154)	15,741,204	16,990,657
Transfers	1,447,114	1,383,503	(1,447,114)	(1,383,503)	—	—
Increase (decrease) in net position	18,969,077	19,553,314	(3,227,873)	(2,562,657)	15,741,204	16,990,657
Net position on January 1	177,042,373	157,489,059	125,584,736	128,147,393	302,627,109	285,636,452
Net position on December 31	$196,011,450	$177,042,373	$122,356,863	$125,584,736	$318,368,313	$302,627,109

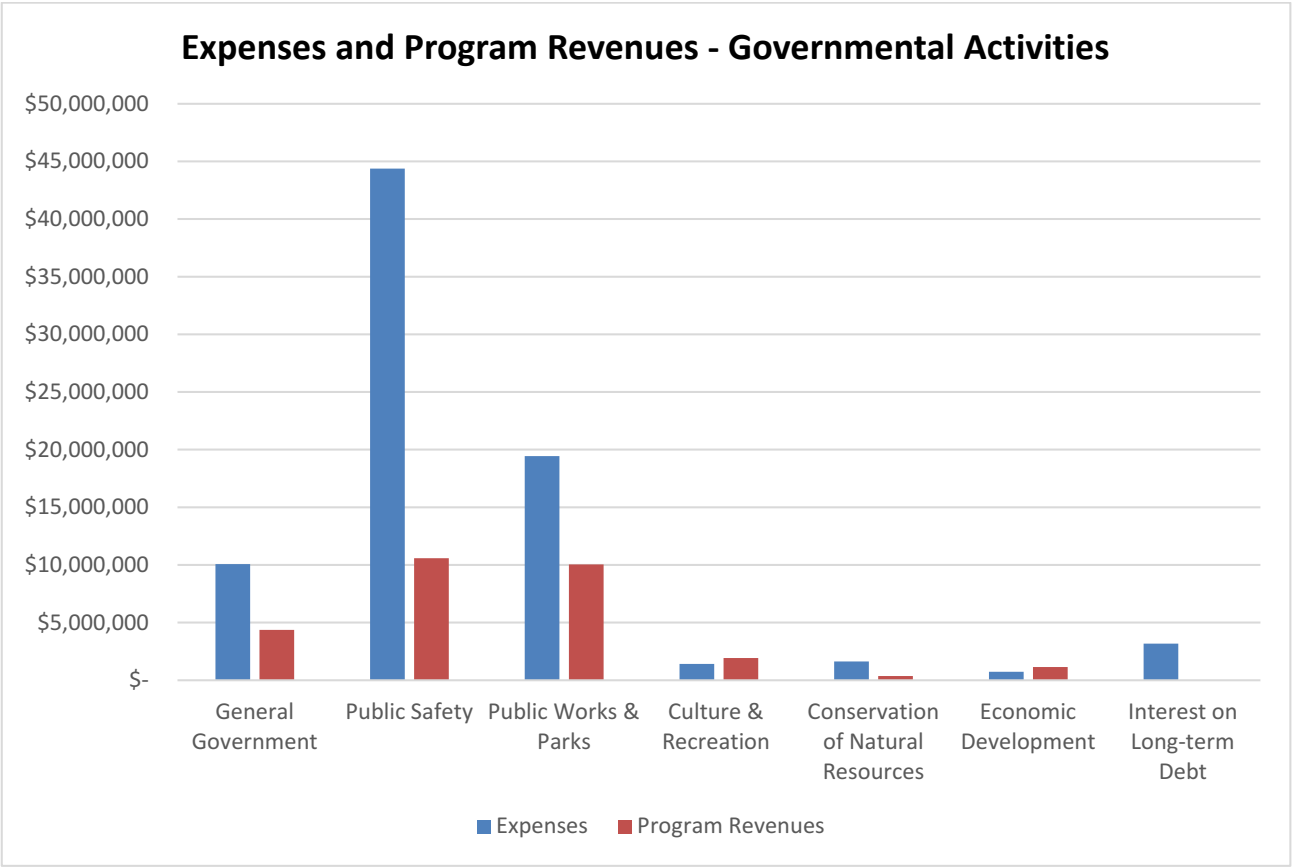
The increase in overall net position is a combination of many surpluses and deficits, and are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities resulted in an increase of the City's net position by $18,969,000 in 2025, while the increase in total net position was $15,741,000.

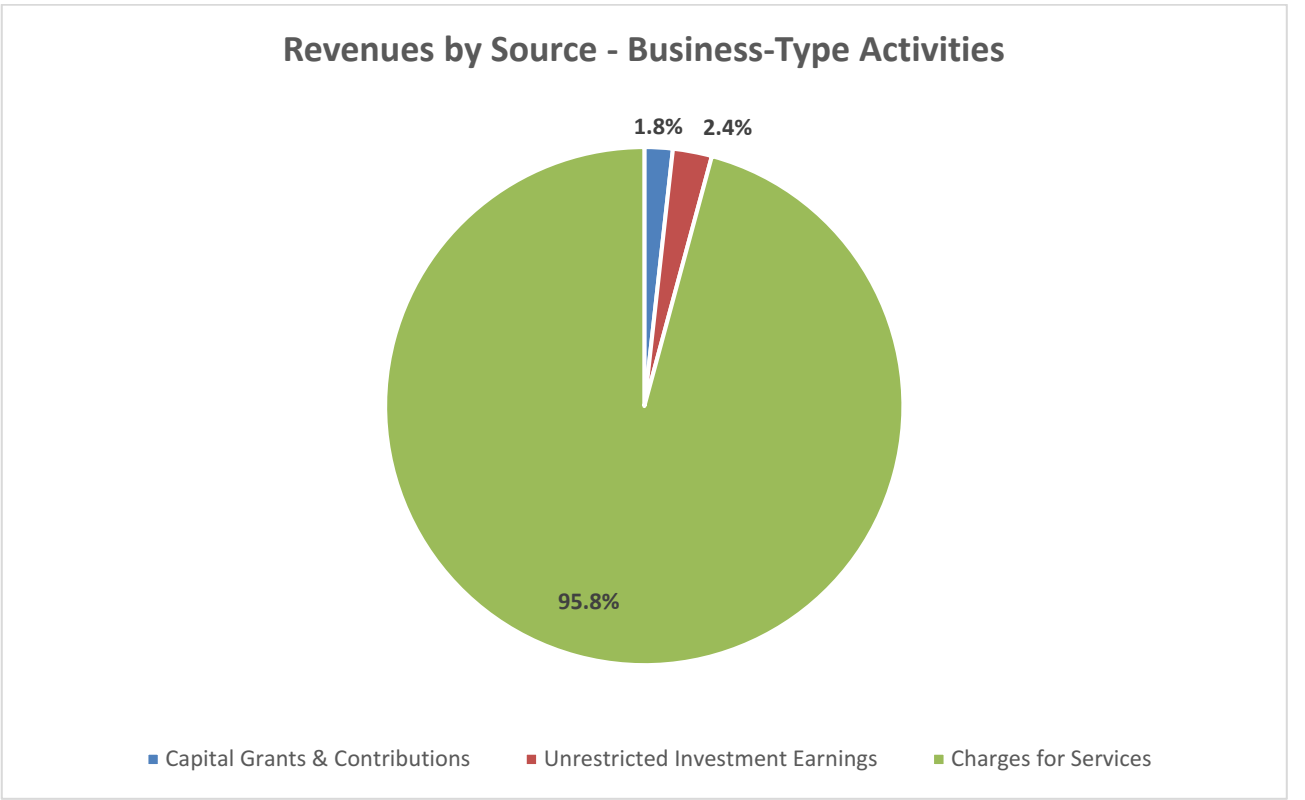
Revenues increased in total by $8,481,000, or 9%, primarily due to increases in property taxes of $3,410,000, increases in charges for services totaling $2,130,000, increases in franchise taxes of $2,855,000, and increases in investment earnings of $2,417,000. These increases were offset by a decrease in grants and contributions of $3,612,000. Expenses increased in total by $9,129,000, or 13% in 2025. Key elements of these changes follow:

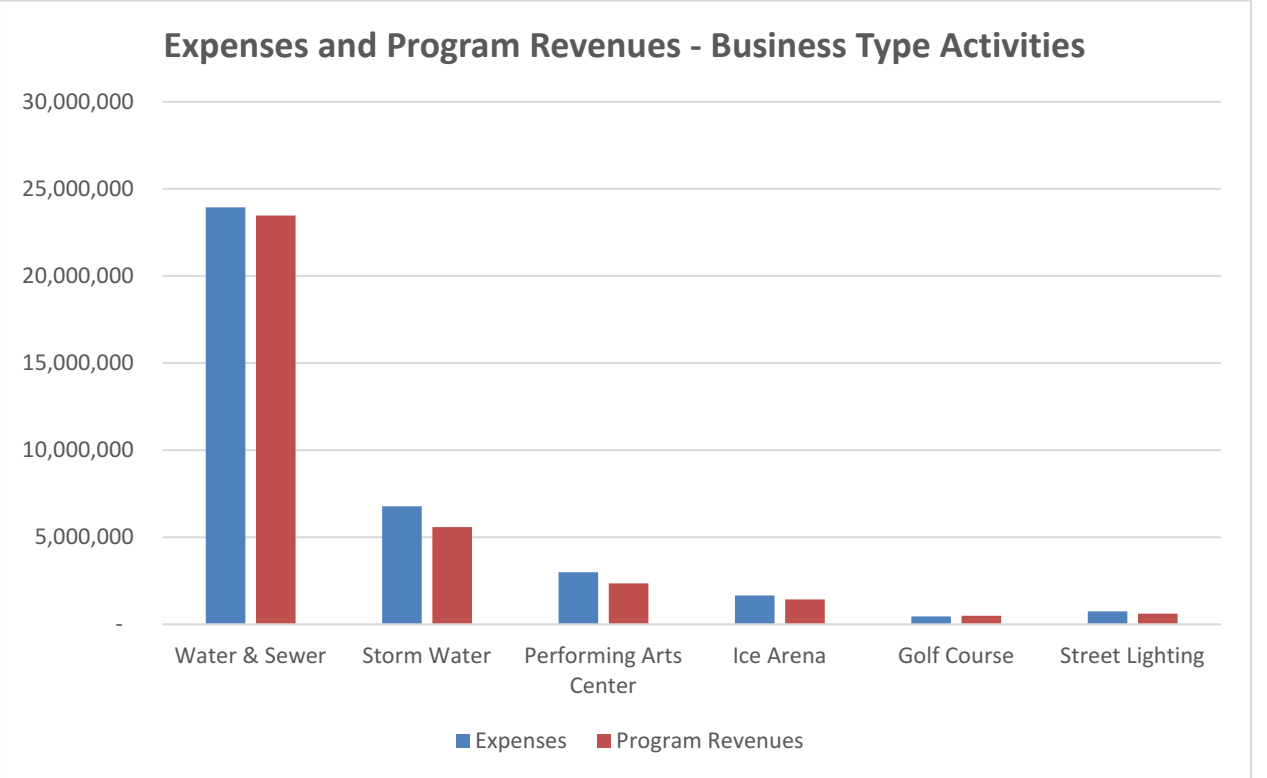
- Property taxes increased during 2025 due to a 7.06% increase in the levy.
- Charges for services increased due to fee increases and additional programming.
- Franchise fees were increased to fund city facility needs and debt related to Police City Hall construction.
- Operating grants and contributions increased due to increases in state housing aid.
- Unrestricted investment earnings increased due to increase in available funds to invest.
- Revenues across other categories remained flat.
- Grants and contributions not restricted included American Rescue Plan Act funds that were exhausted in 2024.
- Public safety, and Public works and parks expenses increased due to the planned addition of personnel as indicated by the Organizational Analysis and the implementation of the Lead-the-Market compensation plan. Generally, changes in other expenses closely paralleled budgeted amounts across functions.





Business-type activities. Business-type activities decreased the City's net position by $3,228,000 in 2025, while the increase in total net position was $15,741,000.





Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $149,524,000, an increase of $64,100,000 in comparison with the prior year. Approximately 73% 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 ($40,707,000).

The general fund is the chief operating fund of the City. At the end of 2025, unassigned fund balance of the general fund was $33,913,000, while total fund balance was $39,553,000. 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 50% of total general fund 2026 budgeted expenditures and transfers, while total fund balance represents 58% of that same amount.

The fund balance of the City's general fund increased by $1,545,000 during the current fiscal year. Overall revenues increased by $2,237,000, due to an increase in property tax revenue of $2,980,000, an increase in the net change in fair value of investments of $999,000, an increase in charges for services of $333,000, and an increase in miscellaneous revenue of $218,000. These increases were offset by a decrease in intergovernmental revenue of $2,305,000 and decrease transfers from other funds of $35,000 in 2025. Expenditures increased by $9,135,000 and were lower than expected across most departments. The largest increase was for capital outlay of $4,563,000 for changes in leases and technology subscriptions issued. Another large increase was $4,485,000 in public safety expenditures. Transfers to other funds decreased by $385,000 for 2025 as budgeted.

The General Obligation Improvement Bond Fund had an increase in fund balance of $39,000. Total fund balance was $4,058,000 as of December 31, 2025. The entire fund balance is restricted for the payment of debt service. The increase is the result of revenues collected for debt service offset by the timing of scheduled retirement of bonds.

The Infrastructure Trust Capital Fund had an increase in fund balance of $11,500. This increase 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 $2,450,000. This decrease results from not issuing bonds to offset activity in 2025.

The Facilities Capital Projects fund had an increase in fund balance of $61,106,000 during 2025. This increase results from issuing bonds in 2025 to fund the police city hall construction project.

Other Governmental Funds increased fund balance by $3,848,000. Increases in intergovernmental revenue and host fees resulted in the majority of the increases.

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 $10,278,000 for the Water and Sewer Fund, $10,926,000 for the Storm Water Fund, and $3,730,000 for the Ames Center Fund. The total change in net position of the major enterprise funds were $(1,813,000) for the Water and Sewer Fund, $(975,000) for the Storm Water Fund and $(524,000) for the Ames Center Fund.

The decrease in the Water and Sewer Fund net position was mainly due to a $650,000 increase in personnel services expense, a $309,000 increase in repairs and maintenance, and an increase in transfers out by $345,000 in 2025. Modest increases for charges for services because of an increase in water and sanitary sewer rates for 2025 were matched by an increase in operating expenses. Connection charges, which are dependent on new construction, were $62,000, a decrease of $512,000 from 2024.

The decrease in the Storm Water Fund net position was due mainly to a $1,517,000 increase in repair and maintenance costs. Operating revenues increased minimally due to a small increase in rates for 2025. Transfers out increased slightly in 2025.

The decrease in net position of the Ames Center Fund was mainly due to increased contracted labor expenses and decrease in other income in 2025. Operating revenues and operating expenses remained relatively stable from 2024 to 2025 as the number of shows return to pre-pandemic levels.

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 and other financing sources in the General Fund were more than budgeted amounts in 2025 by $6,816,000. Contributing to this was the interest on investments revenue that exceeded budget by $323,000 and $4,674,000 of technology subscriptions that were issued in 2025. Another factor contributing to the change in revenue was the net change in the fair value of investments in 2025 of $1,576,000. The City does not budget for the increase or decrease in fair value of investments.

Actual expenditures were 5% below budgeted expenditures in total. Total budget savings in the general fund were $3,193,000. Budget savings were spread throughout many departments, with the largest savings coming from the information technologies, parks and streets, insurance, manager and administration, communications, and human resources. Savings were due to open full-time and seasonal positions, savings realized through employee efficiencies, and postponement of budgeted studies in those departments.

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to $302,129,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land, permanent easements, buildings, infrastructure and improvements, equipment and vehicles, lease equipment, technology subscriptions and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 8.5 percent (9 percent increase for governmental activities and a 0.5 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 work on design and development for a multi-year Police City Hall facilities construction project.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 21,394,922	$ 21,394,922	$ 3,237,899	$ 3,237,899	$ 24,632,821	$ 24,632,821
Permanent easements	5,190,052	5,080,452	4,631,555	4,631,555	9,821,607	9,712,007
Buildings	32,053,467	33,380,525	20,558,196	21,493,463	52,611,663	54,873,988
Infrastructure and improvements	82,916,157	80,274,142	83,715,569	85,042,249	166,631,726	165,316,391
Equipment and vehicles	13,961,101	12,512,484	3,831,323	3,559,217	17,792,424	16,071,701
Lease equipment	1,157,476	353,840	—	—	1,157,476	353,840
Technology subscriptions	4,063,309	635,889	—	—	4,063,309	635,889
Construction in progress	22,745,310	5,513,849	2,672,608	1,305,267	25,417,918	6,819,116
Total	$183,481,794	$159,146,103	$118,647,150	$119,269,650	$302,128,944	$278,415,753

Additional information on the City's capital assets can be found in note 5.

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 $126,899,000.

City of Burnsville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 86,740,000	$ 19,430,000	$ —	$ —	$ 86,740,000	$ 19,430,000
General obligation certificates of indebtedness	840,000	940,000	—	—	840,000	940,000
G.O. Tax increment bonds	375,000	655,000	—	—	375,000	655,000
G.O. Tax abatement bonds	4,525,000	6,750,000	—	—	4,525,000	6,750,000
General obligation improvement bonds	8,310,000	9,455,000	—	—	8,310,000	9,455,000
General obligation revenue bonds	—	—	15,280,000	17,530,000	15,280,000	17,530,000
General obligation revenue notes	—	—	5,699,000	6,127,000	5,699,000	6,127,000
Lease liability	1,129,205	347,274	—	—	1,129,205	347,274
Technology subscriptions liability	4,000,485	611,159	—	—	4,000,485	611,159
Total	$105,919,690	$ 38,188,433	$ 20,979,000	$ 23,657,000	$ 126,898,690	$ 61,845,433

The City's total debt increased by $65,053,000 during the current fiscal year. The increase was the result of debt issuance for the Police City Hall construction project, increases to lease liability and technology subscriptions, offset by debt retirements.

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 $292,457,000, which is significantly in excess of the City's general obligation debt applicable to the limit of $86,740,000.

Additional information on the City's long-term debt can be found in note 7.

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 2026 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 2025 levels with a 7.4% increase in the property tax levy for 2026. 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 $109.8 million for fiscal year 2026, a 46% decrease from the 2025 budget. The 2025 budget had included $100.0 million for the Police City Hall construction project. The 2026 budget for the enterprise funds is $44.3 million compared to $45.8 million for 2025.

- Significant budget changes worth noting for 2026 general operating budget as originally adopted include:
    - Decrease from the one-time issuance of bonds and related expenses of $100.0 million for municipal facility improvements for a Police City Hall construction project included in the 2025 budget.
    - Implementation of the fourth year of the Organization Analysis with an increase in staffing levels of 10.7 full time equivalent positions.
    - Third year of a phased implementation of an updated compensation plan for employees.
    - Maintained funding for infrastructure and parks.
    - Issuance of bonds and related debt service payments for the special assessment portion of street projects.
- The 2026 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 2025 unemployment rate for the City was 4.0 percent, which compares favorably with the state's unemployment rate of 4.1 percent and the national unemployment rate of 4.4 percent.
- The City had a 2.6 percent decrease in tax base from 2025 to 2026. Estimated taxable market value was $9.5 billion in 2025.

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 2026 (7.0% for water service, 9.5% 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 2026 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, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2025

Statement 1

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash, cash equivalents and investments	$158,617,749	$21,772,932	$180,390,681
Receivables (net)	22,933,208	8,259,806	31,193,014
Due from other governments	12,093,271	74,063	12,167,334
Prepaid items	-	68,348	68,348
Capital assets:			
Land	21,394,922	3,237,899	24,632,821
Permanent easements	5,190,052	4,631,555	9,821,607
Construction in progress	22,745,310	2,672,608	25,417,918
Buildings	54,099,568	44,090,419	98,189,987
Infrastructure and improvements	218,219,419	197,083,951	415,303,370
Equipment and vehicles	38,298,280	10,467,549	48,765,829
Lease assets - equipment	2,365,338	-	2,365,338
Technology subscriptions	4,673,781	-	4,673,781
	366,986,670	262,183,981	629,170,651
Less Accumulated depreciation/amortization	(183,504,876)	(143,536,831)	(327,041,707)
Net capital assets	183,481,794	118,647,150	302,128,944
Total assets	377,126,022	148,822,299	525,948,321
Deferred outflows of resources:			
Deferred outflows of resources - other post-employment benefits	6,031,758	-	6,031,758
Deferred outflows of resources - pensions	23,417,699	309,071	23,726,770
Total deferred outflows of resources	29,449,457	309,071	29,758,528
Liabilities:			
Accounts payable	1,663,433	1,130,390	2,793,823
Salaries and other compensation payable	3,235,197	3,309	3,238,506
Accrued interest	210,865	103,725	314,590
Contracts payable	5,676,229	807,097	6,483,326
Due to other governments	330,131	29,938	360,069
Unearned revenue	1,100,000	-	1,100,000
Customer and other deposits	3,016,132	75,537	3,091,669
Noncurrent liabilities:			
Due within one year	9,141,408	2,275,669	11,417,077
Due in more than one year	144,332,887	21,566,294	165,899,181
Total liabilities	168,706,282	25,991,959	194,698,241
Deferred inflows of resources:			
Deferred inflows of resources - other post-employment benefits	2,900,741	-	2,900,741
Deferred inflows of resources - pensions	29,281,773	657,552	29,939,325
Deferred inflows of resources - lease revenue for subsequent years	9,675,233	124,996	9,800,229
Total deferred inflows of resources	41,857,747	782,548	42,640,295
Net position:			
Net investment in capital assets	115,555,410	95,898,633	211,454,043
Restricted			
Debt service	11,201,645	-	11,201,645
Landfill abatement	747,743	-	747,743
Public safety	573,185	-	573,185
Housing	1,547,152	-	1,547,152
Capital projects	1,044,159	-	1,044,159
State-funded street projects	6,937,269	-	6,937,269
Unrestricted	58,404,887	26,458,230	84,863,117
Total net position	196,011,450	122,356,863	318,368,313
Total liabilities, deferred inflows of resources, and net position	$406,575,479	$149,131,370	$555,706,849

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025

Statement 2

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Totals
Governmental activities:							
General government	$10,063,592	$3,558,421	$382,137	$429,148	($5,693,886)	$ -	($5,693,886)
Public safety	44,374,165	7,271,331	3,311,996	-	(33,790,838)	-	(33,790,838)
Public works and parks	19,437,490	3,010,102	84,830	6,939,257	(9,403,301)	-	(9,403,301)
Culture and recreation	1,413,276	1,896,969	26,270	-	509,963	-	509,963
Conservation of natural resources	1,623,095	21,162	344,779	-	(1,257,154)	-	(1,257,154)
Economic development	730,916	6,529	1,141,331	-	416,944	-	416,944
Interest on long-term debt	3,175,014	-	-	-	(3,175,014)	-	(3,175,014)
Total governmental activities	80,817,548	15,764,514	5,291,343	7,368,405	(52,393,286)	-	(52,393,286)
Business-type activities:							
Water and sewer	23,939,062	23,402,949	-	62,442	-	(473,671)	(473,671)
Storm water	6,771,863	5,027,386	-	551,334	-	(1,193,143)	(1,193,143)
Performing arts center	2,983,735	2,345,280	-	-	-	(638,455)	(638,455)
Ice arena	1,650,751	1,426,767	-	-	-	(223,984)	(223,984)
Golf course	450,519	486,311	-	-	-	35,792	35,792
Street lighting	744,573	610,894	-	-	-	(133,679)	(133,679)
Total business-type activities	36,540,503	33,299,587	-	613,776	-	(2,627,140)	(2,627,140)
Total governmental and business-type activities	$117,358,051	$49,064,101	$5,291,343	$7,982,181	(52,393,286)	(2,627,140)	(55,020,426)
General revenues:							
Property taxes					54,202,371	-	54,202,371
Lodging tax					348,675	-	348,675
Franchise taxes					8,627,953	-	8,627,953
Other Taxes					85,308	-	85,308
Unrestricted investment earnings					6,494,386	846,381	7,340,767
Miscellaneous					7,717	-	7,717
Gain on sale of capital assets					148,839	-	148,839
Transfers					1,447,114	(1,447,114)	-
Total general revenues and transfers					71,362,363	(600,733)	70,761,630
Change in net position					18,969,077	(3,227,873)	15,741,204
Net position - beginning					177,042,373	125,584,736	302,627,109
Net position - ending					$196,011,450	$122,356,863	$318,368,313

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

Statement 3

	General	G.O. Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Facilities	Other Governmental	Total Governmental Funds
Assets:							
Cash, cash equivalents, and investments	$37,111,359	$4,030,079	$1,749,699	$164,956	$74,975,853	$36,544,828	$154,576,774
Receivables, net of allowance for uncollectible amounts:							
Property taxes	240,455	1,027	18,987	-	-	38,969	299,438
Special assessments	79,319	5,130,268	-	70,882	-	-	5,280,469
Mortgages	-	-	-	-	-	332,070	332,070
Accrued interest	860,399	-	-	-	1,995	-	862,394
Accounts	2,121,744	-	-	-	2,821,712	415,780	5,359,236
Leases	10,796,683	-	-	-	-	-	10,796,683
Due from other funds	2,800,000	-	-	-	-	-	2,800,000
Due from other governments	2,547,118	38,155	7,052,253	1,875,509	35	580,201	12,093,271
Advances to other funds	1,654,336	-	-	-	-	-	1,654,336
Total assets	$58,211,413	$9,199,529	$8,820,939	$2,111,347	$77,799,595	$37,911,848	$194,054,671
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	$780,674	$2,714	$ -	$9,722	$413,822	$445,606	1,652,538
Salaries and other compensation payable	3,235,197	-	-	-	-	-	3,235,197
Contracts payable	-	-	-	311,788	5,193,233	171,208	5,676,229
Due to other funds	-	-	-	2,800,000	-	-	2,800,000
Due to other governments	304,350	7,904	-	830	11,324	5,723	330,131
Unearned revenue	-	-	-	-	-	1,100,000	1,100,000
Customer and other deposits	3,011,918	-	-	-	-	4,214	3,016,132
Advances from other funds	-	-	-	-	-	1,654,336	1,654,336
Total liabilities	7,332,139	10,618	-	3,122,340	5,618,379	3,381,087	19,464,563
Deferred inflows of resources:							
Unavailable revenue - property taxes	240,455	1,027	18,987	-	-	38,969	299,438
Unavailable revenue - special assessments	-	5,130,268	-	70,882	-	-	5,201,150
Unavailable revenue - long term receivable	-	-	6,894,445	1,585,009	-	-	8,479,454
Lease revenue for subsequent years	9,675,233	-	-	-	-	-	9,675,233
Unavailable revenue - other revenue	1,410,361	-	-	-	-	-	1,410,361
Total deferred inflows of resources	11,326,049	5,131,295	6,913,432	1,655,891	-	38,969	25,065,636
Fund balances:							
Nonspendable	1,654,336	-	-	-	-	-	1,654,336
Restricted	353,429	4,057,616	23,837	-	28,788,086	5,830,088	39,053,056
Committed	-	-	1,883,670	-	43,393,130	6,586,623	51,863,423
Assigned	3,632,570	-	-	-	-	23,213,323	26,845,893
Unassigned	33,912,890	-	-	(2,666,884)	-	(1,138,242)	30,107,764
Total fund balances (deficits)	39,553,225	4,057,616	1,907,507	(2,666,884)	72,181,216	34,491,792	149,524,472
Total liabilities, deferred inflows of resources, and fund balances	$58,211,413	$9,199,529	$8,820,939	$2,111,347	$77,799,595	$37,911,848	$194,054,671

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2025

Statement 4

Total fund balances - governmental funds	$149,524,472
Amounts reported for governmental activities in the Statement of Net Position (Statement 1) are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	366,986,670
Less accumulated depreciation and amortization	(183,504,876)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bond principal payable	(100,790,000)
Unamortized bond premium	(6,440,213)
Lease liability	(1,129,205)
Subscription-based IT arrangement liability	(4,000,485)
Total OPEB liability	(15,756,576)
Net pension liability	(19,992,544)
Revenues in the statement of activities (Statement 2) that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	299,438
Special assessments	5,201,150
Deferred intergovernmental grants receivable	8,479,454
Other receivables	1,410,361
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to OPEB	(2,900,741)
Deferred inflows of resources related to pensions	(29,281,773)
Deferred outflows of resources related to OPEB	6,031,758
Deferred outflows of resources related to pensions	23,417,699
Governmental funds do not report a liability for accrued interest due and payable.	(210,865)
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities are included in the governmental activities statement of net position.	
Cash	4,040,975
Accrued compensated absences	(5,365,272)
Dental self insurance	(7,977)
Total net position - governmental activities	$196,011,450

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

Statement 5

	General	G.O. Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Facilities	Other Governmental	Total Governmental Funds
Revenues:							
Property taxes	$43,190,245	$257,823	$2,998,781	$ -	$35	$7,711,713	$54,158,597
Special assessments	4,336	1,166,848	-	524,791	-	-	1,695,975
Licenses and permits	2,707,810	-	-	-	-	2,875	2,710,685
Other taxes	433,983	-	-	-	8,139,654	488,299	9,061,936
Intergovernmental revenue	3,477,737	-	2,430,502	25,780	-	2,662,055	8,596,074
Charges for services	6,846,400	-	-	-	-	3,648,576	10,494,976
Fines and forfeits	206,482	-	-	-	-	5,275	211,757
Interest on investments	1,394,892	145,608	67,730	-	1,863,411	1,309,387	4,781,028
Net change in fair value of investments	1,576,254	-	-	-	-	-	1,576,254
Miscellaneous revenue	1,497,003	-	-	-	-	83,639	1,580,642
Total revenues	61,335,142	1,570,279	5,497,013	550,571	10,003,100	15,911,819	94,867,924
Expenditures:							
Current:							
General government	8,717,786	-	-	-	-	981,623	9,699,409
Public safety	39,028,465	-	-	-	-	40,464	39,068,929
Public works and parks	8,246,495	-	-	-	-	397,903	8,644,398
Culture and recreation	1,396,450	-	-	-	-	12,497	1,408,947
Conservation of natural resources	865,316	-	-	-	-	739,293	1,604,609
Economic development	354,548	-	-	-	-	388,094	742,642
Capital outlay:							
General government	4,673,781	-	-	-	17,411,057	-	22,084,838
Public safety	-	-	-	-	194,384	3,444,486	3,638,870
Public works and parks	-	-	-	-	15,770	5,721,745	5,737,515
Culture and recreation	-	-	-	-	399,154	-	399,154
Conservation of natural resources	-	-	-	-	-	161,498	161,498
Infrastructure	-	-	5,485,508	3,000,184	-	-	8,485,692
Debt service:							
Principal	900,125	1,145,000	-	-	-	4,402,584	6,447,709
Interest	2,598	381,316	-	-	-	2,730,865	3,114,779
Fiscal agent fees	-	4,733	-	-	-	10,289	15,022
Bond issuance costs	-	-	-	-	320,058	-	320,058
Total expenditures	64,185,564	1,531,049	5,485,508	3,000,184	18,340,423	19,031,341	111,574,069
Excess of revenues over (under) expenditures	(2,850,422)	39,230	11,505	(2,449,613)	(8,337,323)	(3,119,522)	(16,706,145)
Other financing sources (uses):							
Bonds issued	-	-	-	-	66,742,944	1,867,056	68,610,000
Premium on bonds issued	-	-	-	-	4,272,314	-	4,272,314
Leases issued	-	-	-	-	-	1,316,818	1,316,818
Technology subscriptions issued	4,673,781	-	-	-	-	-	4,673,781
Sale of capital assets	-	-	-	-	-	148,839	148,839
Transfers in	265,000	-	-	-	288,000	3,899,596	4,452,596
Transfers out	(543,241)	-	-	-	(1,860,205)	(265,000)	(2,668,446)
Total other financing sources (uses)	4,395,540	-	-	-	69,443,053	6,967,309	80,805,902
Net change in fund balance	1,545,118	39,230	11,505	(2,449,613)	61,105,730	3,847,787	64,099,757
Fund balance, beginning of the year	38,008,107	4,018,386	1,896,002	(217,271)	11,075,486	30,644,005	85,424,715
Fund balance, end of the year	$39,553,225	$4,057,616	$1,907,507	($2,666,884)	$72,181,216	$34,491,792	$149,524,472

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

Statement 6

Total net change in fund balance - governmental funds (Statement 5)	$64,099,757
Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities (Statement 2), the cost of those assets is allocated over the estimated useful lives as depreciation expenses.	
Capital outlays capitalized	29,508,980
Depreciation and amortization expense	(10,078,596)
Various other transactions involving capital assets increase (decrease) net position on the Statement of Activities (Statement 2) but are not reported in governmental funds because they do not provide (or use) current financial resources:	
Net book value of disposed capital assets	(748,256)
Assets contributed to business-type activities	(337,036)
Lease assets capitalized	1,316,818
SBITA assets capitalized	4,673,781
Issuances of long-term debt are recognized as an other financing sources in the governmental funds but as a decrease in net position in the Statement of Activities (Statement 2).	
Issuance of bonds	(68,610,000)
Issuance of lease arrangements	(1,316,818)
Issuance of SBITA arrangements	(4,673,781)
The governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (Statement 2).	
Bond discounts and premiums	(4,272,314)
Principal payments on long-term debt are recognized as expenditures in the governmental funds but as a reduction to the debt liability on the Statement of Activities (Statement 2).	
Bond principal payments	5,050,000
Lease principal payments	534,887
SBITA principal payments	752,604
Balance of SBITA liabilities terminated early	531,851
Some expenses reported in the Statement of Activities (Statement 2) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	(86,870)
Amortization of bond discounts and premiums	361,715
OPEB expenses are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities (Statement 2).	(1,493,915)
Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities (Statement 2) factors in items related to pensions on a full accrual perspective.	1,655,734
Revenues in the Statement of Activities (Statement 2) that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	43,774
Special assessments	(273,324)
Loans and grants receivable	1,941,411
Other accounts receivable	294,165
Internal service funds are used by management to charge the cost of insurance compensated absences, and dental expenses to individual funds. This amount is net revenue (loss) attributable to governmental funds.	94,510
Change in net position of governmental activities (Statement 2)	$18,969,077

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

Statement 7

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Funds
Assets:						
Current assets:						
Cash, cash equivalents and investments	$6,476,730	$10,049,304	$3,246,068	$2,000,830	$21,772,932	$4,040,975
Special assessments receivable:						
Delinquent	44,673	-	-	-	44,673	-
Deferred, current portion	10,313	4,177	-	-	14,490	-
Accounts receivable	5,555,643	919,753	1,001,164	168,921	7,645,481	2,918
Leases receivable, current portion	31,001	-	-	-	31,001	-
Due from other governments	41,931	32,132	-	-	74,063	-
Prepaid items and other assets	-	-	68,348	-	68,348	-
Total current assets	12,160,291	11,005,366	4,315,580	2,169,751	29,650,988	4,043,893
Noncurrent assets:						
Deferred special assessments receivable, less current portion	113,962	276,627	-	-	390,589	
Leases receivable, less current portion	133,572	-	-	-	133,572	-
Capital assets:						
Land	319,892	2,160,687	-	757,320	3,237,899	-
Permanent easements	1,919,637	2,711,918	-	-	4,631,555	-
Construction in progress	2,672,608	-	-	-	2,672,608	-
Buildings	20,735,701	-	20,364,622	2,990,096	44,090,419	-
Infrastructure and improvements	116,945,787	70,394,224	419,265	9,324,675	197,083,951	-
Equipment and vehicles	6,153,240	1,832,537	738,638	1,743,134	10,467,549	-
Less accumulated depreciation	(79,001,924)	(45,366,793)	(9,331,005)	(9,837,109)	(143,536,831)	-
Total capital assets (net of accumulated depreciation)	69,744,941	31,732,573	12,191,520	4,978,116	118,647,150	-
Total noncurrent assets	69,992,475	32,009,200	12,191,520	4,978,116	119,171,311	-
Total assets	82,152,766	43,014,566	16,507,100	7,147,867	148,822,299	4,043,893
Deferred outflows of resources:						
Deferred outflows of resources related to pensions	185,869	43,783	-	79,419	309,071	-
Liabilities:						
Current liabilities:						
Current maturities of long term debt	2,219,000	-	-	-	2,219,000	-
Salaries and other compensation payable	1,263	2,046	-	-	3,309	-
Accrued compensated absences, current portion	29,069	10,673	-	16,927	56,669	536,527
Accounts payable	383,479	64,179	585,310	97,422	1,130,390	10,895
Accrued interest	103,725	-	-	-	103,725	-
Contracts payable	440,915	366,182	-	-	807,097	-
Due to other governments	22,082	5,585	-	2,271	29,938	-
Customer and other deposits	68,859	1,625	-	5,053	75,537	-
Total current liabilities	3,268,392	450,290	585,310	121,673	4,425,665	547,422
Noncurrent liabilities:						
General obligation bonds and notes payable, less current maturities	20,038,908	-	-	-	20,038,908	-
Accrued compensated absences, net of current portion	261,618	96,060	-	152,341	510,019	4,828,745
Net pension liability	610,083	133,620	-	273,664	1,017,367	-
Total noncurrent liabilities	20,910,609	229,680	-	426,005	21,566,294	4,828,745
Total liabilities	24,179,001	679,970	585,310	547,678	25,991,959	5,376,167
Deferred inflows of resources:						
Deferred inflows of resources related to pensions	394,183	85,573	-	177,796	657,552	-
Deferred inflows of resources - lease revenue for subsequent years	124,996	-	-	-	124,996	-
Total deferred inflows of resources	519,179	85,573	-	177,796	782,548	-
Net position:						
Net investment in capital assets	47,362,606	31,366,391	12,191,520	4,978,116	95,898,633	-
Unrestricted	10,277,849	10,926,415	3,730,270	1,523,696	26,458,230	(1,332,274)
Total net position	$57,640,455	$42,292,806	$15,921,790	$6,501,812	$122,356,863	($1,332,274)

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 8

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	$21,556,966	$4,993,943	$2,180,280	$2,498,972	$31,230,161	$858,082
Operating expenses:						
Personnel services	6,673,855	1,655,484	-	1,093,834	9,423,173	606,583
Contracted labor	-	-	1,382,411	-	1,382,411	-
Sanitary sewer disposal costs	6,366,801	-	-	-	6,366,801	-
Repairs and maintenance	2,732,965	2,798,607	92,338	315,182	5,939,092	-
Utilities	1,079,805	63,141	144,813	630,892	1,918,651	-
Other operating expenses	3,073,047	748,739	790,763	219,857	4,832,406	294,093
Depreciation	3,410,688	1,503,716	573,410	586,078	6,073,892	-
Total operating expenses	23,337,161	6,769,687	2,983,735	2,845,843	35,936,426	900,676
Operating income (loss)	(1,780,195)	(1,775,744)	(803,455)	(346,871)	(4,706,265)	(42,594)
Nonoperating revenues (expenses):						
Investment earnings	308,480	355,096	113,964	68,841	846,381	137,104
Other income	1,845,983	33,443	165,000	25,000	2,069,426	-
Loss on disposal of capital assets	(1,406)	(2,176)	-	-	(3,582)	-
Interest expense	(600,495)	-	-	-	(600,495)	-
Total nonoperating revenues (expenses)	1,552,562	386,363	278,964	93,841	2,311,730	137,104
Income (loss) before capital contributions and transfers	(227,633)	(1,389,381)	(524,491)	(253,030)	(2,394,535)	94,510
Capital contributions and transfers:						
Intergovernmental - capital contribution	-	113,413	-	-	113,413	-
Capital contributions - connection charges	62,442	437,921	-	-	500,363	-
Capital contributions - from other funds	-	-	-	337,036	337,036	-
Transfers out	(1,647,650)	(136,500)	-	-	(1,784,150)	-
Total capital contributions and transfers	(1,585,208)	414,834	-	337,036	(833,338)	-
Change in net position	(1,812,841)	(974,547)	(524,491)	84,006	(3,227,873)	94,510
Net position - January 1	59,453,296	43,267,353	16,446,281	6,417,806	125,584,736	(1,426,784)
Net position - December 31	$57,640,455	$42,292,806	$15,921,790	$6,501,812	$122,356,863	($1,332,274)

	Capital Grants and Contributions	Transfers - Net
Amounts reported above	$950,812	($1,784,150)
Amounts reported for business-type activities in the statement of activities are different because:		
Transfer in of capital assets from governmental activities	(337,036)	337,036
Amounts reported on the statement of activities	$613,776	($1,447,114)

The accompanying notes are an integral part of these financial statements.

CITY OF BURNSVILLE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 9

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Storm Water	Ames Center	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	$20,908,021	$5,003,227	$2,024,411	$2,565,320	$30,500,979	$ -
Receipts from interfund services provided	-	-	-	-	-	858,408
Payments to suppliers	(13,364,793)	(3,298,796)	(2,202,163)	(1,256,759)	(20,122,511)	(294,384)
Payments to employees	(6,778,341)	(1,672,264)	-	(1,136,834)	(9,587,439)	(492,999)
Net cash flows from operating activities	764,887	32,167	(177,752)	171,727	791,029	71,025
Cash flows from noncapital financing activities:						
Grants and host fees	1,845,983	33,443	165,000	25,000	2,069,426	-
Transfers out	(1,647,650)	(136,500)	-	-	(1,784,150)	-
Net cash flows from noncapital financing activities	198,333	(103,057)	165,000	25,000	285,276	-
Cash flows from capital and related financing activities:						
Intergovernmental - capital contribution	-	113,413	-	-	113,413	-
Receipts from connection charges	62,442	437,921	-	-	500,363	-
Purchase or construction of capital assets	(4,715,910)	(224,989)	-	(177,040)	(5,117,939)	-
Principal payments on bonds and notes payable	(2,678,000)	-	-	-	(2,678,000)	-
Interest and fiscal agent fees paid on bonds and notes	(816,207)	-	-	-	(816,207)	-
Net cash flows from capital and related financing activities	(8,147,675)	326,345	-	(177,040)	(7,998,370)	-
Cash flows from investing activities:						
Investment earnings	308,480	355,096	113,964	68,841	846,381	137,104
Net increase (decrease) in cash and cash equivalents	(6,875,975)	610,551	101,212	88,528	(6,075,684)	208,129
Cash and cash equivalents - January 1	13,352,705	9,438,753	3,144,856	1,912,302	27,848,616	3,832,846
Cash and cash equivalents - December 31	$6,476,730	$10,049,304	$3,246,068	$2,000,830	$21,772,932	$4,040,975
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	($1,780,195)	($1,775,744)	($803,455)	($346,871)	($4,706,265)	($42,594)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation	3,410,688	1,503,716	573,410	586,078	6,073,892	-
(Increase) decrease in assets:						
Receivables	(651,435)	(11,653)	(155,869)	65,763	(753,194)	326
Due from other governments	16,402	20,119	-	-	36,521	-
Prepaids	-	-	(27,289)	-	(27,289)	-
(Increase) decrease in deferred outflows of resources:						
Pensions	(56,419)	(15,016)	-	(21,886)	(93,321)	-
(Decrease) increase in liabilities:						
Salaries and accrued compensated absences	42,482	22,335	-	14,011	78,828	113,584
Accounts payable	(38,328)	(59,019)	235,451	(91,272)	46,832	(291)
Contracts payable	(95,929)	365,125	-	-	269,196	-
Due to other governments	22,082	5,585	-	444	28,111	-
Customer deposits	18,508	818	-	585	19,911	-
Net pension liability	(44,495)	(11,842)	-	(17,260)	(73,597)	-
(Decrease) increase in deferred inflows of resources:						
Pensions	(46,054)	(12,257)	-	(17,865)	(76,176)	-
Leases receivable in subsequent years	(32,420)	-	-		(32,420)	-
Total adjustments	2,545,082	1,807,911	625,703	518,598	5,497,294	113,619
Net cash flows from operating activities	$764,887	$32,167	($177,752)	$171,727	$791,029	$71,025
Noncash investing, capital and financing activities:						
Capital assets contributed from other funds	$ -	$ -	$ -	$337,036	$337,036	$ -
Lease revenue over lease receivable payments	19,179	-	-	-	19,179	-
Net book value of capital asset disposals	1,406	2,176	-	-	3,582	-
Amortization of bond premium	206,714	-	-	-	206,714	-
Capital assets acquired through contracts payable	440,915	366,182	-	-	807,097	-

The accompanying notes are an integral part of these financial statements.

Note 1 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, 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 in 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 *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 nonmajor governmental funds:

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

- *Cable Franchise Fee Fund* - Established in 2001 to account for the revenues from franchise fees received from cable television. Revenues are committed for the purpose of City communications.
- *Forfeiture Fund* - Established in 1992 to account for money received from the court system and fund balance is committed for police operations.
- *Grant Fund* - Established in 1996 to account for the revenues and expenditures related to federal and state financial assistance programs.
- The *Opioid Settlement Fund* – Established in 2025 to account for settlement agreements and litigation proceeds received from pharmaceutical companies and distributors. Funds will be used for the purpose of opioid remediation.
- *Housing Fund* - Established in 2024 to account for the revenues and expenditures from state aid for the purpose of funding housing needs.
- *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, franchise fees, 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.
- *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 Renovation Fund* - Accounts for capital improvement projects for the City's existing parks and trail systems. This fund was formerly named the Parks Capital Fund.
- *Parks Investment Fund* - Established in 2024 to account for the development of new capital improvement projects for the City's park and trail system.
- *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 nonmajor enterprise funds:

- *Ice Arena Fund* - accounts for the operation and maintenance of the city-owned ice arena.
- *Golf Course Fund* - accounts for the operation of the municipal golf course, Birnamwood Golf Course.
- *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

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 3 for the City's recurring fair value measurements as of December 31, 2025.

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.

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.

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.

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. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. 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.

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.

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.

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

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

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.

COMPENSATED ABSENCES

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences: vacation, holiday and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment at a maximum of 240 hours.

Holiday: The City's employment contract permits an employee to accumulate earned but unused holiday benefits, which are eligible for payment at the employee's current pay rate upon separation from employment with no maximum.

Sick Leave: The City's policy permits employees to accumulate earned but unused sick leave at a maximum of 960 hours, which are eligible for payment at the employee's current pay rate upon separation from employment at a maximum of 480 hours. A liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

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.

DEFINED BENEFIT PENSION PLANS

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

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 balances 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 balances that reflects the City's intended use of those funds.

Unassigned - fund balances that have 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.

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.

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.

Note 2 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 30. 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 a 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.

During 2025, expenditures of the following General Fund departments exceeded the department's final budget:

	Actual	Final Budget	Overage
Public safety	$39,028,465	$38,390,815	$637,650
Economic development	354,548	343,751	10,797

Budgetary control for the budgeted Special Revenue and Capital Projects Funds is maintained at the fund level.

B. DEFICIT FUND BALANCES / NET POSITION

The Improvement Construction Capital Projects Fund had a deficit fund balance of ($2,666,884) as of December 31, 2025. It is anticipated that the deficit will be financed by future debt proceeds.

The Tax Increment Capital Projects Fund had a deficit fund balance of ($1,138,242) as of December 31, 2025. It is anticipated that the deficit will be financed by future TIF revenues.

The Compensated Absences Internal Service Fund had a deficit net position balance of ($1,490,417) as of December 31, 2025. It is anticipated that the deficit will be financed through future charges for services and interest income.

Note 3 DEPOSITS AND INVESTMENTS

A. 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.

Minnesota Statutes and the City's investment policy require that insurance, surety bonds or collateral protect all City deposits. The fair value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. Minnesota Statue 118A.03 identifies allowable forms of collateral.

Custodial credit risk – deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no additional deposit policies addressing custodial credit risk.

As of December 31, 2025, the carrying amount of the City's deposits was $1,391,579 and the bank deposit balances were $2,911,602. The City's deposits at December 31, 2025, 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.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

At December 31, 2025, the City's investment balances were as follows:

				Investment Maturities (in Years)		
Investment Type	Rating	Fair Value Measurement	Fair Value	Less Than 1	1-5	6-10
4M - External Investment Pool	AAAm	N/A	$ 141,279	$ 141,279	$ -	$ -
Money Market Funds	AAAm	N/A	90,565,613	90,565,613	-	-
Certificates of Deposit	NR	Level 2	11,500,067	5,377,354	6,122,713	-
Municipal Bonds	AA - AAA	Level 2	26,348,330	2,061,101	19,900,749	4,386,480
US Treasuries	AA+	Level 1	1,419,903	1,419,903	-	-
US Agencies	AA+	Level 2	49,020,910	11,863,791	24,123,900	13,033,219
Total			$ 178,996,102	$ 111,429,041	$ 50,147,362	$ 17,419,699

	Total investments	$ 178,996,102
N/A = Not applicable	Deposits	1,391,579
NR = Not rated	Cash on hand	3,000
	Total cash and investments	$ 180,390,681

Investments are subject to various risks, of which the following 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.

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 a rated 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 managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of $1 per share. Investments are measured at amortized cost in accordance with GASB Statement No. 79. The 4M Liquid Asset Class has no redemption requirements.

Concentration risk - This is the risk associated with investing a significant portion of the City's investment (considered 5% 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 85% of the total portfolio may be invested in U.S. Government Agency securities with a liquid market and no more than 50% 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% or more in securities of a single issuer:

Type	Fair Value	Percent
Federal Home Loan Bank - FHLB	$18,889,530	10.55%
Federal Farm Credit Bank - FFCB	17,878,670	9.99%

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% 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% 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.

Note 4 RECEIVABLES

Receivables as of December 31, 2025 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:

	Major Funds							
	General	G.O. Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Facilities	Nonmajor Funds	Internal Service Funds	Governmental Activities Total
Governmental Activities:								
Property taxes	$332,006	$1,027	$36,711	$ -	$ -	$55,697	$ -	$425,441
Special assessments	79,319	5,130,268	-	70,882	-	-	-	5,280,469
Mortgages	-	-	-	-	-	332,070	-	332,070
Interest	860,399	-	-	-	1,995	-	-	862,394
Accounts	2,121,744	-	-	-	2,821,712	415,780	2,918	5,362,154
Leases	10,796,683	-	-	-	-	-	-	10,796,683
Gross receivables	14,190,151	5,131,295	36,711	70,882	2,823,707	803,547	2,918	23,059,211
Less: allowance for uncollectible amounts	(91,551)	-	(17,724)	-	-	(16,728)	-	(126,003)
Net total receivables	$14,098,600	$5,131,295	$18,987	$70,882	$2,823,707	$786,819	$2,918	$22,933,208

	Major Funds					
	Water and Sewer	Storm Water	Ames Center	Nonmajor Funds	Business-Type Activities Total	Government-Wide Total
Business-Type Activities:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$425,441
Special assessments	168,948	280,804	-	-	449,752	5,730,221
Mortgages	-	-	-	-	-	332,070
Interest	-	-	-	-	-	862,394
Accounts	5,555,643	919,753	1,001,164	168,921	7,645,481	13,007,635
Leases	164,573	-	-	-	164,573	10,961,256
Gross receivables	5,889,164	1,200,557	1,001,164	168,921	8,259,806	31,319,017
Less: allowance for uncollectible amounts	-	-	-	-	-	(126,003)
Net total receivables	$5,889,164	$1,200,557	$1,001,164	$168,921	$8,259,806	$31,193,014

A. LONG TERM RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2025 are as follows:

	Major Funds							
	General	G.O. Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Nonmajor Funds	Water and Sewer	Storm Water	Total
Property taxes	$91,551	$ -	$17,724	$ -	$16,728	$ -	$ -	$126,003
Special assessments	729	4,399,486	-	64,975	-	134,117	278,809	4,878,116
Mortgages	-	-	-	-	332,070	-	-	332,070
Accounts	1,410,361	-	-	-	-	-	-	1,410,361
Leases	10,375,997	-	-	-	-	133,572	-	10,509,569
Total receivables	$11,878,638	$4,399,486	$17,724	$64,975	$348,798	$267,689	$278,809	$17,256,119

Governmental funds report *deferred inflows of resources* in connection with receivables 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:

	Major Funds					
	General	G.O. Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Nonmajor Funds	Total
Property taxes	$240,455	$1,027	$18,987	$ -	$38,969	$299,438
Special assessments	-	5,130,268	-	70,882	-	5,201,150
Other	1,410,361	-	-	-	-	1,410,361
Intergovernmental revenue	-	-	6,894,445	1,585,009	-	8,479,454
Leases	9,675,233	-	-	-	-	9,675,233
Total receivables	$11,326,049	$5,131,295	$6,913,432	$1,655,891	$38,969	$25,065,636

B. MORTGAGE RECEIVABLE

The City has entered into mortgage receivable agreements for home rehabilitation loans. The loans are reported using rates ranging from 2%-3% with a final maturity in 2042. During the current year, the City received principal and interest payments on these loans of $82,219.

C. LEASE RECEIVABLE

The City has entered into lease receivable agreements for cell tower rental space, fiber and ground leases on City property. The leases are reported using an incremental rate ranging from 0.5% to 18.0% with a final maturity in 2058. During the current year, the City received principal and interest payments on these leases of $609,873.

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 21,394,922	$ -	$ -	$ -	$ 21,394,922
Permanent easements	5,080,452	109,600	-	-	5,190,052
Construction in progress	5,513,849	19,752,498	(167,578)	(2,353,459)	22,745,310
Total capital assets, not being depreciated	31,989,223	19,862,098	(167,578)	(2,353,459)	49,330,284
Capital assets, being depreciated and amortized:					
Buildings	54,099,568	-	-	-	54,099,568
Infrastructure and improvements	213,173,909	6,177,573	(3,037,754)	1,905,691	218,219,419
Equipment and vehicles	35,388,576	3,469,309	(670,337)	110,732	38,298,280
Lease asset - equipment	1,048,520	1,316,818	-	-	2,365,338
Technology subscriptions	1,395,821	4,673,781	(1,395,821)	-	4,673,781
Total capital assets, being depreciated and amortized	305,106,394	15,637,481	(5,103,912)	2,016,423	317,656,386
Less accumulated depreciation and amortization for:					
Buildings	20,719,043	1,327,058	-	-	22,046,101
Infrastructure and improvements	132,899,767	5,417,153	(3,013,658)	-	135,303,262
Equipment and vehicles	22,876,092	2,131,424	(670,337)	-	24,337,179
Lease asset - equipment	694,680	513,182	-	-	1,207,862
Technology subscriptions	759,932	689,779	(839,239)	-	610,472
Total accumulated depreciation and amortization	177,949,514	10,078,596	(4,523,234)	-	183,504,876
Total capital assets being depreciated and amortized - net	127,156,880	5,558,885	(580,678)	2,016,423	134,151,510
Governmental activities capital assets - net	$ 159,146,103	$ 25,420,983	$ (748,256)	$ (337,036)	$ 183,481,794

	Beginning Balance	Increases	Decreases	Transfers and Completed Construction	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 3,237,899	$ -	$ -	$ -	$ 3,237,899
Permanent easements	4,631,555	-	-	-	4,631,555
Construction in progress	1,305,267	3,327,718	-	(1,960,377)	2,672,608
Total capital assets, not being depreciated	9,174,721	3,327,718	-	(1,960,377)	10,542,062
Capital assets, being depreciated:					
Buildings	44,090,419	-	-	-	44,090,419
Infrastructure and improvements	193,929,887	1,269,432	(75,745)	1,960,377	197,083,951
Equipment and vehicles	9,726,579	520,789	(116,855)	337,036	10,467,549
Total capital assets, being depreciated	247,746,885	1,790,221	(192,600)	2,297,413	251,641,919
Less accumulated depreciation for:					
Buildings	22,596,956	935,267	-	-	23,532,223
Infrastructure and improvements	108,887,638	4,552,906	(72,162)	-	113,368,382
Equipment and vehicles	6,167,362	585,719	(116,855)	-	6,636,226
Total accumulated depreciation	137,651,956	6,073,892	(189,017)	-	143,536,831
Total capital assets being depreciated - net	110,094,929	(4,283,671)	(3,583)	2,297,413	108,105,088
Business-type activities capital assets - net	$ 119,269,650	$ (955,953)	$ (3,583)	$ 337,036	$ 118,647,150

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

Governmental activities:		
General government	$	665,271
Public safety		2,899,867
Public works		6,472,596
Conservation of natural resources		40,862
Total depreciation and amortization expense - governmental activities	$	10,078,596
Business-type activities:		
Water and Sewer	$	3,410,688
Storm Water		1,503,716
Ames Center		573,410
Ice Arena		436,807
Golf Course		45,769
Street Lighting		103,502
Total depreciation expense - business-type activities	$	6,073,892

Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances consist of temporary loans between funds to cover negative cash balances. The composition of interfund balances as of December 31, 2025, is as follows:

Fund	Due from Other Funds	Due to Other Funds
Major Funds:		
General	$ 2,800,000	$ -
Improvement Construction	-	2,800,000
Total Due To/From	$ 2,800,000	$ 2,800,000

Interfund advances consist of loans between funds to cover negative cash balances that are not expected to be repaid within one year. The composition of interfund advances as of December 31, 2025, is as follows:

Fund	Advances to Other Funds	Advances from Other Funds
Major Funds:		
General	$ 1,654,336	$ -
Nonmajor Governmental Funds:		
Tax Increment Capital Projects	-	1,654,336
Total Advances	$ 1,654,336	$ 1,654,336

The 2025 interfund transfers are as follows:

	Transfers in			
Fund	General (a)	Facilities (b)	Nonmajor Governmental (a)(b)(c)	Totals
Transfers out:				
General	$ -	$ -	$ 543,241	$ 543,241
Facilities	-	-	1,860,205	1,860,205
Nonmajor Governmental	265,000	-	-	265,000
Water and sewer	-	216,000	1,431,650	1,647,650
Storm Water	-	72,000	64,500	136,500
Total transfers	$ 265,000	$ 288,000	$ 3,899,596	$ 4,452,596

Transfers were used for the following:

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

Note 7 LONG-TERM OBLIGATIONS

City indebtedness at December 31, 2025 is composed of the following:

	Interest Rates	Issue Date	Maturity Date	Original Issue	Outstanding 12/31/2025
Governmental Activities:					
G.O Bonds					
G.O. Capital Improvement Plan Bonds, Series 2017A	2.1-4.0%	11/15/2017	02/01/2032	$9,585,000	$5,090,000
G.O. CIP, Impr Bonds, and Refunding, Series 2020A (2010D BAB's)	2.0-4.0%	11/17/2020	12/20/2040	16,025,000	13,040,000
G.O. Capital Improvement Plan Bonds, Series 2025A	4.0-5.0%	05/22/2025	12/20/2035	68,610,000	68,610,000
Total general obligation bonds				94,220,000	86,740,000
G.O. Improvement Bonds:					
G.O. Improvement Bonds, Series 2012C	2.00%	11/08/2012	12/20/2027	1,340,000	110,000
G.O. Improvement Bonds, Series 2013A	2.00-3.50%	12/01/2013	12/20/2027	1,595,000	220,000
G.O. Improvement Bonds, Series 2014A	2.00-3.00%	10/01/2014	12/20/2029	2,780,000	830,000
G.O. Improvement Bonds, Series 2015A	2.00-3.00%	12/10/2015	12/20/2030	735,000	225,000
G.O. Improvement Bonds, Series 2016B	1.65-2.125%	11/16/2016	12/20/2031	910,000	230,000
G.O. Improvement Bonds, Series 2018A	3.25-4.00%	12/13/2018	12/20/2033	965,000	360,000
G.O. Improvement, Util Rev and Ref Bonds, Series 2019A	5.00%	11/04/2019	12/20/2034	460,000	70,000
G.O. Improvement, Util Rev and Ref Bonds, Series 2019A (Ref 11C)	5.00%	11/04/2019	12/20/2034	1,165,000	495,000
G.O. CIP, Impr Bonds, and Refunding, Series 2020A (2010D BAB's)	2.00-4.00%	11/17/2020	12/20/2035	1,150,000	705,000
G.O. Equipment, Improvement & Utility Rev, Series 2022A	4.00-5.00%	11/09/2022	02/01/2032	4,150,000	3,745,000
G.O. Improvement & Utility Rev, Series 2024A	4.00-5.00%	12/05/2024	12/20/2039	1,420,000	1,320,000
Total improvement bonds				16,670,000	8,310,000
G.O. Tax Increment Revenue Bonds:					
G.O. Tax Increment Bonds, Series 2012A	2.00%	11/08/2012	12/20/2027	4,920,000	375,000
Total tax increment revenue bonds				4,920,000	375,000
G.O. Tax Abatement Bonds:					
G.O. Tax Abatement Bonds, Series 2015B	2.00-3.00%	12/10/2015	12/20/2027	7,030,000	2,710,000
G.O. Tax Abatement Bonds, Series 2018A (Refunding)	3.00-4.00%	12/13/2018	12/20/2029	3,235,000	1,335,000
G.O. Tax Abatement Bonds, Series 2018A (Ice Arena Improvements)	3.00-4.00%	12/13/2018	12/20/2029	1,160,000	480,000
Total tax abatement bonds				11,425,000	4,525,000
Other G.O. Bonds:					
G.O. Equipment Certificates, Series 2022A	5.00%	11/09/2022	02/01/2032	1,020,000	840,000
Total other G.O. bonds				1,020,000	840,000
Unamortized bond premiums				N/A	6,440,213
Total - bonded indebtedness - governmental activities				$128,255,000	$107,230,213

City indebtedness at December 31, 2025 is composed of the following: (continued)

Business-type activities	Interest Rates	Issue Date	Maturity Date	Original Issue	Outstanding 12/31/2025
G.O Revenue Bonds					
G.O. Utility Revenue Bonds, Series 2012B	2.00%	11/08/2012	12/20/2027	3,005,000	330,000
G.O. Utility Revenue Bonds, Series 2016B	1.65-2.125%	11/16/2016	12/20/2031	1,600,000	695,000
G.O. Utility Revenue Bonds, Series 2017A	2.10-4.00%	11/15/2017	02/01/2032	4,735,000	2,520,000
G.O. Utility Revenue Bonds, Series 2018A	3.00-4.00%	12/13/2018	12/20/2028	2,305,000	790,000
G.O. Improvement, Util Rev and Ref Bonds, Series 2019A	5.00%	11/04/2019	12/20/2029	2,465,000	1,135,000
G.O. Improvement, Util Rev & Ref Bonds, Series 2019A(Ref 10A)	5.00%	11/04/2019	12/20/2029	1,480,000	685,000
G.O. Equipment, Improvement & Utility Rev, Series 2022A	4.00-5.00%	11/09/2022	02/01/2038	3,595,000	3,280,000
G.O. Improvement & Utility Rev, Series 2024A	4.00-5.00%	12/05/2024	12/20/2039	6,130,000	5,845,000
Total revenue bonds				25,315,000	15,280,000
G.O Revenue Notes					
Taxable GO Water Revenue Note, 2016	1.268%	12/16/2016	08/20/2036	6,247,194	3,611,000
Taxable GO Water Revenue Note, 2020	1.394%	06/23/2020	08/20/2040	2,678,197	2,088,000
Total revenue notes				8,925,391	5,699,000
Unamortized bond premiums				N/A	1,278,908
Total - bonded indebtedness - business-type activities				$34,240,391	$22,257,908

The following is a schedule of changes in the City's noncurrent liabilities for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. bonds	$19,430,000	$68,610,000	$1,300,000	$86,740,000	$3,445,000
G.O. certificates of indebtedness	940,000	-	100,000	840,000	100,000
G.O. tax increment refunding bonds	655,000	-	280,000	375,000	185,000
G.O. tax abatement bonds	6,750,000	-	2,225,000	4,525,000	2,290,000
G.O. improvement bonds	9,455,000	-	1,145,000	8,310,000	1,090,000
Total bonds payable	37,230,000	68,610,000	5,050,000	100,790,000	7,110,000
Unamortized bond premiums	2,529,614	4,272,314	361,715	6,440,213	-
Total bonded indebtedness	39,759,614	72,882,314	5,411,715	107,230,213	7,110,000
Lease liability	347,274	1,316,818	534,887	1,129,205	373,342
Subscription liability	611,159	4,673,781	1,284,455	4,000,485	566,451
Compensated absences*	5,251,688	113,584	-	5,365,272	536,527
Net other post-employment benefits	13,225,559	2,531,017	-	15,756,576	555,088
Net pension liability	21,548,188	-	1,555,644	19,992,544	-
Total governmental activities	$80,743,482	$81,517,514	$8,786,701	$153,474,295	$9,141,408
Business-type activities:					
G.O. revenue bonds	$17,530,000	$ -	$2,250,000	$15,280,000	$1,785,000
G.O. revenue notes	6,127,000	-	428,000	5,699,000	434,000
Total bonds payable	23,657,000	-	2,678,000	20,979,000	2,219,000
Unamortized bond premiums	1,485,622	-	206,714	1,278,908	-
Total bonded indebtedness	25,142,622	-	2,884,714	22,257,908	2,219,000
Compensated absences*	486,418	80,270	-	566,688	56,669
Net pension liability	1,090,964	-	73,597	1,017,367	-
Total business-type activities	$26,720,004	$80,270	$2,958,311	$23,841,963	$2,275,669

* The change in compensated absences is presented as a net change

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.

The decreases in the subscription liability include a liability reduction of $531,851 for subscription agreements terminated earlier than anticipated.

Other post-employment benefits for the governmental activities are generally liquidated by the General Fund, which is accounted for in the governmental activities. See Note 8 for further information.

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. See Note 9 for further information.

A. GENERAL OBLIGATION DEBT

In 2025 the City issued $68,610,000 of G.O. Bonds, Series 2025A. The bonds were issued to finance the Police City Hall project and other projects as authorized in the 2025-2029 Capital Improvement Plan.

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

Year Ending	Governmental Activities		Business-Type Activities	
December 31	Principal	Interest	Principal	Interest
2026	$7,110,000	$4,240,462	$2,219,000	$700,872
2027	6,180,000	3,971,595	2,300,000	620,195
2028	5,245,000	3,738,625	2,191,000	545,034
2029	5,355,000	3,520,832	1,991,000	470,015
2030	4,800,000	3,296,695	1,547,000	399,692
2031-2035	23,530,000	13,319,285	6,771,000	1,283,736
2036-2040	25,105,000	8,179,160	3,960,000	281,373
2041-2045	23,465,000	3,149,568	-	-
Total	$100,790,000	$43,416,222	$20,979,000	$4,300,917

B. G.O. TAX INCREMENT BONDS

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. The following table discloses the issued, redeemed and outstanding G.O. Tax Increment Bonds for the district:

Bonds and notes:	Issued	Redeemed	Outstanding
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	4,265,000	375,000
Totals	$18,220,000	$17,565,000	$375,000

C. REVENUE PLEDGED

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

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
G.O. Utility Revenue Bonds, Series 2012B	Water & Sewer	Water & Sewer Utility Charges	100%	2012-2027	$339,900	$236,100	$21,556,966
G.O. Utility Revenue Bonds, Series 2015A	Water & Sewer	Water & Sewer Utility Charges	100%	2015-2025	-	255,000	21,556,966
G.O. Utility Revenue Bonds, Series 2016B	Water & Sewer	Water & Sewer Utility Charges	100%	2016-2031	744,815	125,480	21,556,966
G.O. Taxable Water Revenue Notes, Series 2016	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2036	3,891,482	353,642	21,556,966
G.O. Bonds, Series 2017A	Water & Sewer	Water & Sewer Utility Charges	100%	2017-2032	2,798,235	401,563	21,556,966
G.O. Utility Bonds, Series 2018A	Water & Sewer	Water & Sewer Utility Charges	100%	2018-2028	840,400	281,050	21,556,966
G.O. Utility Revenue & Refunding Bonds, Series 2019A	Water & Sewer	Water & Sewer Utility Charges	100%	2019-2029	2,053,250	757,750	21,556,966
G.O. Taxable Water Revenue Notes, Series 2020	Water & Sewer	Water & Sewer Utility Charges	100%	2020-2040	2,328,409	154,835	21,556,966
G.O. Utility Revenue Bonds, Series 2022A	Water & Sewer	Water & Sewer Utility Charges	100%	2023-2038	4,270,775	330,950	21,556,966
G.O. Utility Revenue Bonds, Series 2024A	Water & Sewer	Water & Sewer Utility Charges	100%	2024-2039	8,012,650	589,427	21,556,966

D. CONDUIT DEBT

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, 2025, 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:

	Original Issuance	Outstanding Balance
Housing Revenue Bonds	$7,100,000	$5,100,000
Industrial Revenue Bonds	5,700,000	Unknown
Totals	$12,800,000	$5,100,000

E. 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 5 to the 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:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Computer Equipment - General	1.4990%	4/1/2023	3/31/2027	$60,926
Multi-Function Print/Scan/Copy devices	3.0670%	7/10/2024	7/10/2027	58,142
Data Backup, recovery, and security	3.2400%	6/1/2025	6/1/2028	131,434
Network Infrastructure	3.2400%	7/1/2025	7/1/2030	878,703
Total				$1,129,205

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2026	$373,342	$34,887
2027	302,507	24,029
2028	223,064	14,689
2029	230,292	7,461
Total	$1,129,205	$81,066

F. 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 5 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:

Technology Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
Police Vehicle Technology	3.1000%	2/1/2025	2/1/2035	$2,895,733
Fire Vehicle Technology	3.1000%	2/1/2025	2/1/2035	701,664
Software - General	2.8400%	1/1/2025	12/31/2028	403,088
Total				$4,000,485

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

Year Ending December 31	Governmental Activities Principal	Interest
2026	$566,451	$122,968
2027	588,303	105,924
2028	402,198	88,218
2029	283,133	75,749
2030	406,109	66,973
2031-2035	1,754,291	138,033
Total	$4,000,485	$597,865

Note 8 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. 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. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. 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.

B. 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.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee.

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.

C. PARTICIPANTS

As of the January 1, 2025 actuarial valuation, participants of the plan consisted of:

Active Plan Members	329
Retirees and beneficiaries receiving benefits	34
Total	363

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of $15,756,576 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025. Changes in the total OPEB liability during 2025 were:

Balance - beginning of year	$ 13,225,559
Changes for the year:	
Service cost	558,555
Interest cost	578,206
Changes of benefit terms	128,090
Differences between expected and actual experience	668,939
Changes in assumptions	1,152,315
Benefit payments	(555,088)
Net changes	2,531,017
Balance - end of year	$ 15,756,576

The OPEB liability will be liquidated by the General Fund, which is accounted for in governmental activities in the Statement of Net Position and Statement of Activities.

The City's current year required pay-as-you-go contributions to finance the benefits payments totaled $555,088. 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.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the entry age method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00%
Discount rate	4.83%
Index rate for 20-year tax-exempt municipal bonds	4.83%
Healthcare trend rates	8% in 2025 decreasing to 4.5% over six years
Retirees' share of benefit-related costs	100%

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.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

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% lower (3.83%) or 1% higher (5.83%) than the current discount rate:

	1% Decrease 3.83%	Current Discount Rate 4.83%	1% Increase 5.83%
Total OPEB liability	$ 17,497,255	$ 15,756,576	$ 14,243,993

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

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% lower (7.0% decreasing to 3.5% over six years) or 1% higher (9.0% decreasing to 5.5% over six years) than the current healthcare cost trend rates (8.0% decrease to 4.5% over six years):

	1% Decrease (7.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Total OPEB liability	$ 13,921,554	$ 15,756,576	$ 17,919,182

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2025, the City recognized $2,049,003 of OPEB expense. At December 31, 2025, 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	$ 3,764,521	$ 725,757
Changes of assumptions	2,267,237	2,174,984
Total	$ 6,031,758	$ 2,900,741

Deferred outflows and inflows of resources relate almost exclusively to the public safety function, and therefore, have been allocated entirely to governmental activities.

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
2026	$ 784,156
2027	637,232
2028	528,611
2029	142,743
2030	339,636
Thereafter	698,639
	$ 3,131,017

Note 9 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

   Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

   Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

   The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

   Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. 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 prorated increase.

2. Police and Fire Plan Benefits

   Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if

they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. 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 prorated increase.

C. Contributions

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

   General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were $1,439,586. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

   Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were $3,402,944. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

   At December 31, 2025, the City reported a liability of $6,828,146 for its proportionate share of the General Employees Fund'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 $164,716.

City's proportionate share of the net pension liability	$6,828,146
State of Minnesota's proportionate share of the net pension liability associated with the City	164,716
Total	$6,992,862

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2060% at the end of the measurement period and 0.1967% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of ($30,088) for its proportionate share of the General Plan's pension expense. In addition, the City recognized an

additional ($25,265) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2025, the City reported General Employees Fund 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	$652,762	$ -
Changes in actuarial assumptions	164,523	1,595,055
Net difference between projected and actual earnings on pension plan investments	-	2,657,880
Changes in proportion	462,238	178,045
Employer contributions subsequent to the measurement date	723,002	-
Total	$2,002,525	$4,430,980

The $723,002 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2026	($730,263)
2027	(1,116,206)
2028	(819,623)
2029	(485,365)
2030	-
Thereafter	-

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of $14,181,765 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 1.2104% at the end of the measurement period and 1.1680% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. 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, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years

(on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $491,610.

City's proportionate share of the net pension liability	$14,181,765
State of Minnesota's proportionate share of the net pension liability associated with the City	491,610
Total	$14,673,375

For the year ended December 31, 2025, the City recognized pension expense of $3,082,726 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional $237,865 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire Fund special funding situation.

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, because this contribution was not considered to meet the definition of a special funding situation. The City recognized $108,936 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported Police and Fire Fund 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	$6,605,335	$ -
Changes in actuarial assumptions	11,129,228	17,922,904
Net difference between projected and actual earnings on pension plan investments	-	6,207,552
Changes in proportion	2,232,337	1,377,889
Employer contributions subsequent to the measurement date	1,757,345	-
Total	$21,724,245	$25,508,345

The $1,757,345 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2026	$3,802,871
2027	(2,862,905)
2028	(6,992,294)
2029	25,357
2030	485,526
Thereafter	-

The net pension liability will be liquidated by the general, water and sewer, storm water, golf course, and ice arena funds.

E. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.50% for the General Plan and 1.00% for the Police and Fire Plan.

Salary growth assumptions in the General Plan range in annual increments from 11.50% after one year of service to 3.00% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.00% after 23 years of service.

Mortality rates for the General 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 PERA's experience.

Actuarial assumptions for the General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

The State Board of Investment, which manages the investments of 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.00%. 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 Plan and Police and Fire Plan were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the General Plan net pension liability	$16,584,494	$6,828,146	($1,086,449)
Proportionate share of the Police and Fire Plan net pension liability	$37,159,229	$14,181,765	($4,686,360)

H. Pension Plan Fiduciary Net Position

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

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2025 is as follows:

General Plan	($55,354)
Police and Fire Plan	3,320,591
Total	$3,265,237

Note 10 FUND BALANCE CLASSIFICATION

At December 31, 2025, a summary of the governmental fund balance classifications are as follows:

	General	GO Improvement Bonds	Infrastructure Trust (ITF)	Improvement Construction	Facilities	Other Governmental Funds	Total
Nonspendable:							
Advances to other funds	$1,654,336	$ -	$ -	$ -	$ -	$ -	$1,654,336
Total nonspendable	1,654,336	-	-	-	-	-	1,654,336
Restricted for:							
Landfill abatement	353,429	-	-	-	-	394,314	747,743
Debt service	-	4,057,616	-	-	-	2,208,607	6,266,223
Facilities capital	-	-	-	-	28,788,086	-	28,788,086
Capital projects	-	-	23,837	-	-	-	23,837
Housing	-	-	-	-	-	1,547,152	1,547,152
Public safety	-	-	-	-	-	573,185	573,185
Equipment	-	-	-	-	-	1,106,830	1,106,830
Total restricted	353,429	4,057,616	23,837	-	28,788,086	5,830,088	39,053,056
Committed for:							
Capital projects	-	-	1,883,670	-	-	-	1,883,670
Facilities	-	-	-	-	43,393,130	-	43,393,130
Cable	-	-	-	-	-	428,250	428,250
Forfeitures	-	-	-	-	-	19,088	19,088
Grant	-	-	-	-	-	338,674	338,674
Public safety	-	-	-	-	-	22,262	22,262
Housing	-	-	-	-	-	27,484	27,484
Youth	-	-	-	-	-	17,973	17,973
Economic development	-	-	-	-	-	4,576,462	4,576,462
Sustainability	-	-	-	-	-	83,727	83,727
Forestry	-	-	-	-	-	1,072,703	1,072,703
Total committed	-	-	1,883,670	-	43,393,130	6,586,623	51,863,423
Assigned for:							
Subsequent year's budget	3,632,570	-	-	-	-	-	3,632,570
IT equipment & software development	-	-	-	-	-	3,716,174	3,716,174
Equipment & vehicles	-	-	-	-	-	5,938,888	5,938,888
Parks renovation	-	-	-	-	-	4,442,432	4,442,432
Parks investment	-	-	-	-	-	7,386,666	7,386,666
Street maintenance	-	-	-	-	-	1,729,163	1,729,163
Total assigned	3,632,570	-	-	-	-	23,213,323	26,845,893
Unassigned	33,912,890	-	-	(2,666,884)	-	(1,138,242)	30,107,764
Total fund balance	$39,553,225	$4,057,616	$1,907,507	($2,666,884)	$72,181,216	$34,491,792	$149,524,472

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% - 50% of the subsequent year's General Fund operating budget. At December 31, 2025, the fund balance of the General Fund was 50% of the subsequent year's budgeted use of funds.

Note 11 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
2025	$ 4,837	$ 272,305	$ 272,832	$ 4,310
2024	6,351	245,733	247,247	4,837

Note 12 COMMITMENTS AND CONTINGENCIES

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.

Disallowed Claims - 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.

Solar Garden Energy Purchase Commitments - During 2017-2020, the City entered into 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.

Construction Commitments – The City had the following commitments on uncompleted construction contract as of December 31, 2025:

Parks Renovation Fund	$	346,980
Facilities Fund		54,355,980
Improvement Construction Fund		692,224
Water and Sewer Fund		1,241,981
Storm Water Fund		7,382
	$	56,644,547

Note 13 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 ($94,693 for the City in 2025). 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.

Note 14 TAX INCREMENT DISTRICTS – PAY-AS-YOU-GO FINANCING REVENUE NOTES

The City (EDA) is the administering authority for the Tax Increment Financing (TIF) Districts. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low to moderate income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project. The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program.

The City has entered into two private development agreements regarding certain tax increment properties. Reimbursements to developers for economic development were contemplated in the development agreements. The vehicle used for this reimbursement is a pay-as-you-go tax increment revenue note. The TIF Districts with outstanding tax increment revenue notes are 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.

	TIF No. 7
Current tax capacity	$ 953,925
Original tax capacity	(169,287)
Captured tax capacity	$ 784,638
Retained by authority	$ 500,621
Shared with other tax districts	$ 284,017

The note entered into with CQ MN 2021, LLC and subsequently assigned to RGA Holdings, LLC, in 2025, provides for the payment of principal plus interest at 4.5%. Payments on the note will be made at the lesser of the note payment, or 90% of the actual net tax increment received during specific years as stated in the agreement. Payments are first applied to accrued interest and then to principal balances. The note is cancelled at the end of the agreement term, whether or not it has been repaid. Any additional tax increments received in years following the term are retained by the City. The outstanding principal balance as of December 31, 2025, was $610,269 and the City rebated $209,593 in the current year.

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.

	TIF No. 9
Current tax capacity	$ 109,204
Original tax capacity	(22,816)
Captured tax capacity	$ 86,388
Retained by authority	$ 55,118
Shared with other tax districts	$ 31,270

The note entered into with Timberstone, LLC, provides for the payment of principal plus interest at 5.25%. Payments on the loan will be made at the lesser of the note payment, or 90% of the actual net tax increment received during specific years as stated in the agreement. Payments are first applied to accrued interest and then to principal balances. The note is cancelled at the end of the agreement term, whether or not it has been repaid. Any additional tax increments received in years following the term are retained by the City. The outstanding principal balance as of December 31, 2025, was $187,764 and the City rebated $45,086 in the current year.

The outstanding principal balance on these notes are not included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received.

Note 15 SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition or disclosure through June 9, 2026, the date the financial statements were available to be issued.

Note 16 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 103 *Financial Reporting Model Improvements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 105 *Subsequent Events*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

The effect these standards may have on future financial statements is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10

	2025			Variance with
	Budgeted Amounts		Actual	Final Budget -
	Original	Final	Amounts	Over (Under)
Revenues:				
Property taxes	$43,729,343	$43,729,343	$43,190,245	($539,098)
Special assessments	7,700	7,700	4,336	(3,364)
Licenses and permits	2,710,661	2,710,661	2,707,810	(2,851)
Other taxes	415,000	415,000	433,983	18,983
Intergovernmental revenue	2,635,330	2,635,330	3,477,737	842,407
Charges for services	7,071,792	7,071,792	6,846,400	(225,392)
Fines and forfeits	275,034	275,034	206,482	(68,552)
Interest on investments	1,071,520	1,071,520	1,394,892	323,372
Net change in fair value of investments	-	-	1,576,254	1,576,254
Miscellaneous revenue	977,158	978,058	1,497,003	518,945
Total revenues	58,893,538	58,894,438	61,335,142	2,440,704
Expenditures:				
Current				
General government:				
Mayor and council	218,340	218,340	197,842	(20,498)
Manager and administration	1,338,671	1,338,671	1,008,713	(329,958)
Communications	1,334,845	1,334,845	1,065,059	(269,786)
Human resources	1,456,657	1,456,657	1,179,397	(277,260)
Legal	649,812	649,812	736,559	86,747
Information technologies	2,636,026	2,636,026	1,883,450	(752,576)
Finance	838,073	838,073	738,035	(100,038)
Insurance	639,300	639,300	285,293	(354,007)
Planning	416,157	546,766	493,609	(53,157)
General government buildings	900,880	900,880	804,989	(95,891)
Lodging tax to Convention and Visitors Bureau	313,500	313,500	324,840	11,340
Total general government	10,742,261	10,872,870	8,717,786	(2,155,084)
Public safety:				
Police	23,203,980	23,274,480	23,423,502	149,022
Fire	13,140,094	13,140,094	13,710,978	570,884
Inspections	1,976,241	1,976,241	1,893,985	(82,256)
Total Public safety	38,320,315	38,390,815	39,028,465	637,650
Public works and parks:				
Engineering	1,530,464	1,530,464	1,534,675	4,211
Parks & streets	6,491,133	6,491,133	5,879,698	(611,435)
Fleet maintenance	755,328	755,328	832,122	76,794
Total public works and parks	8,776,925	8,776,925	8,246,495	(530,430)
Culture & recreation:				
Recreation	1,563,060	1,563,960	1,396,450	(167,510)
Conservation of natural resources:				
Natural Resources	6,203	6,203	3,972	(2,231)
Forestry	1,037,702	1,037,702	861,344	(176,358)
Total conservation of natural resources	1,043,905	1,043,905	865,316	(178,589)
Economic development:				
Economic development	474,360	343,751	354,548	10,797
Capital Outlay:				
General government:				
Information technology	-	-	4,673,781	4,673,781
Debt Service:				
Principal	-	-	900,125	900,125
Interest	-	-	2,598	2,598
Total debt service	-	-	902,723	902,723
Total Expenditures	60,920,826	60,992,226	64,185,564	3,193,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,027,288)	(2,097,788)	(2,850,422)	(752,634)
Other Financing Sources (Uses)				
Technology subscriptions issued	-	-	4,673,781	4,673,781
Transfers in	265,000	265,000	265,000	-
Transfers out	(543,241)	(543,241)	(543,241)	-
Total other Financing Sources (Uses)	(278,241)	(278,241)	4,395,540	4,673,781
Net change in fund balance	($2,305,529)	($2,376,029)	1,545,118	$3,921,147
Fund balance, beginning of the year			38,008,107	
Fund balance, end of the year			$39,553,225	

See accompanying notes to the required supplementary information.

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
For The Last Ten Years

Statement 11

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	$558,555	$530,867	$472,856	$595,039	$667,586	$451,077	$359,135	$305,355
Interest	578,206	513,245	495,104	240,417	254,173	258,977	270,481	172,004
Change of benefit terms	128,090	75,923	60,900	38,714	-	-	-	-
Changes of assumptions	1,152,315	(827,367)	408,171	(2,645,404)	(139,074)	2,426,165	552,343	354,359
Differences between expected and actual experience	668,939	882,030	306,434	3,111,589	(1,632,952)	1,046,705	425,177	967,952
Benefit payments	(555,088)	(493,926)	(421,856)	(412,422)	(350,574)	(356,826)	(314,956)	(231,297)
Net change in total OPEB liability	2,531,017	680,772	1,321,609	927,933	(1,200,841)	3,826,098	1,292,180	1,568,373
Beginning of year	13,225,559	12,544,787	11,223,178	10,295,245	11,496,086	7,669,988	6,377,808	4,809,435
End of year	$15,756,576	$13,225,559	$12,544,787	$11,223,178	$10,295,245	$11,496,086	$7,669,988	$6,377,808
Covered-employee payroll	$39,077,838	$35,799,192	$31,774,405	$30,685,134	$28,193,700	$25,227,939	$23,331,280	$21,765,682
Total OPEB liability as a percentage of covered-employee payroll	40.3%	36.9%	39.5%	36.6%	36.5%	45.6%	32.9%	29.3%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

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

See accompanying notes to the required supplementary information.

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Statement 12

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.1800%	$14,704,422	$192,082	$14,896,504	$11,239,458	132.5%	68.9%
2017	2017	0.1700%	11,095,277	139,516	11,234,793	11,186,096	100.4%	75.9%
2018	2018	0.1700%	9,641,712	316,264	9,957,976	11,683,592	85.2%	79.5%
2019	2019	0.1700%	9,459,736	293,987	9,753,723	12,108,826	80.6%	80.2%
2020	2020	0.1800%	11,007,659	339,506	11,347,165	13,094,239	86.7%	79.1%
2021	2021	0.2000%	8,331,645	254,484	8,586,129	14,031,355	61.2%	87.0%
2022	2022	0.2000%	15,713,347	460,631	16,173,978	14,827,328	109.1%	76.7%
2023	2023	0.2000%	11,004,834	303,477	11,308,311	15,652,725	72.2%	83.1%
2024	2024	0.1967%	7,273,092	188,067	7,461,159	16,620,978	44.9%	89.1%
2025	2025	0.2060%	6,828,146	164,716	6,992,862	18,632,433	37.5%	90.8%

See accompanying notes to the required supplementary information.

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION **Statement 13**
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2016	$827,245	$827,245	$ -	$11,030,299	7.5%
2017	848,499	848,499	-	11,313,288	7.5%
2018	892,984	892,984	-	11,906,448	7.5%
2019	946,691	946,691	-	12,622,473	7.5%
2020	1,017,619	1,017,619	-	13,568,206	7.5%
2021	1,085,798	1,085,798	-	14,477,796	7.5%
2022	1,138,709	1,138,709	-	15,182,839	7.5%
2023	1,202,963	1,202,963	-	16,039,474	7.5%
2024	1,323,336	1,323,336	-	17,644,456	7.5%
2025	1,439,586	1,439,586	-	19,165,716	7.5%

See accompanying notes to the required supplementary information.

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Last Ten Years

Statement 14

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	1.1700%	$46,994,268	$ -	$46,994,268	$11,279,611	416.6%	63.9%
2017	2017	1.1100%	14,918,815	-	14,918,815	11,345,319	131.5%	85.4%
2018	2018	1.1600%	12,317,506	-	12,317,506	12,178,923	101.1%	88.8%
2019	2019	1.1900%	12,699,627	-	12,699,627	12,579,661	101.0%	89.2%
2020	2020	1.1100%	14,690,305	346,060	15,036,365	12,571,579	119.6%	87.2%
2021	2021	1.0700%	8,290,915	372,740	8,663,655	13,262,120	65.3%	93.7%
2022	2022	1.1600%	50,352,421	2,199,767	52,552,188	14,056,712	373.9%	70.5%
2023	2023	1.1500%	19,910,811	802,059	20,712,870	15,141,451	136.8%	86.5%
2024	2024	1.1680%	15,366,060	585,748	15,951,808	16,173,495	98.6%	90.2%
2025	2025	1.2104%	14,181,765	491,610	14,673,375	18,381,136	79.8%	91.8%

See accompanying notes to the required supplementary information.

CITY OF BURNSVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION **Statement 15**
SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Last Ten Years

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2016	$1,792,322	$1,792,322	$ -	$11,063,712	16.2%
2017	1,903,312	1,903,312	-	11,748,845	16.2%
2018	2,005,044	2,005,044	-	12,376,817	16.2%
2019	2,124,192	2,124,192	-	12,532,112	16.9%
2020	2,274,706	2,274,706	-	12,851,440	17.7%
2021	2,443,834	2,443,834	-	13,806,979	17.7%
2022	2,581,708	2,581,708	-	14,585,891	17.7%
2023	2,763,708	2,763,708	-	15,614,164	17.7%
2024	3,053,608	3,053,608	-	17,253,633	17.7%
2025	3,402,944	3,402,944	-	19,235,799	17.7%

See accompanying notes to the required supplementary information.

- This page intentionally left blank -

Note A LEGAL COMPLIANCE – BUDGETS

The General fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2025 Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

2025 Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $170.1 million was 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, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

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.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020, through December 31, 2023, and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

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

2019 Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2018 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.00% and not more than 1.50%, 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.

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

2017 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.

2016 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

PERA – Public Employees Police and Fire Fund

2025 Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2025 Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes in Plan Provisions:

- The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional $9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $19.4 million was 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% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% 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.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- 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 in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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

2018 Changes in Plan Provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing $9 million state contribution.
- New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.60% to 7.50%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% 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% to 60%.
- 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 annual benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Note C OTHER POST-EMPLOYMENT BENEFIT PLAN (OPEB)

2025 Changes in Benefits:

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

2025 Changes in Actuarial Assumptions:

- The discount rate was changed from 4.28 percent to 4.83 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2024 Changes in Benefits:

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

2024 Changes in Actuarial Assumptions:

- The discount rate was changed from 4.00 percent to 4.28 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2023 Changes in Benefits:

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

2023 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 in Benefits:

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

2022 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 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 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 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 in Actuarial Assumptions:

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

- This page intentionally left blank -

COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

- This page intentionally left blank -

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BURNSVILLE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

Statement 16

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash, cash equivalents and investments	$9,547,579	$2,203,461	$24,793,788	$36,544,828
Receivables, net of allowance for uncollectible amounts:				
Property taxes	8,448	14,992	15,529	38,969
Mortgages	332,070	-	-	332,070
Accounts	184,330	-	231,450	415,780
Due from other governments	270,458	139,866	169,877	580,201
Total assets	$10,342,885	$2,358,319	$25,210,644	$37,911,848
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$124,957	$132,989	$187,660	$445,606
Contracts payable	-	-	171,208	171,208
Due to other governments	3,992	1,731	-	5,723
Unearned revenue	1,100,000	-	-	1,100,000
Customer and other deposits	4,214	-	-	4,214
Advances from other funds	-	-	1,654,336	1,654,336
Total liabilities	1,233,163	134,720	2,013,204	3,381,087
Deferred inflows of resources:				
Unavailable revenue - property taxes	8,448	14,992	15,529	38,969
Fund balances:				
Restricted	2,514,651	2,208,607	1,106,830	5,830,088
Committed	6,586,623	-	-	6,586,623
Assigned	-	-	23,213,323	23,213,323
Unassigned	-	-	(1,138,242)	(1,138,242)
Total fund balances	9,101,274	2,208,607	23,181,911	34,491,792
Total liabilities, deferred inflows of resources, and fund balances	$10,342,885	$2,358,319	$25,210,644	$37,911,848

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

Statement 17

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	$1,747,803	$2,918,382	$3,045,528	$7,711,713
Licenses and permits	2,875	-	-	2,875
Other taxes	488,299	-	-	488,299
Intergovernmental revenue	2,198,191	-	463,864	2,662,055
Charges for services	219,617	-	3,428,959	3,648,576
Fines and forfeits	5,275	-	-	5,275
Interest on investments	268,595	151,446	889,346	1,309,387
Miscellaneous revenue	26,281	-	57,358	83,639
Total revenues	4,956,936	3,069,828	7,885,055	15,911,819
Expenditures:				
Current:				
General government	559,819	-	421,804	981,623
Public safety	40,464	-	-	40,464
Public works and parks	-	-	397,903	397,903
Culture and recreation	12,497	-	-	12,497
Conservation of natural resources	739,293	-	-	739,293
Economic development	125,858	254,679	7,557	388,094
Capital outlay:				
Public safety	122,273	-	3,322,213	3,444,486
Public works and parks	-	-	5,721,745	5,721,745
Conservation of natural resources	5,531	-	155,967	161,498
Debt service:				
Principal	-	3,905,000	497,584	4,402,584
Interest	-	2,656,521	74,344	2,730,865
Fiscal agent fees	-	10,289	-	10,289
Total expenditures	1,605,735	6,826,489	10,599,117	19,031,341
Excess of revenues over (under) expenditures	3,351,201	(3,756,661)	(2,714,062)	(3,119,522)
Other financing sources (uses):				
Bonds issued	-	1,867,056	-	1,867,056
Leases issued	-	-	1,316,818	1,316,818
Sale of capital assets	-	-	148,839	148,839
Transfers in	134,741	1,860,205	1,904,650	3,899,596
Transfers out	(265,000)	-	-	(265,000)
Total other financing sources (uses)	(130,259)	3,727,261	3,370,307	6,967,309
Net change in fund balances	3,220,942	(29,400)	656,245	3,847,787
Fund balance, beginning of the year	5,880,332	2,238,007	22,525,666	30,644,005
Fund balance, end of the year	$9,101,274	$2,208,607	$23,181,911	$34,491,792

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2025

	Special Revenue Funds			
	Cable Franchise Fee	Forfeiture	Grant	Opioid Settlement
Assets:				
Cash, cash equivalents and investments	$280,190	$23,302	$338,674	$600,742
Receivables, net of allowance for uncollectible amounts:				
Property taxes	-	-	-	-
Mortgages	-	-	-	-
Accounts	164,799	-	-	-
Due from other governments	-	-	-	-
Total assets	$444,989	$23,302	$338,674	$600,742
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$12,747	$ -	$ -	$5,295
Due to other governments	3,992	-	-	-
Unearned revenue	-	-	-	-
Customer and other deposits	-	4,214	-	-
Total liabilities	16,739	4,214	-	5,295
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	-	-
Fund balances:				
Restricted	-	-	-	573,185
Committed	428,250	19,088	338,674	22,262
Total fund balances	428,250	19,088	338,674	595,447
Total liabilities, deferred inflows of resources, and fund balances	$444,989	$23,302	$338,674	$600,742

Special Revenue Funds					
Housing	Youth Center	Economic Development Authority	Sustainability	Forestry	Total Special Revenue Funds
$1,574,636	$18,060	$5,353,499	$299,999	$1,058,477	$9,547,579
-	-	8,338	-	110	8,448
50,000	-	282,070	-	-	332,070
-	-	19,531	-	-	184,330
-	-	71,078	185,154	14,226	270,458
$1,624,636	$18,060	$5,734,516	$485,153	$1,072,813	$10,342,885
$50,000	$87	$49,716	$7,112	$ -	$124,957
-	-	-	-	-	3,992
-	-	1,100,000	-	-	1,100,000
-	-	-	-	-	4,214
50,000	87	1,149,716	7,112	-	1,233,163
-	-	8,338	-	110	8,448
1,547,152	-	-	394,314	-	2,514,651
27,484	17,973	4,576,462	83,727	1,072,703	6,586,623
1,574,636	17,973	4,576,462	478,041	1,072,703	9,101,274
$1,624,636	$18,060	$5,734,516	$485,153	$1,072,813	$10,342,885

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2025

	Special Revenue Funds			
	Cable Franchise Fee	Forfeiture	Grant	Opioid Settlement
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Other taxes	488,299	-	-	-
Intergovernmental revenue	7,627	-	-	704,454
Charges for services	219,617	-	-	-
Fines and forfeits	-	5,275	-	-
Interest on investments	9,311	846	11,617	22,262
Miscellaneous revenue	1,465	-	-	-
Total revenues	726,319	6,121	11,617	726,716
Expenditures:				
Current:				
General government	559,819	-	-	-
Public safety	-	7,290	-	33,174
Culture and recreation	-	-	-	-
Conservation of natural resources	-	-	-	-
Economic development	-	-	-	-
Capital outlay:				
Public safety	-	-	-	122,273
Conservation of natural resources	-	-	-	-
Total expenditures	559,819	7,290	-	155,447
Excess of revenues over (under) expenditures	166,500	(1,169)	11,617	571,269
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(265,000)	-	-	-
Total other financing sources (uses)	(265,000)	-	-	-
Net change in fund balances	(98,500)	(1,169)	11,617	571,269
Fund balance, beginning of the year	526,750	20,257	327,057	24,178
Fund balance, end of the year	$428,250	$19,088	$338,674	$595,447

Special Revenue Funds					
Housing	Youth Center	Economic Development Authority	Sustainability	Forestry	Total Special Revenue Funds
$ -	$ -	$1,477,537	$ -	$270,266	$1,747,803
-	-	-	-	2,875	2,875
-	-	-	-	-	488,299
1,141,331	-	-	344,779	-	2,198,191
-	-	-	-	-	219,617
-	-	-	-	-	5,275
24,037	-	151,977	13,204	35,341	268,595
-	-	6,529	-	18,287	26,281
1,165,368	-	1,636,043	357,983	326,769	4,956,936
-	-	-	-	-	559,819
-	-	-	-	-	40,464
-	12,497	-	-	-	12,497
-	-	-	424,758	314,535	739,293
-	-	125,858	-	-	125,858
-	-	-	-	-	122,273
-	-	-	-	5,531	5,531
-	12,497	125,858	424,758	320,066	1,605,735
1,165,368	(12,497)	1,510,185	(66,775)	6,703	3,351,201
-	10,000	-	124,741	-	134,741
-	-	-	-	-	(265,000)
-	10,000	-	124,741	-	(130,259)
1,165,368	(2,497)	1,510,185	57,966	6,703	3,220,942
409,268	20,470	3,066,277	420,075	1,066,000	5,880,332
$1,574,636	$17,973	$4,576,462	$478,041	$1,072,703	$9,101,274

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2025

Statement 20

	Debt Service Funds				
	G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	Total Debt Service Funds
Assets:					
Cash, cash equivalents and investments	$430,025	$506,040	$167,096	$1,100,300	$2,203,461
Receivables, net of allowance for uncollectible amounts:					
Property taxes	1,878	12,167	947	-	14,992
Due from other governments	15,869	116,382	7,615	-	139,866
Total assets	$447,772	$634,589	$175,658	$1,100,300	$2,358,319
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	$3,517	$1,875	$257	$127,340	$132,989
Due to other governments	-	-	-	1,731	1,731
Total liabilities	3,517	1,875	257	129,071	134,720
Deferred inflows of resources:					
Unavailable revenue - property taxes	1,878	12,167	947	-	14,992
Fund balances:					
Restricted	442,377	620,547	174,454	971,229	2,208,607
Total liabilities, deferred inflows of resources, and fund balances	$447,772	$634,589	$175,658	$1,100,300	$2,358,319

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2025

Statement 21

	Debt Service Funds				
	G.O. Bonds	Tax Abatement Bonds	Certificate of Indebtedness	Tax Increment Bonds	Total Debt Service Funds
Revenues:					
Property taxes	$302,646	$2,214,888	$146,464	$254,384	$2,918,382
Interest on investments	69,336	44,607	3,061	34,442	151,446
Total revenues	371,982	2,259,495	149,525	288,826	3,069,828
Expenditures:					
Current:					
Economic development	-	-	-	254,679	254,679
Debt service:					
Principal	1,580,000	2,225,000	100,000	-	3,905,000
Interest	2,439,446	172,575	44,500	-	2,656,521
Fiscal agent fees	5,589	2,657	310	1,733	10,289
Total expenditures	4,025,035	2,400,232	144,810	256,412	6,826,489
Excess of revenues over (under) expenditures	(3,653,053)	(140,737)	4,715	32,414	(3,756,661)
Other financing sources (uses):					
Bonds issued	1,867,056	-	-	-	1,867,056
Transfers in	1,860,205	-	-	-	1,860,205
Total other financing sources (uses)	3,727,261	0	0	0	3,727,261
Net change in fund balances	74,208	(140,737)	4,715	32,414	(29,400)
Fund balance, beginning of the year	368,169	761,284	169,739	938,815	2,238,007
Fund balance, end of the year	$442,377	$620,547	$174,454	$971,229	$2,208,607

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2025

Statement 22

	Capital Projects Funds						
	I.T Capital	Equipment & Vehicle	Tax Increment	Parks Renovation	Parks Investment	Street Revolving Construction	Total Capital Projects Funds
Assets:							
Cash, cash equivalents and investments	$3,726,904	$6,945,733	$523,651	$4,502,236	$7,389,166	$1,706,098	$24,793,788
Receivables, net of allowance for uncollectible amounts:							
Property taxes	3,622	6,178	906	4,823	-	-	15,529
Accounts	-	144,656	-	86,794	-	-	231,450
Due from other governments	28,695	62,768	-	55,349	-	23,065	169,877
Total assets	$3,759,221	$7,159,335	$524,557	$4,649,202	$7,389,166	$1,729,163	$25,210,644
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	$39,425	$107,439	$7,557	$33,239	$ -	$ -	$187,660
Contracts payable	-	-	-	168,708	2,500	-	171,208
Advances from other funds	-	-	1,654,336	-	-	-	1,654,336
Total liabilities	39,425	107,439	1,661,893	201,947	2,500	-	2,013,204
Deferred inflows of resources:							
Unavailable revenue - property taxes	3,622	6,178	906	4,823	-	-	15,529
Fund balances:							
Restricted	-	1,106,830	-	-	-	-	1,106,830
Assigned	3,716,174	5,938,888	-	4,442,432	7,386,666	1,729,163	23,213,323
Unassigned	-	-	(1,138,242)	-	-	-	(1,138,242)
Total fund balances	3,716,174	7,045,718	(1,138,242)	4,442,432	7,386,666	1,729,163	23,181,911
Total liabilities, deferred inflows of resources, and fund balances	$3,759,221	$7,159,335	$524,557	$4,649,202	$7,389,166	$1,729,163	$25,210,644

CITY OF BURNSVILLE, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2025

Statement 23

	Capital Projects Funds						
	I.T. Capital	Equipment & Vehicle	Tax Increment	Parks Renovation	Parks Investment	Street Revolving Construction	Total Capital Projects Funds
Revenues:							
Property taxes	$545,619	$1,197,550	$250,707	$1,051,652	$ -	$ -	$3,045,528
Intergovernmental revenue	-	429,148	-	34,716	-	-	463,864
Charges for services	-	2,128,684	-	1,277,210	-	23,065	3,428,959
Interest on investments	128,015	237,907	13,743	185,985	259,172	64,524	889,346
Miscellaneous revenue	-	2,528	-	51,653	3,177	-	57,358
Total revenues	673,634	3,995,817	264,450	2,601,216	262,349	87,589	7,885,055
Expenditures:							
Current:							
General government	421,804	-	-	-	-	-	421,804
Public works and parks	-	-	-	-	-	397,903	397,903
Economic development	-	-	7,557	-	-	-	7,557
Capital outlay:							
Public safety	1,316,818	2,005,395	-	-	-	-	3,322,213
Public works and parks	-	2,125,369	-	3,342,970	253,406	-	5,721,745
Conservation of natural resources	-	155,967	-	-	-	-	155,967
Debt service:							
Principal	497,584	-	-	-	-	-	497,584
Interest	6,254	-	68,090	-	-	-	74,344
Total expenditures	2,242,460	4,286,731	75,647	3,342,970	253,406	397,903	10,599,117
Excess of revenues over (under) expenditures	(1,568,826)	(290,914)	188,803	(741,754)	8,943	(310,314)	(2,714,062)
Other financing sources (uses):							
Leases issued	1,316,818	-	-	-	-	-	1,316,818
Sale of capital assets	-	148,839	-	-	-	-	148,839
Transfers in	1,218,850	-	-	-	-	685,800	1,904,650
Total other financing sources (uses)	2,535,668	148,839	-	-	-	685,800	3,370,307
Net change in fund balances	966,842	(142,075)	188,803	(741,754)	8,943	375,486	656,245
Fund balance, beginning of the year	2,749,332	7,187,793	(1,327,045)	5,184,186	7,377,723	1,353,677	22,525,666
Fund balance, end of the year	$3,716,174	$7,045,718	($1,138,242)	$4,442,432	$7,386,666	$1,729,163	$23,181,911

CITY OF BURNSVILLE, MINNESOTA
INFRASTRUCTURE TRUST FUND (ITF)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 24

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$3,047,379	$3,047,379	$2,998,781	($48,598)
Intergovernmental revenue	4,920,000	4,920,000	2,430,502	(2,489,498)
Interest on investments	122,500	122,500	67,730	(54,770)
Total revenues	8,089,879	8,089,879	5,497,013	(2,592,866)
Expenditures:				
Capital outlay:				
Infrastructure	6,837,396	6,837,396	5,485,508	(1,351,888)
Excess of revenues over (under) expenditures	$1,252,483	$1,252,483	11,505	($1,240,978)
Fund balances - beginning			1,896,002	
Fund balances - ending			$1,907,507	

CITY OF BURNSVILLE, MINNESOTA
IMPROVEMENT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 25

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Special assessments	$950,000	$950,000	$524,791	($425,209)
Intergovernmental revenue	$8,015,000	8,015,000	25,780	(7,989,220)
Total revenues	8,965,000	8,965,000	550,571	(8,414,429)
Expenditures:				
Capital outlay:				
Infrastructure	8,965,000	8,965,000	3,000,184	(5,964,816)
Excess of revenues over (under) expenditures	$0	$0	(2,449,613)	($2,449,613)
Fund balances - beginning			(217,271)	
Fund balances - ending			($2,666,884)	

CITY OF BURNSVILLE, MINNESOTA
FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 26

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$ -	$ -	$35	$35
Other taxes	7,755,000	7,755,000	8,139,654	384,654
Interest on investments	95,000	95,000	1,863,411	1,768,411
Total revenues	7,850,000	7,850,000	10,003,100	2,153,100
Expenditures:				
Capital outlay:				
General government:				
General government buildings	100,615,000	100,838,755	17,411,057	(83,427,698)
Public safety:				
Fire	308,000	816,975	194,384	(622,591)
Public works and parks:				
Park development	645,000	1,005,000	15,770	(989,230)
Fleet maintenance	125,000	130,000	-	(130,000)
Total public works and parks	770,000	1,135,000	15,770	(1,119,230)
Culture and recreation:				
Performing arts center	1,114,600	1,234,100	39,660	(1,194,440)
Ice center	531,000	982,489	340,364	(642,125)
Golf course	320,000	328,840	19,130	(309,710)
Total culture and recreation	1,965,600	2,545,429	399,154	(2,146,275)
Debt service:				
Bond issuance costs	-	-	320,058	320,058
Total expenditures	103,658,600	105,336,159	18,340,423	(86,995,736)
Excess of revenues over (under) expenditures	(95,808,600)	(97,486,159)	(8,337,323)	89,148,836
Other financing sources (uses):				
Bonds issued	100,000,000	100,000,000	66,742,944	(33,257,056)
Premium on bonds issued	-	-	4,272,314	4,272,314
Transfers in	288,000	288,000	288,000	-
Transfers out	(1,860,205)	(1,860,205)	(1,860,205)	-
Total other financing sources (uses)	98,427,795	98,427,795	69,443,053	(28,984,742)
Net change in fund balances	$2,619,195	$941,636	61,105,730	$60,164,094
Fund balances - beginning			11,075,486	
Fund balances - ending			$72,181,216	

CITY OF BURNSVILLE, MINNESOTA
CABLE FRANCHISE FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 27

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Other taxes	$560,000	$560,000	$488,299	($71,701)
Intergovernmental revenue	-	-	7,627	$7,627
Charges for services	252,700	252,700	219,617	(33,083)
Interest on investments	10,000	10,000	9,311	(689)
Miscellaneous revenue	-	-	1,465	1,465
Total revenues	822,700	822,700	726,319	(96,381)
Expenditures:				
Current:				
General government:				
Public relations	652,214	692,214	559,819	(132,395)
Excess of revenues over (under) expenditures	170,486	130,486	166,500	36,014
Other financing sources (uses):				
Transfers out	(265,000)	(265,000)	(265,000)	-
Net change in fund balances	($94,514)	($134,514)	(98,500)	$36,014
Fund balances - beginning			526,750	
Fund balances - ending			$428,250	

CITY OF BURNSVILLE, MINNESOTA
FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 28

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Fines and forfeits	$700	$700	$5,275	$4,575
Interest on investments	-	-	846	846
Total revenues	700	700	6,121	5,421
Expenditures:				
Current:				
Public safety	15,000	15,000	7,290	(7,710)
Excess of revenues over (under) expenditures	($14,300)	($14,300)	(1,169)	$13,131
Fund balances - beginning			20,257	
Fund balances - ending			$19,088	

CITY OF BURNSVILLE, MINNESOTA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 29

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Interest on investments	$400	$400	$11,617	$11,217
Expenditures:				
Current:				
Public safety				
Fire	-	-	-	-
Excess of revenues over (under) expenditures	$400	$400	11,617	$11,217
Fund balances - beginning			327,057	
Fund balances - ending			$338,674	

CITY OF BURNSVILLE, MINNESOTA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 30

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Intergovernmental revenue	$60,000	$60,000	$704,454	$644,454
Interest on investments	-	-	22,262	22,262
Total revenues	60,000	60,000	726,716	666,716
Expenditures:				
Current:				
Public safety:				
Fire	60,000	138,580	33,174	(105,406)
Capital outlay:				
Public safety:				
Fire	-	139,197	122,273	(16,924)
Total Expenditures	60,000	277,777	155,447	(122,330)
Excess of revenues over (under) expenditures	$0	($217,777)	571,269	$789,046
Fund balances - beginning			24,178	
Fund balances - ending			$595,447	

CITY OF BURNSVILLE, MINNESOTA
HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 31

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Intergovernmental revenue	$ -	$ -	$1,141,331	$1,141,331
Interest on investments	-	-	24,037	24,037
Total revenues	-	-	1,165,368	1,165,368
Expenditures:				
Current:				
Economic development	-	400,000	-	(400,000)
Excess of revenues over (under) expenditures	$0	($400,000)	1,165,368	$1,565,368
Fund balances - beginning			409,268	
Fund balances - ending			$1,574,636	

CITY OF BURNSVILLE, MINNESOTA
YOUTH CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 32

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Intergovernmental revenue	$63,000	$63,000	$ -	($63,000)
Interest on investments	-	-	-	-
Total revenues	63,000	63,000	-	(63,000)
Expenditures:				
Current:				
Culture and recreation				
Recreation	73,000	73,000	12,497	(60,503)
Excess of revenues over (under) expenditures	(10,000)	(10,000)	(12,497)	(2,497)
Other financing sources (uses):				
Transfers in	10,000	10,000	10,000	-
Net change in fund balances	$0	$0	(2,497)	($2,497)
Fund balances - beginning			20,470	
Fund balances - ending			$17,973	

CITY OF BURNSVILLE, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY (EDA) FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 33

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property Taxes	$1,500,000	$1,500,000	$1,477,537	($22,463)
Interest on investments	26,400	26,400	151,977	125,577
Miscellaneous revenue	-	-	6,529	6,529
Total revenues	1,526,400	1,526,400	1,636,043	109,643
Expenditures:				
Current:				
Economic development	422,000	537,000	125,858	(411,142)
Excess of revenues over (under) expenditures	$1,104,400	$989,400	1,510,185	$520,785
Fund balances - beginning			3,066,277	
Fund balances - ending			$4,576,462	

CITY OF BURNSVILLE, MINNESOTA
SUSTAINABILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 34

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Intergovernmental revenue	$363,196	$363,196	$344,779	($18,417)
Interest on investments	4,300	4,300	13,204	8,904
Total revenues	367,496	367,496	357,983	(9,513)
Expenditures:				
Current:				
Conservation of natural resources:				
Recycling	492,237	492,237	424,758	(67,479)
Excess of revenues over (under) expenditures	(124,741)	(124,741)	(66,775)	57,966
Other financing sources (uses):				
Transfers in	124,741	124,741	124,741	-
Net change in fund balances	$0	$0	57,966	$57,966
Fund balances - beginning			420,075	
Fund balances - ending			$478,041	

CITY OF BURNSVILLE, MINNESOTA
FORESTRY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 35

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$273,200	$273,200	$270,266	($2,934)
Licenses and permits	1,980	1,980	2,875	895
Interest on investments	11,500	11,500	35,341	23,841
Miscellaneous revenue	-	-	18,287	18,287
Total revenues	286,680	286,680	326,769	40,089
Expenditures:				
Current:				
Conservation of natural resources:				
Forestry	322,500	322,500	314,535	(7,965)
Capital outlay:				
Conservation of natural resources:				
Forestry	-	-	5,531	5,531
Total Expenditures	322,500	322,500	320,066	(2,434)
Excess of revenues over (under) expenditures	($35,820)	($35,820)	6,703	$42,523
Fund balances - beginning			1,066,000	
Fund balances - ending			$1,072,703	

CITY OF BURNSVILLE, MINNESOTA
INFORMATION TECHNOLOGY (I.T.) CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 36

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$554,800	$554,800	$545,619	($9,181)
Interest on investments	36,000	36,000	128,015	92,015
Total revenues	590,800	590,800	673,634	82,834
Expenditures:				
Current:				
General government:				
Information technologies	3,866,800	5,171,641	421,804	(4,749,837)
Capital outlay:				
Public safety:				
Information technologies	-	-	1,316,818	1,316,818
Debt service:				
Principal	-	-	497,584	497,584
Interest	-	-	6,254	6,254
Total debt service	0	0	503,838	503,838
Total Expenditures	3,866,800	5,171,641	2,242,460	(2,929,181)
Excess of revenues over (under) expenditures	($3,276,000)	($4,580,841)	($1,568,826)	$3,012,015
Other financing sources (uses):				
Leases issued	-	-	1,316,818	1,316,818
Transfers in	1,218,850	1,218,850	1,218,850	-
Total other financing sources	1,218,850	1,218,850	2,535,668	1,316,818
Net change in fund balances	($2,057,150)	($3,361,991)	966,842	$4,328,833
Fund balances - beginning			2,749,332	
Fund balances - ending			$3,716,174	

CITY OF BURNSVILLE, MINNESOTA
EQUIPMENT AND VEHICLE CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 37

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$1,217,300	$1,217,300	$1,197,550	($19,750)
Intergovernmental revenue	426,380	426,380	429,148	2,768
Charges for services	1,072,700	1,072,700	2,128,684	1,055,984
Interest on investments	61,000	61,000	237,907	176,907
Miscellaneous revenue	-	-	2,528	2,528
Total revenues	2,777,380	2,777,380	3,995,817	1,218,437
Expenditures:				
Capital outlay:				
General government:				
Administration	95,000	95,000	-	(95,000)
Public safety:				
Police	3,225,000	4,029,263	897,078	(3,132,185)
Fire	786,200	1,698,133	1,071,513	(626,620)
Inspections	37,000	37,000	36,804	(196)
Total public safety	4,048,200	5,764,396	2,005,395	(3,759,001)
Public works and parks:				
Engineering	125,000	125,000	105,915	(19,085)
Parks & streets	1,755,820	3,157,899	1,946,429	(1,211,470)
Fleet maintenance	30,000	82,000	73,025	(8,975)
Total public works and parks	1,910,820	3,364,899	2,125,369	(1,239,530)
Conservation of natural resources:				
Forestry	358,000	461,000	155,967	(305,033)
Debt service:				
Bond issuance costs	340,000	340,000	-	(340,000)
Total Expenditures	6,752,020	10,025,295	4,286,731	(5,738,564)
Excess of revenues over (under) expenditures	(3,974,640)	(7,247,915)	(290,914)	6,957,001
Other financing sources (uses):				
Bonds issued	2,100,000	2,100,000	-	(2,100,000)
Sale of capital assets	100,000	100,000	148,839	48,839
Total other financing sources (uses)	2,200,000	2,200,000	148,839	(2,051,161)
Net change in fund balances	($1,774,640)	($5,047,915)	(142,075)	$4,905,840
Fund balances - beginning			7,187,793	
Fund balances - ending			$7,045,718	

CITY OF BURNSVILLE, MINNESOTA
PARKS RENOVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 38

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Property taxes	$1,067,200	$1,067,200	$1,051,652	($15,548)
Intergovernmental revenue	-	-	34,716	34,716
Charges for services	643,000	643,000	1,277,210	634,210
Interest on investments	70,000	70,000	185,985	115,985
Miscellaneous revenue	-	-	51,653	51,653
Total revenues	1,780,200	1,780,200	2,601,216	821,016
Expenditures:				
Capital outlay:				
Public works and parks:				
Park development	3,653,680	3,830,945	3,342,970	(487,975)
Excess of revenues over (under) expenditures	($1,873,480)	($2,050,745)	(741,754)	$1,308,991
Fund balances - beginning			5,184,186	
Fund balances - ending			$4,442,432	

CITY OF BURNSVILLE, MINNESOTA
PARKS INVESTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 39

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Interest on investments	$77,000	$77,000	$259,172	$182,172
Miscellaneous revenue	100,000	100,000	3,177	(96,823)
Total revenues	177,000	177,000	262,349	85,349
Expenditures:				
Capital outlay:				
Public works and parks:				
Park development	1,376,000	2,056,383	253,406	(1,802,977)
Excess of revenues over (under) expenditures	($1,199,000)	($1,879,383)	8,943	$1,888,326
Fund balances - beginning			7,377,723	
Fund balances - ending			$7,386,666	

CITY OF BURNSVILLE, MINNESOTA
STREET REVOLVING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2025

Statement 40

	2025			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues:				
Charges for services	$15,000	$15,000	$23,065	$8,065
Interest on investments	23,400	23,400	64,524	41,124
Total revenues	38,400	38,400	87,589	49,189
Expenditures:				
Current:				
Public works and parks:				
Parks & streets	729,000	729,000	397,903	(331,097)
Excess of revenues over (under) expenditures	(690,600)	(690,600)	(310,314)	380,286
Other financing sources (uses):				
Transfers in	685,800	685,800	685,800	-
Net change in fund balances	($4,800)	($4,800)	375,486	$380,286
Fund balances - beginning			1,353,677	
Fund balances - ending			$1,729,163	

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

Statement 41

	Business-Type Activities Enterprise Funds			
	Ice Arena	Golf Course	Street Lighting Utility	Total
Assets:				
Current assets:				
Cash, cash equivalents and investments	$874,874	$128,870	$997,086	$2,000,830
Accounts receivable	3,266	78	165,577	168,921
Total current assets	878,140	128,948	1,162,663	2,169,751
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	1,183,786	559,348	-	1,743,134
Less accumulated depreciation	(7,924,987)	(478,515)	(1,433,607)	(9,837,109)
Total capital assets (net of accumulated depreciation)	3,056,714	1,293,186	628,216	4,978,116
Total noncurrent assets	3,056,714	1,293,186	628,216	4,978,116
Total assets	3,934,854	1,422,134	1,790,879	7,147,867
Deferred outflows of resources:				
Deferred outflows of resources related to pensions	60,013	19,406	-	79,419
Liabilities:				
Current liabilities:				
Accrued compensated absences, current portion	15,071	1,856	-	16,927
Accounts payable	46,361	1,645	49,416	97,422
Due to other governments	2,086	185	-	2,271
Customer and other deposits	2,466	2,216	371	5,053
Total current liabilities	65,984	5,902	49,787	121,673
Noncurrent liabilities:				
Accrued compensated absences, net of current portion	135,641	16,700	-	152,341
Net pension liability	204,894	68,770	-	273,664
Total noncurrent liabilities	340,535	85,470	-	426,005
Total liabilities	406,519	91,372	49,787	547,678
Deferred inflows of resources:				
Deferred inflows of resources related to pensions	132,981	44,815	-	177,796
Net position:				
Net investment in capital assets	3,056,714	1,293,186	628,216	4,978,116
Unrestricted	398,653	12,167	1,112,876	1,523,696
Total net position	$3,455,367	$1,305,353	$1,741,092	$6,501,812

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 42

	Business-Type Activities - Enterprise Funds			
	Ice Arena	Golf Course	Street Lighting Utility	Total
Operating revenues:				
Charges for services	$1,401,767	$486,311	$610,894	$2,498,972
Operating expenses:				
Personnel services	800,566	293,268	-	1,093,834
Repairs and maintenance	13,529	28,593	273,060	315,182
Utilities	253,433	11,041	366,418	630,892
Other operating expenses	146,416	71,848	1,593	219,857
Depreciation	436,807	45,769	103,502	586,078
Total operating expenses	1,650,751	450,519	744,573	2,845,843
Operating income (loss)	(248,984)	35,792	(133,679)	(346,871)
Nonoperating revenues (expenses):				
Investment earnings	24,736	7,289	36,816	68,841
Other income	25,000	-	-	25,000
Total nonoperating revenues (expenses)	49,736	7,289	36,816	93,841
Income (loss) before capital contributions and transfers	(199,248)	43,081	(96,863)	(253,030)
Capital contributions and transfers:				
Capital contributions - from other funds	337,036	-	-	337,036
Change in net position	137,788	43,081	(96,863)	84,006
Net position - January 1	3,317,579	1,262,272	1,837,955	6,417,806
Net position - December 31	$3,455,367	$1,305,353	$1,741,092	$6,501,812

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 43

	Business-Type Activities Enterprise Funds			
	Ice Arena	Golf Course	Street Lighting Utility	Total
Cash flows from operating activities:				
Receipts from customers and users	$1,497,939	$486,348	$581,033	$2,565,320
Payments to suppliers	(430,425)	(112,702)	(713,632)	(1,256,759)
Payments to employees	(832,338)	(304,496)	-	(1,136,834)
Net cash flows from operating activities	235,176	69,150	(132,599)	171,727
Cash flows from noncapital financing activities:				
Grants and host fees	25,000	-	-	25,000
Cash flows from capital and related financing activities:				
Purchase or construction of capital assets	-	(177,040)	-	(177,040)
Cash flows from investing activities:				
Investment earnings	24,736	7,289	36,816	68,841
Net increase (decrease) in cash and cash equivalents	284,912	(100,601)	(95,783)	88,528
Cash and cash equivalents - January 1	589,962	229,471	1,092,869	1,912,302
Cash and cash equivalents - December 31	$874,874	$128,870	$997,086	$2,000,830
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	($248,984)	$35,792	($133,679)	($346,871)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	436,807	45,769	103,502	586,078
(Increase) decrease in assets:				
Receivables	95,899	(78)	(30,058)	65,763
(Increase) decrease in deferred outflows of resources:				
Pensions	(16,863)	(5,023)	-	(21,886)
(Decrease) increase in liabilities:				
Salaries and accrued compensated absences	12,155	1,856	-	14,011
Accounts payable	(17,347)	(1,364)	(72,561)	(91,272)
Due to other governments	300	144	-	444
Customer and other deposits	273	115	197	585
Net pension liability	(13,299)	(3,961)	-	(17,260)
(Decrease) increase in deferred inflows of resources:				
Pensions	(13,765)	(4,100)	-	(17,865)
Total adjustments	484,160	33,358	1,080	518,598
Net cash flows from operating activities	$235,176	$69,150	($132,599)	$171,727
Noncash investing, capital and financing activities:				
Capital assets contributed from other funds	$337,036	$ -	$ -	$337,036

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2025

Statement 44

	Compensated Absences	Dental Insurance	Total
Assets:			
Current assets:			
Cash, cash equivalents and investments	$3,874,855	$166,120	$4,040,975
Accounts receivable	-	2,918	2,918
Total Assets	3,874,855	169,038	4,043,893
Liabilities:			
Current liabilities:			
Accrued compensated absences, current portion	536,527	-	536,527
Accounts payable	-	10,895	10,895
Total Current Liabilitities	536,527	10,895	547,422
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,828,745	-	4,828,745
Total liabilities	5,365,272	10,895	5,376,167
Net position:			
Unrestricted	($1,490,417)	$158,143	($1,332,274)

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2025

Statement 45

	Compensated Absences	Dental Insurance	Total
Operating revenues:			
Charges for services	$569,004	$289,078	$858,082
Operating expenses:			
Personnel services	606,583	-	606,583
Other operating expenses	-	294,093	294,093
Total operating expenses	606,583	294,093	900,676
Operating income (loss)	(37,579)	(5,015)	(42,594)
Nonoperating revenues (expenses):			
Investment earnings	131,265	5,839	137,104
Change in net position	93,686	824	94,510
Net position - January 1	(1,584,103)	157,319	(1,426,784)
Net position - December 31	($1,490,417)	$158,143	($1,332,274)

CITY OF BURNSVILLE, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2025

Statement 46

	Compensated Absences	Dental Insurance	Total
Cash flows from operating activities:			
Receipts from interfund services provided	$569,004	$289,404	$858,408
Payments to suppliers	-	(294,384)	(294,384)
Payments to employees	(492,999)	-	(492,999)
Net cash flows from operating activities	76,005	(4,980)	71,025
Cash flows from investing activities:			
Investment earnings	131,265	5,839	137,104
Net increase in cash and cash equivalents	207,270	859	208,129
Cash and cash equivalents - January 1	3,667,585	165,261	3,832,846
Cash and cash equivalents - December 31	$3,874,855	$166,120	$4,040,975
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	($37,579)	($5,015)	($42,594)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in assets:			
Receivables	-	326	326
(Decrease) increase in liabilities:			
Salaries and accrued compensated absences	113,584	-	113,584
Accounts payable	-	(291)	(291)
Total adjustments	113,584	35	113,619
Net cash flows from operating activities	$76,005	($4,980)	$71,025

III. STATISTICAL SECTION (UNAUDITED)

- This page intentionally left blank -

STATISTICAL SECTION (UNAUDITED)

This part of the City of Burnsville, Minnesota'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 City's overall financial health.

Contents	Table Number
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	Tables 1 - 5
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	Tables 6 - 9
Debt Capacity These tables 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.	Tables 10 - 14
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	Tables 15 - 16
Operating Information These tables 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.	Tables 17 - 19

CITY OF BURNSVILLE, MINNESOTA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$104,771,961	$106,229,087	$110,069,219	$112,053,594
Restricted	15,575,435	15,273,178	14,981,193	15,896,522
Unrestricted	(16,105,677)	(14,906,686)	(13,917,013)	(9,221,379)
Total governmental activities net position	$104,241,719	$106,595,579	$111,133,399	$118,728,737
Business-type activities:				
Net investment in capital assets	$108,404,200	$109,180,617	$107,069,459	$106,718,734
Unrestricted	25,931,257	24,830,660	24,995,080	25,140,929
Total business-type activities net position	$134,335,457	$134,011,277	$132,064,539	$131,859,663
Primary government:				
Net investment in capital assets	$213,176,161	$215,409,704	$217,138,678	$218,772,328
Restricted	15,575,435	15,273,178	14,981,193	15,896,522
Unrestricted	9,825,580	9,923,974	11,078,067	15,919,550
Total primary government net position	$238,577,176	$240,606,856	$243,197,938	$250,588,400

Note 1: 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 2: 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.

Note 3: The City implemented GASB Statement No. 101 in fiscal year 2024, which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

Table 1

2020	2021	2022	2023	2024	2025
$114,534,535	$118,184,855	$118,138,873	$120,940,298	$125,189,303	$115,555,410
14,548,526	16,740,952	17,448,211	19,884,115	20,327,804	22,051,153
(5,646,557)	591,272	7,818,573	16,990,971	31,525,266	58,404,887
$123,436,504	$135,517,079	$143,405,657	$157,815,384	$177,042,373	$196,011,450
$103,572,217	$102,988,125	$99,364,372	$99,024,723	$95,691,405	$95,898,633
23,380,859	25,772,623	30,217,097	29,143,553	29,893,331	26,458,230
$126,953,076	$128,760,748	$129,581,469	$128,168,276	$125,584,736	$122,356,863
$218,106,752	$221,172,980	$217,503,245	$219,965,021	$220,880,708	$211,454,043
14,548,526	16,740,952	17,448,211	19,884,115	20,327,804	22,051,153
17,734,302	26,363,895	38,035,670	46,134,524	61,418,597	84,863,117
$250,389,580	$264,277,827	$272,987,126	$285,983,660	$302,627,109	$318,368,313

CITY OF BURNSVILLE, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	$7,382,481	$8,085,296	$8,142,548	$7,922,564
Public safety	28,086,233	24,679,300	23,360,171	24,636,452
Public works and parks	15,292,294	15,303,864	14,539,501	17,890,927
Culture and recreation	1,145,294	1,067,828	1,023,202	1,111,709
Conservation of natural resources	1,228,567	1,305,308	1,356,205	1,320,038
Economic development	496,285	482,403	515,776	815,386
Interest on long-term debt	1,527,893	1,503,981	1,162,754	1,041,948
Total governmental activities expenses	55,159,047	52,427,980	50,100,157	54,739,024
Business-type activities:				
Water and sewer	15,476,767	15,875,566	17,169,446	18,324,199
Storm water	4,293,053	4,499,643	4,537,849	4,396,039
Performing arts center	2,232,993	2,591,863	2,781,704	2,770,717
Ice arena	1,455,693	1,312,900	1,406,241	1,390,573
Golf course	313,047	286,178	294,452	284,904
Street lighting	568,363	643,775	571,937	594,598
Sidewalk snow plowing	57,343	39,401	106,420	-
Total business-type activities expenses	24,397,259	25,249,326	26,868,049	27,761,030
Total primary government expenses	$79,556,306	$77,677,306	$76,968,206	$82,500,054
Program revenues				
Governmental activities:				
Charges for services:				
General government	$405,299	$357,080	$380,061	$416,291
Public safety	4,914,888	5,955,569	6,485,649	6,901,859
Public works and parks	2,798,069	3,123,103	2,950,887	3,165,521
Other activities	385,875	544,773	387,314	415,784
Operating grants and contributions	2,326,628	2,614,858	2,875,147	2,918,182
Capital grants and contributions	4,802,301	4,270,577	4,584,959	7,210,112
Total governmental activities program revenues	15,633,060	16,865,960	17,664,017	21,027,749
Business-type activities:				
Charges for services:				
Water and sewer	15,132,165	15,522,270	15,602,993	16,021,187
Storm water	4,318,018	4,284,928	4,287,946	4,345,374
Performing arts center	1,493,365	1,837,534	2,111,847	2,119,851
Ice arena	1,080,874	1,091,259	1,060,331	1,063,694
Golf course	270,610	256,647	230,732	238,093
Street lighting	594,775	574,180	576,018	582,858
Sidewalk snow plowing	83,116	83,247	83,228	-
Operating grants and contributions	474,969	625,268	516,121	669,409
Capital grants and contributions	359,822	524,891	538,013	1,494,601
Total business-type activities	23,807,714	24,800,224	25,007,229	26,535,067
Total primary government program revenues	$39,440,774	$41,666,184	$42,671,246	$47,562,816

2020	2021	2022	2023	2024	2025
$8,679,351	$8,366,829	$11,061,187	$10,571,108	$10,563,767	$10,063,592
26,023,426	25,215,845	33,903,053	37,398,025	37,938,937	44,374,165
22,598,334	19,479,051	19,687,730	18,179,904	17,752,415	19,437,490
1,044,401	1,118,846	1,399,057	1,447,158	1,506,580	1,413,276
1,260,877	1,452,729	1,332,858	1,458,326	1,899,409	1,623,095
2,760,012	727,005	3,173,721	560,065	883,453	730,916
1,101,623	1,246,843	1,170,232	1,169,503	1,143,724	3,175,014
63,468,024	57,607,148	71,727,838	70,784,089	71,688,285	80,817,548
20,796,230	18,812,106	19,675,040	22,002,160	22,321,516	23,939,062
5,684,615	4,590,763	4,610,749	4,750,457	5,055,920	6,771,863
1,539,460	2,233,683	2,579,667	2,863,507	2,965,772	2,983,735
1,317,016	1,370,543	1,514,688	1,470,429	1,591,562	1,650,751
262,174	361,360	411,006	432,835	415,158	450,519
441,881	656,699	794,369	459,523	679,280	744,573
-	-	-	-	-	-
30,041,376	28,025,154	29,585,519	31,978,911	33,029,208	36,540,503
$93,509,400	$85,632,302	$101,313,357	$102,763,000	$104,717,493	$117,358,051
$386,363	$408,567	$414,016	$1,726,820	$1,720,669	$3,558,421
5,477,746	5,493,934	8,109,894	6,816,385	7,327,487	7,271,331
3,070,976	3,127,190	3,299,502	4,263,026	4,059,121	3,010,102
179,415	392,535	399,022	488,081	527,168	1,924,660
5,747,316	5,906,437	6,217,950	5,961,313	4,218,600	5,291,343
6,301,915	9,259,847	13,088,700	5,104,454	7,433,013	7,368,405
21,163,731	24,588,510	31,529,084	24,360,079	25,286,058	28,424,262
17,060,401	18,470,743	19,355,318	20,407,004	20,536,261	23,402,949
4,408,773	4,679,577	4,659,188	4,793,653	4,931,770	5,027,386
508,047	1,367,727	2,044,668	2,574,840	2,432,612	2,345,280
586,849	969,308	1,066,645	1,118,049	1,269,571	1,426,767
327,715	387,902	396,623	426,682	451,588	486,311
582,859	587,816	588,125	604,155	602,687	610,894
-	-	-	-	-	-
1,246,323	1,859,616	143,468	95,240	129,929	-
229,503	1,639,089	1,602,859	311,534	638,661	613,776
24,950,470	29,961,778	29,856,894	30,331,157	30,993,079	33,913,363
$46,114,201	$54,550,288	$61,385,978	$54,691,236	$56,279,137	$62,337,625

CITY OF BURNSVILLE, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Net (expense) revenue:				
Governmental activities	($39,525,987)	($35,562,020)	($32,436,140)	($33,711,275)
Business-type activities	(589,545)	(449,102)	(1,860,820)	(1,225,963)
Total primary government, net	(40,115,532)	(36,011,122)	(34,296,960)	(34,937,238)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	32,127,976	33,668,989	34,816,920	36,745,654
Lodging tax	366,918	365,555	389,019	351,690
Franchise taxes	1,274,060	2,116,955	1,972,218	1,945,697
Unrestricted grants and contributions	1,143,996	1,091,139	1,086,925	854,002
Unrestricted investment earnings (charges)	721,735	503,205	674,333	1,898,702
Transfers	116,747	170,037	588,800	(489,132)
Total governmental activities	35,751,432	37,915,880	39,528,215	41,306,613
Business-type activities:				
Unrestricted grants and contributions	46,401	43,642	40,749	36,907
Unrestricted investment earnings	234,128	251,317	462,133	495,048
Transfers	(116,747)	(170,037)	(588,800)	489,132
Total business-type activities	163,782	124,922	(85,918)	1,021,087
Total primary government	$35,915,214	$38,040,802	$39,442,297	$42,327,700
Change in net position:				
Governmental activities	($3,774,555)	$2,353,860	$7,092,075	$7,595,338
Business-type activities	(425,763)	(324,180)	(1,946,738)	(204,876)
Total primary government change in net position	($4,200,318)	$2,029,680	$5,145,337	$7,390,462

Note 1: 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 2: 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.

Note 3: The City implemented GASB Statement No. 101 in fiscal year 2024, which resulted in a restatement of net position. Prior years were not restated for the change in accounting principle.

2020	2021	2022	2023	2024	2025
($42,304,293)	($33,018,638)	($40,198,754)	($46,424,010)	($46,402,227)	($52,393,286)
(5,090,906)	1,936,624	271,375	(1,647,754)	(2,036,129)	(2,627,140)
(47,395,199)	(31,082,014)	(39,927,379)	(48,071,764)	(48,438,356)	(55,020,426)
37,901,657	39,305,483	41,303,580	46,790,405	50,792,604	54,202,371
174,326	258,761	338,254	349,871	316,583	348,675
3,245,103	5,812,043	5,839,844	5,870,748	5,772,933	8,627,953
4,774,662	9,004	2,788,716	3,163,204	3,612,383	241,864
957,840	(535,066)	(3,138,002)	4,051,477	4,077,535	6,494,386
(41,528)	248,988	(238,577)	608,032	1,383,503	1,447,114
47,012,060	45,099,213	46,893,815	60,833,737	65,955,541	71,362,363
-	-	-	-	-	-
142,791	120,036	310,769	842,593	856,975	846,381
41,528	(248,988)	238,577	(608,032)	(1,383,503)	(1,447,114)
184,319	(128,952)	549,346	234,561	(526,528)	(600,733)
$47,196,379	$44,970,261	$47,443,161	$61,068,298	$65,429,013	$70,761,630
$4,707,767	$12,080,575	$6,695,061	$14,409,727	$19,553,314	$18,969,077
(4,906,587)	1,807,672	820,721	(1,413,193)	(2,562,657)	(3,227,873)
($198,820)	$13,888,247	$7,515,782	$12,996,534	$16,990,657	$15,741,204

- This page intentionally left blank -

CITY OF BURNSVILLE, MINNESOTA
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE **Table 3**
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Tax Increments	Lodging Tax	Franchise Taxes	Total
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
2024	50,476,304	316,300	316,583	5,772,933	56,882,120
2025	53,697,281	505,090	348,675	8,627,953	63,178,999

CITY OF BURNSVILLE, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019
General Fund:				
Nonspendable	$1,491,544	$1,191,544	$1,191,544	$1,191,544
Restricted	2,013,830	1,872,537	1,711,337	1,546,137
Assigned	991,293	991,657	985,000	820,000
Unassigned	17,715,565	18,282,263	18,720,813	22,278,071
Total general fund	$22,212,232	$22,338,001	$22,608,694	$25,835,752
All other governmental funds:				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	20,000,824	21,171,456	8,276,836	8,185,007
Committed	4,702,767	8,115,285	7,184,681	7,675,063
Assigned	6,146,013	5,626,630	7,248,382	8,985,040
Unassigned	(173,369)	(840,879)	(172,561)	(213,637)
Total all other governmental funds	$30,676,235	$34,072,492	$22,537,338	$24,631,473
Total all funds	$52,888,467	$56,410,493	$45,146,032	$50,467,225

Table 4

2020	2021	2022	2023	2024	2025
$446,544	$ -	$1,822,469	$1,774,421	$1,742,314	$1,654,336
1,198,346	1,046,802	892,437	712,825	529,838	353,429
1,751,382	1,054,500	-	-	2,129,120	3,632,570
25,460,656	26,527,905	24,213,030	31,990,728	33,606,835	33,912,890
$28,856,928	$28,629,207	$26,927,936	$34,477,974	$38,008,107	$39,553,225
$ -	$ -	$130,420	$ -	$ -	$ -
21,003,274	7,875,624	8,313,988	10,991,974	8,383,506	38,699,627
7,096,266	9,409,598	14,524,046	17,914,885	17,797,111	51,863,423
6,345,225	7,705,296	11,813,857	15,190,269	22,780,307	23,213,323
(68,452)	(627,270)	(1,774,822)	(3,022,211)	(1,544,316)	(3,805,126)
$34,376,313	$24,363,248	$33,007,489	$41,074,917	$47,416,608	$109,971,247
$63,233,241	$52,992,455	$59,935,425	$75,552,891	$85,424,715	$149,524,472

CITY OF BURNSVILLE, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Revenues:				
Taxes	$33,753,006	$35,989,886	$37,352,958	$39,090,762
Licenses and permits	1,903,820	2,061,946	2,466,914	3,369,080
Intergovernmental	5,118,254	5,077,504	5,357,166	5,735,523
Charges for services	6,345,229	6,634,410	7,230,588	7,217,898
Fines and forfeits	337,171	422,347	359,347	358,417
Investment income (charges)	694,824	469,779	615,245	1,832,567
Special assessments	1,800,511	1,866,666	1,756,074	2,303,764
Miscellaneous	1,085,021	1,683,990	2,024,617	2,959,449
Total revenues	51,037,836	54,206,528	57,162,909	62,867,460
Expenditures:				
Current:				
General government	7,356,451	7,109,756	7,036,828	7,034,145
Public safety	20,699,670	23,300,734	23,500,121	24,154,818
Public works and parks	6,931,564	6,806,529	7,770,000	7,722,108
Culture and recreation	1,060,369	1,023,582	1,002,556	1,104,490
Conservation of natural resources	1,198,458	1,310,566	1,461,642	1,264,396
Economic development	484,650	476,108	516,894	813,210
Capital outlay	9,894,133	17,058,821	11,109,667	12,610,088
Debt service:				
Principal	3,063,398	3,251,465	4,487,329	3,820,163
Interest	1,521,390	1,489,498	1,467,934	1,118,766
Fiscal agent fees	18,338	24,278	23,791	48,568
Bond issuance costs	77,620	57,965	51,495	17,298
Total expenditures	52,306,041	61,909,302	58,428,257	59,708,050
Revenues over (under) expenditures	(1,268,205)	(7,702,774)	(1,265,348)	3,159,410
Other financing sources (uses):				
Bonds issued	910,000	9,585,000	2,125,000	1,165,000
Refunding bonds issued	6,475,000	-	3,235,000	460,000
Premium on bonds issued	300,502	584,230	239,989	276,430
Payment to refunded bond escrow agent	-	-	(16,784,136)	(525,000)
Leases issued	519,909	193,504	-	-
Technology subscriptions issued	-	-	-	-
Proceeds from sale of capital assets	118,894	421,224	596,234	191,620
Transfers in	6,141,582	6,502,685	5,464,671	4,492,604
Transfers out	(5,913,846)	(6,061,843)	(4,875,871)	(3,898,871)
Total other financing sources (uses)	8,552,041	11,224,800	(9,999,113)	2,161,783
Net change in fund balance	$7,283,836	$3,522,026	($11,264,461)	$5,321,193
Debt service as a percentage of Noncapital expenditures	10.5%	10.3%	12.5%	10.1%
Debt service as a percentage of Total expenditures	8.8%	7.7%	10.2%	8.3%

Fiscal Year					
2020	2021	2022	2023	2024	2025
$41,122,345	$45,531,303	$47,321,909	$53,098,363	$56,891,077	$63,220,533
2,028,388	2,877,014	3,093,773	2,680,749	2,733,486	2,710,685
11,932,400	8,795,140	13,295,518	12,100,760	8,883,871	8,596,074
6,106,670	6,486,842	7,678,413	9,343,411	9,014,145	10,494,976
205,089	247,954	204,966	249,777	223,025	211,757
933,690	(556,046)	(3,183,616)	3,941,300	3,938,797	6,357,282
1,931,638	1,719,051	1,726,203	1,674,738	1,718,939	1,695,975
1,801,226	2,392,134	5,787,658	1,969,136	2,894,549	1,580,642
66,061,446	67,493,392	75,924,824	85,058,234	86,297,889	94,867,924
7,883,492	7,714,554	9,178,565	8,738,600	10,104,705	9,699,409
26,192,495	26,473,939	29,937,337	31,627,891	34,567,124	39,289,364
7,704,347	8,291,068	8,028,486	8,866,402	8,641,068	8,644,398
1,048,450	1,099,712	1,212,831	1,328,624	1,399,505	1,408,947
1,270,493	1,497,920	1,234,845	1,380,915	1,877,781	1,604,609
2,750,100	617,859	3,156,964	543,646	882,761	742,642
19,660,455	26,297,662	16,299,556	11,957,385	15,356,778	40,507,567
4,811,153	4,560,000	4,927,305	5,514,844	5,732,796	6,227,274
1,085,390	1,514,997	1,323,817	1,413,620	1,354,371	3,114,779
12,606	20,431	10,904	16,425	34,088	15,022
120,230	-	87,256	-	23,260	320,058
72,539,211	78,088,142	75,397,866	71,388,352	79,974,237	111,574,069
(6,477,765)	(10,594,750)	526,958	13,669,882	6,323,652	(16,706,145)
17,175,000	-	5,170,000	-	1,420,000	68,610,000
1,340,000	-	-	-	-	-
1,884,433	-	380,965	-	148,570	4,272,314
(1,458,847)	-	-	-	-	-
-	-	273,886	618,245	110,655	1,316,818
-	-	-	441,265	267,626	4,673,781
82,737	104,976	42,621	65,284	185,121	148,839
2,466,874	4,126,288	3,299,503	3,913,841	10,502,375	4,452,596
(2,246,416)	(3,877,300)	(2,750,963)	(3,091,051)	(9,086,175)	(2,668,446)
19,243,781	353,964	6,416,012	1,947,584	3,548,172	80,805,902
$12,766,016	($10,240,786)	$6,942,970	$15,617,466	$9,871,824	$64,099,757
9.9%	10.8%	9.7%	11.2%	10.5%	11.4%
8.1%	7.8%	8.3%	9.7%	8.9%	8.4%

CITY OF BURNSVILLE, MINNESOTA
TAXABLE MARKET VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY **Table 6**
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	Less Fiscal Disparities	Less Tax Increment	Total Taxable Net Tax Capacity	Tax Capacity Value as a Percentage of Taxable Market Value	Total Direct Tax Rate	Estimated Actual Market Value	Taxable Market Value	Taxable Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property									
2016	$41,440,693	$28,490,235	$860,668	($3,073,160)	($896,845)	$66,821,591	1.21%	46.525%	$5,915,258,394	$5,506,514,039	93.1%
2017	43,601,698	27,701,119	907,851	(2,382,401)	(926,409)	68,901,858	1.22%	46.557%	6,138,533,666	5,670,777,401	92.4%
2018	48,949,347	28,530,496	945,133	(1,655,814)	(929,157)	75,840,005	1.22%	43.552%	6,670,619,761	6,204,343,440	93.0%
2019	52,425,000	29,503,800	943,031	(1,656,580)	(1,158,569)	80,056,682	1.21%	43.595%	7,026,455,810	6,590,112,904	93.8%
2020	55,924,956	31,657,917	1,002,211	(1,347,441)	(225,215)	87,012,428	1.24%	43.147%	7,350,427,230	7,034,358,859	95.7%
2021	58,847,414	33,181,384	1,013,065	(1,823,844)	(144,251)	91,073,768	1.23%	42.853%	7,749,261,165	7,381,171,260	95.3%
2022	62,591,306	33,641,212	495,514	(1,490,458)	(158,129)	95,079,445	1.23%	43.054%	8,426,026,717	7,733,407,321	91.8%
2023	74,399,844	35,103,808	533,738	(1,063,024)	(133,765)	108,840,601	1.22%	42.374%	9,520,747,643	8,928,557,140	93.8%
2024	78,170,893	39,253,604	478,462	(899,242)	(384,324)	116,619,393	1.23%	42.503%	9,791,457,131	9,471,276,483	96.7%
2025	76,639,143	40,931,436	554,592	(1,106,967)	(555,743)	116,462,461	1.23%	45.806%	9,748,560,600	9,458,882,746	97.0%

Source: Dakota County

CITY OF BURNSVILLE, MINNESOTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING (1) GOVERNMENTS
Last Ten Fiscal Years

Table 7

Fiscal Year	City of Burnsville Operating Tax Rate	City of Burnsville Debt Service Tax Rate	City of Burnsville Total Direct	Overlapping Rates: Dakota Total County Tax Rate (2)	Overlapping Rates: School ISD #191 Total School Tax Rate (2)	Overlapping Rates: School ISD #194 Total School Tax Rate (2)	Overlapping Rates: School ISD #196 Total School Tax Rate (2)	Overlapping Rates: Special Districts	Total Direct and Overlapping Rates: ISD #191	Total Direct and Overlapping Rates: ISD #194	Total Direct and Overlapping Rates: ISD #196
2016	44.831	1.694	46.525	28.570	31.065	35.319	24.317	5.505	111.665	115.919	104.917
2017	44.922	1.635	46.557	28.004	27.529	32.914	23.336	5.355	107.445	112.830	103.252
2018	42.076	1.476	43.552	26.580	27.448	26.835	26.715	4.833	102.413	101.800	101.680
2019	42.187	1.408	43.595	25.386	24.409	26.992	26.162	4.748	98.138	100.721	99.891
2020	40.844	2.303	43.147	24.133	23.263	31.225	34.367	3.767	94.310	102.272	105.414
2021	40.651	2.202	42.853	22.716	20.745	27.269	32.712	3.722	90.036	96.560	102.003
2022	40.277	2.777	43.054	21.630	19.053	25.582	31.336	3.698	87.435	93.964	99.718
2023	39.590	2.784	42.374	18.816	19.403	29.473	17.904	3.906	84.499	94.569	83.000
2024	39.918	2.585	42.503	18.323	17.021	29.650	23.624	4.075	81.922	94.551	88.525
2025	43.234	2.572	45.806	19.948	20.374	29.927	22.968	4.369	90.497	100.050	93.091

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.

CITY OF BURNSVILLE, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 8

Taxpayer	2025 Taxable Net Tax Capacity	2025 Rank	2025 Percentage of Total Taxable Net Tax Capacity	2016 Taxable Net Tax Capacity	2016 Rank	2016 Percentage of Total Taxable Net Tax Capacity
Northern States Power Company	$3,908,096	1	3.4%	$ 2,620,493	1	3.9%
Neon Burnsville	943,186	2	0.8%	-	-	-
RRE Woods Holdings, LLC	903,884	3	0.8%	-	-	-
RRE Nicollet Ridge Holdings LLC	858,610	4	0.7%	376,784	9	0.6%
PC Felix LLC	691,796	5	0.6%	-	-	-
Park Nicollet Clinic	917,975	6	0.8%	-	-	-
JPT IND Inc	909,954	7	0.8%	480,104	4	0.7%
New Southwind LLC	725,067	8	0.6%	-	-	-
FLT Summit Park Apartments LLC	630,214	9	0.5%	-	-	-
Rosemount Aerospace	769,468	10	0.7%	-	-	-
Burnsville Center SPE LLC	-	-	-	2,156,172	2	3.2%
Minnegasco Inc	-	-	-	529,006	3	0.8%
IP9 MF Atrium LLC	-	-	-	439,625	5	0.7%
Fairview Health Services	-	-	-	428,193	6	0.6%
Southwind Village LL LLC	-	-	-	409,353	7	0.6%
WRPV XI Woods Burnsville LLC	-	-	-	397,591	8	0.6%
Hudson Redwood Raven Hill LLC	-	-	-	346,920	10	0.5%
Total	$11,258,250		9.70%	$8,184,241		12.20%

Source: Dakota County

CITY OF BURNSVILLE, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS **Table 9**
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	68,548	33,065,473	99.47%
2019	34,896,674	34,691,735	99.41%	75,638	34,767,373	99.63%
2020	37,588,674	37,199,804	98.97%	106,419	37,306,223	99.25%
2021	39,058,352	38,811,612	99.37%	88,813	38,900,425	99.60%
2022	40,912,255	40,472,208	98.92%	80,768	40,552,976	99.12%
2023	46,199,176	45,820,400	99.18%	77,241	45,897,641	99.35%
2024	49,550,473	49,074,133	99.04%	57,833	49,131,966	99.16%
2025	52,886,987	52,204,785	98.71%	-	52,204,785	98.71%

CITY OF BURNSVILLE, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities								
Fiscal Year	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	Total Governmental Activities
2016	$ 298,255	$ -	$ 12,719,251	$ 4,430,461	$ 28,053,905	$ 4,225,822	$ 519,909	$ -	$ 50,247,603
2017	10,365,277	-	11,020,862	3,800,560	27,621,866	3,986,835	475,609	-	57,271,009
2018	9,757,365	-	10,498,708	3,155,659	17,838,258	-	237,805	-	41,487,795
2019	9,103,087	-	10,369,176	2,490,757	16,943,053	-	-	-	38,906,073
2020	26,134,094	-	9,885,809	1,823,204	15,042,848	-	-	-	52,885,955
2021	24,951,068	-	8,464,028	1,546,317	13,092,643	-	-	-	48,054,056
2022	23,683,042	1,115,752	11,475,019	1,264,431	11,092,438	-	201,352	-	48,832,034
2023	22,365,016	1,105,211	10,076,366	977,545	9,042,233	-	456,405	741,543	44,764,319
2024	20,996,990	1,014,669	10,203,244	690,659	6,854,052	-	347,274	611,159	40,718,047
2025	92,340,201	904,128	8,981,241	398,772	4,605,871	-	1,129,205	4,000,485	112,359,903

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

Sources:

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

Business-Type Activities								
Revenue Bonds	General Obligation Revenue Notes	General Obligation Improvement Bonds	Leases	Total Business-Type Activities	Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income (1)	Per Capita (1)
$ 16,088,093	$ -	$ 378,373	$ -	$ 16,466,466	$ 66,714,069	1.21%	2.1%	$ 1,079
19,168,507	3,735,390	132,553	-	23,036,450	80,307,459	1.42%	2.2%	1,290
19,770,295	5,149,825	33,441	-	24,953,561	66,441,356	1.07%	1.8%	1,060
19,626,401	5,378,000	-	-	25,004,401	63,910,474	0.97%	1.6%	1,018
17,497,972	6,250,081	-	-	23,748,053	76,634,008	1.09%	1.8%	1,192
15,304,543	7,195,319	-	-	22,499,862	70,553,918	0.96%	1.6%	1,092
16,879,204	6,967,000	-	-	23,846,204	72,678,238	0.94%	1.6%	1,126
14,535,374	6,550,000	-	-	21,085,374	65,849,693	0.74%	1.3%	1,008
19,015,622	6,127,000	-	-	25,142,622	65,860,669	0.70%	1.3%	1,003
16,558,907	5,699,000	-	-	22,257,907	134,617,810	1.42%	2.6%	2,049

CITY OF BURNSVILLE, MINNESOTA
RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING **Table 11**
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Bond Issuance Premium/ (Discount)	Less Amounts Available in Debt Service Funds	Total	Percentage of Taxable Market Value of Property (2)	Per Capita (3)
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%	569
2024	37,230,000	2,529,614	6,256,393	33,503,221	0.3537%	513
2025	100,790,000	6,440,213	6,266,223	100,963,990	1.0674%	1,537

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

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

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

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

CITY OF BURNSVILLE, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT **Table 12**
As of December 31, 2025

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Burnsville	112,359,903	100%	112,359,903
Overlapping debt:			
ISD 191 (Burnsville)	89,550,000	60.9%	54,562,815
ISD 194 (Lakeville)	162,615,000	5.80%	9,431,670
ISD 196 (Rosemount)	358,710,000	8.84%	31,709,964
Metropolitan Council	178,505,000	1.83%	3,266,642
Total overlapping			98,971,091
Total direct and overlapping debt			$211,330,994

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

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

CITY OF BURNSVILLE, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	$165,195,421	$170,123,322	$186,130,303	$197,703,387
Total net debt applicable to limit	-	9,472,289	8,876,639	8,338,565
Legal debt margin	$165,195,421	$160,651,033	$177,253,664	$189,364,822
Total net debt applicable to the limit as a percentage of debt limit	0.00%	5.57%	4.77%	4.22%

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.

Table 13

Fiscal Year					
2020	2021	2022	2023	2024	2025
$211,030,766	$221,435,138	$232,002,220	$267,856,714	$284,138,294	$283,766,482
23,820,999	22,746,093	21,575,183	20,343,974	19,061,831	86,371,831
$187,209,767	$198,689,045	$210,427,037	$247,512,740	$265,076,463	$197,394,651
11.29%	10.27%	9.30%	7.60%	6.71%	30.44%

Legal Debt Margin Calculation for Fiscal Year 2025	
Estimated market value	$9,748,560,600
Debt limit (3% of total assessed value)	292,456,818
Debt applicable to limit:	
General obligation bonds	86,740,000
Less amount set aside for repayment of general obligation debt	(447,772)
Total net debt applicable to limit	86,292,228
Legal debt margin	$206,164,590

CITY OF BURNSVILLE, MINNESOTA
PLEDGED REVENUE COVERAGE **Table 14**
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds					
	(2) Operating Revenues and Other	(3) Less: Operating Expenses	Net Available Revenue	Debt Service (1) Principal	Debt Service (1) Interest	Coverage Ratio
WATER AND SEWER FUND:						
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
2024	20,361,454	18,459,546	1,901,908	2,548,000	585,857	0.61
2025	21,556,966	19,926,473	1,630,493	2,678,000	807,797	0.47
STORM WATER FUND						
2016	$4,271,318	$2,852,255	$1,419,063	$ 185,000.00	$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	-	-	-
2024	4,881,045	3,558,304	1,322,741	-	-	-
2025	4,993,943	5,265,971	(272,028)	-	-	-

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

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

(2) 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 **Table 15**
Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Number of Households	(2) Estimated Personal Income	(3) Per Capita Personal Income	(4) School Enrollment	(5) Unemployment Rate
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	65,327	26,290	4,900,766,213	75,019	7,594	2.6%
2024	65,696	26,551	5,116,798,656	77,886	7,663	4.0%
2025	65,696	26,551	5,116,798,656	77,886	7,663	4.0%

Sources:
(1) 2025 is an estimate of 0% growth from the 2024 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.

- This page intentionally left blank -

CITY OF BURNSVILLE, MINNESOTA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 16

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Collins Aerospace	1,800	1	5.2%	1,800	1	5.4%
Burnsville Public Schools - ISD #191	1,200	2	3.5%	1,377	2	4.1%
Fairview Ridges Hospital	967	3	2.8%	967	3	2.9%
Buck Hill Ski Area	500	4	1.4%	-	-	0.0%
Pepsi-Cola Bottling Co.	500	4	1.4%	500	4	1.5%
Ames Construction	400	5	1.2%	-	-	-
City of Burnsville	340	6	1.0%	411	5	1.2%
Northern Tool & Equipment	300	7	0.9%	300	9	0.9%
Telex Communications	300	7	0.9%	-	-	0.0%
Target	300	7	0.9%	300	9	0.9%
Park Nicollet Clinic	300	7	0.9%	300	9	0.9%
Ebenezer Ridges Care Center	-	-	-	403	6	1.2%
Cub Foods	-	-	-	350	7	1.0%
Walmart	-	-	-	335	8	1.0%
Total	6,907		20.1%	7,043		21.0%

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

CITY OF BURNSVILLE, MINNESOTA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Function:				
General government	41.4	41.7	42.3	45.5
Public safety:				
Police	91.1	91.1	91.1	91.1
Fire	40.0	44.0	44.0	44.0
Inspections	12.8	12.5	13.0	13.0
Public works and parks:				
Engineering	13.0	14.0	14.0	14.0
Parks	18.0	18.0	18.0	18.5
Public works	12.0	12.0	12.0	12.5
Fleet maintenance	8.0	8.0	8.0	8.0
Recreation	6.0	6.0	5.8	6.6
Conservation of natural resources	2.8	3.3	3.5	5.5
Economic development	1.0	1.0	1.0	2.0
Water and Sewer	15.0	15.0	15.0	13.0
Storm drainage	3.5	3.5	3.5	1.5
Ice arena	6.5	6.5	6.5	6.5
Golf course	1.5	1.5	1.5	1.5
Total	272.6	278.1	279.2	283.2

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

Table 17

Fiscal Year					
2020	2021	2022	2023	2024	2025
45.5	48.4	48.4	54.2	56.0	55.0
91.1	91.1	91.1	99.1	103.0	106.0
45.0	45.0	45.0	48.0	52.0	55.0
14.0	14.0	14.0	14.0	15.0	15.0
14.0	14.0	14.0	14.0	14.0	14.0
18.0	18.0	18.0	18.0	18.0	18.0
14.5	14.0	14.0	14.0	14.0	14.0
9.0	9.0	9.0	9.0	9.0	9.0
8.0	6.0	6.0	6.0	6.0	6.0
3.5	2.5	2.5	2.5	2.5	2.5
-	-	-	-	-	-
16.0	17.0	17.0	19.0	20.0	21.0
4.0	4.5	4.5	4.5	4.5	4.5
6.5	6.0	6.0	6.0	6.0	6.0
1.5	1.5	1.5	1.5	1.5	1.5
290.6	291.0	291.0	309.8	321.5	327.5

CITY OF BURNSVILLE, MINNESOTA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Function:				
Police:				
Total calls for service	48,859	48,575	49,482	47,653
Arrests - Adult	1,846	1,758	1,691	1,572
Arrests - Juvenile	323	409	238	192
Traffic citations	5,452	6,426	5,547	4,286
Fire and Emergency Services:				
Number of calls (excluding EMS)	1,536	1,507	1,571	1,594
Number of Emergency Medical Service (EMS) calls	5,037	5,116	5,427	5,685
EMS patients served	3,765	4,009	4,372	4,910
Protective inspections:				
Plan reviews	530	610	491	596
Building permits issued	6,871	7,044	7,359	8,853
Field inspections (Bldg, Plbg, Htg, Gas, S&W)	6,765	6,824	7,351	8,673
Code enforcement inspections	4,716	4,238	4,806	3,350
Public works:				
Street rehabilitation/resurfacing (miles)	9.1	10.7	4.9	11.8
Sealcoating (miles)	5.0	4.7	6.4	6.8
Snow & ice control (miles)	222.0	222.0	222.0	222.0
Recreation:				
Youth recreation activity participants	23,200	22,917	27,662	49,432
Water:				
New connections	36	18	9	48
Water main breaks	15	12	12	11
Average daily consumption (thousands of gallons)	8,683	8,268	8,150	8,090
Total daily pumping capacity (thousands of gallons)	29,000	29,000	29,000	29,000
Sewer:				
Average daily flow (thousands of gallons)	5,129	5,146	5,047	5,004
Storm Water:				
Street sweeping (miles)	222.0	222.0	222.0	222.0
Golf course:				
Annual rounds sold	23,059	20,725	17,107	18,676
Ice Center:				
Learn to skate participants	354	298	347	299

Source: Various City Departments

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

Table 18

Fiscal Year					
2020	2021	2022	2023	2024	2025
47,196	48,731	51,804	54,737	46,690	49,682
1,482	1,255	1,514	1,715	1,067	1,064
111	101	179	148	73	40
2,642	3,311	3,528	3,217	2,037	2,668
1,455	1,683	1,976	2,071	2,358	2,458
5,863	6,312	7,170	7,449	7,463	7,890
5,216	5,723	6,545	5,819	5,648	6,232
588	681	705	807	861	870
9,781	7,402	8,089	7,152	6,707	7,456
10,606	10,192	9,826	11,397	9,855	10,124
605	1,116	1,420	1,130	828	914
9.1	7.3	8.0	5.6	4.5	8.9
5.3	9.7	7.4	6.8	6.2	9.1
222.0	222.0	222.0	222.6	222.6	218.9
3,913	19,129	17,238	12,715	20,359	19,252
135	8	26	45	8	4
14	14	11	13	13	8
8,590	9,322	6,315	6,646	6,641	6,317
29,000	29,000	29,000	29,000	29,000	29,000
5,255	5,159	5,189	4,871	5,853	5,754
222.0	222.0	222.0	222.6	222.6	218.9
26,213	25,004	27,985	28,403	31,856	32,368
104	157	366	349	450	458

CITY OF BURNSVILLE, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Function:				
Public safety:				
Police:				
Stations	1	1	1	1
Patrol units	26	26	26	26
Fire Stations	2	2	2	2
Public works:				
City streets (miles)	222	222	222	222
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
Athletic 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)	261	261	261	261
Wells	17	17	17	17
Connections	16,754	16,772	16,781	16,829
Total storage capacity (thousands of gallons)	19,000	19,000	19,000	19,000
Sewer:				
Sanitary sewers (miles)				
Number of connections	210	210	210	210
Storm sewers (miles)	16,113	16,133	16,149	16,188
	199.9	200.0	200.4	200.4

Source: Various City Departments

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

Table 19

Fiscal Year					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
26	26	26	30	30	33
2	2	2	2	2	2
222	222	222	223	223	219
23	23	23	24	24	24
1,750	1,750	1,750	1,750	1,735	1,735
76	76	76	76	76	76
645	449	449	462	452	452
142	142	142	142	109	109
1	1	1	1	1	1
2	2	2	2	2	2
28	25	25	25	26	26
261	265	265	265	265	263
17	17	17	17	17	17
16,964	16,974	17,000	17,045	17,053	16915
19,000	19,000	19,000	19,000	19,000	19,000
210	198	198	198	198	198
16,199	16,835	16,978	17,016	17,023	17050
200.4	195.9	196.3	196.4	196.4	196.2

City Of Burnsville

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

KUTAKROCK

Kutak Rock LLP
60 South Sixth Street, Suite 3400, Minneapolis, MN 55402-4018
office 612.334.5000

$34,335,000
City of Burnsville, Minnesota
General Obligation Improvement, Utility and Capital Improvement Plan Bonds
Series 2026A

We have acted as bond counsel to the City of Burnsville, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds"), originally dated the date hereof, and issued in the original aggregate principal amount of $34,335,000. 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 in part from revenues of the water and sewer systems of the Issuer, special assessments and ad valorem property taxes, but if necessary for the payment thereof additional ad valorem property 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. Further, 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 preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 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 from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota 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.

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 _____, 2026 at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$34,335,000
City of Burnsville, Minnesota
General Obligation Improvement, Utility and Capital Improvement Plan Bonds
Series 2026A

CONTINUING DISCLOSURE CERTIFICATE

_____, 2026

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 Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds") in the original aggregate principal amount of $34,335,000. 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 Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A, issued by the Issuer in the original aggregate principal amount of $34,335,000.

"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 _____, 2026, 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, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

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

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

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

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

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

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

Section 5. Reporting of Material Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

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

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

9. Defeasances;

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

11. Rating changes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF BURNSVILLE, MINNESOTA

_____
Mayor

_____
City Clerk

TERMS OF PROPOSAL

$34,335,000* GENERAL OBLIGATION IMPROVEMENT, UTILITY AND CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2026A CITY OF BURNSVILLE, MINNESOTA

Proposals for the purchase of $34,335,000* General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds") of the City of Burnsville, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on October 20, 2026, 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, Chapters 429, 444 and 475, as amended, Minnesota Statutes, Section 475.521, by the City, for the purposes of financing various public improvements within the City, including the 2025 and 2026 street projects and various utility system improvements, and the improvement and expansion of a combined police station and city hall as authorized in the City's Five-Year Capital Improvement Plan, dated 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 November 12, 2026, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on December 20 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$1,290,000	2034	$1,825,000	2041	$1,850,000
2028	1,495,000	2035	1,885,000	2042	1,275,000
2029	1,540,000	2036	1,960,000	2043	1,340,000
2030	1,590,000	2037	2,050,000	2044	1,410,000
2031	1,630,000	2038	2,135,000	2045	1,485,000
2032	1,690,000	2039	2,235,000	2046	1,560,000
2033	1,760,000	2040	2,330,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of $5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 20 and December 20 of each year, commencing June 20, 2027, 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 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 2027 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, Minneapolis, 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, 2037 shall be subject to optional redemption prior to maturity on December 20, 2036 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 November 12, 2026, 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 MATTERS

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.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX MATTERS" in this Official Statement and the Form of Legal Opinion found in APPENDIX B) and has not performed any investigation as to its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $33,991,650 plus accrued interest on the principal sum of $34,335,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

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

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact 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 facsimile submission.

A good faith deposit ("Deposit") in the amount of $686,700 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 QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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 which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

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

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

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

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

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

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

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

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

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

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

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

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test</u>, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Debt Issuance 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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the City Council

City of Burnsville, Minnesota

PROPOSAL FORM

The City Council **October 20, 2026**
City of Burnsville, Minnesota (the "City")

RE: $34,335,000* General Obligation Improvement, Utility and Capital Improvement Plan Bonds, Series 2026A (the "Bonds")
DATED: November 12, 2026

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 $33,991,650) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% 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	_____	% due	2046
_____	% due	2033	_____	% due	2040			

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 2027 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 $686,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about November 12, 2026.

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 November 12, 2026 of the above proposal is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Burnsville, Minnesota, on October 20, 2026.

By: _____ By: _____

Title: _____ Title: _____