

Brooklyn Park

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Comprehensive Annual Financial Report
for the year ended December 31, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Brooklyn Park, Minnesota

For the year ended
December 31, 2018

Prepared by

THE FINANCE DEPARTMENT

(Member of Government Finance Officers'
Association of the United States and Canada)

City of Brooklyn Park, Minnesota

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May 20, 2019

To the Honorable Mayor, Members of the City Council, and Residents of the City of Brooklyn Park:

The Comprehensive Annual Financial Report (CAFR) of the City of Brooklyn Park, Minnesota (the City) for the fiscal year ended December 31, 2018 is hereby submitted. The report was prepared by the Finance Department, and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables rest with the City. The report was prepared in accordance with the Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the State Auditors' office.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control standards that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. We believe the data, as presented, are accurate in all material respects; that the data are presented in a manner designated to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City of Brooklyn Park's financial statements have been audited by CliftonLarsonAllen, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brooklyn Park for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brooklyn Park's financial statements for the year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Brooklyn Park's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Brooklyn Park is a second-tier Minneapolis suburb in northeast Hennepin County. It is bounded by the cities of Maple Grove, Osseo, Champlin, Brooklyn Center, Crystal and New Hope. The Mississippi River forms a natural boundary along the City's entire eastern edge. The City is approximately 12 miles from downtown Minneapolis and St. Paul and 21 miles from the Minneapolis/St. Paul International Airport. The last official Census count (2010) of 75,781 represents a 12.5% increase over the 2000 Census count of 67,388. Current population estimates are at 83,066 for 2018. Brooklyn Park is the fourth largest city in the Minneapolis-St. Paul metropolitan area and the sixth largest city in the State of Minnesota. The City incorporates an area of approximately 27 square miles. The City of Brooklyn Park is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Brooklyn Park has operated under the Council-Manager form of government since inception in the year 1969. Policy-making and legislative authority are vested in a City Council consisting of the Mayor and six other members. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term. The six Council members are elected by district. The Mayor is elected at large.

The City of Brooklyn Park provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities. Certain development services are provided through a legally separate Economic Development Authority that functions, in essence, as a department of the City of Brooklyn Park and, therefore, has been included as an integral part of the City of Brooklyn Park's financial statements.

The annual budget serves as the foundation for the City of Brooklyn Park's financial planning and control. The City adopts a two-year budget bi-annually, however, is still required to adopt a tax levy annually under Minnesota State Statutes. The process allows the City to save time and resources by not recreating the budget process every year. The second year of a biennium will go through an amendment process, which is less intensive than a full-budget cycle process. The goal is to limit the need for amendments in the second year of the cycle. The Council is required to review and adopt a preliminary budget and tax levy in September (preliminary amended budget for the second year of the biennium). The Council is required to hold a public hearing on the budget and to adopt a final Budget no later than December 20, according to state statutes. The budget is prepared by fund, department and program. Department heads may make transfers of appropriations within a department. Transfers of appropriation between departments, however, require the special approval of the City Council. A budget-to-actual comparison is provided in this report for the General Fund within the Basic Financial Statements Section.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Brooklyn Park operates.

Local Economy

The City of Brooklyn Park is the fourth largest community in the Twin Cities metropolitan area. We are able to draw on the resources of the overreaching metropolitan area including jobs for residents, employees for businesses, and culture and entertainment for community members.

Future Development

Since 1962, the City has implemented a growth management policy that allows new subdivisions only with the extension of all utilities. This policy has prevented leapfrog development, enabling the City to zone growth areas to coordinate with the City's Comprehensive Plan and to allow for the orderly construction of infrastructure improvements as programmed in the City's Capital Improvement Program.

Brooklyn Park's proximity to both downtown Minneapolis and St. Paul as well as its location near major transportation corridors such as trunk Highway 610, have aided in the continued development of business and housing in the City. The newly opened connection of Interstate 94 and Highway 610 provides improved access for businesses which incentivizes development along the 610 corridor. Additionally, the future METRO Blue Line light rail transit (LRT) Extension has five stations in Brooklyn Park. This increases development capacity around the station areas as the potential for transit oriented development (TOD) is explored. Commercial and industrial properties accounted for 33.6% of the City's 2018 (pay 2019) taxable net tax capacity.

Recent Development

Second Harvest Heartland Bond - In 2017, Second Harvest Heartland, a food bank that serves all of Minnesota and parts of Wisconsin applied for an \$18 million State of Minnesota General Obligation Bond. This project is funded like a reimbursement grant. The State Legislature approved the funds in spring of 2018. The funds helped Second Harvest move its headquarters and operations to the City of Brooklyn Park. Construction began on the 230,000 square foot building at 7101 Winnetka Avenue North and is anticipated to be complete by the end of 2019. In 2018, Second Harvest employed almost 160 people, hosted over 25,000 volunteers, and provided more than 100 million pounds of food to partner food shelves and directly to people in need.

Some of new businesses that came to the City during 2018 is as follows:

- Mi Sant Banh Mi
- Mill City Credit Union
- Hallmark Building Co.
- Accraply
- Rust-O-Leum
- Taco el Paraiso
- Hampton Inn

Housing Initiatives

Foreclosure Recovery Initiative – This was a focus of the EDA between 2008 to 2017. The EDA developed its Foreclosure Recovery Program to rehabilitate foreclosed homes and provide buyer assistance to quickly convert vacant housing back to owner occupied homes. The last remaining home in the program was sold in March of 2018. The EDA suspended the program after funding was exhausted and foreclosures were at pre-recession level. In 2018, the City saw only 69 foreclosures in Brooklyn Park as compared to over 1,000 in 2008.

Apartment Rehabilitation Work- The city has worked with property owners and residents to improve the condition of its housing stock, through single family rehabilitation loans, foreclosure recovery programs, and Community Development Block Grant (CDBG) funded programs. The city prioritizes improving living conditions for all residents. Multifamily rental housing in Brooklyn Park has also become a focus for the City. Since 2016, the City has partnered with three property managers and owners to assist them in the re-investment and updating of their apartment homes resulting in maintaining long-term affordability in these neighborhoods.

These three projects consisted of substantial rehabilitation of 712 total units with the City participating in leveraging some of the investments.

- Park Haven – 176 units
\$16 million EDA sponsored revenue bond issuance for acquisition and rehab costs
- Autumn Ridge – 366 units
\$1.2 million in short-term EDA loan to leverage \$4.1 million in total investment
- Brooks Landing/Brooks Garden (planned for 2019) – 170 units
\$400k in EDA loan
\$15 million in housing revenue bond issuance to leverage \$30 million in total investment

Home Loans and Grants - In 2018, combined lending for home improvement loans and grants in the City totaled \$480,930. These loans and grants are used to make home improvements, which stabilized the housing stock, increased property values, and provided homeowners the funds to make necessary repairs and improvements. The EDA partnered with the following for loans and grants:

Loan / Grant (2018)	Amount	Quantity
Homeowner/EDA Loan	\$ 40,166	2
Social Services	\$ 61,589	9
Home Rehab Deferred Loan program	\$ 277,479	17
CEE Rehab Loans	\$ 89,306	6
Home Energy Squad Program	\$ 12,390	147

Supportive Housing – The EDA owns two supportive housing facilities that serve the community. In 2018, Brooklyn Avenues for Homeless Youth served 135 youth and young adults between the ages of 16-20. 52% of the youth rejoined their families, while 40% of those served reported that they found stable housing after their stay at the Avenues. The 4-plex located at 7600 69th Avenue housed four families in need, with rental subsidies and supportive services provided by Simson Housing and Hennepin County. In 2018, the EDA spent \$207,000 in CDBG funds for substantial rehabilitation of the property.

Partnerships

Minnesota Investment Fund and Job Creation Fund -The City partners with the Minnesota Department of Employment and Economic Development (DEED) to provide financial incentives to new and expanding businesses. The Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) help businesses make capital investments and create high-paying jobs. MIF and JCF loans have provided Brooklyn Park businesses over \$10 million in funds that are directly invested into local businesses since 2013.

Several companies having taken advantage of these funds, including:

- Perbix (Now Tesla)-2015
- Takeda -2015
- Olympus-2015
- Design Ready Controls-2015
- Metro Mold and Design-2015
- Wurth Adams-2016
- Star- 2017
- Biomerics-2017
- NAPCO-2018

Long-Term Financial Planning

The City of Brooklyn Park produces a five-year Capital Improvement Plan and a five-year Capital Equipment Plan that is updated annually. All of these plans are available on the City's website www.brooklynpark.org. The City also produces a comprehensive financial plan that includes a biennial budget process with a five-year rolling budget. This helps the City focus on the long-term trends to create a structurally balanced budget that meets citizens' service needs.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2017. This was the 38th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report also satisfied both GAAP and applicable legal requirements.

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

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of many people throughout the organization. Special recognition is due the Financial Services Division staff (Aaron Gilbert, Coty Hemann, Debbie Lenzen, Lynne Stuart, Met Duangphouxay, Stefanie Dunfee, Renee Manning and Jeanette Boit-Kania) for their diligent work in preparing this report. Additionally, they have made an extraordinary effort throughout the year to ensure that the City's finances have been accounted for and reported accurately.

We acknowledge the thorough, professional, and timely manner in which our independent auditor, Clifton Larson Allen, LLC, conducted the audit.

Finally, we acknowledge the Mayor and City Council Members for their consistent support for maintaining the highest standards of professionalism in all aspects of financial management.

Respectfully Submitted,



Jay Stroebel
City Manager



LaTonia Green
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Brooklyn Park
Minnesota**

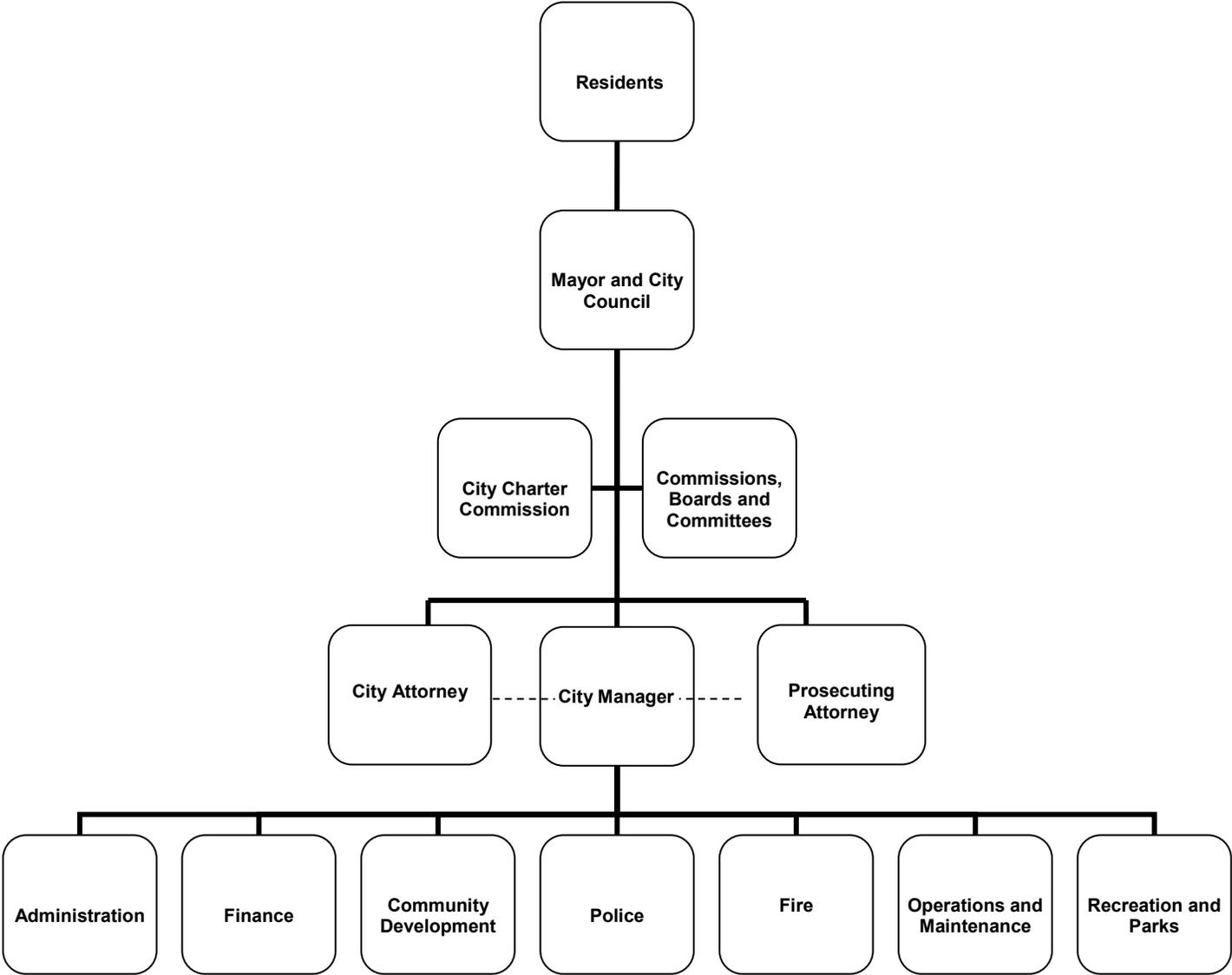
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

City of Brooklyn Park, Minnesota Organization Chart



City of Brooklyn Park, Minnesota

Elected City Officials For the Year Ended December 31, 2018

Mayor

Jeffrey J. Lunde
Elected At-Large
Term expires 12/31/22

City Council Members

East District

Terry Parks
Term expires 12/31/22

Lisa Jacobson
Term expires 12/31/20

Central District

Tonja West-Hafner
Term expires 12/31/22

Mark Mata
Term expires 12/31/20

West District

Wynfred Russell
Term expires 12/31/22

Susan Pha
Term expires 12/31/20

City Manager

Appointed by the City Council

Jay Stroebel



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Brooklyn Park, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Park (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During fiscal year ended December 31, 2018, the City adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, the City reported a restatement for the change in accounting principle (see Note 15.) Our auditors' opinion was not modified with respect to the restatement.

Report on Summarized Comparative Information

We have previously audited the City's 2017 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified opinions on those financial statements in our report dated June 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December, 31 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, the schedule of long-term debt issues payable, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and Members of the City Council
City of Brooklyn Park, Minnesota

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 20, 2019

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

As management of the City of Brooklyn Park (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The overall net position of the City increased by \$6,689,908. This change is comprised of an increase in the net position of governmental activities of \$4,772,473 and an increase in the net position of business-type activities of \$1,917,435. Additionally, beginning net position was restated for the implementation of GASB Statement No. 75, which decreased beginning net position by \$4,387,641.
- The net position of the City equaled \$394.7 million at the end of 2018. Of this amount, \$109 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. This represents an increase of \$571,773 or .5% from 2017.
- As of December 31, 2018, unassigned fund balance within the General Fund was \$19.1 million or 39% of total general fund expenses.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Brooklyn Park's basic financial statements. The City of Brooklyn Park's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the 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 a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as its net position. Over time, increases or decreases in the 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 change in the City's net position during the most recent fiscal year. All changes in the 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,

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

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 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, community development, public safety, public works, and recreation and parks. The business-type activities of the City include utilities (water, sanitary sewer, recycling, storm sewer, and street/signal lights) and golf courses.

The government-wide financial statements include not only the City of Brooklyn Park itself (known as the *primary government*), but also a legally separate Economic Development Authority. The Economic Development Authority, although legally separate, functions for all practical purposes as a department of the City of Brooklyn Park, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be viewed on pages 43-44 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 of Brooklyn Park, 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 three categories:

- Governmental funds
- Proprietary funds
- Fiduciary 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 available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial 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 City's near-term financial decisions.

Both the governmental fund balance sheet and governmental fund statement of revenues, expenses, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Brooklyn Park maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

of revenues, expenses, and changes in fund balances for the General Fund, Revolving, General Debt Service, Special Assessment Construction, Heritage Infrastructure, Economic Development Authority, and Tax Increment Financing, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation, labeled "other governmental funds." 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 of Brooklyn Park adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 45-51 of this report.

Proprietary Funds – The City of Brooklyn Park 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 of Brooklyn Park uses enterprise funds to account for its water, sanitary sewer, recycling, storm sewer, street/signal light, and golf course functions. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Brooklyn Park's various functions. The City of Brooklyn Park uses internal service funds to account for its central services (buildings and fleet of vehicles), information technology systems, loss control function and all benefits for employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for public utilities, storm sewer utility, street/signal light utility, and recreation (golf courses). All are considered major funds of the City of Brooklyn Park. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 52-57 of this report.

Fiduciary funds – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 58 of this report.

Notes to the financial statements – provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 59-116 of this report.

Supplementary information – includes the combining and individual fund statements referred to earlier in connection with non-major governmental funds, internal service funds, and agency funds. These combining and individual statements are presented immediately following the notes to the financial

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

statements. Combining statements and additional statements can be found on pages 122-155 of this report.

Change in Net Position

As noted earlier, the net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$394.7 million at December 31, 2018.

City of Brooklyn Park - Net Position

	2018	2017	Variance	Percent Change
Cash and investments	\$ 162,911,446	\$ 160,764,242	\$ 2,147,204	1.3 %
Other assets	32,125,590	32,012,669	112,921	0.4 %
Capital assets	292,578,268	296,075,935	(3,497,667)	(1.2) %
Total assets	487,615,304	488,852,846	(1,237,542)	(0.3) %
Deferred Outflows of Resources	22,730,803	31,248,891	(8,518,088)	(27.3) %
Other liabilities	5,836,134	8,531,826	(2,695,692)	(31.6) %
Long-term liabilities outstanding	79,550,130	87,258,165	(7,708,035)	(8.8) %
Total liabilities	85,386,264	95,789,991	(10,403,727)	(10.9) %
Deferred Inflows of Resources	30,267,303	31,921,473	(1,654,170)	(5.2) %
Net Position:				
Net investment in capital assets	253,102,967	253,044,584	58,383	0.0 %
Restricted	32,238,199	30,566,088	1,672,111	5.5 %
Unrestricted	109,351,374	108,779,601	571,773	0.5 %
Total net position (as previously reported)	394,692,540	392,390,273	2,302,267	0.6
Prior Period Adjustment (see Note 15)	-	(4,387,641)	4,387,641	(100.0)
Total net position	\$ 394,692,540	\$ 388,002,632	\$ 6,689,908	1.7 %

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

The net position is divided into three areas; net investment in capital assets, restricted, and unrestricted.

Net Investment in capital assets

This area within net position represents the City's investment in capital assets (land, buildings, infrastructure {streets, parks, utilities}, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. For 2018, these assets represent 64.1% of the total net position. Governmental Accounting Standards Board Statement No. 34 requires the City to report infrastructure assets used in governmental activities placed in service since 1980.

Restricted

This portion of the net position represents resources that are subject to external restrictions on how they may be used. 8.2% of the total net position is restricted as of December 31, 2018.

Unrestricted

The unrestricted portion of net position represents resources that are available to meet the City's short and long-term obligations. Unrestricted net position represents 27.6% of the total net position as of December 31, 2018.

Statement of Activities

The total net position of the City increased by just over \$2.3 million or .6%. These amounts do not include the restated December 31, 2017 with the implementation of GASB Statement No. 75 change in accounting principle for OPEB. Activities are divided into governmental and business-type.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Activities

City of Brooklyn Park Net Position - Governmental

	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>Percent Change</u>
Cash and investments	\$ 119,698,249	\$ 120,768,807	\$ (1,070,558)	(0.9) %
Other assets	26,080,128	25,058,931	1,021,197	4.1 %
Capital assets	165,573,861	167,483,573	(1,909,712)	(1.1) %
Total assets	<u>311,352,238</u>	<u>313,311,311</u>	<u>(1,959,073)</u>	<u>(0.6) %</u>
Deferred Outflows of Resources	<u>22,400,918</u>	<u>30,481,658</u>	<u>(8,080,740)</u>	<u>(26.5) %</u>
Other liabilities	4,339,591	7,180,819	(2,841,228)	(39.6) %
Long-term liabilities outstanding	65,735,818	71,936,956	(6,201,138)	(8.6) %
Total liabilities	<u>70,075,409</u>	<u>79,117,775</u>	<u>(9,042,366)</u>	<u>(11.4) %</u>
Deferred Inflows of Resources	<u>29,802,989</u>	<u>31,466,077</u>	<u>(1,663,088)</u>	<u>(5.3) %</u>
Net Position:				
Net investment in capital assets	138,539,220	137,434,431	1,104,789	0.8 %
Restricted	32,238,199	30,566,088	1,672,111	5.5 %
Unrestricted	63,097,339	65,208,598	(2,111,259)	(3.2) %
Total net position	<u>\$ 233,874,758</u>	<u>\$ 233,209,117</u>	<u>\$ 665,641</u>	<u>0.3 %</u>

The net position related to governmental activities increased by \$4.8 million during the year as a result of the following:

- Includes a prior period adjustment to beginning net position of (\$4.1) million for the implementation of GASB Statement No. 75.
- Overall the net investment in capital assets increased by \$1.1 million. This is a combination of fixed asset changes which is net of depreciation and offset by principle payments of debt.
- Decrease in Deferred Outflows is mainly due to the reduction in the Police Pension liability.
- Restricted net position increased by 5.5% or \$1.7 million due to a combination of principal payments and decreases in TIF fund balances caused by the closure of a TIF district.
- Unrestricted net position decreased by \$2.1 million or 3.2%.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Activities

Changes in Net Position - Governmental Activities				
	2018	2017	Variance	Percent
Revenues				
Program revenues:				
Charges for Services	\$ 6,958,110	\$ 8,369,803	\$ (1,411,693)	(16.9) %
Operating Grants & Contributions	3,565,032	6,114,529	(2,549,497)	(41.7) %
Capital Grants and Contributions	2,827,626	3,139,549	(311,923)	(9.9) %
Property taxes	44,695,064	47,313,766	(2,618,702)	(5.5) %
Tax increments	2,086,605	1,987,260	99,345	5.0 %
Franchise Fees	5,879,239	5,732,536	146,703	2.6 %
Grants and contributions	1,375,913	1,213,077	162,836	13.4 %
Investment earnings	2,346,558	1,659,708	686,850	41.4 %
Gain on disposal of assets	47,426	47,553	(127)	(0.3) %
Other revenue	2,400,260	5,986,783	(3,586,523)	(59.9) %
Total Revenues	72,181,833	81,564,564	(9,382,731)	(11.5) %
Expenses				
General Government	6,201,773	8,658,872	(2,457,099)	(28.4) %
Community Development	4,521,550	9,746,885	(5,225,335)	(53.6) %
Public Safety	30,218,989	32,734,865	(2,515,876)	(7.7) %
Public Works	14,341,136	10,542,667	3,798,469	36.0 %
Recreation and Parks	10,729,393	10,764,266	(34,873)	(0.3) %
Debt Service	1,444,969	1,178,592	266,377	22.6 %
Total Expenses	67,457,810	73,626,147	(6,168,337)	(8.4) %
Change in net position, before transfers	4,724,023	7,938,417	(3,214,394)	(40.5) %
Transfers in (out)	48,450	89,000	(40,550)	(45.6) %
Change in net position	4,772,473	8,027,417	(3,254,944)	(40.5) %
Net Position, January 1 (as previously reported)	233,209,117	225,181,700	8,027,417	3.6 %
Prior Period Adjustment	(4,106,832)	-	(4,106,832)	
Net Position- Beginning Restated (See Note 15)	229,102,285	225,181,700	3,920,585	1.7 %
Net Position, December 31	\$ 233,874,758	\$ 233,209,117	\$ 665,641	0.3 %

Governmental Activities – Revenue Analysis

Revenues for governmental activities totaled \$72.2 million in 2018 as compared to \$81.6 million in 2017. The key elements of this change are as follows:

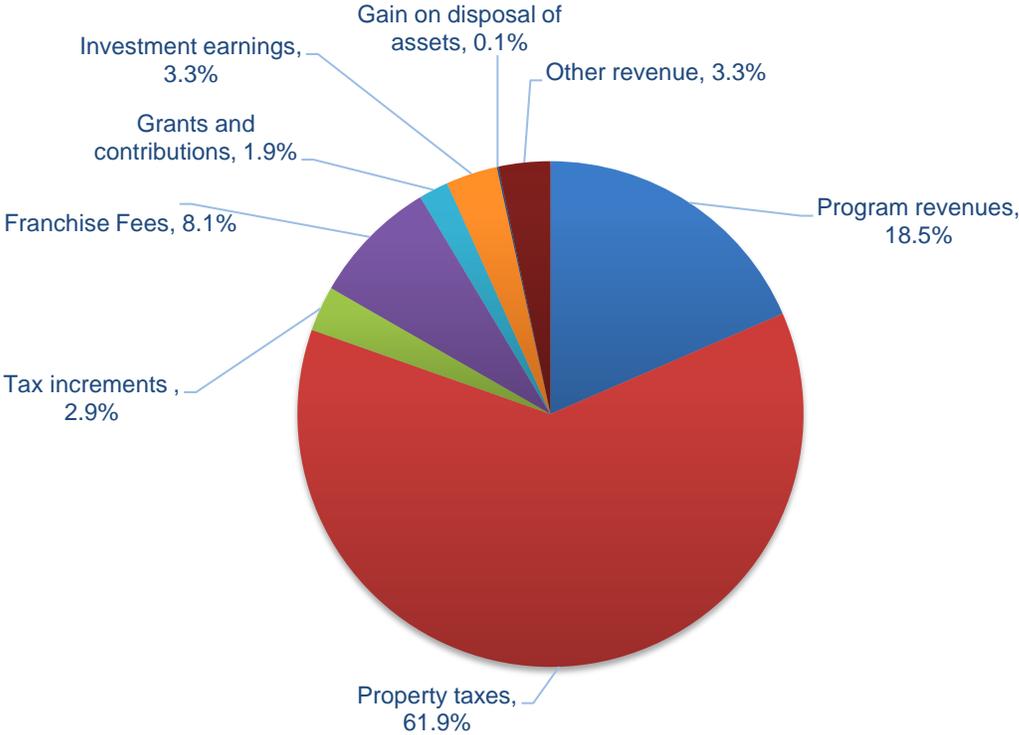
- Property taxes decreased by \$2.6 million or 5.5% due to deferrals realized in 2017.
- Program revenues decreased \$4.3 million from 2017 due to reductions in permits and associated revenue issued in 2017 for repairs due to storm damage and the expiration of the grant from the Minnesota Department of Employment and Economic Development (DEED) for the Minnesota Investment Fund program in 2017.
- Other revenue decreased by \$3.6 million primarily due to a decrease in funding for special assessment construction projects.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

The graph below depicts a percentage breakdown of revenues excluding net transfers in:

Revenues by Source Governmental Activities - YE 2018



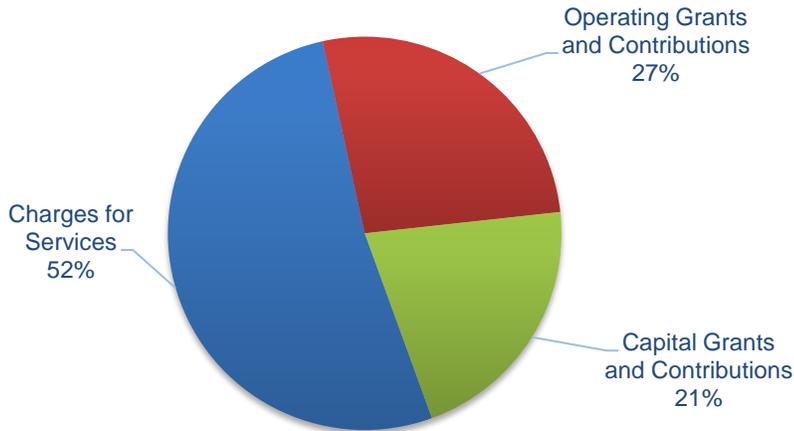
City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Revenues – Program Analysis

Program revenues, which represent 18.5% of governmental activity revenue for 2018, are considered to be those funds that are received through charges for services or grants and contributions. The chart below depicts a breakdown of program revenues by major source for the year ended December 31, 2018:

**Program Revenues by Major Source
Governmental Activities - YE 2018**



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Program Revenue Amounts Comparative Analysis by Function:

Charges for Services				
Functions	2018	2017	Variance	Percent Change
General Government	\$ 570,939	\$ 694,235	\$ (123,296)	(17.8) %
Community Development	252,781	274,948	(22,167)	(8.1) %
Public Safety	3,809,349	4,782,486	(973,137)	(20.3) %
Public Works	220,347	86,689	133,658	154.2 %
Recreation and Parks	2,104,694	2,531,445	(426,751)	(16.9) %
Totals	\$ 6,958,110	\$ 8,369,803	\$ (1,411,693)	(16.9) %

Operating Grants and Contributions				
Functions	2018	2017	Variance	Percent Change
General Government	\$ 337,831	\$ 830,960	\$ (493,129)	(59.3) %
Community Development	635,981	3,198,293	(2,562,312)	(80.1) %
Public Safety	1,678,054	1,929,560	(251,506)	(13.0) %
Public Works	809,592	2,077	807,515	38878.9 %
Recreation and Parks	91,374	137,439	(46,065)	(33.5) %
Debt Service	12,200	16,200	(4,000)	(24.7) %
Totals	\$ 3,565,032	\$ 6,114,529	\$ (2,549,497)	(41.7) %

Capital Grants and Contributions				
Functions	2018	2017	Variance	Percent Change
Community Development	\$ 280,788	\$ 228,775	\$ 52,013	22.7 %
Public Works	2,373,638	2,523,774	(150,136)	(5.9) %
Debt Service	173,200	387,000	(213,800)	(55.2) %
Totals	\$ 2,827,626	\$ 3,139,549	\$ (311,923)	(9.9) %

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Charges for services in 2018 decreased by \$1.4 million or 16.9% compared to 2017. Highlights of the changes are described below:

Government revenue for charges for service in the public safety function decreased a little under \$1 million from 2017 due to a storm that went through the city that caused significant damage to properties and increased permit revenues in 2017.

Operating grants and contributions decrease by 41.7% due to the following:

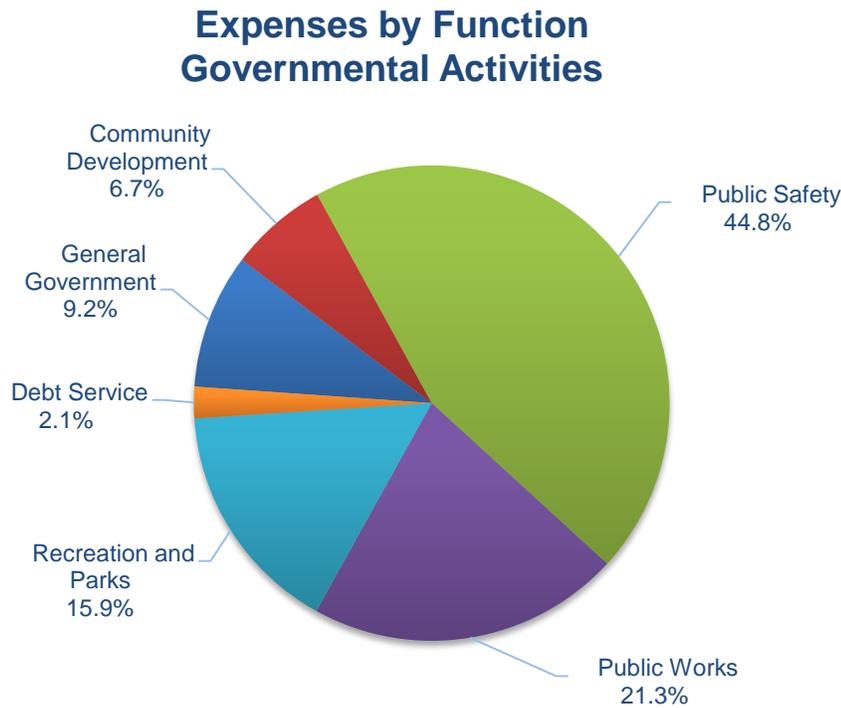
There was no new loan issued in 2018 for the Minnesota Investment Fund program from Minnesota Department of Employment and Economic Development (DEED) for the Minnesota Investment Fund (MIF) program. The city partners with DEED provide financial incentives to new and expanding business.

Capital grants and contributions decreased by 9.9% due to the following:

There was a reduction in debt service payments in 2018.

Governmental Activities – Expense Analysis

Governmental Activities Expense for 2018 was just over \$67.5 million which was 8.4% or \$6.2 million decrease from 2017.



City of Brooklyn Park, Minnesota

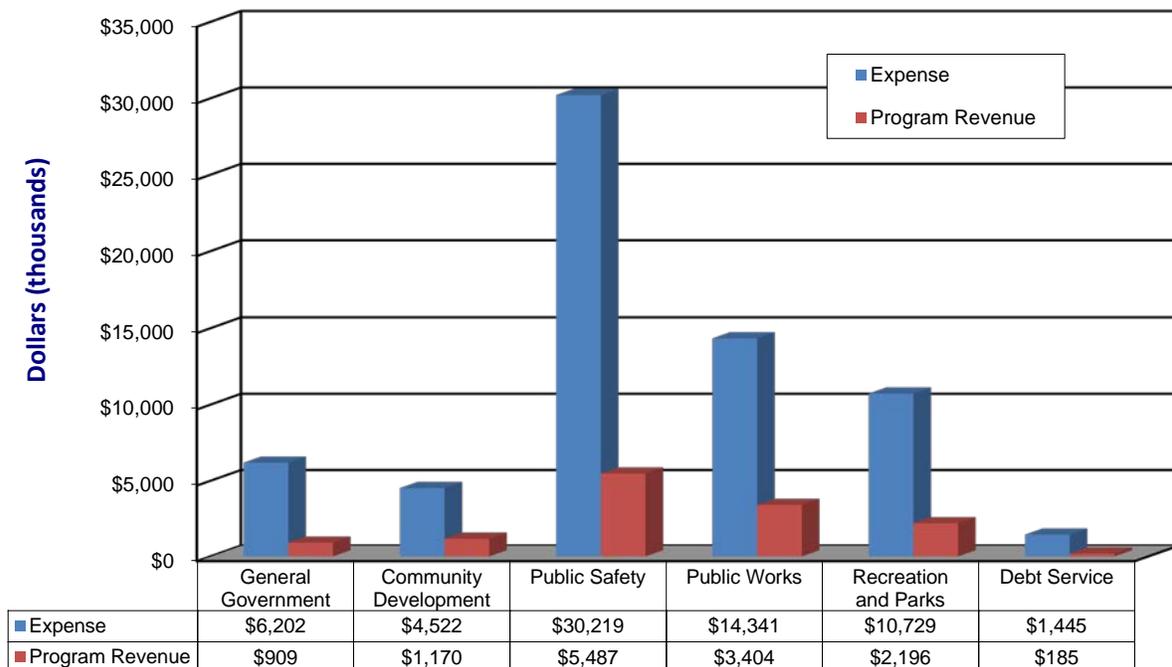
Management's Discussion and Analysis

The changes in the expense is due to the following circumstances:

- General Government expense decreased by \$2.5 million mainly due to depreciation adjustments in 2017.
- Community Development expense decreased by \$5.2 million or 53.6% mainly due to a reduction in foreclosure reduction activities and a pay out of the Minnesota Investment Fund (MIF) loan to the businesses.
- Public Safety expense decreased by \$2.5 million or 7.7% over 2017 mainly due to salary and benefit net pension expense liability adjustments.
- Public Works expense increased \$3.8 million or 36% over 2017 mainly due to an increase in fixed assets.

The chart below depicts the gap between program revenues versus expense within governmental activities:

**Expense vs Program Revenue
Governmental Activities - YE 2018**



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Business-type Activities

City of Brooklyn Park Net Position - Business Type

	2018	2017	Variance	Percent Change
Cash and investments	\$ 43,213,197	\$ 39,995,435	\$ 3,217,762	8.0 %
Other assets	6,045,462	6,953,738	(908,276)	(13.1) %
Capital assets	127,004,407	128,592,362	(1,587,955)	(1.2) %
Total assets	176,263,066	175,541,535	721,531	0.4 %
Deferred Outflows of Resources	329,885	767,233	(437,348)	(57.0) %
Other liabilities	1,496,543	1,351,007	145,536	10.8 %
Long-term liabilities outstanding	13,814,312	15,321,209	(1,506,897)	(9.8) %
Total liabilities	15,310,855	16,672,216	(1,361,361)	(8.2) %
Deferred Inflows of Resources	464,314	455,396	8,918	2.0 %
Net Position:				
Net investment in capital assets	114,563,747	115,610,153	(1,046,406)	(0.9) %
Unrestricted	46,254,035	43,571,003	2,683,032	6.2 %
Total net position	\$ 160,817,782	\$ 233,209,117	\$ 1,636,626	0.7 %

The net position of business-type activities represents the change in net income of all enterprise funds shown in the fund financial statements. The total change in net position from 2018 was an increase of \$1.9 million.

- Includes the prior period adjustment to beginning net position of (\$280,809) for the implementation of GASB Statement No. 75.
- The decrease in capital assets is related to continued depreciation of the overall system.
- Long-term liabilities decrease is due to refunding of bonds payable and decrease in the net pension liability.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Business-type Activities – Revenue Analysis

Changes in Net Position- Business-type Activities				
	2018	2017	Variance	Percent
<u>Revenues</u>				
Program revenues:				
Charges for Services	\$ 21,473,381	\$ 20,206,779	\$ 1,266,602	6.3 %
Operating Grants & Contributions	178,720	196,928	(18,208)	(9.2) %
Capital Grants and Contributions	278,409	13,085	265,324	2027.7 %
Investment earnings	301,722	423,731	(122,009)	(28.8) %
Gain on disposal of assets	2,000	-	2,000	(100.0) %
Other revenue	423,168	737,383	(314,215)	(42.6) %
Total Revenues	<u>22,657,400</u>	<u>21,577,906</u>	<u>1,079,494</u>	<u>5.0 %</u>
<u>Expenses</u>				
Public Utilities	14,762,231	16,865,615	(2,103,384)	(12.5) %
Storm Sewer Utility	2,393,094	2,181,443	211,651	9.7 %
Street & Signal Light Utility	1,523,603	1,261,121	262,482	20.8 %
Recreation	2,012,587	2,119,943	(107,356)	(5.1) %
Total Expenses	<u>20,691,515</u>	<u>22,428,122</u>	<u>(1,736,607)</u>	<u>(7.7) %</u>
Change in net position, before transfers	1,965,885	(850,216)	2,816,101	(331.2) %
Transfers in (out)	(48,450)	(89,000)	40,550	(45.6) %
Change in net position	<u>1,917,435</u>	<u>(939,216)</u>	<u>2,856,651</u>	<u>(304.2) %</u>
Net Position, January 1 (as previously reported)	159,181,156	160,120,372	(939,216)	(0.6) %
Prior Period Adjustment	(280,809)	-	(280,809)	
Net Position Beginning Restated (See Note 15)	<u>158,900,347</u>	<u>160,120,372</u>	<u>(1,220,025)</u>	<u>(0.8) %</u>
Net Position, December 31	<u>\$ 160,817,782</u>	<u>\$ 159,181,156</u>	<u>\$ 1,636,626</u>	<u>1.0 %</u>

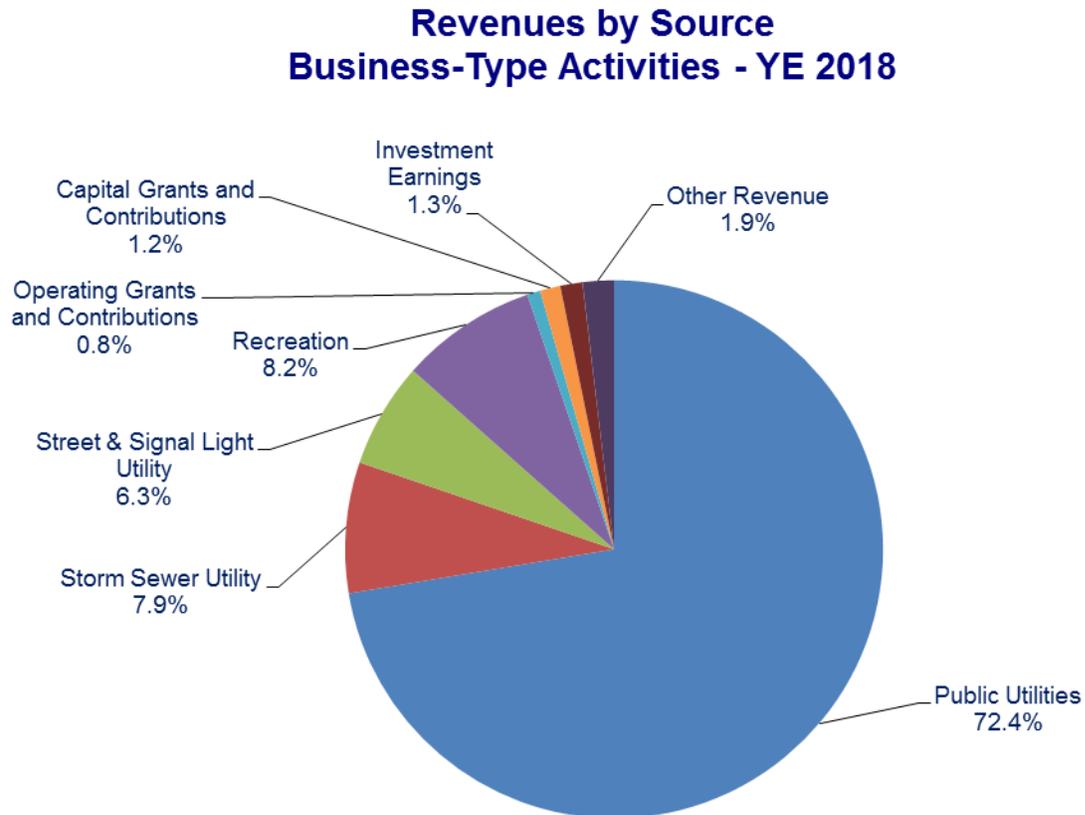
Revenues before transfers for business-type activities totaled \$22.7 in 2018 as compared with \$21.6 million in 2017. Key elements of this change are as follows:

- Charges for services increased by \$1.3 million, related generally to the increased utility revenues as a result of fee increases.
- Operating Grants and Contributions decreased by \$18,208 due to the reduction in grant revenue.
- Capital Grants and Contributions increased by \$265,324 due to an increase in state grants.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

The following charts depict the revenues by source before transfers:



City of Brooklyn Park, Minnesota

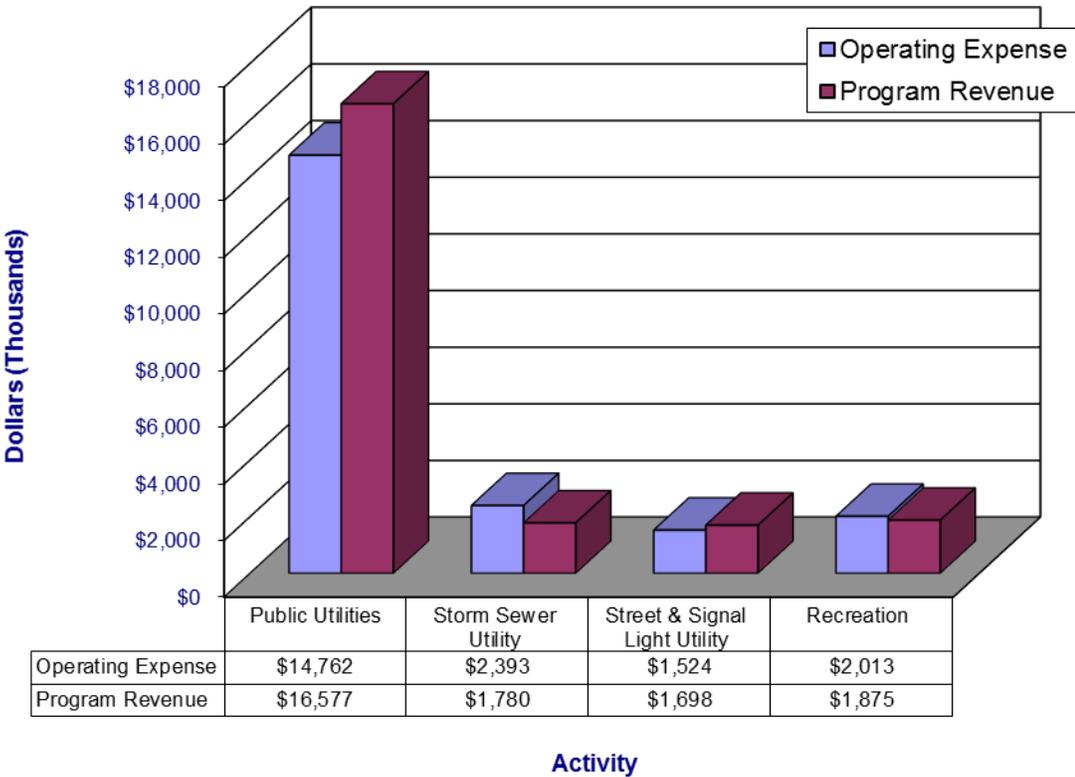
Management’s Discussion and Analysis

Business-Type Activities – Expenses Analysis

Overall Business-Type Activities Expenses for 2018 decrease by \$1.7 million, or 7.7% from 2017 Activity.

Charts comparing expenses with program revenues for 2018, as well as 2017, are shown below:

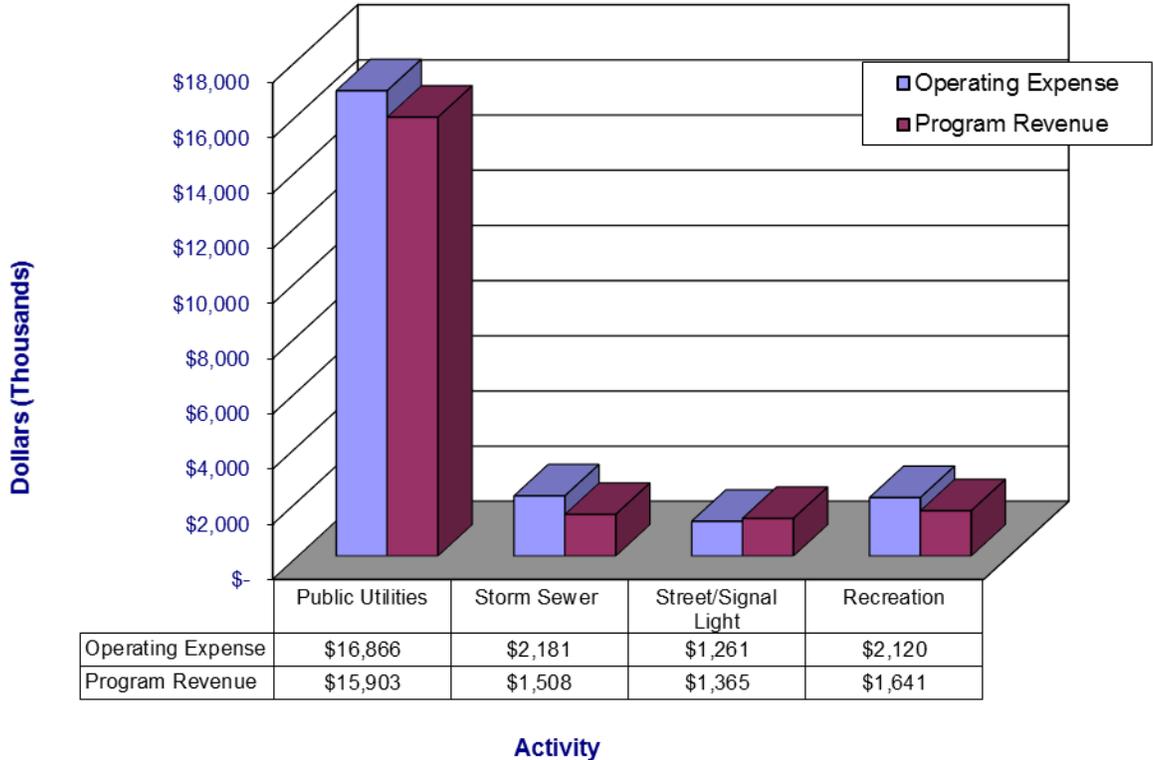
**Operating Expenses vs Program Revenues
Business-Type Activities - YE 2018**



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Operating Expense vs Program Revenue Business-type Activities - YE 2017



Fund Financial Statements Analysis

As noted earlier, the City of Brooklyn Park uses fund accounting to ensure and demonstrate compliance with finance-related 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 financial requirements. In particular, the City's unassigned, assigned, and committed fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Fund Balances

At December 31, 2018, the City's governmental funds reported combined ending fund balances of just over \$121.7 million, an increase of just under \$3.5 million from 2017. Approximately 15.7% or \$19.1 million of this total constitutes unassigned fund balance, which is available for spending at the government's discretion. During 2011, the City Council adopted a Fund Balance Policy as part of its implementation of Government Accounting Standards Board (GASB) Statement No. 54. This statement re-defined the fund balance categories and those are reflected below (Please see Note 9 on pages 98 -101 for more information on fund balance categories). Based on the policy and actions from 2011, the City Council has committed 44.8% or \$54.8 million of the overall fund balance for the following purposes:

Committed Fund Balances

Capital Projects	\$ 10,599,195
Community Development	18,454,510
Park Improvements	3,515,568
Recreation Programs	66,552
Transportation Improvements	<u>22,195,498</u>
Total Committed Fund Balances	<u><u>\$ 54,831,323</u></u>

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Major Fund Analysis

General Fund

The General Fund ended 2018 with a net change in Fund Balance of (\$761,038) compared with \$2.8 million in 2017. Comparisons of revenue and expenses between 2018 and 2017 are as follows:

	FY 2018		FY 2017		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
REVENUES						
General property taxes	\$ 38,914,719	80.2%	\$ 38,578,917	78.5%	\$ 335,802	0.9%
Special assessments	96,315	0.2%	74,883	0.2%	21,432	28.6%
Licenses and permits	3,093,117	6.4%	3,778,342	7.7%	(685,225)	-18.1%
Fines and forfeitures	312,944	0.6%	356,322	0.7%	(43,378)	-12.2%
Intergovernmental revenue	1,706,065	3.5%	1,718,425	3.5%	(12,360)	-0.7%
Donations	33,285	0.1%	18,668	0.0%	14,617	78.3%
Refunds and reimbursements	53,591	0.1%	92,749	0.2%	(39,158)	-42.2%
Charges for services	2,897,386	6.0%	3,162,522	6.4%	(265,136)	-8.4%
Investment income	163,254	0.3%	129,863	0.3%	33,391	25.7%
Lease income	142,093	0.3%	101,712	0.2%	40,381	39.7%
Other revenue	1,097,636	2.3%	1,102,756	2.2%	(5,120)	-0.5%
Total revenues	\$ 48,510,405	100.0%	\$ 49,115,159	100.0%	\$ (604,754)	-1.2%

Overall revenue in the General Fund decrease in 2018 by \$604,754 or 1.2% over 2017. The highlights of this change are as follows:

- Property Taxes increased by \$335,802 or .9% due to a combination of City Council approved tax levy increase and a decrease in current collections and Fiscal Disparities Tax, with the remaining representing increased delinquent collections. The Fiscal Disparities Tax is a seven-county metro area pool that combines 40% of the commercial/industrial value and re-distributes the taxes generated from that value to all communities in the area based on criteria such as population and tax base. The City distribution from this pool has increased as its tax base has declined more rapidly than most other communities within the seven-county district.
- License and permits decreased by 18.1% from 2017. This was primarily attributed to a hail storm in 2017 that caused significant damage to some residential and commercial property resulting in an increase in revenue from permit fees.
- Charges for Services decreased by (\$265,186) due to a reduction in conduit fees revenue that is realized by issuing conduit revenue bonds for organizations within the city and also a reduction in inspection fees.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

	FY 2018		FY 2017		Increase / (Decrease)	Percent Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
EXPENDITURES						
General Government	\$ 5,431,439	11.1%	\$ 5,130,671	11.0%	\$ 300,768	5.9%
Community Development	1,499,391	3.1%	1,594,604	3.4%	(95,213)	-6.0%
Public Safety	29,865,322	61.0%	28,557,887	61.1%	1,307,435	4.6%
Public Works	3,962,651	8.1%	3,598,865	7.7%	363,786	10.1%
Recreation and Parks	8,174,258	16.7%	7,817,570	16.7%	356,688	4.6%
Debt Service - Interest	8,223	0.0%	10,567	0.0%	(2,344)	-22.2%
Total expenditures	\$ 48,941,284	100.0%	\$ 46,710,164	100.0%	\$ 2,231,120	4.8%

In overall, the expenses within the General Fund increased by \$2.2 million or 4.7% over 2017. The highlights of this change are as follows:

- Public Safety increased by \$1.3 million or 4.6% due to salary and benefits increases. The salary and benefit adjustments are mainly within the police and fire departments related to union contract settlements and organizational restructuring. Both Police and Fire saw increases in their building, vehicle, and loss control charges to increased needs related to their operations, which had been programmed within the adopted budget.
- Public Works increased by \$363,786 or 10.1% from 2017 due to higher salary and benefit costs for seasonal workers, retirements, and overtime for snow removal, etc.
- Recreation & Parks increased by \$356,688 or 4.6% due to the increases in salary and benefits costs.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

General Fund Budget Amendments

During the year, the Council may by resolution amend the budget. During 2018, the Contingency (which is reported in the General Government expenses) was not utilized.

General Debt Service Fund

The General Debt Service Fund saw decreased revenues and increased expenses in 2018 as compared with 2017 directly related to debt service requirements.

Special Assessment Construction Capital Project Fund

Special Assessment Construction Capital Project Fund is committed for funding the City's Transportation Improvement Program. The funding is derived mainly from special assessments related to roadway and street infrastructure that is not needed for debt payments and state aid related to maintenance and construction of the City's state aid designated roadways. Highlights of this change are shown as follows:

Special Assessment Construction Capital Project Fund

	FY 2018		FY 2017		Increase / (Decrease)	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
REVENUES						
Special assessments	823,355	17.9%	720,991	20.9%	102,364	14.2%
Intergovernmental revenue	3,190,607	69.3%	2,373,718	68.5%	816,889	34.4%
Donations	71,639	1.6%	5,000	0.1%	66,639	0.0%
Refunds and reimbursements	233,166	5.1%	222,718	6.4%	10,448	4.7%
Interest on assessments	14,065	0.3%	27,170	0.8%	(13,105)	-48.2%
Investment income	272,779	5.9%	113,500	3.3%	159,279	140.3%
Total revenues	\$ 4,605,611	100.0%	\$ 3,463,097	100.0%	\$ 1,142,514	33.0%
EXPENDITURES						
Public Works	2,613,081	35.2%	2,685,689	33.7%	(72,608)	-2.7%
Interest and fiscal charges	-	0.0%	48,410	0.6%	(48,410)	0.0%
Capital Outlay	4,819,602	64.8%	5,229,152	65.7%	(409,550)	-7.8%
Total expenditures	\$ 7,432,683	100.0%	\$ 7,963,251	100.0%	\$ (530,568)	-6.7%

- Revenues increased by \$1.1 million mostly due to the increase in municipal state aid for road construction projects.
- 2018 expenses related to projects decreased by \$530,568 from 2017. This is related to the planned projects within the City's Capital Improvement Plan that were not completed.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Heritage Infrastructure Capital Project Fund

The Heritage Infrastructure Capital Project Fund was established by City Charter in the early 1990's to act as a conduit for setting aside funding to help pay for City building, park, and transportation infrastructure projects on a pay as you go basis. The concept was to help minimize the issuance of debt by saving ahead for some of the needs. For 2018, the Heritage Infrastructure Capital Project Fund saw a decrease in its fund balance of \$825,348. The highlights of the fund are as follows:

Heritage Infrastructure

	FY 2018		FY 2017		Increase / (Decrease)	Percent Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
REVENUES						
General property taxes	\$ 217,091	12.7%	\$ 379,834	22.6%	\$ (162,743)	-42.8%
Intergovernmental revenue	1,375,850	80.2%	1,213,074	72.1%	162,776	13.4%
Investment income	123,176	7.2%	88,914	5.3%	34,262	325.5%
Total revenues	<u>\$ 1,716,117</u>	<u>100.0%</u>	<u>\$ 1,681,822</u>	<u>100.0%</u>	<u>\$ 34,295</u>	<u>2.0%</u>

	FY 2018		FY 2017		Increase / (Decrease)	Percent Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
EXPENDITURES						
Public Works	\$ 7,816	100.0%	\$ 5,486	100.0%	\$ 2,330	42.5%
Total expenditures	<u>\$ 7,816</u>	<u>100.0%</u>	<u>\$ 5,486</u>	<u>100.0%</u>	<u>\$ 2,330</u>	<u>42.5%</u>

The sources of revenue for the Fund are a general tax levy, investment income, and transfers of excess from the maturity of debt. For 2018, the Fund saw revenue of over \$1.7 million related to a general tax levy including the dedication of Local Government Aid (LGA) from the state of \$1.4 million. The planned reduction of the levy was continued in 2018 with LGA filling the gap.

The fund does not incur significant expenses, but instead transfers out funding for projects identified in the Capital Improvement Plan to other funds. During 2018, just over \$1 million was transferred out for projects as compared with just under \$1.4 million in 2017. Year to year changes in transfers are directly related to the timing of projects as funded through the City's capital planning process. In 2018 the Fund received \$150,000 transfer from the General Fund as budgeted for project related expenses.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Economic Development Authority Capital Project Fund

The Economic Development Authority (EDA) Capital Project Fund serves as the main development fund for the Brooklyn Park EDA. At the end of 2018, the net change in fund balance for the fund was an increase of \$686,805 as compared with \$11.1 million increase in 2017. This was mainly caused by a closure of a TIF fund and remaining funds transferred to EDA fund in 2017.

Economic Development Authority

	FY 2018		FY 2017		Increase / (Decrease)	Percent Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
REVENUES						
General property taxes	\$ 3,078,360	67.0%	\$ 2,085,568	54.2%	\$ 992,792	47.6%
Special assessments	24,908	0.5%	49,317	1.3%	(24,409)	-49.5%
Intergovernmental Revenues	225,000	4.9%	72,414	1.9%	152,586	210.7%
Refunds and reimbursements	6,200	0.1%	-	0.0%	6,200	100.0%
Charges for services	10,601	0.2%	914	0.0%	9,687	1059.8%
Interest on assessments	-	0.0%	65,647	1.7%	(65,647)	-100.0%
Investment income	864,280	18.8%	277,835	7.2%	586,445	211.1%
Developers repayment	30,000	0.7%	212,231	5.5%	(182,231)	-85.9%
Lease income	38,179	0.8%	30,600	0.8%	7,579	24.8%
Other revenue	315,547	6.9%	1,052,741	27.4%	(737,194)	-70.0%
Total revenues	\$ 4,593,075	100.0%	\$ 3,847,267	100.0%	\$ 745,808	19.4%
EXPENDITURES						
Community Development	\$ 1,881,660	54.0%	\$ 2,603,887	89.0%	\$ (722,227)	-27.7%
Debt Service - Interest	242,103	0.5%	322,680	0.7%	(80,577)	-25.0%
Capital Outlay	1,362,000	2.8%	-	0.0%	1,362,000	100.0%
Total expenditures	\$ 3,485,763	57.3%	\$ 2,926,567	89.7%	\$ 559,196	19.1%

Overall the revenues for 2018 increased by \$745,808 or 19.4% as compared with 2017. The highlights of the revenue changes are as follows:

- General Property Taxes increased by \$992,792 due to City Council action to increase the levy related to development activity and also return of excess tax increment with a closure of TIF.
- Investment Earnings in 2018 for the Fund totaled \$864,280, up from \$277,835 in 2017 due to the increase in fund balance. Allocation of unrealized gains and losses within the City's investment portfolio is required by accounting standards.
- Other Revenue decreased by \$737,194 related to the end of the foreclosure recovery initiatives leveraging federal grant dollars in 2017.
- Expenses increased \$559,196 due to the purchase of property.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Tax Increment Financing Capital Project Fund

The Tax Increment Financing (TIF) Capital Project Fund accounts for the activity associated with the City's TIF development districts. The net change in fund balance in 2018 for this Fund is an increase of \$1.3 million compared with \$11.5 million decrease in 2017. This was mainly due to the decertification of district 15 and fund transferred to the EDA in 2017. The highlights of this change are as follows:

Tax Increment Financing

	FY 2018		FY 2017		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
REVENUES						
Tax increments	2,086,603	78.9%	1,987,260	76.4%	\$ 99,343	5.0%
Investment income	647,897	24.5%	691,301	26.6%	(43,404)	-6.3%
Net change in fair value of investm	(89,645)	-0.2%	(77,667)	-0.2%	(11,978)	15.4%
Developers repayment	-	0.0%	-	0.0%	-	100.0%
Lease income	800	0.0%	650	0.0%	150	23.1%
Total revenues	\$ 2,645,655	103.2%	\$ 2,601,544	102.9%	\$ 44,111	1.7%
EXPENDITURES						
Community Development	\$ 419,966	22.1%	\$ 1,977,655	81.9%	\$ (1,557,689)	-78.8%
Debt Service - Interest	397,006	0.8%	435,918	0.9%	(38,912)	-8.9%
Capital Outlay	1,085,000	2.2%	-	0.0%	1,085,000	100.0%
Total expenditures	\$ 1,901,972	25.1%	\$ 2,413,573	82.9%	\$ (511,601)	-21.2%

- Tax Increment revenue for 2018 increased \$99,343 from 2017.
- 2018 expenses decreased \$511,601 from 2017 reflecting increased development activity and efforts for the year. In addition, a tax increment was returned to Hennepin County in the amount of \$1.4 in 2017 due to the closure of TIF 15.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Proprietary Funds

Proprietary Funds include Enterprise Funds that are reported as business-type activities and Internal Service Funds.

Enterprise Funds

Overall the net position of the enterprise funds in 2018 increased by just under \$2 million. Net investment in capital assets decreased by approximately \$1 million and unrestricted net position increased just over 6% to \$46.3 million. This amount is available for spending for future operations and improvements.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Enterprise Fund Operations Summary Tables:

Operating Revenues

	FY 2018	FY 2017	Increase (Decrease)	Percent Change
	Amount	Amount	Amount	
Public Utilities	\$ 16,503,351	\$ 15,825,741	\$ 677,610	4.3 %
Storm Sewer Utility	1,773,558	1,520,640	252,918	16.6 %
Street & Signal Light Utility	1,628,859	1,365,212	263,647	19.3 %
Recreation	2,062,456	2,057,249	5,207	0.3 %
Total	\$ 21,968,224	\$ 20,768,842	\$ 1,199,382	5.8 %

Operating Expenses

	FY 2018	FY 2017	Increase (Decrease)	Percent Change
	Amount	Amount	Amount	
Public Utilities	\$ 14,035,067	\$ 16,126,502	\$ (2,091,435)	(13.0) %
Storm Sewer Utility	2,393,607	2,187,650	205,957	9.4 %
Street & Signal Light Utility	1,511,577	1,242,256	269,321	21.7 %
Recreation	1,993,639	2,086,747	(93,108)	(4.5) %
Total	\$ 19,933,890	\$ 21,643,155	\$ (1,709,265)	(7.9) %

Operating Income (Loss)

	FY 2018	FY 2017	Increase (Decrease)	Percent Change
	Amount	Amount	Amount	
Public Utilities	\$ 2,468,284	\$ (300,761)	\$ 2,769,045	(920.7) %
Storm Sewer Utility	(620,049)	(667,010)	46,961	(7.0) %
Street & Signal Light Utility	117,282	122,956	(5,674)	(4.6) %
Recreation	68,817	(29,498)	98,315	(333.3) %
Total	\$ 2,034,334	\$ (874,313)	\$ 2,908,647	(332.7) %

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Results related to individual enterprise operations are discussed below:

Public Utilities Fund

The Public Utilities Fund includes the combination of the water utility, sanitary sewer utility, and recycling utility. The Public Utilities Fund operating income increased by \$2.8 million over 2017. A rate study was completed in 2015. Sanitary sewer rate increases were effective May 1, 2015 and will be adjusted annually through 2019. The City continued with its three-tier water rate structure to promote conservation of resources. Water rates increases will be considered during 2019 budget discussions. Water and sanitary sewer rates are monitored and adjusted every four years.

Operating expenses decreased by \$2.1 million or 13% in 2018 as compared with 2017. The decrease was mainly due to a personnel services resulting from a change in accounting practice related to PERA, and contracted services related to water and sewer facility repair activities and recycling activity occurred at a lower level than in 2017. Overall, the fund remains healthy and has adequate reserves to make debt service payments and provide additional capital for needed improvements without adding to its current debt levels.

Storm Sewer Utility

The Storm Sewer Utility Fund operating income increased by \$46,961 due to increased utility revenue of \$252,918 or 16.6% compared to 2017 and expenses increased by \$205,957 in 2018. The increase was mainly due to capital contributions. A rate study was completed in 2017 and the Council passed planned rate increases through 2022.

Street/Signal Light Utility

The Street/Signal Light Utility Fund had an operating income of \$117,282 as compared with operating income of \$122,956 in 2017. Operating revenues increased by \$263,647 over 2017, while expenses increased by \$269,321 mainly due to contractual costs associated with the installation of a new signal light at 610/Noble. A rate study was completed in 2012 and the Council passed planned rate increases through 2018.

Recreation Fund (golf courses)

The Recreation Fund operating income for 2018 was \$68,817, an \$98,315 improvement compared with 2017. The golf course saw a slight increase in revenues from prior year and a decrease in expense mainly due to a personnel services resulting from a change in accounting practice related to PERA.

During 2013, the City hired a consultant to analyze some options for developing a better business plan to move the golf courses towards profitability in the future. The Strategic Plan for the Golf Course was adopted at the end of 2013 and is currently being implemented over the next several years.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Capital Assets

GASB Statement No. 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the citizens. The City's infrastructure assets are being recorded at historical or estimated historical costs in the government-wide financial statements.

Major capital asset transactions/events during the current fiscal year included:

- \$1.36 million in Land
- \$2.77 million for Streets and Sidewalks
- \$0.67 million for Machinery & Equipment.
- \$1.13 million in transportation vehicle purchases.
- \$0.05 million in parks
- \$3.58 million in Building and Infrastructure
- \$2.28 million in Construction in Progress, mainly for infrastructure and building improvement projects that were in progress at year-end.

Additional information on the City's capital assets can be found in Note 5 of the Notes to the Financial Statements in this report.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Debt Administration

Each of the City's debt issues are discussed in detail in Note 7 of the Notes to the Financial Statements. At December 31, 2018, the City's debt was comprised of the following:

Long-Term Debt (in Thousands)			
	FY 2018	FY 2017	Increase/ (Decrease)
<i><u>Governmental Activity Debt</u></i>			
General Obligation Bonds	\$ 20,100	\$ 22,190	\$ (2,090)
General Obligation Refunding Bonds	4,125	4,829	(704)
Gross Revenue Bonds	1,185	1,280	(95)
Brooklyn Park Economic Development Authority Debt	2,330	3,365	(1,035)
Compensated Absences	4,895	4,685	210
Other Post Employment Benefits	6,499	1,387	5,112
Net Pension Liability	26,602	34,200	(7,598)
Total Governmental Activity Debt	\$ 65,736	\$ 71,936	\$ (6,200)
<i><u>Business-Type Governmental Activity Debt</u></i>			
General Obligation Utility Revenue Bonds	\$ 11,540	\$ 12,930	\$ (1,390)
SAC Loan Met Council	20	27	(7)
Net Pension Liability	1,354	2,364	(1,010)
Premium/Discount (net)	900	-	900
Total Business-Type Activity Debt	\$ 13,814	\$ 15,321	\$ (1,507)

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Economic Factors and Next Year's Budget

The City considered the following factors when setting the fiscal 2019 budget:

- Maintain the current level of basic government services.
- Reviewed prior year expenses and made decisions based on historical actual expenses.
- Continue long-term infrastructure investments.
- Allocate resources based on prioritization of Council goals.
- Impact of State Legislature changes to local aid programs and the addition of levy limits.
- Changes to the tax base due to conditions in the commercial and housing markets.

Additionally, the following actions were taken regarding the 2018 Budget:

- Increase in property taxes to fund public safety initiatives, recreation program enhancement, general government service change requirements, and infrastructure needs.
- Strategic increase in workforce to maintain current level of government services.

Requests for Information

This financial report is designated to provide a general overview of the City of Brooklyn Park's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Brooklyn Park, LaTonia Green, Finance Director, 5200 85th Ave. N. Brooklyn Park, MN 55443. This report is also available on the City's website: <http://www.brooklynpark.org>.

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City of Brooklyn Park, Minnesota
Statement of Net Position
December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 119,698,249	\$ 43,213,197	\$ 162,911,446
Investments with escrow agent	23,316	-	23,316
Receivables:			
Accrued interest	760,747	89,018	849,765
Accounts	2,412,312	4,861,842	7,274,154
Taxes	1,291,632	-	1,291,632
Special assessments	6,863,558	99,283	6,962,841
Due from other governmental units	926,370	282,216	1,208,586
Internal balances	(493,717)	493,717	-
Inventories	61,993	171,882	233,875
Prepaid items	801,163	2,111	803,274
Property held for resale	8,612,571	-	8,612,571
Notes receivable	4,820,183	45,393	4,865,576
Capital assets not being depreciated	69,120,610	9,561,081	78,681,691
Capital assets net of accumulated depreciation	96,453,251	117,443,326	213,896,577
Total Assets:	311,352,238	176,263,066	487,615,304
Deferred Outflows of Resources			
Pensions	21,718,198	329,885	22,048,083
OPEB	682,720	-	682,720
Total Deferred Outflows of Resources:	22,400,918	329,885	22,730,803
Liabilities			
Accounts payable	1,659,786	652,282	2,312,068
Accrued wages payable	1,307,717	70,672	1,378,389
Contracts payable	224,875	11,920	236,795
Accrued interest payable	418,631	266,718	685,349
Customer and contractor deposits	454,671	336,245	790,916
Due to other government units	257,527	85,756	343,283
Unearned revenue	16,384	72,950	89,334
Noncurrent liabilities:			
Due within one year	4,602,881	1,022,308	5,625,189
Due in more than one year	61,132,937	12,792,004	73,924,941
Total Liabilities:	70,075,409	15,310,855	85,386,264
Deferred Inflows of Resources			
Deferred pension resources	29,802,989	464,314	30,267,303
Total Deferred Inflows of Resources:	29,802,989	464,314	30,267,303
Net Position			
Net investment in capital assets	138,539,220	114,563,747	253,102,967
Restricted for:			
Community development	26,816,799	-	26,816,799
Debt service	4,371,438	-	4,371,438
Public safety	574,908	-	574,908
Other purposes	475,054	-	475,054
Unrestricted	63,097,339	46,254,035	109,351,374
Total Net Position:	\$ 233,874,758	\$ 160,817,782	\$ 394,692,540

City of Brooklyn Park, Minnesota
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 6,201,773	\$ 570,939	\$ 337,831	\$ -	\$ (5,293,003)	\$ -	\$ (5,293,003)
Community Development	4,521,550	252,781	635,981	280,788	(3,352,000)	-	(3,352,000)
Public Safety	30,218,989	3,809,349	1,678,054	-	(24,731,586)	-	(24,731,586)
Public Works	14,341,136	220,347	809,592	2,373,638	(10,937,559)	-	(10,937,559)
Recreation & Parks	10,729,393	2,104,694	91,374	-	(8,533,325)	-	(8,533,325)
Debt Service	1,444,969	-	12,200	173,200	(1,259,569)	-	(1,259,569)
Total Governmental Activities:	<u>67,457,810</u>	<u>6,958,110</u>	<u>3,565,032</u>	<u>2,827,626</u>	<u>(54,107,042)</u>	<u>-</u>	<u>(54,107,042)</u>
Business-Type Activities:							
Public Utilities	14,762,231	16,398,413	178,720	-	-	1,814,902	1,814,902
Storm Sewer Utility	2,393,094	1,780,407	-	-	-	(612,687)	(612,687)
Street & Signal Light Utility	1,523,603	1,432,517	-	265,324	-	174,238	174,238
Recreation	2,012,587	1,862,044	-	13,085	-	(137,458)	(137,458)
Total Business-Type Activities:	<u>20,691,515</u>	<u>21,473,381</u>	<u>178,720</u>	<u>278,409</u>	<u>-</u>	<u>1,238,995</u>	<u>1,238,995</u>
Total Primary Government:	<u>\$ 88,149,325</u>	<u>\$ 28,431,491</u>	<u>\$ 3,743,752</u>	<u>\$ 3,106,035</u>	<u>(54,107,042)</u>	<u>1,238,995</u>	<u>(52,868,047)</u>
Property taxes					44,695,064	-	44,695,064
Tax increments					2,086,605	-	2,086,605
Franchise fees					5,879,239	-	5,879,239
Grants and contributions not restricted to specific programs					1,375,913	-	1,375,913
Interest and investment earnings					2,346,558	301,722	2,648,280
Gain on disposal of assets					47,426	2,000	49,426
Other revenue					2,400,260	423,168	2,823,428
Transfers					48,450	(48,450)	-
Total General Revenues and Transfers:					<u>58,879,515</u>	<u>678,440</u>	<u>59,557,955</u>
Change in Net Position:					4,772,473	1,917,435	6,689,908
Net Position - Beginning (as previously reported)					233,209,117	159,181,156	392,390,273
Prior Period Adjustment (see Note 15)					(4,106,832)	(280,809)	(4,387,641)
Net Position-Beginning Restated					<u>229,102,285</u>	<u>158,900,347</u>	<u>388,002,632</u>
Net Position - Ending:					<u>\$ 233,874,758</u>	<u>\$ 160,817,782</u>	<u>\$ 394,692,540</u>

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

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City of Brooklyn Park, Minnesota
Balance Sheet
Governmental Funds
December 31, 2018

	General	Revolving	General Debt Service	Special Assessment Construction
Assets				
Cash and investments	\$ 19,429,458	\$ 270,858	\$ 4,566,459	\$ 16,984,596
Investments with escrow agent	-	-	-	-
Accrued interest receivable	97,717	1,409	12,485	88,317
Accounts receivable	340,985	14,738	-	239,466
Taxes receivable:				
Unremitted	940,186	-	-	-
Delinquent	318,204	-	12,807	-
Special assessment receivable:				
Delinquent	17,140	-	311	4,949
Deferred	124,083	-	194,224	6,412,607
Due from other funds	63,861	-	-	-
Due from other governmental units	194,125	-	-	264,638
Inventories	1,998	-	-	-
Prepaid expenditures	17,998	-	-	-
Property held for resale	-	-	-	-
Notes receivable	-	3,236,380	-	-
Allowance for uncollectible accounts	-	-	-	-
Total Assets:	\$ 21,545,755	\$ 3,523,385	\$ 4,786,286	\$ 23,994,573
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable	\$ 357,856	\$ -	\$ 500	\$ 308,673
Accrued wages payable	1,120,988	-	-	-
Contracts payable	-	-	-	224,875
Customer and contractor deposits	317,973	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	106,271	-	-	65,222
Unearned revenue	14,677	-	-	-
Total Liabilities:	1,917,765	-	500	598,770
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	318,204	-	12,807	-
Unavailable revenue - special assessments	141,224	-	194,535	6,417,556
Unavailable revenue - notes receivable	-	3,236,380	-	-
Unavailable resources - other	64,000	-	180,200	264,638
Total Deferred Inflows of Resources:	523,428	3,236,380	387,542	6,682,194
Fund Balances:				
Nonspendable	19,996	-	-	-
Restricted	-	287,005	4,398,244	-
Committed	-	-	-	16,713,609
Assigned	-	-	-	-
Unassigned	19,084,566	-	-	-
Total Fund Balances:	19,104,562	287,005	4,398,244	16,713,609
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 21,545,755	\$ 3,523,385	\$ 4,786,286	\$ 23,994,573

Heritage Infrastructure	Economic Development Authority	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
\$ 10,546,883	\$ 32,025,179	\$ 16,268,298	\$ 10,463,612	\$ 110,555,343
-	23,316	-	-	23,316
52,312	354,573	79,729	27,317	713,859
-	1,432	-	1,742,476	2,339,097
-	-	-	-	940,186
-	16,028	4,407	-	351,446
-	-	-	-	22,400
-	110,244	-	-	6,841,158
-	13,319	-	-	77,180
-	229,200	-	237,652	925,615
-	-	-	4,419	6,417
-	1,428	-	-	19,426
-	-	5,805,021	2,807,550	8,612,571
-	1,583,803	4,514,766	-	9,334,949
-	-	(4,514,766)	-	(4,514,766)
<u>\$ 10,599,195</u>	<u>\$ 34,358,522</u>	<u>\$ 22,157,455</u>	<u>\$ 15,283,026</u>	<u>\$ 136,248,197</u>

\$ -	\$ 178,868	\$ 31	\$ 116,256	\$ 962,184
-	-	-	22,259	1,143,247
-	-	-	-	224,875
-	125,198	1,500	10,000	454,671
-	-	-	77,180	77,180
-	1	6,503	49,978	227,975
-	-	-	1,707	16,384
-	<u>304,067</u>	<u>8,034</u>	<u>277,380</u>	<u>3,106,516</u>

-	16,028	4,407	-	351,446
-	110,244	-	-	6,863,559
-	393,553	-	43,361	3,673,294
-	738	-	4,307	513,883
-	<u>520,563</u>	<u>4,407</u>	<u>47,668</u>	<u>11,402,182</u>

-	1,428	-	4,419	25,843
-	-	22,145,014	3,128,238	29,958,501
10,599,195	18,454,510	-	9,064,009	54,831,323
-	15,077,954	-	2,782,586	17,860,540
-	-	-	(21,274)	19,063,292
<u>10,599,195</u>	<u>33,533,892</u>	<u>22,145,014</u>	<u>14,957,978</u>	<u>121,739,499</u>

<u>\$ 10,599,195</u>	<u>\$ 34,358,522</u>	<u>\$ 22,157,455</u>	<u>\$ 15,283,026</u>	<u>\$ 136,248,197</u>
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City of Brooklyn Park, Minnesota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
Governmental Activities
December 31, 2018

Amounts reported for governmental activities in the statement of net position (page 43) are different because:

Total fund balances		\$ 121,739,499
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		157,385,636
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		11,402,182
Internal service funds are used by management to charge the costs of all vacation, holiday and sick pay, insurance, fleet and building maintenance, and information technology systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Net position of internal service funds	5,254,130	
Less: Internal payable representing charges in excess of cost to business-type activities	<u>(493,717)</u>	4,760,413
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(27,739,766)	
Accrued interest payable	<u>(418,631)</u>	(28,158,397)
The City's net pension liability and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year end are:		
Net pension liability	(25,299,161)	
Deferred outflows of resources-pension related	21,400,719	
Deferred inflows of resources-pension related	<u>(29,356,133)</u>	(33,254,575)
Net position of governmental activities		<u><u>\$ 233,874,758</u></u>

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City of Brooklyn Park, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Revolving	General Debt Service	Special Assessment Construction
Revenues				
General property taxes	\$ 38,914,719	\$ -	\$ 2,168,753	\$ -
Tax increments	-	-	-	-
Franchise Fees	-	-	-	-
Special assessments	96,315	-	85,548	823,355
Licenses and permits	3,093,117	-	-	-
Fines and forfeitures	312,944	-	-	-
Intergovernmental revenue	1,706,065	250,000	192,200	3,190,607
Donations	33,285	-	-	71,639
Refunds and reimbursements	53,591	-	-	233,166
Charges for services	2,897,386	-	-	-
Interest on assessments	-	-	-	14,065
Investment income	280,969	35,268	36,376	345,026
Net change in fair value of investments	(117,715)	(1,601)	(20,902)	(72,247)
Developers repayment	-	-	-	-
Lease Income	142,093	-	-	-
Other revenue	1,097,636	171,682	-	-
Total Revenues:	48,510,405	455,349	2,461,975	4,605,611
Expenditures				
Current:				
General Government	5,431,439	-	-	-
Community Development	1,499,391	439,226	-	-
Public Safety	29,851,251	-	-	-
Public Works	3,962,651	-	-	2,613,081
Recreation & Parks	8,174,258	-	-	-
Capital outlay:				
Community Development	-	-	-	-
Public Safety	14,071	-	-	-
Public Works	-	-	-	4,819,602
Recreation & Parks	-	-	-	-
Debt service:				
Principal	-	-	2,965,000	-
Interest and fiscal charges	8,223	-	777,541	-
Total Expenditures:	48,941,284	439,226	3,742,541	7,432,683
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	(430,879)	16,123	(1,280,566)	(2,827,072)
Other Financing Sources(Uses):				
Transfers from other funds	663,952	-	843,236	4,604,620
Transfers to other funds	(994,111)	-	-	(185,000)
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources(Uses):	(330,159)	-	843,236	4,419,620
Net Change in Fund Balances:	(761,038)	16,123	(437,330)	1,592,548
Fund Balances - Beginning	19,865,600	270,882	4,835,574	15,121,061
Fund Balances - Ending:	\$ 19,104,562	\$ 287,005	\$ 4,398,244	\$ 16,713,609

Heritage Infrastructure	Economic Development Authority	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
\$ 217,091	\$ 3,078,360	\$ -	\$ -	\$ 44,378,923
-	-	2,086,603	-	2,086,603
-	-	-	5,879,239	5,879,239
-	24,908	-	-	1,030,126
-	-	-	67,544	3,160,661
-	-	-	24,984	337,928
1,375,850	225,000	-	738,329	7,678,051
-	-	-	177,534	282,458
-	6,200	-	15,010	307,967
-	10,601	-	988,586	3,896,573
-	-	-	-	14,065
189,926	1,045,459	647,897	142,400	2,723,321
(66,750)	(181,179)	(89,645)	(79,098)	(629,137)
-	30,000	-	-	30,000
-	38,179	800	253,503	434,575
-	315,547	-	2,482	1,587,347
<u>1,716,117</u>	<u>4,593,075</u>	<u>2,645,655</u>	<u>8,210,513</u>	<u>73,198,700</u>
-	-	-	409,833	5,841,272
-	1,881,660	419,966	470,436	4,710,679
-	-	-	34,887	29,886,138
7,816	-	-	118,675	6,702,223
-	-	-	1,279,305	9,453,563
-	1,362,000	1,085,000	-	2,447,000
-	-	-	-	14,071
-	-	-	798,118	5,617,720
-	-	-	179,671	179,671
-	-	-	900,000	3,865,000
-	242,103	397,006	26,983	1,451,856
<u>7,816</u>	<u>3,485,763</u>	<u>1,901,972</u>	<u>4,217,908</u>	<u>70,169,193</u>
<u>1,708,301</u>	<u>1,107,312</u>	<u>743,683</u>	<u>3,992,605</u>	<u>3,029,507</u>
150,000	207,000	444,828	1,933,995	8,847,631
(1,032,953)	(627,507)	(971,409)	(5,694,506)	(9,505,486)
-	-	1,085,000	-	1,085,000
<u>(882,953)</u>	<u>(420,507)</u>	<u>558,419</u>	<u>(3,760,511)</u>	<u>427,145</u>
825,348	686,805	1,302,102	232,094	3,456,652
9,773,847	32,847,087	20,842,912	14,725,884	118,282,847
<u>\$ 10,599,195</u>	<u>\$ 33,533,892</u>	<u>\$ 22,145,014</u>	<u>\$ 14,957,978</u>	<u>\$ 121,739,499</u>

City of Brooklyn Park, Minnesota
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2018

Accounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$	3,456,652
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	5,017,971	
Depreciation	<u>(6,471,668)</u>	(1,453,697)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(940,716)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of , premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments: General obligation debt		3,865,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest	(56,811)	
Amortization of bond premiums	<u>59,230</u>	2,419

Internal service funds are used by management to charge the costs of all vacation, holiday and sick pay, insurance, fleet and building maintenance and management information systems to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.

Change in net position of the internal service funds	(696,925)	
Less amount attributable to business-type activities	<u>73,835</u>	(623,090)

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and related inflows and outflows of resources.		<u>465,905</u>
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Change in net position of governmental activities	\$	<u><u>4,772,473</u></u>
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City of Brooklyn Park, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
General property taxes	\$ 40,276,494	\$ 40,276,494	\$ 38,914,719	\$ (1,361,775)
Special assessments	130,000	130,000	96,315	(33,685)
Licenses and permits	2,728,975	2,728,975	3,093,117	364,142
Fines and forfeitures	601,500	601,500	312,944	(288,556)
Intergovernmental revenue	1,662,536	1,587,536	1,706,065	118,529
Donations	25,000	25,000	33,285	8,285
Refunds and reimbursements	56,700	56,700	53,591	(3,109)
Charges for services	2,949,007	2,949,007	2,897,386	(51,621)
Investment income	310,698	310,698	280,969	(29,729)
Net change in fair value of investments	-	-	(117,715)	(117,715)
Lease Income	103,154	103,154	142,093	38,939
Other revenue	1,096,466	1,096,466	1,097,636	1,170
Total Revenues:	<u>49,940,530</u>	<u>49,865,530</u>	<u>48,510,405</u>	<u>(1,355,125)</u>
Expenditures				
Current:				
General Government	6,273,346	6,198,346	5,431,439	766,907
Community Development	1,769,428	1,769,428	1,499,391	270,037
Public Safety	29,807,842	29,807,842	29,851,251	(43,409)
Public Works	3,982,213	3,982,213	3,962,651	19,562
Recreation & Parks	8,468,280	8,468,280	8,174,258	294,022
Capital outlay:				
Public Safety	41,000	41,000	14,071	26,929
Debt service				
Interest and fiscal charges			8,223	(8,223)
Total Expenditures:	<u>50,342,109</u>	<u>50,267,109</u>	<u>48,941,284</u>	<u>1,325,825</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	<u>(401,579)</u>	<u>(401,579)</u>	<u>(430,879)</u>	<u>(29,300)</u>
Other Financing Sources(Uses):				
Transfers from other funds	609,079	609,079	663,952	54,873
Transfers to other funds	(207,500)	(887,500)	(994,111)	(106,611)
Total Other Financing Sources(Uses):	<u>401,579</u>	<u>(278,421)</u>	<u>(330,159)</u>	<u>(51,738)</u>
Net Change in Fund Balances:	<u>-</u>	<u>(680,000)</u>	<u>(761,038)</u>	<u>(81,038)</u>
Fund Balances - Beginning	19,865,600	19,865,600	19,865,600	-
Fund Balances - Ending:	<u>\$ 19,865,600</u>	<u>\$ 19,185,600</u>	<u>\$ 19,104,562</u>	<u>\$ (81,038)</u>

City of Brooklyn Park, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds			
	Public Utilities	Storm Sewer Utility	Street & Signal Light Utility	Recreation
Assets and Deferred Outflows of Resources				
Assets:				
Current assets:				
Cash and investments	\$ 36,861,523	\$ 2,812,265	\$ 3,539,409	\$ -
Accrued interest receivable	73,904	5,678	8,064	1,372
Accounts receivable	3,964,266	472,167	382,620	42,789
Special Assessments	95,716	(3,237)	6,804	-
Due from other funds	999,417	-	-	-
Due from other governmental units	90,175	-	192,041	-
Inventories	93,735	-	-	78,147
Prepaid expenses	-	-	-	2,111
Total Current assets:	<u>42,178,736</u>	<u>3,286,873</u>	<u>4,128,938</u>	<u>124,419</u>
Noncurrent assets:				
Notes receivable	45,393	-	-	-
Capital assets:				
Property and Equipment	160,469,852	40,068,068	9,635,271	14,908,130
Accumulated depreciation	<u>(65,301,593)</u>	<u>(20,542,924)</u>	<u>(7,371,014)</u>	<u>(4,861,383)</u>
Total Noncurrent assets:	<u>95,213,652</u>	<u>19,525,144</u>	<u>2,264,257</u>	<u>10,046,747</u>
Total Assets:	<u>137,392,388</u>	<u>22,812,017</u>	<u>6,393,195</u>	<u>10,171,166</u>
Deferred Outflows of Resources				
Pensions	175,617	44,954	3,668	105,646
OPEB	-	-	-	-
Total Deferred Outflows of Resources:	<u>175,617</u>	<u>44,954</u>	<u>3,668</u>	<u>105,646</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 137,568,005</u>	<u>\$ 22,856,971</u>	<u>\$ 6,396,863</u>	<u>\$ 10,276,812</u>
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Accounts payable	\$ 526,161	\$ 20,781	\$ 44,601	\$ 60,739
Accrued wages payable	46,099	6,693	2,038	15,842
Contracts payable	-	-	11,920	-
Accrued interest payable	266,718	-	-	-
Customer and contractor deposits payable	336,245	-	-	-
Due to other funds	-	-	-	999,417
Due to other governmental funds	84,272	-	-	1,484
Unearned revenue	-	-	-	72,950
Bonds payable -current portion	1,022,308	-	-	-
Compensated absence payable - current	-	-	-	-
Total OPEB liability - current	-	-	-	-
Total Current liabilities:	<u>2,281,803</u>	<u>27,474</u>	<u>58,559</u>	<u>1,150,432</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	-	-
Total OPEB Liability	-	-	-	-
Net Pension Liability	720,730	184,488	15,055	433,570
Bonds payable (net of unamortized discount)	<u>11,438,161</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent liabilities:	<u>12,158,891</u>	<u>184,488</u>	<u>15,055</u>	<u>433,570</u>
Total Liabilities:	<u>14,440,694</u>	<u>211,962</u>	<u>73,614</u>	<u>1,584,002</u>
Deferred Inflows of Resources				
Pensions	247,182	63,273	5,163	148,696
Total Deferred Inflows of Resources:	<u>247,182</u>	<u>63,273</u>	<u>5,163</u>	<u>148,696</u>
Net Position				
Net investment in capital assets	82,727,599	19,525,144	2,264,257	10,046,747
Unrestricted	<u>40,152,530</u>	<u>3,056,592</u>	<u>4,053,829</u>	<u>(1,502,633)</u>
Total Net Position:	<u>122,880,129</u>	<u>22,581,736</u>	<u>6,318,086</u>	<u>8,544,114</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 137,568,005</u>	<u>\$ 22,856,971</u>	<u>\$ 6,396,863</u>	<u>\$ 10,276,812</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business type activities

<u>Total</u>	<u>Internal Service Funds</u>
\$ 43,213,197	\$ 9,142,906
89,018	46,888
4,861,842	73,215
99,283	-
999,417	-
282,216	755
171,882	55,576
2,111	781,737
<u>49,718,966</u>	<u>10,101,077</u>
45,393	-
225,081,321	24,476,186
<u>(98,076,914)</u>	<u>(16,287,961)</u>
<u>127,049,800</u>	<u>8,188,225</u>
<u>176,768,766</u>	<u>18,289,302</u>
329,885	317,479
-	682,720
<u>329,885</u>	<u>1,000,199</u>
<u>\$ 177,098,651</u>	<u>\$ 19,289,501</u>
\$ 652,282	\$ 697,602
70,672	164,470
11,920	-
266,718	-
336,245	-
999,417	-
85,756	29,552
72,950	-
1,022,308	-
-	342,630
-	490,251
<u>3,518,268</u>	<u>1,724,505</u>
-	4,552,082
-	6,008,988
1,353,843	1,302,940
<u>11,438,161</u>	<u>-</u>
<u>12,792,004</u>	<u>11,864,010</u>
<u>16,310,272</u>	<u>13,588,515</u>
<u>464,314</u>	<u>446,856</u>
<u>464,314</u>	<u>446,856</u>
114,563,747	8,188,225
45,760,318	(2,934,095)
<u>160,324,065</u>	<u>5,254,130</u>
177,098,651	<u>\$ 19,289,501</u>
493,717	
<u>\$ 160,817,782</u>	

City of Brooklyn Park, Minnesota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds			
	Public Utilities	Storm Sewer Utility	Street & Signal Light Utility	Recreation
Operating Revenues				
Utility charges	\$ 16,338,132	\$ 1,780,407	\$ 1,432,517	\$ -
Sewer	19,650	-	-	-
Golf course	-	-	-	1,585,653
Other	145,569	(6,849)	196,342	476,803
Total Operating Revenues:	<u>16,503,351</u>	<u>1,773,558</u>	<u>1,628,859</u>	<u>2,062,456</u>
Operating Expenses				
Personal services	1,490,164	528,500	57,369	876,509
Supplies	792,683	79,552	59,162	285,174
Contractual services	769,862	468,769	945,116	231,206
Internal service charges	364,622	145,534	82,216	78,494
Other Charges	6,523,157	181,964	7,693	217,222
Depreciation	3,184,793	911,894	282,111	239,912
General fund charges	909,786	77,394	77,910	65,122
Total Operating Expenses:	<u>14,035,067</u>	<u>2,393,607</u>	<u>1,511,577</u>	<u>1,993,639</u>
Operating Income (Loss):	<u>2,468,284</u>	<u>(620,049)</u>	<u>117,282</u>	<u>68,817</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	178,720	-	-	-
Investment income	471,906	33,800	48,458	4,823
Net change in fair value of investments	(219,198)	(16,151)	(20,364)	(1,553)
Interest expense and fiscal fees	(683,789)	-	-	-
Other income	79,445	-	-	-
Gain(loss) on sale on disposal of assets	-	-	-	2,000
Total Nonoperating Revenues (Expenses):	<u>(172,916)</u>	<u>17,649</u>	<u>28,094</u>	<u>5,270</u>
Income (Loss) Before Contributions and Transfers:	<u>2,295,368</u>	<u>(602,400)</u>	<u>145,376</u>	<u>74,087</u>
Capital contributions	40,632	-	73,570	13,086
Transfers in	-	-	-	2,000
Transfers out	(50,450)	-	-	-
Change in Net Position:	<u>2,285,550</u>	<u>(602,400)</u>	<u>218,946</u>	<u>89,173</u>
Total Net Position - Beginning (as previously reported)	120,594,579	23,184,136	6,099,140	8,454,941
Prior Period Adjustment(see Note 15)	-	-	-	-
Total Net Position - Beginning(Restated)	120,594,579	23,184,136	6,099,140	8,454,941
Total Net Position - Ending:	<u>\$ 122,880,129</u>	<u>\$ 22,581,736</u>	<u>\$ 6,318,086</u>	<u>\$ 8,544,114</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Total change in net position of business-type activities				

<u>Total</u>	<u>Internal Service Funds</u>
\$ 19,551,056	\$ -
19,650	-
1,585,653	-
811,865	11,138,810
<u>21,968,224</u>	<u>11,138,810</u>
2,952,542	3,837,122
1,216,571	1,424,970
2,414,953	2,381,100
670,866	3,019,081
6,930,036	74,768
4,618,710	1,942,043
1,130,212	46,223
<u>19,933,890</u>	<u>12,725,307</u>
<u>2,034,334</u>	<u>(1,586,497)</u>
178,720	-
558,987	180,349
(257,266)	(48,975)
(683,789)	4,468
79,445	-
2,000	47,426
<u>(121,903)</u>	<u>183,268</u>
1,912,431	(1,403,229)
127,288	-
2,000	706,305
(50,450)	-
1,991,269	(696,924)
158,332,796	10,338,695
-	(4,387,641)
158,332,796	5,951,054
160,324,065	<u>\$ 5,254,130</u>
<u>(73,834)</u>	
<u>\$ 1,917,435</u>	

City of Brooklyn Park, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities-Enterprise Funds			
	Public Utilities	Storm Sewer Utility	Street / Signal Light Utility	Recreation
Cash Flows From Operating Activities				
Receipts from customers	\$ 17,312,139	\$ 1,771,110	\$ 1,483,149	\$ 1,870,707
Other receipts	23,068	(6,849)	4,575	200,412
Receipts from other governmental units	33,743	-	-	-
Payments to suppliers	(9,143,470)	(833,993)	(1,093,741)	(651,806)
Payments to employees	(1,950,841)	(508,149)	(99,760)	(943,232)
Payments for interfund services used	(364,622)	(145,534)	(82,216)	(78,494)
Net cash provided (used) by operating activities	<u>5,910,017</u>	<u>276,585</u>	<u>212,007</u>	<u>397,587</u>
Cash Flows From Noncapital Financing Activities				
Transfers in	(2,436,870)	-	-	-
Transfers out	2,386,420	-	-	2,000
Interfund Borrowing	255,050	-	-	(255,050)
Intergovernmental	178,720	-	-	-
Due to/From Other Funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>383,320</u>	<u>-</u>	<u>-</u>	<u>(253,050)</u>
Cash Flows From Capital and Related Financing				
Issuance on notes	803	-	-	-
Issuance of revenue bonds	11,540,000	-	-	-
Interest Expense Rebate	79,445	-	-	-
Interest Paid on Notes	(3,772)	-	-	-
Principal paid on revenue bonds	(12,048,011)	-	-	-
Interest and fiscal changes paid on capital debt	(695,698)	-	-	-
Notes payable	15,295	-	-	-
Acquisition of capital assets	(3,231,398)	345,273	11,919	(149,809)
Proceeds from sale of capital assets	-	-	-	2,000
Net cash provided (used) by capital and related financing activities	<u>(4,343,336)</u>	<u>345,273</u>	<u>11,919</u>	<u>(147,809)</u>
Cash Flows From Investing Activities				
Investment income	361,066	23,493	37,418	3,272
Net cash provided (used) by investing activities	<u>361,066</u>	<u>23,493</u>	<u>37,418</u>	<u>3,272</u>
Net increase (decrease) in cash and cash equivalents	2,311,067	645,351	261,344	-
Cash and investments-beginning	34,550,456	2,166,914	3,278,065	-
Cash and investments-ending	<u>\$ 36,861,523</u>	<u>\$ 2,812,265</u>	<u>\$ 3,539,409</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,468,284	\$ (620,049)	\$ 117,282	\$ 68,817
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,184,793	911,894	282,111	239,912
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(152,700)	(75,631)	(15,894)	8,663
Special assessments	776,487	66,334	66,526	-
Due from other governmental units	(88,758)	-	(191,767)	-
Inventories	15,952	-	-	98,165
Prepaid expenses	-	-	-	2,183
Pensions (deferred outflow)	294,935	23,560	18,309	100,544
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	(45,636)	(26,314)	(3,860)	48,630
Accrued wages payable	5,796	827	(153)	4,151
Customer and contractor deposits payable	330,570	-	-	-
Due to other governmental units	(118,298)	-	-	123
Compensated absences payable	-	-	-	1,899
Net Pension Liability	(729,291)	(26,642)	(52,666)	(201,810)
Pensions (deferred inflow)	(32,117)	22,606	(7,881)	26,310
Other post employment benefits	-	-	-	-
Total adjustments	<u>3,441,733</u>	<u>896,634</u>	<u>94,725</u>	<u>328,770</u>
Net cash provided (used) by operating activities	<u>\$ 5,910,017</u>	<u>\$ 276,585</u>	<u>\$ 212,007</u>	<u>\$ 397,587</u>
Noncash investing, capital and financing activities:				
Increase (decrease) in fair value of investments	\$ (219,198)	\$ (16,151)	\$ (20,364)	\$ (1,553)
Capital asset gain/(loss)	-	-	-	-
Capital contribution	40,632	-	73,570	13,086

	Governmental Activities- Internal Service Funds
Total	
\$ 22,437,105	\$ 11,079,979
221,206	-
33,743	-
(11,723,010)	(3,866,105)
(3,501,982)	(3,846,582)
(670,866)	(3,019,081)
<u>6,796,196</u>	<u>348,211</u>
(2,436,870)	706,305
2,388,420	-
-	-
178,720	-
-	1,050
<u>130,270</u>	<u>707,355</u>
803	-
11,540,000	-
79,445	-
(3,772)	-
(12,048,011)	-
15,295	-
(3,024,015)	(1,486,027)
2,000	47,426
<u>(4,133,953)</u>	<u>(1,438,601)</u>
425,249	126,504
425,249	126,504
3,217,762	(256,531)
39,995,435	9,394,969
<u>\$ 43,213,197</u>	<u>\$ 9,138,438</u>
\$ 2,034,334	\$ (1,586,497)
4,618,710	1,942,042
(235,562)	(58,831)
909,347	-
(280,525)	-
114,117	30,068
2,183	(62,311)
437,348	(452,730)
(27,180)	75,936
10,621	(234,466)
330,570	-
(118,175)	23,263
1,899	209,892
(1,010,409)	(384,104)
8,918	121,902
-	724,047
<u>4,761,862</u>	<u>1,934,708</u>
<u>\$ 6,796,196</u>	<u>\$ 348,211</u>
\$ (257,266)	\$ (38,571)
-	47,553
127,288	-

City of Brooklyn Park, Minnesota
Statement of Fiduciary Net Position
December 31, 2018

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 2,150,828
Accounts receivable	888
Total Assets:	<u>\$ 2,151,716</u>
Liabilities	
Accounts payable	\$ 2,025
Due to other governmental units	166,233
Customer and contractor deposits	1,983,458
Total Liabilities:	<u>\$ 2,151,716</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements – Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies

The City of Brooklyn Park (the City) operates under the “Home Rule Charter” form of government pursuant to applicable Minnesota Laws and Statutes. The charter prescribes a Manager-Council form of organization. The governing body consists of a mayor and a six member City Council. The City Council is elected by voters from the geographic district they represent and the Mayor is elected at large by voters of the City. The City Council and Mayor serve four-year staggered terms. The more significant of the City’s accounting policies are described below:

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Reporting Entity*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization’s governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB Statement No. 61 and are presented in this report as Blended Component Units (which are reported as if they were a part of the City) or Related and Jointly Governed Organizations (in which the relationship of the City with the entity is disclosed).

Blended Component Units

The Economic Development Authority (EDA), which is governed by a seven-member board consisting of the City Council, is reported as a blended component unit. Although it is a legally separate entity from the City, it is reported as if it were a part of the City as the governing body of the EDA is substantively the same as the governing body of the City. City management has operational responsibility over the EDA and operates the EDA in the same manner as City activities. This represents the only financial statements prepared for the EDA.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

Blended Component Units (continued)

The Brooklyn Bridge Alliance (BBA) is governed by seven-member board consisting of one member from each of the seven member entities and is reported as a blended component unit. Although it is a legally separate entity from the City, it is reported as if it is part of the City. The operations are closely aligned and integrated with those of the City and we believe it would be misleading to exclude them from the operations of the City. The BBA uses facilities, policies, and procedures established by the City. The BBA does not issue separate financial statements.

Related Organizations

Brooklyn Park Fire Department Relief Association (BPFDR) is organized as a nonprofit organization, legally separate from the City, to provide pension benefits to its members pursuant with Minnesota Laws and Statutes. Its board of directors is appointed by the membership of the BPFDR, and the BPFDR issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota Statutes, whereby state aids flow to the BPFDR. The City's contributions are determined by the BPFDR and the BPFDR pay benefits to its members. Because the BPFDR is fiscally independent of the City, the financial statements of the BPFDR have not been included within the City's reporting entity.

Joint Venture

During 1990, the City entered into a joint and cooperative agreement with six other surrounding cities to create an organization to provide for the impoundment of animals. The organization, named Pets under Police Security (PUPS), constructed an animal impound facility with capital costs totaling approximately \$681,000. The governing board of PUPS is made up of one member from each of the participating cities of Brooklyn Center, Brooklyn Park, Champlin, Crystal, New Hope, Maple Grove, and Plymouth. Financial information regarding the Joint Venture is available from the City of Maple Grove, Minnesota. See Note 11 for additional financial disclosure information.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Presentation

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Government Accounting Standards Board (GASB). The basic financial statements presented include government-wide statements and fund financial statements.

Government-wide Statements

The government-wide financial statements disclose the overall financial activities of the City, except for fiduciary activities. They include the Statement of Net Position and the Statement of Activities. Eliminations have been made to the interfund activity. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: a) charges paid by the recipients of goods or services provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes and general state aids, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for governmental funds, proprietary funds, and fiduciary funds are presented. The emphasis of the fund financial statements is on the major or individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental and business-type (proprietary) funds be identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, according to their classification as governmental or proprietary funds.

Major funds are defined as funds that have assets, liabilities, revenues or expenditures / expenses equal to ten percent of their fund category (governmental or proprietary funds) total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The following major governmental funds are being reported as major funds within the fund financial statements:

General Fund – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Revolving Fund – This is a special revenue fund that accounts for the note receivable for membership in the Twin Cities Community Capital Fund, a nonprofit corporation that provides flexible, revolving self-sustaining development funds to its members. The City does not adopt a legal budget for this fund.

General Debt Service – This debt service fund accounts for the issuance of all debt (mainly bonds) with the exception of tax increment debt and also accounts for the on-going debt service of the issued debt.

Special Assessment Construction – This is a capital project fund that accounts for the construction costs of certain public improvements such as residential streets, sidewalks, water and sewer mains, storm sewers or street lights which are to be paid for wholly or in part from special assessments levied against benefited property owners. All improvements related water and sewer mains, storm sewers or street lights are the result of new development in which those improvements are then contributed to the Public Utilities, Storm Sewer Utility or Street/Signal Light Utility Enterprise Funds.

Heritage Infrastructure – This is a capital project fund that was created under the City Charter for the purpose of funding future public infrastructure improvements.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Major Funds (continued)

Economic Development Authority – This is a capital project fund that accounts for the operations of the City's Economic Development Authority (EDA). The EDA was established by the City Council as a separate entity to promote economic development and redevelopment within the City, such as incurring expenditures for improvement projects with tax increment districts and purchasing of land for a higher and better use.

Tax Increment Financing District – This is a capital project fund that accounts for the redevelopment activities located within all of the City's tax increment financing districts.

The following enterprise funds are being reported as major funds within the fund financial statements:

Public Utilities – This fund accounts for all financial resources relating to the City's operations of its water distribution system, sanitary sewer system, and for the collection of recyclable materials throughout the City. Services are on a user charge basis to all owners of property located within the City.

Storm Sewer Utility – This fund accounts for all financial resources relating to the City's operations of its storm water collection system. Services are on a user charge basis to all owners of property located within the City.

Street/Signal Light Utility – This fund accounts for all financial resources relating to the City's operations of its street and signal light system. Services are on a user charge basis to all owners of property located within the City.

Recreation – This fund accounts for all financial resources relating to the operations of the City's main golf course Edinburgh, USA, an 18-hole championship golf course with clubhouse operations.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Internal Service Funds

Additionally, the City also reports the following fund-types:

Internal Service Funds – These funds account for services that are provided to other departments within the City on a cost-reimbursement basis.

- *Central Services* – This fund accounts for the costs to operate and maintain the City's vehicle fleet and government buildings.
- *Information and Technology Services* – This fund accounts for the cost to provide technology services to all City departments.
- *Loss Control* – This fund accounts for the City's insurance policy activity including premiums and claims in addition to employee wellness program costs.
- *Benefit Accrual* – This fund maintains the benefit accrual for all employees and pays for those benefits when they are used.

Agency Funds – These funds are custodial in nature and do not involve measurement of results of operations. The City maintains the following agency funds:

- *Performance Deposits* – This fund accounts for deposits held by the City on behalf of third parties.
- *Deputy Registrar* – This fund accounts for the collection of license fees for motor vehicles, watercraft, snowmobiles, etc. that are to be remitted to other governmental agencies.
- *Unclaimed Property* – This fund accounts for unclaimed property for which the owner has not taken some action that would indicate that person's ownership over a certain period of time. These resources must be remitted to the state within a certain period of time.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to the government-wide financial statements or a fund is determined by its measurement focus.

Government-Wide Financial Statements:

- **Measurement Focus** – Government-wide financial statements are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the Statement of Net Position.
- **Basis of Accounting** – Government-wide financial statements are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Governmental Funds:

- **Measurement Focus** – Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Reported fund balance is considered to be a measurable of “available spendable resources.” Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.
- **Basis of accounting** – Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days of the end of the current fiscal period.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental Funds (continued):

- Revenues – Major revenues that are susceptible to accrual include property taxes, excluding delinquent taxes received over 60 days after year-end; special assessments; intergovernmental revenues; charges for services; and investment earnings. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.
- Unearned and Unavailable Revenues – Unavailable revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when all revenue recognition criteria are met, the liability for unearned revenue is removed and revenue is recognized.
- Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Proprietary and Agency Funds:

- Measurement Focus – Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the balance sheets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.
- Basis of Accounting – Proprietary and agency funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.
- Operating versus Nonoperating items – 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 revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
- Internal Service Funds – Aggregated information for the Internal Service Funds is reported in a single column in the Proprietary Fund financial statements. Because the principal user of the internal services is the City's governmental activities, the net position and net activities of the Internal Service Funds are consolidated into the governmental activities when presented in the government-wide Statement of Net Position and the governmental-wide Statement of Activities. The cost of these services is reported in the appropriate functional activity.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances from all funds are combined and invested to the extent available in insured Certificates of Deposit and United States government securities. Earnings from such investments are allocated to the respective funds based on the average annual cash balance of each fund. Investments are stated at fair value, which is determined based on quoted market prices at December 31, 2018.

Interfund Receivables / Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Any residual outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance commitment or restriction account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Taxes

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over assessable property. Such taxes become a lien on January 1. Revenues are accrued and recognized in the year collectible, net of delinquencies. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year, on or about January 20, July 2, and December 2. Taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflows unavailable revenues in the governmental funds, because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

Special Assessments Receivable

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with Minnesota Statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The County handles collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Revenues are unavailable in the governmental fund financial statements to the extent they are not currently collectible.

Internal Balances

Internal Service Fund activity is allocated between governmental activities and business-type activities based on services provided by various departments. Internal Balances represent the portion of the Internal Service Fund that is closed to the Business Type Activities during the year.

Inventories and Prepaid Itemsnote

Inventories are valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property Held for Resale

Property is acquired largely by the Economic Development Authority (EDA) for redevelopment purposes. Property held for resale is reported as an asset at the lower of cost or net realizable value in the government-wide and fund financial statements (EDA Capital Project Fund and Community Development Block Grant Special Revenue Fund). Any costs incurred that are above the properties net realizable value are reported as expenditures of the period.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital assets are recorded as assets within the City's government-wide statements and proprietary fund statements, which use the full accrual basis of accounting. Infrastructure assets have been capitalized retroactively to 1980 and are reflected within the government-wide financial statements.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

Capital Assets (continued)

The City defines capital assets as assets with an estimated useful life in excess of two years and initial, individual cost of more than \$10,000 for equipment and \$25,000 for improvements to buildings, land, and infrastructure (e.g., roads, bridges, sidewalks, and similar items). All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized.

The capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements - depreciable	5-30
Buildings	20-50
Building Service Systems	15-20
Machinery and Equipment - Light	5-10
Machinery and Equipment - Heavy	15-25
Streets and Public Infrastructure	25-30
Utility Distribution Systems - Main Lines	50

Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The City will not recognize the related outflow until a future event occurs.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

The City compensates employees upon termination for all unused vacation pay up to 240 hours and for ½ of unused sick leave, up to a limit of 720 hours. Vacation and sick leave earnings are accrued in all funds when incurred with the corresponding liability recorded in the Benefit Accrual Internal Service Fund where it is paid when used. The liability is reported within the governmental activities portion of the government-wide statement of net position.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

Postemployment Benefits Other Than Pensions (OPEB).

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, and OPEB expense, the City recognizes payments when due and payable in accordance with the benefit terms. The City's benefit payments include an implicit rate subsidy.

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, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 is reported as other financing sources. Premiums received 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from 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.

Net Position

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

Fund Equity (Fund Balance)

Fund equity is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The classifications are as follows:

- A. *Nonspendable* – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

- B. *Restricted* – represents amounts that can be spent only for specific purposes stipulated by external contracts or obligations, creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances) Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

- C. *Committed* – includes amounts that can only be used by the City for specific purposes as determined by Resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- D. *Assigned* - Includes amounts intended to be used by the City for specific purposes but does not meet the criteria to be classified as restricted or committed. Assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned amounts represent intended uses as established by the Finance Director and/or the City Manager per authorization granted by the City’s Fund Balance Policy that was established by City Council Resolution.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

Fund Equity (Fund Balance) (continued)

- E. *Unassigned* – represents the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City will strive to maintain a minimum unassigned fund balance in its General Fund of 35-50% of the subsequent year's budgeted expenditures.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Use of Estimates

To prepare the financial statements in conformity with accounting principles generally accepted with GASB, management must make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during those estimates.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted by Council Resolution on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America. Annual appropriated budgets are adopted for the General Fund. Formal budgetary integration is employed as a management control device for this fund.

Budgeted amounts reported in the combined financial statements represent the amounts originally adopted or as amended by the City Council. All budgetary amendments and transfers require approval by the City Council.

Encumbrance accounting is employed in governmental funds. Unencumbered appropriations lapse at the end of the year.

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1 at the first regular meeting in September. The operating budgets include proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budgets are legally enacted through the passage of resolutions in December.
- The City Council may authorize transfers of budgeted amounts between departments, amend the budget by a majority vote if additional revenues to cover the new appropriations have been identified, or amend the budget using fund reserves by a vote of five members.
- The City budgets by fund and the legal level of control of the budget is by fund. The City Charter charges the City Manager with the duty to enforce the budget. In practice, the City Manager exercises control by delegating authority to individual department directors who are accountable to the Manager for their departments' annual expenditures. Transfers between funds require the City Council's approval.
- Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for capital project funds is accomplished through the use of project controls.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 2 – Stewardship, Compliance, and Accountability (continued)

Deficit Fund Equity

The following funds had deficit fund equity, which has been classified as unassigned/unrestricted as of December 31, 2018:

Brookland Golf Course	\$ 16,855
Benefit Accrual Internal Service Fund	9,264,609

The deficit for the Brookland Golf Course is related to an operational deficit occurring for the operations. The City is looking for ways to eliminate the remaining deficit over the next few years.

The deficit for the Benefit Accrual Internal Service Fund represents the amount that the City is currently underfunded related to its long-term liabilities for compensated absences and other post-employment benefits. This fund has adequate resources to meet any short-term funding needs and the deficit will continue to be monitored and if it begins to change substantially, the City may need to allocate resources to mitigate its growth.

Note 3 – Deposits and Investments

Components of Cash and Investments

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

Deposits	\$ (212,434)
Investments	165,266,854
Investments with escrow agent	23,316
Cash on hand	<u>7,855</u>
Total	<u>\$ 165,085,590</u>

Cash and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 162,911,446
Investments with escrow agent	23,316
Cash - Statement of Fiduciary Net Position	<u>2,150,828</u>
Total	<u>\$ 165,085,590</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 3 – Deposits and Investments (continued)

Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks, which have been authorized by the City Council and include checking accounts and certificates of deposits. The following is considered the most significant risk associated with deposits:

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost. Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal at least 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. governmental agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2018, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 3 – Deposits and Investments (continued)

Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Less than 1	1 to 5	More than 5	Total
	Rating	Agency				
U.S Agencies :						
Fannie Mae (FNMA)	AAA	Moody's/S&P	\$ 1,998,140	\$ 3,470,770	\$ -	\$ 5,468,910
Federal Home Loan Bank (FHLB)	AAA	Moody's/S&P	2,993,590	4,692,892	5,760,454	13,446,936
Federal Farm Credit (FFCB)	AAA	Moody's/S&P	-	6,608,609	2,918,830	9,527,439
Farmer Mac (FAMC)	AAA	Moody's/S&P	995,980	-	-	995,980
Federal Home Loan Mortgage Corp. (FHLMC)	AAA	Moody's/S&P	991,940	997,610	-	1,989,550
TVA notes	AAA	Moody's/S&P	-	1,445,355	-	1,445,355
State & Local Obligations :						
	NR/AA+	Moody's/S&P	999,070	4,400,404	2,011,245	7,410,719
	NR/AA-	Moody's/S&P	-	-	457,016	457,016
	NR/AA	Moody's/S&P	1,423,621	3,366,365	1,654,946	6,444,932
	A2/AA	Moody's/S&P	-	-	-	-
	Aaa/AAA	Moody's/S&P	992,120	7,366,545	5,713,835	14,072,500
	NR/AAA	Moody's/S&P	-	1,336,763	2,172,106	3,508,870
	Aaa/NR	Moody's/S&P	-	379,803	5,873,322	6,253,124
	Aa1/AAA	Moody's/S&P	1,497,375	1,716,529	-	3,213,904
	Aa1/AA+	Moody's/S&P	-	878,617	-	878,617
	Aa1/AA	Moody's/S&P	-	347,543	-	347,543
	Aa1/AA-	Moody's/S&P	-	-	34,494	34,494
	Aa1/NR	Moody's/S&P	-	1,999,971	487,130	2,487,101
	Aa2/AA+	Moody's/S&P	-	1,269,743	551,136	1,820,879
	Aa2/AA	Moody's/S&P	982,785	10,453,366	1,395,155	12,831,307
	Aa2/AA-	Moody's/S&P	-	-	988,304	988,304
	Aa2/NR	Moody's/S&P	783,128	3,615,629	2,546,511	6,945,268
	Aa3/AAA	Moody's/S&P	-	516,558	-	516,558
	Aa3/AA+	Moody's/S&P	-	-	-	-
	Aa3/AA	Moody's/S&P	-	-	-	-
	Aa3/NR	Moody's/S&P	394,747	2,538,153	1,805,721	4,738,621
	A1/NR	Moody's/S&P	-	-	1,018,390	1,018,390
	NR/NR	Moody's/S&P	-	-	2,339,109	2,339,109
	Aa3/A+	Moody's/Fitch	-	971,060	-	971,060
	Aa2/AA	Moody's/Fitch	-	478,976	-	478,976
	AA+/AA	S&P/Fitch	-	1,864,659	1,121,000	2,985,659
Negotiable Certificates of Deposits	NR	N/A	688,782	6,411,346	1,616,824	8,716,951
First American Government	NR	N/A	36,710,713	-	-	36,710,713
Commercial Paper	A-1/P-1	Moody's/S&P	1,030,573	-	-	1,030,573
MN Municipal Money Market (4M)	NR	N/A	2,116,309	-	-	2,116,309
Citizens Community Federal Money Market (CCF)	NR	N/A	3,075,190	-	-	3,075,190
Total			\$57,674,063	\$67,127,265	\$40,465,526	\$165,266,854

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 3 – Deposits and Investments (continued)

Investments (continued)

Investments with Escrow Agent

\$23,316 is being held by a third party related to an agreement with the Brooklyn Park Economic Development Authority (BPEDA) for property management.

Custodial Credit Risk

For investments, this is the risk that in the event of a failure of the counterparty to any 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 possession of an outside party. The City addresses this risk within its investment policy and limits its exposure by holding the majority of investments in a trust account with a major bank's corporate trust department. Under this scenario, investments are delivered to the City's Trust Account and then payment is released to the broker-dealer.

Credit Risk

This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with the credit quality in the one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities brokers-dealers. The City's investment policies addresses credit risk through statutory regulations as mentioned above and through the diversifying of the City's investment portfolio.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 3 – Deposits and Investments (continued)

Investments (continued)

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. explicitly guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy states that no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Government and its agencies or an external investment pool. At December 31, 2018, more than 5% of the city's investments are in FFCB and FHLB. These investments are 5.8% and 8.1%, respectively, of the City's total investments.

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 the period for which an interest rate is fixed, the greater the risk). The City's investment policy allows for a majority of the City's reserve funds to be invested in securities maturing in five years or less, with no more than 10% of the City's reserve funds being invested in securities maturing ten years or more.

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level I – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level II – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Investment values are obtained from the City's broker statements, which are based on inputs from the pricing services used by brokers.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 3 – Deposits and Investments (continued)

Investments (continued)

Level III – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

City investments are measured as follows:

	12/31/2018	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
FNMA	\$ 5,468,910	\$ -	\$ 5,468,910	\$ -
FHLB	13,446,936	-	13,446,936	-
FFCB	9,527,439	-	9,527,439	-
FAMC	995,980	-	995,980	-
FHLMC	1,989,550	-	1,989,550	-
TVA Notes	1,445,355	-	1,445,355	-
Municipal Bonds	80,742,948	-	80,742,948	-
Commercial Paper	1,030,573	-	1,030,573	-
Negotiable Certificates of Deposit	8,716,951	-	8,716,951	-
Total Investments by Fair Value Level	123,364,642	\$ -	\$123,364,642	\$ -
 Amortized Cost				
Money Market Funds	41,902,212			
Total Investments	\$ 165,266,854			

The City’s external investment pool investment is with the 4M Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated pool and reported at amortized cost. The 4M Fund does not restrict or limit withdrawals made by the City.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 4 – Notes Receivable

Economic Development Authority – Notes Receivable

The Brooklyn Park Economic Development Authority (EDA) periodically issues notes to qualified entities for the purpose of redevelopment and aiding with the rehabilitation of properties throughout the City. These notes and related interest receivable totaled \$6,098,519 of which \$1,583,803 is recognized in the EDA fund, while the remaining \$4,514,766 is reported in the Tax Increment Financing fund with an allowance of \$4,514,766 which has been established for amounts not deemed collectible at December 31, 2018.

Other Funds – Notes Receivable

The Revolving Loan Special Revenue Fund has \$3,236,380 in notes receivable related to a grant for Metro Mold & Design, Biomerics, LLC, and STAR from the Minnesota Investment Fund through the State of Minnesota Department of Employment and Economic Development – Business and Community Development Division.

The Water Access Charge (WAC) notes receivable is related to a payment deferral program that will minimize the impact of the payment of the WAC fees for new or expanding businesses within the city of Brooklyn Park. This program is in conjunction with the Metropolitan Council's Sewer Access Charge (SAC) Deferral Program adopted in 2013. The Metropolitan Council's program allows for the deferment of SAC fees for small businesses that receive a SAC determination of 10 SAC units or less prior to SAC credits being applied. The outstanding notes receivable is \$45,393.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 5 – Capital Assets

Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 61,812,479	\$ 1,362,000	\$ -	\$ -	\$ 63,174,479
Land improvements	1,196,998	-	-	-	1,196,998
Construction in progress	7,835,299	2,280,982	(5,367,148)	-	4,749,133
Total capital assets not being depreciated	<u>70,844,776</u>	<u>3,642,982</u>	<u>(5,367,148)</u>	<u>-</u>	<u>69,120,610</u>
Capital assets being depreciated					
Buildings	64,347,618	149,308	-	-	64,496,926
Land improvements	12,084,930	-	-	-	12,084,930
Furniture and fixtures	6,560,222	153,533	-	-	6,713,755
Machinery and equipment	23,876,050	1,388,991	(190,130)	-	25,074,911
Infrastructure	125,393,803	6,541,188	-	-	131,934,991
Total capital assets being depreciated	<u>232,262,623</u>	<u>8,233,020</u>	<u>(190,130)</u>	<u>-</u>	<u>240,305,513</u>
Total governmental capital assets	303,107,399	11,876,002	(5,557,278)	-	309,426,123
Less accumulated depreciation for:					
Buildings	(32,512,461)	(2,068,079)	-	-	(34,580,540)
Land improvements	(7,595,401)	(526,192)	-	-	(8,121,593)
Furniture and fixtures	(5,093,422)	(455,488)	-	-	(5,548,910)
Machinery and equipment	(14,889,633)	(1,813,068)	184,835	-	(16,517,866)
Infrastructure	(75,532,909)	(3,713,339)	-	162,895	(79,083,353)
Total accumulated depreciation	<u>(135,623,826)</u>	<u>(8,576,166)</u>	<u>184,835</u>	<u>162,895</u>	<u>(143,852,262)</u>
Total capital assets being depreciated, net	<u>96,638,797</u>	<u>(343,146)</u>	<u>(5,295)</u>	<u>162,895</u>	<u>96,453,251</u>
Governmental activities capital assets, net	<u>\$ 167,483,573</u>	<u>\$ 3,299,836</u>	<u>\$ (5,372,443)</u>	<u>\$ 162,895</u>	<u>\$ 165,573,861</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 5 – Capital Assets (continued)

Capital asset activity for the year ended December 31, 2018 was as follows:

Business-type activities:	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,190,949	\$ -	\$ -	\$ -	\$ 4,190,949
Land improvements/golf course	5,367,004	-	-	-	5,367,004
Construction in progress	1,082,129	3,129	(1,082,129)	-	3,129
Total capital assets not being depreciated	<u>10,640,082</u>	<u>3,129</u>	<u>(1,082,129)</u>	<u>-</u>	<u>9,561,082</u>
Capital assets being depreciated:					
Buildings	61,473,889	-	-	-	61,473,889
Land improvements	2,645,145	-	-	-	2,645,145
Furniture and fixtures	79,878	-	-	-	79,878
Machinery and equipment	5,493,151	236,467	-	-	5,729,618
Infrastructure	141,718,422	6,273,790	(2,400,502)	-	145,591,709
Total capital assets being depreciated	<u>211,410,485</u>	<u>6,510,257</u>	<u>(2,400,502)</u>	<u>-</u>	<u>215,520,239</u>
Total business capital assets	<u>222,050,567</u>	<u>6,513,385</u>	<u>(3,482,631)</u>	<u>-</u>	<u>225,081,321</u>
Less accumulated depreciation for:					
Buildings	(33,855,423)	(1,625,626)	-	-	(35,481,049)
Land improvements	(2,178,431)	(100,747)	-	-	(2,279,178)
Furniture and fixtures	(79,878)	-	-	-	(79,878)
Machinery and equipment	(4,126,120)	(267,909)	-	-	(4,394,029)
Infrastructure	(53,218,353)	(2,624,428)	-	-	(55,842,781)
Total accumulated depreciation	<u>(93,458,205)</u>	<u>(4,618,710)</u>	<u>-</u>	<u>-</u>	<u>(98,076,915)</u>
Total capital assets being depreciated, net	<u>117,952,280</u>	<u>1,891,547</u>	<u>(2,400,502)</u>	<u>-</u>	<u>117,443,325</u>
Business activities capital assets net of depreciation	<u>\$ 128,592,362</u>	<u>\$ 1,894,676</u>	<u>\$ (3,482,631)</u>	<u>\$ -</u>	<u>\$ 127,004,407</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 5 – Capital Assets (continued)

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

Governmental activities:

General Government	\$ 748,574
Community Development	133,613
Public Safety	837,558
Public Works- includes infrastructure	5,623,648
Recreation and Parks	<u>1,232,773</u>

Total depreciation expense- governmental activities \$8,576,166

Business-type activities:

Public Utilities	\$3,184,793
Storm Sewer Utility	911,894
Street & Signal Light Utility	282,111
Recreation	<u>239,912</u>

Total depreciation expense-business-type activities \$4,618,710

Note 6 – Risk Management (Loss Control)

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust, a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claim incurred but unreported, however, retains risk for the deductible portion of its insurance policies.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 6 – Risk Management (Loss Control) (continued)

The Loss Control Fund was established to account for deductibles and other costs associated with risk-of-loss that the City is unable to insure for because of restrictions or exclusions on the policies. It has also been established to fund any potential liability that may be assessed to it by the League of Minnesota Cities Insurance Trust program. The fund is accounted for as an internal service fund where assets are set aside for risk management, insurance, administration and claims settlement.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities will include an amount for claims that have been incurred but not reported. The Loss Control Fund collects a service charge from user funds and departments and pays insurance premiums and claims. Charges for services during 2018 were \$2,398,077. In 2018, there was \$406,502 in claims paid. In 2017, there was \$378,698 in claims paid and in 2016 there was \$410,042 in claims paid.

The City's workers compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience workers compensation rates and salaries for the year are known. The City also purchases faithful performance bonds for employees in key positions.

During the year ended December 31, 2018, there were no significant changes in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

Note 7 – Long-Term Debt

The City's long-term debt issues and transactions were as follows:

General Obligation Bonds and Notes

The City periodically issues bonds in accordance with Minnesota Statutes and backed by its full faith, credit, and taxing powers.

2018 General Obligation Refunding Bonds, Series 2018A

In 2018 the Water Revenue Bond/Build America Bonds (\$18,000,000) were refunded in the amount of \$11,540,000 for the expansion of the City's Water Treatment Plant. These bonds would redeem the outstanding balances, in advance of their maturity, of the Series 2009A Bonds. The final bond payment will be in 2030.

2017 General Obligation Bonds, Series 2017A

In 2017, the City issued \$7,860,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to Building D, and Street Reconstruction projects. The bonds were issued for a period of fifteen years at a net interest cost of 2.18%.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

General Obligation Bonds and Notes (Continued)

2016 General Obligation Bonds, Series 2016A

In 2016, the City issued \$7,860,000 in General Obligation Bonds to fund street improvements identified in the City's Street Reconstruction Plan 2016-2020 and to redeem the outstanding balances, in advance of their maturity, of the Series 2005B, 2005C, 2005D and 2005E bonds. The refunded bonds were redeemed on 7/27/2016. The 2016A bonds were issued for a period of nine years at a net interest cost of 1.2335%.

2014 General Obligation Capital Improvement Plan Bonds

In 2014, the City issued \$9,490,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to the City's Police Headquarters. The bonds were issued for a period of twenty years at a net interest cost of 2.98%.

2009 Taxable General Obligation Utility Revenue Bonds (Build America Bonds)

In 2009, the City issued \$18,000,000 in Taxable General Obligation Utility Revenue Bonds to fund improvements and the expansion of the City's Water Treatment Plant. The bonds were issued for a period of twenty years at a true interest cost of 5.1% reduced by the 32% Federal rebate on interest costs for a Build America Bond effective rate of 3.4%.

2006 General Obligation Capital Improvement Plan Bonds

In 2006, the City issued \$1,280,000 in General Obligation Capital Improvement Plan Bonds to fund improvements on the City Hall Facility. The bonds were issued for a period of twenty years at a net interest cost of 4.25%.

2005 General Obligation State-Aid Street Bonds

In 2005, the City issued \$2,710,000 in General Obligation State-Aid Street Bonds for planned improvements of state-aid designated roads. The Bonds were issued for a period of fifteen years at a net interest cost of 3.963%. These Bonds are payable from the City's share of State-Aid Construction Funds that are received annually. These bonds were refunded with the issuance of the 2016A bonds.

2005 General Obligation Improvement Bonds

In 2005, the City issued \$3,345,000 in General Obligation Improvement Bonds for planned improvements of streets within the City. The Bonds were issued for a period of fifteen years at a net interest cost of 3.902%. These Bonds are payable from special assessments that have been levied upon properties that benefit from the improvements within the City. These bonds were refunded with the issuance of the 2016A bonds.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

General Obligation Bonds and Notes (continued)

Refunding Issues

2012 Taxable General Obligation Tax Increment Refunding Bonds

In March of 2012, \$5,445,000 in refunding bonds was issued through an advance refunding transaction that occurred on February 1, 2013. The original bonds had been issued in 2003 to fund certain public redevelopment costs related to the City's Corridor Plan.

2011 General Obligation Public Safety Refunding Bonds

In November of 2011, \$6,035,000 in refunding bonds was issued through a crossover refunding transaction that occurred on February 1, 2013. The original bonds had been issued in 2003 to fund public safety building improvements and equipment purchases and were payable through a market value property tax levy that was authorized by a special election that was held on November 5, 2002. These bonds mature on February 1, 2023.

2005 General Obligation Park Refunding Bonds

In 2005, the City issued \$6,045,000 in General Obligation Park Refunding Bonds for a net interest cost of 3.76% to refund \$3,105,000 of outstanding 1998 General Obligation Park Improvement Bonds that were called on February 1, 2006, and \$2,940,000 of outstanding 2000 General Obligation Park Improvement Bonds that were called on August 1, 2008. The 1998 bonds and 2000 bonds were issued to fund various park improvements through a market value property tax levy that was authorized by the voters at a special election held on September 30, 1997. These bonds were refunded with the issuance of the 2016A bonds.

2005 General Obligation Recreation Facility Revenue Refunding Bonds

In 2005, the City issued \$2,605,000 in General Obligation Recreation Facility Revenue Refunding Bonds for a net interest cost of 3.81% to refund \$2,610,000 of outstanding 1997 General Obligation Recreational Facility Revenue Bonds that were called on February 1, 2007. The 1997 bonds were issued to fund ice arena improvements at the Community Activity Center. These bonds were refunded with the issuance of the 2016A bonds.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

General Obligation Bonds and Notes (continued)

Other Bonds and Notes

The following issues were issued in accordance with Minnesota Statutes, but are not backed by the full, faith, credit, and taxing power of the City or the City's Economic Development Authority.

2010 Gross Revenue Bonds

In 2010, The City issued \$1,785,000 in Gross Revenue Bonds to finance an updated refrigerant / cooling system for the City's two ice rinks. The bonds were issued for a period of eighteen years at a net interest cost of 3.72%. These bonds are payable from gross ice arena revenues.

2010 Economic Development Authority Lease Revenue Bonds

In 2010, the Brooklyn Park Economic Development Authority issues \$2,245,000 in Lease Revenue Bonds to finance a geo-thermal system at the Community Activity Center. The bonds were issued for a period of seventeen years at a net interest cost of 3.43%. These bonds are payable from lease payments from the City that are to be appropriated within the City's Budget.

Other Long-Term Liabilities

The City also has long-term liabilities related to compensated absences and other post-employment benefits. These liabilities are accounted for within the Benefit Accrual Internal Service Fund. The liabilities are liquidated by either the governmental fund in which the employee is assigned or within the Benefit Accrual Internal Service Fund. The Benefit Accrual Internal Service Fund currently contains an unfunded deficit balance of \$9,264,609.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues

Governmental Activities:

Summary of Long-term Debt-Governmental

<u>Issue</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Original Issue Amount</u>	<u>Debt Outstanding December 31, 2018</u>
<u>General Obligation Bonds</u>					
General Obligation Capital Improvement	2.00-3.75%	2014	2035	\$ 9,490,000	\$ 8,325,000
General Obligation Street Reconstruction	1.50-2.00%	2016	2026	7,860,000	4,455,000
2017A General Obligation	2.125-3.00%	2017	2033	7,320,000	<u>7,320,000</u>
Total General Obligation Bonds					20,100,000
<u>General Obligation Refunding Bonds</u>					
General Obligation Improvement	2.00-3.00%	2011	2023	6,035,000	3,470,000
General Obligation Premium / Discount					<u>654,766</u>
Total Refunding Bonds					4,124,766
<u>Gross Revenue Bonds</u>					
Gross Revenue Bonds	3.00-4.00%	2010	2028	1,785,000	<u>1,185,000</u>
<u>Brooklyn Park Economic Development Authority Debt</u>					
Lease Revenue Bonds	2.00-3.75%	2010	2027	2,245,000	1,400,000
Tax Increment Revenue Refunding	1.50-2.00%	2012	2019	5,445,000	<u>930,000</u>
Total Brooklyn Park Economic Development Authority Debt					2,330,000
Compensated Absences					4,894,712
Other Postemployment Benefits					6,499,239
Net Pension Liability					<u>26,602,101</u>
Total Governmental Activities					<u>\$ 65,735,818</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues (continued)

Changes in long-term debt during 2018 for debt serviced through governmental activities are as follows:

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2018</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds</u>					
2014 General Obligation Capital Improvement	\$ 8,720,000	\$ -	\$ 395,000	\$ 8,325,000	\$ 400,000
2016 General Obligation Street Reconstruction bonds	6,150,000	-	1,695,000	4,455,000	1,020,000
2017A General Obligation	<u>7,320,000</u>	<u>-</u>	<u>-</u>	<u>7,320,000</u>	<u>525,000</u>
Total General Obligation Bonds	22,190,000	-	2,090,000	20,100,000	1,945,000
<u>General Obligation Refunding Bonds</u>					
2011 General Obligation Improvement Refunding	4,115,000	-	645,000	3,470,000	660,000
General Obligation Premium / Discount (net)	<u>713,996</u>	<u>-</u>	<u>59,230</u>	<u>654,766</u>	<u>-</u>
Total Refunding Bonds	4,828,996	-	704,230	4,124,766	660,000
<u>Gross Revenue Bonds</u>					
2010 Gross Revenue Bonds	<u>1,280,000</u>	<u>-</u>	<u>95,000</u>	<u>1,185,000</u>	<u>100,000</u>
<u>Brooklyn Park Economic Development Authority Debt</u>					
2010 Lease Revenue Bonds	1,535,000	-	135,000	1,400,000	135,000
2012 Tax Increment Revenue Refunding	<u>1,830,000</u>	<u>-</u>	<u>900,000</u>	<u>930,000</u>	<u>930,000</u>
Total Economic Development Authority Debt	3,365,000	-	1,035,000	2,330,000	1,065,000
Compensated Absences	<u>4,684,820</u>	<u>963,720</u>	<u>753,828</u>	<u>4,894,712</u>	<u>342,630</u>
Total Change in Debt Obligations	<u>\$36,348,816</u>	<u>\$ 963,720</u>	<u>\$4,678,058</u>	<u>\$32,634,478</u>	<u>\$ 4,112,630</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues (continued)

Business-Type Activities

Summary of Long-term Debt-Business-Type	Debt Outstanding				
Issue	Interest Rates	Date Issued	Date Matures	Original Issue Amount	December 31, 2018
2018A General Obligation Refunding Bonds	3.00-5.00%	2018	2030	\$ 11,540,000	\$ 11,540,000
General Obligation Premium/Discount (net)				941,291	900,660
SAC Loan Met Council	2.25%	2015	2020	30,948	19,809
Net Pension Liability					1,353,843
				<u>\$ 12,512,239</u>	<u>\$ 13,814,312</u>

Changes in long-term debt during 2018 for debt serviced through business-type activities are as follows:

Changes in Long-term Debt - Business Type

	Balance January 1, 2018	Additions	Retirements	Balance December 31, 2018	Due Within One Year
General Obligation Utility Revenue Bonds (Build America Bonds)	\$12,930,000	\$ -	\$ 12,930,000	\$ -	\$ -
2018A General Obligation Refunding Bonds	-	11,540,000	-	11,540,000	1,015,000
General Obligation Premium/Discount (net)		941,291	40,631	900,660	
SAC Loan Met Council	26,957	-	7,148	19,809	7,308
	<u>\$12,956,957</u>	<u>\$12,481,291</u>	<u>\$ 12,977,779</u>	<u>\$ 12,460,469</u>	<u>\$ 1,022,308</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues (continued)

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending December 31,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 3,770,000	\$ 701,581	\$ 1,022,308	\$ 543,950	\$ 6,037,839
2020	2,625,000	628,129	747,332	429,350	4,429,811
2021	2,555,000	564,406	784,267	391,216	4,294,889
2022	2,365,000	500,800	820,902	351,158	4,037,860
2023	2,400,000	435,412	860,000	309,150	4,004,562
2024 - 2028	8,135,000	1,418,227	5,025,000	861,775	15,440,002
2029 - 2033	4,015,000	575,825	2,300,000	379,950	7,270,775
2034 - 2035	1,220,000	46,125	-	-	1,266,125
Total Debt Obligations	<u>\$ 27,085,000</u>	<u>\$ 4,870,505</u>	<u>\$ 11,559,809</u>	<u>\$ 3,266,549</u>	<u>\$ 46,781,863</u>

Conduit Debt Obligations

On occasion, the City has issued Housing Revenue Bonds (HRBs) and Industrial Revenue Bonds (IRBs) to provide financial assistance to private sector entities for the acquisition, rehabilitation, or construction of existing rental projects and industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loan agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The bonds and interest are payable solely out of the loan agreement proceeds, certain fees, revenues, and other amounts derived from the loans and certain reserve funds. The bonds do not constitute any indebtedness, liability, general or moral obligation, or pledge of the faith or loan of credit of the City, State of Minnesota, or any political subdivision of either thereof.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

As of December 31, 2018, the City had the following Housing Revenue Bonds and Industrial Revenue Bonds outstanding:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding 12/31/2018</u>
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011A	6/9/2015	1/15/2038	\$ 8,516,650
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011B	6/9/2015	1/15/2038	2,828,355
Senior Housing Revenue Refunding Note Series 2015A (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	8,671,010
Senior Housing Revenue Refunding Note Series 2015B (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	6,698,959
Senior Housing Revenue Refunding Note Series 2015C (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2019	69,669
Athlos Leadership Academy Charter School Lease Revenue Bonds 2015A	12/29/2015	7/1/2046	25,295,000
Charter School Lease Revenue Refunding Bonds, Series 2015A (Prairie Seeds Academy)	5/27/2015	3/1/2039	16,890,000
Multifamily Housing Revenue Refunding Bonds, Series 1999A	6/24/1999	7/1/2024	6,160,000
Multifamily Housing Revenue Refunding Bonds, Series 1999C	6/24/1999	7/1/2029	730,000
Variable Rate Demand Industrial Revenue Bonds, Series 1999	4/1/1999	4/1/2019	55,000

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 7 – Long-Term Debt (continued)

Limited Pay-As-You-Go Notes

The Brooklyn Park Economic Development Authority (EDA) has issued Limited Revenue Pay-as-you-go Notes for the purpose of financing various tax increment and tax abatement projects. These notes are not general obligations of the EDA as they are payable only to the extent of future tax increments received.

Note 8 – Interfund Transactions

Due To / From Other Funds

As of December 31, 2018 the following interfund receivables / payables existed to offset negative cash balances at year-end:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 63,861
Special Assessment Construction Fund	Huntington Pointe Development Fund	13,319
Public Utilities Enterprise Fund	Recreation Enterprise Fund	999,417
		<u>\$ 1,076,597</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 8 – Interfund Transactions (continued)

Interfund Transfers

During 2018, the following interfund transfers took place:

Transfers Out	Transfers In	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 57,500	Youthprise Match
General Fund	Nonmajor Governmental Funds	80,537	Grants Reimbursement
General Fund	Heritage Infrastructure	150,000	Project Reimbursement
General Fund	Internal Service Fund	680,000	2017 General Fund Budget Surplus
General Fund	Internal Service Fund	21,474	Equipment Additions & Replacement
General Fund	Nonmajor Governmental Funds	4,600	Grant Reimbursement & Services
Economic Development Authority	General Fund	100,000	Capital Improvements
Economic Development Authority	Nonmajor Governmental Funds	50,000	Project Reimbursement
Economic Development Authority	Special Assessment Construction	32,679	Capital Improvements
Economic Development Authority	Tax Increment Financing	444,828	Admin Fees
Heritage Infrastructure	General Debt Service	180,000	Debt Service Requirements
Heritage Infrastructure	General Fund	38,070	Project Reimbursement
Heritage Infrastructure	Nonmajor Governmental Funds	666,883	Capital Improvements
Heritage Infrastructure	Nonmajor Governmental Funds	148,000	Debt Service Requirements
Nonmajor Governmental Funds	Economic Development Authority	207,000	Project Reimbursement
Nonmajor Governmental Funds	General Debt Service	663,236	Debt Service Requirements
Nonmajor Governmental Funds	General Fund	116,219	Capital Improvements
Nonmajor Governmental Funds	General Fund	48,799	Grants Reimbursement
Nonmajor Governmental Funds	General Fund	43,264	Project Reimbursement
Nonmajor Governmental Funds	General Fund	85,600	Salary Reimbursement
Nonmajor Governmental Funds	Internal Service Fund	1,381	Equipment Additions & Replacement
Nonmajor Governmental Funds	Recreation	2,000	Grants Reimbursement
Nonmajor Governmental Funds	Special Assessment Construction	4,527,007	Capital Improvements
Public Utilities	General Fund	27,000	Project Reimbursement
Public Utilities	General Fund	20,000	Refuse Truck Charge
Public Utilities	Internal Service Fund	3,450	Project Reimbursement
Special Assessment Construction	General Fund	185,000	Project Reimbursement
Tax Increment Financing	Nonmajor Governmental Funds	926,475	Debt Service Requirements
Tax Increment Financing	Special Assessment Construction	44,934	Project Reimbursement
	Total Transfers	\$ 9,555,936	

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 8 – Interfund Transactions (continued)

Advances To Other Funds

Advances represent interfund borrowings between funds that are of a long-term (more than one-year) nature. Advances as of December 31, 2018 are as follows:

	<u>Payable Fund</u>	<u>Amount</u>
Tax Increment Financing	Tax Increment Financing	\$4,999,133
Economic Development Authority	Economic Development Authority	<u>142,006</u>
		<u>\$5,141,139</u>

The Tax Increment Financing District Fund Advance for \$4,999,133 represents advances between various tax increment financing districts for state compliance purposes. The details of the advances are discussed below:

In 2001, the EDA authorized advances from the 1996 Loan fund (nonmajor Capital Project Fund) of up to \$13,846,602 to Tax Increment Financing District No. 20 to fund redevelopment activities and cover on-going tax increment revenue deficits within the District. Any advances were to be paid back over a ten-year period at an interest rate of 6.75%. In 2006, the EDA approved extending this payback period on the advance to match the duration of the District.

The EDA Townhome loan fund advance for \$142,006 is for the EDA Housing Improvement Areas Program for Cherokee Villas.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 9 – Fund Equity / Net Position

Fund equity, or net position represent the residual of a given fund or activity. For Governmental Funds, fund equity (or fund balance) refer to what is left over when total liabilities and inflows of resources of a fund are deducted from its total assets and outflows of resources. The government-wide statement of net position and the City's proprietary fund financial statements refer to fund residual as "net position." This represents total assets plus deferred outflows less liabilities and deferred inflows.

Net Position

The government-wide statement of net position and the proprietary fund financial statements divide net position into the following components: 1) net investments in capital assets, 2) restricted, and 3) unrestricted. Restricted items are required to be reported when external parties mandate their restriction.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 9 – Fund Equity / Net Position (continued)

Net Position (continued)

Restricted items are as follows:

Community Development:

CDBG	\$ 1,310,603
Federal Stimulus Grants	273,253
Revolving Fund	287,005
Brooklyn Bridge Alliance	404,941
Brooklynk	85,196
Fund balances in TIF Districts	22,145,014
Unavailable revenue:	3,240,787
Outstanding debt service	(930,000)
	<u>\$ 26,816,799</u>

Debt Service:

Debt service in accordance with bond covenants	\$ 4,402,527
Unavailable Revenue in Debt Service funds:	
Deferred Revenue	387,542
Interest payable - governmental activities	(418,631)
	<u>\$ 4,371,438</u>

Public Safety:

Donations	\$ 108,254
Police Forfeiture Property	466,654
	<u>\$ 574,908</u>

Other:

Donations	475,054
	<u>\$ 475,054</u>

Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 9 – Fund Equity / Net Position (continued)

Fund Balance (continued)

Fund Equity	General	Revolving	General Debt Service	Special Assessment Construction	Heritage Infrastructure
<u>Nonspendable</u>					
Inventories	\$ 1,998	\$ -	\$ -	\$ -	\$ -
Prepaid Items	17,998	-	-	-	-
Total Nonspendable	<u>19,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Restricted For:</u>					
Debt Service	-	-	4,398,244	-	-
Grants	-	287,005	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Recreation Programs	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-
Total Restricted	<u>-</u>	<u>287,005</u>	<u>4,398,244</u>	<u>-</u>	<u>-</u>
<u>Committed To:</u>					
Capital Projects	-	-	-	-	10,599,195
Community Development	-	-	-	-	-
Park Improvements	-	-	-	-	-
Recreation Programs	-	-	-	-	-
Transportation Improvements	-	-	-	16,713,609	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,713,609</u>	<u>10,599,195</u>
<u>Assigned To:</u>					
Community Development	-	-	-	-	-
Public Safety Programs	-	-	-	-	-
Recreation Programs	-	-	-	-	-
Tax Abatement	-	-	-	-	-
Capital Equipment /Improvements	-	-	-	-	-
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Unassigned</u>	<u>19,084,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>\$ 19,104,562</u>	<u>\$ 287,005</u>	<u>\$ 4,398,244</u>	<u>\$ 16,713,609</u>	<u>\$ 10,599,195</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 9 – Fund Equity / Net Position (continued)

Fund Balance (continued)

Fund Equity	Economic Development Authority	Tax Increment Financing	Nonmajor Governmental Funds	Total
<u>Nonspendable</u>				
Inventories	\$ -	\$ -	\$ 4,419	\$ 6,417
Prepaid Items	1,428	-	-	19,426
Total Nonspendable	<u>1,428</u>	<u>-</u>	<u>4,419</u>	<u>25,843</u>
<u>Restricted For:</u>				
Debt Service	-	-	4,284	4,402,528
Grants	-	-	2,073,993	2,360,998
General Government	-	-	291,434	291,434
Public Safety	-	-	574,908	574,908
Recreation Programs	-	-	183,619	183,619
Tax Increment Financing	-	22,145,014	-	22,145,014
Total Restricted	<u>-</u>	<u>22,145,014</u>	<u>3,128,238</u>	<u>29,958,501</u>
<u>Committed To:</u>				
Capital Projects	-	-	-	10,599,195
Community Development	18,454,510	-	-	18,454,510
Park Improvements	-	-	3,515,568	3,515,568
Recreation Programs	-	-	66,552	66,552
Transportation Improvements	-	-	5,481,889	22,195,498
Total Committed	<u>18,454,510</u>	<u>-</u>	<u>9,064,009</u>	<u>54,831,323</u>
<u>Assigned To:</u>				
Community Development	14,055,371	-	2,481,681	16,537,052
Public Safety Programs	-	-	-	-
Recreation Programs	-	-	-	-
Tax Abatement	1,022,583	-	-	1,022,583
Capital Equipment / Improvements	-	-	300,905	300,905
Total Assigned	<u>15,077,954</u>	<u>-</u>	<u>2,782,586</u>	<u>17,860,540</u>
<u>Unassigned</u>	<u>-</u>	<u>-</u>	<u>(21,274)</u>	<u>19,063,292</u>
Total Fund Balance	<u>\$ 33,533,892</u>	<u>\$ 22,145,014</u>	<u>\$ 14,957,978</u>	<u>\$ 121,739,499</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans - PERA

General Employee Retirement Plan and the Public Employee Police and Fire Fund

Defined Benefit Pension Plans

A. Plan Description

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

1. General Employees Retirement Plan

All full-time and certain part-time employees of the City of Brooklyn Park are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

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

B. Benefits Provided

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

1. General Employees Plan Benefits

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2018 and the City of Brooklyn Park was required to contribute 7.50 percent for Coordinated Plan members. The City of Brooklyn Park's contributions to the General Employees Fund for the year ended December 31, 2018, were \$1,440,218. The City of Brooklyn Park's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary and the City of Brooklyn Park was required to contribute 16.20 percent of pay for members in fiscal year 2018. The City of Brooklyn Park's contributions to the Police and Fire Fund for the year ended December 31, 2018, were \$2,040,754. The City of Brooklyn Park's contributions were equal to the required contributions as set by state statute.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2018, the City of Brooklyn Park reported a liability of \$15,633,109 for its proportionate share of the General Employees Fund's net pension liability. The City of Brooklyn Park's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. 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 of Brooklyn Park totaled \$512,893. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Brooklyn Park's proportionate share of the net pension liability was based on the City of Brooklyn Park's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the City of Brooklyn Park's proportionate share was 0.2818 percent which was a decrease of 0.0302 percent from its proportionate share measured as of June 30, 2017.

City of Brooklyn Park's proportionate share of the net pension liability	\$15,633,109
State of Minnesota's proportionate share of the net pension liability associated with the City of Brooklyn Park	512,893
Total	<u>\$16,146,002</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

For the year ended December 31, 2018, the City of Brooklyn Park recognized pension expense of \$1,437,793 for its proportionate share of the General Employees Plan's pension expense.

At December 31, 2018, the City of Brooklyn Park reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GERF Pension Costs

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 413,783	\$ 455,950
Changes in Actuarial assumptions	1,493,354	1,756,546
Difference Between Projected and Actual Earnings on Pension Planned Investments	-	1,597,456
Changes in Proportion and Differences Between City Contribution and Proportionate Share of Contributions	1,180,468	1,551,581
City Contributions Subsequent to the Measurement Date	721,647	-
Total	\$ 3,809,252	\$ 5,361,533

\$721,647 reported as deferred outflows of resources related to pensions resulting from the City of Brooklyn Park contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

GERF Pension Costs Year ended December 31	Pension Expense Amount
2019	\$ 500,747
2020	(717,595)
2021	(1,730,790)
2022	(326,290)
2023	-
Thereafter	-

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

1. Police and Fire Fund Pension Costs

At December 31, 2018, the City of Brooklyn Park reported a liability of \$12,322,835 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Brooklyn Park's proportionate share of the net pension liability was based on the City of Brooklyn Park's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the City of Brooklyn Park's proportionate share was 1.1561 percent which was a decrease of 0.0769 percent from its proportionate share measured as of June 30, 2017. The City of Brooklyn Park also recognized \$104,049 for the year ended December 31, 2018, as revenue and an offsetting expense for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2018, the City of Brooklyn Park recognized pension expense of \$1,559,548 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2018, the City of Brooklyn Park reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PEPFF Pension Costs

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 496,676	\$ 3,023,103
Changes in Actuarial assumptions	15,320,347	18,140,826
Difference Between Projected and Actual Earnings on Pension Planned Investments	-	2,581,053
Changes in Proportion and Differences Between City Contribution and Proportionate Share of Contributions	1,364,155	1,160,788
City Contributions Subsequent to the Measurement Date	1,057,653	-
Total	\$ 18,238,831	\$ 24,905,770

\$1,057,653 reported as deferred outflows of resources related to pensions resulting from City of Brooklyn Park contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

<u>PEPFF Pension Costs</u>	<u>Pension Expense</u>
<u>Year ended December 31</u>	<u>Amount</u>
2019	\$ (127,422)
2020	(699,603)
2021	(1,731,524)
2022	(4,893,254)
2023	(272,789)
Thereafter	-

Total Pension Expense

The total pension expense for all plans recognized by the City of Brooklyn Park for the year ended December 31, 2018, was \$2,997,341.

E. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, 1.0 percent per year for the Police and Fire Plan, and 2.0 percent per year for the Correctional Plan.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

Police and Fire Fund

- The morality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected</u>
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Mark	25%	5.90%
Cash	2%	0.00%
Totals	100%	

1. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. Pension Liability Sensitivity

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – PERA(Continued)

Description	1% Decrease in Discount Rate (6.5%)	Discount Rate -7.50%	1% Increase in Discount Rate (8.5%)
GERF Pension Liability			
Brooklyn Park's proportionate share of the GERF net pension liability:	\$ 25,405,803	\$ 15,633,109	\$ 7,566,028
PEPFF Pension Liability			
Brooklyn Park's proportionate share of the PEPFF net pension liability:	\$ 26,420,831	\$ 12,322,835	\$ 664,295

3. Pension Plan Fiduciary Net Position

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

Public Employees Defined Contribution Plan (Defined Contribution Plan)

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City of Brooklyn Park during fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$2,565	\$2,565	5%	5%	5%

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans –(OPEB)

Other Postemployment Benefits

A. Plan description.

The City's single employer defined benefit OPEB plan provides OPEB for the individuals noted below. The City's OPEB plan is administered by the City. The City does not administer a trust and therefore does not issue a separate report.

At retirement, employees of the City receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension plan may continue to participate in the City's group insurance plan. Eligible participants and their dependents are allowed access to the health plans.

Participants meeting additional requirements below are eligible for a direct subsidy of the premium paid by the City:

<u>Group</u>	<u>Eligibility</u>	<u>Premium Paid by City</u>
Police and Fire	Age 55 with 10 years of service OR age 60 with 20 years of service	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.
	Disabled in the line of duty	The City contributes 100% of the single health premium until member age 65
Non-Police and Fire	Age 65 with 10 years of service OR age 60 with 20 years of service OR Rule of 90 with 10 years of service (Tier 1 retirement only)	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.

At December 31, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefit payments	3
Active Plan members	376
	413

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – OPEB (Continued)

B. Contributions

All post-employment benefits are based on Minnesota Statutes and contractual employee groups, as noted in the plan description.

C. Total OPEB Liability

The City's Total OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	2.75%
Investment rate of return	3.31%
Healthcare cost trend rates	6.90% grading to 4.40% by 2075

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015 for General Employees and MP-216 for Police and Fire employees.

Plan participation, plan election and spouse coverage assumptions were based on review of the City's historical experience and current participant elections.

Discount rate

The discount rate used to measure the total OPEB liability was 3.31 percent. Since the plan is not funded by a trust, the discount rate is equal to the 20-year Municipal Bond Rate.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – OPEB (Continued)

D. Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balances at 12/31/2017	\$ 6,145,494
Changes for the year:	
Service Cost	270,368
Interest	237,390
Changes of Assumptions	216,289
Benefit payments	(370,302)
Net Changes	353,745
Balances at 12/31/2018	\$ 6,499,239

Sensitivity of the total OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (2.3 percent) or 1-percentage-point higher (4.3 percent) than the current discount rate:

	1% Decrease (2.3)%	Discount Rate (3.3)%	1% Increase (4.3)%
Total OPEB liability	\$ 6,961,622	\$ 6,499,239	\$ 6,075,652

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-percentage-point lower (5.9 percent decreasing to 3.4 percent) or 1-percentage-point higher (7.9 percent decreasing to 5.4 percent) than the current healthcare cost trend rates:

	1% Decrease (5.9% decreasing to 3.4%)	Healthcare Cost Trend Rates (6.9% decreasing to 4.4%)	1% Increase (7.9% decreasing to 5.4%)
Total OPEB liability	\$ 5,883,609	\$ 6,499,239	\$ 7,222,380

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 10 – Employee Retirement Systems and Pension Plans – OPEB(Continued)

E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$531,578. At December 31, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 192,469	\$ -
Contributions made after the Measurement Date	490,251	-
Total	\$ 682,720	\$ -

The City's contributions subsequent to the measurement date of \$490,251, reported as deferred outflows of resources, will be recognized as a reduction of the total OPEB liability in the City's fiscal year ended December 31, 2019.

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

Year ended December 31	Amount
2019	\$ 23,820
2020	23,820
2021	23,820
2022	23,820
2023	23,820
Thereafter	73,369

The City's deferred outflow from the changes of assumptions amount comes from the actuary changing the following assumptions:

- The Discount rate was changed from 3.81% to 3.31% based on updated 20-year municipal bond rates.
- The actuarial cost method changed from using the Projected Unit Credit cost method to the Entry Age Normal level percent of pay cost method due to new GASB 74/75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectation, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capital claims costs were updated to reflect recent experience.
- Withdrawal, retirement and mortality increase rates were updated from the rates used in the 7/1/2015 PERA Police & Fire Plan to the rates used in the 7/1/2017 valuation.
- A salary scale assumption was added to reflect the cost method changes. Rates are from the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 PERA Police & Fire Plan valuations.
- The percent of future retirees hired after 1995 and eligible for a direct subsidy assumed to elect coverage at retirement changed from 100% to 20% to reflect recent plan experience.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 11 – Joint Venture Disclosures – Pets Under Police Security (PUPS)

Annual operational and capital costs of PUPS are to be charged annually to each of its members in direct proportion to the number of animals impounded from each member's jurisdiction. The City's share of these operating costs is included in the General Fund. The City's share of operating revenues for 2018 was \$61,401, which is 31.6% of operations revenues for PUPS. The City of Maple Grove is responsible for providing staffing, accounting and reporting for the impound facility. Complete financial information for PUPS can be obtained from the City of Maple Grove's finance department.

Summary financial information as of and for the fiscal year ended December 31, 2018 is as follows:

	<u>Operations</u>	<u>Capital</u>	<u>Total</u>
Total Assets	<u>\$ 62,628</u>	<u>\$ 38,742</u>	<u>\$ 101,010</u>
Total Liabilities	\$ 5,610	-	\$ 5,610
Total PUPS Equity	<u>56,658</u>	<u>\$ 38,742</u>	<u>95,400</u>
Total Liabilities and Equity	<u>\$ 62,268</u>	<u>\$ 38,742</u>	<u>\$ 101,010</u>
Total Revenues	\$ 194,468	\$ 469	\$ 194,937
Total Expenditures	<u>180,467</u>	<u>-</u>	<u>180,467</u>
Total Increase in PUPS Equity	<u>\$ 14,001</u>	<u>\$ 469</u>	<u>\$ 14,470</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 12 – Commitments and Contingencies

Claims and Litigation

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance that would have a material effect on the financial statements.

Committed Contracts

As of December 31, 2018 the commitment for construction contract has a remaining balance of \$146,388.

Note 13 – Tax Abatements

The City enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various Minnesota Statutes. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.090 to 469.1081 and 469.178 (The Tax Increment Act) to create these districts.

For the fiscal year ended December 31, 2018, the City has two agreements established under Minnesota Statute 469.090 to 469.1081 which resulted in property taxes totaling \$226,756 being abated. These agreements include:

- District No. 24 First Industrial: A pay as you go note to facilitate redevelopment of the former Signature Design Center and construct two new warehouse distribution facilities within the City. The abatement amount was \$140,173.
- District No 25 Wurth Adams Nut & Bolt: A pay as you go note to create long term value and job creation in and around Development District No.1. The abatement amount was \$86,583.

For the fiscal year ended December 31, 2018, the City has two agreements established under Minnesota Statutes §§ 469.1812 to 469.1815, which resulted in property taxes totaling \$307,075 being abated. These abatements are for an agreement with Target Corporation to undertake an expansion of its Corporate Campus and construct or cause to be constructed new mixed-use facilities with the development district, and Doran for the agreement of building apartments for multi-family housing will serve to expand housing options for residents, will attract nearby industrial development, will enhance the community's tax base, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents. Under the Target Corporation agreement, the estimated abatement could equal or exceed \$20,000,000. In addition, the City waives any planned, pending or levied assessment against the development property as of the agreement date in the amount of approximately \$2,400,000 for truck water, storm and sanitary sewer improvements. The business subsidy is a pro-rata subsidy that is being provided in proportion to and in exchange for each qualified job created.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2018

Note 14 – Subsequent Events

On November 6, 2018 the residents voted to authorize to general obligation bonds to be issued not to exceed \$26 million in funds identified to develop and improve the Park system including the special use facilities. Some of the bond issuance is planned to be issued in 2019.

Note 15 - Change in Accounting Principle

During the fiscal year ended December 31, 2018, the City adopted GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As a result, the City's net position as of December 31, 2017 has been restated to reflect the recognition of the City's total OPEB liability.

	Governmental Activities	Business-Type Activities	Internal Service Funds
Net Position, December 31, 2017, as Previously Reported	\$ 233,209,117	\$ 159,181,156	\$ 10,338,695
Cumulative Affect of Applicaion of GASB 75	<u>(4,106,832)</u>	<u>(280,809)</u>	<u>(4,387,641)</u>
Net Position, December 31, 2017, as Restated	<u>\$ 229,102,285</u>	<u>\$ 158,900,347</u>	<u>\$ 5,951,054</u>

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City of Brooklyn Park, Minnesota
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Required Supplementary Information
Last Measurement Period *

	Measurement Date December 31, 2017
Total OPEB Liability	
Service cost	\$ 270,368
Interest	237,390
Changes of assumptions	216,289
Benefit payments	(370,302)
Net Change in total OPEB liability	353,745
Total OPEB Liability - beginning	6,145,494
Total OPEB Liability - ending	6,499,239
Covered employee payroll	\$ 27,966,081
City' Total OPEB Liability as a percentage of the covered employee payroll	23.24%

* This schedule presents all information that is available, until ten years of information is compiled.

The City's deferred outflow from the changes of assumptions amount comes from the actuary changing the following assumptions:

- The discount rate was changed from 3.81% to 3.31% based on updated 30-year municipal bond rates.
- The actuarial cost method changed from using the Projected Unit Credit cost method to the Entry Age Normal level percent of pay cost method due to the new GASB 74/75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectation, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans
- Medical per capital claims costs were updated to reflect recent experience.
- Withdrawal, retirement and mortality increase rates were updated from the rates used in the 7/1/2015 PERA Police & Fire Plan to the rates used in the 7/1/2017 valuation.
- A salary scale assumption was added to reflect the cost method changes. Rates are from the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 PERA Police and Fire Plan Valuations.
- The percent of future retirees hired after 1995 and eligible for a direct subsidy assumed to elect coverage at retirement changed from 100% to 20% to reflect recent plan experience.

City of Brooklyn Park, Minnesota
Schedule of Contributions
Required Supplementary Information
Last Ten Years *

GERF Schedule of City Contributions
Last Four Fiscal Years

	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,420,788	\$ 1,434,201	\$ 1,393,148	\$ 1,265,888
Contributions in Relation to the Statutorily Required Contribution	<u>(1,420,788)</u>	<u>(1,434,201)</u>	<u>(1,393,148)</u>	<u>(1,265,888)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered payroll	\$ 18,943,840	\$ 19,122,680	\$ 18,575,307	\$ 16,878,507
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%

PEPF Schedule of City Contributions
Last Four Fiscal Years

	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,973,907	\$ 1,980,583	\$ 1,935,016	\$ 1,798,623
Contributions in Relation to the Statutorily Required Contribution	<u>(1,973,907)</u>	<u>(1,980,583)</u>	<u>(1,935,016)</u>	<u>(1,798,623)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered payroll	\$ 12,184,611	\$ 12,225,821	\$ 11,944,543	\$ 11,102,611
Contributions as a Percentage of Covered Payroll	16.20%	16.20%	16.20%	16.20%

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

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

City of Brooklyn Park, Minnesota
Schedule of Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Ten Years *

GERF Schedule of City Contributions

Last Four Fiscal Years	<u>Measurement Date 6/30/2018</u>	<u>Measurement Date 6/30/2017</u>	<u>Measurement Date 6/30/2016</u>	<u>Measurement Date 6/30/2015</u>
City's Proportion of the Net Pension Liability	0.2818%	0.3120%	0.2702%	0.2835%
City's Proportionate Share of the Net Pension Liability	\$ 15,633,109	\$ 19,917,874	\$ 21,938,900	\$ 14,692,441
City's Covered Payroll	18,942,142	20,101,533	16,765,827	16,664,784
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	82.53%	99.09%	130.8500%	88.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.50%	75.90%	68.9000%	78.20%

PEPFF Schedule of City Contributions

Last Four Fiscal Years	<u>Measurement Date 6/30/2018</u>	<u>Measurement Date 6/30/2017</u>	<u>Measurement Date 6/30/2016</u>	<u>Measurement Date 6/30/2015</u>
City's Proportion of the Net Pension Liability	1.1561%	1.2330%	1.1140%	1.1260%
City's Proportionate Share of the Net Pension Liability	\$ 12,322,835	\$ 16,646,967	\$ 45,549,525	\$ 12,793,995
City's Covered Payroll	12,181,437	12,655,420	10,932,126	10,311,601
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	101.16%	131.54%	416.6500%	124.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.80%	85.40%	63.8800%	86.61%

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

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

City of Brooklyn Park, Minnesota
Notes to Schedule of Changes in Net Pension Liability and Related Ratios
Required Supplementary Information
Last Ten Years*

General Employees Fund

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Plan Provisions:

- The State's special funding contribution increased from \$6 million to \$16 million.

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.00 percent for vested deferred member liability and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 Changes

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

City of Brooklyn Park, Minnesota
Notes to Schedule of Changes in Net Pension Liability and Related Ratios
Required Supplementary Information
Last Ten Years*

General Employees Fund

2018 Changes

Changes in Actuarial Assumptions:

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Changes in Actuarial Assumptions:

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**City of Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 2,600,292	\$ 4,262	\$ 7,859,058	\$ 10,463,612
Accrued interest receivable	6,977	22	20,318	27,317
Accounts receivable	214,976	-	1,527,500	1,742,476
Due from other governmental units	237,652	-	-	237,652
Inventories	4,419	-	-	4,419
Property held for resale	312,550	-	2,495,000	2,807,550
Total Assets:	<u>\$ 3,376,866</u>	<u>\$ 4,284</u>	<u>\$ 11,901,876</u>	<u>\$ 15,283,026</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable	\$ 56,335	\$ -	\$ 59,921	\$ 116,256
Accrued wages payable	22,259	-	-	22,259
Customer and contractor deposits	10,000	-	-	10,000
Due to other funds	63,861	-	13,319	77,180
Due to other governmental units	1,385	-	48,593	49,978
Unearned revenue	1,707	-	-	1,707
Total Liabilities:	<u>155,547</u>	<u>-</u>	<u>121,833</u>	<u>277,380</u>
Deferred Inflows of Resources:				
Unavailable revenue - notes receivable	43,361	-	-	43,361
Unavailable resources - other	4,307	-	-	4,307
Total Deferred Inflows of Resources:	<u>47,668</u>	<u>-</u>	<u>-</u>	<u>47,668</u>
Fund Balances:				
Nonspendable	4,419	-	-	4,419
Restricted	3,123,954	4,284	-	3,128,238
Committed	66,552	-	8,997,457	9,064,009
Assigned	-	-	2,782,586	2,782,586
Unassigned	(21,274)	-	-	(21,274)
Total Fund Balances:	<u>3,173,651</u>	<u>4,284</u>	<u>11,780,043</u>	<u>14,957,978</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 3,376,866</u>	<u>\$ 4,284</u>	<u>\$ 11,901,876</u>	<u>\$ 15,283,026</u>

City of Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Franchise Fees	\$ -	\$ -	\$ 5,879,239	\$ 5,879,239
Licenses and permits	-	-	67,544	67,544
Fines and forfeitures	24,984	-	-	24,984
Intergovernmental revenue	714,129	-	24,200	738,329
Donations	177,534	-	-	177,534
Refunds and reimbursements	10	-	15,000	15,010
Charges for services	987,506	-	1,080	988,586
Investment income	24,493	15	117,892	142,400
Net change in fair value of investments	(7,865)	(26)	(71,207)	(79,098)
Lease Income	-	-	253,503	253,503
Other revenue	2,482	-	-	2,482
Total Revenues:	<u>1,923,273</u>	<u>(11)</u>	<u>6,287,251</u>	<u>8,210,513</u>
Expenditures				
Current:				
General Government	409,833	-	-	409,833
Community Development	470,436	-	-	470,436
Public Safety	34,887	-	-	34,887
Public Works	-	-	118,675	118,675
Recreation & Parks	936,791	-	342,514	1,279,305
Capital outlay:				
Public Works	-	-	798,118	798,118
Recreation & Parks	-	-	179,671	179,671
Debt service:				
Principal	-	900,000	-	900,000
Interest and fiscal charges	-	26,983	-	26,983
Total Expenditures:	<u>1,851,947</u>	<u>926,983</u>	<u>1,438,978</u>	<u>4,217,908</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	<u>71,326</u>	<u>(926,994)</u>	<u>4,848,273</u>	<u>3,992,605</u>
Other Financing Sources(Uses):				
Transfers from other funds	525,339	926,475	651,888	2,103,702
Transfers to other funds	(618,769)	-	(5,245,444)	(5,864,213)
Total Other Financing Sources(Uses):	<u>(93,430)</u>	<u>926,475</u>	<u>(4,593,556)</u>	<u>(3,760,511)</u>
Net Change in Fund Balances:	<u>(22,104)</u>	<u>(519)</u>	<u>254,717</u>	<u>232,094</u>
Fund Balances - Beginning	3,195,755	4,803	11,525,326	14,725,884
Fund Balances - Ending:	<u>\$ 3,173,651</u>	<u>\$ 4,284</u>	<u>\$ 11,780,043</u>	<u>\$ 14,957,978</u>

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**City of Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
Assets				
Cash and investments	\$ 765,101	\$ 273,253	\$ 582,520	\$ 465,101
Accrued interest receivable	-	-	2,598	2,333
Accounts receivable	-	-	3,000	-
Due from other governmental units	232,952	-	-	-
Inventories	-	-	-	-
Property held for resale	312,550	-	-	-
Total Assets:	\$ 1,310,603	\$ 273,253	\$ 588,118	\$ 467,434
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 4,811	\$ 780
Accrued wages payable	-	-	-	-
Customer and contractor deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities:	-	-	4,811	780
Deferred Inflows of Resources:				
Unavailable revenue - notes receivable	-	-	-	-
Unavailable resources - other	-	-	-	-
Total Deferred Inflows of Resources:	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,310,603	273,253	583,307	466,654
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances:	1,310,603	273,253	583,307	466,654
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 1,310,603	\$ 273,253	\$ 588,118	\$ 467,434

Ice Arena	Brookland Golf Course	Brooklyn Bridge Alliance	BrookLynk	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 403,047	\$ 111,270	\$ 2,600,292
-	-	2,046	-	6,977
192,462	-	19,514	-	214,976
-	-	4,700	-	237,652
-	4,419	-	-	4,419
-	-	-	-	312,550
<u>\$ 192,462</u>	<u>\$ 4,419</u>	<u>\$ 429,307</u>	<u>\$ 111,270</u>	<u>\$ 3,376,866</u>
\$ 21,185	\$ 534	\$ 6,909	\$ 22,116	\$ 56,335
8,339	2,505	7,457	3,958	22,259
-	-	10,000	-	10,000
47,345	16,516	-	-	63,861
1,373	12	-	-	1,385
-	1,707	-	-	1,707
<u>78,242</u>	<u>21,274</u>	<u>24,366</u>	<u>26,074</u>	<u>155,547</u>
43,361	-	-	-	43,361
4,307	-	-	-	4,307
<u>47,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,668</u>
-	4,419	-	-	4,419
-	-	404,941	85,196	3,123,954
66,552	-	-	-	66,552
-	(21,274)	-	-	(21,274)
<u>66,552</u>	<u>(16,855)</u>	<u>404,941</u>	<u>85,196</u>	<u>3,173,651</u>
<u>\$ 192,462</u>	<u>\$ 4,419</u>	<u>\$ 429,307</u>	<u>\$ 111,270</u>	<u>\$ 3,376,866</u>

City of Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 24,984
Intergovernmental revenue	280,788	(4,876)	-	-
Donations	-	-	84,010	-
Refunds and reimbursements	-	-	-	-
Charges for services	-	-	2,910	-
Investment income	-	-	9,645	8,095
Net change in fair value of investments	-	-	(2,954)	(2,656)
Other revenue	-	-	-	-
Total Revenues:	<u>280,788</u>	<u>(4,876)</u>	<u>93,611</u>	<u>30,423</u>
Expenditures				
Current:				
General Government	-	-	30,977	-
Community Development	210,696	-	-	-
Public Safety	-	323	25,874	8,690
Recreation & Parks	-	-	89	-
Total Expenditures:	<u>210,696</u>	<u>323</u>	<u>56,940</u>	<u>8,690</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	<u>70,092</u>	<u>(5,199)</u>	<u>36,671</u>	<u>21,733</u>
Other Financing Sources(Uses):				
Transfers from other funds	-	-	80,537	-
Transfers to other funds	(250,263)	-	(5,000)	-
Total Other Financing Sources(Uses):	<u>(250,263)</u>	<u>-</u>	<u>75,537</u>	<u>-</u>
Net Change in Fund Balances:	<u>(180,171)</u>	<u>(5,199)</u>	<u>112,208</u>	<u>21,733</u>
Fund Balances - Beginning	1,490,774	278,452	471,099	444,921
Fund Balances - Ending:	<u>\$ 1,310,603</u>	<u>\$ 273,253</u>	<u>\$ 583,307</u>	<u>\$ 466,654</u>

<u>Ice Arena</u>	<u>Brookland Golf Course</u>	<u>Brooklyn Bridge Alliance</u>	<u>BrookLynk</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 24,984
-	-	277,236	160,981	714,129
-	-	88,524	5,000	177,534
-	10	-	-	10
742,961	213,498	28,137	-	987,506
(483)	-	7,236	-	24,493
-	-	(2,255)	-	(7,865)
280	1,002	1,200	-	2,482
<u>742,758</u>	<u>214,510</u>	<u>400,078</u>	<u>165,981</u>	<u>1,923,273</u>
-	-	378,856	-	409,833
-	-	-	259,740	470,436
-	-	-	-	34,887
674,819	261,883	-	-	936,791
<u>674,819</u>	<u>261,883</u>	<u>378,856</u>	<u>259,740</u>	<u>1,851,947</u>
67,939	(47,373)	21,222	(93,759)	71,326
148,000	14,995	80,295	201,512	525,339
(148,000)	-	(192,949)	(22,557)	(618,769)
-	14,995	(112,654)	178,955	(93,430)
67,939	(32,378)	(91,432)	85,196	(22,104)
(1,387)	15,523	496,373	-	3,195,755
<u>\$ 66,552</u>	<u>\$ (16,855)</u>	<u>\$ 404,941</u>	<u>\$ 85,196</u>	<u>\$ 3,173,651</u>

**City of Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2018**

	Tax Increment Bonds	Total Nonmajor Debt Service Funds
Assets		
Cash and investments	\$ 4,262	\$ 4,262
Accrued interest receivable	22	22
Total Assets:	\$ 4,284	\$ 4,284
 Liabilities, Deferred Inflows of Resources, and Fund Balances		
Fund Balances:		
Restricted	\$ 4,284	\$ 4,284
Total Fund Balances:	4,284	4,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 4,284	\$ 4,284

City of Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018

	Tax Increment Bonds	Total Nonmajor Debt Service Funds
Revenues		
Investment income	\$ 15	\$ 15
Net change in fair value of investments	(26)	(26)
Total Revenues:	(11)	(11)
Expenditures		
Debt service:		
Principal	900,000	900,000
Interest and fiscal charges	26,983	26,983
Total Expenditures:	926,983	926,983
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(926,994)	(926,994)
Other Financing Sources(Uses):		
Transfers from other funds	926,475	926,475
Total Other Financing Sources(Uses):	926,475	926,475
Net Change in Fund Balances:	(519)	(519)
Fund Balances - Beginning	4,803	4,803
Fund Balances - Ending:	\$ 4,284	\$ 4,284

**City of Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018**

	Municipal Buildings & Additions	Open Space Land Acquisition & Dev	Franchise Fee	Huntington Pointe Development	Total Nonmajor Capital Projects Funds
Assets					
Cash and investments	\$ 318,218	\$ 3,580,353	\$ 3,960,487	\$ -	\$ 7,859,058
Accrued interest receivable	1,767	18,551	-	-	20,318
Accounts receivable	-	-	1,527,500	-	1,527,500
Property held for resale	-	-	-	2,495,000	2,495,000
Total Assets:	\$ 319,985	\$ 3,598,904	\$ 5,487,987	\$ 2,495,000	\$ 11,901,876
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable	\$ 19,080	\$ 34,743	\$ 6,098	\$ -	\$ 59,921
Due to other funds	-	-	-	13,319	13,319
Due to other governmental units	-	48,593	-	-	48,593
Total Liabilities:	19,080	83,336	6,098	13,319	121,833
Fund Balances:					
Committed	-	3,515,568	5,481,889	-	8,997,457
Assigned	300,905	-	-	2,481,681	2,782,586
Total Fund Balances:	300,905	3,515,568	5,481,889	2,481,681	11,780,043
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 319,985	\$ 3,598,904	\$ 5,487,987	\$ 2,495,000	\$ 11,901,876

City of Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Municipal Buildings & Additions	Open Space Land Acquisition & Dev	Franchise Fee	Huntington Pointe Development	Total Nonmajor Capital Projects Funds
Revenues					
Franchise Fees	\$ -	\$ -	\$ 5,879,239	\$ -	\$ 5,879,239
Licenses and permits	-	67,544	-	-	67,544
Intergovernmental revenue	-	24,200	-	-	24,200
Refunds and reimbursements	-	-	15,000	-	15,000
Charges for services	-	1,080	-	-	1,080
Investment income	252	70,544	47,096	-	117,892
Net change in fair value of investments	(181)	(19,350)	(51,676)	-	(71,207)
Lease Income	-	253,503	-	-	253,503
Total Revenues:	<u>71</u>	<u>397,521</u>	<u>5,889,659</u>	<u>-</u>	<u>6,287,251</u>
Expenditures					
Current:					
Public Works	41,137	-	77,538	-	118,675
Recreation & Parks	-	342,514	-	-	342,514
Capital outlay:					
Public Works	798,118	-	-	-	798,118
Recreation & Parks	-	179,671	-	-	179,671
Total Expenditures:	<u>839,255</u>	<u>522,185</u>	<u>77,538</u>	<u>-</u>	<u>1,438,978</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures:	<u>(839,184)</u>	<u>(124,664)</u>	<u>5,812,121</u>	<u>-</u>	<u>4,848,273</u>
Other Financing Sources(Uses):					
Transfers from other funds	280,055	371,833	-	-	651,888
Transfers to other funds	(1,381)	(85,600)	(5,158,463)	-	(5,245,444)
Total Other Financing Sources(Uses):	<u>278,674</u>	<u>286,233</u>	<u>(5,158,463)</u>	<u>-</u>	<u>(4,593,556)</u>
Net Change in Fund Balances:	<u>(560,510)</u>	<u>161,569</u>	<u>653,658</u>	<u>-</u>	<u>254,717</u>
Fund Balances - Beginning	861,415	3,353,999	4,828,231	2,481,681	11,525,326
Fund Balances - Ending:	<u>\$ 300,905</u>	<u>\$ 3,515,568</u>	<u>\$ 5,481,889</u>	<u>\$ 2,481,681</u>	<u>\$ 11,780,043</u>

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City of Brooklyn Park, Minnesota
Combining Statement of Net Position
Internal Service Funds
December 31, 2018

	Central Services	Information Technology	Loss Control	Benefit Accrual	Total Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 5,073,803	\$ 2,583,314	\$ 415,803	\$ 1,069,986	\$ 9,142,906
Accrued interest receivable	25,931	12,986	2,176	5,795	46,888
Accounts receivable	-	-	71	73,144	73,215
Due from other governmental units	-	755	-	-	755
Inventories	55,576	-	-	-	55,576
Prepaid expenses	-	44,260	326,490	410,987	781,737
Total Current assets:	<u>5,155,310</u>	<u>2,641,315</u>	<u>744,540</u>	<u>1,559,912</u>	<u>10,101,077</u>
Noncurrent assets:					
Capital assets:					
Property and Equipment	19,293,637	5,182,549	-	-	24,476,186
Accumulated depreciation	(12,568,113)	(3,719,848)	-	-	(16,287,961)
Total Noncurrent assets:	<u>6,725,524</u>	<u>1,462,701</u>	<u>-</u>	<u>-</u>	<u>8,188,225</u>
Total Assets:	<u>11,880,834</u>	<u>4,104,016</u>	<u>744,540</u>	<u>1,559,912</u>	<u>18,289,302</u>
Deferred Outflows of Resources					
Pensions	203,904	88,022	25,553	-	317,479
OPEB	-	-	-	682,720	682,720
Total Deferred Outflows of Resources:	<u>203,904</u>	<u>88,022</u>	<u>25,553</u>	<u>682,720</u>	<u>1,000,199</u>
Liabilities					
Current liabilities:					
Accounts payable	485,770	179,911	29,788	2,133	697,602
Accrued wages payable	36,013	21,439	5,419	101,599	164,470
Due to other governmental funds	5,409	14,585	-	9,558	29,552
Compensated absence payable - current	-	-	-	342,630	342,630
Total OPEB liability - current	-	-	-	490,251	490,251
Total Current liabilities:	<u>527,192</u>	<u>215,935</u>	<u>35,207</u>	<u>946,171</u>	<u>1,724,505</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	-	4,552,082	4,552,082
Total OPEB Liability	-	-	-	6,008,988	6,008,988
Net Pension Liability	836,820	361,246	104,874	-	1,302,940
Total Noncurrent liabilities:	<u>836,820</u>	<u>361,246</u>	<u>104,874</u>	<u>10,561,070</u>	<u>11,864,010</u>
Total Liabilities:	<u>1,364,012</u>	<u>577,181</u>	<u>140,081</u>	<u>11,507,241</u>	<u>13,588,515</u>
Deferred Inflows of Resources					
Pensions	286,996	123,893	35,967	-	446,856
Total Deferred Inflows of Resources:	<u>286,996</u>	<u>123,893</u>	<u>35,967</u>	<u>-</u>	<u>446,856</u>
Net Position					
Net investment in capital assets	6,725,524	1,462,701	-	-	8,188,225
Unrestricted	3,708,206	2,028,263	594,045	(9,264,609)	(2,934,095)
Total Net Position:	<u>\$ 10,433,730</u>	<u>\$ 3,490,964</u>	<u>\$ 594,045</u>	<u>\$ (9,264,609)</u>	<u>\$ 5,254,130</u>

City of Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2018

	Central Services	Information Technology	Loss Control	Benefit Accrual	Total Internal Service Funds
Operating revenues					
Other	\$ 5,633,341	\$ 2,595,784	\$ 2,692,257	\$ 217,428	\$ 11,138,810
Total Operating revenues:	<u>5,633,341</u>	<u>2,595,784</u>	<u>2,692,257</u>	<u>217,428</u>	<u>11,138,810</u>
Operating Expenses					
Personal services	1,774,207	714,886	204,832	1,143,197	3,837,122
Supplies	1,002,764	410,038	12,168	-	1,424,970
Contractual services	1,243,937	1,090,013	41,193	5,957	2,381,100
Internal service charges	234,841	60,961	2,723,279	-	3,019,081
Other Charges	20,066	22,652	4,833	27,217	74,768
Depreciation	1,529,211	412,832	-	-	1,942,043
General fund charges	46,223	-	-	-	46,223
Total Operating Expenses:	<u>5,851,249</u>	<u>2,711,382</u>	<u>2,986,305</u>	<u>1,176,371</u>	<u>12,725,307</u>
Operating Income (Loss):	<u>(217,908)</u>	<u>(115,598)</u>	<u>(294,048)</u>	<u>(958,943)</u>	<u>(1,586,497)</u>
Nonoperating Revenues (Expenses)					
Investment income	98,767	48,275	9,806	23,501	180,349
Net change in fair value of investments	(26,625)	(13,400)	(1,336)	(7,614)	(48,975)
Interest expense and fiscal fees	-	-	-	4,468	4,468
Gain(loss) on sale on disposal of assets	47,426	-	-	-	47,426
Total Nonoperating Revenues (Expenses):	<u>119,568</u>	<u>34,875</u>	<u>8,470</u>	<u>20,355</u>	<u>183,268</u>
Income (Loss) Before Contributions and Transfers:	<u>(98,340)</u>	<u>(80,723)</u>	<u>(285,578)</u>	<u>(938,588)</u>	<u>(1,403,229)</u>
Transfers in	530,000	176,305	-	-	706,305
Change in Net Position:	431,660	95,582	(285,578)	(938,588)	(696,924)
Total Net Position - Beginning (as previously reported)	10,002,070	3,395,382	879,623	(3,938,380)	10,338,695
Prior Period Adjustment(see Note 15)				(4,387,641)	(4,387,641)
Total Net Position - Beginning(Restated)	<u>10,002,070</u>	<u>3,395,382</u>	<u>879,623</u>	<u>(8,326,021)</u>	<u>5,951,054</u>
Total Net Position - Ending:	<u>\$ 10,433,730</u>	<u>\$ 3,490,964</u>	<u>\$ 594,045</u>	<u>\$ (9,264,609)</u>	<u>\$ 5,254,130</u>

City of Brooklyn Park, Minnesota
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Central Services	Information Technology	Loss Control	Benefit Accrual	Total
Cash Flows From Operating Activities					
Receipts from customers	\$ 5,633,341	\$ 2,595,784	\$ 2,692,257	\$ 158,597	\$ 11,079,979
Payments to suppliers	(1,939,724)	(1,734,473)	(89,375)	(102,533)	(3,866,105)
Payments to employees	(1,567,435)	(924,461)	(219,440)	(1,135,246)	(3,846,582)
Payments for interfund services used	(234,841)	(60,961)	(2,723,279)	-	(3,019,081)
Net cash provided (used) by operating activities	<u>1,891,341</u>	<u>(124,111)</u>	<u>(339,837)</u>	<u>(1,079,182)</u>	<u>348,211</u>
Cash Flows From Noncapital Financing Activities					
Due to/From Other Funds	-	1,050	-	-	1,050
Transfers in	530,000	176,305	-	-	706,305
Net cash provided (used) by noncapital financing activities	<u>530,000</u>	<u>177,355</u>	<u>-</u>	<u>-</u>	<u>707,355</u>
Cash Flows From Capital and Related Financing Activities					
Interest and fiscal charges paid on capital debt	-	-	-	4,468	4,468
Acquisition of capital assets	(1,332,494)	(153,533)	-	-	(1,486,027)
Proceeds from sale of capital assets	47,426	-	-	-	47,426
Net cash provided (used) by capital and related financing activities	<u>(1,285,068)</u>	<u>(153,533)</u>	<u>-</u>	<u>4,468</u>	<u>(1,434,133)</u>
Cash Flows From Investing Activities					
Investment income	<u>62,183</u>	<u>34,837</u>	<u>9,549</u>	<u>19,935</u>	<u>126,504</u>
Net cash provided (used) by investing activities	<u>62,183</u>	<u>34,837</u>	<u>9,549</u>	<u>19,935</u>	<u>126,504</u>
Net increase (decrease) in cash and cash equivalents	1,198,456	(65,452)	(330,288)	(1,054,779)	(252,063)
Cash and investments-beginning	3,875,347	2,648,766	746,091	2,124,765	9,394,969
Cash and investments-ending	<u>\$ 5,073,803</u>	<u>\$ 2,583,314</u>	<u>\$ 415,803</u>	<u>\$ 1,069,986</u>	<u>\$ 9,142,906</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (217,908)	\$ (115,598)	\$ (294,048)	\$ (958,943)	\$ (1,586,497)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,529,210	412,832	-	-	1,942,042
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	-	-	-	(58,831)	(58,831)
Inventories	30,068	-	-	-	30,068
Prepaid expenses	-	-	5,999	(68,310)	(62,311)
Pensions (deferred outflow)	64,983	139,498	25,509	(682,720)	(452,730)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	337,828	(224,651)	(31,181)	(6,060)	75,936
Accrued wages payable	6,156	1,943	703	(243,268)	(234,466)
Due to other governmental units	5,371	12,881	-	5,011	23,263
Compensated absences payable	-	-	-	209,892	209,892
Net pension liability	8,236	(339,863)	(52,477)	-	(384,104)
Pensions (deferred inflow)	127,397	(11,153)	5,658	-	121,902
Other post employment benefits	-	-	-	724,047	724,047
Total adjustments	<u>2,109,249</u>	<u>(8,513)</u>	<u>(45,789)</u>	<u>(120,239)</u>	<u>1,934,708</u>
Net cash provided (used) by operating activities	<u>\$ 1,891,341</u>	<u>\$ (124,111)</u>	<u>\$ (339,837)</u>	<u>\$ (1,079,182)</u>	<u>\$ 348,211</u>
Noncash investing, capital and financing activities:					
Capital asset gain/(loss)	47,426	-	-	-	47,553
Decrease in fair value of investments	(26,625)	(13,400)	(1,336)	(7,614)	(38,571)

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City of Brooklyn Park, Minnesota
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2018

	Performance Deposits	Deputy Registrar	Unclaimed Property	Total Agency Funds
Assets				
Cash and investments	\$ 1,985,483	\$ 164,536	\$ 809	\$ 2,150,828
Accounts Receivable	-	888	-	888
Total Assets:	<u>\$ 1,985,483</u>	<u>\$ 165,424</u>	<u>\$ 809</u>	<u>\$ 2,151,716</u>
Liabilities				
Accounts payable	\$ 2,025	\$ -	\$ -	\$ 2,025
Due to other governmental units	-	165,424	809	166,233
Customer and contractor deposits	1,983,458	-	-	1,983,458
Total Liabilities:	<u>\$ 1,985,483</u>	<u>\$ 165,424</u>	<u>\$ 809</u>	<u>\$ 2,151,716</u>

City of Brooklyn Park, Minnesota
Schedule of Changes in Agency, Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2018

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
Performance Deposits Fund				
Assets				
Cash and investments	\$ 1,651,421	\$ 787,731	\$ 453,668	\$ 1,985,483
Liabilities				
Accounts payable	\$ 10,529	\$ 363,405	\$ 371,909	\$ 2,025
Customer and contractor deposits	1,640,891	810,432	467,865	1,983,458
Total liabilities	<u>\$ 1,651,420</u>	<u>\$ 1,173,837</u>	<u>\$ 839,774</u>	<u>\$ 1,985,483</u>
Deputy Registrar Fund				
Assets				
Cash and investments	\$ 158,250	\$ 10,840,290	\$ 10,834,005	\$ 164,536
Accounts receivable	-	888	-	888
Total assets	<u>\$ 158,250</u>	<u>\$ 10,841,178</u>	<u>\$ 10,834,005</u>	<u>\$ 165,424</u>
Liabilities				
Due to other governmental units	\$ 158,250	\$ 10,841,623	\$ 10,834,450	\$ 165,424
Total liabilities	<u>\$ 158,250</u>	<u>\$ 10,841,623</u>	<u>\$ 10,834,450</u>	<u>\$ 165,424</u>
Unclaimed Property Fund				
Assets				
Cash and investments	\$ 651	\$ 1,814	\$ 1,655	\$ 809
Liabilities				
Due to other governmental units	\$ 651	\$ 1,814	\$ 1,655	\$ 809
All Agency Funds				
Assets				
Cash and investments	\$ 1,810,322	\$ 11,629,835	\$ 11,289,328	\$ 2,150,828
Accounts receivable	-	888	-	888
Total assets	<u>\$ 1,810,322</u>	<u>\$ 11,630,723</u>	<u>\$ 11,289,328</u>	<u>\$ 2,151,716</u>
Liabilities				
Accounts payable	\$ 10,529	\$ 363,405	\$ 371,909	\$ 2,025
Due to other governmental units	158,901	10,843,437	10,836,105	166,233
Customer and contractor deposits	1,640,891	810,432	467,865	1,983,458
Total liabilities	<u>\$ 1,810,321</u>	<u>\$ 12,017,274</u>	<u>\$ 11,675,879</u>	<u>\$ 2,151,716</u>

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City of Brooklyn Park, Minnesota
Balance Sheet
General Debt Service Funds
December 31, 2018

	<u>2010 Recreation Revenue Bond</u>	<u>2010 EDA Lease Revenue Bond</u>	<u>2011 Public Safety Refunding Bond</u>	<u>2014 Capital Improvement Bonds</u>
Assets				
Cash and investments	\$ 341,605	\$ 187,461	\$ 1,310,889	\$ 626,701
Accrued interest receivable	1,797	1,062	6,504	3,122
Taxes receivable:				
Delinquent	-	-	9,369	-
Special assessment receivable:				
Current-deferred	-	-	-	-
Delinquent	-	-	-	-
Deferred	-	-	-	-
Total assets:	<u>\$ 343,402</u>	<u>\$ 188,523</u>	<u>\$ 1,326,762</u>	<u>\$ 629,823</u>
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 500	\$ -
Total liabilities:	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
Deferred Inflow Of Resources:				
Unavailable revenue - property taxes	-	-	9,369	-
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - other	-	-	-	-
Total Deferred Inflow of Resources:	<u>-</u>	<u>-</u>	<u>9,369</u>	<u>-</u>
Fund balances:				
Restricted	<u>343,402</u>	<u>188,523</u>	<u>1,316,893</u>	<u>629,823</u>
Total fund balances:	<u>343,402</u>	<u>188,523</u>	<u>1,316,893</u>	<u>629,823</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances:	<u>\$ 343,402</u>	<u>\$ 188,523</u>	<u>\$ 1,326,762</u>	<u>\$ 629,823</u>

<u>2016 Improvement Bonds</u>	<u>2017A Capital Improvement Bond</u>	<u>Total General Debt Service Funds</u>
\$ 1,905,897	\$ 193,906	\$ 4,566,459
-	-	12,485
3,438	-	12,807
72,130	-	72,130
311	-	311
122,094	-	122,094
<u>\$ 2,103,870</u>	<u>\$ 193,906</u>	<u>\$ 4,786,286</u>

<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>
<u>-</u>	<u>-</u>	<u>500</u>

3,438	-	12,807
194,535	-	194,535
180,200	-	180,200
<u>378,173</u>	<u>-</u>	<u>387,542</u>

<u>1,725,697</u>	<u>193,906</u>	<u>4,398,244</u>
<u>1,725,697</u>	<u>193,906</u>	<u>4,398,244</u>
<u>\$ 2,103,870</u>	<u>\$ 193,906</u>	<u>\$ 4,786,286</u>

City of Brooklyn Park, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Debt Service Fund
For the Year Ended December 31, 2018

	2010 Recreation Revenue Bond	2010 EDA Lease Revenue Bond	2011 Public Safety Refunding Bond	2014 Capital Improvement Bonds	2016 Improvement Bonds
Revenues					
General property taxes	\$ -	-	\$ 778,249	\$ 669,110	\$ 421,527
Special assessments	-	-	-	-	85,548
Intergovernmental revenue	-	-	-	-	192,200
Investment interest income	5,438	2,290	16,011	5,184	7,763
Net change in fair value of investment	(1,125)	(81)	(7,437)	(3,562)	(7,980)
Total revenues:	<u>4,313</u>	<u>2,209</u>	<u>\$ 786,823</u>	<u>670,732</u>	<u>699,058</u>
Expenditures					
Debt Service:					
Principal	95,000	135,000	645,000	395,000	1,695,000
Interest and fiscal charges	44,952	50,388	98,182	252,894	103,306
Total expenditures:	<u>139,952</u>	<u>185,388</u>	<u>743,182</u>	<u>647,894</u>	<u>1,798,306</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>(135,639)</u>	<u>(183,179)</u>	<u>43,641</u>	<u>22,838</u>	<u>(1,099,248)</u>
Other financing sources (uses)					
Transfers from other funds	148,000	180,000	-	-	451,507
Total Other Financing Sources (Uses)	<u>148,000</u>	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>451,507</u>
Net change in fund balances:	12,361	(3,179)	43,641	22,838	(647,741)
Fund balances - beginning	331,041	191,702	1,273,252	606,985	2,373,438
Fund balances - ending:	<u>\$ 343,402</u>	<u>\$ 188,523</u>	<u>\$ 1,316,893</u>	<u>\$ 629,823</u>	<u>\$ 1,725,697</u>

2017A Capital Improvement Bond	Total General Debt Service Fund
\$ 299,867	\$ 2,168,753
-	85,548
-	192,200
(310)	36,376
(717)	(20,902)
<u>298,840</u>	<u>2,461,975</u>
-	2,965,000
<u>227,819</u>	<u>777,541</u>
<u>227,819</u>	<u>3,742,541</u>
<u>71,021</u>	<u>(1,280,566)</u>
<u>63,729</u>	<u>843,236</u>
<u>63,729</u>	<u>843,236</u>
134,750	(437,330)
59,156	4,835,574
<u>\$ 193,906</u>	<u>\$ 4,398,244</u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2018

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds				
<u>General Obligation Capital Improvement Plan Bonds, Series 2014A</u>				
2019	2.00%	400,000	244,125	644,125
2020	2.00%	405,000	236,075	641,075
2021	2.00%	415,000	227,875	642,875
2022	2.00%	425,000	219,475	644,475
2023	2.50%	430,000	209,850	639,850
2024	2.50%	445,000	198,913	643,913
2025	2.75%	455,000	187,094	642,094
2026	2.75%	465,000	174,444	639,444
2027	3.00%	480,000	160,850	640,850
2028	3.00%	490,000	146,300	636,300
2029	3.25%	505,000	130,744	635,744
2030	3.25%	520,000	114,088	634,088
2031	3.50%	540,000	96,188	636,188
2032	3.50%	555,000	77,025	632,025
2033	3.75%	575,000	56,531	631,531
2034	3.75%	600,000	34,500	634,500
2035	3.75%	620,000	11,625	631,625
		<u>\$ 8,325,000</u>	<u>\$ 2,525,700</u>	<u>\$ 10,850,700</u>
<u>General Obligation, Series 2016A</u>				
2019	2.00%	1,020,000	75,206	1,095,206
2020	2.00%	750,000	57,506	807,506
2021	2.00%	635,000	43,656	678,656
2022	2.00%	395,000	33,356	428,356
2023	2.00%	400,000	25,406	425,406
2024	2.00%	410,000	17,306	427,306
2025	1.50%	420,000	10,057	430,057
2026	1.625%	425,000	3,454	428,454
		<u>\$ 4,455,000</u>	<u>\$ 265,947</u>	<u>\$ 4,720,947</u>
<u>General Obligation, Series 2017A</u>				
2019	3.000%	525,000	200,806	725,806
2020	3.000%	540,000	184,831	724,831
2021	3.000%	555,000	168,406	723,406
2022	3.000%	570,000	151,531	721,531
2023	3.000%	590,000	134,131	724,131
2024	3.000%	610,000	116,131	726,131
2025	3.000%	625,000	97,606	722,606
2026	3.000%	640,000	78,631	718,631
2027	2.125%	665,000	61,966	726,966
2028	2.250%	680,000	47,250	727,250
2029	3.000%	250,000	35,850	285,850
2030	3.000%	255,000	28,275	283,275
2031	3.000%	265,000	20,475	285,475
2032	3.000%	270,000	12,450	282,450
2033	3.000%	280,000	4,200	284,200
		<u>\$ 7,320,000</u>	<u>\$ 1,342,541</u>	<u>\$ 8,662,541</u>
Total General Obligation Bonds		<u><u>\$ 20,100,000</u></u>	<u><u>\$ 4,134,188</u></u>	<u><u>\$ 24,234,188</u></u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2018

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bonds				
<u>General Obligation Public Safety Refunding Bonds, Series 2011A</u>				
2019	2.00%	660,000	83,975	743,975
2020	2.50%	685,000	68,813	753,813
2021	2.50%	700,000	51,500	751,500
2022	3.00%	715,000	32,025	747,025
2023	3.00%	<u>710,000</u>	<u>10,650</u>	<u>720,650</u>
Sub-total		<u>\$ 3,470,000</u>	<u>\$ 246,963</u>	<u>\$ 3,716,963</u>
<u>General Obligation Refunding Bonds, Series 2018A</u>				
2019	3.000%	1,015,000	543,586	1,558,586
2020	3.000%	740,000	429,150	1,169,150
2021	3.000%	780,000	391,150	1,171,150
2022	3.000%	820,000	351,150	1,171,150
2023	3.000%	860,000	309,150	1,169,150
2024	3.000%	905,000	265,025	1,170,025
2025	3.000%	955,000	218,525	1,173,525
2026	3.000%	1,005,000	169,525	1,174,525
2027	2.125%	1,060,000	123,200	1,183,200
2028	2.250%	1,100,000	85,500	1,185,500
2029	3.000%	1,135,000	362,475	1,497,475
2030	3.000%	<u>1,165,000</u>	<u>17,475</u>	<u>1,182,475</u>
		<u>\$ 11,540,000</u>	<u>\$ 3,265,911</u>	<u>\$ 14,805,911</u>
Total General Obligation Refunding Bonds		<u><u>\$ 15,010,000</u></u>	<u><u>\$ 3,512,874</u></u>	<u><u>\$ 18,522,874</u></u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2018

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds				
<u>Gross Revenue Bonds Series 2010A</u>				
2019	3.00%	100,000	42,006	142,006
2020	3.13%	105,000	38,866	143,866
2021	3.50%	105,000	35,388	140,388
2022	3.50%	110,000	31,625	141,625
2023	3.75%	115,000	27,544	142,544
2024	3.75%	120,000	23,138	143,138
2025	3.75%	125,000	18,544	143,544
2026	4.00%	130,000	13,600	143,600
2027	4.00%	135,000	8,300	143,300
2028	4.00%	140,000	2,800	142,800
Sub-total		\$ 1,185,000	\$ 241,811	\$ 1,426,811
Brooklyn Park Economic Development Authority Debt				
<u>Lease Revenue Bonds, Series 2010A</u>				
2019	3.00%	135,000	46,163	181,163
2020	3.00%	140,000	42,038	182,038
2021	3.25%	145,000	37,581	182,581
2022	3.25%	150,000	32,788	182,788
2023	3.25%	155,000	27,831	182,831
2024	3.75%	160,000	22,312	182,312
2025	3.75%	165,000	16,219	181,219
2026	3.75%	170,000	9,938	179,938
2027	3.75%	180,000	3,375	183,375
Sub-total		\$ 1,400,000	\$ 238,245	\$ 1,638,245
<u>General Obligation Tax Increment Refunding Bonds, Series 2012A</u>				
2019	2.00%	930,000	9,300	939,300
Sub-total		\$ 930,000	\$ 9,300	\$ 939,300
Total Economic Development Authority Debt		\$ 2,330,000	\$ 247,545	\$ 2,577,545

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2018

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Other Debt				
Notes Payable - Sac Loan Met Council				
2019	2.25%	7,308	364	7,672
2020	2.25%	7,332	200	7,532
2021	2.25%	4,267	66	4,333
2022	2.25%	902	8	910
		<hr/>	<hr/>	<hr/>
Sub-total		\$ 19,809	\$ 638	\$ 20,447
		<hr/>	<hr/>	<hr/>
Total Other Debt		\$ 19,809	\$ 638	\$ 20,447
		<hr/>	<hr/>	<hr/>
Total Long Term Debt Issues Payable		\$ 38,644,809	\$ 8,137,056	\$ 46,781,865
		<hr/>	<hr/>	<hr/>

City of Brooklyn Park, Minnesota
Balance Sheet
Economic Development Authority Capital Project Fund
December 31, 2018

	EDA General Activities Fund	EDA Rehab Loan Fund	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program	EDA Townhome Loan Program
Assets					
Cash and investments	\$ 14,014,660	\$ 761,344	\$ 31,189	\$ 5,183,873	\$ 1,561,492
Investments with escrow agent	23,316	-	-	-	-
Accrued interest receivable	102,086	4,018	-	35,825	7,604
Accounts receivable	186	1,246	-	-	-
Delinquent	16,028	-	-	-	-
Special assessment receivable:					
Current	-	-	-	-	-
Deferred	-	-	-	-	-
Due from other funds	13,319	-	-	-	-
Due from other governmental units	229,200	-	-	-	-
Prepaid expenditures	1,428	-	-	-	-
Notes receivable	-	40,138	-	149,570	194,095
Total Assets:	<u>\$ 14,400,223</u>	<u>\$ 806,746</u>	<u>\$ 31,189</u>	<u>\$ 5,369,268</u>	<u>\$ 1,763,191</u>
Liabilities, Deferred Inflow of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 178,868	\$ -	\$ -	\$ -	\$ -
Customer and contractor deposits	80,322	-	-	-	44,876
Due to other governmental units	1	-	-	-	-
Total liabilities:	<u>259,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,130)</u>
Deferred Inflow Of Resources:					
Unavailable revenue - property taxes	16,028	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - notes and related interest receivable	-	40,138	-	159,320	194,095
Unavailable revenue - Other	738	-	-	-	-
Total Deferred Inflow of Resources:	<u>16,766</u>	<u>40,138</u>	<u>-</u>	<u>159,320</u>	<u>194,095</u>
Fund balances:					
Nonspendable	1,428	-	-	-	-
Committed	-	766,608	31,189	5,209,948	1,666,226
Assigned	14,122,838	-	-	-	-
Total fund balances:	<u>14,124,266</u>	<u>766,608</u>	<u>31,189</u>	<u>5,209,948</u>	<u>1,666,226</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances:	<u>\$ 14,400,223</u>	<u>\$ 806,746</u>	<u>\$ 31,189</u>	<u>\$ 5,369,268</u>	<u>\$ 1,763,191</u>

EDA Housing Improvement Areas Program	EDA Housing Set Aside Fund	EDA Target Abatement	EDA Doran Abatement	Total Economic Development Authority
\$ 74,539	\$ 9,380,049	\$ 920,550	\$ 97,483	\$ 32,025,179
-	-	-	-	23,316
-	200,490	4,550	-	354,573
-	-	-	-	1,432
-	-	-	-	16,028
20,887	-	-	-	20,887
89,357	-	-	-	89,357
-	-	-	-	13,319
-	-	-	-	229,200
-	-	-	-	1,428
-	1,200,000	-	-	1,583,803
<u>\$ 184,783</u>	<u>\$ 10,780,539</u>	<u>\$ 925,100</u>	<u>\$ 97,483</u>	<u>\$ 34,358,522</u>
\$ -	\$ -	\$ -	\$ -	\$ 178,868
-	-	-	-	125,198
-	-	-	-	1
<u>142,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,067</u>
-	-	-	-	16,028
110,244	-	-	-	110,244
-	-	-	-	393,553
-	-	-	-	738
<u>110,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,563</u>
-	-	-	-	1,428
-	10,780,539	-	-	18,454,510
(67,467)	-	925,100	97,483	15,077,954
<u>(67,467)</u>	<u>10,780,539</u>	<u>925,100</u>	<u>97,483</u>	<u>33,533,892</u>
<u>\$ 184,783</u>	<u>\$ 10,780,539</u>	<u>\$ 925,100</u>	<u>\$ 97,483</u>	<u>\$ 34,358,522</u>

City of Brooklyn Park, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Economic Development Authority Capital Project Fund
For the Year Ended December 31, 2018

	EDA General Activities Fund	EDA Rehab Loan Fund	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program
Revenues				
General property taxes	\$ 2,578,360	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental revenue	225,000	-	-	-
Refunds and reimbursements	6,200	-	-	-
Charges for services	10,601	-	-	-
Investment interest income	306,392	19,620	-	100,537
Net change in fair value of investment	(80,309)	(4,587)	-	(29,748)
Developers repayment	30,000	-	-	-
Lease income	38,179	-	-	-
Other revenue	708	13,718	-	211,749
Total Revenues:	<u>3,115,131</u>	<u>28,751</u>	<u>-</u>	<u>282,538</u>
Expenditures				
Current:				
Community Development				
Supplies	17,481	-	-	-
Legal services	85,913	-	-	-
Other contractual services	389,118	40,166	-	1,000
Developer loans	-	2,155	-	-
Developer payments	-	-	-	24,670
Other charges	1,312,784	-	-	-
Community Development	1,362,000	-	-	-
Debt Service:				
Interest and fiscal charges	3,171	413	-	2,793
Total expenditures:	<u>3,170,467</u>	<u>42,734</u>	<u>-</u>	<u>28,463</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>(55,336)</u>	<u>(13,983)</u>	<u>-</u>	<u>254,075</u>
Other financing sources (uses):				
Transfer from other funds	207,000	-	-	-
Transfer to other funds	(182,679)	-	-	-
Total Other Financing Sources (Uses)	<u>24,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances:	(31,015)	(13,983)	-	254,075
Fund balances - beginning	14,155,281	780,591	31,189	4,955,873
Fund balances - ending:	<u>\$ 14,124,266</u>	<u>\$ 766,608</u>	<u>\$ 31,189</u>	<u>\$ 5,209,948</u>

EDA Townhome Loan Program	EDA Housing Improvement Areas Program	EDA Housing Set Aside Fund	EDA Target Abatement	EDA Doran Abatement	Total
\$ -	\$ -	\$ -	\$ 300,000	\$ 200,000	\$ 3,078,360
-	24,908	-	-	-	24,908
-	-	-	-	-	225,000
-	-	-	-	-	6,200
-	-	-	-	-	10,601
39,485	-	564,875	14,550	-	1,045,459
(8,381)	-	(52,930)	(5,224)	-	(181,179)
-	-	-	-	-	30,000
-	-	-	-	-	38,179
89,372	-	-	-	-	315,547
<u>120,476</u>	<u>24,908</u>	<u>511,945</u>	<u>309,326</u>	<u>200,000</u>	<u>4,593,075</u>
-	-	-	-	-	17,481
-	-	-	-	-	85,913
-	-	-	623	675	431,582
-	-	-	-	-	2,155
-	-	-	-	7,075	31,745
-	-	-	-	-	1,312,784
-	-	-	-	-	1,362,000
748	3,754	4,152	141,717	85,355	242,103
<u>748</u>	<u>3,754</u>	<u>4,152</u>	<u>142,340</u>	<u>93,105</u>	<u>3,485,763</u>
<u>119,728</u>	<u>21,154</u>	<u>507,793</u>	<u>166,986</u>	<u>106,895</u>	<u>1,107,312</u>
-	-	-	-	-	207,000
-	-	(444,828)	-	-	(627,507)
-	-	(444,828)	-	-	(420,507)
119,728	21,154	62,965	166,986	106,895	686,805
1,546,498	(88,621)	10,717,574	758,114	(9,412)	32,847,087
<u>\$ 1,666,226</u>	<u>\$ (67,467)</u>	<u>\$ 10,780,539</u>	<u>\$ 925,100</u>	<u>\$ 97,483</u>	<u>\$ 33,533,892</u>

City of Brooklyn Park, Minnesota
Balance Sheet
Tax Increment Financing District Capital Project Funds
December 31, 2018

	<u>TIF District 3</u>	<u>TIF District 15</u>	<u>TIF District 16</u>	<u>TIF District 17</u>
Assets				
Cash and investments	\$ 12,169,528	\$ -	\$ 502,100	\$ 404,215
Accrued interest receivable	61,147	-	1,751	-
Taxes receivable:				
Delinquent	-	-	-	-
Property held for resale	4,206,039	-	-	-
Notes receivable	-	2,613,353	-	763,749
Allowance for uncollectable accounts	-	(2,613,353)	-	(763,749)
Advances to other funds	-	-	-	-
Total assets:	<u>\$ 16,436,714</u>	<u>\$ -</u>	<u>\$ 503,851</u>	<u>\$ 404,215</u>
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 31	\$ -	\$ -	\$ -
Customer and contractor deposits	-	-	-	-
Due to other governmental units	-	-	1,157	-
Total Liabilities:	<u>(4,999,102)</u>	<u>-</u>	<u>1,157</u>	<u>-</u>
Deferred Inflow Of Resources:				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflow of Resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	21,435,816	-	502,694	404,215
Total fund balances:	<u>21,435,816</u>	<u>-</u>	<u>502,694</u>	<u>404,215</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances:	<u>\$ 16,436,714</u>	<u>\$ -</u>	<u>\$ 503,851</u>	<u>\$ 404,215</u>

<u>TIF District 18</u>	<u>TIF District 20</u>	<u>TIF District 22</u>	<u>TIF District 24</u>	<u>TIF District 25</u>	<u>Eliminations</u>	<u>Total</u>
\$ 1,688,153	\$ 465,236	\$ 806,064	\$ 150,092	\$ 82,910	\$ -	\$ 16,268,298
8,442	2,063	4,641	747	938	-	79,729
-	-	-	-	4,407	-	4,407
-	1,598,982	-	-	-	-	5,805,021
660,164	477,500	-	-	-	-	4,514,766
(660,164)	(477,500)	-	-	-	-	(4,514,766)
-	-	-	-	-	-	-
<u>\$ 1,696,595</u>	<u>\$ 2,066,281</u>	<u>\$ 810,705</u>	<u>\$ 150,839</u>	<u>\$ 88,255</u>	<u>\$ -</u>	<u>\$ 22,157,455</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31
-	1,500	-	-	-	-	1,500
-	2,786	1,084	801	675	-	6,503
-	5,003,419	1,084	801	675	-	8,034
-	-	-	-	4,407	-	4,407
-	-	-	-	4,407	-	4,407
1,696,595	(2,937,138)	809,621	150,038	83,173	-	22,145,014
1,696,595	(2,937,138)	809,621	150,038	83,173	-	22,145,014
<u>\$ 1,696,595</u>	<u>\$ 2,066,281</u>	<u>\$ 810,705</u>	<u>\$ 150,839</u>	<u>\$ 88,255</u>	<u>\$ -</u>	<u>\$ 22,157,455</u>

City of Brooklyn Park, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Tax Increment Financing District Capital Project Fund
For the Year Ended December 31, 2018

	TIF District 3	TIF District 15	TIF District 16	TIF District 17	TIF District 18
Revenues					
Tax increment	\$ -	\$ -	\$ 479,783	\$ -	\$ -
Investment interest income	585,869	-	13,637	-	31,699
Net change in fair value of investment	(65,252)	-	(9,084)	-	(9,650)
Lease income	800	-	-	-	-
Total Revenues:	521,417	-	484,336	-	22,049
Expenditures					
Current:					
Community development					
Other contractual services	-	-	1,157	-	-
Developer payments	250,000	-	-	-	-
Other charges	49,255	-	-	59	-
Capital outlay:					
Community development					
Land improvements	1,085,000	-	-	-	-
Debt Service:					
Interest and fiscal charges	5,224	-	-	1,315	827
Total expenditures:	1,389,479	-	1,157	1,374	827
Excess (deficiency) of revenues over (under) expenditure	(868,062)	-	483,179	(1,374)	21,222
Other financing sources (uses):					
Transfer from other funds	-	-	-	444,828	-
Transfer from other TIF districts	-	-	-	-	-
Transfer to other funds	(44,934)	-	-	-	-
Transfer to other TIF districts	-	-	(1,098,163)	(39,239)	-
Proceeds from the sale of capital assets	1,085,000	-	-	-	-
Total other financing sources (uses):	1,040,066	-	(1,098,163)	405,589	-
Net change in fund balances:	172,004	-	(614,984)	404,215	21,222
Fund balances - beginning	21,263,812	-	1,117,678	-	1,675,373
Fund balances - ending:	\$ 21,435,816	\$ -	\$ 502,694	\$ 404,215	\$ 1,696,595

TIF District 20	TIF District 22	TIF District 24	TIF District 25	Total
\$ 876,685	\$ 416,358	\$ 208,391	\$ 105,386	\$ 2,086,603
1,886	12,220	791	1,795	647,897
(4,591)	-	(878)	(190)	(89,645)
-	-	-	-	800
<u>873,980</u>	<u>428,578</u>	<u>208,304</u>	<u>106,991</u>	<u>2,645,655</u>
2,786	1,444	801	675	6,863
-	-	69,136	44,653	363,789
-	-	-	-	49,314
-	-	-	-	1,085,000
359,290	945	24,654	4,751	397,006
<u>362,076</u>	<u>2,389</u>	<u>94,591</u>	<u>50,079</u>	<u>1,901,972</u>
<u>511,904</u>	<u>426,189</u>	<u>113,713</u>	<u>56,912</u>	<u>743,683</u>
-	-	-	-	444,828
1,341,830	-	-	-	1,341,830
(926,475)	-	-	-	(971,409)
-	(204,428)	-	-	(1,341,830)
-	-	-	-	1,085,000
<u>415,355</u>	<u>(204,428)</u>	<u>-</u>	<u>-</u>	<u>558,419</u>
927,259	221,761	113,713	56,912	1,302,102
(3,864,397)	587,860	36,325	26,261	20,842,912
<u>\$ (2,937,138)</u>	<u>\$ 809,621</u>	<u>\$ 150,038</u>	<u>\$ 83,173</u>	<u>\$ 22,145,014</u>

City of Brooklyn Park, Minnesota
Balance Sheet
Tax Increment Financing District #3 Capital Project Fund
December 31, 2018

	1996 Loan Fund	TIF District 3	Total
Assets			
Cash and investments	\$ 8,900,754	\$ 3,268,774	\$ 12,169,528
Accrued interest receivable	45,079	16,068	61,147
Property held for resale	1,449,839	2,756,200	4,206,039
Total Assets:	\$ 10,395,672	\$ 6,041,042	\$ 16,436,714
 Liabilities, Deferred Inflow of Resources and Fund Balances			
Liabilities:			
Accounts Payable	\$ -	\$ 31	\$ 31
Advances from other funds	(4,999,133)	-	(4,999,133)
Total Liabilities:	(4,999,133)	31	(4,999,102)
Fund Balances:			
Restricted	15,394,805	6,041,011	21,435,816
Total Fund Balances:	15,394,805	6,041,011	21,435,816
Balances:	\$ 10,395,672	\$ 6,041,042	\$ 16,436,714

City of Brooklyn Park, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Tax Increment Financing District # 3 Capital Project Fund
For the Year Ended December 31, 2018

	<u>1996 Loan Fund</u>	<u>TIF District 3</u>	<u>Total</u>
Revenues			
Investment interest income	\$ 524,112	\$ 61,757	\$ 585,869
Net change in fair value of investments	(46,408)	(18,844)	(65,252)
Lease Income	-	800	800
Total Revenues:	<u>477,704</u>	<u>43,713</u>	<u>521,417</u>
Expenditures			
Current:			
Community Development			
Developer payments	-	250,000	250,000
Other charges	-	49,255	49,255
Capital outlay:			
Community Development			
Land improvements	-	1,085,000	1,085,000
Debt Service:			
Interest and fiscal charges	3,987	1,237	5,224
Total Expenditures:	<u>3,987</u>	<u>1,385,492</u>	<u>1,389,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>473,717</u>	<u>(1,341,779)</u>	<u>(868,062)</u>
Other Financing Sources (Uses):			
Transfer to other funds	-	(44,934)	(44,934)
Proceeds from the sale of capital assets	-	1,085,000	1,085,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,040,066</u>	<u>1,040,066</u>
Net Change in Fund Balances:	473,717	(301,713)	172,004
Fund Balances - Beginning	14,921,088	6,342,724	21,263,812
Fund Balances - Ending:	<u>\$ 15,394,805</u>	<u>\$ 6,041,011</u>	<u>\$ 21,435,816</u>

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City of Brooklyn Park, Minnesota

Statistical Section

This part of the City of Brooklyn Park's comprehensive annual financial report presents detailed

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	159-163
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	164-167
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	168 -173
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	174-175
Operating Information The schedules contain service and infrastructure data to help the reader understand how the government's financial report relates to the services the government provides and the activities it performs.	176-178

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

City of Brooklyn Park, Minnesota
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ 130,010,544	\$ 133,823,358	\$ 134,021,169	\$ 136,324,406	\$ 142,527,033
Restricted	47,815,967	47,385,463	55,684,098	36,839,437	36,616,035
Unrestricted	62,761,354	67,682,264	68,745,548	85,913,883	75,316,747
Total governmental activities net position	<u>\$ 240,587,865</u>	<u>\$ 248,891,085</u>	<u>\$ 258,450,815</u>	<u>\$ 259,077,726</u>	<u>\$ 254,459,815</u>
Business - type activities					
Net investment in capital assets	\$ 118,886,977	\$ 121,720,074	\$ 120,568,674	\$ 121,413,636	\$ 118,115,014
Restricted	-	-	-	-	-
Unrestricted	33,332,073	32,047,465	33,894,377	34,730,105	38,104,394
Total business - type activities net position	<u>\$ 152,219,050</u>	<u>\$ 153,767,539</u>	<u>\$ 154,463,051</u>	<u>\$ 156,143,741</u>	<u>\$ 156,219,408</u>
Primary government					
Net investment in capital assets	\$ 248,897,521	\$ 255,543,432	\$ 254,589,843	\$ 257,738,042	\$ 260,642,047
Restricted	47,815,967	47,385,463	55,684,098	36,839,437	36,616,035
Unrestricted	96,093,427	99,729,729	102,639,925	120,643,988	113,421,141
Total primary government net position	<u>\$ 392,806,915</u>	<u>\$ 402,658,624</u>	<u>\$ 412,913,866</u>	<u>\$ 415,221,467</u>	<u>\$ 410,679,223</u>
2014					
Governmental activities					
Net Investment in capital assets	\$ 135,348,107	\$ 139,442,647	\$ 140,831,106	\$ 137,434,431	\$ 138,539,221
Restricted	36,438,822	36,171,978	\$ 37,351,263	\$ 30,566,088	\$ 32,238,199
Unrestricted	82,268,454	49,540,522	\$ 46,999,331	\$ 65,208,598	\$ 62,766,233
Total governmental activities net position	<u>\$ 254,055,383</u>	<u>\$ 225,155,147</u>	<u>\$ 225,181,700</u>	<u>\$ 233,209,117</u>	<u>\$ 233,543,653</u>
Business - type activities					
Net Investment in capital assets	\$ 117,274,922	\$ 117,769,644	\$ 117,450,394	\$ 115,610,153	\$ 114,563,747
Restricted	-	-	-	-	-
Unrestricted	41,692,283	42,235,376	42,669,978	43,571,003	46,231,395
Total business - type activities net position	<u>\$ 158,967,205</u>	<u>\$ 160,005,020</u>	<u>\$ 160,120,372</u>	<u>\$ 159,181,156</u>	<u>\$ 160,795,142</u>
Primary government					
Net Investment in capital assets	\$ 252,623,029	\$ 257,212,291	\$ 258,281,500	\$ 253,044,584	\$ 253,102,967
Restricted	36,438,822	36,171,978	37,351,263	30,566,088	32,238,199
Unrestricted	123,960,737	91,775,898	89,669,309	108,779,601	109,351,374
Total primary government net position	<u>\$ 413,022,588</u>	<u>\$ 385,160,167</u>	<u>\$ 385,302,072</u>	<u>\$ 392,390,273</u>	<u>\$ 394,692,540</u>

City of Brooklyn Park, Minnesota
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 5,273,025	\$ 4,264,949	\$ 4,532,293	\$ 5,147,997	\$ 5,487,055	\$ 5,588,120	\$ 6,107,751	\$ 7,980,460	\$ 8,658,872	\$ 6,201,773
Community development	7,302,086	10,830,612	12,760,914	17,190,505	10,205,138	11,900,762	10,263,247	6,247,335	9,746,885	4,521,550
Public safety	21,284,947	21,375,519	21,551,484	22,673,997	24,411,431	25,706,346	27,712,675	34,551,236	32,734,865	30,218,989
Public works	9,851,011	10,480,787	10,481,327	11,583,708	10,096,441	13,715,826	13,907,790	11,463,579	10,542,667	14,341,136
Recreation and parks	9,248,336	7,789,013	7,696,627	7,979,059	9,887,157	9,162,128	9,433,277	9,793,694	10,764,266	10,729,393
Debt service	2,581,845	2,100,298	1,787,160	1,593,262	758,018	881,239	831,960	1,254,189	1,178,592	1,444,969
Total governmental activities expenses	55,541,250	56,841,178	58,809,805	66,168,528	60,845,240	66,954,421	68,256,700	71,290,493	73,626,147	67,457,810
business-type activities:										
Public Utilities	22,255,395	13,360,447	13,097,291	13,365,048	14,263,851	14,854,936	15,650,525	15,716,700	16,865,615	14,762,231
Golf courses	3,126,500	2,073,164	2,082,029	2,327,750	2,251,684	2,020,528	2,126,413	2,161,213	2,119,943	2,393,094
Storm sewer	2,251,937	1,812,571	1,864,410	1,979,782	1,823,351	1,814,105	2,115,189	1,741,462	2,181,443	1,523,603
Street/signal light	1,514,241	1,036,696	983,449	1,064,136	1,176,038	1,293,960	1,430,561	1,100,226	1,261,121	2,012,587
Total business-type activities	29,148,073	18,282,878	18,027,179	18,736,716	19,514,924	19,983,529	21,322,688	20,719,601	22,428,122	20,691,515
Total primary government expenses	\$ 84,689,323	\$ 75,124,056	\$ 76,836,984	\$ 84,905,244	\$ 80,360,164	\$ 86,937,950	\$ 89,579,388	\$ 92,010,094	\$ 96,054,269	\$ 88,149,325
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 848,996	\$ 1,157,177	\$ 1,317,200	\$ 1,167,383	\$ 1,156,295	\$ 1,260,600	\$ 1,508,406	\$ 814,208	\$ 694,235	\$ 570,939
Community development	1,203,665	3,287,821	1,799,142	4,112,144	4,620,172	2,234,095	2,835,423	3,069,595	274,948	252,781
Public safety	3,209,742	1,149,491	2,980,957	3,855,229	3,934,499	3,733,991	3,833,526	1,048,481	4,782,486	3,809,349
Public works	676,692	1,446,682	450,951	2,376,809	2,687,194	1,417,462	1,930,695	729,520	86,689	220,347
Recreation and parks	1,831,075	1,868,791	2,375,087	1,950,807	2,004,022	2,272,541	2,246,276	2,482,240	2,531,445	2,104,694
Debt service	206,879	179,400	147,175	70,679	90,316	49,984	225,773	-	-	-
Operating grants and contributions	5,041,203	9,146,122	11,424,205	9,629,617	4,651,240	9,217,430	6,054,834	3,201,839	6,114,529	3,565,032
Capital grants and contributions	1,358,757	3,521,833	857,776	2,062,794	2,086,479	2,723,790	3,632,120	5,019,121	3,139,549	2,827,626
Total governmental activities program revenues	14,377,009	21,757,317	21,352,493	25,225,462	21,230,217	22,909,893	22,267,053	16,365,004	17,623,881	13,350,768
business-type activities:										
Charges for services:										
Public Utilities	13,031,576	12,935,892	12,697,904	14,702,015	14,190,394	14,262,049	14,902,097	14,819,781	15,708,538	16,398,413
Golf courses	2,046,356	1,963,056	1,900,975	2,062,314	1,883,807	1,443,217	1,980,999	1,661,395	1,626,045	1,862,044
Storm sewer	884,918	1,116,731	1,082,348	1,150,746	1,215,554	1,288,170	1,361,143	1,386,053	1,507,208	1,780,407
Street/signal light	896,068	1,051,179	1,051,788	1,114,463	1,172,869	1,236,581	1,287,095	1,306,896	1,364,988	1,432,517
Operating grants and contributions	177,887	506,065	477,628	457,810	433,852	422,653	443,920	223,814	196,928	178,720
Capital grants and contributions	439,434	13,085	13,085	13,085	1,571,237	13,084	13,085	13,085	13,085	278,409
Total business-type activities program revenues	17,476,239	17,586,008	17,223,728	19,500,433	20,467,713	18,665,754	19,988,339	19,411,024	20,416,792	21,930,510
Total primary government program revenues	\$ 31,853,248	\$ 39,343,325	\$ 38,576,221	\$ 44,725,895	\$ 41,697,930	\$ 41,575,647	\$ 42,255,392	\$ 35,776,028	\$ 38,040,673	\$ 35,281,278
Net revenue/(expense)										
Governmental activities	\$ (41,164,241)	\$ (35,083,861)	\$ (37,457,312)	\$ (40,943,066)	\$ (39,615,023)	\$ (44,044,528)	\$ (45,989,647)	\$ (54,925,489)	\$ (56,002,266)	\$ (54,107,042)
business-type activities	(11,671,834)	(696,870)	(803,451)	763,717	952,789	(1,317,775)	(1,334,349)	(1,308,577)	(2,011,330)	1,238,995
Total primary government net revenue/(expense)	\$ (52,836,075)	\$ (35,780,731)	\$ (38,260,763)	\$ (40,179,349)	\$ (38,662,234)	\$ (45,362,303)	\$ (47,323,996)	\$ (56,234,066)	\$ (58,013,596)	\$ (52,868,047)

City of Brooklyn Park, Minnesota
Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 38,830,594	\$ 41,321,725	\$ 41,321,030	\$ 37,780,169	\$ 41,209,840	\$ 39,885,896	\$ 40,310,221	\$ 44,461,966	\$ 49,301,026	\$ 46,781,669
Franchise Fees	-	-	-	-	-	-	-	4,468,041	5,732,536	5,879,239
Grants and contributions not restricted to specific programs	684,261	746,191	888,084	879,639	924,924	1,011,448	1,063,353	1,194,826	1,213,077	1,375,913
Interest and investment earnings	3,943,032	2,637,549	4,974,205	2,916,757	(1,439,695)	4,931,912	1,660,926	1,678,385	1,659,708	2,346,558
Gain (loss) on disposal of assets	407,070	50,817	-	112,355	362,829	34,654	66,709	423,636	47,553	47,426
Other revenue	106,435	134,798	53,570	34,268	29,792	343,040	54,997	2,916,443	5,986,783	2,400,260
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers	576,105	(1,481,310)	(242,536)	(153,211)	198,195	(3,007,096)	(3,551,470)	(191,256)	89,000	48,450
Total governmental activities	44,547,497	43,409,770	46,994,353	41,569,977	41,285,885	43,199,854	39,604,736	54,952,041	64,029,683	58,879,515
business-type activities:										
Property taxes	-	-	-	-	-	-	-	-	-	3,000
Interest and investment earnings	1,033,320	733,856	1,222,617	742,789	(570,374)	1,481,373	498,995	432,082	423,731	301,722
Gain (loss) on disposal of assets	3,015	2,000	-	10,900	16,045	1,950	8,539	9,749	-	2,000
Other revenue	7,062	28,193	33,810	10,073	16,285	15,395	15,848	790,842	737,383	420,168
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers	(576,105)	1,481,310	242,536	153,211	(198,195)	3,007,096	3,551,470	191,256	(89,000)	(48,450)
Total business-type activities	467,292	2,245,359	1,498,963	916,973	(736,239)	4,505,814	4,074,852	1,423,929	1,072,114	678,440
Total primary government	\$ 45,014,789	\$ 45,655,129	\$ 48,493,316	\$ 42,486,950	\$ 40,549,646	\$ 47,705,668	\$ 43,679,588	\$ 56,375,970	\$ 65,101,797	\$ 59,557,955
Change in Net Position										
Governmental activities	\$ 3,383,256	\$ 8,325,909	\$ 9,537,041	\$ 626,911	\$ 1,670,862	\$ (844,674)	\$ (6,384,911)	\$ 26,553	\$ 8,027,417	\$ 4,772,473
business-type activities	(11,204,542)	1,548,489	695,512	1,680,690	216,550	3,188,039	2,740,503	115,352	(939,216)	1,917,435
Total primary government	\$ (7,821,286)	\$ 9,874,398	\$ 10,232,553	\$ 2,307,601	\$ 1,887,412	\$ 2,343,365	\$ (3,644,408)	\$ 141,905	\$ 7,088,201	\$ 6,689,908

City of Brooklyn Park, Minnesota
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	
General fund						
Reserved	\$ 1,874,261	\$ 1,785,681	\$ 1,719,605	\$ 1,730,976	\$ 1,651,968	
Unreserved	10,844,237	11,294,346	11,408,349	11,779,960	12,552,289	
Total general fund	<u>\$ 12,718,498</u>	<u>\$ 13,080,027</u>	<u>\$ 13,127,954</u>	<u>\$ 13,510,936</u>	<u>\$ 14,204,257</u>	
All other governmental funds						
Reserved	\$ 20,477,763	\$ 23,250,978	\$ 23,250,978	\$ -	\$ -	
Unreserved, reported in:				54,143,678	53,710,792	
Special revenue funds	-	5,379,974	5,379,974	33,114,379	35,237,647	
Capital project funds	51,819,207	64,435,921	64,435,921	(137,993)	(160,925)	
Total all other governmental funds	<u>\$ 72,296,970</u>	<u>\$ 93,066,873</u>	<u>\$ 93,066,873</u>	<u>\$ 105,067,588</u>	<u>\$ 103,659,086</u>	
	2013	2014	2015	2016	2017	2018
General fund						
Nonspendable	\$ 57,489	\$ 64,088	\$ 143,458	\$ 23,892	\$ 56,985	19,996
Unassigned	13,945,109	15,229,276	17,037,648	17,040,497	19,808,615	19,084,566
Total general fund	<u>\$ 14,002,598</u>	<u>\$ 15,293,364</u>	<u>\$ 17,181,106</u>	<u>\$ 17,064,389</u>	<u>\$ 19,865,600</u>	<u>\$ 19,104,562</u>
All other governmental funds						
Non-spendable	\$ -	\$ 5,768	\$ 11,661	\$ 7,907	\$ 6,835	\$ 5,847
Restricted	41,096,333	40,589,060	39,300,557	39,730,987	29,134,590	29,958,501
Committed	38,141,909	33,580,452	30,562,802	34,975,677	51,118,841	54,831,323
Assigned	15,016,984	21,626,392	16,572,305	17,025,951	18,158,368	17,860,540
Unassigned	(23,044)	(28,855)	(105,440)	(452,531)	(1,387)	(21,274)
Total all other governmental funds	<u>\$ 94,232,182</u>	<u>\$ 95,772,817</u>	<u>\$ 86,341,885</u>	<u>\$ 91,287,991</u>	<u>\$ 98,417,247</u>	<u>\$ 102,634,937</u>

Notes:

1. The City of Brooklyn Park implemented GASB Statement 54 beginning in 2011.

City of Brooklyn Park, Minnesota
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
General property taxes (including tax increments)	\$ 38,805,895	\$ 41,355,925	\$ 42,207,036	\$ 38,210,181	\$ 40,931,014	\$ 40,049,422	\$ 41,093,575	\$ 42,989,700	\$ 45,499,266	\$ 46,465,526
Franchise Fees	-	-	-	-	-	-	-	4,468,041	5,732,536	5,879,239
Special assessments	2,039,681	1,942,955	1,536,632	1,747,820	2,675,430	2,012,895	1,894,665	1,037,919	954,594	1,030,126
Interest on special assessments	629,310	641,027	549,643	421,351	424,684	506,785	149,917	75,607	92,817	14,065
Licenses and permits	1,999,943	1,655,016	1,782,433	2,379,209	2,517,681	2,933,551	2,885,834	3,393,690	4,199,790	3,160,661
Fines and forfeitures	398,259	613,337	614,124	707,183	616,337	454,523	507,472	388,255	501,779	337,928
Intergovernmental revenue	6,580,387	10,720,265	7,899,526	7,954,140	5,076,977	8,648,828	7,993,264	7,537,795	9,902,918	7,678,051
Donations	138,762	48,809	149,459	123,807	91,098	119,194	144,054	1,870,815	102,818	282,458
Refunds and reimbursements	194,365	2,513,416	2,305,432	3,374,468	2,402,942	2,097,551	422,329	691,627	329,067	307,967
Charges for services	3,895,759	3,632,761	3,542,807	3,742,108	3,940,243	3,617,209	3,827,002	3,310,082	4,139,802	3,896,573
Investment income	3,626,315	2,457,517	4,609,546	2,740,181	(1,322,261)	4,680,342	1,576,038	1,863,784	1,328,262	2,094,184
Contributions from developers	118,406	-	-	-	-	-	-	-	-	-
Developers repayment	178,281	292,097	2,515,678	637,854	568,992	409,101	402,450	368,060	212,231	30,000
Lease income	137,554	304,873	342,502	404,787	377,070	451,399	382,190	360,390	401,463	434,575
Other revenue	877,579	1,141,767	1,561,414	3,748,274	5,081,218	5,513,113	4,646,726	3,769,499	2,280,930	1,587,347
Total revenues	59,620,496	67,319,765	69,616,232	66,191,363	63,381,425	71,493,913	65,925,516	72,125,264	75,678,273	73,198,700
Expenditures										
Current:										
General government	3,474,512	3,817,369	3,898,591	4,409,352	4,512,979	4,878,300	4,996,310	5,684,180	5,664,373	5,841,272
Community development	9,280,442	12,406,784	12,227,967	17,172,479	10,135,079	11,813,124	9,620,462	5,930,634	9,453,496	4,710,679
Public safety	20,050,411	18,962,233	21,303,484	22,661,185	24,064,991	25,533,851	26,972,399	27,748,533	28,942,676	29,886,138
Public works	4,686,321	5,985,648	5,448,378	6,838,850	5,205,315	8,806,888	8,839,720	7,338,741	6,363,771	6,702,223
Recreation and parks	6,408,793	6,653,710	7,312,682	7,246,749	9,024,831	8,123,422	8,423,590	8,288,869	9,117,984	9,453,563
Debt service:										
Principal	8,350,854	11,963,880	8,967,628	7,678,031	14,756,576	3,272,302	2,832,266	4,130,708	3,705,000	3,865,000
Interest and fiscal charges	2,515,697	2,088,388	1,768,572	1,474,548	1,070,534	809,548	885,823	1,747,471	1,519,560	1,451,856
Bond issuance costs	22,370	65,350	44,484	45,040	-	-	-	-	-	-
Capital outlay	3,322,391	8,182,857	3,055,944	5,800,994	4,453,422	14,645,225	11,352,455	9,361,605	8,273,163	8,258,462
Total expenditures	58,111,791	70,126,219	64,027,730	73,327,228	73,223,727	77,882,660	73,923,025	70,230,741	73,040,023	70,169,193
Excess (deficiency) of revenues over (under) expenditures	1,508,705	(2,806,454)	5,588,502	(7,135,865)	(9,842,302)	(6,388,747)	(7,997,509)	1,894,523	2,638,250	3,029,507
Other financing sources (uses)										
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	7,445,164	21,659,396	10,628,963	10,670,754	3,944,551	7,204,863	3,516,207	7,049,898	18,995,257	10,278,631
Transfers to other funds	(6,997,408)	(22,398,773)	(10,358,789)	(9,737,346)	(4,071,291)	(7,879,238)	(4,184,852)	(8,642,898)	(19,398,704)	(10,936,486)
Proceeds from the issuance of debt	1,375,000	4,030,000	6,035,000	5,445,000	-	9,490,000	-	7,860,000	7,320,000	-
Premium from the issuance of debt	13,017	-	89,109	41,201	-	199,382	-	197,162	375,664	-
Discount on the issuance of debt	-	(42,084)	-	-	-	-	-	-	-	-
General revenue notes issued	-	-	-	-	-	-	-	-	-	-
Payment to refunding agent	-	-	-	-	-	-	-	(3,935,000)	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	1,085,000
Proceeds from the disposal of capital assets	360,857	6,754	-	1,075	340,479	175	725	405,704	-	-
Total other financing sources (uses)	2,196,630	3,255,293	6,394,283	6,420,684	213,739	9,015,182	(667,920)	2,934,866	7,292,217	427,145
Change in accounting principle	(3,774,573)	-	-	-	-	204,966	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	1,122,239	-	-	-
Net change in fund balances	\$ (69,238)	\$ 448,839	\$ 11,982,785	\$ (715,181)	\$ (9,628,563)	\$ 2,831,401	\$ (7,543,190)	\$ 4,829,389	\$ 9,930,467	\$ 3,456,652
Debt service as a percentage of noncapital expenditures	19.87%	22.79%	17.68%	13.38%	23.01%	6.45%	5.94%	9.66%	8.02%	8.16%

City of Brooklyn Park, Minnesota
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property	Real Property Commercial Property	Farm Property	Personal Property	Total Taxable Assessed and Actual Value	Total Direct Tax Rate
2009	5,310,691,600	1,174,088,300	51,079,900	35,742,600	6,571,602,400	39.652%
2010	4,839,182,300	1,206,085,400	49,354,700	36,194,500	6,130,816,900	44.156%
2011	3,622,964,855	1,044,848,200	53,441,034	41,012,400	4,762,266,489	50.309%
2012	3,854,163,600	1,007,494,900	56,899,300	46,092,700	4,964,650,500	56.087%
2013	3,859,484,300	996,516,900	51,706,000	46,280,900	4,953,988,100	61.311%
2014	4,317,310,900	1,019,609,900	51,821,700	48,990,600	5,437,733,100	60.470%
2015	4,642,681,800	1,123,596,500	45,685,000	48,607,800	5,860,571,100	56.136%
2016	4,945,652,900	1,211,501,500	53,036,100	50,988,300	6,261,178,800	55.251%
2017	5,484,640,900	1,332,732,200	41,883,300	53,123,900	6,912,380,300	54.408%
2018	5,865,043,000	1,360,547,600	33,055,200	58,777,300	7,317,423,100	51.159%

Source: Assessing Division, City of Brooklyn Park

Note: Property in the City of Brooklyn Park is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Values exclude tax-exempt property.

City of Brooklyn Park, Minnesota
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended December 31	City Direct Rates			Overlapping Rates (1)			
	Basic Rate	General Obligation Debt Service	Total Direct	School District No. 11	School District No. 279	School District No. 281	Hennepin County and Other Special Districts
2009	38.114%	1.538%	39.652%	18.263%	21.033%	27.214%	48.770%
2010	42.672%	1.484%	44.156%	19.939%	22.381%	28.621%	50.778%
2011	49.183%	1.126%	50.309%	23.999%	24.217%	34.387%	55.012%
2012	55.168%	0.919%	56.087%	23.325%	24.930%	32.810%	59.355%
2013	60.629%	0.682%	61.311%	26.801%	27.973%	32.347%	61.081%
2014	59.790%	0.680%	60.470%	28.270%	29.820%	34.780%	62.090%
2015	54.501%	1.635%	56.136%	22.482%	27.156%	33.226%	57.797%
2016	53.717%	1.534%	55.251%	20.885%	26.267%	32.662%	56.572%
2017	53.101%	1.264%	54.365%	18.590%	26.730%	31.595%	53.298%
2018	49.826%	1.333%	51.159%	18.392%	24.921%	31.620%	51.781%

Source: Assessing Division, City of Brooklyn Park

Note: Rates for debt service are set based on each years' requirements.

(1) Overlapping rates are those of local and county governments that apply to the property owners within the City of Brooklyn Park. Not all overlapping rates apply to all Brooklyn Park property owners; for example, although Hennepin County property tax rates apply to all city property owners, the School District rates apply only to the city property owners whose property is located within that district's geographic boundaries.

**City of Brooklyn Park, Minnesota
Principal Property Taxpayers
For the Year Ended December 31, 2018 and 2008**

Name	Type of Business	2018			2008		
		2017/2018 Tax Capacity	Rank	Percent of Total Tax Capacity	2007/2008 Tax Capacity	Rank	Percent of Total Tax Capacity
Target Corporation	Office/Retail/Land	\$ 2,002,356	1	2.54%	\$ 2,526,183	1	3.23%
BPP LLC	Industrial	616,988	2	0.78%	535,786	3	0.68%
BP 73rd LSD HSG LP	Apartments	600,000	3	0.76%	-	-	0.00%
MN Senior Living	Apartments	547,604	4	0.69%	-	-	0.00%
Menards INC	Retail	477,570	5	0.61%	-	-	0.00%
First Industrial LP	Industrial	456,078	6	0.58%	-	-	0.00%
Duke Secured Financing LLC	Industrial	425,988	7	0.54%	1,285,818	2	1.64%
Doran 610 Partners LLC	Apartments	376,047	8	0.48%	-	-	0.00%
Brooklyn Park Paper	Industrial	370,386	9	0.47%	358,570	10	0.46%
Stag Industrial Holding LLC	Industrial	355,054	10	0.45%	-	-	0.00%
Willowbrook LLC	Apartments	352,775	11	0.45%	-	-	0.00%
681 Properties	Apartments	352,451	12	0.45%	-	-	0.00%
HSRE-MN Prairie Care LLC	Commercial	342,494	13	0.43%	-	-	0.00%
Scannell Properties #258 LLC	Industrial	341,929	14	0.43%	-	-	0.00%
Mpls Hotel Acquisition Group LLC	Commercial	332,142	15	0.42%	-	-	0.00%
Mills Properties LLC	Retail	313,718	-	0.40%	365,090	9	0.47%
Mimg XXXII Eden Park LLC	Apartments	299,448	-	0.00%	-	-	0.00%
		\$ 8,563,028		10.47%	\$ 5,071,447		6.48%
Total Tax Capacity		\$ 78,889,860		100.00%	\$ 78,354,828		100.00%

Note: Excludes personal property and fiscal disparities.

Source: Assessing Division, City of Brooklyn Park

City of Brooklyn Park, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	County Adjustments to Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 25,841,410	\$ 1,391	\$ 24,804,024	95.99%	\$ 1,037,386	\$ 25,841,410	100.00%
2008	29,868,759	(618,292)	28,403,339	95.09%	908,519	29,311,858	98.14%
2009	30,975,833	(1,269,244)	28,920,047	93.36%	880,136	29,800,183	96.20%
2010	32,746,554	(1,448,860)	30,590,177	93.41%	826,900	31,417,077	95.94%
2011	33,588,538	(1,775,532)	31,407,154	93.51%	407,923	31,815,077	94.72%
2012	36,473,714	(113,831)	35,876,196	98.36%	-	35,876,196	98.36%
2013	38,303,134	(44,088)	37,932,710	99.03%	-	37,932,710	99.03%
2014	38,570,475	(96,318)	38,190,964	99.02%	-	38,190,964	99.02%
2015	39,638,443	(26,218)	39,600,429	99.90%	-	39,600,429	99.90%
2016	41,542,687	(22,502)	41,288,788	99.39%	-	41,288,788	99.39%
2017	43,655,937	(151,146)	43,391,577	99.39%	-	43,391,577	99.39%
2018	45,189,205	(529,408)	44,489,453	98.45%	-	44,489,453	98.45%

Source: Finance Department, City of Brooklyn Park

**City of Brooklyn Park, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Revenue Bonds	Refunding Revenue Bonds	General Obligation State-aid Street Bonds	General Obligation Improvement Bonds	Notes Payable	Capital Leases
2009	22,845,000	4,730,000	10,215,000	2,160,000	10,265,000	1,796,400	-
2010	20,950,000	7,075,000	7,045,000	1,980,000	5,665,000	1,362,520	-
2011	25,000,000	5,300,000	3,630,000	1,800,000	4,510,000	904,892	-
2012	28,620,000	4,055,000	1,710,000	1,620,000	2,485,000	421,861	-
2013	15,400,000	3,675,000	1,495,000	1,440,000	1,915,000	230,284	-
2014	13,485,000	3,470,000	1,270,000	1,260,000	10,855,000	32,982	-
2015	11,515,000	3,255,000	1,030,000	1,080,000	10,630,000	30,708	113,262
2016	7,860,000	3,040,000	7,710,509	-	9,110,000	-	56,631
2017	13,470,000	2,815,000	5,945,000	-	8,720,000	-	-
2018	11,775,000	2,585,000	4,400,000	-	8,325,000	-	-

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

(1) See the Schedule of Demographic and Economic Statistics on page 171 for personal income and population data.

**City of Brooklyn Park, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Business-type Activities

Revenue Bonds	Notes Payable	Net unamortized Premiums/ (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
21,585,000	-	(164,383)	73,432,017	3.90%	979
21,125,000	-	(154,999)	65,047,521	3.37%	860
20,060,000	-	(39,249)	61,165,643	3.28%	804
16,700,000	-	23,924	55,635,785	2.90%	729
15,975,000	-	58,603	40,188,887	1.92%	522
15,240,000	-	242,424	45,855,406	2.17%	582
14,490,000	15,653	224,106	42,383,729	1.70%	526
13,720,000	27,176	385,509	41,909,825	1.81%	516
12,930,000	26,957	713,996	44,620,953	1.88%	543
11,540,000	19,809	1,555,426	40,200,235	1.61%	484

City of Brooklyn Park, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
2007	\$ 46,045,000	\$ 12,472,081	\$ 33,572,919	0.59%	457
2008	39,680,000	9,395,956	30,284,044	0.49%	414
2009	37,570,000	10,533,320	27,036,680	0.40%	360
2010	30,715,000	6,740,692	23,974,308	0.36%	316
2011	33,230,000	12,079,525	21,150,475	0.34%	278
2012	34,435,000	10,311,263	24,123,737	0.51%	316
2013	20,250,000	4,259,949	15,990,051	0.32%	208
2014	28,295,000	3,762,522	24,532,478	0.50%	313
2015	27,085,000	4,225,799	22,859,201	0.42%	285
2016	30,690,000	4,168,991	26,521,009	0.45%	330
2017	35,120,000	4,944,242	30,175,758	0.44%	373
2018	20,100,000	4,371,439	15,728,561	0.21%	189

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

- (1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 165 for population data.

City of Brooklyn Park, Minnesota
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Anoka Hennepin Independent School District 11	203,355,000	6.07%	\$ 12,333,481
Osseo Independent School District 279	206,090,000	31.89%	65,722,101
Robbinsdale Independent School District 281	193,065,906	3.44%	6,641,467
Hennepin County	1,225,230,000	4.32%	52,929,999
Hennepin County Suburban Park District	66,300,000	6.03%	3,997,892
Hennepin Regional RR Authority	29,865,000	6.03%	1,800,860
Metropolitan Council	1,549,087,966	2.05%	31,756,300
Subtotal, overlapping debt			175,182,100
City of Brooklyn Park direct debt			37,695,000
Total direct and overlapping debt			\$ 212,877,100

Sources: Assessed value data used to estimate applicable percentages provided by the City of Brooklyn Park. Debt outstanding provided by Hennepin County and Anoka County (for Anoka Hennepin Independent School District 11 only).

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Brooklyn Park. 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 Brooklyn Park. This process recognizes that, when considering the City of Brooklyn Park'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

(1) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Brooklyn Park's boundaries and dividing it by Hennepin County's total tax capacity.

City of Brooklyn Park, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 183,671,832	\$ 164,941,431	\$ 164,521,431	\$ 142,867,995	\$ 148,619,643
Total debt applicable to limit	<u>14,586,452</u>	<u>12,710,435</u>	<u>10,982,541</u>	<u>10,077,413</u>	<u>7,632,953</u>
Legal debt margin	<u>\$ 169,085,380</u>	<u>\$ 152,230,996</u>	<u>\$ 153,538,890</u>	<u>\$ 132,790,582</u>	<u>\$ 140,986,690</u>
Total debt applicable to the limit as a percentage of debt	7.94%	7.71%	6.68%	7.05%	5.14%

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 163,131,993	\$ 175,817,133	\$ 175,924,308	\$ 184,714,650	\$ 207,492,948
Total debt applicable to limit	<u>16,311,028</u>	<u>14,500,643</u>	<u>18,320,187</u>	<u>37,290,232</u>	<u>31,730,059</u>
Legal debt margin	<u>\$ 146,820,965</u>	<u>\$ 161,316,490</u>	<u>\$ 157,604,121</u>	<u>\$ 147,424,418</u>	<u>\$ 175,762,889</u>
Total debt applicable to the limit as a percentage of debt	10.00%	8.25%	10.41%	20.19%	15.29%

Legal Debt Margin Calculation for 2018:

Market value	\$ 7,366,175,600
Debt limit (3% of market value)	<u>220,985,268</u>
Total long - term debt	
Less:	
Amount available for retirement of general obligation bonds	(3,039,579)
Amount available for repayment of notes payable	-
Compensated absences & other post employment benefits	(6,072,371)
Net Pension Liability	(15,633,109)
Other revenue bonds	(2,585,000)
Tax increment bonds	(930,000)
Improvement bonds	<u>(3,470,000)</u>
Subtotal	<u>(31,730,059)</u>
Total debt applicable to debt limit	<u>(31,730,059)</u>
Legal debt margin	<u>\$ 252,715,327</u>

Note: Pursuant to Minnesota State Statutes, the City of Brooklyn Park's outstanding general obligation debt shall not exceed three percent of total taxable market value. Also pursuant to statute, the general obligation debt subject to the limitation may be reduced by amounts set aside for repaying those bonds and debt with a specific source of revenue pledged for the repayment.

City of Brooklyn Park, Minnesota
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	7,708,984	3,576,984	4,132,000	430,000	154,018	707.51%
2009	7,987,630	4,191,806	3,795,824	445,000	234,146	558.91%
2010	7,277,188	4,516,160	2,761,028	460,000	705,919	236.81%
2011	7,292,619	3,670,018	3,622,601	1,065,000	992,569	176.06%
2012	8,759,511	3,803,059	4,956,452	3,360,000	787,449	119.51%
2013	7,351,912	4,142,609	3,209,303	725,000	780,578	213.16%
2014	8,527,467	4,187,895	4,339,572	735,000	767,432	288.84%
2015	9,282,793	4,557,523	4,725,270	750,000	743,106	316.47%
2016	8,096,766	4,469,165	3,627,601	790,000	684,901	245.96%
2017	8,300,910	4,822,922	3,477,988	810,000	649,063	238.37%
2018	9,325,433	4,321,903	5,003,530	1,015,000	543,586	321.03%
Improvement Bonds						
Fiscal Year			Collections	Debt Service		Coverage
				Principal	Interest	
2008			1,035,969	1,380,000	398,305	58.26%
2009			1,068,854	1,335,000	357,234	63.16%
2010			688,001	4,600,000	268,848	14.13%
2011			623,584	1,155,000	173,883	46.93%
2012			440,192	2,025,000	147,222	20.26%
2013			386,536	570,000	77,720	59.68%
2014			325,872	550,000	61,915	53.25%
2015			228,461	225,000	49,415	83.25%
2016			-	-	-	0.00%
2017			-	-	-	0.00%
2018			-	-	-	0.00%

Note: Details regarding the City of Brooklyn Park's outstanding debt can be found in the notes to the financial statements. Water charges and other includes investment earnings. Operating expenses do not include depreciation.

**City of Brooklyn Park, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate (6)
2009	75,156 (1)	1,882,133,047 (8)	25,043 (8)	8.5%
2010	75,781 (7)	1,932,491,281 (7)	25,501 (7)	7.6%
2011	76,092 (1)	1,864,254,000 (8)	24,500 (8)	7.1%
2012	76,238 (1)	1,921,197,600 (8)	25,200 (8)	5.8%
2013	76,806 (1)	2,090,481,965 (6)	27,049 (8)	5.5%
2014	78,362 (8)	2,109,269,954 (8)	26,917 (8)	3.9%
2015	80,215 (8)	2,497,468,617 (9)	31,423 (9)	5.3%
2016	80,450 (9)	2,319,775,750 (9)	28,835 (9)	5.0%
2017	80,866 (9)	2,371,638,048 (9)	29,328 (9)	5.4%
2018	83,066 (9)	2,494,887,310 (9)	30,035 (9)	4.5%

Sources:

- (1) Community Development Department, City of Brooklyn Park
- (2) Finance Department, City of Brooklyn Park based on average yearly increase from 2005 American Community Survey to 2006 American Community Survey conducted by the United States Census Bureau
- (3) United States Census Bureau (2005 American Community Survey)
- (4) United States Census Bureau (2006 American Community Survey)
- (5) United States Census Bureau (2007 American Community Survey)
- (6) Department of Employment and Economic Development, State of Minnesota
- (7) United States Census Bureau (2010 US Census Survey)
- (8) Metropolitan Council Data
- (9) Esri Demographics

**City of Brooklyn Park, Minnesota
Principal Employers
Current Year and Ten Years Ago**

Employer	2018			2008		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Target Corporation	4,000	1	13.36%	2,800	1	11.02%
Nilfisk	700	2	2.34%	0	n/a	0.00%
North Hennepin Community College	610	3	2.04%	420	5	1.65%
HyVee	500	4	1.67%	0	n/a	0.00%
Medtronic	420	5	1.40%	420	4	1.65%
Accellent	395	6	1.32%	395	6	1.56%
Olympus	385	7	1.29%	0	n/a	0.00%
GLS	375	8	1.25%	370	7	0.00%
City of Brooklyn Park	335	9	1.12%	335	8	1.32%
Caterpillar Paving	325	10	1.09%	850	2	3.35%
Total Industries Listed	8,045		26.87%	5,590		26.81%
Total City Employment(2)	29,935			25,397		

Sources:

- (1) Economic Development Authority, City of Brooklyn Park
- (2) Minnesota Department of Employment and Economic Development (DEED)

City of Brooklyn Park, Minnesota
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	December 31									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	40.80	47.40	46.70	49.80	49.09	55.11	53.66	57.26	57.53	63.94
Community development	23.20	22.00	22.60	21.80	22.25	31.35	30.73	30.48	31.00	31.02
Police	148.50	153.30	155.20	155.80	158.40	161.47	146.56	148.62	144.64	144.6
Fire	32.64	28.97	32.32	32.08	37.33	43.00	43.13	27.69	38.57	38.88
Building inspections	19.10	17.60	17.50	17.40	17.49	10.94	10.99	10.63	10.56	10.79
Engineering	10.50	8.10	8.10	8.10	8.09	8.07	8.26	8.63	10.23	10.31
Operations and maintenance	35.50	33.40	32.10	32.00	33.27	28.68	42.47	33.86	36.75	36.6
Recreation and parks	44.00	47.50	48.60	54.50	51.70	56.88	57.09	53.11	54.33	56.01
Park maintenance	22.70	23.00	22.50	22.00	22.50	24.86	22.72	22.94	23.65	25.12
Ice arena	9.80	8.60	9.70	10.90	8.44	8.50	6.10	9.55	9.46	9.28
Golf courses	23.60	23.80	22.10	23.80	23.61	21.72	18.11	22.25	21.88	20.7
Water	18.00	18.40	18.20	17.60	17.80	17.20	11.29	16.07	16.30	17.34
Sanitary Sewer	4.30	4.20	4.20	4.30	4.20	4.25	3.98	3.99	3.34	2.93
Recycling	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Storm sewer	4.20	4.20	4.10	4.10	4.20	4.30	3.10	2.97	2.00	2.01
Street/signal light	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	437.8	441.5	444.9	455.18	458.4	476.33	458.19	448.05	460.25	469.53

Source: Finance Department,

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Brooklyn Park, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Function	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public safety:										
Police:										
Calls for service	80,890	76,646	73,652	70,394	65,640	63,361	59,810	59,294	58,903	63,119
Physical arrests	2,623	2,383	2,586	2,280	1,999	1,653	1,548	1,426	961	909
Other arrests	1,882	2,122	1,466	1,426	1,346	1,537	1,605	1,153	1,352	1,477
Parking violations	2,260	2,272	1,537	1,433	2,239	2,494	2,155	3,193	2,347	5,870
Traffic violations	7,897	5,637	6,996	6,846	5,975	2,854	2,201	1,753	1,908	2,326
Fire:										
Number of calls answered	5,712	6,136	7,345	7,815	8,114	8,579	8,583	8,957	8,967	9,399
Inspections	1,144	1,602	1,226	484	617	725	923	1349	1653	792
Public works:										
Street maintenance:										
Street resurfacing (miles):										
Sealcoating (oil/rocks)	26	42	40	0	30	23	0	22	17	14
Overlay (asphalt)	3	1	1	4	1.6	1.8	14	14	19.1	13.1
Curb replacement (lineal feet)	5,474	3,217	2,780	4,735	1,268	1,360	8,350	8,195	12,731	4,726
Sidewalk replacement (lineal feet)	629	550	975	1,295	1,066	1,291	1,460	909	505	826
Pothole/sealcoating patching material (tons)	620	1,429	1,317	921	1,015	1,269	1,748	1,842	1,374	1,053
Recreation and parks:										
Recreation and parks:										
Number of room rentals	194	192	624	334	258	167	314	286	310	438
Number of facility/park permits issued	4,049	7,286	655	1,674	5,540	5,821	4,822	3,908	91	1,720
Number of swimming pool registrants	2,029	1,911	2,046	1,987	1,931	1,824	1,863	1,797	1,595	1,543
Number of dance registrants	476	522	638	673	560	490	495	839	633	637
Park maintenance:										
Water:										
Water main breaks	24	28	28	15	11	15	12	19	17	15
Average daily consumption (gallons)	9,500,000	8,570,000	8,650,000	9,180,000	8,630,000	8,210,000	8,200,000	8,348,000	8,190,000	8,320,000
Peak daily consumption (gallons)	23,800,000	20,840,000	17,900,000	20,000,000	20,570,000	18,800,000	17,000,000	17,000,000	17,800,000	18,000,000
Number of accounts	21,850	21,033	21,837	22,180	22,340	22,590	22,950	22,803	22,917	20,053
Sewer:										
Average daily sewage treatment (gallons)	5,500,000	4,970,000	5,000,000	5,100,000	5,000,000	5,110,000	5,500,000	5,433,000	5,920,000	5,830,000

Source: Various City of Brooklyn Park departments. Note number of golf rounds sold does not reflect all rounds at the course.

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

**City of Brooklyn Park, Minnesota
Capital Assets Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public safety:										
Police:										
Number of stations	1	2	2	2	2	2	2	2	2	2
Number of vehicles	77	85	81	82	83	82	78	78	80	80
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of vehicles	21	21	21	21	21	22	21	21	21	21
Public works:										
Street maintenance:										
Streets (miles)	260	260	260	262	262	262	263	266	265	266
Sidewalks (miles)	108	108	109	109	114	116	115	117	116	117
Curbs and gutters (miles)	528	528	531	532	532	539	544	544	544	544
Recreation and parks:										
Recreation and parks:										
Athletic complexes	3	3	3	3	3	3	3	3	3	3
Tennis courts	21	21	21	21	21	21	21	21	21	21
Senior center	1	1	1	1	1	1	1	1	1	1
Community activity buildings	8	8	8	8	8	8	8	8	8	8
Park maintenance:										
Park acreage:										
Owned	1,331	1,331	1,304	1,304	1,304	1,304	1,306	1,402	1,576	1,576
Developed	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,402	1,576	1,576
Number of parks	60	60	60	60	60	60	60	60	60	60
Water:										
Water mains (miles)	308	308	308	308	308	310	310	312	320	322
Connections	21,850	21,850	21,850	21,850	21,850	22,590	23,000	22,760	22,800	23,053
Fire hydrants	2,820	2,820	2,821	2,850	2,848	2,848	2,915	2,930	2,950	2,950
Wells	18	18	15	18	18	18	18	18	17	17
Reservoirs	6	6	6	6	6	6	6	6	6	6
Maximum daily capacity (gallons)	30 million									
Sewer:										
Sanitary sewers (miles)	250	250	249	250	250	250	259	260	261	261
Connections	21,800	21,800	22,000	20,400	20,500	20,500	21,200	22,626	22,646	23,027
Lift stations	7	7	6	6	6	6	7	7	7	6
Ice arenas	2	2	2	2	2	2	2	2	2	2
Golf courses	2	2	2	2	2	2	2	2	2	2
Storm sewers (miles)	192	192	198	199	199	199	205	208	209	210
Street / signal light:										
Streetlights	3,940	3,940	4,266	4,315	4,315	4,419	4,293	4,289	4,289	4,320
Traffic signals	81	81	81	81	81	83	84	84	84	84

Source: Various City departments.

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