

Brooklyn Park

Unique. United. Undiscovered.



Comprehensive Annual Financial Report
for the year ended December 31, 2019

This Page Has Been Intentionally Left Blank.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Brooklyn Park, Minnesota

**For the year ended
December 31, 2019**

Prepared by

THE FINANCE DEPARTMENT

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

City of Brooklyn Park, Minnesota

Table of Contents – Year Ended December 31, 2019

Introductory Section

Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organization Chart	8
List of Elected and Appointed Officials	9

Financial Section

Independent Auditors' Report.....	10
Management's Discussion and Analysis	13

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	35
Statement of Activities	36
Balance Sheet – Governmental Funds	37
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds.....	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – General Fund.....	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in	
Fund Net Position – Proprietary Funds	46
Statement of Cash Flows – Proprietary Funds.....	48
Statement of Fiduciary Net Position – Agency Funds	50
Notes to the Financial Statements	51

Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability and Related Ratios	104
Schedule of Pension Contributions	105
Schedule of Proportionate Share of Net Pension Liability	106
Notes to Schedule of Changes in Net Pension Liability and Related Ratios	107

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds	109
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds	110
Combining Balance Sheet – Nonmajor Special Revenue Funds	111

City of Brooklyn Park, Minnesota

Table of Contents – Year Ended December 31, 2019

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	113
Combining Balance Sheet – Nonmajor Debt Service Funds	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	116
Combining Balance Sheet – Nonmajor Capital Project Funds	117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	118

Nonmajor Enterprise Funds

Combining Balance Sheet – Nonmajor Enterprise Funds	119
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	120
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	121

Internal Service Fund

Combining Balance Sheet – Internal Service Funds	122
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	123
Combining Statement of Cash Flows – Internal Service Funds	124

Agency Funds

Combining Statement of Fiduciary Net Position	126
Schedule of Changes in Assets and Liabilities – Agency Funds	127

Other Supplementary Schedules

Balance Sheet – General Debt Service Funds.....	128
Schedule of Revenues, Expenditures and Changes in Fund Balances – General Debt Service Funds.....	130
Schedule of Long-Term Debt Issues Payable	132
Balance Sheet – Economic Development Authority Capital Project Fund.....	136
Schedule of Revenues, Expenditures and Changes in Fund Balances – Economic Development Authority Capital Project Fund.....	138
Balance Sheet – Tax Increment District Capital Project Fund.....	140
Schedule of Revenues, Expenditures and Changes in Fund Balances – Tax Increment District Capital Project Fund.....	142

City of Brooklyn Park, Minnesota

Table of Contents – Year Ended December 31, 2019

Statistical Section

Net Position by Component.....	145
Changes in Net Position.....	146
Fund Balances of Governmental Funds.....	148
Changes in Fund Balances, Governmental Funds.....	149
Assessed Value and Actual Value of Taxable Property	150
Direct and Overlapping Property Tax Rates	151
Principal Property Taxpayers	152
Property Tax Levies and Collections.....	153
Ratios of Outstanding Debt by Type	154
Ratios of General Bonded Debt Outstanding	156
Direct and Overlapping Governmental Activities Debt	157
Legal Debt Margin Information	158
Pledged-Revenue Coverage	159
Demographic and Economic Statistics	160
Principal Employers	161
Full-time Equivalent City Government Employees by Function.....	162
Operating Indicators by Function	163
Capital Asset Statistics by Function	164



5200 85th Ave N., Brooklyn Park, MN 55443-4300 Phone 763-424-8000 Fax 763-493-8391

June 8, 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, 2019 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, is accurate in all material respects; that the data is 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, 2019, are free of any material misstatements. 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, 2019 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 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 83,159 for 2019. 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, 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 30, according to state statutes. The budget is prepared by fund, department, division, and program. Department heads may make limited transfers of appropriations within a department. Transfers of appropriations 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 nearby 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 will have 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 31.59% of the City's 2019 (pay 2020) taxable net tax capacity.

Highway 252 and Interstate 94 planning

The Minnesota Department of Transportation (MNDOT), Hennepin County, and the cities of Brooklyn Center and Brooklyn Park are working together to reduce congestion and improve safety and reliability on Highway 252 and Interstate 94. Detailed plans for both highways will be developed in 2020-2021, including the planned conversion of Highway 252 into a freeway. Construction is estimated to begin in 2025.

Interchange project at Highway 169 and 101st Avenue N

The interchange project advanced further this year with the 100% plans submitted to MNDOT for review and approval. Acquisition of all land is nearing completion and the final purchase is expected in early 2020. Construction is anticipated to begin in spring with the bulk of the project completed by November 2020 with minor items extending into 2021.

Center for Innovation and the Arts

The Center for Innovation and the Arts, which is envisioned as a dynamic and inclusive center and a flexible art and cultural facility, took some big steps forward in 2019. This year, the partners of North Hennepin Community College, Metropolitan State University and the City of Brooklyn Park completed a feasibility study for the proposed 83,000 square foot facility.

Additionally, Minnesota State College and Universities included the project in the list of capital program recommendations to the state legislature. The Center for Innovation and the Arts is seeking \$6.8 million in State General Obligation Bonds in 2020 for design, \$38 million in bond funding in 2022 for construction and will fundraise the remaining amount from private and public partners. The Center aims to increase arts-related educational opportunities for students and the community while increasing economic prosperity and advancing the quality of life in Brooklyn Park and surrounding communities.

Recent Development and Updates.

Second Harvest Heartland

The second largest food bank in the State of Minnesota, held a ribbon cutting at its new Volunteer Center in 2019. The Volunteer Center is part of a larger project to relocate its headquarters to Brooklyn Park. The City partnered with Second Harvest to secure \$18 million in general obligation bond funds from the Minnesota Legislature to complete the renovation of the facility where the headquarters will be located. The entire project is expected to be completed in the summer of 2020

Clubhouse & The Brooklyn restaurant by D'Amico

Renovations to the Edinburgh USA clubhouse were completed this year. The \$1.5 million renovation added light and views of the golf course from The Brooklyn restaurant, new paneling and beautiful chandeliers in the lower level ballroom and more open space with new painting and tile in the lower level hallway and entrance. The Brooklyn restaurant, now operated by D'Amico, brings updated décor and ambiance as well as an all-new menu.

Some of new businesses that came to the City during 2019 is as follows:

- El Rancho Mexican Restaurant
- Freddy's Custard and Steakburgers
- Hampton Inn and Home2Suites
- International Brotherhood of Electrical Workers (IBEW)
- Pancheros Mexican Grill
- Rolls and Bowls
- Nystrom
- The Brooklyn Urbana Court Apartments and Urban Place Senior Living

Housing Initiatives

Housing program revamp

Homeowner programs in 2019 were redesigned to increase the number of residents making improvements to their homes and to provide needed resources to the community. The redesigned and revamped programs were a huge success, with an instant response rate and funds for multiple programs expended by the end of the year. New programs include the Senior Deferred Loan, Down Payment Assistance, Code Correction, and a revised Home Improvement Loan. A total of \$319,522 in loans were extended to residents.

New programs and their usage include:

Senior Deferred Loan Program: 6 loans, \$99,830
Down Payment Assistance Program: 10 loans, \$100,000
Home Improvement Loan Program: 6 loans, \$115,692
Home Energy Squad Enhanced: 77 home visits, \$4,000

Investment in apartment communities

The EDA prioritizes improving living conditions for all residents and has worked with both property owners to improve the condition of its housing stock for decades. Multifamily housing has been a focus area, and since 2016 the EDA has invested \$6.6 million on direct rehabilitation costs and sponsored over \$30 million in Housing Revenue Bonds for 1,546 units at four apartment communities. Park Haven rehabilitation was

completed in 2016 and work continues at Autumn Ridge, Brooks Landing/Brooks Garden and Huntington Place.

Autumn Ridge—366 units

This year the EDA approved an extension of a \$1.2 million loan to Sherman Associates to enable the developer to complete additional work improving overall security, structural integrity, safety, and livability at the property.

Brooks Landing & Brook Gardens—170 units

A \$15 million Housing Revenue Bond sponsored by the City of Brooklyn Park and a \$400,000 rehabilitation loan from the EDA will be used to complete this project by the end of 2020.

Huntington Place—834 units

Dominium, representing the Huntington Place ownership group, completed \$8 million in investments into the apartment community in 2019.

Supportive Housing

The EDA owns two supportive housing facilities that serve the community. In 2019, Brooklyn Avenues for Homeless Youth served 82 youth and young adults between the ages of 16-21. Additionally, 82% 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 the last two years the EDA has invested over \$230,000 in capital improvements at the property, primarily through Community Development Block Grant (CDBG) funds.

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.

In 2019, Star, a multimedia marketing and exhibit creation company, and Takeda, the first major biopharmaceutical company of its kind in the Midwest, closed out their MIF loans after successfully fulfilling their job creation and wage requirements. Together, the two companies have created or retained 359 jobs since 2016 bringing a talented workforce and key assets to the city.

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
- MKG- 2019

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, 2018. This was the 39th 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.

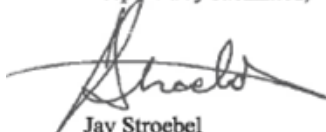
Acknowledgements

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 (Coty Hemann, Debbie Lenzen, Lynne Stuart, Met Duangphouxay, Chris Kuecker, 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, CliftonLarsonAllen, LLP, 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**

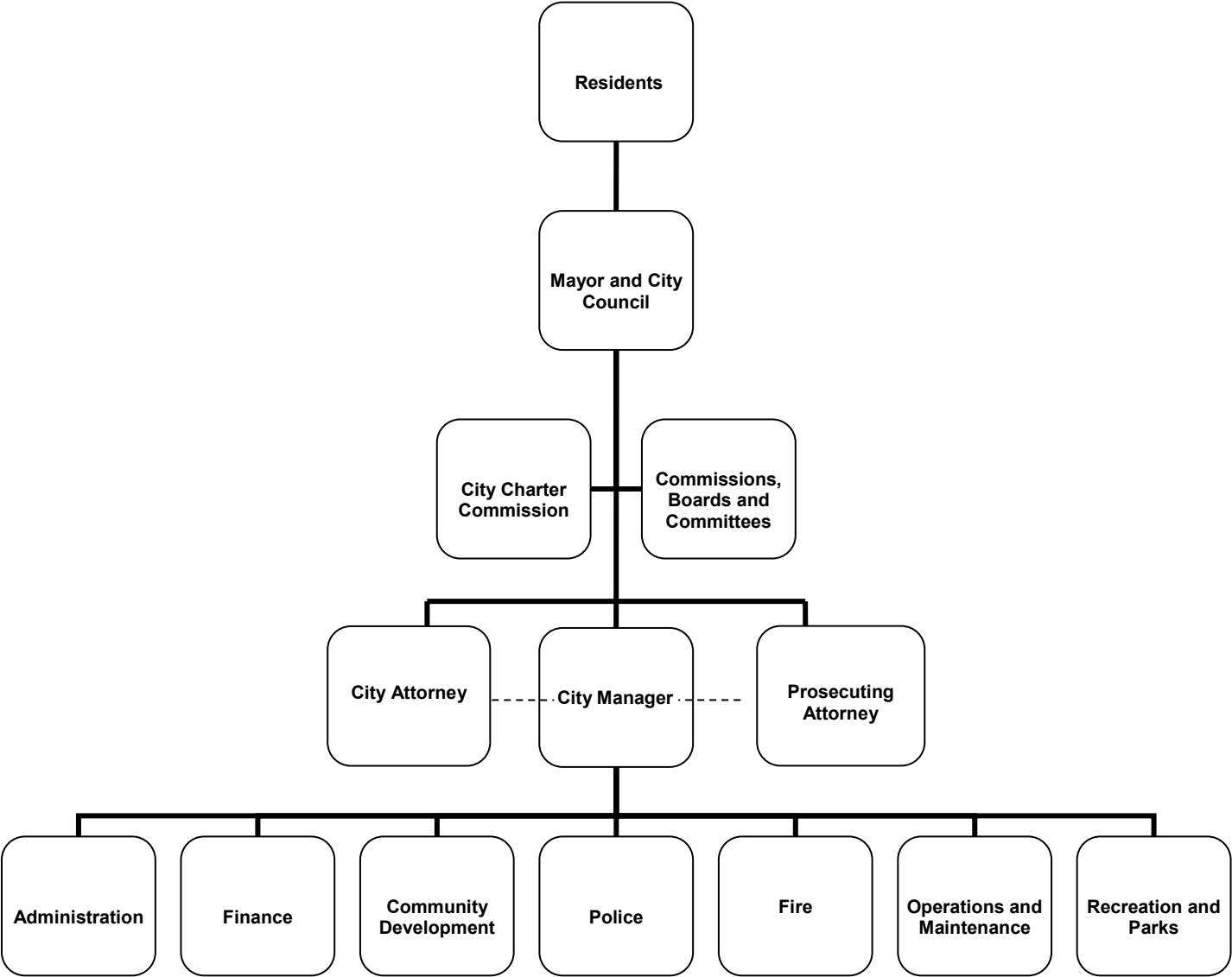
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

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, 2019

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

This Page Has Been Intentionally Left Blank.



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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2019, 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.

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, 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 June 8, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 8, 2020

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, 2019. 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 \$5,569,704. This change is comprised of an increase in the net position of governmental activities of \$760,250 and an increase in the net position of business-type activities of \$4,809,454.
- The net position of the City equaled \$400.3 million at the end of 2019. Of this amount, \$110.9 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. This represents an increase of just over \$1.5 million or 1.4% from 2018.
- As of December 31, 2019, unassigned fund balance within the General Fund was \$21.9 million or 42.6% 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 City's net position changed 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, 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).

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Government-wide financial statements (continued)

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), golf course and the park dome.

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 35-36 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 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 8 individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenses, and changes in fund balances for the General Fund, Grant 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 "total nonmajor funds".

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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 37-43 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, golf course and recreation dome 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 and street/signal light utility. All are considered major funds of the City of Brooklyn Park. Data from the other proprietary funds are combined into a single, aggregate presentation, labeled "total nonmajor funds". 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 44-49 of this report.

Fiduciary funds – are used to account for resources held for the benefit of parties outside of 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 50 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 51-103 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 statements. Combining statements and additional statements can be found on pages 109-143 of this report.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

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 \$400.3 million at December 31, 2019.

Brooklyn Park, Minnesota
Net Position
December 31, 2018 and 2019

	Total			Percent
	2019	2018	Variance	Change
Cash and Investment	\$ 165,568,580	\$ 162,911,446	\$2,657,134	1.6%
Current and other assets	35,373,196	32,125,590	3,247,606	10.1%
Capital assets(net)	295,824,853	292,578,268	3,246,585	1.1%
Total assets	496,766,629	487,615,304	9,151,325	1.9%
Deferred outflows of resources	19,672,515	22,730,803	(3,058,288)	-13.5%
Total assets and deferred outflows of resources	516,439,144	510,346,107	6,093,037	1.2%
Current and other liabilities	8,873,177	5,836,134	3,037,043	52.0%
Noncurrent liabilities - Due in more than one year	82,483,428	79,550,130	2,933,298	3.7%
Total liabilities	91,356,605	85,386,264	5,970,341	7.0%
Deferred inflows of resources	24,820,295	30,267,303	(5,447,008)	-18.0%
Total liability and deferred inflows of resources	116,176,900	115,653,567	523,333	0.5%
NET POSITION				
Net investment in capital assets	256,499,184	253,102,967	3,396,217	1.3%
Restricted	32,878,555	32,238,199	640,356	2.0%
Unrestricted	110,884,505	109,351,374	1,533,131	1.4%
Total net position	\$ 400,262,244	\$ 394,692,540	\$5,569,704	1.4%

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 2019, these assets represent 64% 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. At December 31, 2019, 8.2% of the total net position is restricted.

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 28.0% of the total net position as of December 31, 2019.

Statement of Activities

The total net position of the City increased by \$5.6 million or 1.4%. Activities are divided into governmental and business-type.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Activities

Brooklyn Park, Minnesota
Net Position
December 31, 2019 and 2018

	Governmental Activities			Percent
	2019	2018	Variance	Change
Cash and Investment	\$ 120,813,034	\$ 119,698,249	\$ 1,114,785	0.9%
Current and other assets	26,967,732	26,080,128	887,604	3.4%
Capital assets(net)	169,843,344	165,573,861	4,269,483	2.6%
Total assets	317,624,110	311,352,238	6,271,872	2.0%
Deferred outflows of resources	19,587,628	22,400,918	(2,813,290)	-12.6%
Total assets and deferred outflows of resources	337,211,738	333,753,156	3,458,582	1.0%
Current and other liabilities	7,544,313	4,339,591	3,204,722	73.8%
Noncurrent liabilities - Due in more than one year	70,396,164	65,735,818	4,660,346	7.1%
Total liabilities	77,940,477	70,075,409	7,865,068	11.2%
Deferred inflows of resources	24,636,253	29,802,989	(5,166,736)	-17.3%
Total Liability and deferred inflows of resources	102,576,730	99,878,398	2,698,332	2.7%
NET POSITION				
Net investment in capital assets	141,862,073	138,539,220	3,322,853	2.4%
Restricted	32,878,555	32,238,199	640,356	2.0%
Unrestricted	59,894,380	63,097,339	(3,202,959)	-5.1%
Total net position	\$ 234,635,008	\$ 233,874,758	\$ 760,250	0.3%

The net position related to governmental activities increased by \$760,250 during the year as a result of the following:

- Overall, the net investment in capital assets increased by \$3.3 million. This is a combination of fixed asset changes which is net of depreciation and offset by principal payments of debt.
- GASB 75 adjustment resulting in a reduction in Deferred Outflows of \$2.8 million from 2018.
- Current and other liabilities increased \$3.2 million over 2018 mainly due to the increase in accounts payable for capital and grant contract amounts due at December 31, 2019.
- Restricted net position increased by 2% or \$640,356 due to a combination of principal payments and an increase in Community Development grant activity.
- Unrestricted net position decreased by (\$3.2) million or 5.1%.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Brooklyn Park, Minnesota Changes in Net Position December 31, 2018 and 2019

	Governmental Activities			
	2019	2018	Variance	Percent Change
REVENUES				
Program revenues:				
Charges for services	\$ 8,281,203	\$ 6,958,110	\$ 1,323,093	19.0%
Operating grants and contributions	3,929,872	3,565,033	364,839	10.2%
Capital grants and contributions	15,067,040	2,827,625	12,239,415	432.9%
General revenues:				
Property taxes	47,209,754	44,695,065	2,514,689	5.6%
Tax Increments	1,595,318	2,086,605	(491,287)	-23.5%
Franchise fees	5,999,001	5,879,239	119,762	2.0%
Grants and contributions	1,382,144	1,375,913	6,231	0.5%
Investment earnings	5,312,959	2,346,558	2,966,401	126.4%
Gain on disposal of assets	76,575	47,426	29,149	61.5%
Other revenue	2,590,693	2,400,258	190,435	7.9%
Total revenues	91,444,559	72,181,832	19,262,727	26.7%
EXPENSES				
General Government	7,441,115	6,201,772	1,239,343	20.0%
Community Development	19,669,932	4,521,551	15,148,381	335.0%
Public Safety	33,203,569	30,218,988	2,984,581	9.9%
Public Works	16,419,427	14,341,135	2,078,292	14.5%
Recreation & Parks	12,250,707	10,729,392	1,521,315	14.2%
Debt Service	717,047	1,444,974	(727,927)	-50.4%
Total expenses	89,701,797	67,457,812	22,243,985	33.0%
Change in net position before special items and transfers	1,742,762	4,724,020	(2,981,258)	-63.1%
Transfers	(982,512)	48,450	(1,030,962)	-2127.9%
Change in net position	760,250	4,772,470	(4,012,220)	-84.1%
Net position - beginning	233,874,758	229,102,284	4,772,474	2.1%
Net position - ending	\$ 234,635,008	\$ 233,874,754	\$ 760,254	0.3%

Government Activities – Revenue Analysis

Revenues for governmental activities totaled \$91.4 million in 2019 as compared to \$72.2 million in 2018. The key elements of this change are as follows:

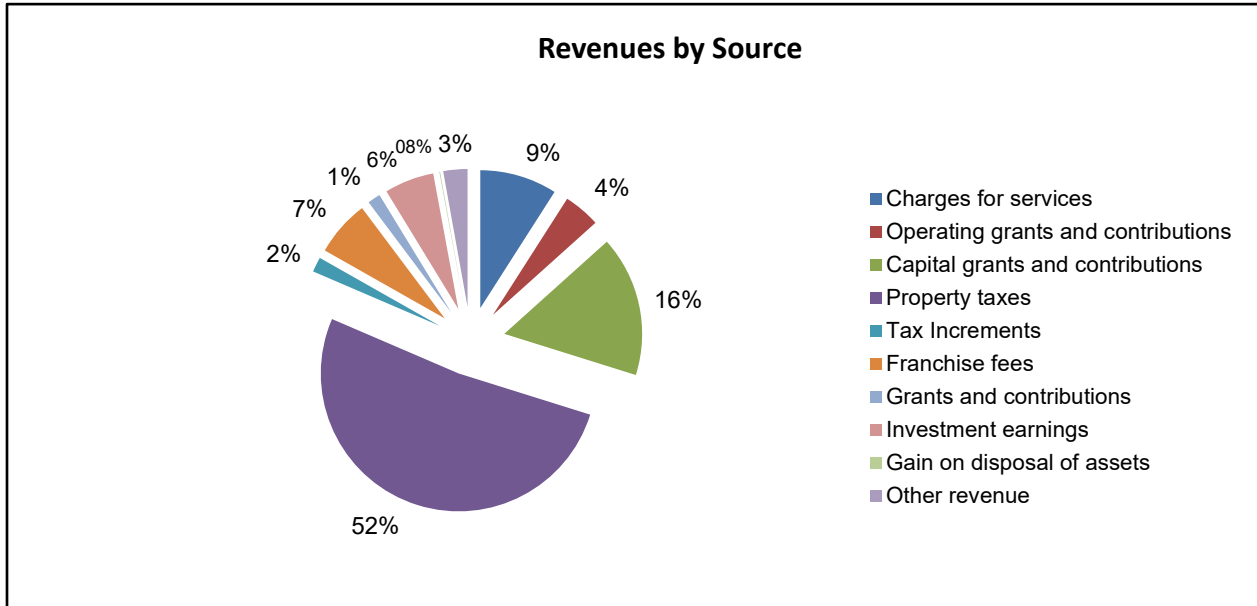
- Program revenues increased just over \$14 million due mainly to the capital grants and contributions increasing by over \$11 million because of the State of Minnesota issuing a General Obligation Bond to the City for the Second Harvest Heartland project. The City has been given the authority to acquire land for, and to predesign, construct, furnish, and equip a statewide Second Harvest Heartland charitable food warehouse, distribution, and office facility in the City. Ownership interest in all of the real property and structures become “state bond financed property”.
- Property taxes increased by \$2.5 million or 5.6% This was due to several factors including the excess tax increment funds from the closing of TIF #15 and #22, a decrease in the delinquent taxes from 2018 and the City Council approved levy.
- Tax increments decreased by 23.5% from 2018 due to the TIF #22 decertified in 2019.
- Investment earnings increased by just under \$3 million as a result of an increase in yield on investments from prior year and the unrealized gains/losses that were booked at year-end in accordance with accounting standards.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Activities- Revenue Analysis (Continued)

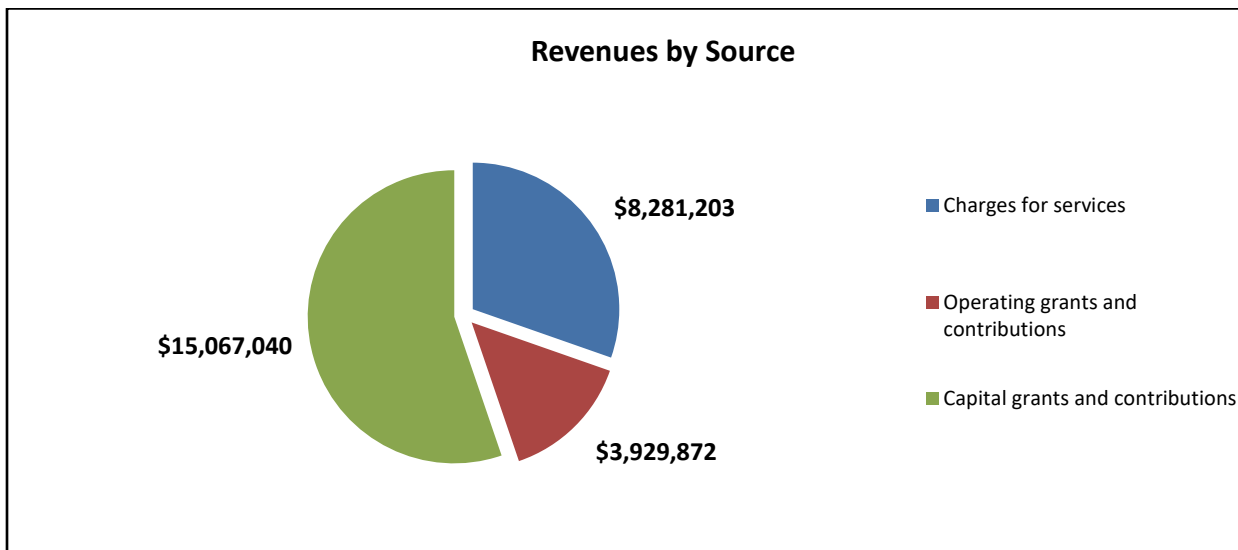
The graph below depicts a percentage breakdown of revenues excluding net transfers in:



Governmental Revenues – Program Analysis

Program revenues, which represent 30.0% or \$27.3 million of governmental activity revenue of \$91.4 million for 2019, 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, 2019:



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Governmental Activities- Revenue Analysis (Continued)

Brooklyn Park, Minnesota
Program Revenues
Governmental Activities
December 31, 2018 and 2019

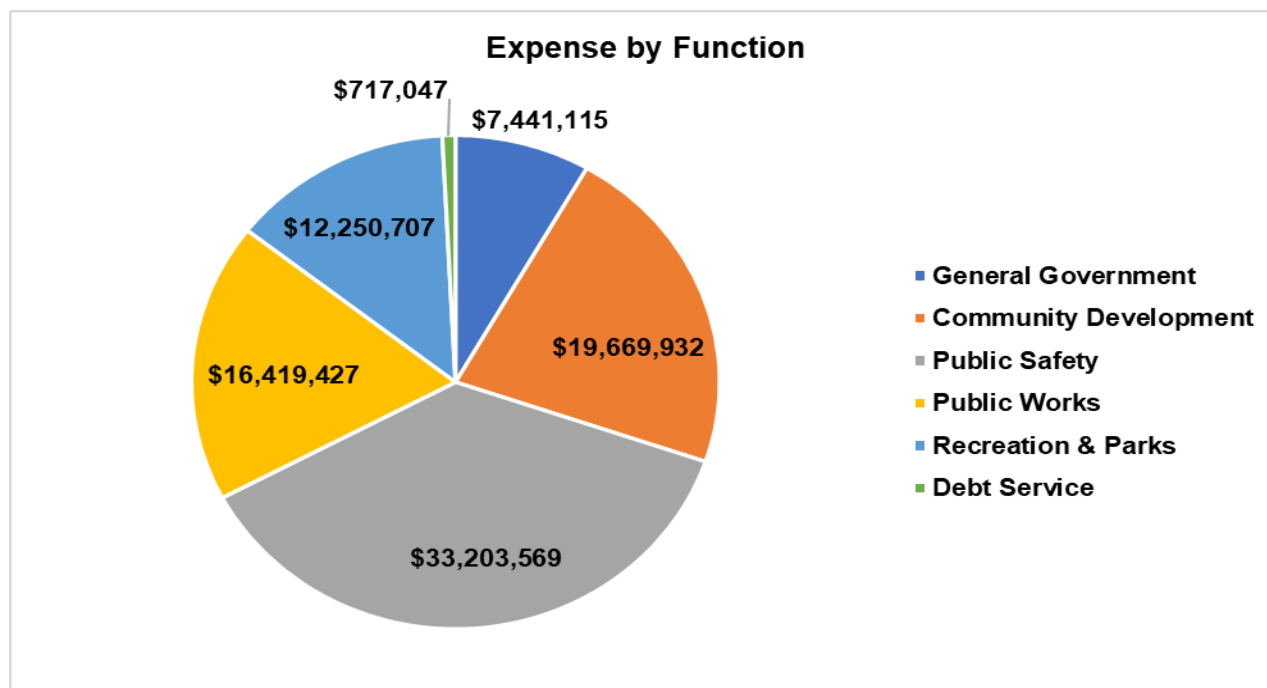
Functions/Programs	Program Revenues		Variance	Percent Change
	2019	2018		
General Government	\$ 1,306,107	\$ 908,770	\$ 397,337	43.7%
Community Development	13,084,989	1,169,550	11,915,439	1018.8%
Public Safety	6,251,325	5,487,403	763,922	13.9%
Public Works	3,880,551	3,403,577	476,974	14.0%
Recreation & Parks	2,755,143	2,196,068	559,075	25.5%
Debt Service	-	185,400	(185,400)	-100.0%
Total	\$ 27,278,115	\$ 13,350,768	\$ 13,927,347	104.3%

Total program revenues increased by 104.3% or just over \$13.9 million. Highlights of the changes are described below:

- State of Minnesota General Obligation Bond for the Second Harvest project in the community development function increasing the program revenue almost \$12 million.
- Recreation and parks realized a \$559,075 increase from 2019 largely due to an increase in park dedication fees.

Government Activities – Expense Analysis

Governmental activities expense in 2019 totaled \$89.7 million which was a 33% increase from 2018.



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

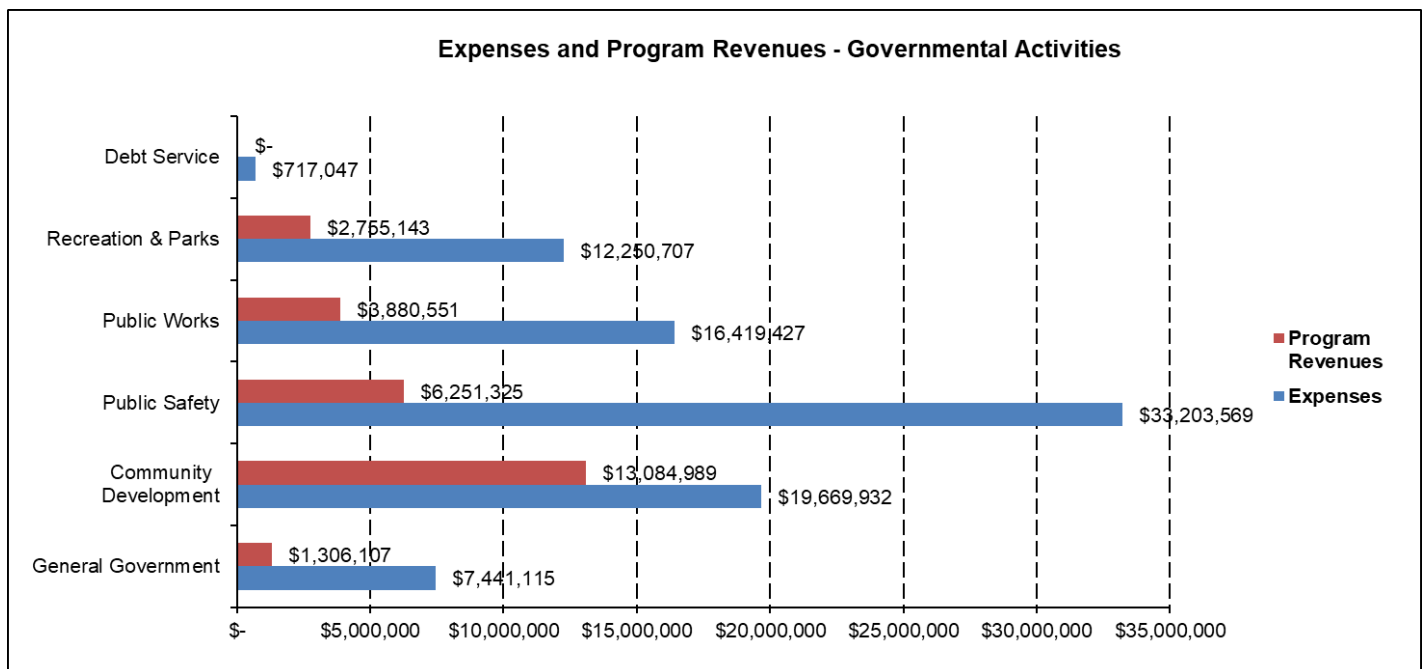
Governmental Activities- Expense Analysis (Continued)

The increase in expense for each of the functions is due to the increase in personnel costs for cost of living and contract increases and the subsequent increase in benefits. In addition, the \$15.1 million dollar increase in expense for the community development function is mainly due to the Second Harvest project expense. The public works function also had an increase in supplies for road maintenance due to the excessive snows in the spring of 2019.

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

Brooklyn Park, Minnesota
Expenses and Program Revenues
Governmental Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 7,441,115	8.30%	\$ 1,306,107	4.79%	\$ (6,135,008)
Community Development	19,669,932	21.93%	13,084,989	47.97%	(6,584,943)
Public Safety	33,203,569	37.02%	6,251,325	22.92%	(26,952,244)
Public Works	16,419,427	18.30%	3,880,551	14.23%	(12,538,876)
Recreation & Parks	12,250,707	13.66%	2,755,143	10.10%	(9,495,564)
Debt Service	717,047	0.80%	-	0.00%	(717,047)
Total	\$ 89,701,797	100.00%	\$ 27,278,115	100.00%	\$ (62,423,682)



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Business-Type Activities

Brooklyn Park, Minnesota
Net Position
December 31, 2018 and 2019

	Business-type Activities			
	2019	2018	Variance	Percent Change
Cash and Investment	\$ 44,755,546	\$ 43,213,197	\$ 1,542,349	1.3%
Current and other assets	8,405,464	6,045,462	2,360,002	9.0%
Capital assets(net)	125,981,509	127,004,407	(1,022,898)	-0.6%
Total assets	179,142,519	176,263,066	2,879,453	0.9%
Deferred outflows of resources	84,887	329,885	(244,998)	-1.1%
Total assets and deferred outflows of resources	179,227,406	176,592,951	2,634,455	0.8%
Current and other liabilities	1,328,864	1,496,543	(167,679)	-3.9%
Noncurrent liabilities - Due in more than one year	12,087,265	13,814,312	(1,727,047)	-2.6%
Total liabilities	13,416,129	15,310,855	(1,894,726)	-2.7%
Deferred inflows of resources	184,042	464,314	(280,272)	-0.9%
Total Liability and deferred inflows of resources	13,600,171	15,775,169	(2,174,998)	-2.2%
NET POSITION				
Net investment in capital assets	114,637,111	114,563,747	73,364	0.1%
Unrestricted	50,990,125	46,254,035	4,736,090	7.5%
Total net position	\$ 165,627,236	\$ 160,817,782	\$ 4,809,454	2.1%

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 \$4.8 million or 2.1%.

- The increase of \$2.4 million in current and other assets from 2018 is due to an increase in accounts receivable and amounts due from other funds.
- The decrease in capital assets is related to continued depreciation of the overall system.
- Long-term liabilities decrease can be attributed to a decrease in the net pension liability, and regularly scheduled principal payments in debt.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Business-Type Activities (Continued)

Brooklyn Park, Minnesota
Changes in Net Position
December 31, 2018 and 2019

	Business-type Activities			
	2019	2018	Variance	Percent Change
REVENUES				
Program revenues:				
Charges for services	\$ 22,278,033	\$ 21,473,381	\$ 804,652	3.7%
Operating grants and contributions	201,462	178,720	22,742	12.7%
Capital grants and contributions	-	278,409	(278,409)	-100.0%
General revenues:				
Investment earnings	1,827,336	301,722	1,525,614	505.6%
Gain on disposal of assets	-	2,000	(2,000)	-100.0%
Other revenue	269,628	423,166	(153,538)	-36.3%
Total revenues	<u>24,576,459</u>	<u>22,657,398</u>	<u>1,919,061</u>	<u>8.5%</u>
EXPENSES				
Business-Type activities:				
Public Utilities	14,708,153	14,762,231	(54,078)	-0.4%
Storm Sewer Utility	1,702,797	2,393,094	(690,297)	-28.8%
Street & Signal Light Utility	1,120,630	1,523,603	(402,973)	-26.4%
Recreation	3,215,627	2,012,587	1,203,040	59.8%
Park Dome	2,310	-	2,310	100.0%
Total expenses	<u>20,749,517</u>	<u>20,691,515</u>	<u>58,002</u>	<u>0.3%</u>
Change in net position before special items and transfers	3,826,942	1,965,883	1,861,059	94.7%
Transfers	<u>982,512</u>	<u>(48,450)</u>	<u>1,030,962</u>	<u>-2127.9%</u>
Change in net position	4,809,454	1,917,433	2,892,021	150.8%
Net position - beginning	160,817,782	158,900,348	1,917,434	1.2%
Net position - ending	<u>\$ 165,627,236</u>	<u>\$ 160,817,781</u>	<u>\$ 4,809,455</u>	<u>3.0%</u>

Business-type Activities – Revenue Analysis

Revenues before transfers for business-type activities totaled just under \$24.6 million in 2019 as compared with \$22.7 million in 2018. Key elements of this change are as follows:

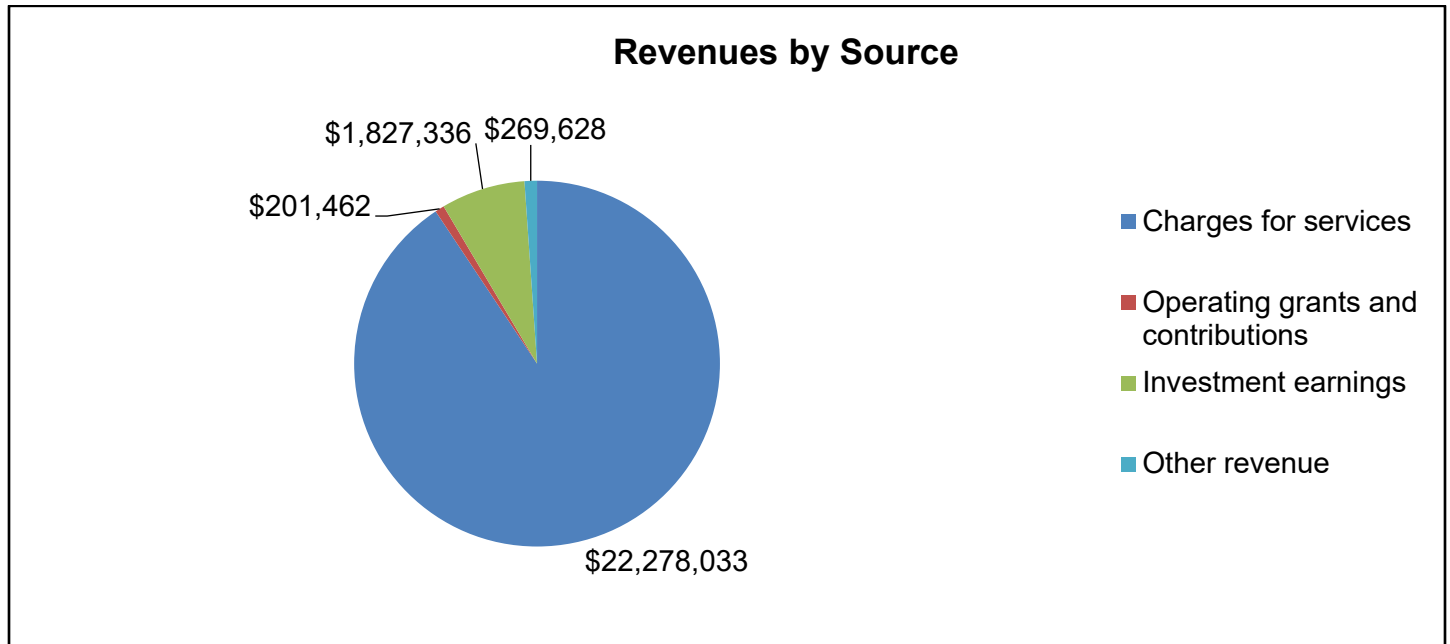
- Charges for services increased by 3.7% or \$804,652 from 2018. Rate increases were applied in 2019 per the schedule determined by the rate study from 2015. Rates were held flat in 2016 and 2017 and the approved increases were applied in 2018 and 2019. A sanitary sewer and street light utility rate study was completed in 2019 and rate increases will be applied in 2020.
- Capital Grants and Contributions decreased 100% due to revenue received from state grants in 2018 were not received in 2019.
- Investment earnings increased \$1.5 million from 2018 as a result of an increase in yield on investments from prior year and unrealized gains/losses that were recorded at year-end in accordance with accounting standards and an increase in yield on investments.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Business-Type Activities (Continued)

The following charts depict the revenues by source before transfers:



Business-Type Activities – Expenses Analysis

Overall Business-Type Activities Expenses for 2019 increased by \$58,002 or .3% from 2018 Activity.

- Storm sewer and street and light utility had a total decrease in expense of \$1.1 million mainly due to a reduction in personnel costs to these funds for a shift of project priorities to projects supported in other funds.
- Net transfers increased due to the \$1.4 million transfer for the clubhouse renovation construction project.

City of Brooklyn Park, Minnesota

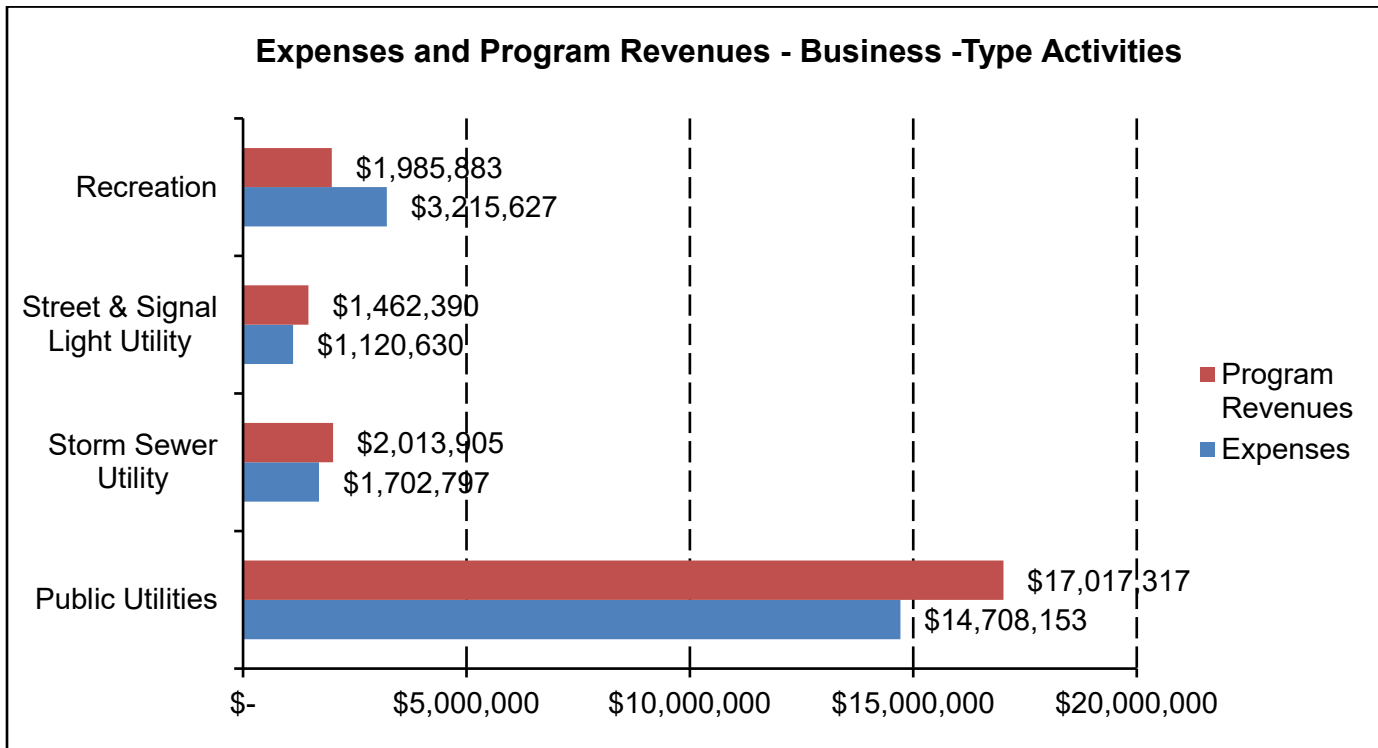
Management's Discussion and Analysis

Business-Type Activities (Continued)

The chart below depicts the gap between program revenues versus expense within Business-type activities.

Brooklyn Park, Minnesota
Expenses and Program Revenues
Business-Type Activities
For the Year Ended December 31, 2019

Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Public Utilities	\$ 14,708,153	70.88%	\$ 17,017,317	75.70%	\$ 2,309,164
Storm Sewer Utility	1,702,797	8.21%	2,013,905	8.96%	311,108
Street & Signal Light Utility	1,120,630	5.40%	1,462,390	6.51%	341,760
Recreation	3,215,627	15.50%	1,985,883	8.83%	(1,229,744)
Park Dome	2,310	0.01%	-	0.00%	(2,310)
Total	\$ 20,749,517	100.00%	\$ 22,479,495	100.00%	\$ 1,729,978



City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

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.

Fund Balances

At December 31, 2019, the City's governmental funds reported combined ending fund balances of just over \$119.2 million, a decrease of just over \$2.5 million from 2018. Approximately 18.3% or \$21.8 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 1 on page 61-76 for more information on fund balance categories). Based on the policy and actions from 2011, the City Council has committed 42.5% or \$50.7 million of the overall fund balance for the following purposes:

Committed Fund Balances

Capital Projects	\$ 9,825,949
Community Development Programs	18,652,083
Park Improvements	5,110,240
Recreation Programs	26,329
Transportation Improvements	<u>17,123,045</u>
Total Committed Fund Balances	<u>\$ 50,737,646</u>

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Major Fund Analysis

General Fund

The General Fund ended 2019 with a net change in Fund Balance of \$2,816,058 compared with (\$761,038) in 2018. Comparisons of revenue and expenses between 2019 and 2018 are as follows:

General Fund

General Fund - Revenues

	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General property taxes	\$ 42,731,842	79.2%	\$ 38,914,719	80.2%	\$ 3,817,123	9.8%
Special assessments	119,795	0.2%	96,315	0.2%	23,480	24.4%
Licenses and permits	3,302,328	6.1%	3,093,117	6.4%	209,211	6.8%
Fines and forfeitures	397,107	0.7%	312,944	0.6%	84,163	26.9%
Intergovernmental revenue	2,141,037	4.0%	1,706,065	3.5%	434,972	25.5%
Donations	24,493	0.0%	33,285	0.1%	(8,792)	-26.4%
Refunds and reimbursements	53,994	0.1%	53,591	0.1%	403	0.8%
Charges for services	3,271,378	6.1%	2,897,386	6.0%	373,992	12.9%
Interest on assessments	1,202	0.0%	0	0.0%	1,202	100.0%
Investment income	309,255	0.6%	45,539	0.1%	263,716	579.1%
Net change in fair value of investments	386,294	0.7%	117,715	0.2%	268,579	228.2%
Lease income	4,400	0.0%	142,093	0.3%	(137,693)	-96.9%
Other revenue	1,214,134	2.3%	1,097,636	2.3%	116,498	10.6%
Total revenues	\$ 53,957,259	100.0%	\$ 48,510,405	100.0%	\$ 5,446,854	11.2%

Overall revenue in the General Fund increased \$5.4 million or 11.2% over 2018. The highlights of this change are as follows:

- Property Taxes increased by \$3.8 million or 9.8% due to a combination of City Council approved tax levy and current collection increase, a decrease Fiscal Disparities Tax, with the remaining representing a decrease in delinquent collections and a \$970 thousand influx of revenue from the excess tax increments returned from closed #15 and #22 districts. 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.
- License and permits increased 6.8% from 2018. This was primarily due to an increase in building permits which realized a surge in the fourth quarter following damage to properties from the summer storms.
- Intergovernmental revenue increased 25.5% from 2018 mainly resulting from the grant received from the State of Minnesota for the Deputy Registrar Reimbursement and the Edward Byrne Justice Assistance and Body Worn Camera federal grants.
- Charges for Services increased \$373,992 or 12.9% from 2018 mainly due to the increase in conduit debt fees and facility rental fees in the Community Activity Center attributable to a policy change to an open catering structure.
- Investment income realized an increase in yield on investments from prior year. Unrealized gains/losses that were recorded at year-end in accordance with accounting standards and an increase in yield on investments.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

General Fund (continued)

General Fund - Expenditures

	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General Government	\$ 5,609,481	10.9%	\$ 5,431,439	11.1%	\$ 178,042	3.3%
Community Development	1,733,799	3.4%	1,499,391	3.1%	234,408	15.6%
Public Safety	31,164,201	60.6%	29,865,322	61.0%	1,298,879	4.3%
Public Works	4,368,387	8.5%	3,962,651	8.1%	405,736	10.2%
Recreation and Parks	8,486,498	16.5%	8,174,258	16.7%	312,240	3.8%
Debt Service - Interest	24,551	0.0%	8,223	0.0%	16,328	198.6%
Total expenditures	\$ 51,386,917	100.0%	\$ 48,941,284	100.0%	\$ 2,445,633	5.0%

In overall, the expenses within the General Fund increased just under \$2.4 million or 5% over 2018. The highlights of this change are as follows:

- General Government increased \$178,042 or 3.3% mainly due to increase in expenditures in communications and redesign of the City's website.
- Community Development increased \$234,408 or 15.6% from 2018 resulting from the reorganization of salary expense between functions in 2019.
- Public Safety increased by \$1.3 million or 4.3% from 2018 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 Work increased by \$405,736 or 10.2% from 2018 due to higher salary and benefit costs for full time workers, retirements, and overtime for snow removal. In addition, cost for road chemicals were increased due to the late spring extreme snow falls.
- Recreation & Parks increased by \$312,240 or 3.8% due to increases in salary and benefits and increases in building charges relating to their operation.

General Fund Budget Amendments

During the year, the Council may, by resolution, amend the budget. During 2019, the Contingency (which is reported in the General Government expenses) was not utilized.

General Debt Service Fund

The General Debt Service Fund saw increase in fund balance of \$27,736 due to revenues and other financing sources exceeding expenditures directly related to debt service requirement.

Grant Fund

The sources of revenue for the grant fund are primarily from different entities and organizations. These are funds used for specific grant related purposes. In 2019 the fund received revenue of \$12.5 million which was passed through to a subrecipient organization. The ending fund balance for the fund is \$0.

Revolving Fund

The Revolving Fund had a decrease in revenue and expense from 2018 due to the reduction in development loan activity from 2018.

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

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	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
Special assessments	\$ 785,700	19.9%	\$ 823,355	17.9%	\$ (37,655)	-4.6%
Intergovernmental revenue	2,450,116	62.0%	3,190,607	69.3%	(740,491)	-23.2%
Donations	297,844	7.5%	71,639	1.6%	226,205	315.8%
Refunds and reimbursements	11,523	0.3%	233,166	5.1%	(221,643)	-95.1%
Interest on assessments	13,303	0.3%	14,065	0.3%	(762)	-5.4%
Investment income	277,077	7.0%	200,532	4.4%	76,545	38.2%
Net change in fair value of investments	116,013	2.9%	72,247	1.6%	43,766	60.6%
Total revenues	<u>\$ 3,951,576</u>	<u>100.0%</u>	<u>\$ 4,605,611</u>	<u>100.0%</u>	<u>\$ (654,035)</u>	<u>-14.2%</u>
Expenditures						
Public Works	\$ 4,317,541	29.7%	\$ 2,613,081	35.2%	\$ 1,704,460	65.2%
Capital Outlay	10,236,823	70.3%	4,819,602	64.8%	5,417,221	112.4%
Total expenditures	<u>\$ 14,554,364</u>	<u>100.0%</u>	<u>\$ 7,432,683</u>	<u>100.0%</u>	<u>\$ 7,121,681</u>	<u>95.8%</u>

Revenues decreased (\$654,035) primarily due to a decrease in municipal state aid for road construction projects.

Expenditures in 2019 increased 95.8% or \$7.1 million from 2018. This is related to the planned projects

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 2019, the Heritage Infrastructure Capital Project Fund saw a decrease in its fund balance of \$773,246. The highlights of the fund are as follows:

Heritage Infrastructure

Heritage Infrastructure	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
General property taxes	\$ 310,860	14.3%	\$ 217,091	12.7%	\$ 93,769	43.2%
Intergovernmental revenue	1,411,949	65.0%	1,375,850	80.2%	36,099	2.6%
Investment income	243,996	11.2%	56,426	3.3%	187,570	332.4%
Net change in fair value of investments	204,908	9.4%	66,750	3.8%	138,158	207.0%
Total revenues	<u>\$ 2,171,713</u>	<u>100.0%</u>	<u>\$ 1,716,117</u>	<u>100.0%</u>	<u>\$ 455,596</u>	<u>26.5%</u>
Expenditures						
Public Works	585,800	66.4%	\$ 7,816	100.0%	\$ 577,984	7394.9%
Recreation and Parks	20,918	2.4%	-	0.0%	20,918	100.0%
Capital Outlay-Public Works	275,370	31.2%	-	0.0%	275,370	100.0%
Total expenditures	<u>\$ 882,088</u>	<u>100.0%</u>	<u>\$ 7,816</u>	<u>100.0%</u>	<u>\$ 874,272</u>	<u>11185.7%</u>

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Heritage Fund (Continued)

The sources of revenue for the Heritage Fund are a general tax levy, investment income, and transfers of excess from the maturity of debt. Revenue in 2019 was over \$2 million, \$1.7 of which related to a general tax levy including the dedication of Local Government Aid (LGA) from the state of \$1.4 million.

The fund does not incur significant expenses, but instead transfers out funding for projects identified in the Capital Improvement Plan to other funds. During 2019, just over \$2 million was transferred out for projects as compared with just over \$1 million in 2018. Year to year changes in transfers are directly related to the timing of projects as funded through the City's capital planning process. The city hall renovation began in 2019 and is scheduled to be completed in 2020.

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 2019, the net change in fund balance for the fund was a decrease of just over \$1 million as compared with \$686,805 increase in 2018. This was mainly caused by a closure of a TIF fund and remaining funds transferred to the General Fund in 2019.

Economic Development Authority

Economic Development Authority

	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
General property taxes	\$ 1,988,381	55.5%	\$ 3,078,360	67.0%	\$ (1,089,979)	-35.4%
Special assessments	37,357	1.0%	24,908	0.5%	12,449	50.0%
Intergovernmental Revenues	-	0.0%	225,000	4.9%	(225,000)	-100.0%
Refunds and reimbursements	182,908	5.1%	6,200	0.1%	176,708	2850.1%
Charges for services	10,482	0.3%	10,601	0.2%	(119)	-1.1%
Investment income	610,619	17.0%	257,344	5.6%	353,275	137.3%
Net change in fair value of investments	606,936	16.9%	606,936	13.2%	-	0.0%
Developers repayment	-	0.0%	30,000	0.7%	(30,000)	-100.0%
Lease income	30,257	0.8%	38,179	0.8%	(7,922)	-20.7%
Other revenue	118,939	3.3%	315,547	6.9%	(196,608)	-62.3%
Total revenues	\$ 3,585,879	100.0%	\$ 4,593,075	100.0%	\$ (1,007,196)	-21.9%
Expenditures						
Community Development	\$ 2,591,006	84.3%	\$ 1,881,660	54.0%	\$ 709,346	37.7%
Debt Service - Interest	300,123	9.8%	242,103	6.9%	58,020	24.0%
Capital Outlay	182,218	5.9%	1,362,000	39.1%	(1,179,782)	-86.6%
Total expenditures	\$ 3,073,347	100.0%	\$ 3,485,763	100.0%	\$ (412,416)	-11.8%

Overall, the revenues for 2019 decreased 21.9% or just over \$1 million from 2018. The highlights of the revenue changes are as follows:

- General property taxes decreased by just over \$1 million due to City Council action to decrease the levy related to development activity and the 2018 tax increment excess from TIF #3.
- Investment earnings in 2019 for the fund totaled \$610,619, up from \$257,344 from 2018 due to an increase in yield on investments from prior year and the unrealized gains/losses that were recorded at year-end in accordance with accounting standards.
- Other Revenue decreased by \$196,608 related to the end of the foreclosure recovery initiatives leveraging federal grant dollars.

Overall expenditures decreased (\$412,416) including the combination of a \$1.2 million reduction in capital outlay and an increase in expenses \$767,366 due to the increase in developer loans.

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 2019 for this fund is a decrease of \$175,750 compared with \$1.3 million increase in 2018.

Tax Increment Financing	2019		2018		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
Tax increments	\$ 1,595,318	62.8%	\$ 2,086,603	78.9%	\$ (491,285)	-23.5%
Investment income	658,016	25.9%	647,897	24.5%	10,119	1.6%
Net change in fair value of investments	285,268	11.2%	(89,645)	-3.4%	374,913	-418.2%
Lease income	800	0.0%	800	0.0%	-	0.0%
Total revenues	<u>\$ 2,539,402</u>	<u>100.0%</u>	<u>\$ 2,645,655</u>	<u>100.0%</u>	<u>\$ (106,253)</u>	<u>-4.0%</u>
Expenditures						
Community Development	\$ 1,437,372	80.9%	\$ 419,966	22.1%	\$ 1,017,406	242.3%
Debt Service - Interest	338,480	19.1%	397,006	20.9%	(58,526)	-14.7%
Capital Outlay	-	0.0%	1,085,000	57.0%	(1,085,000)	-100.0%
Total expenditures	<u>\$ 1,775,852</u>	<u>100.0%</u>	<u>\$ 1,901,972</u>	<u>100.0%</u>	<u>\$ (126,120)</u>	<u>-6.6%</u>

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 2019 increased by a little over \$4.7 million. investment in capital assets increased by \$73,364, unrestricted net position increased by just over \$4.6 million. This amount is available for spending for future operations and improvements.

Results related to individual enterprise operations are discussed below:

Operating Revenues	2019	2018	Variance	Percent Change
Public Utilities	\$ 16,925,194	\$ 16,503,351	\$ 421,843	2.6%
Storm Sewer Utility	2,017,899	1,773,558	244,341	13.8%
Street & Signal Light Utility	1,464,463	1,628,859	(164,396)	-10.1%
Nonmajor funds	2,108,843	2,062,456	46,387	2.2%
Total operating revenues	\$ 22,516,399	\$ 21,968,224	\$ 548,175	2.5%
Operating Expense	2019	2018	Variance	Percent Change
Public Utilities	\$ 14,288,921	\$ 14,035,067	\$ 253,854	1.8%
Storm Sewer Utility	1,732,890	2,393,607	(660,717)	-27.6%
Street & Signal Light Utility	1,134,287	1,511,577	(377,290)	-25.0%
Nonmajor funds	3,210,844	1,993,639	1,217,205	61.1%
Total operating expense	\$ 20,366,942	\$ 19,933,890	\$ 433,052	2.2%
Operating Income (Loss)	2019	2018	Variance	Percent Change
Public Utilities	\$ 2,636,273	\$ 2,468,284	\$ 167,989	6.8%
Storm Sewer Utility	285,009	(620,049)	905,058	-146.0%
Street & Signal Light Utility	330,176	117,282	212,894	181.5%
Nonmajor funds	(1,102,001)	68,817	(1,170,818)	-1701.3%
Total operating income (loss)	\$ 2,149,457	\$ 2,034,334	\$ 115,123	5.7%

City of Brooklyn Park, Minnesota

Management's Discussion and Analysis

Public Utilities Fund

The Public Utilities Fund includes the combination of the water utility, sanitary sewer utility, and recycling utility. The overall Public Utilities Fund operating income increased by \$167,989 over 2018.

Operating revenue increased by \$421,843 or 2.6% in 2019 as compared with 2018 mainly due to the rate increases. A rate study was completed in 2015. Rates were held flat in 2016 through 2017 and approved rate increases were applied in 2018 and again in 2019.

Storm Sewer Utility

The Storm Sewer Utility Fund operating income increased by \$905,058 due to increased utility charges of \$244,341 or 13.8% compared to 2018. A storm sewer rate study was completed in 2017 and Council approved rate increases were applied in 2018 and 2019 and will continue through 2022. Expenses decreased in 2019 (\$660,717) or 27.6% from 2018. The expense decrease was mainly due to capital contributions.

Street/Signal Light Utility

The Street/Signal Light Utility Fund had an operating income increase of \$212,894 from 2018. This is a combination of a decrease in operating revenue and a decrease in expenses. A rate study was completed in 2019 and the Council passed planned rate increases beginning in 2020.

Nonmajor Funds

The nonmajor funds include the golf course and the recreation dome which will begin operations on January 2, 2020. Operating income for 2019 was a loss of (\$1,102,001), a \$1.2 million decrease compared with 2018. The revenue increased 2.2% over 2018 due to increase in golf course revenues from prior year.

In 2019 the City entered into a lease with D'Amico catering and completed the remodel of the clubhouse. Although the revenues for catering services were not fully realized in 2019 the new partnership was a positive and direct influence on the increases shown in the golf course revenues.

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:

- 4.5 million in Land
- \$2.9 million for Streets and Sidewalks
- \$1.2 million for Machinery & Equipment.
- \$646,285 million in transportation vehicle purchases.
- \$264,613 in Parks
- \$7.1 million in Building and Infrastructure
- \$4.9 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.

Economic Factors and Next Year's Budget

The City considered the following factors when setting the fiscal 2020-2021 budget:

- Fiscal stewardship – making budget decisions acknowledging both the short and long-term impacts.
- Tax/service level balance – fund operations at a level to provide quality services at a reasonable cost.
- Strategic investments – consider additional investments when they help achieve the City's goals and provide a significant return to the community.
- Budget outcomes – seek to make connection between resources and results.
- 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.
- The City will see a significant impact to the 2020-2021 budget due to the COVID-19 pandemic outbreak and the city is taking steps to address this event.

Additionally, the following actions were taken regarding the 2020 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.
- Resolution to the budget amending to include the State of Minnesota, Deputy Registrar Reimbursement Grant for \$111,098 thousand and for Amorice I Limited Partnership conduit debt fees for \$112,125.

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>.

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 120,791,002	\$ 44,755,546	\$ 165,546,548
Investments with escrow agent	22,032	-	22,032
Receivables:			
Accrued interest	645,856	228,310	874,166
Accounts Receivable	2,338,388	5,189,782	7,528,170
Taxes	527,899	-	527,899
Special assessments	6,153,607	1,213,735	7,367,342
Due from other governmental units	3,244,077	279,834	3,523,911
Internal balances	(575,583)	575,583	-
Inventories	53,773	447,192	500,965
Prepaid items	640,717	462,506	1,103,223
Property held for resale	8,612,571	-	8,612,571
Capital assets not being depreciated	73,915,155	9,557,953	83,473,108
Capital assets net of accumulated depreciation	95,928,189	116,423,555	212,351,744
Notes receivable	5,326,427	8,523	5,334,950
Total assets	<u>317,624,110</u>	<u>179,142,519</u>	<u>496,766,629</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	16,742,292	84,887	16,827,179
OPEB	2,845,336	-	2,845,336
Total deferred outflows of resources	<u>19,587,628</u>	<u>84,887</u>	<u>19,672,515</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,941,783	432,612	4,374,395
Accrued wages payable	1,470,832	74,691	1,545,523
Contracts payable	361,381	77,865	439,246
Accrued interest payable	482,306	186,521	668,827
Customer and contractor deposits	261,593	382,672	644,265
Due to other government units	1,012,522	91,536	1,104,058
Unearned revenue	13,896	82,967	96,863
Noncurrent liabilities:			
Due within one year	3,631,393	743,831	4,375,224
Due in more than one year	66,764,771	11,343,433	78,108,204
Total liabilities	<u>77,940,477</u>	<u>13,416,128</u>	<u>91,356,605</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows due to timing requirements	178,450		178,450
Deferred pension resources	24,289,034	184,042	24,473,076
OPEB	168,769	-	168,769
Total deferred inflows of resources	<u>24,636,253</u>	<u>184,042</u>	<u>24,820,295</u>
NET POSITION			
Net investment in capital assets	141,862,073	114,637,111	256,499,184
Restricted for:			
Community Development	27,444,003	-	27,444,003
Debt Service	4,204,417	-	4,204,417
Public safety	691,418	-	691,418
Other purposes	538,717	-	538,717
Unrestricted	59,894,380	50,990,125	110,884,505
Total net position	<u>\$ 234,635,008</u>	<u>\$ 165,627,236</u>	<u>\$ 400,262,244</u>

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

Brooklyn Park, Minnesota
Statement of Activities
For the Year Ended December 31, 2019

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	\$ 7,441,115	\$ 808,507	\$ 497,600	\$ -	\$ (6,135,008)	\$ -	\$ (6,135,008)
Community Development	19,669,932	281,787	230,309	12,572,893	(6,584,943)	-	(6,584,943)
Public Safety	33,203,569	4,320,580	1,930,745	-	(26,952,244)	-	(26,952,244)
Public Works	16,419,427	159,381	1,227,023	2,494,147	(12,538,876)	-	(12,538,876)
Recreation & Parks	12,250,707	2,710,948	44,195	-	(9,495,564)	-	(9,495,564)
Debt Service	717,047	-	-	-	(717,047)	-	(717,047)
Total governmental activities	<u>89,701,797</u>	<u>8,281,203</u>	<u>3,929,872</u>	<u>15,067,040</u>	<u>(62,423,682)</u>	<u>-</u>	<u>(62,423,682)</u>
Business-type activities:							
Public Utilities	14,708,153	16,815,855	201,462	-	-	2,309,164	2,309,164
Storm Sewer Utility	1,702,797	2,013,905	-	-	-	311,108	311,108
Street & Signal Light Utility	1,120,630	1,462,390	-	-	-	341,760	341,760
Recreation	3,215,627	1,985,883	-	-	-	(1,229,744)	(1,229,744)
Park Dome	2,310	-	-	-	-	(2,310)	(2,310)
Total business-type activities	<u>20,749,517</u>	<u>22,278,033</u>	<u>201,462</u>	<u>-</u>	<u>-</u>	<u>1,729,978</u>	<u>1,729,978</u>
Total primary government	<u>\$ 110,451,314</u>	<u>\$ 30,559,236</u>	<u>\$ 4,131,334</u>	<u>\$ 15,067,040</u>	<u>(62,423,682)</u>	<u>1,729,978</u>	<u>(60,693,704)</u>
General revenues:							
Property taxes					47,209,754	-	47,209,754
Tax Increments					1,595,318	-	1,595,318
Franchise fees					5,999,001	-	5,999,001
Grants and contributions					1,382,144	-	1,382,144
Investment earnings					5,312,959	1,827,336	7,140,295
Gain on disposal of assets					76,575	-	76,575
Other revenue					2,590,693	269,628	2,860,321
Transfers					466,028	1,448,540	1,914,568
Transfers					<u>(1,448,540)</u>	<u>(466,028)</u>	<u>(1,914,568)</u>
Total general revenues, special items, and transfers					<u>63,183,932</u>	<u>3,079,476</u>	<u>66,263,408</u>
Change in net position					760,250	4,809,454	5,569,704
Net position - beginning					<u>233,874,758</u>	<u>160,817,782</u>	<u>394,692,540</u>
Net position - ending					<u>\$ 234,635,008</u>	<u>\$ 165,627,236</u>	<u>\$ 400,262,244</u>

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

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Balance Sheet
Governmental Funds
December 31, 2019

	General	Grant Fund	Revolving	General Debt Service
ASSETS				
Cash and investments	\$ 22,593,849	\$ -	\$ 291,041	\$ 4,598,092
Investments with escrow agent	-	-	-	-
Accrued interest receivable	114,658	-	2,912	16,923
Accounts receivable	395,145	-	-	-
Taxes receivable:				
Unremitted	204,386	-	-	-
Delinquent	318,177	-	-	-
Special assessment receivable:				
Delinquent	20,152	-	-	296
Deferred	87,829	-	-	77,735
Due from other funds	136,675	-	-	-
Due from other governmental units	136,960	1,696,674	-	-
Inventories	2,366	-	-	-
Prepaid expenditures	40,008	-	-	-
Property held for resale	-	-	-	-
Notes receivable	-	-	3,088,925	-
Allowance for uncollectible accounts	-	-	-	-
Total assets	<u>\$ 24,050,205</u>	<u>\$ 1,696,674</u>	<u>\$ 3,382,878</u>	<u>\$ 4,693,046</u>
LIABILITIES				
Accounts Payable	\$ 380,827	\$ 1,696,674	\$ -	\$ 10,585
Accrued wages payable	1,044,999	-	-	-
Contracts payable	-	-	-	-
Customer and contractor deposits	108,884	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	103,161	-	-	-
Unearned revenue	11,964	-	-	-
Total liabilities	<u>1,649,835</u>	<u>1,696,674</u>	<u>-</u>	<u>10,585</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	318,177	-	-	-
Unavailable revenue - special assessments	107,982	-	-	78,031
Unavailable revenue - notes receivable	-	-	3,088,925	-
Unavailable resources - other	53,591	-	-	-
Deferred inflows due to timing requirements	-	-	-	178,450
Total deferred inflow of resources	<u>479,750</u>	<u>-</u>	<u>3,088,925</u>	<u>256,481</u>
FUND BALANCES (DEFICITS)				
Nonspendable	42,374	-	-	-
Restricted	-	-	293,953	4,425,980
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	21,878,246	-	-	-
Total fund balances (deficits)	<u>21,920,620</u>	<u>-</u>	<u>293,953</u>	<u>4,425,980</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,050,205</u>	<u>\$ 1,696,674</u>	<u>\$ 3,382,878</u>	<u>\$ 4,693,046</u>

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

Special Assessment Construction	Heritage Infrastructure	Economic Development Authority	Tax Increment Financing	Total Nonmajor Funds	Total Governmental Funds
\$ 13,076,949	\$ 10,000,853	\$ 31,628,128	\$ 16,107,242	\$ 12,169,555	\$ 110,465,709
-	-	22,032	-	-	22,032
34,935	60,876	189,634	84,641	86,139	590,718
15,926	-	3,679	-	1,900,284	2,315,034
-	-	-	-	-	204,386
-	-	-	5,336	-	323,513
4,300	-	-	-	-	24,748
5,886,895	-	76,400	-	-	6,128,859
-	-	13,319	-	-	149,994
1,204,529	29,869	-	-	162,275	3,230,307
-	-	-	-	6,061	8,427
-	-	4,250	-	540	44,798
-	-	-	5,805,021	2,807,550	8,612,571
-	-	2,237,502	4,514,766	-	9,841,193
-	-	-	(4,514,766)	-	(4,514,766)
<u>\$ 20,223,534</u>	<u>\$ 10,091,598</u>	<u>\$ 34,174,944</u>	<u>\$ 22,002,240</u>	<u>\$ 17,132,404</u>	<u>\$ 137,447,523</u>
\$ 233,629	\$ 265,649	\$ 219,447	\$ 26,140	\$ 628,135	\$ 3,461,086
-	-	-	-	30,721	1,075,720
281,765	-	-	-	79,616	361,381
-	-	111,190	1,500	40,019	261,593
-	-	-	-	149,994	149,994
-	-	-	-	498,239	601,400
-	-	-	-	1,932	13,896
<u>515,394</u>	<u>265,649</u>	<u>330,637</u>	<u>27,640</u>	<u>1,428,656</u>	<u>5,925,070</u>
-	-	-	5,336	-	323,513
5,891,195	-	76,400	-	-	6,153,608
-	-	1,247,253	-	43,361	4,379,539
1,204,529	-	(64)	-	-	1,258,056
-	-	-	-	-	178,450
<u>7,095,724</u>	<u>-</u>	<u>1,323,589</u>	<u>5,336</u>	<u>43,361</u>	<u>12,293,166</u>
-	-	4,250	-	6,061	52,685
-	-	-	21,969,264	3,320,921	30,010,118
12,612,416	9,825,949	18,652,083	-	9,647,198	50,737,646
-	-	13,864,385	-	2,762,035	16,626,420
-	-	-	-	(75,828)	21,802,418
<u>12,612,416</u>	<u>9,825,949</u>	<u>32,520,718</u>	<u>21,969,264</u>	<u>15,660,387</u>	<u>119,229,287</u>
<u>\$ 20,223,534</u>	<u>\$ 10,091,598</u>	<u>\$ 34,174,944</u>	<u>\$ 22,002,240</u>	<u>\$ 17,132,404</u>	<u>\$ 137,447,523</u>

Brooklyn Park, Minnesota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2019

Fund balances of governmental funds		\$119,229,287
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		161,947,292
Other long-term assets are not available to pay for current- period expenditures and, therefore, are unavailable in the funds.		12,114,716
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	5,892,434	
Less: Internal payable representing charges in excess of cost to business-type activities	<u>(575,583)</u>	5,316,851
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	(28,682,431)	
Accrued interest payable	<u>(482,306)</u>	(29,164,737)
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	(27,344,436)	
Deferred outflows of resources-pension related	16,671,424	
Deferred inflows of resources-pension related	<u>(24,135,389)</u>	(34,808,401)
Net position of governmental activities		<u><u>\$234,635,008</u></u>

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Grant Fund	Revolving	General Debt Service
REVENUES				
General property taxes	\$ 42,731,842	\$ -	\$ -	\$ 1,894,388
Tax increments	-	-	-	-
Franchise Fees	-	-	-	-
Special Assessments	119,795	-	-	79,315
Licenses and permits	3,302,328	-	-	-
Fines and forfeitures	397,107	-	-	-
Intergovernmental revenue	2,141,037	12,518,958	-	183,650
Donations	24,493	-	-	-
Refunds and reimbursements	53,994	-	-	-
Charges for services	3,271,378	-	-	-
Interest on assessments	1,202	-	-	-
Investment income	309,255	-	43,225	50,616
Net change in fair value of investments	386,294	-	4,815	59,983
Lease Income	4,400	-	-	-
Other revenue	1,214,134	-	148,077	-
Total revenues	<u>53,957,259</u>	<u>12,518,958</u>	<u>196,117</u>	<u>2,267,952</u>
EXPENDITURES				
Current:				
General Government	5,609,481	-	-	-
Community Development	1,733,799	12,518,958	189,169	-
Public Safety	31,164,201	-	-	-
Public Works	4,368,387	-	-	-
Recreation & Parks	8,486,498	-	-	-
Capital outlay:				
Community Development	-	-	-	-
Public Safety	24,551	-	-	-
Public Works	-	-	-	-
Recreation & Parks	-	-	-	-
Debt service:				
Principal retirement	-	-	-	2,840,000
Interest	-	-	-	705,258
Total expenditures	<u>51,386,917</u>	<u>12,518,958</u>	<u>189,169</u>	<u>3,545,258</u>
Excess (deficiency) of revenues over expenditures	<u>2,570,342</u>	<u>-</u>	<u>6,948</u>	<u>(1,277,306)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	411,643	-	-	1,225,456
Transfers to other funds	(167,027)	-	-	-
Proceeds from issuance of debt	-	-	-	79,586
Proceeds from sale of capital assets	1,100	-	-	-
Premium on issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>245,716</u>	<u>-</u>	<u>-</u>	<u>1,305,042</u>
Net change in fund balances	2,816,058	-	6,948	27,736
Fund balances - beginning	19,104,562	-	287,005	4,398,244
Fund balances - ending	<u>\$ 21,920,620</u>	<u>\$ -</u>	<u>\$ 293,953</u>	<u>\$ 4,425,980</u>

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

Special Assessment Construction	Heritage Infrastructure	Economic Development Authority	Tax Increment Financing	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 310,860	\$ 1,988,381	\$ -	\$ -	\$ 46,925,471
-	-	-	1,595,318	-	1,595,318
-	-	-	-	5,999,001	5,999,001
785,700	-	37,357	-	-	1,022,167
-	-	-	-	365,632	3,667,960
-	-	-	-	166,952	564,059
2,450,116	1,411,949	-	-	610,051	19,315,761
297,844	-	-	-	106,146	428,483
11,523	-	182,908	-	-	248,425
-	-	10,482	-	933,532	4,215,392
13,303	-	-	-	-	14,505
277,077	243,996	610,619	658,016	348,169	2,540,973
116,013	204,908	606,936	285,268	290,438	1,954,655
-	-	30,257	800	302,653	338,110
-	-	118,939	-	6,689	1,487,839
<u>3,951,576</u>	<u>2,171,713</u>	<u>3,585,879</u>	<u>2,539,402</u>	<u>9,129,263</u>	<u>90,318,119</u>
-	-	-	-	459,273	6,068,754
-	-	2,591,006	1,437,372	284,947	18,755,251
-	-	-	-	124,330	31,288,531
4,317,541	585,800	-	-	194,338	9,466,066
-	20,918	-	-	2,330,794	10,838,210
-	-	182,218	-	-	182,218
-	-	-	-	-	24,551
10,236,823	275,370	-	-	1,655,312	12,167,505
-	-	-	-	2,570,012	2,570,012
-	-	-	-	930,000	3,770,000
-	-	300,123	338,480	109,349	1,453,210
<u>14,554,364</u>	<u>882,088</u>	<u>3,073,347</u>	<u>1,775,852</u>	<u>8,658,355</u>	<u>96,584,308</u>
<u>(10,602,788)</u>	<u>1,289,625</u>	<u>512,532</u>	<u>763,550</u>	<u>470,908</u>	<u>(6,266,189)</u>
6,686,595	-	-	-	3,039,062	11,362,756
(185,000)	(2,062,871)	(1,525,706)	(939,300)	(7,502,129)	(12,382,033)
-	-	-	-	4,390,414	4,470,000
-	-	-	-	-	1,100
-	-	-	-	304,154	304,154
<u>6,501,595</u>	<u>(2,062,871)</u>	<u>(1,525,706)</u>	<u>(939,300)</u>	<u>231,501</u>	<u>3,755,977</u>
(4,101,193)	(773,246)	(1,013,174)	(175,750)	702,409	(2,510,212)
16,713,609	10,599,195	33,533,892	22,145,014	14,957,978	121,739,499
<u>\$ 12,612,416</u>	<u>\$ 9,825,949</u>	<u>\$ 32,520,718</u>	<u>\$ 21,969,264</u>	<u>\$ 15,660,387</u>	<u>\$ 119,229,287</u>

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, 2019

Net change in fund balances - total governmental funds	(\$2,510,212)
--	---------------

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

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	11,316,965	
Depreciation	<u>(6,755,309)</u>	4,561,656

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	712,534
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, 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

Principal repayments	3,770,000	
Issuance of debt	(4,470,000)	
Premium on issuance of debt	<u>(304,154)</u>	(1,004,154)

Some expenses reported in the statement of activities do not require the used of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest	(63,674)	
Amortization of bond premiums	<u>61,488</u>	(2,186)

Internal service funds are used by management to charge the cost 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 the innternal service funds is reported with governmental activities.

Change in net position of the internal service funds	<u>556,438</u>	556,438
--	----------------	---------

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by change in net pension laibility and related inflows and outflows of resources.

(1,553,826)

Change in net position of governmental activities	<u><u>\$760,250</u></u>
---	-------------------------

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

Brooklyn Park, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
General property taxes	\$ 42,124,088	\$ 42,124,088	\$ 42,731,842	\$ 607,754
Special Assessments	131,200	131,200	119,795	(11,405)
Licenses and permits	2,702,275	2,702,275	3,302,328	600,053
Fines and forfeitures	603,050	603,050	397,107	(205,943)
Intergovernmental revenue	1,644,300	1,755,398	1,972,558	217,160
Donations	25,000	25,000	24,493	(507)
Refunds and reimbursements	53,700	53,700	53,994	294
Charges for services	3,009,279	3,009,279	3,271,378	262,099
Investment income	198,265	198,265	309,255	110,990
Net change in fair value of investments	-	-	386,294	386,294
Interest on assessments	1,200	1,200	1,202	2
Lease Income	106,616	106,616	4,400	(102,216)
Other revenue	1,128,946	1,128,946	1,214,134	85,188
Total revenues	51,727,919	51,839,017	53,788,780	1,949,763
EXPENDITURES				
Current:				
General Government	6,051,140	6,051,140	5,609,481	441,659
Community Development	1,668,536	1,668,536	1,733,799	(65,263)
Public Safety	31,420,745	31,420,745	30,995,722	425,023
Public Works	4,028,784	4,028,784	4,368,387	(339,603)
Recreation & Parks	8,949,198	8,949,198	8,486,498	462,700
Total current	52,118,403	52,118,403	51,193,887	924,516
Capital outlay:				
Public Safety	17,000	17,000	24,551	(7,551)
Total capital outlay	17,000	17,000	24,551	(7,551)
Total expenditures	52,135,403	52,135,403	51,218,438	916,965
Excess (deficiency) of revenues over expenditures	(407,484)	(296,386)	2,570,342	2,866,728
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	466,184	466,184	411,643	(54,541)
Transfers to other funds	(57,500)	(57,500)	(167,027)	(109,527)
Proceeds from sale of capital assets	-	-	1,100	1,100
Total other financing sources (uses)	408,684	408,684	245,716	(162,968)
Net change in fund balances	1,200	112,298	2,816,058	2,703,760
Fund balances - beginning	19,104,562	19,104,562	19,104,562	-
Fund balances - ending	\$ 19,105,762	\$ 19,216,860	\$ 21,920,620	\$ 2,703,760

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

Brooklyn Park, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities			
	Public Utilities	Storm Sewer Utility	Street & Signal Light Utility	Total Nonmajor Funds
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and investments	\$ 36,603,195	\$ 3,864,898	\$ 4,227,475	\$ 59,978
Accrued interest receivable	187,457	19,488	21,328	37
Accounts receivable	4,137,614	536,925	389,323	125,920
Special Assessments	1,036,057	94,105	83,573	-
Due from other funds	1,043,708	-	-	-
Due from other governmental units	88,080	-	191,754	-
Inventories	357,844	-	-	89,348
Prepaid expenses	462,116	-	-	390
Total current assets	<u>43,916,071</u>	<u>4,515,416</u>	<u>4,913,453</u>	<u>275,673</u>
Noncurrent assets:				
Notes receivable	8,523	-	-	-
Capital assets:				
Property and Equipment	163,891,464	40,068,068	9,635,271	15,082,424
Accumulated depreciation	<u>(68,521,118)</u>	<u>(21,444,347)</u>	<u>(7,632,222)</u>	<u>(5,098,032)</u>
Total noncurrent assets	<u>95,378,869</u>	<u>18,623,721</u>	<u>2,003,049</u>	<u>9,984,392</u>
Total assets	<u>139,294,940</u>	<u>23,139,137</u>	<u>6,916,502</u>	<u>10,260,065</u>
Deferred Outflows of Resources				
Pensions	51,894	11,138	2,491	19,364
OPEB	-	-	-	-
Total deferred outflows of resources	<u>51,894</u>	<u>11,138</u>	<u>2,491</u>	<u>19,364</u>
Total assets and deferred outflows of resources	<u>\$ 139,346,834</u>	<u>\$ 23,150,275</u>	<u>\$ 6,918,993</u>	<u>\$ 10,279,429</u>
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Accounts Payable	320,238	1,923	72,744	37,707
Accrued wages payable	48,809	7,083	2,002	16,797
Contracts payable	77,865	-	-	-
Accrued interest payable	186,521	-	-	-
Customer and contractor deposits payable	382,672	-	-	-
Due to other funds	-	-	-	1,043,708
Due to other governmental funds	86,637	4,043	-	856
Unearned revenue	-	-	-	82,967
Bonds payable -current portion	743,831	-	-	-
Compensated absence payable - current	-	-	-	-
OPEB Liability - current	-	-	-	-
Total current liabilities	<u>1,846,573</u>	<u>13,049</u>	<u>74,746</u>	<u>1,182,035</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	-	-
OPEB Liability	-	-	-	-
Net Pension Liability	451,791	96,972	21,691	168,581
Bonds payable (net of unamortized discount)	<u>10,604,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent liabilities	<u>11,056,189</u>	<u>96,972</u>	<u>21,691</u>	<u>168,581</u>
Total Liabilities	<u>12,902,762</u>	<u>110,021</u>	<u>96,437</u>	<u>1,350,616</u>
Deferred Inflows of Resources				
Pensions	112,509	24,149	5,402	41,982
OPEB	-	-	-	-
Total deferred inflows of resources	<u>112,509</u>	<u>24,149</u>	<u>5,402</u>	<u>41,982</u>
Net Position				
Net investment in capital assets	84,025,949	18,623,721	2,003,049	9,984,392
Unrestricted	<u>42,305,614</u>	<u>4,392,384</u>	<u>4,814,105</u>	<u>(1,097,561)</u>
Total net position	<u>126,331,563</u>	<u>23,016,105</u>	<u>6,817,154</u>	<u>8,886,831</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 139,346,834</u>	<u>\$ 23,150,275</u>	<u>\$ 6,918,993</u>	<u>\$ 10,279,429</u>

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$ 44,755,546		\$ 10,325,293	
228,310		55,138	
5,189,782		23,354	
1,213,735		-	
1,043,708		-	
279,834		13,770	
447,192		45,346	
462,506		595,919	
<u>53,620,613</u>		<u>11,058,820</u>	
8,523		-	
228,677,227		26,067,255	
(102,695,719)		(18,171,203)	
<u>125,990,031</u>		<u>7,896,052</u>	
<u>179,610,644</u>		<u>18,954,872</u>	
84,887		70,868	
-		2,845,336	
<u>84,887</u>		<u>2,916,204</u>	
<u>\$ 179,695,531</u>		<u>\$ 21,871,076</u>	
432,612		480,697	
74,691		395,112	
77,865		-	
186,521		-	
382,672		-	
1,043,708		-	
91,536		411,122	
82,967		-	
743,831		-	
-		350,450	
-		655,943	
<u>3,116,403</u>		<u>2,293,324</u>	
-		4,655,972	
-		8,089,957	
739,035		616,975	
10,604,398		-	
<u>11,343,433</u>		<u>13,362,904</u>	
<u>14,459,836</u>		<u>15,656,228</u>	
184,042		153,645	
-		168,769	
<u>184,042</u>		<u>322,414</u>	
114,637,111		7,896,052	
50,414,542		(2,003,618)	
<u>165,051,653</u>		<u>5,892,434</u>	
<u>\$ 179,695,531</u>		<u>\$ 21,871,076</u>	

Brooklyn Park, Minnesota
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities			
	Public Utilities	Storm Sewer Utility	Street & Signal Light Utility	Total Nonmajor Funds
OPERATING REVENUES				
Utility charges	\$ 16,585,960	\$ 2,004,222	\$ 1,453,258	\$ -
Sewer	36,998	-	-	-
Golf course	-	-	-	1,728,568
Other	302,236	13,677	11,205	380,275
Total operating revenues	<u>16,925,194</u>	<u>2,017,899</u>	<u>1,464,463</u>	<u>2,108,843</u>
OPERATING EXPENSES				
Personal services	1,775,520	366,817	105,038	670,341
Supplies	777,930	76,940	22,704	564,721
Contractual services	794,304	(26,924)	585,028	1,354,010
Internal service charges	383,536	149,857	74,002	85,057
Other Charges	6,359,786	185,916	7,014	233,643
Depreciation	3,272,112	901,424	261,208	236,648
General fund charges	925,733	78,860	79,293	66,424
Total operating expenses	<u>14,288,921</u>	<u>1,732,890</u>	<u>1,134,287</u>	<u>3,210,844</u>
Operating income (loss)	<u>2,636,273</u>	<u>285,009</u>	<u>330,176</u>	<u>(1,102,001)</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	151,462	-	-	-
Investment income	879,082	83,704	97,042	(703)
Net change in fair value of investments	630,581	65,656	71,850	124
Interest expense and fiscal fees	(464,441)	-	-	-
Gain(loss) on sale on disposal of assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>1,196,684</u>	<u>149,360</u>	<u>168,892</u>	<u>(579)</u>
Income (loss) before contributions and transfers	<u>3,832,957</u>	<u>434,369</u>	<u>499,068</u>	<u>(1,102,580)</u>
Capital contributions	81,262	-	-	-
Transfers in	3,243	-	-	1,445,297
Transfers out	<u>(466,028)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>3,451,434</u>	<u>434,369</u>	<u>499,068</u>	<u>342,717</u>
Total net position - beginning	<u>122,880,129</u>	<u>22,581,736</u>	<u>6,318,086</u>	<u>8,544,114</u>
Total net position - ending	<u>\$ 126,331,563</u>	<u>\$ 23,016,105</u>	<u>\$ 6,817,154</u>	<u>\$ 8,886,831</u>

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

Total Enterprise Funds	Governmental Activities	
	Internal Service Funds	
\$ 20,043,440	\$	-
36,998		-
1,728,568		-
707,393	11,698,980	
<u>22,516,399</u>	<u>11,698,980</u>	
2,917,716	3,183,066	
1,442,295	1,158,931	
2,706,418	2,426,593	
692,452	2,481,051	
6,786,359	176,272	
4,671,392	2,014,985	
1,150,310	49,523	
<u>20,366,942</u>	<u>11,490,421</u>	
<u>2,149,457</u>	<u>208,559</u>	
151,462	-	
1,059,125	180,597	
768,211	156,734	
(464,441)	(303)	
-	55,952	
<u>1,514,357</u>	<u>392,980</u>	
<u>3,663,814</u>	<u>601,539</u>	
81,262	-	
1,448,540	36,765	
(466,028)	-	
<u>4,727,588</u>	<u>638,304</u>	
160,324,065	5,254,130	
<u>\$ 165,051,653</u>	<u>\$ 5,892,434</u>	

Brooklyn Park, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		
	Public Utilities	Storm Sewer Utility	Street & Signal Light Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 15,585,672	\$ 1,844,707	\$ 1,372,246
Other receipts	105,971	681	-
Receipts from other governmental units	168,385	10,411	9,033
Payments to suppliers	(9,787,536)	(329,608)	(665,896)
Payments to employees	(2,052,700)	(459,251)	(97,022)
Payments for interfund services used	(383,536)	(149,857)	(74,002)
Net cash provided (used) by operating activities	<u>3,636,256</u>	<u>917,083</u>	<u>544,359</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	3,243	-	-
Transfers out	(466,028)	-	-
Interfund borrowing	(44,291)	-	-
Intergovernmental	151,462	-	-
Net cash provided (used) by noncapital financing activities	<u>(355,614)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of notes	36,870	-	-
Principal paid on revenue bonds	(1,096,262)	-	-
Interest and fiscal charges paid on capital debt	(544,638)	-	-
Notes payable	(15,978)	-	-
Acquisition of capital assets	(3,315,073)	-	(11,920)
Proceeds from sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(4,935,081)</u>	<u>-</u>	<u>(11,920)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	1,396,111	135,550	155,627
Net cash provided (used) by investing activities	<u>1,396,111</u>	<u>135,550</u>	<u>155,627</u>
Net increase (decrease) in cash and cash equivalents	(258,328)	1,052,633	688,066
Balances - beginning of year	36,861,523	2,812,265	3,539,409
Balances - end of the year	<u>\$ 36,603,195</u>	<u>\$ 3,864,898</u>	<u>\$ 4,227,475</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 2,636,273	\$ 285,009	\$ 330,176
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,272,112	901,424	261,208
Changes in assets and liabilities:			
Customer Receivables	(173,348)	(64,758)	(6,703)
Special assessments	(940,341)	(97,342)	(76,769)
Due from other governmental units	2,095	-	288
Inventory	(264,109)	-	-
Prepaid expenses	(462,116)	-	-
Pensions (deferred outflow)	123,723	33,816	1,177
Accounts Payable - Supplier	(205,923)	(18,859)	28,142
Salaries & Benefits Payable	2,710	390	(35)
Customer and contractor deposits payable	46,427	-	-
Due to other governmental units	2,365	4,043	-
Compensated absences	-	-	-
Net pension liability	(268,939)	(87,516)	6,636
Pensions (deferred inflow)	(134,673)	(39,124)	239
Other post employment benefits	-	-	-
Net cash provided (used) by operating activities	<u>\$ 3,636,256</u>	<u>\$ 917,083</u>	<u>\$ 544,359</u>
CASH RECONCILIATION			
Actual Balance - end of year	\$ 36,603,195	\$ 3,864,898	\$ 4,227,475

		Governmental Activities	
Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds	
\$ 1,894,740	\$ 20,697,365	\$ 11,292,766	
130,971	237,623	443,060	
-	187,829	-	
(2,251,935)	(13,034,975)	(3,604,314)	
(944,791)	(3,553,764)	(3,166,757)	
(85,057)	(692,452)	(2,481,051)	
<u>(1,256,072)</u>	<u>3,841,626</u>	<u>2,483,704</u>	
1,445,297	1,448,540	36,765	
-	(466,028)	-	
44,291	-	-	
-	151,462	-	
<u>1,489,588</u>	<u>1,133,974</u>	<u>36,765</u>	
-	36,870	-	
-	(1,096,262)	-	
-	(544,638)	(303)	
-	(15,978)	-	
(174,294)	(3,501,287)	(1,722,812)	
-	-	55,951	
<u>(174,294)</u>	<u>(5,121,295)</u>	<u>(1,667,164)</u>	
756	1,688,044	329,082	
<u>756</u>	<u>1,688,044</u>	<u>329,082</u>	
59,978	1,542,349	1,182,387	
-	43,213,197	9,142,906	
<u>\$ 59,978</u>	<u>\$ 44,755,546</u>	<u>\$ 10,325,293</u>	
\$ (1,102,001)	\$ 2,149,457	\$ 208,559	
236,648	4,671,392	2,014,986	
(83,131)	(327,940)	49,861	
-	(1,114,452)	-	
-	2,383	(13,015)	
(11,201)	(275,310)	10,229	
1,721	(460,395)	185,818	
86,282	244,998	(1,916,005)	
(23,032)	(219,672)	(216,905)	
955	4,020	230,642	
10,017	56,444	-	
(627)	5,781	381,571	
-	-	111,710	
(264,989)	(614,808)	(685,965)	
(106,714)	(280,272)	(124,443)	
-	-	2,246,661	
<u>\$ (1,256,072)</u>	<u>\$ 3,841,626</u>	<u>\$ 2,483,704</u>	
\$ 59,978	\$ 44,755,546	\$ 10,325,293	

Brooklyn Park, Minnesota
Statement of Fiduciary Net Position
December 31, 2019

ASSETS

Cash and investments	\$ 2,278,808
Accounts receivable	25,395
Total Cash	<u>2,304,203</u>
Total assets	<u><u>2,304,203</u></u>

LIABILITIES

Accounts Payable	\$ 170
Due to other governmental units	174,354
Customer and contractor deposits	<u>2,129,679</u>
Total liabilities	<u><u>2,304,203</u></u>

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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.

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.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

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 pays 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, 2019

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, 2019

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.

Grant Fund – This is a special revenue fund. The sources of revenue for the grant fund are primarily revenue from different entities. These are fund used for specific grant related purposes.

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 streetlights 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.

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.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Major Funds (continued)

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.

Non-Major Funds

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.

Park Dome – This fund accounts for all financial resources relating to the operations of the City's Park Dome, a year-round sports recreation facility. The dome's turf field can be split in half and used as soccer, football, lacrosse and softball fields.

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.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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, 2019

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, 2019

Note 1 – Summary of Significant Accounting Policies (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, 2019

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, 2019.

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, 2019

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 Items

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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 department/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, 2019

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, 2019:

Brookland Golf Course	\$ 69,767
Park Dome	2,310
Benefit Accrual Internal Service Fund	10,261,320

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	\$ (1,307,387)
Investments	169,124,078
Investments with escrow agent	22,032
Cash on hand	8,665
Total	<u>\$ 167,847,388</u>

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

Cash and Investments - Statement of Net Position	\$ 165,546,548
Investments with escrow agent	22,032
Cash - Statement of Fiduciary Net Position	2,278,808
Total	<u>\$ 167,847,388</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2019, 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, 2019

Note 3 – Deposits and Investments (continued)

Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Maturity Duration in Years			Total
	Rating	Agency	Less than 1	1 to 5	More than 5	
U.S Agencies :						
Fannie Mae (FNMA)	AAA	Moody's/S&P	\$ 1,517,696	\$ -	\$ 6,192,981	\$ 7,710,677
Federal Home Loan Bank (FHLB)	AAA	Moody's/S&P	750,285	5,079,678	2,004,780	7,834,743
Federal Farm Credit (FFCB)	AAA	Moody's/S&P	2,605,196	4,084,300	4,359,364	11,048,861
TVA notes	AAA	Moody's/S&P	1,490,865	-	-	1,490,865
State & Local Obligations :	NR/AA+	Moody's/S&P	455,218	2,317,103	1,057,800	3,830,121
	NR/AA-	Moody's/S&P	-	761,318	453,591	1,214,909
	NR/AA	Moody's/S&P		4,402,169	881,810	5,283,979
	NR/AA-	Moody's/S&P	567,158	320,169	-	887,327
	NR/AA+	Moody's/S&P	1,250,138	-	1,027,531	2,277,669
	AAA/AA+	Moody's/S&P	-	1,114,370	1,154,470	2,268,840
	A2/AA	Moody's/S&P	-	-	1,015,839	1,015,839
	Aaa/AAA	Moody's/S&P	2,502,855	9,448,572	5,026,685	16,978,111
	Aaa/NR	Moody's	-	5,415,055	2,171,144	7,586,199
	AAA/NR	S&P	155,081	3,459,857	-	3,614,938
	Aa1/AAA	Moody's/S&P	400,304	2,367,034	-	2,767,338
	Aa1/AA+	Moody's/S&P	-	796,143	3,633,040	4,429,183
	Aa1/AA-	Moody's/S&P	-	35,776	-	35,776
	Aa1/NR	Moody's/S&P	349,762	2,188,999	-	2,538,761
	Aa2/AA+	Moody's/S&P	-	1,840,654	-	1,840,654
	Aa2/AA	Moody's/S&P	1,807,378	8,749,742	437,056	10,994,176
	Aa2/AA-	Moody's/S&P	-	1,029,527	-	1,029,527
	Aa2/NR	Moody's/S&P	1,607,935	4,953,228	669,100	7,230,263
	Aa3/AAA	Moody's/S&P	520,302	-	-	520,302
	Aa3/AA	Moody's/S&P	-	-	986,560	986,560
	Aa3/NR	Moody's/S&P	780,163	2,646,999	3,369,170	6,796,332
	A1/NR	Moody's/S&P	-	-	1,042,669	1,042,669
	NR/NR	Moody's/S&P	500,310	1,260,772	1,442,037	3,203,119
	Aa3/A+	Moody's/Fitch	-	997,030	-	997,030
	AA+/AAA	S&P/Fitch	-	387,710	-	387,710
	AA+/AA	S&P/Fitch	-	779,671	-	779,671
Negotiable Certificates of Deposits	NR	N/A	3,685,781	8,894,951	1,517,697	14,098,429
First American Government	NR	N/A	29,602,332	-	-	29,602,332
Commercial Paper	A-1/P-1	Moody's/S&P	1,550,149	-	-	1,550,149
MN Municipal Money Market (4M)	NR	N/A	2,158,893	-	-	2,158,893
Citizens Community Federal Money Market (CCF)	NR	N/A	3,092,128	-	-	3,092,128
Total			\$ 57,349,928	\$ 73,330,827	\$ 38,443,324	\$ 169,124,078

NR - Not Rated

N/A - Not Applicable

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 3 – Deposits and Investments (continued)

Investments (continued)

Investments with Escrow Agent

\$3,186 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 address credit risk through statutory regulations as mentioned above and through the diversifying of the City's investment portfolio.

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, 2019, more than 5% of the city's investments are in FFCB. These investments are 6.5% of the City's total investments.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 3 – Deposits and Investments (continued)

Investments (continued)

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.

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 of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 3 – Deposits and Investments (continued)

Investments (continued)

City investments are measured as follows:

	Fair Value Measurement Using			
	12/31/2019	Level 1	Level 2	Level 3
Investments by Fair Value Level				
FNMA	\$ 7,710,677	\$ -	\$ 7,710,677	\$ -
FHLB	7,834,743	-	7,834,743	-
FFCB	11,048,861	-	11,048,861	-
TVA Notes	1,490,865	-	1,490,865	-
Municipal Bonds	90,537,002	-	90,537,002	-
Commercial Paper	1,550,149	-	1,550,149	-
Negotiable Certificates of Deposit	14,098,429	-	14,098,429	-
Total Investments by Fair Value Level	<u>\$ 134,270,725</u>	<u>\$ -</u>	<u>\$ 134,270,725</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Money Market Funds	34,853,353			
Total Investments	<u>\$ 169,124,078</u>			

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, 2019

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 \$6,752,269 of which \$2,237,503 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, 2019.

Other Funds – Notes Receivable

The Revolving Loan Special Revenue Fund has \$3,088,925 in notes receivable related to a grant for Metro Mold & Design, Biometrics, 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 \$8,522.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 5 – Capital Assets

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 63,174,479	\$ 4,507,884	-	\$ 67,682,363
Land improvements	1,196,998	-	-	1,196,998
Construction in progress	4,749,133	4,919,914	4,633,253	5,035,794
Total capital assets not being depreciated	69,120,610	9,427,798	4,633,253	73,915,155
Capital assets being depreciated				
Buildings	64,496,926	3,091,282	-	67,588,208
Land improvements	12,084,930	-	-	12,084,930
Furniture and fixtures	6,713,755	43,201	-	6,756,956
Machinery and equipment	25,074,911	1,823,239	-	26,898,150
Infrastructure	131,934,991	3,156,208	-	135,091,199
Total capital assets being depreciated	240,305,513	8,113,930	-	248,419,443
Total governmental capital assets	309,426,123	17,541,728	4,633,253	322,334,598
Less accumulated depreciation for:				
Buildings	(34,580,540)	(2,133,228)	-	(36,713,768)
Land improvements	(8,121,593)	(498,275)	531	(8,619,337)
Furniture and fixtures	(5,548,910)	(447,915)	-	(5,996,825)
Machinery and equipment	(16,517,866)	(1,876,025)	131,744	(18,262,147)
Infrastructure	(79,083,353)	(3,814,852)	(972)	(82,899,177)
Total accumulated depreciation	(143,852,262)	(8,770,295)	131,303	(152,491,254)
Total capital assets being depreciated, net	96,453,251	(656,365)	131,303	95,928,189
Governmental activities capital assets, net	<u>\$ 165,573,861</u>	<u>\$ 8,771,433</u>	<u>\$ 4,764,556</u>	<u>\$ 169,843,344</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 5 – Capital Assets (continued)

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

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
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	3,129	-	3,129	-
Total capital assets not being depreciated	9,561,082	-	3,129	9,557,953
Capital assets being depreciated:				
Buildings	61,473,889	47,983	-	61,521,872
Land improvements	2,645,145	-	-	2,645,145
Furniture and fixtures	79,878	1	-	79,879
Machinery and equipment	5,729,618	604,932	-	6,334,550
Infrastructure	145,591,709	2,946,120	-	148,537,829
Total capital assets being depreciated	215,520,239	3,599,036	-	219,119,275
Total business capital assets	225,081,321	3,599,036	3,129	228,677,228
Less accumulated depreciation for:				
Buildings	(35,481,049)	(1,614,162)	-	(37,095,212)
Land improvements	(2,279,178)	(99,723)	-	(2,378,901)
Furniture and fixtures	(79,878)	-	-	(79,878)
Machinery and equipment	(4,394,029)	(325,836)	52,587	(4,667,278)
Infrastructure	(55,842,781)	(2,631,671)	-	(58,474,450)
Total accumulated depreciation	(98,076,915)	(4,671,392)	52,587	(102,695,720)
Total capital assets being depreciated, net	117,443,325	(1,072,357)	52,587	116,423,555
Business activities capital assets net of depreciation	\$ 127,004,407	\$ (1,072,357)	\$ (55,716)	\$ 125,981,508

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 5 – Capital Assets (continued)

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

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

Governmental activities:

General Government	\$ 749,042
Community Development	133,613
Public Safety	833,633
Public Works- includes infrastructure	5,873,411
Recreation and Parks	<u>1,180,595</u>
Total depreciation expense- governmental activities	<u>\$ 8,770,294</u>

Business-type activities:

Public Utilities	\$ 3,272,112
Storm Sewer Utility	901,424
Street & Signal Light Utility	261,208
Recreation	<u>236,648</u>
Total depreciation expense-business-type activities	<u>\$ 4,671,392</u>

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.

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.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

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 2019 were \$2,381,367. In 2019, there was \$396,045 in claims paid. In 2018, there was \$406,502 in claims paid and in 2017 there was \$378,698 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, 2019, 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.

2019 Park Referendum Bonds, Series 2019A –

In 2019, The City issued \$4,470,000 to finance various projects as authorized by referendum in the City's Bond Reinvestment Plan including synthetic turf fields, lighting, and a dome facility at Park Center High School. The final bond payment will be in 2040.

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 \$7,320,000 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%. The final bond payment will be in 2032.

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%.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 7 – Long-Term Debt (continued)

General Obligation Bonds and Notes (Continued)

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%. The final bond payment will be in 2023.

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.

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. The final bond payment will be 2028.

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. The final bond payment will be in 2027.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 7 – Long-Term Debt (continued)

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 \$10,261,320.

Summaries of Long-Term Debt Issues

Governmental Activities:

Summary of Long-term Debt-Governmental

Issue	Interest Rates	Date Issued	Date Matures	Original Issue Amount	Debt Outstanding December 31, 2019
<u>General Obligation Bonds</u>					
General Obligation Capital Improvement	2.00-3.75%	2014	2035	\$ 9,490,000	\$ 7,925,000
General Obligation Street Reconstruction	1.50 - 2.00%	2016	2026	7,860,000	3,435,000
2017A General Obligation	2.125 - 3.00%	2017	2033	7,320,000	6,795,000
2019A General Obligation	3.00 -4.00%	2019	2040	4,470,000	4,470,000
Total General Obligation Bonds					22,625,000
<u>General Obligation Refunding Bonds</u>					
General Obligation Improvement	2.00-3.00%	2011	2023	6,035,000	2,810,000
General Obligation Premium / Discount					897,431
Total Refunding Bonds					3,707,431
<u>Gross Revenue Bonds</u>					
Gross Revenue Bonds	3.00-4.00%	2010	2028	1,785,000	1,085,000
<u>Brooklyn Park Economic Development Authority Debt</u>					
Lease Revenue Bonds	2.00-3.75%	2010	2027	2,245,000	1,265,000
Tax Increment Revenue Refunding	1.50-2.00%	2012	2019	5,445,000	-
General Obligation Premium / Discount					
Total Brooklyn Park Economic Development Authority Debt					1,265,000
Compensated Absences					5,006,421
Other Postemployment Benefits					8,745,900
Net Pension Liability					27,961,412
Total Governmental Activities					\$ 70,396,164

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues (continued)

Changes in long-term debt during 2019 for debt serviced through governmental activities are as follows:

	Balance January 1, 2019	Additions	Retirements	Balance December 31, 2019	Due Within One Year
General Obligation Bonds					
307 2014 General Obligation Capital Improvement	\$ 8,325,000	\$ -	\$ 400,000	\$ 7,925,000	\$ 405,000
318 2016 General Obligation Street Reconstruction bonds	4,455,000	-	1,020,000	3,435,000	750,000
319 2017A General Obligation	7,320,000	-	525,000	6,795,000	540,000
322 2019A General Obligation Bonds	-	4,470,000	-	4,470,000	-
Total General Obligation Bonds	20,100,000	4,470,000	1,945,000	22,625,000	1,695,000
General Obligation Refunding Bonds					
317 2011 General Obligation Improvement Refunding	3,470,000	-	660,000	2,810,000	685,000
Total Refunding Bonds	3,470,000	-	660,000	2,810,000	685,000
Gross Revenue Bonds					
315 2010 Gross Revenue Bonds	1,185,000	-	100,000	1,085,000	105,000
Total Gross Revenue Bonds	1,555,000	-	100,000	1,085,000	105,000
Brooklyn Park Economic Development Authority Debt					
2007 General Revenue Note	-	-	-	-	-
316 2010 Lease Revenue Bonds	1,400,000	-	135,000	1,265,000	140,000
374 2012 Tax Increment Revenue Refunding	930,000	-	930,000	-	-
Total Economic Development Authority Debt	2,330,000	-	1,065,000	1,265,000	140,000
Governmental Activities Premium/Discount (net)	654,766	304,154	61,489	897,431	-
730 Compensated Absences	4,894,712	869,188	757,480	5,006,421	350,450
730 Other Postemployment Benefits	6,499,239	2,246,661	-	8,745,900	655,943
Net Pension Liability	26,602,101	2,303,483	944,172	27,961,412	-
Total Change in Debt Obligations	\$ 65,735,818	\$ 10,193,486	\$ 5,533,141	\$ 70,396,164	\$ 3,631,393

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 7 – Long-Term Debt (continued)

Business-Type Activities

Summaries of Long-Term Debt Issues (continued)

Summary of Long-term Debt-Business-Type

Issue	Interest Rates	Date Issued	Date Matures	Original Issue Amount	Debt Outstanding December 31, 2019
2018A General Obligation Refunding Bonds	3.00-5.00%	2018	2030	\$ 11,540,000	\$ 10,525,000
General Obligation Premium / Discount (net)				941,291	819,398
SAC Loan Met Council	2.25%	2015	2020	30,948	3,831
Net Pension Liability					739,036
Total Business Activities				<u>\$ 12,512,239</u>	<u>\$ 12,087,265</u>

Changes in long-term debt during 2019 for debt serviced through business-type activities are as follows:

Changes in Long-term Debt - Business Type

	Balance January 1, 2019	Additions	Retirements	Balance December 31, 2019	Due Within One Year
2018A General Obligation Refunding Bonds	\$ 11,540,000	-	\$ 1,015,000	\$ 10,525,000	\$ 740,000
General Obligation Premium / Discount	900,661	-	81,263	819,398	
SAC Loan Met Council	19,809	-	15,978	3,831	3,831
Net Pension Liability	1,353,844	129,470	744,278	739,036	-
	<u>\$ 13,814,313</u>	<u>\$ 129,470</u>	<u>\$ 1,856,519</u>	<u>\$ 12,087,265</u>	<u>\$ 743,831</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2020	\$ 2,625,000	\$ 781,940	\$ 743,832	\$ 429,350	\$ 4,580,122
2021	2,710,000	709,756	780,000	391,150	4,590,906
2022	2,525,000	639,850	820,000	351,150	4,336,000
2023	2,570,000	567,862	860,000	309,150	4,307,012
2024	1,920,000	503,350	905,000	265,025	3,593,375
2025-2029	8,135,000	1,722,346	5,255,000	959,225	16,071,571
2030-2034	5,030,000	781,231	1,165,000	17,475	6,993,706
2035-2039	1,975,000	159,750			2,134,750
2040	295,000	4,425			299,425
Obligations	<u>\$27,785,000</u>	<u>\$ 5,870,510</u>	<u>\$10,528,832</u>	<u>\$ 2,722,525</u>	<u>\$46,906,867</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, 2019

Note 7 – Long-Term Debt (continued)

Conduit Debt Obligations (continued)

As of December 31, 2019, the City had the following Housing Revenue Bonds and Industrial Revenue Bonds outstanding:

Description of Issue	Issue Date	Maturity Date	Outstanding 12/31/2019
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011A	6/9/2015	1/15/2038	\$ 8,225,218
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011B	6/9/2015	1/15/2038	2,731,691
Senior Housing Revenue Refunding Note Series 2015A (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	8,267,599
Senior Housing Revenue Refunding Note Series 2015B (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	6,389,180
Athlos Leadership Academy Charter School Lease Revenue Bonds 2015A	12/29/2015	7/1/2046	24,865,000
Athlos Leadership Academy Charter School Lease Revenue Bonds 2015B	12/29/2015	7/1/2018	24,865,000
Charter School Lease Revenue Refunding Bonds, Series 2015A (Prairie Seeds Academy)	5/27/2015	3/1/2039	16,430,000
Senior Housing Revenue Bonds, Series 2019A (Hampton Senior Care of Brooklyn Park)	6/26/2019	6/1/2049	7,875,000
Taxable Senior Housing Revenue Bonds, Series 2019B (Hampton Senior Care of Brooklyn Park)	6/26/2019	6/1/2022	300,000
Multifamily Housing Revenue Refunding Bonds, Series 1	6/24/1999	7/1/2024	3,130,000
Multifamily Housing Revenue Refunding Bonds, Series 1	6/24/1999	7/1/2029	680,000
			\$ 103,758,688

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 7 – Long-Term Debt (continued)

Summaries of Long-Term Debt Issues (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, 2019, 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	Nonmajor Governmental Funds	\$ 136,675
Special Assessment Construction Fund	Nonmajor Governmental Funds	13,319
Public Utilities Enterprise Fund	Nonmajor Enterprise Funds	<u>1,043,708</u>
		<u>\$1,193,702</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

Note 8 – Interfund Transactions (continued)

Interfund Transfers

During 2019, the following interfund transfers took place:

Transfer from Fund	Transfer to Fund	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 70,200	Project Reimbursement
General Fund	Nonmajor Governmental Funds	57,500	Youthprise Match
General Fund	Internal Service Fund	27,327	Equipment Additions & Replacement
General Fund	Nonmajor Governmental Funds	5,000	Youth Sports Reimbursement
General Fund	General Fund	7,000	Scholarship Revenue Reclass
Nonmajor Governmental Funds	General Fund	35,000	Salary Reimbursement
Nonmajor Governmental Funds	General Debt Service	148,000	Debt Service Requirements
Nonmajor Governmental Funds	General Fund	459	Donations Reimbursement
Nonmajor Governmental Funds	Internal Service Fund	4,588	Equipment Additions & Replacement
Nonmajor Governmental Funds	General Fund	30,000	Salaries Reimbursement
Nonmajor Governmental Funds	Nonmajor Governmental Funds	9,225	Services
Nonmajor Governmental Funds	Special Assessment Construction	20,542	Project Reimbursement
Nonmajor Governmental Funds	General Fund	13,000	Salary Reimbursement
Special Assessment Construction	General Fund	185,000	Salary Reimbursement
Heritage Infrastructure	General Debt Service	180,000	Debt Service Requirements
Heritage Infrastructure	Nonmajor Governmental Funds	1,877,837	Capital Improvements
Heritage Infrastructure	Public Utilities	3,243	Capital Improvements
Heritage Infrastructure	Internal Service Fund	1,791	Capital Improvements
Nonmajor Governmental Funds	General Debt Service	897,456	Debt Service Requirements
Nonmajor Governmental Funds	Special Assessment Construction	6,249,675	Capital Improvements
Nonmajor Governmental Funds	General Fund	94,184	Capital Improvements
Economic Development Authority Fund	Recreation	1,445,297	Capital Improvements
Economic Development Authority Fund	Internal Service Fund	409	Equipment Additions & Replacement
Economic Development Authority Fund	Nonmajor Governmental Funds	80,000	Project Reimbursement
Tax Increment Financing	Tax Increment Financing	405,170	Debt Service Requirements
Tax Increment Financing	Nonmajor Governmental Funds	939,300	Debt Service Requirements
Public Utilities	General Fund	24,000	Project Reimbursement
Public Utilities	Special Assessment Construction	416,378	Capital Improvements
Public Utilities	Internal Service Fund	2,650	Equipment Additions & Replacement
Public Utilities	General Fund	3,000	Project Reimbursement
Public Utilities	General Fund	20,000	Refuse Truck Charge
Total Transfers		\$ 13,253,231	

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2019 are as follows:

	Payable Fund	Amount
Tax Increment Financing	Tax Increment Financing	\$ 4,546,556
Economic Development Authority	Economic Development Authority	142,006
		<u>\$ 4,688,562</u>

The Tax Increment Financing District Fund Advance for \$4,546,555 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.

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, 2019

Note 9 – Fund Equity / Net Position (continued)

Restricted items are as follows:

Community Development:

CDBG	\$ 1,330,426
Federal Stimulus Grants	255,553
Revolving Fund	293,953
Brooklyn Bridge Alliance	411,509
Brooklynk	89,036
Fund balances in TIF Districts	21,969,264
Unavailable revenue:	
Outstanding debt service	3,094,262

\$ 27,444,003

Debt Service:

Debt service in accordance with bond covenants	\$ 4,430,242
Unavailable Revenue in Debt Service funds:	
Deferred Revenue	256,481
Interest payable - governmental activities	(482,306)

\$ 4,204,417

Public Safety:

Donations	\$ 102,613
Police Forfeiture Property	588,805

\$ 691,418

Other:

Donations	538,717
-----------	---------

\$ 538,717

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, 2019

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	\$ 2,366	\$ -	\$ -	\$ -	\$ -
Prepaid Items	40,008	-	-	-	-
Total Nonspendable	<u>42,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Restricted For:</u>					
Debt Service	-	-	4,425,980	-	-
Grants	-	293,953	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Recreation Programs	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-
Total Restricted	<u>-</u>	<u>293,953</u>	<u>4,425,980</u>	<u>-</u>	<u>-</u>
<u>Committed To:</u>					
Capital Projects	-	-	-	-	9,825,949
Community Development	-	-	-	-	-
Park Improvements	-	-	-	-	-
Recreation Programs	-	-	-	-	-
Transportation Improvements	-	-	-	12,612,416	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,612,416</u>	<u>9,825,949</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>21,878,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u><u>\$21,920,620</u></u>	<u><u>\$293,953</u></u>	<u><u>\$4,425,980</u></u>	<u><u>\$12,612,416</u></u>	<u><u>\$ 9,825,949</u></u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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	\$ -	\$ -	\$ 6,061	\$ 8,427
Prepaid Items	4,250	-	-	44,258
Total Nonspendable	4,250	-	6,061	52,685
<u>Restricted For:</u>				
Debt Service	-	-	\$4,262	4,430,242
Grants	-	-	2,086,524	2,380,477
General Government	-	-	345,484	345,484
Public Safety	-	-	691,418	691,418
Recreation Programs	-	-	193,233	193,233
Tax Increment Financing	-	21,969,264	-	21,969,264
Total Restricted	-	21,969,264	3,320,921	30,010,118
<u>Committed To:</u>				
Capital Projects	-	-	-	9,825,949
Community Development	18,652,083	-	-	18,652,083
Park Improvements	-	-	5,110,240	5,110,240
Recreation Programs	-	-	26,329	26,329
Transportation Improvements	-	-	4,510,629	17,123,045
Total Committed	18,652,083	-	9,647,198	50,737,646
<u>Assigned To:</u>				
Community Development	12,625,467	-	2,481,681	15,107,148
Tax Abatement	1,238,918	-	-	1,238,918
Capital Equipment / Improvements	-	-	280,354	280,354
Total Assigned	13,864,385	-	2,762,035	16,626,420
<u>Unassigned</u>	-	-	(75,828)	21,802,418
Total Fund Balance	<u>\$ 32,520,718</u>	<u>\$ 21,969,264</u>	<u>\$ 15,660,387</u>	<u>\$ 119,229,287</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2019

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

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

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.

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

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 2019 and the City of Brooklyn Park was required to contribute 7.50 percent for Coordinated Plan members. The City of Brooklyn Park contributions to the General Employees Fund for the year ended December 31, 2019, were \$1,479,973. The City of Brooklyn Park contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City of Brooklyn Park contributions to the Police and Fire Fund for the year ended December 31, 2019, were \$2,181,941. The City of Brooklyn Park contributions were equal to the required contributions as set by state statute.

D. Pension Costs

• General Employees Fund Pension Costs

At December 31, 2019, the City of Brooklyn Park reported a liability of \$15,414,227 for its proportionate share of the General Employees Fund's net pension liability. The City of Brooklyn Park net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the state'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 \$479,146. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Brooklyn Park proportionate share of the net pension liability was based on the City of Brooklyn Park contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the City of Brooklyn Park proportionate share was .2788 percent which was an decrease of .0030 percent from its proportionate share measured as of June 30, 2018.

City of Brooklyn Parks's proportionate share of the net pension liability	\$ 15,414,227
State of Minnesota's proportionate share of the net pension liability associated with the City of Brooklyn Park	479,146
Total	<u>\$ 15,893,373</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

For the year ended December 31, 2019, the City of Brooklyn Park recognized pension expense of \$1,810,025 for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Brooklyn Park recognized an additional \$35,884 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, 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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 427,185	\$ -
Changes in Actuarial Assumptions	-	1,211,569
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,562,414
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	590,234	1,064,604
City Contributions Subsequent to the Measurement Date	753,114	-
Total	<u>\$ 1,770,533</u>	<u>\$ 3,838,587</u>

The \$753,114 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, 2020. Other amounts reported as deferred outflows and deferred 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, 2019

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

GERF Pension Costs

<u>Year Ended December 31,</u>	<u>Pension Expenses</u> <u>Amount</u>
2020	\$ (741,031)
2021	(1,749,723)
2022	(355,254)
2023	24,840
2024	-
Thereafter	-

- **Police and Fire Fund Pension Costs**

At December 31, 2019, the City of Brooklyn Park reported a liability of \$13,286,220 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Brooklyn Park proportionate share of the net pension liability was based on the City of Brooklyn Park contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the City of Brooklyn Park proportionate share was 1.2480 percent which was an increase of .0919 percent from its proportionate share measured as of June 30, 2018.

The City of Brooklyn Park also recognized \$168,479 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City of Brooklyn Park recognized pension expense of \$2,332,030 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2019, 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:

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

PEPFF

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 564,119	\$ 2,022,305
Changes in Actuarial Assumptions	11,025,456	14,916,348
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,767,205
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	2,301,874	928,631
City Contributions Subsequent to the Measurement Date	1,165,197	-
Total	\$ 15,056,646	\$ 20,634,489

The \$1,165,197 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

PEPFF Pension Costs	Pension Expense
Year ended December 31	Amount
2020	(467,976)
2021	(1,572,625)
2022	(4,984,347)
2023	24,861
2024	257,047
Thereafter	-

	GERF	PEPFF	Total
Cumulative pension expense	\$ 1,845,909	\$ 2,332,030	\$ 4,177,939
Cumulative deferred outflows	1,770,533	15,056,646	16,827,179
Cumulative net pension liability	15,414,227	13,286,220	28,700,447
Cumulative deferred inflows	3,838,587	20,634,489	24,473,076

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

E. Actuarial Assumptions

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

Inflation	2.50 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, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

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

Changes in Plan Provisions:

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

Police and Fire Fund

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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
International Equity	17.50%	5.90%
Cash Equivalents	2.00%	0.00%
Total	100%	

1. Discount Rate

The discount rate used to measure the total pension liability in 2019 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, the Police and Fire Fund, and the Correctional 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 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 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, 2019

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

Description	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
GERF PENSION LIABILITY			
City's Proportionate Share of the GERF Net Pension Liability	\$ 25,340,160	\$ 15,414,227	\$ 7,218,397
PEPFF PENSION LIABILITY			
City's Proportionate Share of the PEPFF Net Pension Liability	\$ 29,041,210	\$ 13,286,220	\$ 257

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 2019 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$1,454	\$1,454	5%	5%	5%

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefit payments	1
Active Plan Members	369
Total	<u>413</u>

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2018, and was determined by an actuarial valuation with a valuation date of December 31, 2017.

Actuarial assumptions

The total OPEB liability in the December 31, 2018 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	3.71%
Healthcare cost trend rates	6.90% grading to 4.40

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015 for General Employees and MP-2016 for Police and Fire employees.

Four Police & Fire members were disabled in the line of duty since the 12/31/2017 valuation date and are now receiving medical benefits. This change increased the Total OPEB Liability by approximately \$2,379,000.

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 3.71 percent. Since the plan is not funded by a trust, the discount rate is equal to the 20-year Municipal Bond Rate.

Since the most recent measurement date, the discount rate was changed from 3.31% to 3.71%.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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

D. Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Beginning Balance	\$ 6,499,239
Changes for the year:	
Service Cost	311,163
Interest	217,633
Differences between expected and actual experience	2,378,683
Changes of Assumptions	(190,051)
Benefit payments	(470,767)
Net Changes	2,246,661
Ending Balance	\$ 8,745,900

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 (2.71 percent) or 1-percentage-point higher (4.71 percent) than the current discount rate:

	1% Decrease (2.71%)	Discount Rate (3.71%)	1% Increase (4.71%)
Total OPEB Liability	\$9,617,045	\$8,745,900	\$7,997,960

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	\$ 7,727,195	\$ 8,745,900	\$ 9,966,621

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2019, the City recognized OPEB expense of \$773,884. At December 31, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 2,112,313	\$ -
Changes of assumptions	168,648	168,769
Contributions made after the Measurement Date	564,375	-
Total	<u>\$ 2,845,336</u>	<u>\$ 168,769</u>

The City's contributions subsequent to the measurement date of \$564,375, 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, 2020.

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

Year Ended December 31,	Amount
2020	\$ 268,908
2021	268,908
2022	268,908
2023	268,908
2024	268,908
Thereafter	<u>767,652</u>
Total	<u>\$2,112,192</u>

- 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 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 capita 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

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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 2019 was \$63,972, which is 30.8% of operations revenues for PUPS. The City is responsible for providing staffing, accounting, and reporting for the impound facility. Complete financial information for PUPS can be obtained from the City's finance department.

Summary financial information as of and for the fiscal year ended December 31, 2019 is as follows:

	<u>Operations</u>	<u>Capital</u>	<u>Total</u>
Total Assets	<u>\$ 75,828</u>	<u>\$ 40,836</u>	<u>\$ 116,664</u>
Total Liabilities	<u>\$ 5,424</u>	<u>\$ -</u>	<u>\$ 5,424</u>
Total PUPS Equity	<u>70,404</u>	<u>40,836</u>	<u>111,240</u>
Total Liabilities and Equity	<u>\$ 75,828</u>	<u>\$ 40,836</u>	<u>\$ 116,664</u>
Total Revenues	<u>\$ 207,357</u>	<u>\$ 2,094</u>	<u>\$ 209,451</u>
Total Expenditures	<u>193,611</u>	<u>-</u>	<u>193,611</u>
Total Increase (Decrease) in PUPS Equity	<u>\$ 13,746</u>	<u>\$ 2,094</u>	<u>\$ 15,840</u>

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, 2019, the commitment for construction contract has a remaining balance of \$3,721,320.

City of Brooklyn Park, Minnesota

Notes to the Financial Statements — Year Ended December 31, 2019

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, 2019, the City has two agreements established under Minnesota Statute 469.090 to 469.1081 which resulted in property taxes totaling \$239,212 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 \$148,508.
- 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 \$90,704.

For the fiscal year ended December 31, 2019, 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.

Note 14 – Subsequent Events

In 2020 there is uncertainty of the impact of COVID-19 on the financial outlook and the city's budgetary impact

This Page Has Been Intentionally Left Blank.

City of Brooklyn Park, Minnesota
SCHEDULE OF CHANGES IN THE
CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Required Supplementary Information
Last Two Measurement Periods *

	Measurement Date	Measurement Date
	December 31, 2018	December 31, 2017
Total OPEB Liability		
Service cost	\$ 311,163	\$ 270,368
Interest	217,633	237,390
Changes of benefit terms	-	-
Difference between expected and actual experience	2,378,683	-
Changes of assumptions	(190,051)	216,289
Benefit payments	(470,767)	(370,302)
Net Change in total OPEB Liability	2,246,661	353,745
Total OPEB liability - beginning	6,499,239	6,145,494
Total OPEB liability - ending	8,745,900	6,499,239
Covered employee payroll	\$ 30,809,712	\$ 27,966,081
City' Total OPEB liability as a percentage of the covered employee payroll	28.39%	23.24%

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

Changes in Assumptions are detailed out below:

Measurement Date December 31, 2018:

- The discount rate was changed from 3.31% to 3.71%
- Four Police & Fire members were disabled in the line of duty since the 12/31/2017 valuation date and are now receiving City retiree medical benefits. This change increased the Total OPEB Liability by approximately \$2,379,000.

Measurement Date December 31, 2017:

- The discount rate was changed from 3.81% to 3.31%
- 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 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 capita 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 Pension Contributions
Required Supplementary Information
Last Ten Years ***

**GERF Plan of City Contributions
Last Five Fiscal Years**

	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,479,973	\$ 1,420,788	\$ 1,434,201	\$ 1,393,148	\$ 1,265,888
Contributions in Relation to the Statutorily Required Contribution	(1,479,973)	(1,420,788)	(1,434,201)	(1,393,148)	(1,265,888)
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered payroll	\$ 19,732,973	\$ 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%	7.50%

**PEPFF Plan of City Contributions
Last Five Fiscal Years**

	2018	2018	2017	2016	2015
Statutorily Required Contribution	\$ 2,181,941	\$ 1,973,907	\$ 1,980,583	\$ 1,935,016	\$ 1,798,623
Contributions in Relation to the Statutorily Required Contribution	(2,181,941)	(1,973,907)	(1,980,583)	(1,935,016)	(1,798,623)
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered payroll	\$ 12,872,808	\$ 12,184,611	\$ 12,225,821	\$ 11,944,543	\$ 11,102,611
Contributions as a Percentage of Covered Payroll	16.95%	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

	Measurement Date 6/30/2019	Measurement Date 6/30/2018	Measurement Date 6/30/2017	Measurement Date 6/30/2016	Measurement Date 6/30/2015
Last Five Fiscal Years					
City's Proportion of the Net Pension Liability	0.2788%	0.2818%	0.3120%	0.2702%	0.2835%
Citys Proportionate Share of the Net Pension Liability	\$ 15,414,227	\$ 15,633,109	\$ 19,917,874	\$ 21,938,900	\$ 14,692,441
State's Proportionate Share of the Net Pension Liability Associated with the City	479,146	512,893	250,472	-	-
City's Covered Payroll	19,656,953	18,942,142	20,101,533	16,765,827	16,664,784
City's Proportionated Share of the Net Pension Liability as a Percentage of its Covered Payroll	78.42%	82.53%	99.09%	130.8500%	88.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.50%	75.90%	68.9000%	78.20%

PEPFF Schedule of City Contributions

	Measurement Date 6/30/2019	Measurement Date 6/30/2018	Measurement Date 6/30/2017	Measurement Date 6/30/2016	Measurement Date 6/30/2015
Last Five Fiscal Years					
City's Proportion of the Net Pension Liability	1.2480%	1.1561%	1.2330%	1.1140%	1.1260%
Citys Proportionate Share of the Net Pension Liability	\$ 13,286,220	\$ 12,322,835	\$ 16,646,967	\$ 45,549,525	\$ 12,793,995
City's Covered Payroll	13,153,534	12,181,437	12,655,420	10,932,126	10,311,601
City's Proportionated Share of the Net Pension Liability as a Percentage of its Covered Payroll	101.01%	101.16%	131.54%	416.6500%	124.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.30%	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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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.

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 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 postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement 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 changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

The assumed postretirement 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*

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 increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2019

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 2,856,987	\$ 4,262	\$ 9,308,306	\$ 12,169,555
Accrued interest receivable	7,692	-	78,447	86,139
Accounts receivable	256,082	-	1,644,202	1,900,284
Due from other governmental units	162,275	-	-	162,275
Inventories	6,061	-	-	6,061
Property held for resale	312,550	-	2,495,000	2,807,550
Prepaid expenditures	540	-	-	540
Total assets	<u>\$ 3,602,187</u>	<u>\$ 4,262</u>	<u>\$ 13,525,955</u>	<u>\$ 17,132,404</u>
LIABILITIES				
Accounts Payable	\$ 53,580	\$ -	\$ 574,555	\$ 628,135
Accrued wages payable	30,721	-	-	30,721
Contracts payable	9,000	-	70,616	79,616
Customer and contractor deposits	40,019	-	-	40,019
Due to other funds	136,675	-	13,319	149,994
Due to other governmental units	13,678	-	484,561	498,239
Unearned revenue	1,932	-	-	1,932
Total liabilities	<u>285,605</u>	<u>-</u>	<u>1,143,051</u>	<u>1,428,656</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - notes receivable	43,361	-	-	43,361
Total deferred inflow of resources	<u>43,361</u>	<u>-</u>	<u>-</u>	<u>43,361</u>
FUND BALANCES (DEFICITS)				
Nonspendable	6,061	-	-	6,061
Restricted	3,316,659	4,262	-	3,320,921
Committed	26,329	-	9,620,869	9,647,198
Assigned	-	-	2,762,035	2,762,035
Unassigned	(75,828)	-	-	(75,828)
Total fund balances (deficits)	<u>3,273,221</u>	<u>4,262</u>	<u>12,382,904</u>	<u>15,660,387</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,602,187</u>	<u>\$ 4,262</u>	<u>\$ 13,525,955</u>	<u>\$ 17,132,404</u>

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

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended December 31, 2019

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
REVENUES				
Franchise Fees	\$ -	\$ -	\$ 5,999,001	\$ 5,999,001
Licenses and permits	-	-	365,632	365,632
Fines and forfeitures	166,952	-	-	166,952
Intergovernmental revenue	610,051	-	-	610,051
Donations	106,146	-	-	106,146
Charges for services	930,003	-	3,529	933,532
Investment income	32,598	(22)	315,593	348,169
Net change in fair value of investments	25,925	-	264,513	290,438
Lease Income	-	-	302,653	302,653
Other revenue	6,689	-	-	6,689
Total revenues	<u>1,878,364</u>	<u>(22)</u>	<u>7,250,921</u>	<u>9,129,263</u>
EXPENDITURES				
Current:				
General Government	459,273	-	-	459,273
Community Development	284,947	-	-	284,947
Public Safety	124,330	-	-	124,330
Public Works	-	-	194,338	194,338
Recreation & Parks	1,052,897	-	1,277,897	2,330,794
Capital outlay:				
Public Works	-	-	1,655,312	1,655,312
Recreation & Parks	-	-	2,570,012	2,570,012
Debt service:				
Principal	-	930,000	-	930,000
Interest and fiscal charges	-	9,300	100,049	109,349
Total expenditures	<u>1,921,447</u>	<u>939,300</u>	<u>5,797,608</u>	<u>8,658,355</u>
Excess (deficiency) of revenues over expenditures	<u>(43,083)</u>	<u>(939,322)</u>	<u>1,453,313</u>	<u>470,908</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	369,925	939,300	1,729,837	3,039,062
Transfers to other funds	(227,272)	-	(7,274,857)	(7,502,129)
Proceeds from issuance of debt	-	-	4,390,414	4,390,414
Premium on issuance of debt	-	-	304,154	304,154
Total other financing sources (uses)	<u>142,653</u>	<u>939,300</u>	<u>(850,452)</u>	<u>231,501</u>
Net change in fund balances	99,570	(22)	602,861	702,409
Fund balances - beginning	3,173,651	4,284	11,780,043	14,957,978
Fund balances - ending	<u>\$ 3,273,221</u>	<u>\$ 4,262</u>	<u>\$ 12,382,904</u>	<u>\$ 15,660,387</u>

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

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
Assets				
Cash and investments	\$ 995,516	\$ 255,553	\$ 658,381	\$ 616,592
Accrued interest receivable	-	-	3,014	3,170
Accounts receivable	-	-	-	-
Due from other governmental units	44,886	-	-	-
Inventories	-	-	-	-
Prepaid expenditures	-	-	-	-
Property held for resale	312,550	-	-	-
Total Assets:	<u>\$ 1,352,952</u>	<u>\$ 255,553</u>	<u>\$ 661,395</u>	<u>\$ 619,762</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts Payable	\$ 526	\$ -	\$ 20,065	\$ 938
Accrued wages payable	-	-	-	-
Contracts payable	9,000	-	-	-
Customer and contractor deposits	-	-	-	30,019
Due to other funds	-	-	-	-
Due to other governmental units	13,000	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities:	<u>22,526</u>	<u>-</u>	<u>20,065</u>	<u>30,957</u>
Deferred Inflows of Resources:				
Unavailable revenue - notes receivable	-	-	-	-
Total Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	1,330,426	255,553	641,330	588,805
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits):	<u>1,330,426</u>	<u>255,553</u>	<u>641,330</u>	<u>588,805</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:	<u>\$ 1,352,952</u>	<u>\$ 255,553</u>	<u>\$ 661,395</u>	<u>\$ 619,762</u>

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

Ice Arena	Brookland Golf Course	Brooklyn Bridge Alliance	BrookLynk	Total Nonmajor Special revenue funds
\$ -	\$ -	\$ 291,656	\$ 39,289	\$ 2,856,987
-	-	1,508	-	7,692
167,443	2,000	86,639	-	256,082
-	-	57,500	59,889	162,275
-	6,061	-	-	6,061
-	-	156	384	540
-	-	-	-	312,550
<u>\$ 167,443</u>	<u>\$ 8,061</u>	<u>\$ 437,459</u>	<u>\$ 99,562</u>	<u>\$ 3,602,187</u>
\$ 21,786	\$ 882	\$ 6,921	\$ 2,462	\$ 53,580
11,261	2,367	9,029	8,064	30,721
-	-	-	-	9,000
-	-	10,000	-	40,019
64,312	72,363	-	-	136,675
394	284	-	-	13,678
-	1,932	-	-	1,932
<u>97,753</u>	<u>77,828</u>	<u>25,950</u>	<u>10,526</u>	<u>285,605</u>
<u>43,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,361</u>
<u>43,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,361</u>
-	6,061	-	-	6,061
-	-	411,509	89,036	3,316,659
26,329	-	-	-	26,329
-	(75,828)	-	-	(75,828)
<u>26,329</u>	<u>(69,767)</u>	<u>411,509</u>	<u>89,036</u>	<u>3,273,221</u>
<u>\$ 167,443</u>	<u>\$ 8,061</u>	<u>\$ 437,459</u>	<u>\$ 99,562</u>	<u>\$ 3,602,187</u>

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 166,952
Intergovernmental revenue	40,934	17,500	-	-
Donations	-	-	105,146	-
Charges for services	-	-	4,236	-
Investment income	-	-	12,570	12,006
Net change in fair value of investments	-	-	10,158	10,686
Other revenue	-	-	-	-
Total revenues	<u>40,934</u>	<u>17,500</u>	<u>132,110</u>	<u>189,644</u>
Expenditures				
Current:				
General Government	-	-	17,379	-
Community Development	21,111	-	-	-
Public Safety	-	200	56,637	67,493
Recreation & Parks	-	-	71	-
Total Expenditures:	<u>21,111</u>	<u>200</u>	<u>74,087</u>	<u>67,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,823</u>	<u>17,300</u>	<u>58,023</u>	<u>122,151</u>
Other Financing Sources(Uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(35,000)	-	-
Total Other Financing Sources(Uses):	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	19,823	(17,700)	58,023	122,151
Fund balances - beginning	1,310,603	273,253	583,307	466,654
Fund balances - ending	<u>\$ 1,330,426</u>	<u>\$ 255,553</u>	<u>\$ 641,330</u>	<u>\$ 588,805</u>

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

Ice Arena	Brookland Golf Course	Brooklyn Bridge Alliance	BrookLynk	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 166,952
-	-	325,808	225,809	610,051
-	-	-	1,000	106,146
699,513	187,248	39,006	-	930,003
721	-	7,301	-	32,598
-	-	5,081	-	25,925
-	2,009	-	4,680	6,689
<u>700,234</u>	<u>189,257</u>	<u>377,196</u>	<u>231,489</u>	<u>1,878,364</u>
-	-	441,894	-	459,273
-	-	-	263,836	284,947
-	-	-	-	124,330
810,657	242,169	-	-	1,052,897
<u>810,657</u>	<u>242,169</u>	<u>441,894</u>	<u>263,836</u>	<u>1,921,447</u>
<u>(110,423)</u>	<u>(52,912)</u>	<u>(64,698)</u>	<u>(32,347)</u>	<u>(43,083)</u>
218,200	-	71,725	80,000	369,925
(148,000)	-	(459)	(43,813)	(227,272)
<u>70,200</u>	<u>-</u>	<u>71,266</u>	<u>36,187</u>	<u>142,653</u>
(40,223)	(52,912)	6,568	3,840	99,570
66,552	(16,855)	404,941	85,196	3,173,651
<u>\$ 26,329</u>	<u>\$ (69,767)</u>	<u>\$ 411,509</u>	<u>\$ 89,036</u>	<u>\$ 3,273,221</u>

Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019

	Tax Increment Bonds	Total Nonmajor Debt service funds
Assets		
Cash and investments	\$ 4,262	\$ 4,262
Total Assets:	<u>\$ 4,262</u>	<u>\$ 4,262</u>
Fund Balances (Deficits):		
Restricted	4,262	4,262
Total Fund Balances (Deficits):	<u>4,262</u>	<u>4,262</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:	<u>\$ 4,262</u>	<u>\$ 4,262</u>

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

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019

	Tax Increment Bonds	Total Nonmajor Debt Service Funds
Revenues		
Investment income	\$ (22)	\$ (22)
Total revenues	<u>(22)</u>	<u>(22)</u>
Expenditures		
Debt service:		
Principal	930,000	930,000
Interest and fiscal charges	9,300	9,300
Total Expenditures:	<u>939,300</u>	<u>939,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(939,322)</u>	<u>(939,322)</u>
Other Financing Sources(Uses):		
Transfers from other funds	939,300	939,300
Total Other Financing Sources(Uses):	<u>939,300</u>	<u>939,300</u>
Net change in fund balances	(22)	(22)
Fund balances - beginning	4,284	4,284
Fund balances - ending	<u>\$ 4,262</u>	<u>\$ 4,262</u>

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

Brooklyn Park, Minnesota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	Municipal Buildings & Additions	Open Space Land Acquisition & Development	Franchise Fee	Huntington Pointe Development	Total Nonmajor Capital Projects Funds
Assets					
Cash and investments	\$ 643,404	\$ 5,741,353	\$ 2,923,549	\$ -	\$ 9,308,306
Accrued interest receivable	101	28,520	49,826	-	78,447
Accounts receivable	103,368	-	1,540,834	-	1,644,202
Property held for resale	-	-	-	2,495,000	2,495,000
Total Assets:	<u>\$ 746,873</u>	<u>\$ 5,769,873</u>	<u>\$ 4,514,209</u>	<u>\$ 2,495,000</u>	<u>\$ 13,525,955</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts Payable	\$ 395,903	\$ 175,072	\$ 3,580	\$ -	\$ 574,555
Contracts payable	70,616	-	-	-	70,616
Due to other funds	-	-	-	13,319	13,319
Due to other governmental units	-	484,561	-	-	484,561
Total Liabilities:	<u>466,519</u>	<u>659,633</u>	<u>3,580</u>	<u>13,319</u>	<u>1,143,051</u>
Fund Balances (Deficits):					
Committed	-	5,110,240	4,510,629	-	9,620,869
Assigned	<u>280,354</u>	<u>-</u>	<u>-</u>	<u>2,481,681</u>	<u>2,762,035</u>
Total Fund Balances (Deficits):	<u>280,354</u>	<u>5,110,240</u>	<u>4,510,629</u>	<u>2,481,681</u>	<u>12,382,904</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:	<u>\$ 746,873</u>	<u>\$ 5,769,873</u>	<u>\$ 4,514,209</u>	<u>\$ 2,495,000</u>	<u>\$ 13,525,955</u>

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

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Municipal Buildings & Additions	Open Space Land Acquisition & Development	Franchise Fee	Huntington Pointe Development	Total Nonmajor Capital projects funds
Revenues					
Franchise Fees	\$ -	\$ -	\$ 5,999,001	\$ -	\$ 5,999,001
Licenses and permits	-	365,632	-	-	365,632
Charges for services	-	3,529	-	-	3,529
Investment income	1,007	113,548	201,038	-	315,593
Net change in fair value of investments	341	96,242	167,930	-	264,513
Lease Income	-	302,653	-	-	302,653
Total revenues	<u>1,348</u>	<u>881,604</u>	<u>6,367,969</u>	<u>-</u>	<u>7,250,921</u>
Expenditures					
Current:					
Public Works	96,424	-	97,914	-	194,338
Recreation & Parks	-	1,277,897	-	-	1,277,897
Capital Outlay:					
Public Works	1,655,312	-	-	-	1,655,312
Recreation & Parks	-	2,570,012	-	-	2,570,012
Debt service:					
Interest and fiscal charges	-	100,049	-	-	100,049
Total Expenditures:	<u>1,751,736</u>	<u>3,947,958</u>	<u>97,914</u>	<u>-</u>	<u>5,797,608</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,750,388)</u>	<u>(3,066,354)</u>	<u>6,270,055</u>	<u>-</u>	<u>1,453,313</u>
Other Financing Sources(Uses):					
Transfers from other funds	1,729,837	-	-	-	1,729,837
Transfers to other funds	-	(33,542)	(7,241,315)	-	(7,274,857)
Proceeds from issuance of debt	-	4,390,414	-	-	4,390,414
Premium on issuance of debt	-	304,154	-	-	304,154
Total Other Financing Sources(Uses):	<u>1,729,837</u>	<u>4,661,026</u>	<u>(7,241,315)</u>	<u>-</u>	<u>(850,452)</u>
Net change in fund balances	(20,551)	1,594,672	(971,260)	-	602,861
Fund balances - beginning	<u>300,905</u>	<u>3,515,568</u>	<u>5,481,889</u>	<u>2,481,681</u>	<u>11,780,043</u>
Fund balances - ending	<u>\$ 280,354</u>	<u>\$ 5,110,240</u>	<u>\$ 4,510,629</u>	<u>\$ 2,481,681</u>	<u>\$ 12,382,904</u>

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

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Recreation	Park Dome	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 59,978	\$ -	\$ 59,978
Accrued interest receivable	37	-	37
Accounts receivable	125,920	-	125,920
Inventories	89,348	-	89,348
Prepaid expenses	390	-	390
Total Current Assets:	<u>275,673</u>	<u>-</u>	<u>275,673</u>
Noncurrent assets:			
Capital assets:			
Property and Equipment	15,082,424	-	15,082,424
Accumulated depreciation	<u>(5,098,032)</u>	<u>-</u>	<u>(5,098,032)</u>
Total Noncurrent Assets:	<u>9,984,392</u>	<u>-</u>	<u>9,984,392</u>
Total Assets:	<u>10,260,065</u>	<u>-</u>	<u>10,260,065</u>
Deferred Outflows of Resources			
Pensions	19,364	-	19,364
Total Deferred Outflows of Resources:	<u>19,364</u>	<u>-</u>	<u>19,364</u>
Liabilities			
Current liabilities:			
Accounts Payable	35,539	2,168	37,707
Accrued wages payable	16,797	-	16,797
Due to other funds	1,043,566	142	1,043,708
Unearned revenue	82,967	-	82,967
Due to other governmental funds	856	-	856
Total current liabilities	<u>1,179,725</u>	<u>2,310</u>	<u>1,182,035</u>
Noncurrent liabilities:			
Net Pension Liability	168,581	-	168,581
Total Noncurrent Liabilities:	<u>168,581</u>	<u>-</u>	<u>168,581</u>
Total Liabilities:	<u>1,348,306</u>	<u>2,310</u>	<u>1,350,616</u>
Deferred Inflows of Resources			
Pensions	41,982	-	41,982
Total Deferred Inflows of Resources:	<u>41,982</u>	<u>-</u>	<u>41,982</u>
Net Position			
Net Investment in capital assets	9,984,392	-	9,984,392
Unrestricted	<u>(1,095,251)</u>	<u>(2,310)</u>	<u>(1,097,561)</u>
Total Net Position	<u>\$ 8,889,141</u>	<u>\$ (2,310)</u>	<u>\$ 8,886,831</u>

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

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Recreation	Park Dome	Total Enterprise Funds
OPERATING REVENUES			
Golf course	\$ 1,728,568	\$ -	\$ 1,728,568
Other	380,275	-	380,275
Total operating revenues	<u>2,108,843</u>	<u>-</u>	<u>2,108,843</u>
OPERATING EXPENSES			
Personal services	670,341	-	670,341
Supplies	564,721	-	564,721
Contractual services	1,351,700	2,310	1,354,010
Internal service charges	85,057	-	85,057
Other Charges	233,643	-	233,643
Depreciation	236,648	-	236,648
General fund charges	66,424	-	66,424
Total operating expenses	<u>3,208,534</u>	<u>2,310</u>	<u>3,210,844</u>
Operating income (loss)	<u>(1,099,691)</u>	<u>(2,310)</u>	<u>(1,102,001)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	(703)	-	(703)
Net change in fair value of investments	124	-	124
Total nonoperating revenues (expenses)	<u>(579)</u>	<u>-</u>	<u>(579)</u>
Income (loss) before contributions and transfers	<u>(1,100,270)</u>	<u>(2,310)</u>	<u>(1,102,580)</u>
Transfers in	1,445,297	-	1,445,297
Change in net position	345,027	(2,310)	342,717
Total net position - beginning	8,544,114	-	8,544,114
Total net position - ending	<u>\$ 8,889,141</u>	<u>\$ (2,310)</u>	<u>\$ 8,886,831</u>

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

Brooklyn Park, Minnesota
Statement of Cash Flows
Nonmajor Enterprise funds
For the Year Ended December 31, 2019

	Recreation	Park Dome	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 1,894,740	\$ -	\$ 1,894,740
Other receipts	130,971	-	130,971
Payments to suppliers	(2,251,793)	(142)	(2,251,935)
Payments to employees	(944,791)	-	(944,791)
Payments for interfund services used	(85,057)	-	(85,057)
Net cash provided (used) by operating activities	(1,255,930)	(142)	(1,256,072)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	1,445,297	-	1,445,297
Interfund borrowing	44,149	142	44,291
Net cash provided (used) by noncapital financing activities	1,489,446	142	1,489,588
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(174,294)	-	(174,294)
Net cash provided (used) by capital and related financing activities	(174,294)	-	(174,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	756	-	756
Net cash provided (used) by investing activities	756	-	756
Net increase (decrease) in cash and cash equivalents	59,978	-	59,978
Balances - beginning of year	-	-	-
Balances - end of the year	\$ 59,978	\$ -	\$ 59,978
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ (1,099,691)	\$ (2,310)	\$ (1,102,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	236,648	-	236,648
Changes in assets and liabilities:			
Customer Receivables	(83,131)	-	(83,131)
Inventory	(11,201)	-	(11,201)
Prepaid expenses	1,721	-	1,721
Pensions (deferred outflow)	86,282	-	86,282
Accounts Payable - Supplier	(25,200)	2,168	(23,032)
Salaries & Benefits Payable	955	-	955
Customer and contractor deposits payable	10,017	-	10,017
Due to other governmental units	(627)	-	(627)
Net pension liability	(264,989)	-	(264,989)
Pensions (deferred inflow)	(106,714)	-	(106,714)
Net cash provided (used) by operating activities	\$ (1,255,930)	\$ (142)	\$ (1,256,072)
CASH RECONCILIATION			
Actual Balance - end of year	\$ 59,978	\$ -	\$ 59,978

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

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	Central Services	Information Technology	Loss Control	Benefit Accrual	Total Nonmajor Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 5,557,819	\$ 2,609,747	\$ 1,380,061	\$ 777,666	\$ 10,325,293
Accrued interest receivable	25,770	12,169	5,915	11,284	55,138
Accounts receivable	-	-	-	23,354	23,354
Due from other governmental units	-	755	-	13,015	13,770
Inventories	45,346	-	-	-	45,346
Prepaid expenses	600	73,960	172,781	348,578	595,919
Total Current Assets:	<u>5,629,535</u>	<u>2,696,631</u>	<u>1,558,757</u>	<u>1,173,897</u>	<u>11,058,820</u>
Noncurrent assets:					
Capital assets:					
Property and Equipment	20,841,504	5,225,751	-	-	26,067,255
Accumulated depreciation	(14,033,655)	(4,137,548)	-	-	(18,171,203)
Total Noncurrent Assets:	<u>6,807,849</u>	<u>1,088,203</u>	<u>-</u>	<u>-</u>	<u>7,896,052</u>
Total Assets:	<u>12,437,384</u>	<u>3,784,834</u>	<u>1,558,757</u>	<u>1,173,897</u>	<u>18,954,872</u>
Deferred Outflows of Resources					
Pensions	39,988	24,850	6,030	-	70,868
OPEB	-	-	-	2,845,336	2,845,336
Total Deferred Outflows of Resources:	<u>39,988</u>	<u>24,850</u>	<u>6,030</u>	<u>2,845,336</u>	<u>2,916,204</u>
Liabilities					
Current liabilities:					
Accounts Payable	286,693	136,452	57,527	25	480,697
Accrued wages payable	38,778	22,623	6,759	326,952	395,112
Due to other governmental funds	9,749	1,652	390,813	8,908	411,122
Compensated absence payable - current	-	-	-	350,450	350,450
OPEB Liability - current	-	-	-	655,943	655,943
Total current liabilities	<u>335,220</u>	<u>160,727</u>	<u>455,099</u>	<u>1,342,278</u>	<u>2,293,324</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	-	4,655,972	4,655,972
OPEB Liability	-	-	-	8,089,957	8,089,957
Net Pension Liability	348,135	216,345	52,495	-	616,975
Total Noncurrent Liabilities:	<u>348,135</u>	<u>216,345</u>	<u>52,495</u>	<u>12,745,929</u>	<u>13,362,904</u>
Total Liabilities:	<u>683,355</u>	<u>377,072</u>	<u>507,594</u>	<u>14,088,207</u>	<u>15,656,228</u>
Deferred Inflows of Resources					
Pensions	86,695	53,877	13,073	-	153,645
OPEB	-	-	-	168,769	168,769
Total Deferred Inflows of Resources:	<u>86,695</u>	<u>53,877</u>	<u>13,073</u>	<u>168,769</u>	<u>322,414</u>
Net Position					
Net Investment in capital assets	6,807,849	1,088,203	-	-	7,896,052
Unrestricted	4,899,473	2,290,532	1,044,120	(10,237,743)	(2,003,618)
Total Net Position	<u>\$ 11,707,322</u>	<u>\$ 3,378,735</u>	<u>\$ 1,044,120</u>	<u>\$ (10,237,743)</u>	<u>\$ 5,892,434</u>

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

Brooklyn Park, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2019

	Central Services	Information Technology	Loss Control	Benefit Accrual	Total Internal Service Funds
OPERATING REVENUES					
Other	\$ 6,023,834	\$ 2,633,290	\$ 2,815,712	\$ 226,144	\$ 11,698,980
Total operating revenues	<u>6,023,834</u>	<u>2,633,290</u>	<u>2,815,712</u>	<u>226,144</u>	<u>11,698,980</u>
OPERATING EXPENSES					
Personal services	1,049,278	771,848	164,811	1,197,129	3,183,066
Supplies	950,897	199,770	8,264	-	1,158,931
Contractual services	972,652	1,394,506	57,981	1,454	2,426,593
Internal service charges	242,816	72,625	2,165,610	-	2,481,051
Other Charges	130,144	12,039	4,945	29,144	176,272
Depreciation	1,597,286	417,699	-	-	2,014,985
General fund charges	49,523	-	-	-	49,523
Total operating expenses	<u>4,992,596</u>	<u>2,868,487</u>	<u>2,401,611</u>	<u>1,227,727</u>	<u>11,490,421</u>
Operating income (loss)	<u>1,031,238</u>	<u>(235,197)</u>	<u>414,101</u>	<u>(1,001,583)</u>	<u>208,559</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	97,891	46,981	16,035	19,690	180,597
Net change in fair value of investments	86,720	41,013	19,939	9,062	156,734
Interest expense and fiscal fees	-	-	-	(303)	(303)
Gain(loss) on sale on disposal of assets	55,952	-	-	-	55,952
Total nonoperating revenues (expenses)	<u>240,563</u>	<u>87,994</u>	<u>35,974</u>	<u>28,449</u>	<u>392,980</u>
Income (loss) before contributions and transfers	1,271,801	(147,203)	450,075	(973,134)	601,539
Transfers in	<u>1,791</u>	<u>34,974</u>	<u>-</u>	<u>-</u>	<u>36,765</u>
Change in net position	1,273,592	(112,229)	450,075	(973,134)	638,304
Total net position - beginning	<u>10,433,730</u>	<u>3,490,964</u>	<u>594,045</u>	<u>(9,264,609)</u>	<u>5,254,130</u>
Total net position - ending	<u>\$ 11,707,322</u>	<u>\$ 3,378,735</u>	<u>\$ 1,044,120</u>	<u>\$ (10,237,743)</u>	<u>\$ 5,892,434</u>

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

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Statement of Cash Flows
Internal service funds
For the Year Ended December 31, 2019

	Central Services	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 6,020,663	\$ 2,631,605
Other receipts	3,171	1,685
Payments to suppliers	(2,288,323)	(1,692,407)
Payments to employees	(1,571,583)	(922,409)
Payments for interfund services used	(242,816)	(72,625)
Net cash provided (used) by operating activities	<u>1,921,112</u>	<u>(54,151)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	1,791	34,974
Net cash provided (used) by noncapital financing activities	<u>1,791</u>	<u>34,974</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest and fiscal charges paid on capital debt	-	-
Acquisition of capital assets	(1,679,611)	(43,201)
Proceeds from sale of capital assets	55,951	-
Net cash provided (used) by capital and related financing activities	<u>(1,623,660)</u>	<u>(43,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	184,773	88,811
Net cash provided (used) by investing activities	<u>184,773</u>	<u>88,811</u>
Net increase (decrease) in cash and cash equivalents	484,016	26,433
Balances - beginning of year	5,073,803	2,583,314
Balances - end of the year	<u>\$ 5,557,819</u>	<u>\$ 2,609,747</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ 1,031,238	\$ (235,197)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,597,286	417,700
Changes in assets and liabilities:		
Customer Receivables	-	-
Due from other governmental units	-	-
Inventory	10,229	-
Prepaid expenses	(600)	(29,699)
Pensions (deferred outflow)	163,916	63,172
Accounts Payable - Supplier	(199,077)	(43,460)
Salaries & Benefits Payable	2,765	1,184
Due to other governmental units	4,341	(12,933)
Compensated absences	-	-
Net pension liability	(488,685)	(144,901)
Pensions (deferred inflow)	(200,301)	(70,017)
Other post employment benefits	-	-
Net cash provided (used) by operating activities	<u>\$ 1,921,112</u>	<u>\$ (54,151)</u>
CASH RECONCILIATION		
Actual Balance - end of year	\$ 5,557,819	\$ 2,609,747

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

Loss Control	Benefit Accrual	Total
\$ 2,381,437	\$ 259,061	\$ 11,292,766
434,346	3,858	443,060
347,363	29,053	(3,604,314)
(65,512)	(607,253)	(3,166,757)
(2,165,610)	-	(2,481,051)
<u>932,024</u>	<u>(315,281)</u>	<u>2,483,704</u>

-	-	36,765
-	-	<u>36,765</u>

-	(303)	(303)
-	-	(1,722,812)
-	-	55,951
-	(303)	<u>(1,667,164)</u>

32,234	23,264	329,082
<u>32,234</u>	<u>23,264</u>	<u>329,082</u>
964,258	(292,320)	1,182,387
415,803	1,069,986	9,142,906
<u>\$ 1,380,061</u>	<u>\$ 777,666</u>	<u>\$ 10,325,293</u>

\$ 414,101	\$ (1,001,583)	\$ 208,559
-	-	2,014,986
71	49,790	49,861
-	(13,015)	(13,015)
-	-	10,229
153,709	62,408	185,818
19,523	(2,162,616)	(1,916,005)
27,740	(2,108)	(216,905)
1,340	225,353	230,642
390,813	(650)	381,571
-	111,710	111,710
(52,379)	-	(685,965)
(22,894)	168,769	(124,443)
-	2,246,661	2,246,661
<u>\$ 932,024</u>	<u>\$ (315,281)</u>	<u>\$ 2,483,704</u>

\$ 1,380,061	\$ 777,666	\$ 10,325,293
--------------	------------	---------------

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2019

	Performance Deposits	Deputy Registrar	Unclaimed Property	Total Agency Funds
ASSETS				
Cash and investments	\$ 2,062,368	\$ 174,177	\$ 42,263	\$ 2,278,808
Accounts receivable	25,395	-	-	25,395
Total Cash	2,087,763	174,177	42,263	2,304,203
Total assets	2,087,763	174,177	42,263	2,304,203
LIABILITIES				
Accounts Payable	\$ 170	\$ -	\$ -	\$ 170
Due to other governmental units	-	174,177	177	174,354
Customer and contractor deposits	2,087,593	-	42,086	2,129,679
Total liabilities	2,087,763	174,177	42,263	2,304,203

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

City of Brooklyn Park, Minnesota
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2019

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Performance Deposits Fund				
Assets				
Cash and investments	\$ 1,985,483	\$ 1,039,398	\$ 962,514	\$ 2,062,368
Accounts receivable	-	25,395	-	25,395
Total assets	<u>\$ 1,985,483</u>	<u>\$ 1,064,793</u>	<u>\$ 962,514</u>	<u>\$ 2,087,763</u>
Liabilities				
Accounts payable	\$ 2,026	\$ 896,505	\$ 898,361	\$ 170
Customer and contractor deposits	1,983,458	1,066,793	962,658	2,087,593
Total liabilities	<u>\$ 1,985,484</u>	<u>\$ 1,963,298</u>	<u>\$ 1,861,019</u>	<u>\$ 2,087,763</u>
Deputy Registrar Fund				
Assets				
Cash and investments	\$ 164,536	\$ 13,739,511	\$ 13,729,871	\$ 174,177
Accounts receivable	888	-	888	-
Total assets	<u>\$ 165,424</u>	<u>\$ 13,739,511</u>	<u>\$ 13,730,759</u>	<u>\$ 174,177</u>
Liabilities				
Due to other governmental units	\$ 165,424	\$ 13,740,347	\$ 13,731,594	\$ 174,177
Total liabilities	<u>\$ 165,424</u>	<u>\$ 13,740,347</u>	<u>\$ 13,731,594</u>	<u>\$ 174,177</u>
Unclaimed Property Fund				
Assets				
Cash and investments	\$ 809	\$ 43,664	\$ 2,210	\$ 42,263
Due from other funds	-	-	-	-
Total assets	<u>\$ 809</u>	<u>\$ 43,664</u>	<u>\$ 2,210</u>	<u>\$ 42,263</u>
Liabilities				
Due to other governmental units	\$ 809	\$ 699	\$ 1,332	\$ 177
Customer and contractor deposits	-	42,964	878	42,086
Total liabilities	<u>\$ 809</u>	<u>\$ 43,664</u>	<u>\$ 2,210</u>	<u>\$ 42,263</u>
All Agency Funds				
Assets				
Cash and investments	\$ 2,150,828	\$ 14,822,573	\$ 14,694,594	\$ 2,278,808
Accounts receivable	888	25,395	888	25,395
Total assets	<u>\$ 2,151,716</u>	<u>\$ 14,847,968</u>	<u>\$ 14,695,482</u>	<u>\$ 2,304,203</u>
Liabilities				
Accounts payable	\$ 2,025	\$ 896,505	\$ 898,361	\$ 170
Due to other governmental units	166,233	13,741,046	13,732,926	174,354
Customer and contractor deposits	1,983,458	1,109,758	963,536	2,129,679
Total liabilities	<u>\$ 2,151,716</u>	<u>\$ 15,747,309</u>	<u>\$ 15,594,822</u>	<u>\$ 2,304,203</u>

This Page Has Been Intentionally Left Blank.

Brooklyn Park, Minnesota
General Debt Service
Combining Balance Sheet by Subfund
December 31, 2019

	2010 Recreation Revenue Bonds	2010 EDA Lease Revenue Bonds	2011 Public Safety Ref Bonds	2014 Capital Improvement Bonds
ASSETS				
Cash and investments	\$ 355,905	\$ 187,047	\$ 1,401,801	\$ 672,145
Accrued interest receivable	1,104	78	7,159	3,417
Special Assessments - Delinquent	-	-	-	-
Special Assessments Deferred	-	-	-	-
Total assets	<u>\$ 357,009</u>	<u>\$ 187,125</u>	<u>\$ 1,408,960</u>	<u>\$ 675,562</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 500	\$ 5,000
Total liabilities	<u>-</u>	<u>-</u>	<u>500</u>	<u>5,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	-
Unavailable resources - other	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	357,009	187,125	1,408,460	670,562
Total fund balances (deficits)	<u>357,009</u>	<u>187,125</u>	<u>1,408,460</u>	<u>670,562</u>
Total liabilities and fund balances (deficits)	<u>\$ 357,009</u>	<u>\$ 187,125</u>	<u>\$ 1,408,960</u>	<u>\$ 675,562</u>

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

2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	Total
\$ 1,688,035	\$ 213,573	\$ 79,586	\$ 4,598,092
5,165	-	-	16,923
296	-	-	296
77,735	-	-	77,735
<u>\$ 1,771,231</u>	<u>\$ 213,573</u>	<u>\$ 79,586</u>	<u>\$ 4,693,046</u>
\$ -	\$ 5,085	\$ -	\$ 10,585
-	5,085	-	10,585
78,031	-	-	78,031
178,450	-	-	178,450
<u>256,481</u>	<u>-</u>	<u>-</u>	<u>256,481</u>
1,514,750	208,488	79,586	4,425,980
<u>1,514,750</u>	<u>208,488</u>	<u>79,586</u>	<u>4,425,980</u>
<u>\$ 1,771,231</u>	<u>\$ 213,573</u>	<u>\$ 79,586</u>	<u>\$ 4,693,046</u>

Brooklyn Park, Minnesota
General Debt Service
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Subfund
For the Year Ended December 31, 2019

	2010 Recreation Revenue Bonds	2010 EDA Lease Revenue Bonds	2011 Public Safety Ref Bonds	2014 Capital Improvement Bonds
REVENUES				
General property taxes	\$ -	\$ -	\$ 794,688	\$ 673,937
Special Assessments	-	-	-	-
Intergovernmental revenue	-	-	-	-
Investment income	3,983	(493)	17,808	5,188
Net change in fair value of investments	3,720	264	24,126	11,516
Total revenues	<u>7,703</u>	<u>(229)</u>	<u>836,622</u>	<u>690,641</u>
EXPENDITURES				
Current:				
Capital outlay:				
Debt service:				
Principal retirement	100,000	135,000	660,000	400,000
Interest	42,096	46,169	85,055	249,902
Total expenditures	<u>142,096</u>	<u>181,169</u>	<u>745,055</u>	<u>649,902</u>
Excess (deficiency) of revenues over expenditures	<u>(134,393)</u>	<u>(181,398)</u>	<u>91,567</u>	<u>40,739</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	148,000	180,000	-	-
Proceeds from issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>148,000</u>	<u>180,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,607	(1,398)	91,567	40,739
Fund balances - beginning	343,402	188,523	1,316,893	629,823
Fund balances - ending	<u>\$ 357,009</u>	<u>\$ 187,125</u>	<u>\$ 1,408,460</u>	<u>\$ 670,562</u>

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

2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	Total
\$ 123,059	\$ 302,704	\$ -	\$ 1,894,388
79,315	-	-	79,315
183,650	-	-	183,650
24,130	-	-	50,616
20,357	-	-	59,983
<u>430,511</u>	<u>302,704</u>	<u>-</u>	<u>2,267,952</u>
1,020,000	525,000	-	2,840,000
75,695	206,341	-	705,258
<u>1,095,695</u>	<u>731,341</u>	<u>-</u>	<u>3,545,258</u>
(665,184)	(428,637)	-	(1,277,306)
454,237	443,219	-	1,225,456
-	-	79,586	79,586
<u>454,237</u>	<u>443,219</u>	<u>79,586</u>	<u>1,305,042</u>
(210,947)	14,582	79,586	27,736
1,725,697	193,906	-	4,398,244
<u>\$ 1,514,750</u>	<u>\$ 208,488</u>	<u>\$ 79,586</u>	<u>\$ 4,425,980</u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2019

<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>				
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>\$ 7,925,000</u>	<u>\$ 2,281,575</u>	<u>\$ 10,206,575</u>
<u>General Obligation, Series 2016A</u>				
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>\$ 3,435,000</u>	<u>\$ 190,741</u>	<u>\$ 3,625,741</u>
<u>General Obligation, Series 2017A</u>				
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>\$ 6,795,000</u>	<u>\$ 1,141,734</u>	<u>\$ 7,936,734</u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2019

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>General Obligation, Series 2019A</u>				
2020	3.000%		153,811	153,811
2021	3.000%	155,000	145,350	300,350
2022	3.000%	160,000	139,050	299,050
2023	3.000%	170,000	132,450	302,450
2024	3.000%	175,000	125,550	300,550
2025	3.000%	185,000	118,350	303,350
2026	3.000%	190,000	110,850	300,850
2027	2.125%	195,000	103,150	298,150
2028	2.250%	205,000	95,150	300,150
2029	3.000%	215,000	87,825	302,825
2030	3.000%	220,000	81,300	301,300
2031	3.000%	225,000	74,625	299,625
2032	3.000%	235,000	67,725	302,725
2033	3.000%	240,000	60,600	300,600
2034	3.000%	250,000	53,250	303,250
2035	3.000%	255,000	45,675	300,675
2036	3.000%	265,000	37,875	302,875
2037	3.000%	270,000	29,850	299,850
2038	3.000%	280,000	21,600	301,600
2039	3.000%	285,000	13,125	298,125
2040	3.000%	295,000	4,425	299,425
		<u>\$ 4,470,000</u>	<u>\$ 1,701,586</u>	<u>\$ 6,171,586</u>
Total General Obligation Bonds		<u><u>\$ 22,625,000</u></u>	<u><u>\$ 5,315,636</u></u>	<u><u>\$ 27,940,636</u></u>

General Obligation Refunding Bonds

General Obligation Public Safety Refunding Bonds, Series 2011A

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>\$ 2,810,000</u>	<u>\$ 162,988</u>	<u>\$ 2,972,988</u>

General Obligation Refunding Bonds, Series 2018A

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>\$ 10,525,000</u>	<u>\$ 2,722,325</u>	<u>\$ 13,247,325</u>

Total General Obligation Refunding Bonds		<u><u>\$ 13,335,000</u></u>	<u><u>\$ 2,885,313</u></u>	<u><u>\$ 16,220,313</u></u>
---	--	-----------------------------	----------------------------	-----------------------------

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2019

<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>				
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		<u>\$ 1,085,000</u>	<u>\$ 199,805</u>	<u>\$ 1,284,805</u>
Brooklyn Park Economic Development Authority Debt				
<u>Lease Revenue Bonds, Series 2010A</u>				
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		<u>\$ 1,265,000</u>	<u>\$ 192,082</u>	<u>\$ 1,457,082</u>
Total Economic Development Authority Debt		<u><u>\$ 1,265,000</u></u>	<u><u>\$ 192,082</u></u>	<u><u>\$ 1,457,082</u></u>

City of Brooklyn Park, Minnesota
Schedule of Long-Term Debt Issues Payable
December 31, 2019

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Other Debt				
Notes Payable - Sac Loan Met Council				
2020	2.25%	3,832	200	4,032
2021	2.25%			
2022	2.25%			
Sub-total		<u>\$ 3,832</u>	<u>\$ 200</u>	<u>\$ 4,032</u>
Total Other Debt		<u><u>\$ 3,832</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 4,032</u></u>
Total Long Term Debt Issues Payable		<u><u>\$ 38,313,832</u></u>	<u><u>\$ 8,593,037</u></u>	<u><u>\$ 46,906,869</u></u>

Brooklyn Park, Minnesota
Economic Development Authority
Combining Balance Sheet by Subfund
December 31, 2019

	EDA General Activities	EDA Rehab Loan Program	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program	EDA Townhome Loan Program
ASSETS					
Cash and investments	\$ 12,702,030	\$ 809,186	\$ 31,189	\$ 5,386,122	\$ 1,674,950
Investments with escrow agent	-	-	-	-	-
Accrued interest receivable	74,715	3,962	-	37,010	8,351
Accounts receivable	3,679	-	-	-	-
Special Assessments Deferred	-	-	-	-	-
Due from other funds	13,319	-	-	-	-
Prepaid expenditures	4,250	-	-	-	-
Notes receivable	234,356	331,259	-	149,570	122,317
Total assets	<u>\$ 13,032,349</u>	<u>\$ 1,144,407</u>	<u>\$ 31,189</u>	<u>\$ 5,572,702</u>	<u>\$ 1,805,618</u>
LIABILITIES					
Accounts Payable	\$ 50,271	\$ 166,157	\$ -	\$ -	\$ -
Customer and contractor deposits	87,895	-	-	-	20,483
Advances from other funds	-	-	-	-	(142,006)
Total liabilities	<u>138,166</u>	<u>166,157</u>	<u>-</u>	<u>-</u>	<u>(121,523)</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - notes receivable	234,356	331,259	-	159,320	122,318
Unavailable resources - other	-	-	-	-	-
Total deferred inflow of resources	<u>234,356</u>	<u>331,259</u>	<u>-</u>	<u>159,320</u>	<u>122,318</u>
FUND BALANCES (DEFICITS)					
Nonspendable	4,250	-	-	-	-
Committed	-	646,991	31,189	5,413,382	1,804,823
Assigned	12,655,577	-	-	-	-
Total fund balances (deficits)	<u>12,659,827</u>	<u>646,991</u>	<u>31,189</u>	<u>5,413,382</u>	<u>1,804,823</u>
Total liabilities and fund balances (deficits)	<u>\$ 13,032,349</u>	<u>\$ 1,144,407</u>	<u>\$ 31,189</u>	<u>\$ 5,572,702</u>	<u>\$ 1,805,618</u>

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

EDA - HIA Program	EDA Housing Set Aside Fund	EDA Transitional Housing	EDA Target Abatement	EDA- Doran Abatement	Total
\$ 111,896	\$ 9,656,476	\$ 22,664	\$ 1,035,793	\$ 197,822	\$ 31,628,128
-	-	22,032	-	-	22,032
-	60,293	-	5,303	-	189,634
-	-	-	-	-	3,679
76,400	-	-	-	-	76,400
-	-	-	-	-	13,319
-	-	-	-	-	4,250
-	1,400,000	-	-	-	2,237,502
<u>\$ 188,296</u>	<u>\$ 11,116,769</u>	<u>\$ 44,696</u>	<u>\$ 1,041,096</u>	<u>\$ 197,822</u>	<u>\$ 34,174,944</u>
\$ -	\$ 2,267	\$ 752	\$ -	\$ -	\$ 219,447
-	-	2,812	-	-	111,190
142,006	-	-	-	-	-
<u>142,006</u>	<u>2,267</u>	<u>3,564</u>	<u>-</u>	<u>-</u>	<u>330,637</u>
76,400	-	-	-	-	76,400
-	400,000	-	-	-	1,247,253
-	-	(64)	-	-	(64)
<u>76,400</u>	<u>400,000</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>1,323,589</u>
-	-	-	-	-	4,250
-	10,714,502	41,196	-	-	18,652,083
(30,110)	-	-	1,041,096	197,822	13,864,385
<u>(30,110)</u>	<u>10,714,502</u>	<u>41,196</u>	<u>1,041,096</u>	<u>197,822</u>	<u>32,520,718</u>
<u>\$ 188,296</u>	<u>\$ 11,116,769</u>	<u>\$ 44,696</u>	<u>\$ 1,041,096</u>	<u>\$ 197,822</u>	<u>\$ 34,174,944</u>

Brooklyn Park, Minnesota
Economic Development Authority
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Subfund
For the Year Ended December 31, 2019

	EDA General Activities	EDA Rehab Loan Program	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program	EDA Townhome Loan Program
REVENUES					
General property taxes	\$ 1,413,381	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Refunds and reimbursements	182,908	-	-	-	-
Charges for services	10,482	-	-	-	-
Investment income	275,087	21,886	-	113,770	39,140
Net change in fair value of investments	252,265	13,353	-	91,873	28,365
Lease Income	-	-	-	-	-
Other revenue	30,901	15,264	-	-	71,774
Total revenues	<u>2,165,024</u>	<u>50,503</u>	<u>-</u>	<u>205,643</u>	<u>139,279</u>
EXPENDITURES					
Current:					
Community Development	1,884,589	170,120	-	2,209	682
Capital outlay:					
Community Development	182,218	-	-	-	-
Debt service:					
Interest	-	-	-	-	-
Total expenditures	<u>2,066,807</u>	<u>170,120</u>	<u>-</u>	<u>2,209</u>	<u>682</u>
Excess (deficiency) of revenues over expenditures	<u>98,217</u>	<u>(119,617)</u>	<u>-</u>	<u>203,434</u>	<u>138,597</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(1,525,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,525,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,427,489)	(119,617)	-	203,434	138,597
Fund balances - beginning	<u>14,087,316</u>	<u>766,608</u>	<u>31,189</u>	<u>5,209,948</u>	<u>1,666,226</u>
Fund balances - ending	<u>\$ 12,659,827</u>	<u>\$ 646,991</u>	<u>\$ 31,189</u>	<u>\$ 5,413,382</u>	<u>\$ 1,804,823</u>

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

EDA - HIA Program	EDA Housing Set Aside Fund	EDA Transitional Housing	EDA Target Abatement	EDA- Doran Abatement	Total
\$ -	\$ -	\$ -	\$ 200,000	\$ 375,000	\$ 1,988,381
37,357	-	-	-	-	37,357
-	-	-	-	-	182,908
-	-	-	-	-	10,482
-	140,333	-	20,403	-	610,619
-	203,208	-	17,872	-	606,936
-	-	30,257	-	-	30,257
-	-	1,000	-	-	118,939
<u>37,357</u>	<u>343,541</u>	<u>31,257</u>	<u>238,275</u>	<u>375,000</u>	<u>3,585,879</u>
-	409,578	26,988	4,850	91,990	2,591,006
-	-	-	-	-	182,218
-	-	23	117,429	182,671	300,123
-	<u>409,578</u>	<u>27,011</u>	<u>122,279</u>	<u>274,661</u>	<u>3,073,347</u>
<u>37,357</u>	<u>(66,037)</u>	<u>4,246</u>	<u>115,996</u>	<u>100,339</u>	<u>512,532</u>
-	-	-	-	-	(1,525,706)
-	-	-	-	-	(1,525,706)
37,357	(66,037)	4,246	115,996	100,339	(1,013,174)
(67,467)	10,780,539	36,950	925,100	97,483	33,533,892
<u>\$ (30,110)</u>	<u>\$ 10,714,502</u>	<u>\$ 41,196</u>	<u>\$ 1,041,096</u>	<u>\$ 197,822</u>	<u>\$ 32,520,718</u>

Brooklyn Park, Minnesota
Tax Increment Financing
Combining Balance Sheet by Subfund
December 31, 2019

	1996 Loan	Tax Increment District #3	Tax Increment District #15	Tax Increment District #16
ASSETS				
Cash and investments	\$ 10,031,707	\$ 2,964,014	\$ -	\$ 621,977
Accrued interest receivable	47,071	15,368	-	7,352
Taxes receivable - Delinquent	-	-	-	-
Property held for resale	1,449,839	2,756,200	-	-
Notes receivable	-	-	2,613,353	-
Allowance for uncollectible accounts	-	-	(2,613,353)	-
Total assets	<u>\$ 11,528,617</u>	<u>\$ 5,735,582</u>	<u>\$ -</u>	<u>\$ 629,329</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,755
Customer and contractor deposits	-	-	-	-
Advances from other funds	(4,546,556)	-	-	-
Total liabilities	<u>(4,546,556)</u>	<u>-</u>	<u>-</u>	<u>1,755</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	16,075,173	5,735,582	-	627,574
Total fund balances (deficits)	<u>16,075,173</u>	<u>5,735,582</u>	<u>-</u>	<u>627,574</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,528,617</u>	<u>\$ 5,735,582</u>	<u>\$ -</u>	<u>\$ 629,329</u>

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

Tax Increment District #17	Tax Increment District #18	Tax Increment District #20	Tax Increment District #24	Tax Increment District #25	Total
\$ 397,737	\$ 1,754,218	\$ 17,572	\$ 168,907	\$ 151,110	\$ 16,107,242
-	8,923	4,330	856	741	84,641
-	-	5,336	-	-	5,336
-	-	1,598,982	-	-	5,805,021
763,749	660,164	477,500	-	-	4,514,766
(763,749)	(660,164)	(477,500)	-	-	(4,514,766)
<u>\$ 397,737</u>	<u>\$ 1,763,141</u>	<u>\$ 1,626,220</u>	<u>\$ 169,763</u>	<u>\$ 151,851</u>	<u>\$ 22,002,240</u>
\$ -	\$ -	\$ -	\$ 24,385	\$ -	\$ 26,140
-	-	1,500	-	-	1,500
-	-	4,546,556	-	-	-
-	-	4,548,056	24,385	-	27,640
-	-	5,336	-	-	5,336
-	-	5,336	-	-	5,336
397,737	1,763,141	(2,927,172)	145,378	151,851	21,969,264
<u>397,737</u>	<u>1,763,141</u>	<u>(2,927,172)</u>	<u>145,378</u>	<u>151,851</u>	<u>21,969,264</u>
<u>\$ 397,737</u>	<u>\$ 1,763,141</u>	<u>\$ 1,626,220</u>	<u>\$ 169,763</u>	<u>\$ 151,851</u>	<u>\$ 22,002,240</u>

Brooklyn Park, Minnesota
Tax Increment Financing
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Subfund
For the Year Ended December 31, 2019

	1996 Loan	Tax Increment District #3	Tax Increment District #16	Tax Increment District #17
REVENUES				
Tax increments	\$ -	\$ -	\$ 481,724	\$ -
Investment income	525,537	66,376	26,142	-
Net change in fair value of investments	158,645	51,796	24,780	-
Lease Income	-	800	-	-
Total revenues	<u>684,182</u>	<u>118,972</u>	<u>532,646</u>	<u>-</u>
EXPENDITURES				
Current:				
Community Development	3,814	424,401	2,596	6,478
Capital outlay:				
Debt service:				
Interest	-	-	-	-
Total expenditures	<u>3,814</u>	<u>424,401</u>	<u>2,596</u>	<u>6,478</u>
Excess (deficiency) of revenues over expenditures	<u>680,368</u>	<u>(305,429)</u>	<u>530,050</u>	<u>(6,478)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other TIF districts	-	-	-	-
Transfers to other funds	-	-	-	-
Transfer to other TIF districts	-	-	(405,170)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(405,170)</u>	<u>-</u>
Net change in fund balances	680,368	(305,429)	124,880	(6,478)
Fund balances - beginning	15,394,805	6,041,011	502,694	404,215
Fund balances - ending	<u>\$ 16,075,173</u>	<u>\$ 5,735,582</u>	<u>\$ 627,574</u>	<u>\$ 397,737</u>

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

Tax Increment District #18	Tax Increment District #20	Tax Increment District #22	Tax Increment District #24	Tax Increment District #25	Total
\$ -	\$ 850,707	\$ -	\$ 147,809	\$ 115,078	\$ 1,595,318
37,197	9,080	(2,997)	(4,183)	864	658,016
30,072	14,591	-	2,887	2,497	285,268
-	-	-	-	-	800
<u>67,269</u>	<u>874,378</u>	<u>(2,997)</u>	<u>146,513</u>	<u>118,439</u>	<u>2,539,402</u>
723	351	806,624	148,508	43,877	1,437,372
-	329,931	-	2,665	5,884	338,480
<u>723</u>	<u>330,282</u>	<u>806,624</u>	<u>151,173</u>	<u>49,761</u>	<u>1,775,852</u>
<u>66,546</u>	<u>544,096</u>	<u>(809,621)</u>	<u>(4,660)</u>	<u>68,678</u>	<u>763,550</u>
-	405,170	-	-	-	405,170
-	(939,300)	-	-	-	(939,300)
-	-	-	-	-	(405,170)
<u>-</u>	<u>(534,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(939,300)</u>
66,546	9,966	(809,621)	(4,660)	68,678	(175,750)
1,696,595	(2,937,138)	809,621	150,038	83,173	22,145,014
<u>\$ 1,763,141</u>	<u>\$ (2,927,172)</u>	<u>\$ -</u>	<u>\$ 145,378</u>	<u>\$ 151,851</u>	<u>\$ 21,969,264</u>

This Page Has Been Intentionally Left Blank.

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.	145-152
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	153-156
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.	157-162
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.	163-164

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)

	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 133,823,358	\$ 134,021,169	\$ 136,324,406	\$ 142,527,033	\$ 135,348,107
Restricted	47,385,463	55,684,098	36,839,437	36,616,035	36,438,822
Unrestricted	67,682,264	68,745,548	85,913,883	75,316,747	82,268,454
Total governmental activities net position	\$ 248,891,085	\$ 258,450,815	\$ 259,077,726	\$ 254,459,815	\$ 254,055,383
Business - type activities					
Net investment in capital assets	\$ 121,720,074	\$ 120,568,674	\$ 121,413,636	\$ 118,115,014	\$ 117,274,922
Restricted	-	-	-	-	-
Unrestricted	32,047,465	33,894,377	34,730,105	38,104,394	41,692,283
Total business - type activities net position	\$ 153,767,539	\$ 154,463,051	\$ 156,143,741	\$ 156,219,408	\$ 158,967,205
Primary government					
Net investment in capital assets	\$ 255,543,432	\$ 254,589,843	\$ 257,738,042	\$ 260,642,047	\$ 252,623,029
Restricted	47,385,463	55,684,098	36,839,437	36,616,035	36,438,822
Unrestricted	99,729,729	102,639,925	120,643,988	113,421,141	123,960,737
Total primary government net position	\$ 402,658,624	\$ 412,913,866	\$ 415,221,467	\$ 410,679,223	\$ 413,022,588
	2015	2016	2017	2018	2019
Governmental activities					
Net Investment in capital assets	\$ 139,442,647	\$ 140,831,106	\$ 137,434,431	\$ 138,539,221	\$ 141,862,073
Restricted	36,171,978	37,351,263	30,566,088	32,238,199	32,878,555
Unrestricted	49,540,522	46,999,331	65,208,598	62,766,233	59,894,380
Total governmental activities net position	\$ 225,155,147	\$ 225,181,700	\$ 233,209,117	\$ 233,543,653	\$ 234,635,008
Business - type activities					
Net Investment in capital assets	\$ 117,769,644	\$ 117,450,394	\$ 115,610,153	\$ 114,563,747	\$ 114,637,111
Restricted	-	-	-	-	-
Unrestricted	42,235,376	42,669,978	43,571,003	46,231,395	50,990,125
Total business - type activities net position	\$ 160,005,020	\$ 160,120,372	\$ 159,181,156	\$ 160,795,142	\$ 165,627,236
Primary government					
Net Investment in capital assets	\$ 257,212,291	\$ 258,281,500	\$ 253,044,584	\$ 253,102,967	\$ 256,499,184
Restricted	36,171,978	37,351,263	30,566,088	32,238,199	32,878,555
Unrestricted	91,775,898	89,669,309	108,779,601	109,351,374	110,884,505
Total primary government net position	\$ 385,160,167	\$ 385,302,072	\$ 392,390,273	\$ 394,692,540	\$ 400,262,244

This Page Has Been Intentionally Left Blank.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 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	\$7,441,115
Community development	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	19,669,932
Public safety	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	33,203,569
Public works	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	16,419,427
Recreation and parks	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	12,250,707
Debt service	2,100,298	1,787,160	1,593,262	758,018	881,239	831,960	1,254,189	1,178,592	1,444,969	717,047
Total governmental activities expenses	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	89,701,797
Business-type activities:										
Public Utilities	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	14,708,153
Storm sewer	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	1,702,797
Street/signal light	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	1,120,630
Golf courses	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	3,215,627
Park Dome										2,310
Total business-type activities	16,209,714	15,945,150	16,408,966	17,263,240	17,963,001	19,196,275	18,558,388	20,308,179	18,298,421	20,749,517
Total primary government expenses	\$ 73,050,892	\$ 74,754,955	\$ 82,577,494	\$ 78,108,480	\$ 84,917,422	\$ 87,452,975	\$ 89,848,881	\$ 93,934,326	\$ 85,756,231	\$ 110,451,314
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,157,177	\$ 1,317,200	\$ 1,167,383	\$ 1,156,295	\$ 1,260,600	\$ 1,508,406	\$ 814,208	\$ 694,235	\$ 570,939	808,507
Community development	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	281,787
Public safety	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	4,320,580
Public works	1,446,682	450,951	2,376,809	2,687,194	1,417,462	1,930,695	729,520	86,689	220,347	159,381
Recreation and parks	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	2,710,948
Debt service	179,400	147,175	70,679	90,316	49,984	225,773	-	-	-	-
Operating grants and contributions	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	3,929,872
Capital grants and contributions	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	15,067,040
Total governmental activities program revenues	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	27,278,115
Business-type activities:										
Charges for services:										
Public Utilities	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	16,815,855
Golf courses	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	1,985,883
Storm sewer	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	2,013,905
Street/signal light	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	1,462,390
Operating grants and contributions	506,065	477,628	457,810	433,852	422,653	443,920	223,814	196,928	178,720	201,462
Capital grants and contributions	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	17,586,008	17,223,728	19,500,433	20,467,713	18,665,754	19,988,339	19,411,024	20,416,792	21,930,510	22,479,495
Total primary government program revenues	\$ 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	\$ 49,757,610
Net revenue/(expense)										
Governmental activities	\$ (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)	\$ (62,423,682)
Business-type activities	1,376,294	1,278,578	3,091,467	3,204,473	702,753	792,064	852,636	108,613	3,632,089	1,729,978
Total primary government net revenue/(expense)	\$ (33,707,567)	\$ (36,178,734)	\$ (37,851,599)	\$ (36,410,550)	\$ (43,341,775)	\$ (45,197,583)	\$ (54,072,853)	\$ (55,893,653)	\$ (50,474,953)	\$ (60,693,704)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 48,805,072
Franchise Fees	-	-	-	-	-	-	4,468,041	5,732,536	5,879,239	5,999,001
Grants and contributions not restricted to specific programs	746,191	888,084	879,639	924,924	1,011,448	1,063,353	1,194,826	1,213,077	1,375,913	1,382,144
Interest and investment earnings	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	5,312,959
Gain (loss) on disposal of assets	50,817	-	112,355	362,829	34,654	66,709	423,636	47,553	47,426	76,575
Other revenue	134,798	53,570	34,268	29,792	343,040	54,997	2,916,443	5,986,783	2,400,260	2,590,693
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers	(1,481,310)	(242,536)	(153,211)	198,195	(3,007,096)	(3,551,470)	(191,256)	89,000	48,450	(982,512)
Total governmental activities	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	63,183,932
business-type activities:										
Property taxes	-	-	-	-	-	-	-	-	3,000	-
Interest and investment earnings	733,856	1,222,617	742,789	(570,374)	1,481,373	498,995	432,082	423,731	301,722	1,827,336
Gain (loss) on disposal of assets	2,000	-	10,900	16,045	1,950	8,539	9,749	-	2,000	-
Other revenue	28,193	33,810	10,073	16,285	15,395	15,848	790,842	737,383	420,168	269,628
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers	1,481,310	242,536	153,211	(198,195)	3,007,096	3,551,470	191,256	(89,000)	(48,450)	982,512
Total business-type activities	2,245,359	1,498,963	916,973	(736,239)	4,505,814	4,074,852	1,423,929	1,072,114	678,440	3,079,476
Total primary government	\$ 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	\$ 66,263,408
Change in Net Position										
Governmental activities	\$ 8,325,909	\$ 9,537,041	\$ 626,911	\$ 1,670,862	\$ (844,674)	\$ (6,384,911)	\$ 26,553	\$ 8,027,417	\$ 4,772,473	\$ 760,250
business-type activities	3,621,653	2,777,541	4,008,440	2,468,234	5,208,567	4,866,916	115,352	1,180,727	4,310,529	4,809,454
Total primary government	\$ 11,947,562	\$ 12,314,582	\$ 4,635,351	\$ 4,139,096	\$ 4,363,893	\$ (1,517,995)	\$ 141,905	\$ 9,208,144	\$ 9,083,002	\$ 5,569,704

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

	2010	2011	2012	2013	2014
General fund					
Reserved	\$ 1,719,605	\$ 1,730,976	\$ 1,651,968	\$ 57,489	\$ 64,088
Unreserved	11,408,349	11,779,960	12,552,289	13,945,109	15,229,276
Total general fund	<u>\$ 13,127,954</u>	<u>\$ 13,510,936</u>	<u>\$ 14,204,257</u>	<u>\$ 14,002,598</u>	<u>\$ 15,293,364</u>
All other governmental funds					
Reserved	\$ 23,250,978	\$ -	\$ -		
Unreserved, reported in:		54,143,678	53,710,792		
Special revenue funds	5,379,974	33,114,379	35,237,647		
Capital project funds	64,435,921	(137,993)	(160,925)		
Non-spendable				\$ -	\$ 5,768
Restricted				41,096,333	40,589,060
Committed				38,141,909	33,580,452
Assigned				15,016,984	21,626,392
Unassigned				(23,044)	(28,855)
Total all other governmental funds	<u>\$ 93,066,873</u>	<u>\$ 105,067,588</u>	<u>\$ 103,659,086</u>	<u>\$ 94,232,182</u>	<u>\$ 95,772,817</u>
	2015	2016	2017	2018	2019
General fund					
Nonspendable	\$ 143,458	\$ 23,892	\$ 56,985	19,996	42,374
Unassigned	17,037,648	17,040,497	19,808,615	19,084,566	21,878,246
Total general fund	<u>\$ 17,181,106</u>	<u>\$ 17,064,389</u>	<u>\$ 19,865,600</u>	<u>\$ 19,104,562</u>	<u>\$ 21,920,620</u>
All other governmental funds					
Non-spendable	\$ 11,661	\$ 7,907	\$ 6,835	\$ 5,847	\$ 10,311
Restricted	39,300,557	39,730,987	29,134,590	29,958,501	30,010,118
Committed	30,562,802	34,975,677	51,118,841	54,831,323	50,737,646
Assigned	16,572,305	17,025,951	18,158,368	17,860,540	16,626,420
Unassigned	(105,440)	(452,531)	(1,387)	(21,274)	(75,828)
Total all other governmental funds	<u>\$ 86,341,885</u>	<u>\$ 91,287,991</u>	<u>\$ 98,417,247</u>	<u>\$ 102,634,937</u>	<u>\$ 97,308,667</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>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>	<u>2019</u>
Revenues										
General property taxes (including tax increments)	\$ 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	48,520,789
Franchise Fees	-	-	-	-	-	-	4,468,041	5,732,536	5,879,239	5,999,001
Special assessments	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	1,022,167
Interest on special assessments	641,027	549,643	421,351	424,684	506,785	149,917	75,607	92,817	14,065	14,505
Licenses and permits	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	3,667,960
Fines and forfeitures	613,337	614,124	707,183	616,337	454,523	507,472	388,255	501,779	337,928	564,059
Intergovernmental revenue	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	19,315,761
Donations	48,809	149,459	123,807	91,098	119,194	144,054	1,870,815	102,818	282,458	428,483
Refunds and reimbursements	2,513,416	2,305,432	3,374,468	2,402,942	2,097,551	422,329	691,627	329,067	307,967	248,425
Charges for services	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	4,215,392
Investment income	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	4,495,628
Contributions from developers	-	-	-	-	-	-	-	-	-	-
Developers repayment	292,097	2,515,678	637,854	568,992	409,101	402,450	368,060	212,231	30,000	-
Lease income	304,873	342,502	404,787	377,070	451,399	382,190	360,390	401,463	434,575	338,110
Other revenue	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	1,487,839
Total revenues	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	90,318,119
Expenditures										
Current:										
General government	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	6,068,754
Community development	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	18,755,251
Public safety	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	31,288,531
Public works	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	9,466,066
Recreation and parks	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	10,838,210
Debt service:										
Principal	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	3,770,000
Interest and fiscal charges	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	1,453,210
Bond issuance costs	65,350	44,484	45,040	-	-	-	-	-	-	-
Capital outlay	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	14,944,286
Total expenditures	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	96,584,308
Excess (deficiency) of revenues over (under) expenditures	(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	(6,266,189)
Other financing sources (uses)										
Extraordinary item: storm damage recovery	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	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	11,362,756
Transfers to other funds	(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)	(12,382,033)
Proceeds from the issuance of debt	4,030,000	6,035,000	5,445,000	-	9,490,000	-	7,860,000	7,320,000	-	4,470,000
Premium from the issuance of debt	-	89,109	41,201	-	199,382	-	197,162	375,664	-	304,154
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	1,100
Proceeds from the disposal of capital assets	6,754	-	1,075	340,479	175	725	405,704	-	-	-
Total other financing sources (uses)	3,255,293	6,394,283	6,420,684	213,739	9,015,182	(667,920)	2,934,866	7,292,217	427,145	3,755,977
Change in accounting principle	-	-	-	-	204,966	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	1,122,239	-	-	-	-
Net change in fund balances	\$ 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	\$ (2,510,212)
Debt service as a percentage of noncapital expenditures	22.79%	17.68%	13.38%	23.01%	6.45%	5.94%	9.66%	8.02%	8.16%	5.41%

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
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%
2019		6,072,964,216	1,443,835,550	17,764,500	59,039,800	7,593,604,066	51.869%

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%
2019	50.605%	1.264%	51.869%	16.330%	24.615%	29.909%	48.204%

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	2019			2009		
		2018/2019 Tax Capacity	Rank	Percent of Total Tax Capacity	2008/2009 Tax Capacity	Rank	Percent of Total Tax Capacity
Target Corporation	Office/Retail/Land	\$ 2,002,266	1	2.37%	\$ 1,186,311	1	1.52%
Doran 610 Partners LLC	Apartments	752,176	2	0.89%	-	-	0.00%
BP 73rd LSD HSG LP	Apartments	633,619	3	0.75%	338,813	-	0.43%
BPP LLC	Industrial	599,484	4	0.71%	66,906	3	0.09%
MN Senior Living	Apartments	566,578	5	0.67%	200,978	-	0.26%
First Industrial LP	Industrial	441,118	6	0.52%	-	-	0.00%
Duke Secured Financing LLC	Industrial	431,308	7	0.51%	439,550	2	0.56%
681 Properties	Apartments	405,323	8	0.48%	205,186	-	0.26%
Mpls Hotel Acquisition Group LLC	Commercial	392,448	9	0.46%	207,594	-	0.27%
Willowbrook LLC	Apartments	375,016	10	0.44%	199,913	-	0.26%
Scannell Properties #258 LLC	Industrial	370,688	11	0.44%	-	-	0.00%
Brooklyn Park Paper	Industrial	370,386	12	0.44%	365,500	10	0.47%
Menards INC	Retail	363,250	13	0.43%	134,100	-	0.17%
HSRE-MN Prairie Care LLC	Commercial	342,500	14	0.41%	-	-	0.00%
Mimg XXXII Eden Park LLC	Apartments	315,212	15	0.00%	108,632	-	0.14%
Stag Industrial Holding LLC	Industrial	289,250	16	0.34%	-	-	0.00%
Mills Properties LLC	Retail	287,088	17	0.34%	373,972	9	0.48%
		\$ 8,937,710		10.20%	\$ 3,827,455		4.91%
Total Tax Capacity		\$ 84,551,497		100.00%	\$ 78,097,387		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
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%
2019	46,951,382	(79,371)	46,719,721	99.51%	-	46,719,721	99.51%

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	Net unamortized Premiums/ (Discounts)
2010	\$ 20,950,000	\$ 7,075,000	\$ 7,045,000	\$ 1,980,000	\$ 5,665,000	\$ 1,362,520	\$ -	\$ (154,999)
2011	25,000,000	5,300,000	3,630,000	1,800,000	4,510,000	904,892	-	(39,249)
2012	28,620,000	4,055,000	1,710,000	1,620,000	2,485,000	421,861	-	23,924
2013	15,400,000	3,675,000	1,495,000	1,440,000	1,915,000	230,284	-	58,603
2014	13,485,000	3,470,000	1,270,000	1,260,000	10,855,000	32,982	-	242,424
2015	11,515,000	3,255,000	1,030,000	1,080,000	10,630,000	30,708	113,262	224,106
2016	7,860,000	3,040,000	7,710,509	-	9,110,000	-	56,631	385,509
2017	13,470,000	2,815,000	5,945,000	-	8,720,000	-	-	713,996
2018	11,775,000	2,585,000	4,400,000	-	8,325,000	-	-	654,766
2019	14,700,000	2,350,000	2,810,000	-	7,925,000	-	-	897,431

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	Capital Leases	Notes Payable	Net unamortized Premiums/ (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 21,125,000	\$ -	\$ -	\$ -	\$ 65,047,521	3.37%	\$ 860
20,060,000	-	-	-	61,165,643	3.28%	804
16,700,000	-	-	-	55,635,785	2.90%	729
15,975,000	-	-	-	40,188,887	1.92%	522
15,240,000	-	-	-	45,855,406	2.17%	582
14,490,000	-	15,653	-	42,383,729	1.70%	526
13,720,000		27,176	-	41,909,825	1.81%	516
12,930,000		26,957	-	44,620,953	1.88%	543
11,540,000		19,809	900,661	40,200,235	1.61%	484
10,525,000		3,832	819,398	40,030,661	1.53%	482

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)
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
2019	22,625,000	4,402,528	18,222,472	0.24%	219

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, 2019

<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	\$ 175,390,000	5.33%	\$ 9,353,549
Osseo Independent School District 279	174,725,000	32.39%	56,593,428
Robbinsdale Independent School District 281	200,245,000	3.73%	7,469,139
Hennepin County	1,334,420,000	4.17%	55,645,377
Hennepin County Suburban Park District	61,035,000	5.88%	3,588,860
Hennepin Regional RR Authority	98,385,000	4.17%	4,102,655
Metropolitan Council	1,555,384,035	2.12%	33,005,246
Subtotal, overlapping debt			169,758,252
City of Brooklyn Park direct debt			<u>27,785,000</u>
Total direct and overlapping debt			<u>\$ 197,543,252</u>

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 overlapping government.

(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

	2010	2011	2012	2013	2014
Debt limit	\$ 164,941,431	\$ 164,521,431	\$ 142,867,995	\$ 148,619,643	\$ 163,131,993
Total debt applicable to limit	12,710,435	10,982,541	10,077,413	7,632,953	9,945,580
Legal debt margin	\$ 152,230,996	\$ 153,538,890	\$ 132,790,582	\$ 140,986,690	\$ 153,186,413
Total debt applicable to the limit as a percentage of debt limit	7.71%	6.68%	7.05%	5.14%	6.10%

	2015	2016	2017	2018	2019
Debt limit	\$ 175,817,133	\$ 175,924,308	\$ 184,714,650	\$ 207,492,948	\$ 238,163,816
Total debt applicable to limit	14,500,643	18,320,187	37,290,232	31,730,059	23,327,544
Legal debt margin	\$ 161,316,490	\$ 157,604,121	\$ 147,424,418	\$ 175,762,889	\$ 214,836,272
Total debt applicable to the limit as a percentage of debt limit	8.25%	10.41%	20.19%	15.29%	9.79%

Legal Debt Margin Calculation for 2019:

Market value	\$ 7,938,793,850
Debt limit (3% of market value)	<u>238,163,816</u>
Total long - term debt	70,396,164
Less:	
Amount available for retirement of general obligation bonds	(2,549,426)
Amount available for repayment of notes payable	(3,832)
Compensated absences & other post employment benefits	(11,393,951)
Net Pension Liability	(27,961,411)
Other revenue bonds	(2,350,000)
Tax increment bonds	-
Improvement bonds	<u>(2,810,000)</u>
Subtotal	<u>(47,068,620)</u>
Total debt applicable to debt limit	<u>23,327,544</u>
Legal debt margin	<u>\$ 214,836,272</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%
2019			-	-	-	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)
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%
2019	83,159 (9)	2,619,237,366 (9)	31,500 (9)	4.1%

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	2019			2009		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Target Corporation	4,000	1	12.98%	1,300	1	4.20%
Caterpillar Paving	700	2	2.27%	850	2	2.75%
North Hennepin Community College	610	3	1.98%	420	3	1.36%
HyVee	500	4	1.62%	n/a		0.00%
Medtronic	420	5	1.36%	303	7	0.98%
Accellent	395	6	1.28%	395	4	1.28%
Olympus	385	7	1.25%	n/a		0.00%
GLS	375	8	1.22%	370	5	0.00%
City of Brooklyn Park	335	9	1.09%	335	6	1.08%
Medical Arts Press	325	10	1.06%	288	8	0.93%
Total Industries Listed	8,045		26.12%	4,261		17.71%
Total City Employment(2)	30,805			30,941		

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

	<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>
Function									
Public safety:									
Police:									
Calls for service	76,646	73,652	70,394	65,640	63,361	59,810	59,294	58,903	63,119
Physical arrests	2,383	2,586	2,280	1,999	1,653	1,548	1,426	961	909
Other arrests	2,122	1,466	1,426	1,346	1,537	1,605	1,153	1,352	1,477
Parking violations	2,272	1,537	1,433	2,239	2,494	2,155	3,193	2,347	5,870
Traffic violations	5,637	6,996	6,846	5,975	2,854	2,201	1,753	1,908	2,326
Fire:									
Number of calls answered	6,136	7,345	7,815	8,114	8,579	8,583	8,957	8,967	9,399
Inspections	1,602	1,226	484	617	725	923	1349	1653	792
Public works:									
Street maintenance:									
Street resurfacing (miles):									
Sealcoating (oil/rocks)	42	40	0	30	23	0	22	17	14
Overlay (asphalt)	1	1	4	1.6	1.8	14	14	19.1	13.1
Curb replacement (lineal feet)	3,217	2,780	4,735	1,268	1,360	8,350	8,195	12,731	4,726
Sidewalk replacement (lineal feet)	550	975	1,295	1,066	1,291	1,460	909	505	826
Pothole/sealcoating patching material (tons)	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	192	624	334	258	167	314	286	310	438
Number of facility/park permits issued	7,286	655	1,674	5,540	5,821	4,822	3,908	91	1,720
Number of swimming pool registrants	1,911	2,046	1,987	1,931	1,824	1,863	1,797	1,595	1,543
Number of dance registrants	522	638	673	560	490	495	839	633	637
Park maintenance:									
Water:									
Water main breaks	28	28	15	11	15	12	19	17	15
Average daily consumption (gallons)	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)	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	21,033	21,837	22,180	22,340	22,590	22,950	22,803	22,917	23,053
Sewer:									
Average daily sewage treatment (gallons)	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
Recycling:									
Recyclables collected (tons per day)	39	34	35	34	32	35	34	34	39
Ice arena:									
Number of ice hours sold	2,990	3,776	3,904	3,909	3,915	3,927	4,041	4,202	4,145
Golf courses:									
Number of rounds sold	39,392	40,217	35,623	43,232	27,417	46,034	48,195	46,130	45,442
Number of golf lesson registrants	309	264	516	214	336	1066	1105	1389	1761
Storm sewer:									
Catch basin repairs	102	63	94	44	22	82	144	102	51
Street / signal light:									
Signs replaced/repared	717	715	828	719	638	405	355	341	448

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

	Fiscal Year									
	<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>	<u>2019</u>
Function										
Public safety:										
Police:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	85	81	82	83	82	78	78	80	80	80
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of vehicles	21	21	21	21	22	21	21	21	21	21
Public works:										
Street maintenance:										
Streets (miles)	260	260	262	262	262	263	266	265	266	266
Sidewalks (miles)	108	109	109	114	116	115	117	116	117	117
Curbs and gutters (miles)	528	531	532	532	539	544	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	1,304	1,304	1,304	1,304	1,306	1,402	1,576	1,576	1,576
Developed	1,331	1,331	1,331	1,331	1,331	1,331	1,402	1,576	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	310	310	312	320	322	327
Connections	21,850	21,850	21,850	21,850	22,590	23,000	22,760	22,800	23,053	23,154
Fire hydrants	2,820	2,821	2,850	2,848	2,848	2,915	2,930	2,950	2,950	2,970
Wells	18	15	18	18	18	18	18	17	17	17
Reservoirs	6	6	6	6	6	6	6	6	6	6
Maximum daily capacity (gallons)	30 million	30 million	30 million	30 million	30 million	30 million	30 million	30 million	30 million	30 million
Sewer:										
Sanitary sewers (miles)	250	249	250	250	250	259	260	261	261	264
Connections	21,800	22,000	20,400	20,500	20,500	21,200	22,626	22,646	23,027	23,350
Lift stations	7	6	6	6	6	7	7	7	6	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	198	199	199	199	205	208	209	210	210
Street / signal light:										
Streetlights	3,940	4,266	4,315	4,315	4,419	4,293	4,289	4,289	4,320	4,433
Traffic signals	81	81	81	81	83	84	84	84	84	84

Source: Various City departments.

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