

# ABRIDGETO THEFUTURE

**BUILDING A COMMUNITY OF CHOICE**

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019



CITY OF  
**BLOOMINGTON**  
MINNESOTA

OLD CEDAR AVENUE BRIDGE • 1920 – 2020

# **Comprehensive Annual Financial Report**

of the City of  
Bloomington, Minnesota

For the Year Ended  
December 31, 2019

Prepared by the Finance Department

# CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2019

## SECTION I

# INTRODUCTORY SECTION

**CITY OF BLOOMINGTON, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2019**

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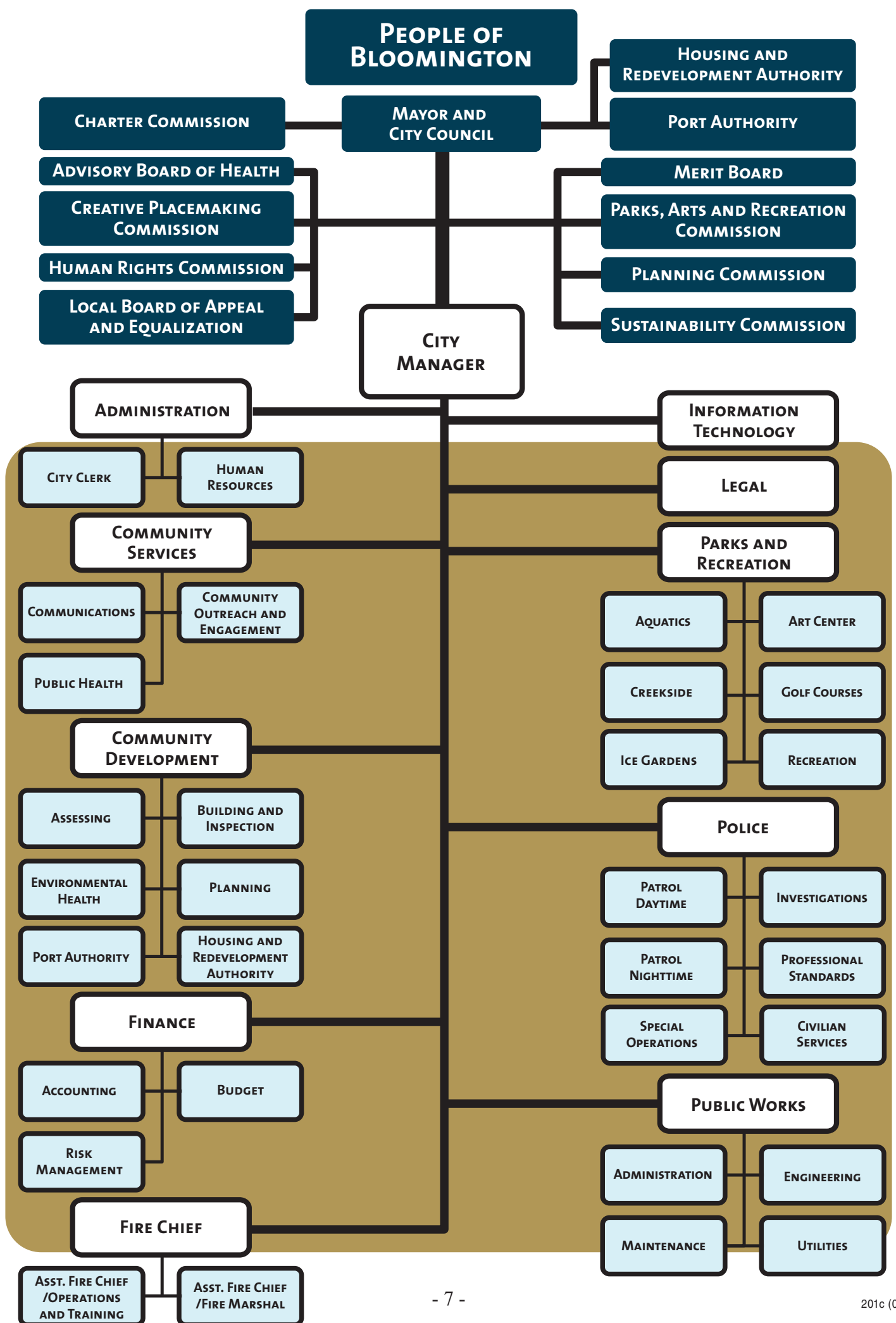
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CITY OF  
**BLOOMINGTON**  
MINNESOTA





**CITY OF BLOOMINGTON, MINNESOTA**

DECEMBER 31, 2019

PRINCIPAL OFFICIALS

GENE WINSTEAD, MAYOR

JACK BALOGA..... COUNCILMEMBER

TIM BUSSE..... COUNCILMEMBER

NATHAN COULTER ..... COUNCILMEMBER

DWAYNE LOWMAN ..... COUNCILMEMBER

SHAWN NELSON ..... COUNCILMEMBER

PATRICK MARTIN..... COUNCILMEMBER

JAMIE VERBRUGGE, CITY MANAGER



June 22, 2020

To the Citizens of the City of Bloomington,  
Mayor, Council Members, and City Manager

The Comprehensive Annual Financial Report (CAFR) of the City of Bloomington, Minnesota (the City) for the fiscal year ended December 31, 2019 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared by the City's Finance Department. Management assumes full responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables contained in this report, based upon a comprehensive framework of internal controls that has been established for that purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects; that it fairly sets forth the financial position and results of City operations 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.

Generally accepted accounting principles (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 the MD&A and should be read in conjunction with it. The City of Bloomington's MD&A can be found immediately following the Independent Auditors' Report.

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Charter.

The City and the City's Housing and Redevelopment Authority (HRA), a discrete component unit of the City, are required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, independent auditor's report on compliance and on internal control over financial reporting based upon the audit of the basic financial statements performed in accordance with Government Auditing Standards, and independent auditor's report on compliance and internal control over compliance applicable to each major federal award program, are included in a separate single audit report.

### **Other Reporting Entity Components**

In accordance with GASB pronouncements, the City's financial statements include all funds and departments of the City (the primary government) and its component units. Component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. As a result of applying the entity definition criteria of GASB, the following organizations have been included in the City's financial statements:

1. The Port Authority of the City of Bloomington (Port Authority)
2. Housing and Redevelopment Authority (HRA)

Note 1 to the financial statements gives further information about the component units included in the financial statements. Note 17 to the financial statements presents disclosure information for each of the discretely presented component units. The financial schedules of the Port Authority and the Housing and Redevelopment Authority are included within the City's CAFR in the Other Supplementary Information section under the Component Units tab.

### **Economic Condition and Outlook**

Bloomington covers an area of 38.3 square miles and is situated completely within Hennepin County. In six decades, Bloomington has grown from a rural village beyond the developing edge of Minneapolis to its current status as one of Minnesota's largest cities and the region's hospitality and retail hub. This growth was spurred by freeways reaching out from the metropolitan downtowns and further enhanced by its proximity to the Minneapolis/St. Paul International Airport and the Minnesota Valley National Wildlife Refuge.

Bloomington is also the terminus for the 12-mile METRO Blue Line (Hiawatha) which opened in 2004. This light rail transit (LRT) line connects four Bloomington stations with several popular Twin Cities destinations along the Blue and Green light rail lines including the Minneapolis/St. Paul International Airport, Minneapolis VA Health Care System, University of Minnesota, Downtown Minneapolis, the State Capitol, and Downtown St. Paul. The line also connects with numerous LRT and bus rapid transit (BRT) lines including Northstar Rail, the Red Line BRT, and the A Line BRT along with countless bus lines and several planned LRT and BRT routes.

The city has many well-known national and international corporations within its boundaries, including HealthPartners, Seagate Technology, Toro Company, Donaldson Company, Express Scripts, Thermo King, Skywater Technology, Ceridian Corporation, Polar Semiconductors, and Ziegler, Inc. Bloomington is home to the largest retail and entertainment destination in the United States, Mall of America. It employs approximately 13,000 and attracts 40 million visitors each year. As the state's number one tourist attraction, Mall of America attracts more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and 9,657 hotel/motel rooms, Bloomington is a major regional and national business and meeting center, employing an estimated 10,000 workers in the hospitality industry.

Housing is well-maintained throughout the city and Bloomington is fortunate to have a diversified tax base, which for payable 2019 is composed of approximately 51.7% commercial/industrial, 39.0% residential, and 9.3% apartments. Shopping areas are efficiently distributed, and Bloomington businesses provide two jobs for every Bloomington resident in the workforce. Bloomington also has plenty of room for new multi-family residential and commercial development and is experiencing additional growth in three districts located along I-494.

### Current City Development

Total project valuation for all building permits issued in 2019 was \$411,122,855. The majority of new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth. In 2019, the following development either opened or was under construction in Bloomington:

- Element by Westin continued construction of a new 144-room, seven-story hotel.
- Cambria continued construction of a new 164-room, five-story hotel.
- Holiday Inn Express completed construction of a new 171-room, five-story hotel.
- Tru Hotel/Home2Suites continued construction of a new two flag, 182-room, four-story hotel.
- Whirlyball completed construction on a new two-story, 35,700 square-foot entertainment center and restaurant.
- Extra Space Storage completed construction on a new 140,000 square-foot self-storage facility.
- Cubesmart Self Storage completed construction on a new 116,000 square-foot self-storage facility.
- Acorn Self Storage completed construction on a converted and expanded 550-unit self-storage facility.
- Richfield Bloomington Credit Union completed construction on a new 3,000 square-foot credit union.

- The Fenley continued construction on a 402 unit, six-story apartment building with 2,100 square feet of retail.
- The Mall of America Transit Station completed construction of a major renovation.
- 108 Place commenced construction on a new 42-unit, three-story apartment building.
- Olive Garden commenced construction on a new 9,500 square-foot restaurant.
- The City of Bloomington commenced construction on the 29,800 square-foot, two-story Fire Station #3.
- HOM/Gabberts Furniture continued construction on a 213,000 square-foot, two-story furniture store.
- RBCU continued construction on a 12,700 square-foot, two story expansion.
- Donaldson commenced construction on a 14,000 square-foot new industrial building.
- Friendship Village commenced construction on a new 140-bed health center.
- Friendship Village commenced construction on a new 93-unit, five-story senior independent living building.
- Founder's Ridge commenced construction on 71 new senior apartment units and 40 new senior townhomes.
- Hayden Grove Senior Living commenced construction on a new 166-unit, four-story senior apartment building.
- The District commenced construction on a new 248-unit, four-story apartment building.
- Skywater Technology Foundry commenced construction on a 67,000 square-foot expansion.
- Luther Subaru commenced construction on a new 37,000 square-foot, two-story auto dealership building.

### Mall of America Development

Mall of America (MOA), the largest retail and entertainment destination in the country, opened its doors in August 1992 and has become one of the most visited tourist destinations in the world.

Mall of America has two anchor department stores: Macy's and Nordstrom, as well as more than 50 eateries and 520 retailers. In 2019, Mall of America welcomed The Void, Baking Betty's, Arc'teryx, Canada Goose, lululemon experience store, M Health Fairview clinic, Lovisa, Stace and Duluth Trading Co.

Two connected luxury hotels, the 500-room Radisson Blu that opened on the south side and the 342-room JW Marriott hotel on the north side, offer outstanding amenities such as meeting rooms, on-site dining, fitness centers and more.

Mall of America also features an extensive entertainment complex that includes Nickelodeon Universe, a 7-acre indoor theme park. Newer attractions in the park include the longest indoor zip line in North America, flying thrill-seeking guests 405 feet across Nickelodeon Universe, and Shredders Mutant Masher, a giant pendulum ride that spins and swings riders more than 50 feet in the air.

Other attractions at the mall include a nightly lightshow called “Universe of Light” that takes place in Nickelodeon Universe every evening, LEGO Imagination Center featuring a LEGO Robot towering over 34 feet tall, several destination restaurants, as well as SEALIFE, a 1.2 million-gallon walk-through aquarium featuring four different lake and sea environments. Free parking is provided in two, 6,000-space, seven-level public parking facilities.

Mall of America is a regional asset, attracting 40 million visitors a year and generating significant income and more than \$2 billion in economic impact for the State of Minnesota. The Port Authority of the City of Bloomington financed the initial land acquisition and public infrastructure improvements. The total Phase I project was \$744 million, of which the Port Authority provided approximately \$108 million in public improvements for site work, parking facilities, structural roadway and bridge work, and land acquisition.

The mall is expanding in phases. Both the south side (Radisson Blu) and north side (Phase 1C) have seen expansions. The 500-room Radisson Blu opened in 2013 with a total project cost of \$137 million. In 2015, the \$292 million Phase 1C expansion opened on the north side, increasing total project area of Mall of America to 5.6 million square feet. The Phase 1C expansion added 735,000 square feet including a 342-room JW Marriott hotel, a ten-story office building anchored by the supercomputing company Cray, and 161,000 square feet of additional retail, restaurants, and a large gathering space.

Mall of America anticipates several additional expansion phases on both the north and east sides of MOA. The City has completed significant infrastructure improvements, such as the lowering of Lindau Lane, to facilitate further expansion of the mall.



## Major Initiatives

### Reorganization of Community Services functions

At the direction of the City Council, the City began a multi-year process to conduct in-depth reviews of its departments and services. The purpose of each review is to ensure that: 1) the programs and services provided by the City are effectively and efficiently delivered; 2) the portfolio of services is still desired and necessary within the community and not unnecessarily duplicating what another organization or level of government provides; and 3) to identify areas in which the City could adjust or improve its portfolio of services to better align operations for the future. The Human Services Division of the Community Services Department was selected for assessment in 2017.

Based on the assessment findings, it was recommended that the Human Services Division be replaced with two distinct divisions – the existing Creekside Community Center and the new Community Outreach & Engagement Division (COED). The creation of two distinct functions was intended to better focus the City’s investment of financial resources and staff time and to more closely align with the City’s six strategic priorities of community amenities, community image, equity and inclusion, high-quality services, focused renewal and environmental sustainability.

### Development of the new Community Outreach and Engagement Division

Following October 2018 Council approval of the reorganization, the Community Outreach and Engagement Division (COED) was formally funded in January 2019 through the redistribution of General Fund monies from the former Human Services Division. Staffing was completed in March of 2019 following the selection of a manager and coordinators. A primary function of the new division is to ensure that traditionally underserved or underrepresented populations are considered, accounted for and heard in the development and delivery of City programs and services.

In 2019, the Community Outreach and Engagement Division identified seven action areas in their workplan. They include internal support and research, equity and inclusion, volunteering, engagement tools, community events and special projects and policy. Highlights from three actions areas are featured below.



#### **Equity and Inclusion - Bloomington Leadership Program:**

The purpose of the program is to promote civic engagement and develop leaders in the community. It also serves to break down barriers and misconceptions about local government. In its 2019 inaugural year, 22 individuals completed the program.

**Engagement Tools – Bloomington Engagement Vehicle:**

A sport utility vehicle was acquired through the City’s existing fleet and creatively repurposed for engaging with the community. The vehicle reads “Hi Neighbor” in a variety of languages and provides a way to connect informally with residents in places they gather. The colorful vehicle was introduced in Bloomington’s Heritage Days Parade and has been utilized by staff at other civic events.



**Community Events – Veterans’ Appreciation Brunch and Show**

The annual Veterans recognition event was held on November 10 in partnership with Northwestern Health Sciences University and American Legion Post 550. There were over 230 veterans and guests in attendance.

**Relevant Financial Policies**

In accordance with the City’s Budgetary and Financial Control Policy, the City strives to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year’s General Fund total budgeted revenues or expenditures. The City also reviews and updates the schedule of fund balances, reserves, and working capital in all other operating funds and determine adequacy of those money balances, using specified guidelines and criteria in conjunction with the budgets set annually.

The City’s Debt Policy confines long-term borrowing to capital improvements, equipment or projects that have a life of more than four years and cannot be financed from current revenues. The City endeavors to keep the total maturity length of general obligation bonds below twenty years and at least 50% of the principal is retired within ten years. Total net general obligation debt (after deducting sinking funds and reserves and net of any portion supported by utilities or others such as the State) shall not exceed 75% of the dollars per capita debt limit per year.

### Budget Process

The City Council is required to adopt a final budget no later than December 31 for the next year. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, enterprise funds, and internal service funds. The general fund, special revenue funds, enterprise funds, and internal service funds have legally adopted annual budgets. All appropriation changes that occur during the year are approved by the City Council. Capital projects are approved on a project-by-project basis.

### Liquidity

The following table shows previous year-end fund balances for the General Fund, as compared to original budget appropriations for the following year.

	General Fund Budget Appropriations	Fund Balance Beginning of Year	
		Amount	% of Budget
2016	\$68,155,122	\$27,959,764	41.0%
2017	70,996,190	28,809,712	40.6
2018	72,553,238	30,942,840	42.6
2019	75,280,716	34,668,847	46.1
2020	79,432,258	36,539,448	46.0

The City's General Fund working capital balance of \$37,476,639 at December 31, 2019 includes amounts committed for future projects, carryovers, and fair value adjustments for investments, which brings the total fund balance to \$36,539,448. The City anticipates that the 2020 year-end General Fund balance as a result of COVID-19 could result in budget shortfalls projected from \$8.5 - \$17.8 million. As an immediate response, cost-cutting service reductions were enacted. Other budget strategies include deferring capital investment and using fund reserves. The City is confident with its established recession strategies it can successfully manage this economic downturn.

### Debt Administration

General obligation bond debt statistics for the City of Bloomington at December 31, 2019 are as follows (primary government only):

	<u>Amount</u>	<u>% Market Value</u>	<u>Bonded Debt per Capita</u>	
			<u>Current Year</u>	<u>Prior Year</u>
General Obligation Bonded Debt	\$ 7,290,000			
Improvement Bonds	47,079,614			
General Obligation Tax Increment	<u>10,660,000</u>			
Net Total	65,029,614			
Less Debt Service Funds	<u>(17,580,823)</u>			
Total Net Bonded Debt	47,448,791	.35%	\$ 559	\$ 490
Overlapping Debt (1)	<u>196,303,228</u>	<u>1.46</u>	<u>2,311</u>	<u>2,086</u>
 Total – 2019 Year-End	 <u><u>\$ 243,752,019</u></u>	 <u><u>1.81%</u></u>	 <u><u>\$ 2,870</u></u>	
 Total - Prior Year-End	 <u><u>\$ 220,458,583</u></u>	 <u><u>1.72%</u></u>		 <u><u>\$ 2,576</u></u>

(1) School, County, and other local taxing entities - see Table 11 in the Statistical Section.

In 2019, the City retired \$1,135,000 of general obligation, \$6,220,000 of improvement, \$545,000 of tax increment, and \$105,000 of business-type G.O. bonds. The City issued \$2,105,000 of general obligation bonds, \$4,095,000 of improvement bonds, \$1,645,000 of Taxable G.O. charter bonds and \$7,100,000 of G.O. tax increment bonds in 2019. Included in the G.O. tax increment bonds is the ability of the City to draw an additional \$8,100,000 in proceeds within the next two years for use in the affordable housing revolving loan fund that is administered by the HRA.

The following table presents general obligation bonds issued during the recent fiscal years:

Date of Issue	Amount	Type	Average Life	Net Interest Rate	Interest Cost Per Borrowed Dollar
12/06/17	\$ 4,970,000	Improvement	5.99 years	1.96%	\$.20
05/04/17	1,170,000	Water Utility	5.48	2.01	.16
05/04/17	1,420,000	Charter Bonds	5.37	2.00	.16
06/21/18	920,000	Housing Improvement	9.20	3.93	.35
06/21/18	1,020,000	Charter Bonds	6.36	2.68	.20
12/05/18	5,270,000	Improvement	6.05	2.93	.26
12/05/18	10,805,000	Storm Water Utility	8.93	3.39	.37
05/30/19	1,645,000	Taxable Charter Bonds	6.43	2.71	.19
11/26/19	4,095,000	Improvement	6.08	1.83	.26
11/26/19	2,105,000	Charter Bonds	6.17	1.84	.26
12/27/19	7,100,000	Tax Increment	10.64	3.10	.33

The City's bonds are rated Aaa by Moody's Investors Service (Moody's highest rating, upgraded from Aa1 in November 1998), AAA by Standard and Poor's (S&P's highest rating, upgraded in October 2000), and AAA by Fitch Ratings (Fitch's highest rating, awarded in October 2004). These "Triple Triple A" bond ratings were reaffirmed at the most recent bond issuance. The City believes that its 2019 financial results, combined with its ability to navigate the challenges of COVID-19, will result in continued excellent bond ratings. These excellent ratings have had a positive effect on the sale of the City's bonds, by broadening the City's market and lowering the interest rates for borrowing.

### **10-Year Capital Improvement Plan**

The proceeds of general obligation bond issues; federal, state and local grants; and other local funding sources for capital projects are accounted for in capital projects funds until the particular projects are completed.

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and sources of funding for proposed capital improvement projects. Any unrestricted fund balances of the Park Development Fund and the Facilities and Parks Maintenance Fund are identified for use as proposed in the Capital Improvement Plan, when and if such projects are ordered by the City Council.

The City's latest ten-year Capital Improvement Plan indicated the following totals for the ten-year period of 2020-2029:

Project Category	Estimated Amount (in millions)	Approximate Sources of Funding	
City Facilities, Parks and Park Development	\$ 222	Bonds	71%
		Cash on Hand	19
		Other Governments	7
		Grants, Other	2
		Liquor/Lodging Tax	1
Alternative/Surface Transportation	263	P.I.R. Bonds	34%
		Other Governments	19
		Franchise Fees	19
		Cash on Hand	10
		Municipal State Aid	9
		Tax Abatement	3
		Federal Funds	3
		Grants, Other	3
Water, Sewer, and Stormwater Facilities	131	Cash on Hand	88%
		Liquor/Lodging Tax	8
		Tax Abatement	3
		Other Governments	1
Economic Development and Redevelopment	<u>28</u>	Liquor/Lodging Tax	100%
Total	<u>\$ 644</u>		

### **Certificate of Achievement**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bloomington, Minnesota, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Bloomington has received a Certificate of Achievement for the last 48 consecutive years. We believe this 2019 CAFR continues to conform to Certificate of Achievement Program requirements, and we will be submitting it to GFOA.

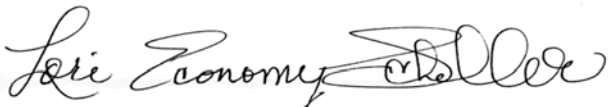
### **Independent Audit**

State law provides that the City may arrange for examination of its books, records, accounts and affairs, or any part thereof, by the state auditor, or by certified public accountants. It has been a long-standing policy of the City to provide for a complete annual audit of City records by certified public accountants. The Independent Auditors' Report is included in the Financial Section of this report.

### **Acknowledgments**

We wish to express our appreciation to the Finance Department staff, in particular Rose Ackerman, Jan Almquist, Mary Kay Heinen, Mary Lee, and Amy Sevig, for their diligent work in preparing this report. We appreciate the cooperation and support from other City departments both in the preparation of this report and in budget management throughout the year. We also wish to thank the Mayor, members of the City Council, and the City Manager for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



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Lori Economy-Scholler, Chief Financial Officer  
Finance Department



---

Juliana H. Vogel, Finance Manager  
Finance Department





Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Bloomington  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



CITY OF  
**BLOOMINGTON**  
MINNESOTA

# CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report  
For The Year Ended December 31, 2019

## SECTION II

# FINANCIAL SECTION



CITY OF  
**BLOOMINGTON**  
MINNESOTA



**PRINCIPALS**

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the City Council and Management  
City of Bloomington, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **EMPHASIS OF MATTER**

As described in Note 15 of the notes to basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **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, supplementary information, other supplementary information – component units (including financial data schedules), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the City's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated June 18, 2019. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
June 22, 2020





CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Bloomington (the City), we offer readers of the City's financial statements a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2019. This discussion and analysis should be read in conjunction with the transmittal letter, which can be found on pages 9 - 21 of this report, and the City's basic financial statements following this section.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the 2019 fiscal year by \$636.8 million (*net position*). Of this amount, \$100.7 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$31.7 million is restricted for debt service, \$16.9 million is restricted for fire pension, \$25.8 million is restricted for tax increment, \$2.6 million is restricted for street reconstruction, \$7.3 million is restricted for other purposes, and \$451.8 million is the City's net investment in capital assets.
- The City's net position increased (excluding the prior period adjustment) by \$20.2 million. The General Revenues increase included a \$3.4 million Property Tax levy increase and a \$2.3 million Investment Earnings increase as a result of better yields.
- As of December 31, 2019, the City's governmental funds had combined fund balances of \$136.7 million, an increase of \$10.2 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 60% of the total fund balances are available to meet the City's current and future needs. The remaining 40% is a combination of nonspendable and restricted for mostly grants, debt service, and capital projects.
- At the end of the current fiscal year, total fund balance for the General Fund was \$36.5 million, or 48.6% of actual total General Fund expenditures. This compares to \$34.7 million from the prior year, an increase of roughly \$1.8 million. The General Fund working capital goal policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures. As of December 31, 2019, the fund balance of the General Fund was within or above this range. \$1.9 million of this positive performance has been committed for budgeted carryover amounts unspent in 2019 and future projects open purchase order contracts at the end of 2019 that were carried over to the 2020 budget for future projects.
- In 2019 the Net Pension liability increased \$250,298 due to changes in actuarial assumptions with the General Employee Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF) and the change was softened by overall good investment returns. The pension related net deferred inflows and outflows decreased in the PEPFF fund as a result of changes in actuarial assumptions.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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- The estimated market value for all taxable property is at \$13.5 billion for assessment year 2018 (payable in 2019). After fifteen years of steadily increasing market values peaking in 2008 at \$11.8 billion, values declined as a result of the worldwide “Great Recession” before bottoming in assessment years 2012 and 2013 at \$9.9 billion. Total market value has been growing since and has now surpassed the 2008 peak by 14.4%. This growth trend continued for assessment year 2019 payable 2020 as real estate markets remained strong and additional new development occurred.
- Entity-wide, the City recorded \$20.0 million in depreciation expense on its capital assets.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of these 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 services, development services, public works, public safety, and community services. The business-type activities of the City include water/wastewater utility, storm water utility, solid waste management, recreational facilities, contractual police, and motor vehicle operations.

The government-wide financial statements include not only the City (*known as the primary government*), but also two legally separate entities for which the City is financially accountable. The *component units* are the Bloomington Housing and Redevelopment Authority and the Bloomington Port Authority. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City externally reports five major and eleven nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Community Development Block Grant, Improvement Bonds, Capital Projects, and Improvement Construction Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits 3 through 6 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds: enterprise and internal service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/wastewater utility, storm water utility, recreational facilities, solid waste management, contractual police, and motor vehicle operations.

Internal service funds are used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its information technology, fleet, support services, public safety radio, self-insurance, benefit accrual, insured benefits, facilities and parks maintenance, and PERA pension. Because these services predominately benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements; however, some allocations have been made to business-

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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type activities. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements provide separate information for water/wastewater, storm water, and recreational facilities (which are considered to be major funds of the City). Solid waste, contractual police, and motor vehicle operations are combined and presented as nonmajor funds. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements (except for internal service fund amounts which are allocated to both the governmental and business-type activities) but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found on Exhibits 7 through 9 of this report.

**Fiduciary Funds.** 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 Exhibits 10 and 11 of this report.

### **Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 70 - 125 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on Exhibits A-1 through A-9 of this report.

The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented in the *supplementary information* section. Combining and individual fund statements and schedules can be found on Exhibits B-1 through E-3 of this report.

The *other supplementary information* section includes additional information on the two component units.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

An analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Activities*. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

**CITY OF BLOOMINGTON, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$636,788,264 at December 31, 2019, as compared to \$615,954,546 at the end of 2018.

**CITY OF BLOOMINGTON'S NET POSITION**

	Governmental activities		Business-type activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	
<b>Assets:</b>							
Current and other assets	\$ 278,898,827	\$ 247,713,342	\$ 32,462,307	\$ 31,052,553	\$ 311,361,134	\$ 278,765,895	11.7%
Capital assets	418,061,891	407,170,737	100,289,852	93,794,542	518,351,743	500,965,279	3.5%
Total assets	<u>696,960,718</u>	<u>654,884,079</u>	<u>132,752,159</u>	<u>124,847,095</u>	<u>829,712,877</u>	<u>779,731,174</u>	6.4%
<b>Deferred outflows:</b>							
Deferred outflows of resources	<u>23,007,164</u>	<u>32,231,615</u>	<u>-</u>	<u>-</u>	<u>23,007,164</u>	<u>32,231,615</u>	(28.6)%
Total assets and deferred outflows	<u>719,967,882</u>	<u>687,115,694</u>	<u>132,752,159</u>	<u>124,847,095</u>	<u>852,720,041</u>	<u>811,962,789</u>	5.0%
<b>Liabilities:</b>							
Current and other liabilities	18,794,524	13,824,413	4,227,316	4,434,191	23,021,840	18,258,604	26.1%
Noncurrent liabilities	134,122,843	127,148,425	14,144,480	12,656,987	148,267,323	139,805,412	6.1%
Total liabilities	<u>152,917,367</u>	<u>140,972,838</u>	<u>18,371,796</u>	<u>17,091,178</u>	<u>171,289,163</u>	<u>158,064,016</u>	8.4%
<b>Deferred inflows:</b>							
Deferred inflows of resources	<u>44,642,614</u>	<u>37,944,227</u>	<u>-</u>	<u>-</u>	<u>44,642,614</u>	<u>37,944,227</u>	17.7%
Total liabilities and deferred inflows	<u>197,559,981</u>	<u>178,917,065</u>	<u>18,371,796</u>	<u>17,091,178</u>	<u>215,931,777</u>	<u>196,008,243</u>	10.2%
<b>Net position:</b>							
Net investment in capital assets	365,680,112	352,048,328	86,145,372	85,607,307	451,825,484	437,655,635	3.2%
Restricted	84,258,362	86,444,757	-	-	84,258,362	86,444,757	(2.5)%
Unrestricted	<u>72,469,427</u>	<u>69,705,544</u>	<u>28,234,991</u>	<u>22,148,610</u>	<u>100,704,418</u>	<u>91,854,154</u>	9.6%
Total net position	<u>\$ 522,407,901</u>	<u>\$ 508,198,629</u>	<u>\$ 114,380,363</u>	<u>\$ 107,755,917</u>	<u>\$ 636,788,264</u>	<u>\$ 615,954,546</u>	

As of December 31, 2019 the City had a positive net position balance for the government as a whole. The increase in current and other assets is mostly related to an increase in the net pension asset of \$14,545,318. The deferred outflows decreased due to changes in actuarial assumptions. Current and other liabilities increased roughly \$5 million as a result of increased payables in the South Loop fund of \$2.6 million for construction of Fire Station #3, an increase of nearly \$1.2 million from bringing the fiduciary agency accounts into accordance with GASB 84, and \$441,000 increased salaries payable at year end.

By far, the largest portion of the City's net position, \$451,825,484 (approximately 71%), reflects the City's net investment in capital assets (e.g., land, buildings and structures, machinery and equipment, distribution system, improvements, and infrastructure) less any related debt used to acquire those assets. The City uses these capital assets as an integral part of providing services to citizens; consequently, these are not "liquid" assets and are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$84,258,362 (approximately 13%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$100,704,418 (approximately 16%), may be used to meet the government's ongoing obligation to citizens and creditors.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following schedule provides a summary of the City's operations for the year ended December 31, 2019:

### CITY OF BLOOMINGTON'S CHANGES IN NET POSITION

Year Ended December 31, 2019

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2019	2018	2019	2018	2019	2018	
<b>REVENUES:</b>							
Program revenues:							
Charges for services	\$ 12,538,699	\$ 13,035,181	\$ 46,343,157	\$ 46,856,727	\$ 58,881,856	\$ 59,891,908	(1.7)%
Operating grants and contributions	6,853,350	6,016,557	725,376	213,200	7,578,726	6,229,757	21.7 %
Capital grants and contributions	14,079,165	26,869,409	663,546	768,452	14,742,711	27,637,861	(46.7)%
General revenues:							
Property taxes	58,885,357	55,864,418	2,957,606	2,489,325	61,842,963	58,353,743	6.0 %
Business taxes	17,945,320	18,042,869	-	-	17,945,320	18,042,869	(0.5)%
Grants and contributions not restricted	1,237,962	1,188,665	-	-	1,237,962	1,188,665	4.1 %
Gain on sale of capital assets	197,190	39,997	-	-	197,190	39,997	393.0 %
Interest and investment earnings	4,439,564	2,548,752	659,725	249,987	5,099,289	2,798,739	82.2 %
Total revenues	116,176,607	123,605,848	51,349,410	50,577,691	167,526,017	174,183,539	(3.8)%
<b>EXPENSES:</b>							
General services	6,106,221	9,659,744	-	-	6,106,221	9,659,744	(36.8)%
Development services	21,866,534	15,245,431	-	-	21,866,534	15,245,431	43.4 %
Public works	19,401,325	18,613,129	-	-	19,401,325	18,613,129	4.2 %
Public safety	35,290,965	32,937,726	-	-	35,290,965	32,937,726	7.1 %
Community services	17,804,474	16,800,345	-	-	17,804,474	16,800,345	6.0 %
Interest on long-term debt	1,165,137	1,183,925	-	-	1,165,137	1,183,925	(1.6)%
Water/wastewater utility	-	-	25,562,896	24,838,208	25,562,896	24,838,208	2.9 %
Storm water utility	-	-	4,827,637	3,867,530	4,827,637	3,867,530	24.8 %
Recreational facilities	-	-	6,004,555	5,811,867	6,004,555	5,811,867	3.3 %
Solid waste management	-	-	7,654,546	7,283,298	7,654,546	7,283,298	5.1 %
Contractual police	-	-	848,180	1,177,229	848,180	1,177,229	(28.0)%
Motor vehicle	-	-	754,640	706,836	754,640	706,836	6.8 %
Total expenses	101,634,656	94,440,300	45,652,454	43,684,968	147,287,110	138,125,268	6.6 %
Change in net position before transfers	14,541,951	29,165,548	5,696,956	6,892,723	20,238,907	36,058,271	(43.9)%
Transfers	(332,679)	(613,420)	332,679	613,420	-	-	- %
Change in net position	14,209,272	28,552,128	6,029,635	7,506,143	20,238,907	36,058,271	(43.9)%
Net position - January 1, as previously reported	508,198,629	479,646,501	107,755,917	100,249,774	615,954,546	579,896,275	6.2 %
Prior period adjustment	-	-	594,811	-	594,811	-	100.0 %
Net position - January 1, as restated	508,198,629	479,646,501	108,350,728	100,249,774	616,549,357	579,896,275	6.3 %
Net position - December 31	\$ 522,407,901	\$ 508,198,629	\$ 114,380,363	\$ 107,755,917	\$ 636,788,264	\$ 615,954,546	3.4 %

Expenses above include \$16,031,334 of depreciation expense for governmental activities under the full accrual basis of accounting. There were some reclassifications of departments within the Governmental Activities expenses for 2019.



# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

### Governmental activities

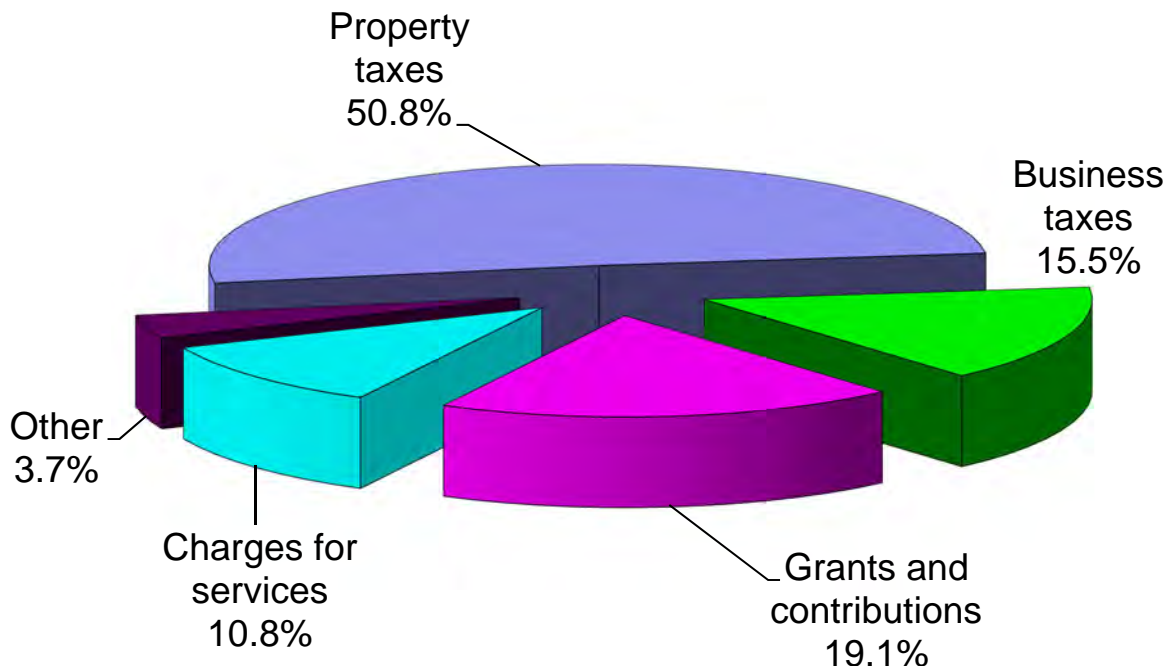
Internal service fund charges for services (program revenues of \$43,706,345) and expenses (\$42,750,513) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2018 to 2019 follows:

Overall, governmental activities net position increased by \$14.2 million. Within this increase, general revenues increased overall by \$5.0 million in 2019 due to a combination of the following factors. Property taxes increased by \$3.0 million as a result of the levy and market value increases, and interest and investment earnings increased by \$1.9 million.

Program revenues decreased by \$12.4 million in 2019 as Charges for services decreased \$0.5 million. Operating grants and contribution increased by \$0.8 million. Capital grants and contributions decreased by \$12.8 million as a result of fewer public works capital projects.

Governmental activities expenses increased by \$7.2 million in 2019. The majority of this can be attributed to Development Services expenses which increased by \$6.6 million, due in large part to the planning, architectural, and engineering costs associated with a potential waterpark at Mall of America. Also during 2019, activities related to the Assessor's Office were moved from General Services to Development Services, which resulted in an additional \$1.9 million in Development Services expenses. Public Safety expenses increased \$2.4 million, mostly as a result of construction of Fire Station #3.

### City of Bloomington 2019 Revenue Sources - Governmental Activities



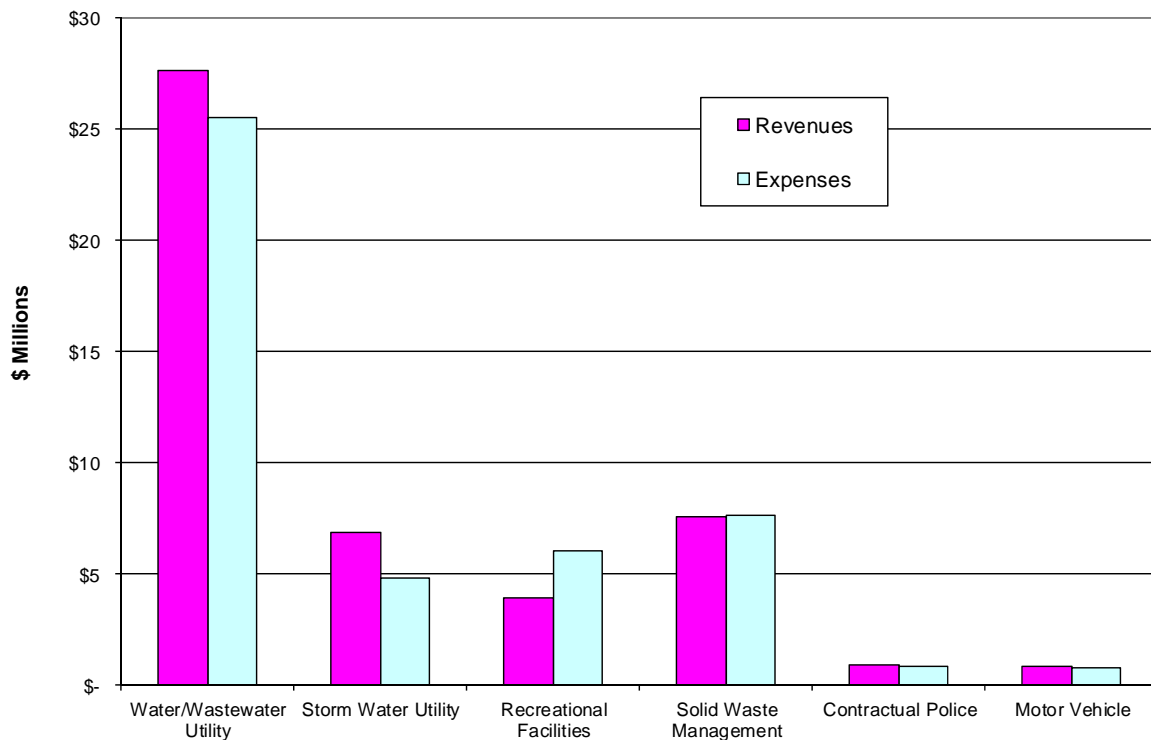
# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

### Business-type activities

Business-type expenses increased in 2019 by about \$2.0 million as a result of a large storm water project near Knox and American. These expenses include depreciation of capital assets that were funded in prior years. Where expenses exceeded revenues, there was a planned spend-down of net position.

City of Bloomington  
2019 Expenses and Program Revenues - Business-Type Activities



### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

**Governmental Funds.** The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects 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, *unrestricted fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

**CITY OF BLOOMINGTON, MINNESOTA**

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

At December 31, 2019, the City’s governmental funds reported combined ending fund balances of \$136,649,681, an increase of \$10.2 million in comparison with the prior year. Fund balance of \$55.2 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$81.4 million or 60% of total fund balance constitutes *unrestricted fund balance* which is the total of *committed fund balance* (amounts that can be used only for the specific purposes by a formal action of the City Council), *assigned fund balance* (amounts that are to be used for a specific purpose as expressed by an official that has been delegated authority from the City Council), and *unassigned fund balance* (amounts that are available for any purpose in the General Fund). The following presents the amounts of unrestricted fund balance by various fund types:

Fund Type	Unrestricted Fund Balance
General fund	\$ 36,539,448
Special revenue funds	5,929,550
Capital projects funds	38,934,424
Total	<u>\$ 81,403,422</u>

The following tables provide an overview of revenues by source and expenditures by function for all governmental funds:

**Revenues by Source  
Governmental Funds**

	2019		2018		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by source:					
Taxes	\$ 76,867,998	66.6%	\$ 73,745,101	61.5%	\$ 3,122,897
Special assessments	3,697,939	3.2	4,166,801	3.5	(468,862)
Business licenses and permits	6,875,207	5.9	6,354,508	5.3	520,699
Fines	758,081	0.7	885,262	0.7	(127,181)
Intergovernmental	12,130,865	10.4	20,939,959	17.5	(8,809,094)
Program income	2,391,552	2.1	2,161,498	1.8	230,054
Interest and investment income	3,242,671	2.8	1,872,255	1.6	1,370,416
Franchise fees	6,358,194	5.5	6,377,901	5.3	(19,707)
Contractual component unit	80,731	0.1	360,058	0.3	(279,327)
Other	3,082,087	2.7	3,071,926	2.5	10,161
Total	<u>\$ 115,485,325</u>	<u>100.0%</u>	<u>\$ 119,935,269</u>	<u>100.0%</u>	<u>\$ (4,449,944)</u>

Intergovernmental revenue decreased \$8.8 million from 2018; there were several large road and highway projects for which Federal and State funding was received in 2018.

**CITY OF BLOOMINGTON, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**Expenditures by Function  
Governmental Funds**

	2019		2018		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 6,594,273	5.5%	\$ 8,103,825	6.8%	\$ (1,509,552)
Development services	17,574,031	14.7	11,952,854	10.1	5,621,177
Public works	12,575,661	10.5	12,222,664	10.3	352,997
Public safety	33,525,568	28.1	33,071,958	27.8	453,610
Parks and recreation	9,747,086	8.2	9,576,020	8.1	171,066
Community services	7,380,426	6.2	7,173,495	6.0	206,931
Debt service	8,769,983	7.4	9,223,071	7.8	(453,088)
Capital outlay	23,146,386	19.4	27,417,190	23.1	(4,270,804)
<b>Total</b>	<b>\$ 119,313,414</b>	<b>100.0%</b>	<b>\$ 118,741,077</b>	<b>100.0%</b>	<b>\$ 572,337</b>

Please note that the governmental fund information shown above is presented on the modified accrual basis of accounting. The information on the government-wide statements is presented on the full accrual basis. The two formats are prepared differently as required by generally accepted accounting principles (GAAP). See the reconciliations of these statements on Exhibits 4 and 6.

Following is a discussion of the major governmental funds that had large increases or decreases of fund balances:

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the General Fund was \$36,539,448 which was comprised of \$1,852,370 of committed fund balance, and \$34,687,078 of unassigned fund balance. As a measure of the General Fund's liquidity it is useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 46.1% of total General Fund expenditures. It is important to note that the General Fund unassigned fund balance of \$34,687,078 is designated in its entirety for a working capital goal of \$33,625,273. The committed amount of \$1,852,370 consists of a budget carryover amount of \$765,755, and future projects rollover amount of \$1,086,615. The budget carryover represents 2019 budgeted amounts that were unspent in 2019 and were carried over to the 2020 budget. The future projects rollover amount represents future projects' open purchase order contracts at the end of 2019 that were carried over to the 2020 budget for future projects.

Overall, General Fund revenues increased from \$72.4 million in 2018 to \$76.2 million in 2019. Of this increase, the largest factors included an increase in property tax revenue by \$2.2 million as a result of increased market values and tax levy, business licenses and permits increased \$0.5 million as a result of new businesses, and interest revenue increased approximately \$426,000. General Fund expenditures increased from \$71.2 million in 2018 to \$75.3 million in 2019.

The \$4,270,804 decrease in capital outlay in the governmental funds is largely due to fewer street improvement projects in 2019.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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The Improvement Construction fund balance had a net increase of \$4.2 million, mostly due to the issuance of debt in 2019.

The Capital Projects fund balance had a net increase of \$900,000, mostly due to the issuance of debt in 2019.

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

As discussed earlier, the City reports two types of proprietary funds: enterprise funds and internal service funds. The following sections describe the key balances and transactions for the different fund types.

The net position of the enterprise funds increased by \$5.9 million during the current fiscal year. Key factors in this change include:

- The Water/Wastewater Utility Fund had an increase in net position of \$2.5 million due to an increase in service charges.
- The Storm Water Utility Fund had an increase in net position of \$2.4 million due to an increase in service charges.

The net position of the internal service funds increased by \$2.5 million during the current fiscal year. Key factors in this change include:

- The Fleet Fund had a decrease of \$2.5 million, mostly due to a transfer of \$2.1 million to the Public Safety Radio Fund. The transfer out moved activities related to public safety equipment.
- The Public Safety Radio Fund had an increase of \$3.6 million, mostly due to transfers from the Fleet and General Fund.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted in a \$3.4 million increase in appropriations and can be briefly summarized as follows:

- The council approved transfers out to other funds in the amount of \$2.4 million as a result of 2018 positive budget variance.

The actual results compared to the final budget showed a \$4.8 million favorable variance due to better than budgeted revenues as well as conservative spending. Significant details are as follows:

- Lodging and admissions tax revenue exceeded budget by \$1.3 million due to an increase in hotel occupancy and new admissions businesses.
- Business licenses exceeded budget by \$1.2 million due to an increase in permits and licenses as a result of new developments.
- Expenditures were \$1.0 million under budget due to cost savings across multiple departments, which includes savings from unfilled positions.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2019 amount to \$518,351,743 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and structures, machinery and equipment, construction in progress, improvements, and distribution systems. Major capital asset additions during the fiscal year include the following:

- The City's Utilities Division improved the water, wastewater, and storm water distribution systems at a cost of \$7,801,593.
- The 2019 Pavement Management Program expended \$8,486,363. These improvements included 4.07 miles of reconstructed streets and 8.87 miles of overlaid streets.
- The City's Improvement Construction Fund spent nearly \$12.9 million on street improvement projects in 2019 for PMP Reconstruction, PMP Overlay, and State Aid funded street projects.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements. Additional information on the City's capital assets can be found in Note 3.

#### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding (excluding unrestricted premiums) of \$75,185,000 as compared to \$68,245,000 in the prior year. This amount is comprised of \$61,780,000 related to governmental activities and \$13,405,000 in debt related to business-type activities.

In 2019, the City issued \$4,095,000 of General Obligation Permanent Improvement Revolving (PIR) Bonds. In addition the City issued \$1,645,000 of Taxable General Obligation Charter Bonds for the Ice Garden, \$2,105,000 of General Obligation Charter Bonds for general park improvements, \$7,100,000 of Taxable General Obligation Tax Increment Bonds for use in the affordable housing revolving loan program administered by the City's Housing and Redevelopment Authority. Included in the Taxable General Obligation Tax Increment Bonds is the ability of the City to draw an additional \$8,100,000 in proceeds within the next two years. In 2019 the City retired a total of \$8,005,000 resulting in \$75,185,000 in bonds payable as of December 31, 2019.

The City maintains an "Aaa" rating from Moody's, an "AAA" rating from Standard & Poor's, and an "AAA" rating from Fitch Ratings. The City is one of only 40 cities nationwide to hold this "Triple A" bond ratings combination. Additional information on the City's long-term debt can be found in Note 6.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following key indicators provide highlights of the City's economic outlook and future budget impact:

- At December 2019, the unemployment rate in Bloomington was 2.8%, up 0.1% from a year ago. This compares favorably to the state's December unemployment rate of 3.5% and the national rate of 3.4%.
- As of January 2019 the assessor's estimated market value for Bloomington turned up an additional 6.5% on top of 5.2% growth in 2018 to a total of \$14.3 billion. This is a 98% increase in total City market value since 2000, and the total is now 21.7% above the previous peak in 2008. The City has a diverse tax base with approximately half commercial and half residential.
- Faced with premium increases from its health insurance provider of 17-28%, the City decided to move to PEIP (Public Employees Insurance Program) for 2020. PEIP is a health insurance plan open to all public employers in Minnesota, including cities, counties, school districts, and special jurisdictions. It is created in state statute and governed by the Minnesota Department of Management and Budget. With PEIP, the City has the benefit of being part of a very large risk pool, with over 20,000 enrollees. This provides greater stability in rates from year to year. All employers enrolled in PEIP experience the same annual premium increase from year to year, and over the last 10 years, PEIP has had an average premium increase of just 2.5% per year. The lower premiums from PEIP resulted in an increase of just 3% in charges to departments and a decrease to the portion of the premium paid by employees.
- The projected Public Employees Retirement Association (PERA) pension costs to the City for 2020 are estimated at roughly \$5.3 million.
- The Compensation Plan in the 2020 budget is different from previous years' plans in that it no longer has pay ranges that are entirely step-based. The 2020 plan provides defined pay steps early on in the range and then allows for more flexible, performance-based increases as an employee progresses. The 2020 Compensation Plan provided a general wage increase of 3% to all employees, but made smaller or larger increases to the pay ranges of positions that were found to be inconsistent with the market.
- The City uses a ten-year General Fund financial model to determine levels of service and to respond to short-term economic and financial changes to make good decisions for the long term. Other funds are modeled for ten to fifteen years to moderate fee increases and to plan for pay-as-you-go capital improvements.
- In the late 1990s, the City created a prioritized list of downturn strategies. Starting with the 2002 budget process to address the "dot.com" downturn, the City has conservatively utilized these strategies to mitigate large fluctuations in the year-to-year revenues and expenditures. These strategies were again used during the 2008 recession. The budgets, starting with the year 2013, began replenishing reserve funds used for the downturn.
- All of these factors were considered in preparing the City of Bloomington's budget for the 2020 fiscal year.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### **SUBSEQUENT ECONOMIC IMPACTS OF THE COVID-19 PANDEMIC**

- As impacts from the global pandemic have become apparent, it is clear that real estate markets have been impacted to a large degree. Commerce disruptions and high rates of unemployment have fallen especially hard on industries related to travel, hospitality and retail. While the initial drop has been substantial, we need to continually monitor economic conditions and forecasts as prospects for medical breakthroughs come to light. The Bloomington tax base was in a strong position heading into the second quarter of 2020 when the Gross Domestic Product (GDP) declined. We believe will be poised to return to strength once forward looking health and economic prospects again turn positive.
- The City of Bloomington's final 2020 budget and tax levy were adopted by the City Council in early December 2019, and the 2020 budget document was published on the City's website in early March 2020. Then in mid-March 2020, the City of Bloomington along with the rest of the state, country, and world was impacted by the COVID-19 pandemic. The economic impact was immediate for the City with a drop-off in local lodging and admission taxes. Staff has addressed the 2020 potential budget shortfalls projected from \$8.5 - \$17.8 million. As an immediate response, cost-cutting service reductions were enacted. Other budget strategies include deferring capital investment and using fund reserves. The City is confident with its established recession strategies it can successfully manage this economic downturn.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or the requests for additional financial information should be addressed to the Chief Financial Officer, Bloomington Civic Plaza, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431.



# BASIC FINANCIAL STATEMENTS

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Net Position  
December 31, 2019

EXHIBIT 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 180,615,179	\$ 24,585,231	\$ 205,200,410	\$ 87,017,587	\$ 11,294,005
Receivables, net	43,934,425	11,413,536	55,347,961	1,272,186	20,252,145
Prepaid items	866,529	642,545	1,509,074	-	-
Due from primary government	-	-	-	-	5,234,641
Due from component units	11,887,812	-	11,887,812	-	-
Inventory	10,693,190	-	10,693,190	17,150,000	1,624,500
Internal balances	4,179,005	(4,179,005)	-	-	-
Net fire pension asset	26,722,687	-	26,722,687	-	-
Capital assets:					
Capital assets - nondepreciable	111,085,934	4,786,172	115,872,106	-	1,600,300
Capital assets - net of accumulated depr	306,975,957	95,503,680	402,479,637	-	907,500
Net capital assets	<u>418,061,891</u>	<u>100,289,852</u>	<u>518,351,743</u>	<u>-</u>	<u>2,507,800</u>
Total assets	<u>696,960,718</u>	<u>132,752,159</u>	<u>829,712,877</u>	<u>105,439,773</u>	<u>40,913,091</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources	<u>23,007,164</u>	<u>-</u>	<u>23,007,164</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>719,967,882</u>	<u>132,752,159</u>	<u>852,720,041</u>	<u>105,439,773</u>	<u>40,913,091</u>
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	12,032,474	2,888,673	14,921,147	386,360	280,249
Accrued interest payable	603,945	241,375	845,320	87,767	64,376
Unearned revenue	923,464	1,097,268	2,020,732	-	12,875
Due to component units	5,234,641	-	5,234,641	-	-
Due to primary government	-	-	-	738,914	207,892
Due to primary government - bonds	-	-	-	-	540,000
Noncurrent liabilities:					
Due to primary government -					
Loans payable due in more than one year	-	-	-	210,441	7,100,000
Bonds payable due in more than one year	-	-	-	-	3,045,693
Accrued interest payable	-	-	-	-	44,872
Due within one year	9,724,190	575,000	10,299,190	385,000	-
Due in more than one year	82,251,239	13,569,480	95,820,719	6,385,000	6,707,500
Net pension liability	42,147,414	-	42,147,414	-	-
Total liabilities	<u>152,917,367</u>	<u>18,371,796</u>	<u>171,289,163</u>	<u>8,193,482</u>	<u>18,003,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow of resources	<u>44,642,614</u>	<u>-</u>	<u>44,642,614</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>197,559,981</u>	<u>18,371,796</u>	<u>215,931,777</u>	<u>8,193,482</u>	<u>18,003,457</u>
<b>NET POSITION</b>					
Net investment in capital assets	365,680,112	86,145,372	451,825,484	-	924,607
Restricted for:					
Debt service	31,733,521	-	31,733,521	635,886	-
Fire pension	16,865,740	-	16,865,740	-	-
Tax increment	25,799,624	-	25,799,624	96,570,970	2,471,981
Street reconstruction	2,556,725	-	2,556,725	-	-
Restricted - other	7,302,752	-	7,302,752	-	49,923
Unrestricted	72,469,427	28,234,991	100,704,418	39,435	19,463,123
Total net position	<u>\$ 522,407,901</u>	<u>\$ 114,380,363</u>	<u>\$ 636,788,264</u>	<u>\$ 97,246,291</u>	<u>\$ 22,909,634</u>

See notes to the basic financial statements.

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Activities  
Year Ended December 31, 2019

EXHIBIT 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
<b>Primary Government:</b>									
Governmental activities:									
General Services	\$ 6,106,221	\$ 3,938,006	\$ 531,096	\$ 221,544	\$ (1,415,575)	\$ -	\$ (1,415,575)	\$ -	\$ -
Development Services	21,866,534	5,776,101	445,695	211,188	(15,433,550)	-	(15,433,550)	-	-
Public Works	19,401,325	178,416	-	13,228,687	(5,994,222)	-	(5,994,222)	-	-
Public Safety	35,290,965	351,555	1,517,414	-	(33,421,996)	-	(33,421,996)	-	-
Community Services	17,804,474	2,294,621	4,359,145	417,746	(10,732,962)	-	(10,732,962)	-	-
Interest on long-term debt	1,165,137	-	-	-	(1,165,137)	-	(1,165,137)	-	-
Total governmental activities	101,634,656	12,538,699	6,853,350	14,079,165	(68,163,442)	-	(68,163,442)	-	-
Business-type activities:									
Water/Wastewater Utility	25,562,896	27,082,382	169,690	389,918	-	2,079,094	2,079,094	-	-
Storm Water Utility	4,827,637	6,646,738	-	192,661	-	2,011,762	2,011,762	-	-
Recreational Facilities	6,004,555	3,548,689	331,861	42,123	-	(2,081,882)	(2,081,882)	-	-
Solid Waste Management	7,654,546	7,403,797	143,844	38,844	-	(68,061)	(68,061)	-	-
Contractual Police	848,180	854,502	79,981	-	-	86,303	86,303	-	-
Motor Vehicle	754,640	807,049	-	-	-	52,409	52,409	-	-
Total business-type activities	45,652,454	46,343,157	725,376	663,546	-	2,079,625	2,079,625	-	-
Total primary government	\$ 147,287,110	\$ 58,881,856	\$ 7,578,726	\$ 14,742,711	(68,163,442)	2,079,625	(66,083,817)	-	-
<b>Component units:</b>									
Port Authority	\$ 6,318,632	\$ -	\$ 350,000	\$ -	-	-	-	(5,968,632)	-
Housing and Redevelopment Authority	12,190,722	3,433,765	4,993,259	822,892	-	-	-	-	(2,940,806)
Total component units	\$ 18,509,354	\$ 3,433,765	\$ 5,343,259	\$ 822,892	-	-	-	(5,968,632)	(2,940,806)
<b>General revenues:</b>									
Property taxes					58,885,357	2,957,606	61,842,963	13,482,025	3,992,333
Business taxes					17,945,320	-	17,945,320	-	-
Grants and contributions not restricted					1,237,962	-	1,237,962	-	-
Gain on sale of capital assets					197,190	-	197,190	-	-
Interest and investment earnings					4,439,564	659,725	5,099,289	2,087,223	212,557
<b>Transfers</b>					(332,679)	332,679	-	-	-
<b>Total general revenues and transfers</b>					82,372,714	3,950,010	86,322,724	15,569,248	4,204,890
<b>Change in net position</b>					14,209,272	6,029,635	20,238,907	9,600,616	1,264,084
<b>Net position - January 1, as previously reported</b>					508,198,629	107,755,917	615,954,546	87,645,675	21,645,550
<b>Prior period adjustment - see Note 14</b>					-	594,811	594,811	-	-
<b>Net position - January 1, as restated</b>					508,198,629	108,350,728	616,549,357	87,645,675	21,645,550
<b>Net position - December 31</b>					\$ 522,407,901	\$ 114,380,363	\$ 636,788,264	\$ 97,246,291	\$ 22,909,634

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### **MAJOR GOVERNMENTAL FUNDS**

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#### **GENERAL FUND**

*This fund accounts for all unrestricted resources except those required to be accounted for in another fund.*

#### **SPECIAL REVENUE FUND**

*Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.*

Community Development Block Grant Fund - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

#### **DEBT SERVICE FUND**

*Debt service funds account for the accumulation of resources for and payment of general long-term debt principal and interest.*

Improvement Bonds Fund – This fund is used to account for the accumulation of resources for payment of principal and interest on general obligation improvement bonds.

#### **CAPITAL PROJECTS FUNDS**

*Capital projects funds are used to account for the construction and financing of large capital projects.*

Capital Projects Fund – This fund accounts for funds and monies required for financing land acquisitions, park development, housing, and construction and equipment related to public facilities.

Improvement Construction Fund – This fund accounts for the proceeds of bonds sold for the purpose of street, trails, sewer, water, and state aid construction.

**CITY OF BLOOMINGTON, MINNESOTA**

Balance Sheet  
Governmental Funds  
December 31, 2019

	General Fund	Community Development Block Grant	Improvement Bonds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 37,498,249	\$ 135,870	\$ 16,881,963
Accrued interest receivable	150,085	516	66,461
Taxes receivable	555,390	-	22,161
Accounts receivable	2,262,992	-	-
Lease receivable	-	-	-
Mortgages receivable	-	10,927,675	-
Prepaid items	-	-	-
Land held for resale	-	-	-
Due from other funds	209,500	-	-
Due from component units	237,775	-	-
Due from other governments	551,293	62,310	-
Special assessments receivable	1,782,192	-	14,743,278
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u><u>\$ 43,247,476</u></u>	<u><u>\$ 11,126,371</u></u>	<u><u>\$ 31,713,863</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,983,624	\$ 14,738	\$ 66,470
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to component units	5,021	2,370	-
Unearned revenue	513,359	-	-
Deposits payable	21,990	-	-
Total liabilities	<u>4,523,994</u>	<u>17,108</u>	<u>66,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - mortgages	-	10,927,675	-
Deferred inflows - taxes	401,842	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	1,782,192	-	14,743,278
Deferred inflows - land held for resale	-	-	-
Total deferred inflows of resources	<u>2,184,034</u>	<u>10,927,675</u>	<u>14,743,278</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	181,588	16,904,115
Committed	1,852,370	-	-
Assigned	-	-	-
Unassigned	34,687,078	-	-
Total fund balances	<u>36,539,448</u>	<u>181,588</u>	<u>16,904,115</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 43,247,476</u></u>	<u><u>\$ 11,126,371</u></u>	<u><u>\$ 31,713,863</u></u>

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 28,742,475	\$ 40,922,587	\$ 9,210,968	\$ 133,392,112
121,596	169,096	30,597	538,351
-	-	1,219	578,770
169,314	1,246,242	359,938	4,038,486
5,150,000	-	-	5,150,000
-	-	-	10,927,675
18,500	-	-	18,500
9,913,047	606,477	-	10,519,524
-	-	-	209,500
7,965,624	-	53,847	8,257,246
-	3,600,044	355,164	4,568,811
1,288,289	267,216	-	18,080,975
<u>\$ 53,368,845</u>	<u>\$ 46,811,662</u>	<u>\$ 10,011,733</u>	<u>\$ 196,279,950</u>
\$ 2,901,237	\$ 983,531	\$ 487,799	\$ 8,437,399
384,922	971,866	-	1,356,788
-	-	45,500	45,500
5,227,250	-	-	5,234,641
-	-	302,723	816,082
-	-	674,333	696,323
<u>8,513,409</u>	<u>1,955,397</u>	<u>1,510,355</u>	<u>16,586,733</u>
-	-	-	10,927,675
-	-	-	401,842
-	3,113,520	-	3,113,520
1,288,289	267,216	-	18,080,975
9,913,047	606,477	-	10,519,524
<u>11,201,336</u>	<u>3,987,213</u>	<u>-</u>	<u>43,043,536</u>
18,500	-	-	18,500
27,609,235	7,960,993	2,571,828	55,227,759
6,028,245	-	5,929,550	13,810,165
-	32,908,059	-	32,908,059
(1,880)	-	-	34,685,198
<u>33,654,100</u>	<u>40,869,052</u>	<u>8,501,378</u>	<u>136,649,681</u>
<u>\$ 53,368,845</u>	<u>\$ 46,811,662</u>	<u>\$ 10,011,733</u>	<u>\$ 196,279,950</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA



**CITY OF BLOOMINGTON, MINNESOTA**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 December 31, 2019

EXHIBIT 4

<b>FUND BALANCE - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>136,649,681</b>
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:</p>		
Cost of capital assets	\$ 551,878,206	
Less accumulated depreciation	<u>(181,290,089)</u>	370,588,117
Governmental funds do not report a liability for accrued interest until due and payable.		(590,580)
<p>Internal service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.</p>		
Internal service fund net position per statements	21,811,951	
Add allocation to business-type activities	<u>4,015,005</u>	25,826,956
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(60,510,000)
<p>A portion of other post employment benefits (OPEB) was not paid in the current period and, therefore, not reported in the governmental funds.</p>		
Total OPEB liability	(8,828,276)	
Deferred outflows of resources - OPEB plan deferments	341,581	
Deferred inflows of resources - OPEB plan deferments	<u>(1,157,501)</u>	(9,644,196)
Bond premiums are reported as other financing sources in the governmental funds at the time of issuance. In the Statement of Net Position, these costs are amortized over the life of the debt issue.		(3,249,614)
Amounts due from component units-bonds payable are not reflected in the governmental funds and, therefore, must be added to reconcile to the total net position of governmental activities.		3,628,267
<p>Amounts pertaining to the Bloomington Fire Relief Association pension plan are not current financial resources and, therefore, are not reported in governmental funds:</p>		
Net pension asset	26,722,687	
Deferred outflows of resources	5,564,662	
Deferred inflows of resources	<u>(15,421,609)</u>	16,865,740
Other long-term assets related to delinquent property taxes, land held for resale, and special assessments are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		<u>42,843,530</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>522,407,901</u></b>

See notes to the basic financial statements.

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2019

	General Fund	Community Development Block Grant	Improvement Bonds
<b>REVENUES</b>			
Property taxes	\$ 47,796,539	\$ -	\$ 4,009,298
Fiscal disparities	3,274,803	-	267,246
Special assessments	57,572	-	3,457,212
Lodging and admissions tax	10,500,320	-	-
Business licenses and permits	6,875,207	-	-
Fines	673,895	-	-
Intergovernmental	3,115,263	700,978	-
Program income	1,916,769	-	-
Interest	609,249	317	242,523
Net change in fair value of investments	214,132	(317)	97,333
Other	1,148,399	-	18,065
Franchise fees	-	-	-
Contractual payments from component unit	-	-	-
Total revenues	<u>76,182,148</u>	<u>700,978</u>	<u>8,091,677</u>
<b>EXPENDITURES</b>			
Current:			
General services	6,030,216	-	124,128
Development services	9,419,134	504,262	-
Public works	12,551,313	-	-
Public safety	32,354,094	-	-
Parks and recreation	9,608,409	-	-
Community services	4,287,081	-	-
Debt service:			
Interest	-	-	1,331,524
Principal retirement	-	-	6,340,000
Capital outlay:			
Development services	-	-	-
Public works	900,884	-	-
Public safety	105,456	-	-
Parks and recreation	-	-	-
Community services	-	-	-
Total expenditures	<u>75,256,587</u>	<u>504,262</u>	<u>7,795,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>925,561</u>	<u>196,716</u>	<u>296,025</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	3,348,685	-	514,062
Transfers to other funds	(2,403,645)	(15,128)	(478,800)
Issuance of debt	-	-	102,481
Premium on bonds issued	-	-	-
Total other financing sources (uses)	<u>945,040</u>	<u>(15,128)</u>	<u>137,743</u>
Net change in fund balance	1,870,601	181,588	433,768
Fund balance - January 1	<u>34,668,847</u>	<u>-</u>	<u>16,470,347</u>
Fund balance - December 31	<u>\$ 36,539,448</u>	<u>\$ 181,588</u>	<u>\$ 16,904,115</u>

Note: The General Fund is budgeted at the department level, as reported on Exhibit A-1, rather than by function. See notes to the basic financial statements.

EXHIBIT 5

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 927,579	\$ 894,523	\$ 1,568,699	\$ 55,196,638
29,199	55,477	99,315	3,726,040
154,159	28,996	-	3,697,939
7,445,000	-	-	17,945,320
-	-	-	6,875,207
-	-	84,186	758,081
304,355	5,676,668	2,333,601	12,130,865
-	-	474,783	2,391,552
683,455	824,068	129,036	2,488,648
189,093	217,081	36,701	754,023
934,778	216,684	764,161	3,082,087
-	4,973,680	1,384,514	6,358,194
80,731	-	-	80,731
<u>10,748,349</u>	<u>12,887,177</u>	<u>6,874,996</u>	<u>115,485,325</u>
215,639	25,151	199,139	6,594,273
7,436,953	-	213,682	17,574,031
-	24,348	-	12,575,661
-	-	1,171,474	33,525,568
64,270	-	74,407	9,747,086
-	-	3,093,345	7,380,426
-	-	153,459	1,484,983
-	-	945,000	7,285,000
8,379,836	18,627	23,961	8,422,424
-	12,785,037	-	13,685,921
-	-	140,614	246,070
755,856	-	-	755,856
-	-	36,115	36,115
<u>16,852,554</u>	<u>12,853,163</u>	<u>6,051,196</u>	<u>119,313,414</u>
<u>(6,104,205)</u>	<u>34,014</u>	<u>823,800</u>	<u>(3,828,089)</u>
780,000	1,172,758	1,829,258	7,644,763
(3,307,695)	(1,638,967)	(65,632)	(7,909,867)
9,164,924	4,032,595	-	13,300,000
325,187	625,208	-	950,395
<u>6,962,416</u>	<u>4,191,594</u>	<u>1,763,626</u>	<u>13,985,291</u>
858,211	4,225,608	2,587,426	10,157,202
<u>32,795,889</u>	<u>36,643,444</u>	<u>5,913,952</u>	<u>126,492,479</u>
<u>\$ 33,654,100</u>	<u>\$ 40,869,052</u>	<u>\$ 8,501,378</u>	<u>\$ 136,649,681</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 Year Ended December 31, 2019

EXHIBIT 6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 10,157,202**

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized (subject to the City's capitalization policy) and depreciated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 23,146,386	
Depreciation expense	<u>(11,906,911)</u>	11,239,475

The issuance of long-term debt (e.g., bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt issued	(13,300,000)	
Principal paid	<u>7,285,000</u>	(6,015,000)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (606,721)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued interest payable, the total other post employment benefits (OPEB) obligation, and related deferred items. 405,410

Internal service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities.

Change in internal service fund net position per statements	2,465,391	
Add allocation to business-type activities	<u>(143,375)</u>	2,322,016

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,014,673)

Interest revenue on Due from Component Units is not recorded in the governmental funds until received but reported in the Statement of Activities when earned. (5,598)

Governmental Funds report Fire Department pension contribution as expenditures, however pension expense is reported in the statement of activities. This is the amount by which pension expense exceeded pension contributions.

Pension Expense		(1,727,839)
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Repayments of Due from Component Units are treated as revenues in the governmental funds but reported as a reduction of the receivable in the Statement of Net Position. Bond proceeds loaned to the component unit are treated as expenditures in the governmental funds but reported as an increase in the receivable in the Statement of Net Position. (545,000)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 14,209,272**

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### MAJOR PROPRIETARY FUNDS

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#### **ENTERPRISE FUNDS**

*Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.*

Water/Wastewater Utility Fund - This fund accounts for the operations of the City-owned water and sewer systems.

Storm Water Utility Fund - This fund accounts for the operations and improvements of the storm water drainage system.

Recreational Facilities Fund - This fund accounts for the operations of the City's ice garden, golf courses, aquatic recreation facilities and art center operations.

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Fund Net Position

Proprietary Funds

December 31, 2019

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 8,796,111	\$ 11,953,800
Accrued interest receivable	34,495	49,680
Taxes receivable	475,550	1,012,545
Accounts receivable	5,685,350	1,691,771
Prepaid items	642,545	-
Due from other governments	-	-
Inventory	-	-
Total current assets	<u>15,634,051</u>	<u>14,707,796</u>
Noncurrent assets:		
Land	2,280,001	478,858
Buildings and structures	18,521,011	791,498
Machinery and equipment	1,428,220	179,571
Improvements	2,544,541	1,844,511
Distribution system	100,519,549	60,301,498
Construction in progress	36,546	-
Accumulated depreciation	<u>(78,412,554)</u>	<u>(20,955,650)</u>
Total noncurrent assets	<u>46,917,314</u>	<u>42,640,286</u>
<b>Total assets</b>	<u>62,551,365</u>	<u>57,348,082</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - related to pensions	<u>-</u>	<u>-</u>
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,064,258	98,978
Estimated claims payable	-	-
Benefits payable	-	-
Due to other funds	-	-
Retainage payable	-	114,800
Unearned revenue	66,652	1,012,545
Bonds payable	105,000	470,000
Accrued interest payable	12,320	197,526
Deposits payable	31,483	-
Total current liabilities	<u>1,279,713</u>	<u>1,893,849</u>
Noncurrent liabilities:		
Benefits payable	-	-
Bonds payable	850,000	11,074,480
Estimated claims payable	-	-
Net pension liability	-	-
Total noncurrent liabilities	<u>850,000</u>	<u>11,074,480</u>
<b>Total liabilities</b>	<u>2,129,713</u>	<u>12,968,329</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - related to pensions	<u>-</u>	<u>-</u>
 <b>NET POSITION</b>		
Net investment in capital assets	45,962,314	31,095,806
Unrestricted	14,459,338	13,283,947
<b>Total net position</b>	<u>\$ 60,421,652</u>	<u>\$ 44,379,753</u>

See notes to the basic financial statements.



EXHIBIT 7

Recreational Facilities	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ 1,953,317	\$ 1,882,003	\$ 24,585,231	\$ 47,223,067
8,436	8,139	100,750	185,468
-	18,268	1,506,363	-
259,290	1,830,472	9,466,883	49,534
-	-	642,545	848,029
300,000	39,540	339,540	18,660
-	-	-	173,666
<u>2,521,043</u>	<u>3,778,422</u>	<u>36,641,312</u>	<u>48,498,424</u>
1,955,757	-	4,714,616	11,432,262
19,294,422	-	38,606,931	40,397,448
1,694,899	24,229	3,326,919	42,196,494
2,816,940	-	7,205,992	2,951,480
-	-	160,821,047	-
35,010	-	71,556	1,348,257
(15,064,776)	(24,229)	(114,457,209)	(50,852,166)
<u>10,732,252</u>	<u>-</u>	<u>100,289,852</u>	<u>47,473,775</u>
<u>13,253,295</u>	<u>3,778,422</u>	<u>136,931,164</u>	<u>95,972,199</u>
-	-	-	17,100,921
485,789	988,409	2,637,434	1,518,153
-	-	-	821,315
-	-	-	807,875
-	164,000	164,000	-
99,440	-	214,240	19,980
18,071	-	1,097,268	107,382
-	-	575,000	630,000
31,529	-	241,375	13,365
4,316	1,200	36,999	3,832
<u>639,145</u>	<u>1,153,609</u>	<u>4,966,316</u>	<u>3,921,902</u>
-	-	-	15,349,628
1,645,000	-	13,569,480	640,000
-	-	-	1,138,721
-	-	-	42,147,414
<u>1,645,000</u>	<u>-</u>	<u>13,569,480</u>	<u>59,275,763</u>
<u>2,284,145</u>	<u>1,153,609</u>	<u>18,535,796</u>	<u>63,197,665</u>
-	-	-	28,063,504
9,087,252	-	86,145,372	46,203,775
1,881,898	2,624,813	32,249,996	(24,391,824)
<u>\$ 10,969,150</u>	<u>\$ 2,624,813</u>	<u>118,395,368</u>	<u>\$ 21,811,951</u>

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

(4,015,005)  
\$ 114,380,363

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>
Operating revenues:		
Charges for services	\$ 27,066,127	\$ 6,645,864
Other	10,990	4,347
Total operating revenues	<u>27,077,117</u>	<u>6,650,211</u>
Operating expenses:		
Salaries and benefits	5,695,448	1,361,297
Materials, supplies and service	6,927,070	1,161,423
Depreciation	1,568,599	1,845,919
Water purchased	3,904,370	-
Wastewater disposal cost	7,504,090	-
Total operating expenses	<u>25,599,577</u>	<u>4,368,639</u>
Operating income (loss)	<u>1,477,540</u>	<u>2,281,572</u>
Nonoperating revenues (expenses):		
Taxes	-	-
Fiscal disparities	-	-
Intergovernmental	169,670	-
Interest income	161,208	261,209
Net change in fair value of investments	45,459	87,689
Gain (loss) on sale of capital assets	-	(3,472)
Other	5,265	-
Interest expense	(29,831)	(416,947)
Total nonoperating revenues (expenses)	<u>351,771</u>	<u>(71,521)</u>
Income before capital contributions and transfers	1,829,311	2,210,051
Transfers and capital contributions:		
Capital contributions from private sources	389,918	140,154
Transfers from other funds	309,000	-
Transfers to other funds	-	-
Change in net position	<u>2,528,229</u>	<u>2,350,205</u>
Total net position - January 1, as previously reported	57,298,612	42,029,548
Prior period adjustment - see Note 14	594,811	-
Total net position - January 1, as restated	<u>57,893,423</u>	<u>42,029,548</u>
Total net position - December 31	<u>\$ 60,421,652</u>	<u>\$ 44,379,753</u>

See notes to the basic financial statements.

EXHIBIT 8

Recreational Facilities	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ 3,510,211	\$ 8,914,922	\$ 46,137,124	\$ 43,609,839
25,679	150,426	191,442	96,506
<u>3,535,890</u>	<u>9,065,348</u>	<u>46,328,566</u>	<u>43,706,345</u>
2,338,242	1,679,521	11,074,508	21,583,806
3,132,062	7,585,730	18,806,285	17,042,284
561,248	-	3,975,766	4,124,423
-	-	3,904,370	-
-	-	7,504,090	-
<u>6,031,552</u>	<u>9,265,251</u>	<u>45,265,019</u>	<u>42,750,513</u>
<u>(2,495,662)</u>	<u>(199,903)</u>	<u>1,063,547</u>	<u>955,832</u>
2,394,756	465,700	2,860,456	-
89,850	7,300	97,150	-
329,726	223,825	723,221	216,696
38,906	37,604	498,927	927,197
10,154	17,519	160,821	258,821
(5,951)	-	(9,423)	194,648
20,885	-	26,150	13,000
10,594	-	(436,184)	(33,228)
<u>2,888,920</u>	<u>751,948</u>	<u>3,921,118</u>	<u>1,577,134</u>
393,258	552,045	4,984,665	2,532,966
-	38,844	568,916	-
293,495	125,000	727,495	3,830,582
<u>-</u>	<u>(394,816)</u>	<u>(394,816)</u>	<u>(3,898,157)</u>
686,753	321,073	5,886,260	2,465,391
10,282,397	2,303,740	-	19,346,560
-	-	-	-
<u>10,282,397</u>	<u>2,303,740</u>	<u>-</u>	<u>19,346,560</u>
<u>\$ 10,969,150</u>	<u>\$ 2,624,813</u>	<u>\$ -</u>	<u>\$ 21,811,951</u>

Adjustment to reflect the consolidation of internal  
service fund activities related to enterprise funds.  
Change in net position of business-type activities (Exh. 2)

143,375  
\$ 6,029,635

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2019

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Stormwater Utility</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from interfund services provided	\$ -	\$ -
Cash receipts from customers	26,825,272	6,551,810
Cash payments to other funds	(3,235,799)	(1,352,434)
Payments to employees	(5,652,228)	(1,359,327)
Payments to suppliers	(14,800,795)	(1,302,422)
Net cash provided by (used in) operating activities	<u>3,136,450</u>	<u>2,537,627</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants	169,670	-
Transfers from other funds	309,000	-
Transfers to other funds	-	-
Subsidy from endowment fund	-	-
Other	-	-
Taxes	-	-
Net cash provided by noncapital financing activities	<u>478,670</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond payments	(105,000)	-
Proceeds from issuance of bonds	-	-
Interest and other payments	(31,144)	(310,774)
Capital grants and contributions from private sources	389,919	140,154
Proceeds from sale of capital assets	5,265	-
Purchase of capital assets	(2,333,256)	(5,573,419)
Net cash provided by (used in) capital and related financing activities	<u>(2,074,216)</u>	<u>(5,744,039)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>206,667</u>	<u>348,898</u>
Net increase (decrease) in cash and cash equivalents	<u>1,747,571</u>	<u>(2,857,514)</u>
Cash and cash equivalents - January 1	<u>7,048,540</u>	<u>14,811,314</u>
Cash and cash equivalents - December 31	<u>\$ 8,796,111</u>	<u>\$ 11,953,800</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ 1,477,540	\$ 2,281,572
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,568,599	1,845,919
Changes in assets and liabilities:		
Accounts receivable	(238,551)	(90,112)
Other current assets	(13,294)	(8,289)
Inventory	-	-
Accounts payable	310,693	(1,419,138)
Unearned revenue	31,463	(72,325)
Net pension liability	-	-
Deferred outflows of resources	-	-
Deferred inflows of resources	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,136,450</u>	<u>\$ 2,537,627</u>

See notes to the basic financial statements.

EXHIBIT 9

Recreational Facilities	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ -	\$ -	\$ -	\$ 43,608,624
3,503,113	9,146,800	46,026,995	-
(1,898,438)	(458,087)	(6,944,758)	(4,536,952)
(2,337,894)	(1,696,661)	(11,046,110)	(20,882,016)
(797,438)	(6,774,504)	(23,675,159)	(12,247,921)
<u>(1,530,657)</u>	<u>217,548</u>	<u>4,360,968</u>	<u>5,941,735</u>
29,726	247,617	447,013	198,336
293,495	125,000	727,495	3,830,582
-	(394,816)	(394,816)	(3,898,157)
18,750	-	18,750	-
2,135	-	2,135	5,800
<u>2,484,606</u>	<u>473,000</u>	<u>2,957,606</u>	<u>-</u>
<u>2,828,712</u>	<u>450,801</u>	<u>3,758,183</u>	<u>136,561</u>
-	-	(105,000)	(615,000)
1,676,529	-	1,676,529	-
10,594	-	(331,324)	(33,228)
-	38,844	568,917	-
-	-	5,265	254,548
<u>(2,573,824)</u>	<u>-</u>	<u>(10,480,499)</u>	<u>(3,828,799)</u>
<u>(886,701)</u>	<u>38,844</u>	<u>(8,666,112)</u>	<u>(4,222,479)</u>
<u>49,060</u>	<u>55,121</u>	<u>659,746</u>	<u>1,186,019</u>
<u>460,414</u>	<u>762,314</u>	<u>112,785</u>	<u>3,041,836</u>
<u>1,492,903</u>	<u>1,119,689</u>	<u>24,472,446</u>	<u>44,181,231</u>
<u>\$ 1,953,317</u>	<u>\$ 1,882,003</u>	<u>\$ 24,585,231</u>	<u>\$ 47,223,067</u>
\$ (2,495,662)	\$ (199,903)	\$ 1,063,547	\$ 955,832
561,248	-	3,975,766	4,124,423
(29,055)	81,265	(276,453)	(33,284)
(3,722)	183	(25,122)	(32,055)
-	-	-	12,292
439,398	336,003	(333,044)	1,104,028
(2,864)	-	(43,726)	-
-	-	-	250,298
-	-	-	8,297,928
-	-	-	(8,737,727)
<u>\$ (1,530,657)</u>	<u>\$ 217,548</u>	<u>\$ 4,360,968</u>	<u>\$ 5,941,735</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

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### **FIDUCIARY FUNDS**

*Fiduciary funds are used to account for resources held by the City as trustee for the benefit of parties outside of the government.*

Private-Purpose Trust Fund – This fund was established with the receipt of a \$1,000,000 donation to the City. The interest earnings from this endowment fund are to be used to offset operating costs of the Bloomington Center for the Arts.

**City of Bloomington**  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

EXHIBIT 10

	<u>Private-Purpose Trust</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 999,321
Accrued interest receivable	7,958
<b>Total Assets</b>	<u>\$ 1,007,279</u>
<b>NET POSITION</b>	
Restricted for trust purposes	<u>\$ 1,007,279</u>

See notes to the basic financial statements.



**City of Bloomington**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended December 31, 2019

EXHIBIT 11

	<u>Private-Purpose Trust</u>
<b>ADDITIONS</b>	
Investment earnings - Interest	<u>\$ 34,598</u>
<b>DEDUCTIONS</b>	
Current: General services	<u>18,750</u>
Change in net position	15,848
Net position - January 1	<u>991,431</u>
Net position - December 31	<u><u>\$ 1,007,279</u></u>

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

# NOTES TO THE BASIC FINANCIAL STATEMENTS

## CITY OF BLOOMINGTON, MINNESOTA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bloomington, Minnesota (the City) operates pursuant to applicable Minnesota laws and statutes. The governing body (the City Council) consists of six council members and the Mayor. Four of the council members are elected by district and two of the council members and the Mayor are elected at large. All serve four-year staggered terms, subject to redistricting every ten years, which results in two 2-year terms through that transition. The City Manager, the chief administrative officer, is selected by the City Council to serve an indefinite term. The City Manager controls and directs the administration of the City's affairs and supervises all departments and divisions.

The 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 Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

#### A. REPORTING ENTITY

In accordance with GASB pronouncements and generally accepted accounting principles, the City's financial statements include all funds, organizations, and departments of the City and the City's component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship 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 entity definition criteria established by GASB, certain organizations have been included with the City's financial statements, as follows:

Discretely Presented Component Units - Entails reporting the component unit financial data in columns separate from the financial data of the City:

## **Port Authority of the City of Bloomington (Port Authority)**

The Port Authority was created by the City in 1981 to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. This goal is accomplished in many cases through the use of Tax Increment Financing, to be issued as needed to effect orderly development. The Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council, and its boundaries encompass the entire City of Bloomington. The Port Authority has limited taxing powers, but extensive authority to issue bonds or notes for public improvements and land development. These are subject to approval by the City Council prior to issuance. The City Council appoints the Port Authority board, guarantees certain Port Authority debt, and contractually provides staff to manage the Port Authority's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

## **Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

The HRA is a statutory organization established in 1971 to provide housing and redevelopment assistance to Bloomington citizens. Assistance is provided through the administration of various programs. The HRA's boundaries encompass the entire City of Bloomington. The City Council appoints the members of the HRA board, and City employees on contract to the HRA manage the HRA's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

Financial information for the Port Authority and HRA is provided in the Other Supplementary Information section of the City's comprehensive annual financial report. Separate financial statements are not issued for the component units.

## **B. GOVERNMENT-WIDE AND FUND ACCOUNTING**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

The government-wide statement of net position is designed to display the financial position of the primary government in the two categories of governmental and business-type activities. In this statement, both the governmental and business-type activities columns are reflected on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governments report all capital assets, including infrastructure, in the government-wide statement of net position and report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of the government is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

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

The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column includes capital-specific grants.

The governmental funds' major fund statements in the fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliations are presented which briefly explain the adjustments necessary to reconcile both the ending net position and the change in net position.

The focus of the government-wide and fund accounting reporting model is on the City as a whole and the City's major funds, including both governmental funds and proprietary funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities, deferred inflows of resources, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

Major governmental funds - The City reports the following major governmental funds:

- *General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Community Development Block Grant Fund* - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974. Revenues of the fund are restricted for housing and development purposes.
- *Improvement Bonds Fund* - This fund is used to account for the accumulation of resources for payment of principal and interest on general obligation improvement bonds.
- *Capital Projects Fund* - This fund accounts for funds and monies required for financing land acquisitions, construction, park development, and equipment related to public facilities. This fund also accounts for the state allotment of gasoline tax collections for road construction and for transitional costs for capital construction.
- *Improvement Construction Fund* - This fund accounts for the proceeds of bonds sold for the purpose of street, sewer, water, and state aid construction.

Major proprietary funds - The City reports the following major proprietary funds:

- *Water/Wastewater Utility Fund* - This fund accounts for the operations of the City-owned water and sewer systems.
- *Storm Water Utility Fund* - This fund accounts for the operations and improvements of the storm water drainage system.
- *Recreational Facilities Fund* - This fund accounts for the operations of the City's ice garden, golf courses, aquatic recreation facilities, and art center operations.

Other funds - The City reports the following other funds:

*Internal Service Funds* - The Internal Service Funds are used to account for information technology, fleet, support services, public safety radios, self-insurance, benefit accruals, insured benefits, facilities and parks maintenance, and PERA pension, all provided by one department to other departments of the City on a cost-reimbursement basis. The City has allocated the statement of fund net position and the statement of revenues, expenses, and changes in net position between various governmental and business-type activities in the government-wide statements.

*Private-Purpose Trust Fund* - The Private-Purpose Trust Fund is used to report the trust activity with the Bloomington Arts Center which benefits from the income earned on the principal of the endowment. This fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the City's programs.

## C. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

### Governmental Funds:

*Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Reported fund balance is considered a measure 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 fund balance.

*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 government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

*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 interest on investments. 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.

*Unavailable Revenues* – Unavailable revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Such amounts are classified as deferred inflows of resources within governmental funds.

*Unearned Revenues* – Unearned revenues arise when resources are received by the City 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 general long-term debt and other long-term liabilities which are recognized when due.

#### Proprietary and Fiduciary Funds:

*Measurement Focus* - Proprietary funds and private-purpose trust 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 statement of net position. The net position of the fund is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

*Basis of Accounting* - All proprietary funds and fiduciary 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 Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

#### D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and the following special revenue funds: Community Development Block Grant, Public Health, Public Safety, Communications, Park Grants, South Loop Revolving Development Services, Creative Placemaking, and Cemetery Trust.

Budgeted amounts are reported as originally adopted and as amended by the City Council, if such action was taken. Budgeted expenditure appropriations lapse at year-end. During the year, several supplementary appropriations are approved by the City Council.



Future projects represent purchase commitments. Future projects outstanding at year-end are reported as committed fund balances for future projects.

Carryovers of prior-year budget appropriations are allowed when projects have been approved, but not completed, and funding has not been provided in the following year's budget. Budget carryovers at year-end are reported as committed fund balances.

#### Legal Compliance - Budgets

The City follows the procedures below in establishing the budget reflected in the accompanying financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The General and special revenue funds are legally adopted through the budgetary process as documented herein.
2. Public hearings are conducted to obtain taxpayer comments.
3. Both the General Fund and special revenue fund budgets are legally enacted through passage of resolutions.
4. Monitoring of budgets is maintained at the expenditure category level within each activity. Budgetary monitoring, by department, division, and by category is required by the City Charter. Management may alter the budget within a department but cannot exceed the total budgeted expenditures for that department unless approved by the City Council. The City Council may authorize transfer of budgeted amounts between departments or funds. These budget amendments must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. 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 projects funds is accomplished through the use of project controls.
6. General Fund expenditures may not legally exceed budgeted appropriations at the departmental level. Special revenue fund expenditures may not legally exceed budgeted appropriations at the fund level.

#### E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in authorized investments (see Note 2). Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value, based upon quoted market prices at the reporting date, except for investments in money market investments and external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits, and highly liquid investments with an original maturity date at the time of purchase of three months or less. The City accounts for its investments in an entity-wide cash management pool, which is used essentially as a demand deposit account.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due from primary government/component unit” and “due to other funds” or “due to primary government/component unit,” respectively, on the balance sheet (see Note 8). Any interfund balances are eliminated on the entity-wide financial statements.

G. INVENTORIES AND PREPAID ITEMS

Inventory is valued at average cost based on physical counts for all fund types. In the General Fund, inventory is not significant and is recorded as an expenditure at the time of purchase. In the proprietary funds, inventory is recorded as an expense when consumed.

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2019 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

H. CAPITAL ASSETS

Capital outlays are recorded as expenditures in the City’s governmental fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City’s government-wide and proprietary funds statements of net position, which use the full accrual basis of accounting. Infrastructure has been capitalized retroactively to 1980. The carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Depreciation on the City’s capital assets (including infrastructure) is recorded on a government-wide basis and in the proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the acquisition value as of the date received. The City’s policy is to only capitalize capital assets exceeding \$10,000.

Depreciation has been provided over the estimated useful lives using the straight-line method. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

	<b>Years</b>
Land improvements	20-50
Buildings and structures	15-95
Distribution system	36
Equipment	3-15
Infrastructure	5-48

## I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources until then.

The City reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Unavailable revenue arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from five sources: mortgages, taxes, state aid, special assessments and land held for resale. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## J. COMPENSATED ABSENCES

The City compensates all employees upon termination for unused vacation up to a maximum range of 432 to 480 hours based upon length of service. The City also compensates employees for unused personal time up to a maximum of 1,000 hours. Personal leave balances in excess of 600 hours upon termination are converted to a tax deferred health care retirement account with the State Board of Investments. Such pay is accrued as an expenditure/expense as it is earned in all funds. The liability for all compensated absences is recorded in the Benefit Accrual Fund within the internal service funds.

## K. LONG-TERM OBLIGATIONS

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City. Long-term obligations are recognized as a liability of a governmental fund only when due, or when resources have been accumulated in a debt service fund for payment early in the following year. Long-term obligations expected to be financed from proprietary funds are accounted for in those funds.

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.

## L. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial and Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, housing, 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 mortgage loans. A bank or financing institution finances this transaction, and the terms and conditions are contracted between the lender and the borrower. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, there were three series of Industrial and Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$57.9 million.

## M. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints for a specific purpose. In accordance with City Charter the City Council is the City's highest level of decision making authority and can, by legal resolution prior to the end of a fiscal year, approve to establish, modify or rescind a fund balance commitment.

*Assigned* – consists of internally imposed constraints for the specific purpose of the City's intended use. Pursuant to the City's Fund Balance Classification Policy, intent can be expressed by the government body or by an official or body to which the governing body delegates the authority. At this time the City Council has not delegated the authority to assign fund balance.

*Unassigned* – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned and 3) unassigned.

## N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivables or payables between the two types of activities: governmental and business-type.

## O. PROPERTY TAXES

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County (the County) for collection in the following year. In the state of Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Property taxes are accrued and recognized as revenue in the fund financial statements for collections within 60 days after year-end, net of delinquencies.

Real property taxes are required by state statute to be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are required to be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts in July, December, and January.

Taxes levied which remain unpaid at December 31 are classified as taxes receivable and are fully offset by deferred inflows in the governmental fund financial statements because they are not known to be available to finance current expenditures. Delinquent property taxes are recorded as earned in the government-wide statements, less a \$200,000 allowance for uncollectible accounts.

## P. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not have an effect on fund net position or change in net position, as previously reported.

## Q. DEFICIT NET POSITION AND FUND BALANCE

The PERA Pension internal service fund had a negative net position balance of \$(53,109,997) on December 31, 2019 as a result of following accounting required by GASB 68. Future pension contributions and investment earnings will reduce the negative net position in the PERA Pension internal service fund. The Benefit Accrual internal service fund had a negative net position balance of \$(1,872,131) on December 31, 2019. This fund accounts for the compensated personal and vacation leave balances. Over the next few years, the City will increase internal charges and transfer funds to eliminate the deficit in this fund.

## R. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported on the financial statements during the reporting period. Actual results could differ from such estimates.

## S. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

*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.

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

## 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

### A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at national or state banks within the state, as authorized by the City Council.

At December 31, 2019, the carrying amount of the City's deposits with financial institutions was \$97,726 and the bank balances totaled \$835,761.

*Custodial Credit Risk-Deposits* – Custodial credit risk is the risk that in event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral. City policy does not further add any restrictions to address custodial credit risk. As of December 31, 2019, the bank balance of the City's deposits was covered by federal depository insurance or covered by collateral pledged and held in the City's name.

### B. INVESTMENTS

The City may also invest funds as authorized by Minnesota Statutes and its investment policy as follows:

- U.S. Treasury obligations including bonds, notes, Treasury bills, or other securities which are direct obligations of the United States. Instruments sold and issued by the U.S. Government carry the full faith guarantee of the U.S. Government. These instruments provide the highest quality available to purchase and are highly liquid.
- U.S. Agency securities Government Sponsored Enterprises (GSE's) are instrumentalities, or organizations created by an act of Congress. GSE securities have the implied guarantee of the United States Government and are privileged to certain access to capital and support of government programs. The most common GSE issuers are Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Agriculture Mortgage Corporation (FAMC), Federal Farm Credit Bureau (FFCB), and Federal National Mortgage Association (FNMA).
- General obligation bonds of state or local governments must have a taxing power rating of A, AA, or AAA. Tax exempt or taxable bonds qualify as long as they meet the rating standards.
- Banker's acceptances of United States banks, eligible for purchase by the Federal Reserve System, that mature in 270 days or less. Evaluation of the financial strength of the accepting bank is necessary through purchasing acceptances only from banks with a minimum A (very strong bank) rating by a nationally recognized rating agency.
- Money market mutual funds (excluding the 4M Fund) are rated Aa or higher by at least one nationally recognized statistical rating organization, invests in securities with a final maturity no longer than 13 months and for which the Investment Committee has obtained and reviewed the fund prospectus.
- Savings/demand deposits. A financial institution that is qualified as a "depository" of public funds of government entities. The City may hold balances in qualified bank deposits. Funds may be held in savings accounts at approved depository banks. If balances are greater than the FDIC limit, collateral of 110 percent will be held for the excess balances.

- Commercial paper is short term unsecured debt which has been issued by a United States corporation or their Canadian subsidiaries and is not a limited liability corporation (LLC) to fund their day-to-day operational needs. Maturities typically range from one day to 270 days. The City may only buy paper that meets the Minnesota Statute 118A with the exception that no Asset Backed or Structured Investment Vehicle (SIV) Commercial Paper are allowed. Only commercial paper with the highest quality rating of A1, P1, F1 and the underlying issuer of the commercial paper must have a long-term debt rating of AAA to be utilized.
- The City may enter into repurchase agreements and reverse repurchase agreements consisting of collateral allowable in Minnesota Statute, Chapter 118A.
- Investment products that are considered as derivatives are specifically excluded from approved direct investment purchases at this time.

As of December 31, 2019, the City had the following investments and maturities:

Investment Type	Fair Value	Less than One Year	One Year to Five Years	Five Years to Ten Years
Money Market	\$ 22,779,726	\$ 22,779,726	\$ -	\$ -
4M Term Series	10,000,000	10,000,000	-	-
Commercial Paper	19,961,295	19,961,295	-	-
Commercial Paper Sweep	322,672	322,672	-	-
Treasury Notes	9,010,210	9,010,210	-	-
Farmer Mac	3,027,180	2,015,740	1,011,440	-
Federal Farm Credit Bank	28,051,832	2,198,242	11,969,720	13,883,870
Federal Home Loan Bank	26,896,880	9,008,120	17,888,760	-
Federal Agriculture Mortgage Corporation	6,250,160	-	6,250,160	-
Federal Home Loan Mortgage Corporation	29,007,650	-	29,007,650	-
Federal National Mortgage Association	12,590,795	7,613,595	4,977,200	-
Municipal Bonds	38,203,605	4,493,330	33,710,275	-
Total investments	206,102,005	<u>\$ 87,402,930</u>	<u>\$104,815,205</u>	<u>\$ 13,883,870</u>
Total deposits	97,726			
Total investments and deposits	<u>\$ 206,199,731</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2019:

Investments by fair value level	12/31/19	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper	\$ 19,961,295	\$ -	\$ 19,961,295	\$ -
Commercial Paper Sweep	322,672	-	322,672	-
Treasury Notes	9,010,210	9,010,210	-	-
Farmer Mac	3,027,180	-	3,027,180	-
Federal Farm Credit Bank	28,051,832	-	28,051,832	-
Federal Home Loan Bank	26,896,880	-	26,896,880	-
Federal Home Loan Mortgage Corporation	29,007,650	-	29,007,650	-
Federal Agriculture Mortgage Corporation	6,250,160	-	6,250,160	-
Federal National Mortgage Association	12,590,795	-	12,590,795	-
Municipal Bonds	38,203,605	-	38,203,605	-
Subtotal	<u>173,322,279</u>	<u>\$ 9,010,210</u>	<u>\$164,312,069</u>	<u>\$ -</u>
Investments not categorized				
External investment pools:				
US Bank Money Market	6,103,746			
4M Fund Money Market	16,675,980			
4M Term Series	10,000,000			
Bank Deposits	97,726			
Total	<u>\$ 206,199,731</u>			

*Custodial Credit Risk-Investments* – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2019, all investments of the City were insured, registered, and held by the City or its agent in the City’s name. Investments in money market accounts are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk. The City has no policy for credit risk beyond what is provided by Minnesota state law.

*Interest Rate Risk* – The City’s investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City will attempt to match its investment maturities with anticipated cash flow liquidity demands (static liquidity). The portfolio will be structured so that the liquid component, a minimum of 5% of total investments, will be invested in short term securities maturing in less than thirty days. Reserve funds may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The City has two types of portfolios: a short term portfolio with no less than 85% of the portfolio with maturities of five years or less and a long term portfolio with no more than 15% of the portfolio with maturities greater than five years. In no event does the City invest in securities with maturities exceeding 10 years. Total weighted average maturity of total funds will not exceed 3.5 years for the short term portfolio. Maturities will be diversified to avoid undue concentration of assets in a specific sector. An exception to this policy is made for maturities that may be placed in a reserve fund (per bond indentures), whereby maturities dates will coincide with expected use of funds.



Another exception is allowed if the City purchases Component Unit bonds with a long duration, up to 20 years, with City Council approval.

*Credit Risk* – State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The City’s investments in money market funds, Federal Farm Credit, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, and Federal National Mortgage Association Notes were all rated AA+ by Standard & Poor’s and Aaa by Moody’s Investors Service and the municipal investments are all rated A+ or better by Standard & Poor’s and Moody’s Investors Service. The City does not have a policy on credit risk beyond State law.

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 the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn. The 4M term series has a specific maturity date which allows us to lock in current interest rates.

*Concentration of Credit Risk* – The City’s investment policy allows for diversification with the following thresholds: 50% in Money Market funds, 20% in Savings/Demand deposits, 10% in Bankers Acceptances, 20% in Commercial Paper, 100% in US Treasury obligations, 100% in GSE-Agency securities, 55% in Municipal securities (35% with component units and 20% with non-component units), 10% in Repurchase Agreements, and Guaranteed Investment Contracts varying by project. The City diversifies its investments to substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities, with the exception of U.S. Treasury securities, and authorized pools. Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio but consideration will be given for future purchases. More than 5% of the City’s investments are in the following governmental agencies: Federal Farm Credit Bank (14%), Federal Home Loan Bank (13%), Federal Home Loan Mortgage Corporation (14%), and Federal National Mortgage Association (6%).

Given the smaller portfolios of the Port Authority and the HRA, the above restrictions may be waived for specific project needs.

The following table reconciles cash, cash equivalents, and investments to the basic financial statements at December 31, 2019:

Governmental funds	\$ 133,392,112
Proprietary funds:	
Enterprise	24,585,231
Internal service	47,223,067
Government-wide	<u>205,200,410</u>
Fiduciary funds	999,321
Total cash, cash equivalents, and investment	<u>\$ 206,199,731</u>

### 3. CAPITAL ASSETS

During 2019 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2019 was as follows:

	Primary Government			
	Balance at 1/1/19	Additions	Retirements	Balance at 12/31/19
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 99,802,614	\$ 26,263	\$ -	\$ 99,828,877
Construction in progress	4,223,756	10,908,527	(3,875,226)	11,257,057
Total capital assets not being depreciated	104,026,370	10,934,790	(3,875,226)	111,085,934
Capital assets being depreciated:				
Buildings and structures	68,836,507	245,910	(250,000)	68,832,417
Machinery and equipment	47,624,327	2,921,907	(1,135,318)	49,410,916
Improvements	20,205,728	687,274	-	20,893,002
Infrastructure	383,921,346	16,060,530	-	399,981,876
Total capital assets being depreciated	520,587,908	19,915,621	(1,385,318)	539,118,211
Less accumulated depreciation for:				
Buildings and structures	(41,269,959)	(1,421,367)	250,000	(42,441,326)
Machinery and equipment	(34,702,288)	(3,124,269)	1,082,621	(36,743,936)
Improvements	(7,326,859)	(941,919)	-	(8,268,778)
Infrastructure	(134,144,435)	(10,543,779)	-	(144,688,214)
Total accumulated depreciation	(217,443,541)	(16,031,334)	1,332,621	(232,142,254)
Total capital assets being depreciated, net	303,144,367	3,884,287	(52,697)	306,975,957
Governmental capital assets, net	\$ 407,170,737	\$ 14,819,077	\$ (3,927,923)	\$ 418,061,891
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,714,616	\$ -	\$ -	\$ 4,714,616
Construction in progress	141,923	58,256	(128,623)	71,556
Total capital assets not being depreciated	4,856,539	58,256	(128,623)	4,786,172
Capital assets being depreciated:				
Buildings and structures	36,161,367	2,477,602	(32,038)	38,606,931
Machinery and equipment	3,220,296	130,472	(23,849)	3,326,919
Distribution system	153,019,454	7,801,593	-	160,821,047
Improvements	7,070,608	141,199	(5,815)	7,205,992
Total capital assets being depreciated	199,471,725	10,550,866	(61,702)	209,960,889
Less accumulated depreciation for:				
Buildings and structures	(17,736,232)	(665,898)	26,087	(18,376,043)
Machinery and equipment	(2,071,337)	(167,206)	23,849	(2,214,694)
Distribution system	(86,510,985)	(3,020,843)	-	(89,531,828)
Improvements	(4,215,168)	(121,819)	2,343	(4,334,644)
Total accumulated depreciation	(110,533,722)	(3,975,766)	52,279	(114,457,209)
Total capital assets being depreciated, net	88,938,003	6,575,100	(9,423)	95,503,680
Business-type activities capital assets, net	\$ 93,794,542	\$ 6,633,356	\$ (138,046)	\$ 100,289,852

Depreciation expense was charged to governmental functions and proprietary funds at December 31, 2019 as follows:

Function	Governmental	Fund	Proprietary
General services	\$ 25,719	Water/Wastewater	\$ 1,568,599
Development services	2,974,148	Storm Water	1,845,919
Public works	7,856,025	Recreational Facilities	561,248
Public safety	223,169		
Community services	827,850		
Internal Service funds	4,124,423		
Total depreciation expense	\$ 16,031,334		\$ 3,975,766

#### 4. COMMITMENTS

At December 31, 2019 future projects totaled \$1,086,615 and are reported as a committed fund balance within the General Fund. At December 31, 2019, the City had commitments for twenty uncompleted construction contracts with a remaining balance of \$12,678,294.

#### 5. RISK MANAGEMENT

The City acts as a self-insurer for workers' compensation claims. Property, casualty, and automobile insurance coverage are provided through a pooled insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. The risk management activities of the City are accounted for by the Self-Insurance Fund, an internal service fund that charges its costs to user departments. There were no significant reductions in insurance coverages from coverage in the prior year. No settlement amounts exceeded insurance coverage for the past three fiscal years.

The liability recorded in the Self-Insurance Fund includes estimated settlements for claims reported but not settled as of year-end, as well as an estimate of claims incurred but not reported. When a new claim is filed with the City, the League of Minnesota Cities Insurance Trust establishes an estimated loss reserve. This reserve is expensed at year end and then increased or decreased annually.

	2018	2019
Unpaid claims at beginning of year	\$1,552,602	\$1,614,673
Claims paid	(424,024)	(1,218,606)
New claims	486,095	1,563,969
Unpaid claims at end of year	\$1,614,673	\$1,960,036

## 6. LONG-TERM LIABILITIES

The long-term debt obligations outstanding at year-end are summarized as follows:

<u>Type of Bonds</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance at 12/31/19</u>
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2020-2034	2.00 - 5.00%	\$ 6,020,000
G.O. improvement bonds	2020-2037	.80 - 5.00	43,830,000
G.O. tax increment bonds	2020-2036	.80 - 4.30	10,660,000
Total governmental funds			<u>60,510,000</u>
Internal service funds:			
G.O. capital improvement bonds	2020-2021	.60 - 2.60	1,270,000
Total governmental activities			<u>61,780,000</u>
Business-type activities			
General Obligation (G.O.) bonds	2020-2034	2.00 - 5.00	13,405,000
Total bonds			<u>\$ 75,185,000</u>

Changes in long-term liabilities during 2019 are summarized as follows:

	<u>Balance at 01/01/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 12/31/19</u>	<u>Due Within One Year</u>
Governmental activities:					
G.O. bonds	\$ 6,320,000	\$ 2,105,000	\$ 1,135,000	\$ 7,290,000	\$ 1,310,000
G.O. improvement bonds	45,955,000	4,095,000	6,220,000	43,830,000	6,245,000
G.O. tax increment bonds	4,105,000	7,100,000	545,000	10,660,000	540,000
Unamortized bond prems.	2,642,893	950,395	343,674	3,249,614	-
Benefits payable	15,303,546	2,571,696	1,717,739	16,157,503	807,875
Estimated claims payable	1,614,673	1,563,969	1,218,606	1,960,036	821,315
Total OPEB liability	9,310,197	-	481,921	8,828,276	-
Net pension liability	41,897,116	6,690,335	6,440,037	42,147,414	-
Total governmental	<u>127,148,425</u>	<u>25,076,395</u>	<u>18,101,977</u>	<u>134,122,843</u>	<u>9,724,190</u>
Business-type activities -					
G.O. bonds	11,865,000	1,645,000	105,000	13,405,000	575,000
Unamortized bond premiums	791,987	-	52,507	739,480	-
Total business-type	<u>12,656,987</u>	<u>1,645,000</u>	<u>157,507</u>	<u>14,144,480</u>	<u>575,000</u>
Total	<u>\$139,805,412</u>	<u>\$ 26,721,395</u>	<u>\$ 18,259,484</u>	<u>\$ 148,267,323</u>	<u>\$ 10,299,190</u>

The benefits payable are generally liquidated by the Benefit Accrual Internal Service Fund. It is not practicable to determine the specific year for payment of benefits payable. The OPEB liability is generally liquidated by the Insured Benefits Internal Service Fund. Net pension liability is generally liquidated by all funds in the City with salary-related expenditures/expenses.

Long-term debt maturities (including interest of \$14,308,792) are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 8,095,000	\$ 1,630,155	\$ 575,000	\$ 553,253	\$ 10,853,408
2021	8,295,000	1,626,182	805,000	512,482	11,238,664
2022	7,637,500	1,385,998	835,000	475,107	10,333,605
2023	5,950,132	1,169,958	875,000	434,932	8,430,022
2024	5,524,474	977,484	910,000	391,832	7,803,790
2025-2029	19,214,507	2,576,620	4,890,000	1,326,215	28,007,342
2030-2034	4,549,933	700,677	4,515,000	443,646	10,209,256
2035-2037	2,513,454	104,251	-	-	2,617,705
Total	<u>\$ 61,780,000</u>	<u>\$ 10,171,325</u>	<u>\$13,405,000</u>	<u>\$ 4,137,467</u>	<u>\$ 89,493,792</u>

On May 30, 2019, the City issued \$1,645,000 of Taxable General Obligation Charter Bonds with an effective rate of 2.71%, the proceeds of which were used to provide funding for improvements to the Bloomington Ice Garden. On November 26, 2019, the City issued \$4,095,000 of General Obligation Permanent Improvement Revolving Fund Bonds, Series 53 with an effective rate of 1.49%, the proceeds of which were used to provide funding for public improvements. Also on November 26, 2019 the City issued \$2,105,000 of General Obligation Charter Bonds with an effective rate of 1.84%, the proceeds were used to provide funding for park improvements within the City. In addition, on December 27, 2019, the City issued \$7,100,000 of Taxable General Obligation Tax Increment Revenue Bonds with an effective rate of 3.10%, the proceeds were used to establish a revolving loan fund for affordable housing options within the City. Included in the December 27, 2019, General Obligation Tax Increment Revenue Bonds is the ability of the City to draw an additional \$8,100,000 in proceeds within the next two years for use in the affordable housing revolving loan fund.

The following is a schedule of bonds payable at December 31, 2019:

Type of Bonds	Original Amount	Maturities	Rates	Balance at 12/31/19
<b>Governmental Activities:</b>				
General Obligation (G.O.) Bonds:				
2010A Capital Improvement	\$ 5,900,000	2020-2021	.60 - 2.60%	\$ 1,270,000
2016B Art Center Refunding	1,610,000	2020-2021	4.00%	840,000
2017A Charter Bonds	1,420,000	2020-2027	2.00 - 5.00%	1,135,000
2018A Charter Bonds	1,020,000	2020-2029	3.00 - 4.00%	1,020,000
2018B Housing Improvement Bonds	920,000	2020-2034	3.00 - 4.00%	920,000
2019B Charter Bonds	2,105,000	2021-2030	3.00 - 5.00%	2,105,000
Total G.O. Bonds	<u>12,975,000</u>			<u>7,290,000</u>
General Obligation (G.O.) Improvement Bonds:				
2010 PIR, Forty-Four Series	6,235,000	2020-2021	.80 - 3.50%	1,345,000
2011 PIR, Forty-Five Series	7,545,000	2020-2031	2.00 - 3.375%	2,620,000
2012 PIR Refunding, Thirty-Nine Series	5,900,000	2020-2025	3.00%	3,095,000
2012 PIR, Forty-Six Series	5,615,000	2020-2023	2.00 - 3.00%	2,220,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2020-2030	2.40 - 3.25%	2,235,000
2013 PIR, Forty-Seven Series	4,180,000	2020-2024	2.10 - 3.00%	2,225,000
2014 PIR, Forty-Eight Series	7,465,000	2020-2025	2.00 - 2.50%	4,090,000
2015 PIR, Forty-Nine Series	5,355,000	2020-2036	2.00 - 3.00%	3,995,000
2016 PIR, Fifty Series	6,115,000	2020-2037	2.00 - 3.00%	5,100,000
2016 PIR, Refunding, Forty-One and Forty-Two Series	3,730,000	2020-2029	2.00 - 3.00%	2,955,000
2017 PIR, Fifty-One Series	4,970,000	2020-2028	2.00 - 5.00%	4,585,000
2018 PIR, Fifty-Two Series	5,270,000	2020-2029	3.00 - 5.00%	5,270,000
2019 PIR, Fifty-three Series	4,095,000	2021-2030	3.00 - 5.00%	4,095,000
Total G.O. Improvement Bonds	<u>71,610,000</u>			<u>43,830,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2011B Serial Refunding Bonds	3,095,000	2020-2032	3.00 - 4.30%	2,315,000
2016A Serial Bonds	2,045,000	2020-2022	.80 - 1.60%	1,245,000
2019C Taxable Revenue Bonds	7,100,000	2022-2036	3.21%	7,100,000
Total G.O. Tax Increment Bonds	<u>12,240,000</u>			<u>10,660,000</u>
Total governmental activities	<u>\$ 96,825,000</u>			<u>\$ 61,780,000</u>
<b>Business-type Activities:</b>				
General Obligation (G.O.) Bonds:				
2017B Water Utility Bonds	\$ 1,170,000	2020-2027	2.00 - 5.00%	\$ 955,000
2018D Storm Water Utility Green Bonds	10,805,000	2020-2034	3.00 - 5.00%	10,805,000
2019A Taxable Charter Bonds	1,645,000	2021-2030	2.53 - 4.00%	1,645,000
Total G.O. Bonds	<u>13,620,000</u>			<u>13,405,000</u>

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects and facilities. General obligation bonds have been issued for both general government and business-type activities. Bonds issued for business-type activities are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Revenues pledged are as follows:

Bond Issue	Use of Proceeds	Type	Revenue Pledged			Remaining Principal and Interest	Current Year	
			Percent of total debt service	Debt service as a % of net revenues	Term of Pledge		Principal and Interest paid	Pledged Revenue received
<b>Governmental Activities:</b>								
<b>General Obligation (G.O.) Bonds:</b>								
2010A Capital Improvement Bonds Nov-10	Paid Port Authority Lease Revenue Bonds	Debt Service Tax Levy	100%	n/a	2012 - 2021	\$1,302,678	\$653,994	\$653,994
2016B G.O. Arts Center Refunding Dec-16	Refund 2007 Arts Center Bonds - Crossover	Debt Service Tax Levy	100%	n/a	2018 - 2021	873,800	441,600	441,600
2017A G.O. Charter Bonds May-17	Park improvements	Debt Service Tax Levy	100%	n/a	2018 - 2027	1,271,250	157,000	157,000
2018A G.O. Charter Bonds Jun-18	Park improvements	Debt Service Tax Levy	100%	n/a	2020 - 2029	1,188,900	35,222	35,222
2018B G.O. Taxable Housing Improvmt Jun-18	Housing improvements	Special Assessments	100%	n/a	2020 - 2034	1,203,100	37,233	37,233
2019B G.O. Charter Bonds Nov-19	Park improvements	Debt Service Tax Levy	100%	n/a	2021 - 2030	2,655,412	-	-
<b>General Obligation (G.O.) Improvement Bonds:</b>								
2010 PIR Bonds, Forty-Four Series Nov-10	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	39% 61%	n/a n/a	2012 - 2021	1,391,688	695,025	695,025
2011 PIR Bonds, Forty-Five Series Nov-11	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	28% 72%	n/a n/a	2013 - 2031	2,825,113	763,588	763,588
2012 PIR Refunding, Thirty-Nine Srs Jun-12	Refunding 2004 PIR Bonds Infrastructure Improvements	Special Assessments Debt Service Tax Levy	57% 43%	n/a n/a	2015 - 2025	3,372,275	620,650	620,650
2012 PIR Bonds, Forty-Six Srs Jun-12	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	48% 52%	n/a n/a	2014 - 2023	2,352,037	632,175	632,175
2013 PIR Refunding, Forty-Three Srs Nov-13	Refunding 2009 PIR Bonds Current Refunding	Special Assessments Debt Service Tax Levy	90% 10%	n/a n/a	2015 - 2030	2,514,883	659,134	659,134
2013 PIR Bonds, Forty-Seven Srs Nov-13	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	24% 76%	n/a n/a	2015 - 2024	2,360,364	477,768	477,768
2014 PIR Bonds, Forty-Eight Srs Dec-14	Infrastructure Improvements & Refunding 2006 PIR Bonds	Special Assessments Debt Service Tax Levy	32% 68%	n/a n/a	2016-2025	4,364,512	753,625	753,625
2015 PIR Bonds, Forty-Nine Srs Oct-15	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	43% 57%	n/a n/a	2017 - 2036	4,475,887	595,650	595,650
2016 PIR Bonds, Fifty Srs Dec-16	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	41% 59%	n/a n/a	2018 - 2037	5,835,200	656,550	656,550
2016 PIR Refunding Bonds, Forty-One and Forty-Two Srs Dec-16	Refunding 2007 PIR and 2008 PIR bonds Advanced Refunding	Special Assessments	100%	n/a	2019 - 2029	3,338,150	860,225	860,225
2017 PIR Bonds, Fifty-One Srs Dec-17	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2018 - 2028	5,280,944	569,313	569,313
2018 PIR Bonds, Fifty-Two Srs Dec-18	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2019 - 2029	6,496,612	158,366	158,366
2019 PIR Bonds, Fifty-Three Srs Nov-19	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2020 - 2030	5,151,066	-	-

**General Obligation (G.O.) Tax Increment Bonds:**

2011B Serial G.O. TIF Refunding Bds Nov-11	Refund 2003 & 2004 TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2013 - 2032	2,981,107	232,015	232,015
2016A Serial G.O. TIF Bonds Dec-16	Housing developments	TIF Revenue	100%	n/a	2018 - 2022	1,273,139	424,844	424,844
2019C Serial G.O. TIF Bonds Dec-19	Housing developments	TIF Revenue/Tax Levy Developer Loan Revenue	16%/3% 81%	n/a	2020 - 2036	9,443,208	-	-

**Business-type activities:**

**Enterprise Bonds:**

2017B Water Utility May-17	Water system improvements	Utility revenues	100%	n/a	2018-2027	1,069,616	136,144	136,144
2018D Storm Water Utility Dec-18	Storm water utility	Special Assessments Utility revenues	10% 90%	n/a	2020-2034	14,507,706	310,774	310,774
2019A Charter Bonds May-19	Ice Garden improvements	Debt Service Tax Levy	100%	n/a	2021-2030	1,965,145	-	-

**General Obligation (G.O.) Bonds:**

- **2010A Capital Improvement Bonds.** The City has pledged future tax ad valorem revenue to repay the \$5,900,000 bonds issued in November 2010. Proceeds from the bonds were used to acquire certain facilities previously leased to the City by the Port Authority. User charges through the Facilities and Parks Maintenance Fund are appropriated to pay 100% debt service payments through the life of the bonds. Total principal and interest remaining on the bonds is \$1,302,678, payable through February 2021. For the current year, principal and interest paid and total tax levy revenues were \$653,994 and \$653,994, respectively.
- **2016B Art Center Refunding.** The City has pledged future tax ad valorem revenue to repay the \$1,610,000 bonds issued in December 2016. Proceeds from the bonds refunded the 2007 Arts Center Bonds on February 1, 2017. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$873,800, payable through February 2021. For the current year, principal and interest paid and total tax levy revenues were \$441,600 and \$441,600, respectively.
- **2017A Charter Bonds.** The City has pledged future tax ad valorem revenue to repay the \$1,420,000 bonds issued in May 2017. Proceeds from the bonds were used to replace playground equipment in parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,271,250, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were \$157,000 and \$157,000, respectively.
- **2018A Charter Bonds.** The City has pledged future tax ad valorem revenue to repay the \$1,020,000 bonds issued in June 2018. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,188,900, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were \$35,222 and \$35,222, respectively.



- 2018B Taxable Housing Improvement Bonds. The City has pledged special assessment revenue to repay the \$920,000 bonds issued in June 2018. Proceeds from the bonds were used to finance various improvements within the Housing Improvement Area. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,203,100, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were \$37,233 and \$37,233, respectively.
- 2019B Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,105,000 bonds issued in November 2019. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,655,412, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$0 and \$0, respectively.

General Obligation (G.O.) Improvement Bonds:

- 2010 PIR, Forty-Four Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$6,235,000 bonds issued in November 2010. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 61% and special assessments were projected to produce 39% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,391,688, payable through February 2021. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$695,025 and \$695,025, respectively.
- 2011 PIR, Forty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,545,000 bonds issued in November 2011. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 72% and special assessments were projected to produce 28% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,825,113, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$763,588 and \$763,588, respectively.
- 2012 PIR Refunding, Thirty-Nine Series. The City has pledged future tax ad valorem revenue to repay the \$5,900,000 bonds issued in June 2012. Proceeds from the bonds refunded the 2004 PIR, 39 Series Bonds on February 1, 2014. Tax levies were projected to produce 43% and special assessments were projected to produce 57% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,372,275, payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$620,650 and \$620,650, respectively.
- 2012 PIR, Forty-Six Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,615,000 bonds issued in June 2012. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 52% and special assessments were projected to produce 48% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,352,037, payable through February 2023. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$632,175 and \$632,175, respectively.

- 2013 PIR Refunding, Forty-Three Series. The City has pledged future tax ad valorem revenue to repay the \$5,135,000 bonds issued in November 2013. Proceeds from the bonds refunded the 2009 PIR, 43 Series Bonds on February 1, 2014. Tax levies were projected to produce 10% and special assessments were projected to produce 90% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,514,883, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$659,134 and \$659,134, respectively.
- 2013 PIR, Forty-Seven Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,180,000 bonds issued in November 2013. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 76% and special assessments were projected to produce 24% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,360,364, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$477,768 and \$477,768, respectively.
- 2014 PIR, Forty-Eight Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,465,000 bonds issued in December 2014. Proceeds from the bonds partially refunded the 2006 PIR, 40 Series Bonds on February 1, 2015 and provided financing for various infrastructure improvements. Tax levies were projected to produce 68% and special assessments were projected to produce 32% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,364,512 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$753,625 and \$753,625, respectively.
- 2015 PIR, Forty-Nine Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,355,000 bonds issued in October 2015. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 57% and special assessments were projected to produce 43% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,475,887 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$595,650 and \$595,650, respectively.
- 2016 PIR, Fifty Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$6,115,000 bonds issued in December 2016. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 59% and special assessments were projected to produce 41% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,835,200, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$656,550 and \$656,550, respectively.
- 2016 PIR Refunding, Forty-One Series and Forty-Two Series. The City has pledged future tax ad valorem revenue to repay the \$3,730,000 bonds issued in December 2016. Available cash and proceeds from the bonds refunded the 2007 PIR, 41 Series Bonds and the 2008 PIR, 42 Series Bonds on February 1, 2018. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,338,150, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were \$860,225 and \$860,225, respectively.

- 2017 PIR, Fifty-One Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,970,000 bonds issued in December 2017. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,280,944, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$569,313 and \$569,313, respectively.
- 2018 PIR, Fifty-Two Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,270,000 bonds issued in December 2018. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$6,496,612 payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$158,366 and \$158,366, respectively.
- 2019 PIR, Fifty-Three Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,095,000 bonds issued in November 2019. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,151,066 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$0 and \$0, respectively.

General Obligation (G.O.) Tax Increment Bonds:

- 2011B Serial Refunding Bonds. The City has pledged tax increment revenue to repay the \$3,095,000 bonds issued in November 2011. Proceeds from the bonds refunded the 2003 G.O. TIF Bonds and the 2004 G.O. TIF Bonds on February 1, 2013. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$2,981,107, payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$232,015 and \$232,015, respectively.
- 2016A Serial Bonds. The City has pledged tax increment revenue to repay the \$2,045,000 bonds issued in December 2016. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$1,273,139, payable through February 2022. For the current year, principal and interest paid and total tax increment revenues were \$424,844 and \$424,844, respectively.
- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the \$7,100,000 bonds issued in December 2019. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 16%, tax levies were projected to produce 3%, and developer loan revenues of 81% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$9,443,208 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were \$0 and \$0, respectively.

Enterprise Bonds:

- 2017B Water Utility. The City has pledged future water utility revenues to repay the \$1,170,000 bonds issued in May 2017. Utility revenues were projected to produce 100% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for various water system improvements. Total principal and interest remaining on the bonds is \$1,069,616, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were \$136,144 and \$136,144, respectively.
- 2018D Storm Water Utility. The City has pledged future storm water utility revenues and special assessments to repay the \$10,805,000 bonds issued in December 2018. Utility revenues were projected to produce 90% and special assessments were projected to produce 10% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for storm water system improvements. Total principal and interest remaining on the bonds is \$14,507,706, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were \$310,774 and \$310,774, respectively.
- 2019A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,645,000 bonds issued in May 2019. Proceeds from the bonds were used for improvement to the Bloomington Ice Garden. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. The City expects to use money available in the Bloomington Ice Garden enterprise fund to make the debt service payments due on the bonds; however, these funds are not pledged to the repayment of the bonds. Total principal and interest remaining on the bonds is \$1,965,145, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$0 and \$0, respectively.

## 7. FUND BALANCE/NET POSITION

### A. GOVERNMENTAL CLASSIFICATIONS

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

	General Fund	Community Development Block Grant	Improvement Bonds	Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ -	\$ -	\$ -	\$ 18,500	\$ -	\$ -	\$ 18,500
Restricted for:							
Debt service	-	-	16,904,115	-	-	676,708	17,580,823
Abatement purposes	-	-	-	-	5,218,046	-	5,218,046
Tax increment purposes	-	-	-	18,513,402	186,222	-	18,699,624
Capital purposes	-	-	-	-	-	9,714	9,714
Park development	-	-	-	1,987,835	-	75,673	2,063,508
Public safety	-	-	-	-	-	1,141,236	1,141,236
Public health	-	-	-	-	-	159,982	159,982
Housing development	-	181,588	-	7,104,777	-	-	7,286,365
Art center	-	-	-	3,221	-	-	3,221
Cemetery	-	-	-	-	-	508,515	508,515
Street reconstruction	-	-	-	-	2,556,725	-	2,556,725
Total restricted	-	181,588	16,904,115	27,609,235	7,960,993	2,571,828	55,227,759
Committed:							
Budget carryovers	765,755	-	-	-	-	-	765,755
Capital purposes	-	-	-	172,031	-	282,177	454,208
Creative placemaking	-	-	-	-	-	489,170	489,170
Park development	-	-	-	1,188,315	-	-	1,188,315
Public safety	-	-	-	-	-	4,808,187	4,808,187
Future projects	1,086,615	-	-	4,667,899	-	-	5,754,514
Community landscape	-	-	-	-	-	2,703	2,703
Communications	-	-	-	-	-	347,313	347,313
Total committed	1,852,370	-	-	6,028,245	-	5,929,550	13,810,165
Assigned for:							
Street reconstruction	-	-	-	-	32,908,059	-	32,908,059
Unassigned							
	34,687,078	-	-	(1,880)	-	-	34,685,198
Total fund balances	\$ 36,539,448	\$ 181,588	\$ 16,904,115	\$ 33,654,100	\$ 40,869,052	\$ 8,501,378	\$136,649,681

### B. WORKING CAPITAL FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the working capital fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes, the second largest is lodging and admission taxes.

The policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures.

At December 31, 2019, the fund balance of the General Fund was \$36,539,448 which sufficiently meets the working capital goal described above.

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of December 31, 2019:

Fund/Component Unit	Receivable	Payable
General Fund (1)	\$ 209,500	\$ -
Nonmajor governmental funds (1)	-	45,500
Nonmajor enterprise funds (1)	-	164,000
Total	\$ 209,500	\$ 209,500
Primary Government:		
General Fund	\$ 237,776	\$ 5,021
Community Development Block Grant Fund	-	2,370
Capital Projects Fund	7,965,624	5,227,250
Nonmajor governmental funds	53,847	-
Bonds receivable – due:		
Within one year	540,000	-
In more than one year	3,045,693	-
Accrued interest receivable	44,872	-
Component Units:		
Port Authority	-	949,355
Housing and Redevelopment Authority:		
Primary government	5,234,641	7,307,892
Bonds payable – due:		
Within one year	-	540,000
In more than one year	-	3,045,693
Accrued interest payable	-	44,872
	\$ 17,122,453	\$ 17,122,453

Interfund receivables and payables represent (1) lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year.

The following is a schedule of interfund transfers for the year ended December 31, 2019:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Community Dev. Block Grant	\$ 15,128
	Capital Projects	2,102,204
	Improvement Construction	1,124,905
	Nonmajor Enterprise	85,816
	Nonmajor Governmental	20,632
Total General		<u>3,348,685</u>
Improvement Bonds	Improvement Construction	<u>514,062</u>
Capital Projects	Internal Service	100,000
	General Fund	680,000
Total Capital Projects		<u>780,000</u>
Improvement Construction	Improvement Bonds	478,800
	Internal Service	693,958
Total Improvement Construction		<u>1,172,758</u>
Nonmajor Governmental	General Fund	344,510
	Internal Service	304,752
	Capital Projects	1,179,996
Total Nonmajor Governmental		<u>1,829,258</u>
Enterprise		
Water/Wastewater Utility	Nonmajor Enterprise	309,000
Recreational Facilities	Capital Projects	25,495
Recreational Facilities	Internal Service	268,000
Nonmajor Enterprise	General Fund	125,000
Total Enterprise		<u>727,495</u>
Internal Service	Nonmajor Governmental	45,000
	General Fund	1,254,135
	Internal Service	2,531,447
Total Internal Service		<u>3,830,582</u>
Total		<u>\$ 12,202,840</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them.

#### 9. SEGMENT INFORMATION

The City maintains six enterprise funds that account for the water/wastewater utilities, storm water utilities, recreational facilities, solid waste management, contractual police services, and motor vehicle services. The City considers each of its enterprise funds to be a segment. Since the required segment information is already included in the City's proprietary funds' statement of net position and statement of revenues, expenses, and changes in net position (and combining statements thereof), this information has not been repeated in the notes to the basic financial statements.

## 10. CONTINGENCIES

### A. LEGAL CONTINGENCIES

There are several lawsuits pending in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

### B. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and it is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2019.

### C. TAX INCREMENT DISTRICTS

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

## 11. DEFINED PENSION BENEFIT PLANS

### A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

#### *PLAN DESCRIPTIONS*

The City 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 Fund (GERF)

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

#### 2. Public Employees Police and Fire Fund (PEPFF)

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



## *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. GERF Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0% of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of 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. PEPFF Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be fixed at 1.0%. 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.

## *CONTRIBUTIONS*

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

1. GERF Contributions

Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2019. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2019 were \$2,736,989. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and fire members' contribution rates increased from 10.80% of pay to 11.30% and employer rates increased from 16.20% to 16.95% on January 1, 2019. The City's contributions to the PEPFF for the year ended December 31, 2019 were \$2,435,417. The City's contributions were equal to the required contributions as set by state statute.

*PENSION COSTS*

1. GERF Pension Costs

At December 31, 2019, the City reported a liability of \$27,771,041 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by 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. The City's proportionate share was .5023% at the end of the measurement period and .5087% for the beginning of the period.

The City's net pension liability reflected a reduction due to the State of Minnesota's (State) contribution of \$16 million to the fund in 2019. The State is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of net pension liability	\$ 27,771,041
State's proportionate share of the net pension liability associated with the City	\$ 863,129

For the year ended December 31, 2019, the City recognized pension expense of \$2,973,835 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$64,640 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 reported its proportionate share of the GERS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 789,130	\$ -
Changes in actuarial assumptions	-	2,249,664
Difference between projected and actual actual investment earnings	-	2,923,179
Changes in proportion	123,823	936,598
Contributions paid to PERA subsequent to the measurement date	<u>1,375,997</u>	<u>-</u>
Total	<u>\$ 2,288,950</u>	<u>\$ 6,109,441</u>

Deferred outflows of resources reported \$1,375,997 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (1,844,070)
2021	(2,745,041)
2022	(652,129)
2023	<u>44,752</u>
Total	<u>\$ (5,196,488)</u>

## 2. PEPFF Pension Costs

At December 31, 2019, the City reported a liability of \$14,376,373 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by 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. The City's proportion was 1.3504% at the end of the measurement period and 1.2831% for the beginning of the period.

For the year ended December 31, 2019, the City recognized pension expense of \$2,194,604 for its proportionate share of the PEPFF's pension expense. The City also recognized \$182,303 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 PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year until the plan is 90% funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% 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.

At December 31, 2019, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 586,979	\$ 2,183,888
Changes in actuarial assumptions	12,059,093	15,276,871
Difference between projected and actual investment earnings	-	2,727,509
Changes in proportion	945,941	1,765,797
Contributions paid to PERA subsequent to the measurement date	<u>1,219,959</u>	<u>-</u>
Total	<u>\$ 14,811,972</u>	<u>\$ 21,954,065</u>

Deferred outflows of resources reported \$1,219,959 related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending 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:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (804,758)
2021	(1,918,402)
2022	(5,869,730)
2023	123,451
2024	<u>107,387</u>
Total	<u>\$(8,362,052)</u>

#### *ACTUARIAL ASSUMPTIONS*

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

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

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 and females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the GERP and 1.00% per year for the PEPFF.

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 GERP was completed in 2019. The most recent four-year experience study for the PEPFF was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

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

GERF

- The mortality projection scale was changed from MP-2017 to MP-2018.
- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state’s special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

PEPFF

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

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	35.5%	5.10%
Private markets	25.0	5.90
Fixed income	20.0	0.75
International equity	17.5	5.90
Cash equivalents	2.0	0.00
Total	100%	

*DISCOUNT RATE*

The discount rate used to measure the total pension liability in 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota statutes. Based on these assumptions, the fiduciary net positions of the GERP and PEPFF 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.

*PENSION LIABILITY SENSITIVITY*

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City’s proportionate share of the GERF net pension liability	\$ 45,654,097	\$ 27,771,041	\$ 13,005,024
	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City’s proportionate share of the PEPF net pension liability	\$ 31,424,078	\$ 14,376,373	\$ 278,196

*PENSION PLAN FIDUCIARY NET POSITION*

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

B. SINGLE EMPLOYER PLAN – BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION

*SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

*Pensions.* For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Bloomington Fire Department Relief Association (Relief Association) and additions to deductions from the Relief Association’s fiduciary net position have been determined on the same basis as they were reported by the Relief Association. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*PLAN DESCRIPTION*

Volunteer firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

*BENEFITS PROVIDED*

The Relief Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established in accordance with the State Statute. The defined retirement benefits are based on the most recent 3-year average salary rates of the highest paid non-officer police officer in the City. Benefit provisions can be amended by the Minnesota State Legislature.

Twenty Year Service Pension

Each member who is at least 50 years of age; has retained membership in the Relief Association for 10 years, and has served at least twenty (20) years of active service with the Bloomington Fire Department before retirement; shall be entitled to a full service monthly pension for the remainder of his or her life. Benefits are based on 33 1/3% of the average of the highest paid non-officer police officers pay over the last 3 years.

Disability Benefits

A member who becomes disabled will be eligible for a monthly disability benefit based on the most recent three year average salary rates of the highest paid non-officer police officer for the City. If the period of disability continues to the time when the member would qualify for a service pension, the member will be placed on the service pension rolls and disability benefits shall terminate.

Death Benefits

Upon the death of a Relief Association member, the Relief Association shall pay to the designated beneficiary or estate, the sum of \$500.

*EMPLOYEES COVERED BY BENEFIT TERMS*

At December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	213
Retired members entitled to benefits, but who have not received them	13
Current members:	
Fully vested (20 years or more)	4
Nonvested (less than 20 years)	<u>119</u>
Total	<u>349</u>

*CONTRIBUTIONS*

Minnesota Statutes Chapter 69.772 sets the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City’s contribution to the Relief Association for the year ended December 31, 2019, was \$0. The City’s contributions was equal to the required contribution as set by state statute. State aid contributions for the year ended December 31, 2019, were \$609,799. The actuary also compares the actual statutory contribution rate to an actuarial determined contribution rate. The actuarial determined contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability, and (c) an allowance for administrative expenses.

*NET PENSION LIABILITY*

The City’s net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2020.

## ACTUARIAL ASSUMPTIONS

The total pension liability in the January 1, 2020 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Measurement date	December 31, 2019
Investment rate of return	6.00%
Projected salary increases	4.00%
Inflation	Built into other rate assumptions
Cost-of-living adjustments	Based on increases in index salary.
Age of service retirement	50 with 20 years of service
Post-retirement benefit increase	None

The plan has not had a formal actuarial experience study performed.

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

Pre-retirement – RP 2014 non-annuitant mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017.

Post-retirement – RP 2014 annuitant mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

Post-disabled – RP 2014 annuitant mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expectant long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of January 1, 2020.

<u>Asset Class</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	0.09%
Broad U.S. equities	3.42
Large Cap U.S. equities	3.23
Core fixed income	1.47
Developed foreign equities	4.45

In 2018, the cost of living adjustment was 4.00%.

## DISCOUNT RATES

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Relief Association's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members.



Therefore, the plan's long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

#### *CHANGES IN THE NET PENSION LIABILITY*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at December 31, 2018	\$ 152,647,541	\$ 164,824,810	\$ (12,177,269)
Charges for the year:			
Service cost	3,869,840	-	3,869,840
Interest on total pension liability	9,212,131	-	9,212,131
Effect of economic/demographic gains or losses	(3,358,770)	-	(3,358,770)
Assumption changes	7,007,900	-	7,007,990
Benefit payments	(6,051,864)	(6,051,864)	-
Employer contributions – state aid	-	609,799	(609,799)
Net investment income	-	30,774,778	(30,774,778)
Administrative expense	-	(108,058)	108,058
Net changes	<u>10,679,237</u>	<u>25,224,655</u>	<u>(14,545,418)</u>
Balance at December 31, 2019	<u>\$ 163,326,778</u>	<u>\$ 190,049,465</u>	<u>\$ (26,722,687)</u>

#### *PENSION LIABILITY (ASSET) SENSITIVITY*

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease in Discount Rate (5.00%)	Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net pension liability (asset)	\$ 1,862,939	\$ (26,722,687)	\$ (49,050,753)

#### *PENSION PLAN FIDUCIARY NET POSITION*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Relief Association financial report. That report may be obtained by writing to Bloomington Fire Department Relief Association, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431, or by calling (952) 563-8700.

#### *PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*

For the year ended December 31, 2019, the City recognized pension expense of \$1,727,839. The City also recognized \$609,799 for the year ended December 31, 2019, as pension expense (and grant revenue) for the State of Minnesota's on-behalf contribution to the plan. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 186,506	\$ 2,609,806
Changes in economic assumptions	5,378,156	-
Difference between projected and actual investment earnings	<u>-</u>	<u>12,811,803</u>
Total	<u>\$ 5,564,662</u>	<u>\$ 15,421,609</u>

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

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2020	\$ (3,265,166)
2021	(2,816,495)
2022	179,996
2023	<u>(3,955,282)</u>
Total	<u>\$ (9,856,947)</u>

#### C. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2019 is as follows:

GERF	\$ 3,038,475
PEPFF	2,376,907
Fire Relief	<u>2,337,638</u>
Total	<u>\$ 7,753,020</u>

## 12. POST-EMPLOYMENT BENEFITS

### A. PLAN DESCRIPTION

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

## B. BENEFITS PROVIDED

### *RETIREES*

All retirees of the City upon retirement have the option under state law to continue their medical insurance coverage through the City with retirees paying the full city premium rate for their coverage.

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

### *ACTIVE DEATH BENEFITS*

In the case of death of an employee whose dependents who were enrolled under the City’s plan, the City will pay 100% of the group health insurance premium for the employee’s dependents for two years after the employee’s death.

## C. CONTRIBUTIONS

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$344,129.

## D. MEMBERSHIP

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

Retirees and beneficiaries receiving benefits	176
Active plan members	<u>552</u>
Total	<u><u>728</u></u>

## E. TOTAL OPEB LIABILITY OF THE CITY

The City’s total OPEB liability of \$8,828,276 as of year-end was measured as of January 1, 2019, and was determined by an actuarial valuation as of that date.

## F. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the entry-age normal cost method and following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.00%
20-year municipal bond yield	3.00%
Inflation rate	3.75%
Salary increases	3.75%
Medical trend rate	9.00% grading to 5.00% over 8 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 3.00%, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date. The City discount rate used in the prior measurement date was 4.00%.

Mortality rates were based on the RP-2014 White Collar Mortality Tables which was used in the previous study.

Future retirees electing coverage is assumed to be 75%.

#### G. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2019	\$ 9,310,197
Changes for the year	
Service cost	723,813
Interest	295,896
Contributions - employer	(344,129)
Differences between expected and actual experience	<u>(1,157,501)</u>
Total net changes	<u>(481,921)</u>
Ending balance – December 31, 2019	<u>\$ 8,828,276</u>

Assumption changes since the prior measurement date include the following:

- The entry-age normal cost method was changed to entry-age normal as % of pay.
- The discount rate was changed from 4.00% to 3.00%.

#### H. TOTAL OPEB LIABILITY SENSITIVITY TO DISCOUNT AND HEALTHCARE COST TREND RATE CHANGES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.00%	3.00%	4.00%
Total OPEB liability	\$ 10,839,949	\$ 8,828,276	\$ 7,161,599

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 medical trend rates that are 1 percentage point lower or 1 percentage point higher than the current medical trend rates:

	<u>1% Decrease in Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
Medical trend rate	8.00% decreasing to 4.00% over 8 years	9.00% decreasing to 5.00% over 8 years	10.00% decreasing to 6.00% over 8 years
Total OPEB liability	\$ 7,252,843	\$ 8,828,276	\$ 10,679,686

I. OPEB EXPENSE AND RELATED DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

For the current year ended, the City recognized OPEB expense of \$(50,960). As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,157,501
City contributions subsequent to the measurement date	341,581	-
Total	<u>\$ 341,581</u>	<u>\$ 1,157,501</u>

A total of \$341,581 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2020	\$ (98,343)
2021	(98,343)
2022	(98,343)
2023	(98,343)
2024	(98,343)
Thereafter	<u>(665,786)</u>
Total	<u>\$ (1,157,501)</u>

13. RECEIVABLES AND DEFERRED INFLOWS

Receivables not expected to be collected within one year are mortgages receivable of \$9,834,908 and deferred special assessments receivable of \$16,272,877. Ten percent of the listed receivables are estimated to be collected within one year.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year the various components of deferred inflows reported in the governmental funds were as follows:

	Property Taxes	State Aid	Special Assessments	Mortgages	Land Held For Resale	Total
Major Funds:						
General Fund	\$ 401,842	\$ -	\$ 1,782,192	\$ -	\$ -	\$ 2,184,034
Community Development						
Block Grant	-	-	-	10,927,675	-	10,927,675
Capital Projects	-	-	1,288,289	-	9,913,047	11,201,336
Improvement Construction	-	3,113,520	267,216	-	606,477	3,987,213
Improvement Bonds	-	-	14,743,278	-	-	14,743,278
Total Deferred Inflows	<u>\$ 401,842</u>	<u>\$3,113,520</u>	<u>\$ 18,080,975</u>	<u>\$10,927,675</u>	<u>\$ 10,519,524</u>	<u>\$ 43,043,536</u>

#### 14. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded in the Water/Wastewater Utility Fund; this adjustment increased beginning net position by \$594,811. It was determined that an invoice paid in 2018 should have been recorded as a prepaid item instead of being expensed as wastewater disposal costs during the year ended December 31, 2018.

#### 15. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2019, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements with the reclassification of the previously reported agency funds as general fund activity in the current year. No change in beginning equity occurred as a result of implementing this standard. Certain amounts necessary to fully restate prior fiscal year financial information are not determinable; therefore, prior year comparative amounts have not been restated.

#### 16. SUBSEQUENT EVENTS

In mid-March of 2020 the COVID-19 pandemic negatively affected Bloomington's economy along with the rest of the world. Bloomington has a fund balance policy that strives to maintain a General Fund working capital balance in the 35-40% range of the following year total budgeted revenues. At December 31, 2019, the General Fund working capital balance was \$36.5 million or 46% of the 2020 budgeted revenue. During this period of economic strain on several revenue sources such as property, lodging, and admission taxes, the City is incorporating cost-cutting service reductions, identifying capital projects that can be delayed or deferred, and utilizing fund reserves.

#### 17. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Units - Notes 1 through 16 to the basic financial statements apply to the City and generally to its component units. The City's two component units are reported in a separate column, or discretely presented, in the financial statements to emphasize that they are legally separate from the City. The following notes provide disclosures that are specific to each of the component units. Further detail regarding component units is provided under the Component Unit tab within the "Other Supplementary Information" section of the financial statements.

Port Authority in and for the City of Bloomington (Port Authority)

Cash, Cash Equivalents, and Investments

A. DEPOSITS

In accordance with Minnesota Statutes, the Port Authority maintains deposits at national or state banks within the state, all of which are members of the Federal Reserve System, as authorized by its Commissioners.

*Custodial Credit Risk-Deposits* – Custodial credit risk is the risk that in event of a bank failure, the Port Authority’s deposits may not be returned to it. Minnesota Statutes require that all Port Authority deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

At December 31, 2019, the carrying amount of the Port Authority’s deposits with financial institutions and the bank balances totaled \$63,413. As of December 31, 2019, the bank balance of the Port’s deposits was covered by federal depository insurance or covered by collateral pledged and held in the Port Authorities name.

B. INVESTMENTS

The Port Authority invests funds, as authorized by Minnesota Statutes and its investment policy is as follows:

See Note 2 of the City for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

At December 31, 2019, the Port Authority had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>One Year to Five Years</u>	<u>Five Years to Ten Years</u>
Money Market	\$ 6,807,390	\$ 6,807,390	\$ -	\$ -
4M Term Series	10,000,000	10,000,000	-	-
Treasury Bills	5,090,450	-	5,090,450	-
Federal Farm Credit Bank	20,922,910	10,026,800	10,896,110	-
Federal National Mortgage Association Note	9,456,934	9,456,934	-	-
Federal Home Loan Mortgage Corporation	14,335,446	4,996,000	9,339,446	-
Tennessee Valley Authority	2,426,150	2,426,150	-	-
Municipal Bonds	17,914,894	13,363,478	4,551,416	-
Total investments	<u>86,954,174</u>	<u>\$ 57,076,752</u>	<u>\$ 29,877,422</u>	<u>\$ -</u>
Total deposits	<u>63,413</u>			
Total investments and deposits	<u>\$ 87,017,587</u>			

**Port Authority in and for the City of Bloomington (Port Authority)**

The Port Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The Port Authority has the following recurring fair value measurements as of December 31, 2019:

Investments by fair value level	12/31/19	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Treasury Bills	\$ 5,090,450	\$ 5,090,450	\$ -	\$ -
Federal Farm Credit Bank	20,922,910	-	20,922,910	-
Federal National Mortgage Association Note	9,456,934	-	9,456,934	-
Federal Home Loan Mortgage Corporation	14,335,446	-	14,335,446	-
Tennessee Valley Authority	2,426,150	-	2,426,150	-
Municipal Bonds	17,914,894	-	17,914,894	-
Subtotal	70,146,784	<u>\$ 5,090,450</u>	<u>\$ 80,146,784</u>	<u>\$ -</u>
Investments not categorized				
External investment pools:				
4M Fund Money Market	6,807,390			
4M Term Series	10,000,000			
Bank deposits	63,413			
Total	<u>\$ 87,017,587</u>			

*Custodial Credit Risk-Investments* – For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Port Authority will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2019, all investments of the Port Authority were insured, registered, and held by the Port Authority or its agent in the Port Authority’s name.

*Interest Rate Risk* - The Port Authority’s investment policy does not have limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations; at December 31, 2019 the Port Authority held no commercial paper. The Port Authority’s investments in government securities, and the municipal investments are all rated AA or better by Standard & Poor’s and Moody’s Investors Service, the 4M fund is unrated.

*Concentration of Credit Risk* - The Port Authority places no limit on the amount the Port Authority may invest in any one issuer. More than 5% of the Port Authority’s investments are in the following governmental agencies: Federal Farm Credit Bank (24%), Federal National Mortgage Association (11%), Federal Home Loan Mortgage Corporation (16%), US Treasury (6%), and municipals (21%).



**Port Authority in and for the City of Bloomington (Port Authority)**

Long-term Debt

The long-term debt obligations outstanding at year-end are summarized as follows:

Type of Bonds	<u>Original Issue</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance 12/31/19</u>
Governmental activities - Taxable G.O. Tax Increment Bonds	\$ 7,150,000	2020-2035	2.00 – 3.60%	\$ 6,770,000

On October 13, 2015, the Port Authority issued \$7,150,000 of Taxable General Obligation Tax Increment Bonds; the effective interest is 3.32%. The proceeds of the bonds were used to finance the construction of a 662-space parking ramp located in the IndiGO Development. A private party independently financed the apartment complex that was built in conjunction with the construction of the parking ramp.

Changes in long-term liabilities during 2019 are summarized as follows:

	<u>Balance 01/01/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Governmental Activities: G.O. Tax Increment Bonds	\$ 7,150,000	\$ -	\$ 380,000	\$ 6,770,000	\$ 385,000
Due to Primary Government - Loan from City	1,484,403	176,737	711,786	949,355	738,914
Total	<u>\$ 8,634,403</u>	<u>\$ 176,737</u>	<u>\$ 1,091,786</u>	<u>\$ 7,719,355</u>	<u>\$ 1,123,914</u>

Long-term debt maturities (including interest of \$1,958,113) are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 385,000	\$ 206,795	\$ 591,795
2021	395,000	198,995	593,995
2022	405,000	190,793	595,793
2023	410,000	181,722	591,722
2024	360,000	172,315	532,315
2025-2029	1,965,000	689,073	2,654,073
2030-2034	2,330,000	309,060	2,639,060
2035	520,000	9,360	529,360
Total	<u>\$ 6,770,000</u>	<u>\$ 1,958,113</u>	<u>\$ 8,728,113</u>

## *Port Authority in and for the City of Bloomington (Port Authority)*

### Due to City

At December 31, 2019, the Port Authority owed the City \$163,861 for services, facilities provided and payments made by the City that are Port Authority related. The Port Authority also has a loan due to the City of \$785,494, the proceeds of which were used to catch up special assessments owed and for future special assessments that will be levied for public improvements. The expected repayment to the City in 2020 is \$738,914.

### Payments to City

During 2019 the Port contributed \$80,130 to the Old Cedar Avenue Bridge project.

### Loan Receivable

In 2014 the Port Authority loaned a developer \$2 million at an interest rate of four percent. Semi-annual principal payments began in 2016 with the last payment scheduled in 2021. The balance at December 31, 2019, including interest, was \$668,396.

### Tax Abatements-Pay-As-You-Go Tax Increment

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

The Port Authority has one tax increment pay-as-you-go agreement relating to Bloomington Central Station District 1-I. Under the terms of the agreement, the developer was assessed \$8,853,505 (\$13,792,570 with interest). As the developer makes assessment payments to the City, the Port Authority reimburses the developer via the counted value formula.

The agreement is not a general obligation of the Port Authority and is payable solely from available tax increment derived from the redevelopment property during the prior six months, less a 10% administrative fee. The Port Authority shall have no obligation to pay any unpaid balance that may remain after decertification of the district on December 31, 2031. Accordingly, the obligation is not reflected in the financial statements of the Port Authority.

Current year abatement (TIF payments) totaled \$790,241. At December 31, 2019, the total amount outstanding on the contract, including interest, was \$4,464,779.

**Port Authority in and for the City of Bloomington (Port Authority)**

Governmental Classifications

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Restricted for:				
Debt service	\$ -	\$ 635,886	\$ -	\$ 635,886
Tax increment purposes	-	-	86,118,718	86,118,718
Committed –				
Capital purposes	-	-	160,019	160,019
Unassigned	<u>39,435</u>	<u>-</u>	<u>-</u>	<u>39,435</u>
 Total fund balances	<u>\$ 39,435</u>	<u>\$ 635,886</u>	<u>\$ 86,278,737</u>	<u>\$ 86,954,058</u>

Conduit Debt Obligations

From time to time, the Port Authority has issued Recovery Zone Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, housing, 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 mortgage loans. A bank or financing institution finances this transaction, and the terms and conditions are contracted between the lender and the borrower. Neither the Port Authority, nor the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, there was one series of Recovery Zone Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$34.1 million.

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

Cash, Cash Equivalents, and Investments

See Note 2 for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

Minnesota Statutes require that all HRA deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

Authorized collateral includes the legal investments described as follows, as well as certain first mortgage notes, and certain other state or local government obligations.

Cash balances at December 31, 2019 were:

<u>Credit Risk Category</u>	<u>Bank Balances</u>	<u>Carrying Amount</u>
Insured or collateralized by securities held by the HRA or its agent in the HRA's name	\$ 153,982	\$ 106,503

Investment balances at December 31, 2019 were:

<u>Investment</u>	<u>Maturities</u>	<u>Value</u>	<u>Percentage of Total</u>
4M Money Market	N/A	\$ 6,164,668	55%
4M Term Series	03/31/2020	5,022,834	45%
Total investments		11,187,502	
Total deposits		106,503	
Net cash, cash equivalents, and investments		<u>\$11,294,005</u>	

*Interest Rate Risk* - The HRA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The HRA's investments in commercial paper are rated at least two of the following: A1 by Standard & Poor's, F-1 by Fitch Ratings, or P-1 by Moody's Investors Service. At December 31, 2019, the HRA did not have any investments in commercial paper.

*Concentration of Credit Risk* - The HRA places no limit on the amount the HRA may invest in any one issuer.

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

Capital Assets and Land Held for Resale

Changes in general capital assets during 2019 are summarized as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
<b>Governmental activities:</b>				
Capital assets not being depreciated - Land	\$ 130,300	\$ -	\$ -	\$ 130,300
Capital assets being depreciated - Machinery and equipment	18,201	-	-	18,201
Less accumulated depreciation for - Machinery and equipment	(18,201)	-	-	(18,201)
Total capital assets being depreciated, net	-	-	-	-
Governmental activities capital assets, net	<u>\$ 130,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,300</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated - Land	\$1,470,000	\$ -	\$ -	\$1,470,000
Capital assets being depreciated - Buildings and structures	3,285,617	-	-	3,285,617
Less accumulated depreciation for - Buildings and structures	(2,279,948)	(98,169)	-	(2,378,117)
Total capital assets being depreciated, net	1,005,669	(98,169)	-	907,500
Business-type activities capital assets, net	<u>\$2,475,669</u>	<u>\$ (98,169)</u>	<u>\$ -</u>	<u>\$2,377,500</u>

Land held for resale activity for the year ended December 31, 2019 was as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
Land Held for Resale (Inventory)	<u>\$ 4,201,421</u>	<u>\$ -</u>	<u>\$(2,576,921)</u>	<u>\$ 1,624,500</u>

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

Long-Term Debt and Obligations Due to Primary Government

There are default provisions in the Hennepin County-HOME Funds and Family Housing Fund such as; the properties remain affordable to very low income tenants and they remain single family rental housing.

The long-term debt obligations outstanding at year-end are summarized as follows:

	<u>Original Issue</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance 12/31/19</u>
Governmental activities -				
Due to primary government:				
2011B Crossover Refunding Bonds	\$ 3,095,000	2020-2032	3.00-4.35%	\$ 2,315,000
2016A GO Tax Increment Bonds	2,045,000	2020-2022	1.28-1.60%	1,245,000
	<u>5,140,000</u>			<u>3,560,000</u>
Due in more than one year:				
2018C Taxable Lease Revenue Bonds	<u>5,150,000</u>	2023	3.00%	<u>5,150,000</u>
<b>Total</b>	<b><u>\$10,290,000</u></b>			<b><u>\$ 8,710,000</u></b>
Business-type activities:				
Family Housing Fund	\$ 175,000	2023	0.0%	\$ 175,000
Hennepin County-HOME Funds	419,450	2023	0.0%	419,450
Hennepin County-HOME Funds	730,270	2024	0.0%	730,270
Hennepin County-HOME Funds	<u>250,000</u>	2030	0.0%	<u>250,000</u>
<b>Total</b>	<b><u>\$ 1,574,720</u></b>			<b><u>\$ 1,574,720</u></b>

The long-term debt outstanding related to business-type activities bears no interest rate. The HRA has not imputed interest on these obligations.

Changes in long-term debt during 2019 are summarized as follows:

	<u>Balance 01/01/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$4,105,000	\$ -	\$ (545,000)	\$3,560,000	\$ 540,000
Loans Payable	-	7,100,000	-	7,100,000	-
Unamortized Bond Premium	27,820	-	(2,127)	25,693	-
Bonds Payable	5,150,000	-	-	5,150,000	-
Unamortized Bond Discount	(22,025)	-	4,805	(17,220)	-
Business-type Activities -					
Enterprise Fund Loan Agreements	1,574,720	-	-	1,574,720	-
<b>Total</b>	<b><u>\$ 10,835,515</u></b>	<b><u>\$ 7,100,000</u></b>	<b><u>\$ (542,322)</u></b>	<b><u>\$ 17,393,193</u></b>	<b><u>\$ 540,000</u></b>

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

**Debt Service Payments**

The following is a schedule of the total future debt service and tax increment payment requirements for the HRA:

Years ending <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 540,000	\$ 257,619	\$ -	\$ -	\$ 797,619
2021	560,000	247,965	-	-	807,965
2022	570,000	237,088	-	-	807,088
2023	5,310,000	228,490	-	-	5,538,490
2024	165,000	68,137	-	-	233,137
2025-2029	945,000	234,950	1,324,720	-	2,504,670
2030-2033	620,000	37,997	250,000	-	907,997
Total	<u>\$ 8,710,000</u>	<u>\$ 1,312,246</u>	<u>\$ 1,574,720</u>	<u>\$ -</u>	<u>\$ 11,596,966</u>

**Fund Balance Classifications**

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

	General Fund	Housing Develop	Section 8 Vouchers	Housing Rehab	Opportunity Housing	TIF Special Revenue	Debt Service	Capital Projects	Totals
Nonspendable:									
Long term receivables	\$ -	\$ 425,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,253
Restricted for:									
Debt service	-	-	-	-	-	-	24,408	-	24,408
Tax increment purposes	-	-	-	-	-	2,471,981	-	-	2,471,981
HUD rehab loans	-	-	-	1,420	-	-	-	-	1,420
HUD section 8 vouchers	-	-	48,503	-	-	-	-	-	48,503
Committed to:									
Development activities	-	7,438,798	-	-	-	-	-	-	7,438,798
Rehabilitation loans	-	-	-	561,592	-	-	-	-	561,592
Assigned for:									
Section 8 Vouchers	-	-	141,987	-	-	-	-	-	141,987
Capital projects	-	-	-	-	-	-	-	260,929	260,929
Unassigned	856,485	-	-	-	(94,979)	(1,421,370)	-	-	(659,864)
Total fund balances	<u>\$ 856,485</u>	<u>\$ 7,864,051</u>	<u>\$ 190,490</u>	<u>\$ 563,012</u>	<u>\$ (94,979)</u>	<u>\$ 1,050,611</u>	<u>\$ 24,408</u>	<u>\$ 260,929</u>	<u>\$ 10,715,007</u>

**Due to the City**

At December 31, 2019, the HRA owed the City \$207,892 for services and facilities provided to the HRA, \$44,872 for accrued interest, \$540,000 for the current portion, and \$3,045,693 for the long-term portion of the debt obligation. In addition, the HRA owes to the City \$7,100,000 of Taxable General Obligation Tax Increment Revenue Bonds that was loaned to the HRA on December 27, 2019, and was used to fund affordable housing within the City.

**Due to HRA**

At December 31, 2019, the City owed \$2,370 to the HRA for HRA rehabilitation loan program activities and \$5,021 from donations for the establishment of opportunity housing and \$77,250 of interest payment related to the Days Inn bond. In addition, \$5,150,000 is due from the City in 2023 for a lease receivable related to the

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

Days Inn project. The City purchased the land at 7851 Normandale Boulevard in 2018 with bond proceeds and leased it to the City. The City is subleasing the property to a developer who plans on redeveloping the property.

Deficit Fund Balance

The HRA Opportunity Housing Special Revenue fund had a negative balance of \$94,979 as of December 31, 2019. The negative balance will be covered in the future, primarily by loan repayments.

Conduit Debt Obligations

From time to time, the HRA has issued Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of housing 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 mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The HRA, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$1.2 million.

The following table shows the balance of the conduit debt obligations as of December 31, 2019:

	<u>Original Balance</u>	<u>Beginning Balance 01/01/19</u>	<u>Additions</u>	<u>Less Payments/ Refinance</u>	<u>Ending Balance 12/31/19</u>
Masonic Homes	\$ 4,000,000	\$ 1,400,000	\$ -	\$ (200,000)	\$ 1,200,000

Mortgages Receivable

The Neighborhood Home Improvement Loan (Neighborhood) program is funded primarily by the HRA tax levy, loan repayments and occasionally from Strategic Initiative funds granted to the HRA by the City. The Neighborhood loans are to be repaid at such time as the related properties are transferred or sold. A lien is placed against the property by the HRA to ensure principal and interest is repaid. Proceeds for the Neighborhood loan principal and interest repayments will be recognized as revenue by the HRA when received. The Neighborhood loan balances outstanding, including interest, total \$8,548,848 as of December 31, 2019. The Neighborhood loans have been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA entered into an agreement with Hennepin County to match funds for a rehabilitation program specifically focusing on foreclosed single family homes in 2009. Each entity provided \$200,000 in funds for a program total of \$400,000 with a maximum \$20,000 per property. The HRA reapplied in 2010 and entered into another agreement with Hennepin County for an additional \$200,000 to continue this successful program. Half of the amount provided to the homeowner from Hennepin County will become a grant if the homeowner remains in the home for a minimum of five years. The other half of the amount provided to the homeowner from the HRA is a five percent interest rate loan with the accrual of interest ceasing after ten years. Therefore, the proceeds from repayments for the amount loaned from the HRA is recognized as revenue when received. The foreclosure home (FHIP) loan balances outstanding, including interest, total \$333,708 as of December 31, 2019. The outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.



## *Housing and Redevelopment Authority of the City of Bloomington (HRA)*

In 2012, the HRA entered into another agreement with Hennepin County to match funds for the Community Enhancement Program II (CEPII). This program also provides funding for rehabilitation loans. The first round of funding in early 2012 provided \$250,000 each from the HRA and the County for loans. In late 2012, another agreement was entered into with \$200,000 being pledged from each entity. The third round of funding was committed in 2013 providing an additional \$233,934 from the HRA and the County. The HRA and County alternated the loans which were committed in terms of who is the mortgage holder. The CEPII loan balances outstanding, including interest, total \$749,898 as of December 31, 2019. The HRA loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2016, a new Curb Appeal Loan Program (CALP) was initiated by the HRA. This program provides up to a \$10,000 loan for income eligible homeowners to use towards exterior home improvements. These loans are 0% deferred loans that are required to be repaid when the properties are transferred or sold. The CALP loan balances outstanding, including interest, total \$469,354 as of December 31, 2019. These loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2005, the HRA entered into four mortgage note agreements for the Essex Knoll property. The funds were loaned to low-income families to allow them the ability to purchase a home at an affordable price. Each mortgage note receivable was for \$80,000, for a total of \$320,000. The interest rate on each loan is 0% and the term is 30 years. The mortgage note has been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA has a \$406,000 mortgage note receivable dated December 17, 1990, from the sale of land to a developer, Bloomington Family Townhomes LP. The funds were loaned to the developer for the purpose of constructing townhouse projects. The note accrues interest at 3% simple interest per year until the adjustment date, as defined in the note. The accumulated interest and principal was amended in 2008 to be due in the year 2025, or upon sale of the property. In 2019, the mortgage note and interest totaling \$759,687 was recognized on the balance sheet as a mortgage note receivable and deferred inflow. Proceeds will be recognized as revenue by the HRA when received. If the townhomes are no longer used as affordable units, the note will bear an interest rate of 9% on the adjusted balance from the adjustment date to the year 2025, or upon sale of the property.

In 2002, the HRA entered into two loan agreements with Bloomington Southview Limited Partnership (BSLP). The funds were used to facilitate the development of affordable housing, site demolition, and abatement of environmental hazards. Under the terms of the loan agreements, the HRA provided BSLP with \$165,000 and \$150,000 loans, recognized on the balance sheet as notes receivable. There are no interim payments due; the compounded interest on the \$165,000 loan is calculated at 3% and is recognized as revenue by the HRA as it accrues. The \$150,000 loan has no interim payments due, the interest rate is 0%, and the term is 30 years. The HRA has not imputed interest on this loan.

The HRA entered into two loan agreements with Bloomington Leased Housing Associates III Limited Partnership in 2007. The funds were used solely to assist with the payment of the purchase price of real property located at 10140 Lyndale Avenue also known as Blooming Glen and to rehabilitate a fifty-unit residential rental facility for low-income housing located on that property. The amounts of the loans are \$200,000 accruing interest at 3% simple interest per year payable at maturity and \$290,000 with a 0% interest rate. The principal and accumulated interest is due at maturity, August 18, 2037, or upon sale of the property for each loan. The mortgage notes and interest has been recognized on the balance sheet as mortgage receivable and deferred inflow. The balance outstanding for the loan, including interest, total \$275,253 as of December 31, 2019.

**Housing and Redevelopment Authority of the City of Bloomington (HRA)**

In 2008, the HRA entered into a loan agreement with Crossings at Valley View Limited Partnership (Crossings). Crossings received a \$600,000 loan from the HRA to assist with the cost of acquiring property located in the northeast quadrant of Portland Avenue and 88<sup>th</sup> Street in Bloomington. This land was used to construct fifty low income housing units. The interest rate on the \$600,000 loan is 0% and the term is 30 years.

In 2019, the HRA entered into a loan agreement with Aeon VP Bloomington LLC. Aeon received a \$7,000,000 loan from the HRA to assist in the rehabilitation of Village Club Bloomington Apartments. The apartment contains 306 dwelling units recognized as naturally occurring affordable family housing. The interest rate on the \$7,000,000 loan is 3.375% and the term is 20 years.

The following table shows the balance of the mortgage loans receivable as of December 31, 2019:

	Balance 01/01/19	Additions	Interest	Payoffs	Balance 12/31/19
Neighborhood Loans	\$ 7,204,040	\$1,677,738	\$ 83,596	\$ (416,526)	\$ 8,548,848
Foreclosure Loans	336,542	-	11,943	(14,777)	333,708
CEP II Loans	747,781	-	24,965	(22,848)	749,898
CALP Loans	403,358	107,412	-	(41,416)	469,354
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	747,507	-	12,180	-	759,687
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	267,236	-	8,017	-	275,253
Blooming Glen	267,758	-	6,000	-	273,758
Blooming Glen	290,000	-	-	-	290,000
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	-	1
Aeon VP Bloomington LLC	-	7,000,000	-	-	7,000,000
Total	<u>\$11,334,223</u>	<u>\$8,785,150</u>	<u>\$ 146,701</u>	<u>\$ (495,567)</u>	<u>\$19,770,507</u>

**Equity Participation/Contingent Repayment Agreements**

The HRA has ten equity participation agreements with various developers of development sites in Bloomington. The developers are L.W. Fraser Independent Living Project II, Henry Court Inc., AHEPA/Penelope, NHHI/ASI Bloomington Inc. (Garfield Commons and the Meadows), NHHI/Catalpa, non-profit entities of the Presbyterian Homes of Bloomington Inc. (Newton Manor, Ridgeview Terrace, and Summer House), and Cornerstone Advocacy Services. The agreements contain equity-share provisions giving the HRA portions of certain proceeds upon subsequent sales of the development sites. Such proceeds, if any, will be recognized as revenue by the HRA when received. In 2008, the City increased its equity participation agreement with AHEPA/Penelope by contributing an additional \$50,000 to assist with construction of additional units of low income senior housing.

On April 11, 2001, the HRA entered into a contingent repayment agreement with Lyndale Avenue Townhomes, Limited Partnership for the purpose of constructing townhomes for low-income tenants. The townhomes are operated by a management company on behalf of the HRA.

## Housing and Redevelopment Authority of the City of Bloomington (HRA)

### Value in Excess of Purchase Price (VEPP) Agreements

The HRA owns one VEPP agreement with face values totaling \$5,000. The agreements defer payment for portions of property values that were underwritten by the HRA under various homeownership programs. Each agreement is secured by a promissory note and a second mortgage against the individual property. The notes are repaid when a property is sold, leased, or upon maturity of the note (31 years), whichever comes first. There are no interim installment payments required by the note. Proceeds will be recognized as revenue by the HRA when received.

### Tax Abatements-Pay-As-You-Go Tax Increment

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

The HRA has one tax increment pay-as-you-go agreement. The agreement is not a general obligation of the HRA and is payable solely from available tax increment. Accordingly, this agreement is not reflected in the financial statements of the HRA. Oxboro O-4 TIF District issued a pay-as-you-go note in 2008 in the principal sum of \$231,000 with an interest rate of 6% per annum. Principal and interest shall be paid on each February 1 and August 1, commencing February 1, 2009 and paid through August 1, 2035. Payments are payable solely from available tax increment derived from the redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 100% of tax increment received in the prior six months less the administrative fees charged by the County. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on August 1, 2035. The current year abatement (TIF note payments) totaled \$23,035. At December 31, 2019, the principal amount outstanding on the note was \$231,000.

### Committed Contracts

The HRA purchased 8000 Knox Avenue South in February 2016 with cash. City-issued bonds payable by the HRA financed the purchase of 1901 American Boulevard West in December 2016. The HRA signed a pre-development agreement with Knox & American I, LLC (the “developer”) in 2016. The developer also purchased two parcels of land adjacent to the parcels the HRA obtained. The anticipated development includes a certified housing TIF district and approved redevelopment TIF district which is yet to be certified. This site will include a mixed-use project that will include both market rate and affordable multi-family rental housing along a commercial development that may include a hotel.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

# REQUIRED SUPPLEMENTARY INFORMATION



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

EXHIBIT A-1

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

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Property taxes	\$ 47,898,546	\$ 47,898,546	\$ 47,796,539	\$ (102,007)
Fiscal disparities	3,000,000	3,000,000	3,274,803	274,803
Special assessments	-	-	57,572	57,572
Lodging and admissions tax	9,180,583	9,180,583	10,500,320	1,319,737
Business licenses and permits	5,671,752	5,671,752	6,875,207	1,203,455
Fines	755,000	755,000	673,895	(81,105)
Intergovernmental	2,627,606	2,817,034	3,115,263	298,229
Program income	1,937,208	1,957,180	1,916,769	(40,411)
Interest	84,856	84,856	609,249	524,393
Net change in fair value of investments	-	-	214,132	214,132
Other	1,058,523	1,093,467	1,148,399	54,932
Total revenues	<u>72,214,074</u>	<u>72,458,418</u>	<u>76,182,148</u>	<u>3,723,730</u>
<b>EXPENDITURES</b>				
General Government	676,802	682,147	644,371	37,776
Administration	2,485,342	2,552,407	2,541,148	11,259
Legal	1,729,813	1,775,162	1,666,969	108,193
Finance	1,193,578	1,145,594	1,137,728	7,866
Community Development	9,478,648	9,450,860	9,419,134	31,726
Parks and Recreation	9,987,811	9,844,613	9,608,409	236,204
Public Works	12,771,984	13,583,586	13,452,197	131,389
Public Safety	32,295,095	32,600,743	32,459,550	141,193
Community Services	4,552,296	4,548,459	4,287,081	261,378
Contingency/estimated unspent	109,347	109,347	40,000	69,347
Total expenditures	<u>75,280,716</u>	<u>76,292,918</u>	<u>75,256,587</u>	<u>1,036,331</u>
Excess (deficiency) of revenues over (under) expenditures	(3,066,642)	(3,834,500)	925,561	4,760,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	3,066,642	3,266,642	3,348,685	82,043
Transfers to other funds	-	(2,379,135)	(2,403,645)	(24,510)
Total other financing sources (uses)	<u>3,066,642</u>	<u>887,507</u>	<u>945,040</u>	<u>57,533</u>
Net change in fund balance	-	(2,946,993)	1,870,601	4,817,594
Fund balance - January 1	<u>34,668,847</u>	<u>34,668,847</u>	<u>34,668,847</u>	<u>-</u>
Fund balance - December 31	<u>\$ 34,668,847</u>	<u>\$ 31,721,854</u>	<u>\$ 36,539,448</u>	<u>\$ 4,817,594</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

EXHIBIT A-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Community Development Block Grant Fund  
 Year Ended December 31, 2019

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		With Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 1,259,138	\$ 1,259,138	\$ 700,978	\$ (558,160)
Interest	-	-	317	317
Net change in fair value of investments	-	-	(317)	(317)
Total revenues	<u>1,259,138</u>	<u>1,259,138</u>	<u>700,978</u>	<u>(558,160)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>1,229,138</u>	<u>1,229,138</u>	<u>504,262</u>	<u>724,876</u>
Excess (deficiency) of revenues over (under) expenditures	30,000	30,000	196,716	166,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>(30,000)</u>	<u>(30,000)</u>	<u>(15,128)</u>	<u>14,872</u>
Net change in fund balance	-	-	181,588	181,588
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,588</u>	<u>\$ 181,588</u>



**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Other Post-Employment Benefits Plan  
Schedule of Changes in the City's Total  
OPEB Liability and Related Ratios  
Year Ended December 31, 2019

EXHIBIT A-3

	2019	2018
Total OPEB liability		
Service cost	\$ 723,813	\$ 591,300
Interest	295,896	335,249
Contributions - employer	(344,129)	(299,661)
Differences between expected and actual experience	(1,157,501)	745,047
Net change in total OPEB liability	(481,921)	1,371,935
 Total OPEB liability - beginning of year	 9,310,197	 7,938,262
 Total OPEB liability - end of year	 \$ 8,828,276	 \$ 9,310,197
 Covered payroll	 \$ 45,095,129	 \$ 43,914,741
 Total OPEB liability as a percentage of covered payroll	 20%	 21%

The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

Note: There are no assets in a trust to pay related benefits.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Proportionate Share of Net Pension Liability -  
General Employees Retirement Fund  
Year Ended December 31, 2019

EXHIBIT A-4

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Jun. 30, 2015	Dec. 31, 2015	0.5389%	\$27,928,595	\$ -	\$31,663,355	88.2%	78.2%
Jun. 30, 2016	Dec. 31, 2016	0.5236%	\$42,513,723	\$555,205	\$32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	\$33,815,698	\$425,166	\$34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	\$28,220,590	\$925,710	\$34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	\$27,771,041	\$863,129	\$35,546,391	78.1%	80.2%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 General Employees Retirement Fund  
 Year Ended December 31, 2019

EXHIBIT A-5

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$2,414,889	\$2,414,889	\$0	\$32,198,520	7.5%
Dec. 31, 2016	\$2,499,700	\$2,499,700	\$0	\$33,329,333	7.5%
Dec. 31, 2017	\$2,553,026	\$2,553,026	\$0	\$34,040,335	7.5%
Dec. 31, 2018	\$2,606,658	\$2,606,658	\$0	\$34,755,384	7.5%
Dec. 31, 2019	\$2,736,989	\$2,736,989	\$0	\$36,493,224	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Proportionate Share of Net Pension Liability -  
Public Employees Police and Fire Fund  
Year Ended December 31, 2019

EXHIBIT A-6

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Jun. 30, 2015	Dec. 31, 2015	1.2890%	\$14,646,056	\$11,806,022	124.1%	86.6%
Jun. 30, 2016	Dec. 31, 2016	1.3650%	\$54,779,825	\$13,147,924	416.6%	63.9%
Jun. 30, 2017	Dec. 31, 2017	1.2770%	\$17,241,020	\$13,109,393	131.5%	85.4%
Jun. 30, 2018	Dec. 31, 2018	1.2831%	\$13,676,526	\$13,522,504	101.1%	88.8%
Jun. 30, 2019	Dec. 31, 2019	1.3504%	\$14,376,373	\$14,241,875	100.9%	89.3%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 Public Employees Police and Fire Fund  
 Year Ended December 31, 2019

EXHIBIT A-7

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$1,995,234	\$1,995,234	\$ -	\$12,316,259	16.2%
Dec. 31, 2016	\$2,164,062	\$2,164,062	\$ -	\$13,147,924	16.5%
Dec. 31, 2017	\$2,131,306	\$2,131,306	\$ -	\$13,156,231	16.2%
Dec. 31, 2018	\$2,262,547	\$2,262,547	\$ -	\$13,966,353	16.2%
Dec. 31, 2019	\$2,435,417	\$2,435,417	\$ -	\$14,368,236	17.0%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios -  
Bloomington Fire Department Relief Association  
Year Ended December 31, 2019

Fiscal Year Ending Measurement Date	<u>Dec. 31, 2019</u> <u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u> <u>Dec. 31, 2018</u>
Total pension liability:		
Service cost	\$3,869,840	\$3,529,986
Interest cost	9,212,131	8,791,865
Effect of economic/demographic gains or losses	(3,358,770)	257,010
Difference between expected and actual experience	-	-
Assumption changes	7,007,900	-
Benefit payments, including refunds of employee contributions	<u>(6,051,864)</u>	<u>(5,780,618)</u>
Net change in total pension liability	10,679,237	6,798,243
Total pension liability - beginning	152,647,541	145,849,298
Total pension liability - ending (a)	<u>\$163,326,778</u>	<u>\$152,647,541</u>
Plan fiduciary net position:		
Contributions - employer	-	\$1,535,985
Contributions - State of Minnesota	609,799	594,361
Net investment income	30,774,778	(7,266,532)
Benefit payments, including refunds of employee contributions	(6,051,864)	(5,780,618)
Administrative expense	<u>(108,058)</u>	<u>(100,782)</u>
Net change in plan fiduciary net position	25,224,655	(11,017,586)
Plan fiduciary net position - beginning	164,824,810	175,842,396
Plan fiduciary net position - ending (b)	<u>\$190,049,465</u>	<u>\$164,824,810</u>
Net pension liability / (asset) - ending (a) - (b)	<u>(\$26,722,687)</u>	<u>(\$12,177,269)</u>
Plan fiduciary net position as a percentage of the total pension liability	116.36%	107.98%
Covered payroll*	\$12,348,216	\$11,486,832
Net pension liability (asset) as a percentage of covered payroll	(216.41)%	(106.01)%

GASB 68 was implemented in 2015. Information prior to 2014 is not available.

\* The Fire Relief Association is comprised of volunteers; therefore, there are no actual payroll expenditures. Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

## EXHIBIT A-8

<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
\$3,482,212	\$2,955,252	\$3,141,630	\$3,047,649
8,421,504	7,998,295	8,072,050	7,443,533
(152,691)	831,346	-	-
-	(5,046,951)	(7,292,468)	(1,567,433)
-	-	-	-
<u>(5,476,046)</u>	<u>-</u>	<u>(4,883,583)</u>	<u>(4,566,912)</u>
6,274,979	6,737,942	(962,371)	4,356,837
139,574,319	132,836,377	133,798,748	129,441,911
<u>\$145,849,298</u>	<u>\$139,574,319</u>	<u>\$132,836,377</u>	<u>\$133,798,748</u>
\$1,057,759	\$905,855	\$1,175,095	\$2,548,091
576,114	563,627	540,186	622,164
24,503,859	11,133,373	(1,023,994)	9,982,524
(5,476,046)	(5,046,951)	(4,883,583)	(4,566,912)
<u>(94,692)</u>	<u>(109,128)</u>	<u>(93,226)</u>	<u>(83,410)</u>
20,566,994	7,446,776	(4,285,522)	8,502,457
155,275,402	147,828,626	152,114,148	143,611,691
<u>\$175,842,396</u>	<u>\$155,275,402</u>	<u>\$147,828,626</u>	<u>\$152,114,148</u>
<u>(\$29,993,098)</u>	<u>(\$15,701,083)</u>	<u>(\$14,992,249)</u>	<u>(\$18,315,400)</u>
120.56%	111.25%	111.29%	113.69%
\$10,513,294	\$11,003,580	\$10,773,375	\$10,110,384
(285.29)%	(142.69)%	(139.16)%	(181.15)%

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 Bloomington Fire Department Relief Association  
 Year Ended December 31, 2019

EXHIBIT A-9

Fiscal Year Ending	Actuarial Determined Contribution (a)	Contributions in Relation to the Actuarial Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll* (b/c)
Dec. 31, 2015	\$1,396,485	\$1,715,281	(\$318,796)	\$10,773,375	15.9%
Dec. 31, 2016	\$1,552,692	\$1,469,482	\$83,210	\$11,003,580	13.4%
Dec. 31, 2017	\$2,024,948	\$1,633,873	\$391,075	\$10,513,294	15.5%
Dec. 31, 2018	\$2,416,691	\$2,130,346	\$286,345	\$11,486,832	18.5%
Dec. 31, 2019	\$446,855	\$609,799	(\$162,944)	\$12,348,216	4.9%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

\* The Fire Relief Association is comprised of volunteers; therefore, there are no actual payroll expenditures. Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.



## CITY OF BLOOMINGTON, MINNESOTA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

#### 1. BUDGETARY INFORMATION

Budgetary comparisons for the City's General Fund and the annually budgeted Community Development Block Grant are required supplementary information.

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The legal level of budgetary control for the General Fund is at the department level (such as General Government, Administration, Legal, and Finance) and at the fund level for the Community Development Block Grant Fund. Neither the General Fund nor the Community Development Block Grant Fund expenditures exceeded the legal level of budgetary control for fiscal year ended December 31, 2019.

#### 2. PENSION INFORMATION

##### A. PERA – GENERAL EMPLOYEES RETIREMENT FUND

###### **2019 CHANGES**

###### Changes in Actuarial Assumptions:

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

###### Changes in Plan Provisions:

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

###### **2018 CHANGES**

###### Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044, and 2.5% per year thereafter, to 1.25% 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0% effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

- Post-retirement benefit increases were changed from 1.00% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 0.8% for active members and 60.0% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044, and 2.5% per year thereafter.

### Changes in Plan Provisions:

- The state's contribution for the General Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the General Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

## **2016 CHANGES**

### Changes in Actuarial Assumptions:

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

## **2015 CHANGES**

### Changes in Actuarial Assumptions:

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

### Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions

were revised, the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

## B. PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

### 2019 CHANGES

#### Changes in Actuarial Assumptions:

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

### 2018 CHANGES

#### Changes in Actuarial Assumptions:

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

#### Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.0% 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 100.0% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to zero 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% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.0% for vested and nonvested deferred members. The CSA has been changed to 33.0% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% 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 65.0% to 60.0%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064, and 2.5% thereafter.
- The single discount rate changed from 5.6% to 7.5% per annum.

## **2016 CHANGES**

### Changes in Actuarial Assumptions:

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

## **2015 CHANGES**

### Changes in Actuarial Assumptions:

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

### Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90.0% funding threshold was changed from inflation up to 2.5%, to a fixed rate of 2.5%.

## **C. FIRE RELIEF PENSION**

The fire relief pension has not had a formal actuarial experience study performed.

## **2019 CHANGES**

### Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018 for pre-retirement and post-retirement.

## **3. OPEB INFORMATION**

### **2019 CHANGES**

#### Changes in Discount Rate:

- In 2019 the discount rate changed to 3.00%.

### **2018 CHANGES**

#### Changes in Actuarial Assumptions:

- In 2018 the actuarial cost method was changed from entry age, level dollar to entry age, level percent of pay as prescribed by GASB 75.

# SUPPLEMENTARY INFORMATION



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### NONMAJOR GOVERNMENTAL FUNDS

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#### **SPECIAL REVENUE FUNDS**

*Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.*

Public Health Fund - This fund was established to account for grant funds received for the operation of public health programs such as the Sage Clinic, which operates cancer screening programs for low income and underinsured women.

Public Safety Fund - This fund is used to account for the seized cash and/or forfeited property, enhanced 911 services, public safety and fire grant funds, the balance of police pension reimbursement proceeds, and designated fire pension obligation funds.

Communications Fund - This fund was established to account for funds received from the franchise fee of the local cable television service.

Park Grants Fund - This fund was established to account for grant funds received from the State's Natural Resources Fund to be used for operational and maintenance costs associated with the Hyland-Bush-Anderson Lakes Regional Park Reserve.

Community Landscape Fund - This fund was established to account for fees collected and designated for landscape planting on public land in lieu of planting on constrained, private development sites.

South Loop Revolving Development Services Fund - This fund was established to account for City funds for the Met Center Environmental Impact Statement (EIS) and Alternative Urban Areawide Review (AUAR) for Airport South development.

Creative Placemaking Fund – This fund was established to account for the use of funds designated for the purpose of building a vibrant, distinctive, and sustainable community through the use of arts. Initially focused on the South Loop District, creative placemaking efforts will expand to other areas in the future.

Cemetery Trust Fund - This fund was established to provide for the perpetual care, maintenance, and improvement of the City cemetery. A portion of the monies received from the sale of lots shall be used for acquisition of additional cemetery lands with the balance placed in a perpetual care account.

#### **DEBT SERVICE FUNDS**

*Debt service funds account for the accumulation of resources for and payment of general long-term debt principal and interest.*

G.O. Tax Increment Bonds Fund – This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon.

General Obligation Bonds Fund – This fund is used to account for the accumulation of resources for payment of general obligation bonds and interest thereon.

#### **CAPITAL PROJECTS FUND**

Developer Escrow Fund - This fund is used to account for various deposits (mainly contractors' deposits for park development and to guarantee payment of special assessments for water, sewer, streets, and other improvements) required by the City.

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	Special Revenue					
	Public Health	Public Safety	Communications	Park Grants	Community Landscape	South Loop Revolving Dev
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 16,220	\$ 5,935,995	\$ 328,431	\$ 269,727	\$ 2,703	\$ 281,054
Accrued interest receivable	(20)	20,672	1,411	1,064	-	1,123
Taxes receivable	-	-	-	-	-	-
Accounts receivable	18,994	350	340,594	-	-	-
Due from component units	-	-	-	-	-	-
Due from other governments	164,785	166,048	-	24,331	-	-
<b>Total assets</b>	<b>\$ 199,979</b>	<b>\$ 6,123,065</b>	<b>\$ 670,436</b>	<b>\$ 295,122</b>	<b>\$ 2,703</b>	<b>\$ 282,177</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 34,862	\$ 93,935	\$ 323,123	\$ 1,568	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	5,135	79,707	-	217,881	-	-
Deposits payable	-	-	-	-	-	-
Total liabilities	39,997	173,642	323,123	219,449	-	-
<b>FUND BALANCES</b>						
Restricted	159,982	1,141,236	-	75,673	-	-
Committed	-	4,808,187	347,313	-	2,703	282,177
Total fund balances	159,982	5,949,423	347,313	75,673	2,703	282,177
<b>Total liabilities and fund balances</b>	<b>\$ 199,979</b>	<b>\$ 6,123,065</b>	<b>\$ 670,436</b>	<b>\$ 295,122</b>	<b>\$ 2,703</b>	<b>\$ 282,177</b>



EXHIBIT B-1

Creative Placemaking	Cemetery Trust	Total	Debt Service			Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
			G.O. Tax Increment Bonds	General Obligation Bonds	Total		
\$ 499,306	\$ 506,486	\$ 7,839,922	\$ 742	\$ 664,561	\$ 665,303	\$ 705,743	\$ 9,210,968
1,879	2,029	28,158	(178)	2,617	2,439	-	30,597
-	-	-	-	1,219	1,219	-	1,219
-	-	359,938	-	-	-	-	359,938
-	-	-	53,847	-	53,847	-	53,847
-	-	355,164	-	-	-	-	355,164
<u>\$ 501,185</u>	<u>\$ 508,515</u>	<u>\$ 8,583,182</u>	<u>\$ 54,411</u>	<u>\$ 668,397</u>	<u>\$ 722,808</u>	<u>\$ 705,743</u>	<u>\$ 10,011,733</u>
\$ 12,015	\$ -	\$ 465,503	\$ 400	\$ 200	\$ 600	\$ 21,696	\$ 487,799
-	-	-	45,500	-	45,500.00	-	45,500
-	-	302,723	-	-	-	-	302,723
-	-	-	-	-	-	674,333	674,333
<u>12,015</u>	<u>-</u>	<u>768,226</u>	<u>45,900</u>	<u>200</u>	<u>46,100</u>	<u>696,029</u>	<u>1,510,355</u>
-	508,515	1,885,406	8,511	668,197	676,708	9,714	2,571,828
489,170	-	5,929,550	-	-	-	-	5,929,550
<u>489,170</u>	<u>508,515</u>	<u>7,814,956</u>	<u>8,511</u>	<u>668,197</u>	<u>676,708</u>	<u>9,714</u>	<u>8,501,378</u>
<u>\$ 501,185</u>	<u>\$ 508,515</u>	<u>\$ 8,583,182</u>	<u>\$ 54,411</u>	<u>\$ 668,397</u>	<u>\$ 722,808</u>	<u>\$ 705,743</u>	<u>\$ 10,011,733</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2019

	Special Revenue					
	Public Health	Public Safety	Communications	Park Grants	Community Landscape	South Loop Revolving Dev
<b>REVENUES</b>						
Property taxes	\$ -	\$ 988,683	\$ 141,240	\$ -	\$ -	\$ -
Fiscal disparities	-	61,317	8,760	-	-	-
Fines	-	84,186	-	-	-	-
Intergovernmental	971,732	1,241,999	-	119,870	-	-
Program income	118,823	-	1,885	-	-	188,630
Interest	(834)	88,202	3,560	5,629	-	5,458
Net change in fair value of investments	(120)	24,587	1,242	1,646	-	592
Other	-	5,233	100,855	-	1,000	-
Franchise fees	-	-	1,384,514	-	-	-
Total revenues	<u>1,089,601</u>	<u>2,494,207</u>	<u>1,642,056</u>	<u>127,145</u>	<u>1,000</u>	<u>194,680</u>
<b>EXPENDITURES</b>						
Current:						
General services	-	-	-	-	-	-
Development services	-	-	-	-	-	1,119
Public safety	-	1,171,474	-	-	-	-
Parks and recreation	-	-	-	74,407	-	-
Community services	1,068,351	-	2,024,994	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Development services	-	-	-	-	-	-
Public safety	-	140,614	-	-	-	-
Community services	-	-	36,115	-	-	-
Total expenditures	<u>1,068,351</u>	<u>1,312,088</u>	<u>2,061,109</u>	<u>74,407</u>	<u>-</u>	<u>1,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,250</u>	<u>1,182,119</u>	<u>(419,053)</u>	<u>52,738</u>	<u>1,000</u>	<u>193,561</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	974,510	424,752	-	-	-
Transfers to other funds	-	(61,632)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>912,878</u>	<u>424,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	21,250	2,094,997	5,699	52,738	1,000	193,561
Fund balance - January 1	<u>138,732</u>	<u>3,854,426</u>	<u>341,614</u>	<u>22,935</u>	<u>1,703</u>	<u>88,616</u>
Fund balance - December 31	<u>\$ 159,982</u>	<u>\$ 5,949,423</u>	<u>\$ 347,313</u>	<u>\$ 75,673</u>	<u>\$ 2,703</u>	<u>\$ 282,177</u>

EXHIBIT B-2

Creative Placemaking	Cemetery Trust	Total	Debt Service			Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
			G.O. Tax Increment Bonds	General Obligation Bonds	Total		
\$ -	\$ -	\$ 1,129,923	\$ -	\$ 438,776	\$ 438,776	\$ -	\$ 1,568,699
-	-	70,077	-	29,238	29,238	-	99,315
-	-	84,186	-	-	-	-	84,186
-	-	2,333,601	-	-	-	-	2,333,601
-	165,445	474,783	-	-	-	-	474,783
8,908	10,541	121,464	(515)	8,087	7,572	-	129,036
1,665	3,302	32,914	44	3,743	3,787	-	36,701
214	-	107,302	656,859	-	656,859	-	764,161
-	-	1,384,514	-	-	-	-	1,384,514
<u>10,787</u>	<u>179,288</u>	<u>5,738,764</u>	<u>656,388</u>	<u>479,844</u>	<u>1,136,232</u>	<u>-</u>	<u>6,874,996</u>
-	198,539	198,539	400	200	600	-	199,139
212,563	-	213,682	-	-	-	-	213,682
-	-	1,171,474	-	-	-	-	1,171,474
-	-	74,407	-	-	-	-	74,407
-	-	3,093,345	-	-	-	-	3,093,345
-	-	-	111,859	41,600	153,459	-	153,459
-	-	-	545,000	400,000	945,000	-	945,000
23,961	-	23,961	-	-	-	-	23,961
-	-	140,614	-	-	-	-	140,614
-	-	36,115	-	-	-	-	36,115
<u>236,524</u>	<u>198,539</u>	<u>4,952,137</u>	<u>657,259</u>	<u>441,800</u>	<u>1,099,059</u>	<u>-</u>	<u>6,051,196</u>
<u>(225,737)</u>	<u>(19,251)</u>	<u>786,627</u>	<u>(871)</u>	<u>38,044</u>	<u>37,173</u>	<u>-</u>	<u>823,800</u>
429,996	-	1,829,258	-	-	-	-	1,829,258
(4,000)	-	(65,632)	-	-	-	-	(65,632)
<u>425,996</u>	<u>-</u>	<u>1,763,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763,626</u>
200,259	(19,251)	2,550,253	(871)	38,044	37,173	-	2,587,426
<u>288,911</u>	<u>527,766</u>	<u>5,264,703</u>	<u>9,382</u>	<u>630,153</u>	<u>639,535</u>	<u>9,714</u>	<u>5,913,952</u>
<u>\$ 489,170</u>	<u>\$ 508,515</u>	<u>\$ 7,814,956</u>	<u>\$ 8,511</u>	<u>\$ 668,197</u>	<u>\$ 676,708</u>	<u>\$ 9,714</u>	<u>\$ 8,501,378</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Health Special Revenue Fund

Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 961,664	\$ 1,000,675	\$ 971,732	\$ (28,943)
Program income	80,767	83,172	118,823	35,651
Interest	-	-	(834)	(834)
Net change in fair value of investments	-	-	(120)	(120)
Total revenues	<u>1,042,431</u>	<u>1,083,847</u>	<u>1,089,601</u>	<u>5,754</u>
<b>EXPENDITURES</b>				
Current -				
Community services	<u>1,075,673</u>	<u>1,117,089</u>	<u>1,068,351</u>	<u>48,738</u>
Net change in fund balance	(33,242)	(33,242)	21,250	54,492
Fund balance - January 1	<u>138,732</u>	<u>138,732</u>	<u>138,732</u>	-
Fund balance - December 31	<u>\$ 105,490</u>	<u>\$ 105,490</u>	<u>\$ 159,982</u>	<u>\$ 54,492</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Special Revenue Fund

Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 988,683	\$ (61,317)
Fiscal disparities	-	-	61,317	61,317
Fines	160,000	160,000	84,186	(75,814)
Intergovernmental	743,456	1,359,502	1,241,999	(117,503)
Interest	28,798	28,798	88,202	59,404
Net change in fair value of investments	-	-	24,587	24,587
Other	-	-	5,233	5,233
Total revenues	1,982,254	2,598,300	2,494,207	(104,093)
EXPENDITURES				
Current -				
Public safety	911,587	1,445,759	1,171,474	274,285
Capital outlay -				
Public safety	-	121,197	140,614	(19,417)
Total expenditures	911,587	1,566,956	1,312,088	254,868
Excess (deficiency) of revenues over (under) expenditures	1,070,667	1,031,344	1,182,119	150,775
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	750,000	950,000	974,510	24,510
Transfers to other funds	(545,000)	(45,000)	(61,632)	(16,632)
Total other financing sources (uses)	205,000	905,000	912,878	7,878
Net change in fund balance	1,275,667	1,936,344	2,094,997	158,653
Fund balance - January 1	3,854,426	3,854,426	3,854,426	-
Fund balance - December 31	\$ 5,130,093	\$ 5,790,770	\$ 5,949,423	\$ 158,653

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Communications Special Revenue Fund  
 Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Property taxes	\$ 150,000	\$ 150,000	\$ 141,240	\$ (8,760)
Fiscal disparities	-	-	8,760	8,760
Program income	2,000	2,000	1,885	(115)
Interest	4,000	4,000	3,560	(440)
Net change in fair value of investments	-	-	1,242	1,242
Other	75,120	75,120	100,855	25,735
Franchise fees	1,458,000	1,458,000	1,384,514	(73,486)
<b>Total revenues</b>	<b>1,689,120</b>	<b>1,689,120</b>	<b>1,642,056</b>	<b>(47,064)</b>
<b>EXPENDITURES</b>				
Current -				
Community services	1,942,467	2,026,901	2,024,994	1,907
Capital outlay -				
Community services	80,200	68,348	36,115	32,233
<b>Total expenditures</b>	<b>2,022,667</b>	<b>2,095,249</b>	<b>2,061,109</b>	<b>34,140</b>
Excess (deficiency) of revenues over (under) expenditures	(333,547)	(406,129)	(419,053)	(12,924)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	304,756	424,756	424,752	(4)
Net change in fund balance	(28,791)	18,627	5,699	(12,928)
Fund balance - January 1	341,614	341,614	341,614	-
Fund balance - December 31	<b>\$ 312,823</b>	<b>\$ 360,241</b>	<b>\$ 347,313</b>	<b>\$ (12,928)</b>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Park Grants Special Revenue Fund

Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 91,100	\$ 91,100	\$ 119,870	\$ 28,770
Interest	3,273	3,273	5,629	2,356
Net change in fair value of investments	-	-	1,646	1,646
<b>Total revenues</b>	<b>94,373</b>	<b>94,373</b>	<b>127,145</b>	<b>32,772</b>
<b>EXPENDITURES</b>				
Current -				
Community services	182,100	105,600	74,407	31,193
Excess (deficiency) of revenues over (under) expenditures	(87,727)	(11,227)	52,738	63,965
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(35,000)	(35,000)	-	(35,000)
Net change in fund balance	(122,727)	(46,227)	52,738	98,965
Fund balance - January 1	22,935	22,935	22,935	-
Fund balance - December 31	\$ (99,792)	\$ (23,292)	\$ 75,673	\$ 98,965

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 South Loop Revolving Development Services Special Revenue Fund  
 Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 100,000	\$ 100,000	\$ 188,630	\$ 88,630
Interest	150	150	5,458	5,308
Net change in fair value of investments	-	-	592	592
Total revenues	<u>100,150</u>	<u>100,150</u>	<u>194,680</u>	<u>94,530</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>70,277</u>	<u>70,277</u>	<u>1,119</u>	<u>69,158</u>
Net change in fund balance	29,873	29,873	193,561	163,688
Fund balance - January 1	<u>88,616</u>	<u>88,616</u>	<u>88,616</u>	<u>-</u>
Fund balance - December 31	<u>\$ 118,489</u>	<u>\$ 118,489</u>	<u>\$ 282,177</u>	<u>\$ 163,688</u>



**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Creative Placemaking Special Revenue Fund  
 Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 274	\$ 274	\$ 8,908	\$ 8,634
Net change in fair value of investments	-	-	1,665	1,665
Other	-	-	214	214
Total revenues	<u>274</u>	<u>274</u>	<u>10,787</u>	<u>10,513</u>
<b>EXPENDITURES</b>				
Current -				
Development services	290,000	227,000	212,563	14,437
Capital outlay -				
Development services	140,000	23,967	23,961	6
Total expenditures	<u>430,000</u>	<u>250,967</u>	<u>236,524</u>	<u>14,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(429,726)</u>	<u>(250,693)</u>	<u>(225,737)</u>	<u>24,956</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	430,000	430,000	429,996	(4)
Transfers to other funds	-	-	(4,000)	(4,000)
Total other financing sources (uses)	<u>430,000</u>	<u>430,000</u>	<u>425,996</u>	<u>(4,004)</u>
Net change in fund balance	274	179,307	200,259	20,952
Fund balance - January 1	<u>288,911</u>	<u>288,911</u>	<u>288,911</u>	<u>-</u>
Fund balance - December 31	<u>\$ 289,185</u>	<u>\$ 468,218</u>	<u>\$ 489,170</u>	<u>\$ 20,952</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-7

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Cemetery Trust Special Revenue Fund  
 Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 205,780	\$ 205,780	\$ 165,445	\$ (40,335)
Interest	8,400	8,400	10,541	2,141
Net change in fair value of investments	-	-	3,302	3,302
Total revenues	<u>214,180</u>	<u>214,180</u>	<u>179,288</u>	<u>(34,892)</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>203,331</u>	<u>203,331</u>	<u>198,539</u>	<u>4,792</u>
Net change in fund balance	10,849	10,849	(19,251)	(30,100)
Fund balance - January 1	<u>527,766</u>	<u>527,766</u>	<u>527,766</u>	<u>-</u>
Fund balance - December 31	<u>\$ 538,615</u>	<u>\$ 538,615</u>	<u>\$ 508,515</u>	<u>\$ (30,100)</u>

**CITY OF BLOOMINGTON, MINNESOTA**

**NONMAJOR ENTERPRISE FUNDS**

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**ENTERPRISE FUNDS**

*Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.*

Solid Waste Management Fund - This fund accounts for the operations of the City's recycling program.

Contractual Police Fund - This fund accounts for the operations of police contractual services acquired by various establishments.

Motor Vehicle Fund - This fund accounts for the operations of the City's motor vehicle registration and licensing program.

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Fund Net Position  
Nonmajor Enterprise Funds  
December 31, 2019

EXHIBIT D-1

	<u>Solid Waste Management</u>	<u>Contractual Police</u>	<u>Motor Vehicle</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,358,298	\$ 516	\$ 523,189	\$ 1,882,003
Accrued interest receivable	6,033	-	2,106	8,139
Taxes receivable	18,268	-	-	18,268
Accounts receivable	1,602,621	227,851	-	1,830,472
Due from other governments	13,656	25,884	-	39,540
Total current assets	<u>2,998,876</u>	<u>254,251</u>	<u>525,295</u>	<u>3,778,422</u>
Noncurrent assets:				
Machinery and equipment	24,229	-	-	24,229
Accumulated depreciation	<u>(24,229)</u>	<u>-</u>	<u>-</u>	<u>(24,229)</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>2,998,876</u>	<u>254,251</u>	<u>525,295</u>	<u>3,778,422</u>
 <b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	840,806	89,051	58,552	988,409
Due to other funds	-	164,000	-	164,000
Deposits payable	-	1,200	-	1,200
<b>Total liabilities</b>	<u>840,806</u>	<u>254,251</u>	<u>58,552</u>	<u>1,153,609</u>
 <b>NET POSITION</b>				
Unrestricted	<u>\$ 2,158,070</u>	<u>\$ -</u>	<u>\$ 466,743</u>	<u>\$ 2,624,813</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT D-2

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

	<u>Solid Waste Management</u>	<u>Contractual Police</u>	<u>Motor Vehicle</u>	<u>Total</u>
Operating revenues -				
Charges for services	\$ 7,390,705	\$ 854,502	\$ 669,715	\$ 8,914,922
Other	13,092	-	137,334	150,426
Total operating revenues	<u>7,403,797</u>	<u>854,502</u>	<u>807,049</u>	<u>9,065,348</u>
Operating expenses:				
Salaries and benefits	226,796	833,312	619,413	1,679,521
Materials, supplies and service	7,431,331	14,867	139,532	7,585,730
Total operating expenses	<u>7,658,127</u>	<u>848,179</u>	<u>758,945</u>	<u>9,265,251</u>
Operating income (loss)	<u>(254,330)</u>	<u>6,323</u>	<u>48,104</u>	<u>(199,903)</u>
Nonoperating revenues:				
Taxes	348,000	-	117,700	465,700
Fiscal disparities	-	-	7,300	7,300
Intergovernmental	143,844	79,981	-	223,825
Interest income	34,515	-	3,089	37,604
Net change in fair value of investments	8,302	-	9,217	17,519
Total nonoperating revenues	<u>534,661</u>	<u>79,981</u>	<u>137,306</u>	<u>751,948</u>
Income before capital contributions and transfers	280,331	86,304	185,410	552,045
Transfers and capital contributions:				
Capital contributions from private sources	38,844	-	-	38,844
Transfers from other funds	-	-	125,000	125,000
Transfers to other funds	<u>(309,000)</u>	<u>(85,816)</u>	<u>-</u>	<u>(394,816)</u>
Change in net position	10,175	488	310,410	321,073
Total net position - January 1	<u>2,147,895</u>	<u>(488)</u>	<u>156,333</u>	<u>2,303,740</u>
Total net position - December 31	<u>\$ 2,158,070</u>	<u>\$ -</u>	<u>\$ 466,743</u>	<u>\$ 2,624,813</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2019

EXHIBIT D-3

	Solid Waste Management	Contractual Police	Motor Vehicle	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 7,459,792	\$ 877,622	\$ 809,386	\$ 9,146,800
Cash payments to other funds	(374,634)	4,132	(87,585)	(458,087)
Payments to employees	(223,430)	(849,766)	(623,465)	(1,696,661)
Payments to suppliers	(6,670,192)	-	(104,312)	(6,774,504)
Net cash provided by (used in) operating activities	191,536	31,988	(5,976)	217,548
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants	193,520	54,097	-	247,617
Transfers from other funds	-	-	125,000	125,000
Transfers to other funds	(309,000)	(85,816)	-	(394,816)
Taxes	348,000	-	125,000	473,000
Net cash provided by noncapital financing activities	232,520	(31,719)	250,000	450,801
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital grants and contributions from private sources	38,844	-	-	38,844
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	42,816	-	12,305	55,121
Net increase in cash and cash equivalents	505,716	269	256,329	762,314
Cash and cash equivalents - January 1	852,582	247	266,860	1,119,689
Cash and cash equivalents - December 31	\$ 1,358,298	\$ 516	\$ 523,189	\$ 1,882,003
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (254,330)	\$ 6,323	\$ 48,104	\$ (199,903)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Changes in assets and liabilities:				
Customer receivables	58,146	23,119	-	81,265
Other current assets	(2,153)	-	2,336	183
Accounts payable	389,873	2,546	(56,416)	336,003
Net cash provided by (used in) operating activities	\$ 191,536	\$ 31,988	\$ (5,976)	\$ 217,548

## CITY OF BLOOMINGTON, MINNESOTA

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### **INTERNAL SERVICE FUNDS**

*Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.*

Information Technology Fund - This fund accounts for the acquisition and maintenance of computer software and hardware.

Fleet Fund - This fund accounts for costs related to the operations, maintenance, repair, and replacement of City vehicles. Departments are charged for vehicles used by their staff.

Support Services Fund - This fund accounts for printing, mailroom, and phone system activities. User charges are billed to various City departments.

Public Safety Radio Fund - This fund accounts for the purchase and maintenance of public safety radios. User charges are billed to various City departments.

Self-Insurance Fund - This fund accounts for payments of insurance premiums and claims and allocation of such costs to user departments.

Benefit Accrual Fund - This fund accounts for payment of unused vacation, personal leave and compensatory time, and allocation of such costs to respective departments.

Insured Benefits Fund – This fund accounts for the administration of employee benefits for insurance programs.

Facilities and Parks Maintenance Fund - This fund accounts for costs related to replacement and maintenance of the main City buildings and park structures.

PERA Pension – This fund accounts for payment of pension related benefits and allocation of such costs to respective departments.

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2019

	Information Technology	Fleet	Support Services	Public Safety Radio
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,850,101	\$ 5,164,735	\$ 196,401	\$ 4,079,206
Accrued interest receivable	7,207	20,860	714	15,677
Accounts receivable	285	22,973	913	-
Prepaid items	615,732	-	-	-
Due from other governments	-	18,360	-	-
Inventory	-	172,400	1,266	-
Total current assets	<u>2,473,325</u>	<u>5,399,328</u>	<u>199,294</u>	<u>4,094,883</u>
Noncurrent assets:				
Land	-	-	-	-
Buildings and structures	-	-	-	305,383
Machinery and equipment	2,585,114	32,906,695	30,539	1,447,877
Improvements	-	26,827	-	-
Construction in progress	-	427,095	-	-
Accumulated depreciation	(1,367,819)	(24,506,068)	(24,366)	(1,387,501)
Total noncurrent assets	<u>1,217,295</u>	<u>8,854,549</u>	<u>6,173</u>	<u>365,759</u>
<b>Total assets</b>	<u>3,690,620</u>	<u>14,253,877</u>	<u>205,467</u>	<u>4,460,642</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - related to pensions	-	-	-	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	221,260	267,795	15,262	209,918
Estimated claims payable	-	-	-	-
Benefits payable	-	-	-	-
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	32,382
Current bonds payable	-	-	-	-
Accrued interest payable	-	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	<u>221,260</u>	<u>267,795</u>	<u>15,262</u>	<u>242,300</u>
Noncurrent liabilities:				
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Estimated claims payable	-	-	-	-
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>221,260</u>	<u>267,795</u>	<u>15,262</u>	<u>242,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - related to pensions	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	1,217,295	8,854,549	6,173	365,759
Unrestricted	2,252,065	5,131,533	184,032	3,852,583
<b>Total net position</b>	<u>\$ 3,469,360</u>	<u>\$ 13,986,082</u>	<u>\$ 190,205</u>	<u>\$ 4,218,342</u>



Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 5,814,171	\$ 14,264,276	\$ 2,365,588	\$ 13,488,589	\$ -	\$ 47,223,067
23,480	56,470	8,986	52,074	-	185,468
-	-	25,363	-	-	49,534
232,297	-	-	-	-	848,029
-	-	-	300	-	18,660
-	-	-	-	-	173,666
<u>6,069,948</u>	<u>14,320,746</u>	<u>2,399,937</u>	<u>13,540,963</u>	<u>-</u>	<u>48,498,424</u>
-	-	-	11,432,262	-	11,432,262
-	-	-	40,092,065	-	40,397,448
-	-	-	5,226,269	-	42,196,494
-	-	-	2,924,653	-	2,951,480
-	-	-	921,162	-	1,348,257
-	-	-	(23,566,412)	-	(50,852,166)
-	-	-	37,029,999	-	47,473,775
<u>6,069,948</u>	<u>14,320,746</u>	<u>2,399,937</u>	<u>50,570,962</u>	<u>-</u>	<u>95,972,199</u>
-	-	-	-	17,100,921	17,100,921
23,027	35,374	99,271	646,246	-	1,518,153
821,315	-	-	-	-	821,315
-	807,875	-	-	-	807,875
-	-	-	19,980	-	19,980
-	-	-	75,000	-	107,382
-	-	-	630,000	-	630,000
-	-	-	13,365	-	13,365
-	-	3,832	-	-	3,832
<u>844,342</u>	<u>843,249</u>	<u>103,103</u>	<u>1,384,591</u>	<u>-</u>	<u>3,921,902</u>
-	15,349,628	-	-	-	15,349,628
-	-	-	640,000	-	640,000
1,138,721	-	-	-	-	1,138,721
-	-	-	-	42,147,414	42,147,414
<u>1,138,721</u>	<u>15,349,628</u>	<u>-</u>	<u>640,000</u>	<u>42,147,414</u>	<u>59,275,763</u>
<u>1,983,063</u>	<u>16,192,877</u>	<u>103,103</u>	<u>2,024,591</u>	<u>42,147,414</u>	<u>63,197,665</u>
-	-	-	-	28,063,504	28,063,504
-	-	-	35,759,999	-	46,203,775
4,086,885	(1,872,131)	2,296,834	12,786,372	(53,109,997)	(24,391,824)
<u>\$ 4,086,885</u>	<u>\$ (1,872,131)</u>	<u>\$ 2,296,834</u>	<u>\$ 48,546,371</u>	<u>\$ (53,109,997)</u>	<u>\$ 21,811,951</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
Year Ended December 31, 2019

	Information Technology	Fleet	Support Services	Public Safety Radio
Operating revenues:				
Charges for services	\$ 5,452,476	\$ 7,576,069	\$ 507,106	\$ 1,157,184
Other	7,040	39,598	-	-
Total operating revenues	<u>5,459,516</u>	<u>7,615,667</u>	<u>507,106</u>	<u>1,157,184</u>
Operating expenses:				
Salaries and benefits	1,896,969	1,650,675	229,580	101,880
Materials, supplies and service	3,406,265	4,775,149	251,062	495,977
Depreciation	<u>226,202</u>	<u>2,215,883</u>	<u>6,108</u>	<u>76,643</u>
Total operating expenses	<u>5,529,436</u>	<u>8,641,707</u>	<u>486,750</u>	<u>674,500</u>
Operating income (loss)	<u>(69,920)</u>	<u>(1,026,040)</u>	<u>20,356</u>	<u>482,684</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	216,696	-	-
Interest income	29,435	119,018	3,394	47,939
Net change in fair value of investments	9,495	43,201	775	2,147
Gain on sale of capital assets	-	194,648	-	-
Other	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>38,930</u>	<u>573,563</u>	<u>4,169</u>	<u>50,086</u>
Income (loss) before transfers	(30,990)	(452,477)	24,525	532,770
Transfers:				
Transfers from other funds	649,996	30,000	-	3,101,451
Transfers to other funds	<u>(254,760)</u>	<u>(2,081,447)</u>	<u>-</u>	<u>-</u>
Change in net position	364,246	(2,503,924)	24,525	3,634,221
Total net position - January 1	<u>3,105,114</u>	<u>16,490,006</u>	<u>165,680</u>	<u>584,121</u>
Total net position - December 31	<u>\$ 3,469,360</u>	<u>\$ 13,986,082</u>	<u>\$ 190,205</u>	<u>\$ 4,218,342</u>

## EXHIBIT E-2

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 2,183,040	\$ 2,164,401	\$ 11,471,532	\$ 12,851,088	\$ 246,943	\$ 43,609,839
-	-	39,734	10,134	-	96,506
<u>2,183,040</u>	<u>2,164,401</u>	<u>11,511,266</u>	<u>12,861,222</u>	<u>246,943</u>	<u>43,706,345</u>
-	2,570,869	11,088,104	3,988,287	57,442	21,583,806
2,118,816	-	199,898	5,795,117	-	17,042,284
-	-	-	1,599,587	-	4,124,423
<u>2,118,816</u>	<u>2,570,869</u>	<u>11,288,002</u>	<u>11,382,991</u>	<u>57,442</u>	<u>42,750,513</u>
64,224	(406,468)	223,264	1,478,231	189,501	955,832
-	-	-	-	-	216,696
126,378	295,005	32,769	273,259	-	927,197
34,007	82,197	9,284	77,715	-	258,821
-	-	-	-	-	194,648
-	-	-	13,000	-	13,000
-	-	-	(33,228)	-	(33,228)
<u>160,385</u>	<u>377,202</u>	<u>42,053</u>	<u>330,746</u>	<u>-</u>	<u>1,577,134</u>
224,609	(29,266)	265,317	1,808,977	189,501	2,532,966
-	-	-	49,135	-	3,830,582
<u>(499,992)</u>	<u>-</u>	<u>-</u>	<u>(1,061,958)</u>	<u>-</u>	<u>(3,898,157)</u>
(275,383)	(29,266)	265,317	796,154	189,501	2,465,391
<u>4,362,268</u>	<u>(1,842,865)</u>	<u>2,031,517</u>	<u>47,750,217</u>	<u>(53,299,498)</u>	<u>19,346,560</u>
<u>\$ 4,086,885</u>	<u>\$ (1,872,131)</u>	<u>\$ 2,296,834</u>	<u>\$ 48,546,371</u>	<u>\$ (53,109,997)</u>	<u>\$ 21,811,951</u>

**CITY OF BLOOMINGTON, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2019

	Information Technology	Fleet	Support Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ 5,458,179	\$ 7,592,710	\$ 506,332
Cash payments to other funds	(303,832)	(1,426,182)	(122,364)
Payments to employees	(1,896,383)	(1,648,475)	(228,280)
Payments to suppliers	(3,080,621)	(3,852,344)	(126,281)
Net cash provided by (used in) operating activities	<u>177,343</u>	<u>665,709</u>	<u>29,407</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants	-	198,336	-
Transfers from other funds	649,996	30,000	-
Transfers to other funds	(254,760)	(2,081,447)	-
Other	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>395,236</u>	<u>(1,853,111)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Bond payments	-	-	-
Interest and other payments	-	-	-
Proceeds from sale of capital assets	-	247,348	-
Purchase of capital assets	(511,593)	(1,564,742)	-
Net cash provided by (used in) capital and related financing activities	<u>(511,593)</u>	<u>(1,317,394)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>38,929</u>	<u>162,219</u>	<u>4,169</u>
Net increase (decrease) in cash and cash equivalents	99,915	(2,342,577)	33,576
Cash and cash equivalents - January 1	<u>1,750,186</u>	<u>7,507,312</u>	<u>162,825</u>
Cash and cash equivalents - December 31	<u>\$ 1,850,101</u>	<u>\$ 5,164,735</u>	<u>\$ 196,401</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (69,920)	\$ (1,026,040)	\$ 20,356
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	226,202	2,215,883	6,108
Changes in assets and liabilities:			
Accounts receivable	1,441	(22,595)	(419)
Other current assets	(2,779)	(362)	(356)
Inventory	-	10,129	2,163
Accounts payable - other	489	5,774	2
Accounts payable - supplier	20,534	(519,280)	253
Net pension liability	-	-	-
Benefits payable	1,376	2,200	1,300
Deferred outflows of resources	-	-	-
Deferred inflows of resources	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 177,343</u>	<u>\$ 665,709</u>	<u>\$ 29,407</u>

Public Safety Radio	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 1,142,097	\$ 2,185,425	\$ 2,146,439	\$ 11,482,554	\$ 12,847,945	\$ 246,943	\$ 43,608,624
(16,920)	(165,360)	-	-	(2,502,294)	-	(4,536,952)
(105,993)	-	(1,715,871)	(11,088,104)	(3,951,967)	(246,943)	(20,882,016)
(279,621)	(1,609,812)	-	(121,687)	(3,177,555)	-	(12,247,921)
<u>739,563</u>	<u>410,253</u>	<u>430,568</u>	<u>272,763</u>	<u>3,216,129</u>	<u>-</u>	<u>5,941,735</u>
-	-	-	-	-	-	198,336
3,101,451	-	-	-	49,135	-	3,830,582
-	(499,992)	-	-	(1,061,958)	-	(3,898,157)
-	-	-	-	5,800	-	5,800
<u>3,101,451</u>	<u>(499,992)</u>	<u>-</u>	<u>-</u>	<u>(1,007,023)</u>	<u>-</u>	<u>136,561</u>
-	-	-	-	(615,000)	-	(615,000)
-	-	-	-	(33,228)	-	(33,228)
-	-	-	-	7,200	-	254,548
-	-	-	-	(1,752,464)	-	(3,828,799)
-	-	-	-	(2,393,492)	-	(4,222,479)
<u>50,086</u>	<u>160,386</u>	<u>377,202</u>	<u>42,054</u>	<u>350,974</u>	<u>-</u>	<u>1,186,019</u>
3,891,100	70,647	807,770	314,817	166,588	-	3,041,836
<u>188,106</u>	<u>5,743,524</u>	<u>13,456,506</u>	<u>2,050,771</u>	<u>13,322,001</u>	<u>-</u>	<u>44,181,231</u>
<u>\$ 4,079,206</u>	<u>\$ 5,814,171</u>	<u>\$ 14,264,276</u>	<u>\$ 2,365,588</u>	<u>\$ 13,488,589</u>	<u>\$ -</u>	<u>\$ 47,223,067</u>
\$ 482,684	\$ 64,224	\$ (406,468)	\$ 223,264	\$ 1,478,231	\$ 189,501	\$ 955,832
76,643	-	-	-	1,599,587	-	4,124,423
-	9,937	-	(23,998)	2,350	-	(33,284)
17,295	(7,552)	(17,961)	(4,713)	(15,627)	-	(32,055)
-	-	-	-	-	-	12,292
-	345,362	696	67,845	10,214	-	430,382
167,054	(1,718)	246	10,365	104,658	-	(217,888)
-	-	-	-	-	250,298	250,298
(4,113)	-	854,055	-	36,716	-	891,534
-	-	-	-	-	8,297,928	8,297,928
-	-	-	-	-	(8,737,727)	(8,737,727)
<u>\$ 739,563</u>	<u>\$ 410,253</u>	<u>\$ 430,568</u>	<u>\$ 272,763</u>	<u>\$ 3,216,129</u>	<u>\$ -</u>	<u>\$ 5,941,735</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**OTHER  
SUPPLEMENTARY  
INFORMATION –  
  
COMPONENT  
UNITS**

**PORT AUTHORITY OF THE  
CITY OF BLOOMINGTON, MINNESOTA**  
Schedule of Assets, Liabilities, and Fund Balances  
December 31, 2019

EXHIBIT G-1

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2019	2018
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 171,399	\$ 631,787	\$ 86,214,401	\$ 87,017,587	\$ 79,896,561
Taxes receivable	-	-	-	-	8,841
Accrued interest receivable	-	4,299	599,491	603,790	323,721
Loans receivable	-	-	668,396	668,396	1,105,196
Land held for resale	-	-	17,150,000	17,150,000	17,150,000
<b>Total assets</b>	<b>\$ 171,399</b>	<b>\$ 636,086</b>	<b>\$ 104,632,288</b>	<b>\$ 105,439,773</b>	<b>\$ 98,484,319</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 93,053	\$ 200	\$ 293,107	\$ 386,360	\$ 2,113,306
Due to primary government	38,911	-	910,444	949,355	1,484,403
Total liabilities	131,964	200	1,203,551	1,335,715	3,597,709
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow - land held for resale	-	-	17,150,000	17,150,000	17,150,000
<b>FUND BALANCES</b>					
Restricted	-	635,886	86,118,718	86,754,604	77,439,437
Committed	-	-	160,019	160,019	156,262
Unassigned	39,435	-	-	39,435	140,911
Total fund balances	39,435	635,886	86,278,737	86,954,058	77,736,610
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 171,399</b>	<b>\$ 636,086</b>	<b>\$ 104,632,288</b>	<b>\$ 105,439,773</b>	<b>\$ 98,484,319</b>
<b>Reconciliation of Governmental Funds to the Statement of Net Position</b>					
<b>Total Fund Balances-Port Authority</b>				\$ 86,954,058	\$ 77,736,610
Interest Payable				(87,767)	(90,935)
Bonds Payable				(6,770,000)	(7,150,000)
Deferred Inflows				17,150,000	17,150,000
<b>Total Net Position-Port Authority</b>				<b>\$ 97,246,291</b>	<b>\$ 87,645,675</b>



**PORT AUTHORITY OF THE  
CITY OF BLOOMINGTON, MINNESOTA**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2019

EXHIBIT G-2

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2019	2018
<b>REVENUES</b>					
Property tax increment	\$ -	\$ 570,900	\$ 12,911,125	\$ 13,482,025	\$ 15,606,317
Interest	-	12,012	1,916,226	1,928,238	1,362,186
Net change in fair value of investments	-	1,123	157,862	158,985	78,500
City contribution	350,000	-	-	350,000	500,000
Total revenues	<u>350,000</u>	<u>584,035</u>	<u>14,985,213</u>	<u>15,919,248</u>	<u>17,547,003</u>
<b>EXPENDITURES</b>					
Current:					
General services	451,476	200	493,399	945,075	822,915
Development services	-	-	5,122,735	5,122,735	5,981,161
Debt service:					
Principal retirement	-	380,000	-	380,000	-
Interest	-	214,445	39,545	253,990	284,186
Total expenditures	<u>451,476</u>	<u>594,645</u>	<u>5,655,679</u>	<u>6,701,800</u>	<u>7,088,262</u>
Net change in fund balance	(101,476)	(10,610)	9,329,534	9,217,448	10,458,741
Fund balance - January 1	<u>140,911</u>	<u>646,496</u>	<u>76,949,203</u>	<u>77,736,610</u>	<u>67,277,869</u>
Fund balance - December 31	<u>\$ 39,435</u>	<u>\$ 635,886</u>	<u>\$ 86,278,737</u>	<u>\$ 86,954,058</u>	<u>\$ 77,736,610</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Net Position  
December 31, 2019

EXHIBIT H-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,255,065	\$ 1,038,940	\$ 11,294,005
Accounts receivable	20,252,145	-	20,252,145
Due from primary government	5,234,641	-	5,234,641
Inventory - land held for resale	1,624,500	-	1,624,500
Capital assets:			
Capital assets - nondepreciable	130,300	1,470,000	1,600,300
Capital assets - net of accumulated depreciation	-	907,500	907,500
Net capital assets	<u>130,300</u>	<u>2,377,500</u>	<u>2,507,800</u>
<b>Total assets</b>	<u>37,496,651</u>	<u>3,416,440</u>	<u>40,913,091</u>
<b>LIABILITIES</b>			
Accounts payable	220,016	60,233	280,249
Accrued interest payable	64,376	-	64,376
Unearned revenue	12,875	-	12,875
Due to primary government	183,288	24,604	207,892
Due to primary government - bonds	540,000	-	540,000
Noncurrent liabilities:			
Due to primary government -			
Loans payable due in more than one year	7,100,000	-	7,100,000
Bonds payable due in more than one year	3,045,693	-	3,045,693
Accrued interest payable	44,872	-	44,872
Due in more than one year	<u>5,132,780</u>	<u>1,574,720</u>	<u>6,707,500</u>
<b>Total liabilities</b>	<u>16,343,900</u>	<u>1,659,557</u>	<u>18,003,457</u>
<b>NET POSITION</b>			
Net investment in capital assets	121,827	802,780	924,607
Restricted for:			
Tax increment purposes	2,471,981	-	2,471,981
HUD rehab loans	1,420	-	1,420
HUD section 8 vouchers	48,503	-	48,503
Unrestricted	<u>18,509,020</u>	<u>954,103</u>	<u>19,463,123</u>
<b>Total net position</b>	<u>\$ 21,152,751</u>	<u>\$ 1,756,883</u>	<u>\$ 22,909,634</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Activities  
For the Year Ended December 31, 2019

EXHIBIT H-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General services	\$ 5,048,875	\$ 24,317	\$ 4,669,694	\$ -	\$ (354,864)	\$ -	\$ (354,864)
Development services	6,347,487	2,872,315	323,565	822,892	(2,328,715)	-	(2,328,715)
Interest on long-term debt and amounts due to primary government - bonds payable	265,375	-	-	-	(265,375)	-	(265,375)
Total governmental activities	<u>11,661,737</u>	<u>2,896,632</u>	<u>4,993,259</u>	<u>822,892</u>	<u>(2,948,954)</u>	<u>-</u>	<u>(2,948,954)</u>
Business-type activities:							
Assisted rental	229,867	222,738	-	-	-	(7,129)	(7,129)
Property management	299,118	314,395	-	-	-	15,277	15,277
Total business-type activities	<u>528,985</u>	<u>537,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,148</u>	<u>8,148</u>
<b>Total</b>	<u>\$ 12,190,722</u>	<u>\$ 3,433,765</u>	<u>\$ 4,993,259</u>	<u>\$ 822,892</u>	<u>(2,948,954)</u>	<u>8,148</u>	<u>(2,940,806)</u>
General revenues:							
Property taxes					3,992,333	-	3,992,333
Interest and investment earnings					212,557	-	212,557
Total general revenues					<u>4,204,890</u>	<u>-</u>	<u>4,204,890</u>
Change in net position					1,255,936	8,148	1,264,084
Net position - January 1					<u>19,896,815</u>	<u>1,748,735</u>	<u>21,645,550</u>
Net position - December 31					<u>\$ 21,152,751</u>	<u>\$ 1,756,883</u>	<u>\$ 22,909,634</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Assets, Liabilities, and Fund Balances  
Governmental Funds  
December 31, 2019

	General Fund	Housing Development	Section 8 Vouchers	Housing Rehabilitation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 870,095	\$ 5,562,718	\$ 255,266	\$ 605,085
Taxes receivable	21,544	-	-	-
Accounts receivable	-	46,228	390	-
Mortgage receivable	-	1,504,941	-	10,101,808
Due from other funds	-	1,600,000	-	-
Due from primary government	-	-	-	2,370
Due from other governments	-	409,029	4,312	-
Inventory - land for resale	-	1,403,000	-	-
<b>Total assets</b>	<u>\$ 891,639</u>	<u>\$ 10,525,916</u>	<u>\$ 259,968</u>	<u>\$ 10,709,263</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,655	\$ 149,287	\$ 12,301	\$ 7,282
Due to other funds	-	-	-	-
Due to primary government	18,088	29,890	57,177	24,286
Unearned revenue	-	-	-	12,875
<b>Total liabilities</b>	<u>19,743</u>	<u>179,177</u>	<u>69,478</u>	<u>44,443</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow-taxes	15,411	-	-	-
Deferred inflow-notes	-	-	-	-
Deferred inflow-mortgages	-	1,079,688	-	10,101,808
Deferred inflow-land held for resale	-	1,403,000	-	-
<b>Total deferred inflows of resources</b>	<u>15,411</u>	<u>2,482,688</u>	<u>-</u>	<u>10,101,808</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	425,253	-	-
Restricted	-	-	48,503	1,420
Committed	-	7,438,798	-	561,592
Assigned	-	-	141,987	-
Unassigned	856,485	-	-	-
<b>Total fund balances (deficits)</b>	<u>856,485</u>	<u>7,864,051</u>	<u>190,490</u>	<u>563,012</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<u>\$ 891,639</u>	<u>\$ 10,525,916</u>	<u>\$ 259,968</u>	<u>\$ 10,709,263</u>

EXHIBIT H-3

Opportunity Housing	Village Club	TIF Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
\$ 32,000	\$ -	\$ 2,721,656	\$ 24,408	\$ 183,837	\$ 10,255,065
-	-	135	-	-	21,679
-	-	-	-	-	46,618
-	7,000,000	-	-	1,163,758	19,770,507
7,000,000	-	-	-	-	8,600,000
5,021	-	-	-	5,227,250	5,234,641
-	-	-	-	-	413,341
-	-	-	-	221,500	1,624,500
<u>\$ 7,037,021</u>	<u>\$ 7,000,000</u>	<u>\$ 2,721,791</u>	<u>\$ 24,408</u>	<u>\$ 6,796,345</u>	<u>\$ 45,966,351</u>
\$ 32,000	\$ -	\$ 17,333	\$ -	\$ 158	\$ 220,016
-	7,000,000	1,600,000	-	-	8,600,000
7,100,000	-	53,847	-	-	7,283,288
-	-	-	-	-	12,875
<u>7,132,000</u>	<u>7,000,000</u>	<u>1,671,180</u>	<u>-</u>	<u>158</u>	<u>16,116,179</u>
-	-	-	-	-	15,411
-	-	-	-	5,150,000	5,150,000
-	-	-	-	1,163,758	12,345,254
-	-	-	-	221,500	1,624,500
-	-	-	-	6,535,258	19,135,165
-	-	-	-	-	425,253
-	-	2,471,981	24,408	-	2,546,312
-	-	-	-	-	8,000,390
-	-	-	-	260,929	402,916
(94,979)	-	(1,421,370)	-	-	(659,864)
<u>(94,979)</u>	<u>-</u>	<u>1,050,611</u>	<u>24,408</u>	<u>260,929</u>	<u>10,715,007</u>
<u>\$ 7,037,021</u>	<u>\$ 7,000,000</u>	<u>\$ 2,721,791</u>	<u>\$ 24,408</u>	<u>\$ 6,796,345</u>	<u>\$ 45,966,351</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-4

Reconciliation of the Governmental Funds  
Schedule of Assets, Liabilities, and Fund Balances  
To the Schedule of Net Position  
December 31, 2019

**FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 10,715,007

Amounts reported for governmental activities in the Schedule of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$ 148,501	
Less accumulated depreciation	<u>(18,201)</u>	130,300

Some receivables that are not currently available are reported as deferred inflow in the fund financial schedules but are recognized as revenue when earned in the government-wide schedules.

19,135,165

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(8,710,000)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the government-wide schedules.

(8,473)

Accrued interest is not due and payable in the current period and, therefore, not reported in the fund schedules.

(109,248)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 21,152,751



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2019

	General Fund	Housing Development	Section 8 Vouchers	Housing Rehabilitation
<b>REVENUES</b>				
Taxes:				
Regular	\$ 303,681	\$ 1,789,098	\$ -	\$ 259,530
Tax increment	-	-	-	-
Intergovernmental	-	787,892	4,669,694	323,565
Program	-	33,017	-	1,215,451
Interest	212,557	-	-	-
Loan proceeds	-	-	-	-
Other	126	6,225	24,191	-
Total revenues	<u>516,364</u>	<u>2,616,232</u>	<u>4,693,885</u>	<u>1,798,546</u>
<b>EXPENDITURES</b>				
Current:				
General services	316,302	-	4,732,573	-
Development services	-	1,656,137	-	2,330,119
Debt service:				
Interest	-	-	-	-
Principal retirement	-	-	-	-
Total expenditures	<u>316,302</u>	<u>1,656,137</u>	<u>4,732,573</u>	<u>2,330,119</u>
Excess (deficiency) of revenues over expenditures	200,062	960,095	(38,688)	(531,573)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(100,000)	-	-
Transfers from other funds	-	-	100,000	-
Sale of real property	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	200,062	860,095	61,312	(531,573)
Fund balance (deficit) - January 1	<u>656,423</u>	<u>7,003,956</u>	<u>129,178</u>	<u>1,094,585</u>
Fund balance (deficit) - December 31	<u>\$ 856,485</u>	<u>\$ 7,864,051</u>	<u>\$ 190,490</u>	<u>\$ 563,012</u>



EXHIBIT H-5

Opportunity Housing	Village Club	TIF Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,352,309
-	-	1,641,424	-	-	1,641,424
-	-	-	-	35,000	5,816,151
-	-	-	-	-	1,248,468
-	-	-	-	-	212,557
7,000,000	-	-	-	-	7,000,000
5,021	7,000,000	-	-	184,334	7,219,897
<u>7,005,021</u>	<u>7,000,000</u>	<u>1,641,424</u>	<u>-</u>	<u>219,334</u>	<u>25,490,806</u>
-	-	-	-	-	5,048,875
7,100,000	7,000,000	29,215	-	165,596	18,281,067
-	-	111,859	134,329	-	246,188
-	-	545,000	-	-	545,000
<u>7,100,000</u>	<u>7,000,000</u>	<u>686,074</u>	<u>134,329</u>	<u>165,596</u>	<u>24,121,130</u>
(94,979)	-	955,350	(134,329)	53,738	1,369,676
-	-	-	-	-	(100,000)
-	-	-	-	-	100,000
-	-	400,000	-	110,500	510,500
-	-	400,000	-	110,500	510,500
(94,979)	-	1,355,350	(134,329)	164,238	1,880,176
-	-	(304,739)	158,737	96,691	8,834,831
<u>\$ (94,979)</u>	<u>\$ -</u>	<u>\$ 1,050,611</u>	<u>\$ 24,408</u>	<u>\$ 260,929</u>	<u>\$ 10,715,007</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Reconciliation of the Schedule of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Schedule of Activities  
For The Year Ended December 31, 2019

EXHIBIT H-6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 1,880,176**

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

Revenues in the Schedule of Activities related to delinquent property taxes that do not provide current financial resources are not reported as revenues in the funds. (1,398)

Revenues in the Schedule of Activities related to mortgages receivable that do not provide current financial resources are not reported as revenues in the funds. 1,428,267

Revenues in the Schedule of Activities related to Inventory - land held for resale that do not provide current financial resources are not reported as revenues in the funds. (2,576,921)

Repayment of principal on long-term debt (e.g., bonds, leases) is an expenditure in the governmental funds but does not affect the Schedule of Activities. 545,000

Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Schedule of Activities. (2,678)

Change in accrued interest on general long-term debt is reported in the Schedule of Activities but does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. (16,510)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 1,255,936**

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-7

Schedule of Fund Net Position  
Proprietary Funds  
December 31, 2019

	<u>Assisted Rental</u>	<u>Property Management</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 592,304	\$ 446,636	\$ 1,038,940
Noncurrent assets:			
Land	700,000	770,000	1,470,000
Buildings and structures	1,698,090	1,587,527	3,285,617
Accumulated depreciation	<u>(1,222,231)</u>	<u>(1,155,886)</u>	<u>(2,378,117)</u>
Total noncurrent assets	<u>1,175,859</u>	<u>1,201,641</u>	<u>2,377,500</u>
<b>Total assets</b>	<u>1,768,163</u>	<u>1,648,277</u>	<u>3,416,440</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,362	6,320	9,682
Due to primary government	14,943	9,661	24,604
Deposits payable	<u>7,487</u>	<u>43,064</u>	<u>50,551</u>
Total current liabilities	<u>25,792</u>	<u>59,045</u>	<u>84,837</u>
Noncurrent liabilities -			
Long-term debt	<u>-</u>	<u>1,574,720</u>	<u>1,574,720</u>
<b>Total liabilities</b>	<u>25,792</u>	<u>1,633,765</u>	<u>1,659,557</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,175,859	(373,079)	802,780
Unrestricted	<u>566,512</u>	<u>387,591</u>	<u>954,103</u>
<b>Total net position</b>	<u>\$ 1,742,371</u>	<u>\$ 14,512</u>	<u>\$ 1,756,883</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2019

EXHIBIT H-8

	Assisted Rental	Property Management	Total
<b>OPERATING REVENUES</b>			
Program income	\$ 303,764	\$ 218,886	\$ 522,650
Other	10,631	3,852	14,483
Total operating revenues	<u>314,395</u>	<u>222,738</u>	<u>537,133</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	137,630	82,439	220,069
Professional services	1,390	1,752	3,142
City support services	4,044	457	4,501
Purchased services	57,189	50,561	107,750
Home rehabilitation	48,928	46,425	95,353
Depreciation	49,937	48,233	98,170
Total operating expenses	<u>299,118</u>	<u>229,867</u>	<u>528,985</u>
Change in net position	15,277	(7,129)	8,148
Total net position - January 1	<u>1,727,094</u>	<u>21,641</u>	<u>1,748,735</u>
Total net position - December 31	<u>\$ 1,742,371</u>	<u>\$ 14,512</u>	<u>\$ 1,756,883</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-9

Schedule of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2019

	<u>Assisted Rental</u>	<u>Property Management</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 314,395	\$ 222,738	\$ 537,133
Payments to employees	(137,630)	(82,439)	(220,069)
Payments to suppliers	(108,035)	(100,026)	(208,061)
Net cash provided by operating activities	<u>68,730</u>	<u>40,273</u>	<u>109,003</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments to primary government	<u>(7,227)</u>	<u>89</u>	<u>(7,138)</u>
Net increase in cash and cash equivalents	61,503	40,362	101,865
Cash and cash equivalents - January 1	<u>530,801</u>	<u>406,274</u>	<u>937,075</u>
Cash and cash equivalents - December 31	<u><u>\$ 592,304</u></u>	<u><u>\$ 446,636</u></u>	<u><u>\$ 1,038,940</u></u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 15,277	\$ (7,129)	\$ 8,148
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	49,937	48,233	98,170
Changes in assets and liabilities:			
Accounts payable	(519)	289	(230)
Deposits payable	(9)	(1,577)	(1,586)
Due to primary government	4,044	457	4,501
Net cash provided by operating activities	<u><u>\$ 68,730</u></u>	<u><u>\$ 40,273</u></u>	<u><u>\$ 109,003</u></u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-10

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

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 300,284	\$ 300,284	\$ 303,681	\$ 3,397
Interest	20,000	20,000	212,557	192,557
Other	-	-	126	126
Total revenues	<u>320,284</u>	<u>320,284</u>	<u>516,364</u>	<u>196,080</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>320,284</u>	<u>320,284</u>	<u>316,302</u>	<u>3,982</u>
Net change in fund balance	-	-	200,062	200,062
Fund balance - January 1	<u>656,423</u>	<u>656,423</u>	<u>656,423</u>	-
Fund balance - December 31	<u>\$ 656,423</u>	<u>\$ 656,423</u>	<u>\$ 856,485</u>	<u>\$ 200,062</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Development Special Revenue Fund  
Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 1,806,122	\$ 1,806,122	\$ 1,789,098	\$ (17,024)
Intergovernmental	-	98,000	787,892	689,892
Program	7,780	7,780	33,017	25,237
Other	6,225	6,225	6,225	-
Total revenues	<u>1,820,127</u>	<u>1,918,127</u>	<u>2,616,232</u>	<u>698,105</u>
<b>EXPENDITURES</b>				
Current -				
Development services	547,486	1,856,486	1,656,137	200,349
Capital outlay -				
Development services	1,382,641	-	-	-
Total expenditures	<u>1,930,127</u>	<u>1,856,486</u>	<u>1,656,137</u>	<u>200,349</u>
Excess of revenues over expenditures	(110,000)	61,641	960,095	898,454
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(100,000)	(100,000)	-
Sale of real property	110,000	110,000	-	(110,000)
Net change in fund balance	-	71,641	860,095	788,454
Fund balance - January 1	<u>7,003,956</u>	<u>7,003,956</u>	<u>7,003,956</u>	-
Fund balance - December 31	<u>\$ 7,003,956</u>	<u>\$ 7,075,597</u>	<u>\$ 7,864,051</u>	<u>\$ 788,454</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Section 8 Vouchers Special Revenue Fund  
Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 4,483,100	\$ 4,483,100	\$ 4,669,694	\$ 186,594
Other	35,057	24,057	24,191	134
Total revenues	<u>4,518,157</u>	<u>4,507,157</u>	<u>4,693,885</u>	<u>186,728</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>4,518,157</u>	<u>4,756,157</u>	<u>4,732,573</u>	<u>23,584</u>
Excess (deficiency) of revenues over (under) expenditures	-	(249,000)	(38,688)	210,312
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	-	(149,000)	61,312	210,312
Fund balance - January 1	<u>129,178</u>	<u>129,178</u>	<u>129,178</u>	<u>-</u>
Fund balance - December 31	<u>\$ 129,178</u>	<u>\$ (19,822)</u>	<u>\$ 190,490</u>	<u>\$ 210,312</u>



**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Rehabilitation Special Revenue Fund  
Year Ended December 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 262,000	\$ 262,000	\$ 259,530	\$ (2,470)
Intergovernmental	1,769,209	869,209	323,565	(545,644)
Program	300,000	300,000	1,215,451	915,451
Total revenues	<u>2,331,209</u>	<u>1,431,209</u>	<u>1,798,546</u>	<u>367,337</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>233,209</u>	<u>3,191,209</u>	<u>2,330,119</u>	<u>861,090</u>
Net change in fund balance	2,098,000	(1,760,000)	(531,573)	1,228,427
Fund balance - January 1	<u>1,094,585</u>	<u>1,094,585</u>	<u>1,094,585</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 3,192,585</u></u>	<u><u>\$ (665,415)</u></u>	<u><u>\$ 563,012</u></u>	<u><u>\$ 1,228,427</u></u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Opportunity Housing Special Revenue Fund  
Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Loan proceeds	\$ -	\$ -	\$ 7,000,000	\$ 7,000,000
Other	-	-	5,021	5,021
Total revenues	<u>-</u>	<u>-</u>	<u>7,005,021</u>	<u>7,005,021</u>
<b>EXPENDITURES</b>				
Current -				
Development services	-	100,000	7,100,000	(7,000,000)
Net change in fund balance	-	(100,000)	(94,979)	5,021
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ (94,979)</u>	<u>\$ 5,021</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**HOUSING AND REDEVELOPMENT AUTHORITY**  
**IN AND FOR THE CITY OF BLOOMINGTON**  
Combining Schedule of Assets, Liabilities, and Fund Balances  
TIF Special Revenue Fund  
December 31, 2019

	<u>Oxboro O-4</u>	<u>France &amp; Old Shakopee</u>	<u>Penn &amp; American</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,805	\$ 21,284	\$ 58,215
Taxes receivable	-	-	-
<b>Total assets</b>	<u>\$ 11,805</u>	<u>\$ 21,284</u>	<u>\$ 58,215</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current liabilities -			
Accounts payable	\$ 11,805	\$ 660	\$ 1,682
Due to other funds	-	400,000	200,000
Due to primary government	-	-	-
<b>Total liabilities</b>	<u>11,805</u>	<u>400,660</u>	<u>201,682</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	-	-
Unassigned	-	(379,376)	(143,467)
Total fund balances	<u>-</u>	<u>(379,376)</u>	<u>(143,467)</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 11,805</u>	<u>\$ 21,284</u>	<u>\$ 58,215</u>

EXHIBIT H-15

Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A	Knox & American GO Tax Increment Bonds 2016A	Total
\$ 1,986,398	\$ 533,050	\$ 110,904	\$ 2,721,656
135	-	-	135
<u>\$ 1,986,533</u>	<u>\$ 533,050</u>	<u>\$ 110,904</u>	<u>\$ 2,721,791</u>
\$ 1,625	\$ 1,019	\$ 542	\$ 17,333
-	-	1,000,000	1,600,000
33,233	11,725	8,889	53,847
<u>34,858</u>	<u>12,744</u>	<u>1,009,431</u>	<u>1,671,180</u>
1,951,675	520,306	-	2,471,981
-	-	(898,527)	(1,421,370)
<u>1,951,675</u>	<u>520,306</u>	<u>(898,527)</u>	<u>1,050,611</u>
<u>\$ 1,986,533</u>	<u>\$ 533,050</u>	<u>\$ 110,904</u>	<u>\$ 2,721,791</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
TIF Special Revenue Fund  
Year Ended December 31, 2019

	Oxboro O-4	France & Old Shakopee	Penn & American
<b>REVENUES</b>			
Taxes -			
Tax increment	\$ 23,609	\$ 78,954	\$ 931,842
<b>EXPENDITURES</b>			
Current -			
Development services	23,609	723	1,696
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	23,609	723	1,696
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Sale of real property	-	400,000	-
Net change in fund balance	-	478,231	930,146
Fund balance (deficit) - January 1	-	(857,607)	(1,073,613)
Fund balance (deficit) - December 31	\$ -	\$ (379,376)	\$ (143,467)

<u>Lyndale Green GO Tax Increment Bonds 2004A</u>	<u>Oxboro H-1 GO Tax Increment Bonds 2003A</u>	<u>Knox &amp; American GO Tax Increment Bonds 2016A</u>	<u>Total</u>
\$ 483,168	\$ 123,851	\$ -	\$ 1,641,424
1,625	1,020	542	29,215
67,965	24,050	19,844	111,859
100,000	40,000	405,000	545,000
<u>169,590</u>	<u>65,070</u>	<u>425,386</u>	<u>686,074</u>
-	-	-	-
-	-	-	-
-	-	-	400,000
<u>313,578</u>	<u>58,781</u>	<u>(425,386)</u>	<u>1,355,350</u>
<u>1,638,097</u>	<u>461,525</u>	<u>(473,141)</u>	<u>(304,739)</u>
<u>\$ 1,951,675</u>	<u>\$ 520,306</u>	<u>\$ (898,527)</u>	<u>\$ 1,050,611</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Housing Choice Vouchers  
Balance Sheet  
December 31, 2019

EXHIBIT I-1

**ASSETS**

111	Cash - Unrestricted	\$ 206,763
113	Cash - Other Restricted	48,503
121	Accounts Receivable - PHA Projects	4,312
126	Accounts Receivable - Tenants	390
290	Total Assets	<u>259,968</u>

**LIABILITIES**

312	Accounts Payable <= 90 Days	12,301
333	Accounts Payable - Other Government	57,177
300	Total Liabilities	<u>69,478</u>

**NET POSITION**

509.3	Restricted Fund Balance	48,503
511.3	Assigned Fund Balance	141,987
513	Total Equity - Net Assets / Position	<u>190,490</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u>\$ 259,968</u>

The notes to the financial data schedule are an integral part of this statement.



**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Housing Choice Vouchers  
Income Statement  
Year Ended December 31, 2019

EXHIBIT I-2

**REVENUES**

70600	HUD PHA Operating Grants	\$ 4,669,694
71400	Fraud Recovery	3,625
71500	Other Revenue	442,946
70000	Total Revenue	5,116,265

**EXPENDITURES**

91100	Administrative Salaries	317,126
91200	Auditing Fees	2,500
91500	Employee Benefit contributions - Administrative	130,948
91700	Legal Expense	621
91900	Other	102,144
96140	All Other Insurance	3,204
97300	Housing Assistance Payments	4,176,030
97350	HAP Portability-In	322,380
90000	Total Expenses	5,054,953

Excess (deficiency) of Revenues over (under) Expenses	61,312
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Net Position-Beginning	129,178
------------------------	---------

Net Position-Ending	\$ 190,490
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**Memo Account Information**

11170	Administrative Fee Equity	\$ 141,987
11180	Housing Assistance Payments Equity	\$ 48,503
11190	Unit Months Available	6,612
11210	Number of Unit Months Leased	6,364

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY**  
**IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Business Activities  
Balance Sheet  
December 31, 2019

EXHIBIT I-3

**ASSETS**

111	Cash - Unrestricted	\$ 584,817
114	Cash - Tenant Security Deposits	7,487
161	Land	700,000
162	Buildings	1,698,090
166	Accumulated Depreciation	(1,222,231)
290	Total Assets	1,768,163

**LIABILITIES**

312	Accounts Payable <= 90 Days	3,362
333	Accounts Payable - Other Government	14,943
341	Tenant Security Deposits	7,487
300	Total Liabilities	25,792

**NET POSITION**

508.3	Nonspendable Fund Balance	1,175,859
511.3	Assigned Fund Balance	566,512
513	Total Equity - Net Assets / Position	1,742,371
600	Total Liabilities, Deferred Inflows of Resources and Equity	\$ 1,768,163

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT I-4

Financial Data Schedule - Business Activities

Income Statement

Year Ended December 31, 2019

**REVENUES**

70300	Net Tenant Rental Revenue	\$ 136,419
70400	Tenant Revenue - Other	10,631
70600	HUD PHA Operating Grants	167,345
70000	Total Revenue	<u>314,395</u>

**EXPENDITURES**

91100	Administrative Salaries	95,337
91500	Employee Benefit contributions - Administrative	42,293
91700	Legal	1,168
91900	Other	2,859
93100	Water	20,241
94300	Ordinary Maintenance and Operations Contracts	30,181
96140	All Other Insurance	17,604
96200	Other General Expenses	4,044
96300	Payments in Lieu of Taxes	17,319
97100	Extraordinary Maintenance	18,135
97400	Depreciation Expense	49,937
90000	Total Expenses	<u>299,118</u>

Excess (deficiency) of Revenues over (under) Expenses	15,277
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Net Position-Beginning	<u>1,727,094</u>
Net Position-Ending	<u><u>\$ 1,742,371</u></u>

**Memo Account Information**

11190	Unit Months Available	240
11210	Number of Unit Months Leased	238

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

**NOTES TO THE FINANCIAL DATA SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a modified accrual or accrual basis of accounting as applicable. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

# CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2019

## SECTION III

# STATISTICAL INFORMATION



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA  
STATISTICAL SECTION**

This part of the City of Bloomington’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b>	<b>202</b>
These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>210</b>
These tables contain information to help the reader assess the factors affecting the City’s ability to generate its property tax.	
<b>Debt Capacity</b>	<b>215</b>
These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>222</b>
These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>224</b>
These tables contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant year.

**CITY OF BLOOMINGTON, MINNESOTA****NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$237,427,493	\$239,452,569	\$247,436,963	\$269,230,824
Restricted	32,602,549	78,893,688	82,269,101	91,045,904
Unrestricted	127,671,490	84,444,842	80,282,505	73,886,361
Total governmental activities net position	<u>\$397,701,532</u>	<u>\$402,791,099</u>	<u>\$409,988,569</u>	<u>\$434,163,089</u>
Business-type activities:				
Net investment in capital assets	\$83,743,321	\$84,427,251	\$84,300,863	\$84,457,359
Restricted	183,500	183,500	183,500	-
Unrestricted	13,691,701	13,264,850	14,968,340	14,056,641
Total business-type activities net position	<u>\$97,618,522</u>	<u>\$97,875,601</u>	<u>\$99,452,703</u>	<u>\$98,514,000</u>
Primary government:				
Net investment in capital assets	\$321,170,814	\$323,879,820	\$331,737,826	\$353,688,183
Restricted	32,786,049	79,077,188	82,452,601	91,045,904
Unrestricted	141,363,191	97,709,692	95,250,845	87,943,002
Total primary government net position	<u>\$495,320,054</u>	<u>\$500,666,700</u>	<u>\$509,441,272</u>	<u>\$532,677,089</u>



Table 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$283,643,717	\$300,117,784	\$310,750,929	\$332,133,255	\$352,048,328	\$365,680,112
67,294,971	68,599,352	73,405,143	69,744,412	86,444,757	84,258,362
87,228,094	69,232,697	67,390,335	77,768,834	69,705,544	72,469,427
<u>\$438,166,782</u>	<u>\$437,949,833</u>	<u>\$451,546,407</u>	<u>\$479,646,501</u>	<u>\$508,198,629</u>	<u>\$522,407,901</u>
\$86,185,438	\$85,388,894	\$85,359,140	\$85,330,605	\$85,607,307	\$86,145,372
-	-	-	-	-	-
11,782,412	12,401,673	12,352,137	14,919,169	22,148,610	28,234,991
<u>\$97,967,850</u>	<u>\$97,790,567</u>	<u>\$97,711,277</u>	<u>\$100,249,774</u>	<u>\$107,755,917</u>	<u>\$114,380,363</u>
\$369,829,155	\$385,506,678	\$396,110,069	\$417,463,860	\$437,655,635	\$451,825,484
67,294,971	68,599,352	73,405,143	69,744,412	86,444,757	84,258,362
99,010,506	81,634,370	79,742,472	92,688,003	91,854,154	100,704,418
<u>\$536,134,632</u>	<u>\$535,740,400</u>	<u>\$549,257,684</u>	<u>\$579,896,275</u>	<u>\$615,954,546</u>	<u>\$636,788,264</u>

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities:				
General services	\$6,755,313	\$7,255,182	\$7,185,895	\$7,527,901
Development services	10,201,540	9,993,980	9,686,546	12,006,241
Public works	16,918,065	16,787,405	14,229,217	15,162,908
Public safety	26,208,360	26,751,391	26,245,526	28,124,185
Community services	12,593,495	12,532,613	14,787,079	15,894,544
Interest on long-term debt	2,312,818	2,140,825	2,236,062	3,145,420
Total governmental activities expenses	<u>74,989,591</u>	<u>75,461,396</u>	<u>74,370,325</u>	<u>81,861,199</u>
Business-type activities:				
Water/wastewater utility	21,186,738	21,876,605	21,927,951	22,804,577
Storm water utility	3,207,573	3,205,055	3,181,680	3,229,686
Recreational facilities	5,193,546	5,290,940	5,372,380	5,459,451
Other activities	2,097,085	2,272,292	2,294,436	2,479,382
Total business-type activities expenses	<u>31,684,942</u>	<u>32,644,892</u>	<u>32,776,447</u>	<u>33,973,096</u>
Total primary government expenses	<u>\$106,674,533</u>	<u>\$108,106,288</u>	<u>\$107,146,772</u>	<u>\$115,834,295</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General services	\$3,034,137	\$3,002,960	\$2,999,283	\$3,117,163
Development services	2,844,876	3,482,579	3,601,313	3,692,808
Public works	795,439	926,935	433,640	352,955
Public safety	916,777	623,482	564,118	664,015
Community services	2,298,546	2,141,239	2,378,476	2,294,859
Operating grants and contributions	7,765,315	7,250,512	5,407,043	6,277,517
Capital grants and contributions	11,273,508	13,390,833	14,166,562	32,781,014
Total governmental activities program revs	<u>28,928,598</u>	<u>30,818,540</u>	<u>29,550,435</u>	<u>49,180,331</u>
Business-type activities:				
Charges for services:				
Water/wastewater	19,974,684	19,800,214	20,954,786	20,575,176
Storm water	4,491,970	4,373,221	4,519,242	4,736,151
Recreational facilities	3,695,146	3,485,848	3,445,419	3,412,602
Other activities	1,949,741	2,119,848	2,349,498	2,137,718
Operating grants and contributions	16,768	78,763	267,591	592,432
Capital grants and contributions	-	179	36	-
Total business-type activities program revs	<u>30,128,309</u>	<u>29,858,073</u>	<u>31,536,572</u>	<u>31,454,079</u>
Total primary government program revs	<u>\$59,056,907</u>	<u>\$60,676,613</u>	<u>\$61,087,007</u>	<u>\$80,634,410</u>
<b>Net (expense) revenue:</b>				
Governmental activities	(46,060,993)	(44,642,856)	(44,819,890)	(32,680,868)
Business-type activities	(1,556,633)	(2,786,819)	(1,239,875)	(2,519,017)
Total primary gov't net (expense) revenue	<u>(\$47,617,626)</u>	<u>(\$47,429,675)</u>	<u>(\$46,059,765)</u>	<u>(\$35,199,885)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$41,994,611	\$40,962,947	\$43,284,520	\$44,775,678
Business taxes	6,200,706	6,874,548	7,010,018	8,906,394
Unrestricted grants and contributions	1,167,739	1,593,424	1,232,810	1,202,154
Gain on sale of capital assets	99,283	82,023	58,760	70,765
Investment earnings	2,562,594	2,002,925	1,551,127	513,017
Transfers	(217,667)	(1,783,444)	(1,535,643)	(189,469)
Total governmental activities	<u>51,807,266</u>	<u>49,732,423</u>	<u>51,601,592</u>	<u>55,278,539</u>
Business-type activities:				
Taxes	1,001,875	1,092,948	1,253,288	1,366,798
Gain on sale of capital assets	7,481	6,367	-	-
Investment earnings	242,678	161,139	28,046	24,047
Transfers	217,667	1,783,444	1,535,643	189,469
Total business-type activities	<u>1,469,701</u>	<u>3,043,898</u>	<u>2,816,977</u>	<u>1,580,314</u>
Total primary government	<u>\$53,276,967</u>	<u>\$52,776,321</u>	<u>\$54,418,569</u>	<u>\$56,858,853</u>
<b>Change in net position:</b>				
Governmental activities	\$5,746,273	\$5,089,567	\$6,781,702	\$22,597,671
Business-type activities	(86,932)	257,079	1,577,102	(938,703)
Total primary government	<u>\$5,659,341</u>	<u>\$5,346,646</u>	<u>\$8,358,804</u>	<u>\$21,658,968</u>

Table 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$7,702,188	\$7,574,572	\$9,615,471	\$8,683,447	\$9,659,744	\$6,106,221
23,261,857	11,120,055	18,533,117	16,976,729	15,245,431	21,866,534
15,620,844	15,922,887	19,389,393	16,680,711	18,613,129	19,401,325
29,695,195	30,927,415	35,429,025	29,006,295	32,937,726	35,290,965
15,720,340	15,987,952	18,455,451	17,298,796	16,800,345	17,804,474
1,767,122	1,587,935	1,537,926	1,553,254	1,183,925	1,165,137
93,767,546	83,120,816	102,960,383	90,199,232	94,440,300	101,634,656
23,004,075	23,091,127	24,967,519	25,078,431	24,838,208	25,562,896
3,446,390	3,453,095	3,693,302	3,691,245	3,867,530	4,827,637
5,781,663	5,620,253	6,269,405	6,178,658	5,811,867	6,004,555
2,851,567	4,285,676	5,788,056	8,419,877	9,167,363	9,257,366
35,083,695	36,450,151	40,718,282	43,368,211	43,684,968	45,652,454
\$128,851,241	\$119,570,967	\$143,678,665	\$133,567,443	\$138,125,268	\$147,287,110
\$3,500,551	\$3,906,587	\$3,084,579	\$3,441,225	\$3,849,226	\$3,938,006
5,166,271	5,788,420	4,551,060	4,675,889	6,570,742	5,776,101
385,274	85,841	216,346	149,818	142,735	178,416
511,613	559,691	578,786	636,330	455,900	351,555
2,150,551	2,084,066	2,178,829	2,018,744	2,016,578	2,294,621
6,524,865	7,103,296	7,838,532	7,405,866	6,016,557	6,853,350
16,172,833	17,377,334	27,077,936	24,802,770	26,869,409	14,079,165
34,411,958	36,905,235	45,526,068	43,130,642	45,921,147	33,471,214
20,578,287	21,412,966	23,562,178	25,149,599	27,907,362	27,082,382
4,873,273	5,269,105	5,528,944	5,854,164	6,292,929	6,646,738
3,448,585	3,710,670	3,749,856	3,707,859	3,544,045	3,548,689
2,264,970	3,617,012	5,242,313	8,247,810	9,112,391	9,065,348
854,174	519,824	335,884	371,202	213,200	725,376
-	245,654	584,363	306,382	768,452	663,546
32,019,289	34,775,231	39,003,538	43,637,016	47,838,379	47,732,079
\$66,431,247	\$71,680,466	\$84,529,606	\$86,767,658	\$93,759,526	\$81,203,293
(59,355,588)	(46,215,581)	(57,434,315)	(47,068,590)	(48,519,153)	(68,163,442)
(3,064,406)	(1,674,920)	(1,714,744)	268,805	4,153,411	2,079,625
(\$62,419,994)	(\$47,890,501)	(\$59,149,059)	(\$46,799,785)	(\$44,365,742)	(\$66,083,817)
\$46,752,023	\$48,881,455	\$51,260,264	\$53,080,612	\$55,864,418	\$58,885,357
14,222,910	14,412,263	16,936,341	16,274,658	18,042,869	17,945,320
1,850,619	2,877,947	1,977,371	3,825,860	1,188,665	1,237,962
4,275	163,564	87,942	195,169	39,997	197,190
1,508,213	1,061,308	901,701	1,815,321	2,548,752	4,439,564
(978,759)	(5,267)	(132,730)	(21,936)	(613,420)	(332,679)
63,359,281	67,391,270	71,030,889	75,169,684	77,071,281	82,372,714
1,451,140	1,414,133	1,427,984	2,112,584	2,489,325	2,957,606
-	-	21,000	-	-	-
88,357	78,237	53,740	135,172	249,987	659,725
978,759	5,267	132,730	21,936	613,420	332,679
2,518,256	1,497,637	1,635,454	2,269,692	3,352,732	3,950,010
\$65,877,537	\$68,888,907	\$72,666,343	\$77,439,376	\$80,424,013	\$86,322,724
\$4,003,693	\$21,175,689	\$13,596,574	\$28,101,094	\$28,552,128	\$14,209,272
(546,150)	(177,283)	(79,290)	2,538,497	7,506,143	6,029,635
\$3,457,543	\$20,998,406	\$13,517,284	\$30,639,591	\$36,058,271	\$20,238,907

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

	2010	2011	2012	2013
General Fund:				
Reserved	\$328,007	\$ -	\$ -	\$ -
Unreserved	19,122,276	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Committed	-	1,007,844	712,554	571,066
Unassigned	-	18,997,494	19,979,183	20,344,235
Total general fund	<u>\$19,450,283</u>	<u>\$20,005,338</u>	<u>\$20,691,737</u>	<u>\$20,915,301</u>
All other governmental funds:				
Reserved	\$13,047,049	\$ -	\$ -	\$ -
Unreserved, designated, reported in:				
Special revenue funds	8,152,553	-	-	-
Capital projects funds	65,668,487	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	58,933,054	63,348,535	73,455,034
Committed	-	13,096,599	12,621,177	11,155,740
Assigned	-	21,312,731	17,996,032	16,211,514
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$86,868,089</u>	<u>\$93,342,384</u>	<u>\$93,965,744</u>	<u>\$100,822,288</u>

Note: The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011.  
Information for years prior to 2011 is presented in accordance with fund balance classifications in effect at the time.

**Table 3**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,952	-	4,337	222	-	-
1,250,496	1,259,003	1,179,421	1,799,132	2,069,126	1,852,370
23,388,858	26,700,761	27,625,954	29,143,486	32,599,721	34,687,078
<u>\$24,643,306</u>	<u>\$27,959,764</u>	<u>\$28,809,712</u>	<u>\$30,942,840</u>	<u>\$34,668,847</u>	<u>\$36,539,448</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	20,585	17,000	18,000	18,500	18,500
49,590,387	51,864,823	56,454,794	54,067,300	52,516,968	55,227,759
6,375,212	6,494,362	7,376,666	8,676,191	9,222,730	11,957,795
19,649,729	21,353,926	25,620,010	29,103,813	30,070,485	32,908,059
-	-	-	(63,731)	(5,051)	(1,880)
<u>\$75,615,328</u>	<u>\$79,733,696</u>	<u>\$89,468,470</u>	<u>\$91,801,573</u>	<u>\$91,823,632</u>	<u>\$100,110,233</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$42,020,340	\$41,365,118	\$43,092,371	\$45,485,284
Lodging and admissions taxes	6,200,709	6,874,548	7,010,018	8,906,395
Business licenses and permits	3,623,605	4,474,072	4,648,260	4,679,509
Fines	1,515,366	1,376,797	1,283,725	1,493,871
Charges for services	2,894,200	2,744,425	2,961,413	2,771,138
Special assessments	3,210,522	3,809,554	4,438,899	3,738,367
Intergovernmental	9,041,238	9,804,326	10,125,744	14,575,098
Investment earnings	2,054,891	1,645,392	1,239,085	448,813
Other revenues	8,132,865	8,961,650	8,077,401	21,432,708
Total revenues	<u>78,693,736</u>	<u>81,055,882</u>	<u>82,876,916</u>	<u>103,531,183</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General services	5,368,743	5,332,137	5,741,888	6,301,804
Development services	15,408,814	7,454,595	11,742,179	9,548,984
Public works	11,909,318	11,613,863	9,362,745	10,007,731
Public safety	25,500,113	26,191,631	25,733,989	27,490,143
Parks and recreation	-	-	-	-
Community services	11,658,659	11,683,752	13,979,633	14,983,442
<b>Debt service:</b>				
Paying agent fees	88,308	227,284	281,170	136,333
Interest	1,961,215	2,203,535	2,074,532	2,342,029
Principal retirement	4,335,000	5,020,000	7,765,000	8,720,000
<b>Capital outlay:</b>				
General services	-	-	-	-
Development services	2,797,431	1,800,019	2,735,526	17,709,054
Public works	8,553,896	11,780,955	11,225,868	8,076,371
Public safety	759,463	640,353	269,002	607,105
Parks and recreation	-	-	-	-
Community services	865,036	1,310,704	964,706	750,975
Total expenditures	<u>89,205,996</u>	<u>85,258,828</u>	<u>91,876,238</u>	<u>106,673,971</u>
Revenues over (under) expenditures	<u>(10,512,260)</u>	<u>(4,202,946)</u>	<u>(8,999,322)</u>	<u>(3,142,788)</u>
<b>Other financing sources (uses):</b>				
Transfers in	14,113,607	7,509,683	5,748,790	6,205,652
Transfers out	(14,365,044)	(9,199,397)	(7,836,949)	(7,351,067)
Bonds issued	8,445,000	12,720,000	11,515,000	9,315,000
Refunded bonds paid from escrow	-	-	-	-
Bond premiums	15,426	202,010	882,240	476,462
Bond discounts	(18,998)	-	-	-
Total other financing sources (uses)	<u>8,189,991</u>	<u>11,232,296</u>	<u>10,309,081</u>	<u>8,646,047</u>
Net change in fund balance	<u>(\$2,322,269)</u>	<u>\$7,029,350</u>	<u>\$1,309,759</u>	<u>\$5,503,259</u>
Debt service as a percentage of noncapital expenditures	8.2%	10.3%	12.8%	13.8%
Debt service as percentage of total expenditures	7.1%	8.5%	10.7%	10.4%

**Table 4**

2014	2015	2016	2017	2018	2019
\$46,756,493	\$48,852,186	\$51,277,151	\$53,202,530	\$55,702,232	\$58,922,678
14,222,909	14,412,263	16,936,352	16,274,658	18,042,869	17,945,320
5,864,807	6,241,921	4,743,748	5,191,270	6,354,508	6,875,207
1,216,254	1,251,693	1,057,518	1,243,454	885,262	758,081
3,021,925	3,116,814	2,908,551	2,385,511	2,161,498	2,391,552
3,645,884	4,469,106	3,943,212	3,820,155	4,166,801	3,697,939
14,745,267	17,553,679	14,435,816	21,480,304	20,939,959	12,130,865
1,250,209	833,337	701,235	1,396,754	1,872,255	3,242,671
8,612,823	9,870,031	16,056,456	10,369,189	9,809,885	9,521,012
<u>99,336,571</u>	<u>106,601,030</u>	<u>112,060,039</u>	<u>115,363,825</u>	<u>119,935,269</u>	<u>115,485,325</u>
6,804,893	6,741,110	7,431,274	7,487,434	8,103,825	6,594,273
19,400,112	8,479,242	14,926,374	10,987,159	11,952,854	17,574,031
10,464,616	9,989,225	10,778,986	11,333,270	12,222,664	12,575,661
28,984,753	29,692,500	32,045,686	31,496,674	33,071,958	33,525,568
-	-	-	-	-	9,747,086
14,709,288	15,396,539	16,131,465	16,410,862	16,749,515	7,380,426
43,887	-	-	-	-	-
1,973,965	1,697,056	1,680,180	1,746,775	1,518,071	1,484,983
17,645,000	7,895,000	6,975,000	8,950,000	7,705,000	7,285,000
238,249	-	278,450	-	-	-
12,057,284	14,577,484	10,555,736	4,365,969	2,147,303	8,422,424
11,681,648	9,044,239	12,314,905	21,983,079	23,366,023	13,685,921
80,704	510,613	90,429	125,739	521,315	246,070
-	-	-	-	-	755,856
1,779,496	979,392	496,599	3,305,609	1,382,549	36,115
<u>125,863,895</u>	<u>105,002,400</u>	<u>113,705,084</u>	<u>118,192,570</u>	<u>118,741,077</u>	<u>119,313,414</u>
<u>(26,527,324)</u>	<u>1,598,630</u>	<u>(1,645,045)</u>	<u>(2,828,745)</u>	<u>1,194,192</u>	<u>(3,828,089)</u>
4,213,697	7,268,816	8,063,372	9,075,643	8,566,040	7,644,763
(6,808,000)	(7,188,369)	(7,925,954)	(8,698,959)	(9,121,654)	(7,909,867)
7,465,000	5,355,000	11,455,000	6,390,000	7,210,000	13,300,000
-	-	-	-	(4,615,000)	-
177,674	400,749	637,349	528,292	514,488	950,395
-	-	-	-	-	-
<u>5,048,371</u>	<u>5,836,196</u>	<u>12,229,767</u>	<u>7,294,976</u>	<u>2,553,874</u>	<u>13,985,291</u>
<u>(\$21,478,953)</u>	<u>\$7,434,826</u>	<u>\$10,584,722</u>	<u>\$4,466,231</u>	<u>\$3,748,066</u>	<u>\$10,157,202</u>
19.4%	12.0%	9.6%	12.1%	10.1%	9.1%
15.6%	9.1%	7.6%	9.1%	7.8%	7.4%

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$42,020,340	\$41,365,118	\$43,092,371	\$45,485,284
Lodging and admissions taxes	6,200,709	6,874,548	7,010,018	8,906,395
Business licenses and permits	3,623,605	4,474,072	4,648,260	4,679,509
Fines	1,515,366	1,376,797	1,283,725	1,493,871
Charges for services	2,894,200	2,744,425	2,961,413	2,771,138
Special assessments	3,210,522	3,809,554	4,438,899	3,738,367
Intergovernmental	9,041,238	9,804,326	10,125,744	14,575,098
Investment earnings	2,054,891	1,645,392	1,239,085	448,813
Other revenues	8,132,865	8,961,650	8,077,401	21,432,708
<b>Total revenues</b>	<b>78,693,736</b>	<b>81,055,882</b>	<b>82,876,916</b>	<b>103,531,183</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General services	5,368,743	5,332,137	5,741,888	6,301,804
Development services	15,408,814	7,454,595	11,742,179	9,548,984
Public works	11,909,318	11,613,863	9,362,745	10,007,731
Public safety	25,500,113	26,191,631	25,733,989	27,490,143
Parks and recreation	-	-	-	-
Community services	11,658,659	11,683,752	13,979,633	14,983,442
<b>Debt service:</b>				
Paying agent fees	88,308	227,284	281,170	136,333
Interest	1,961,215	2,203,535	2,074,532	2,342,029
Principal retirement	4,335,000	5,020,000	7,765,000	8,720,000
<b>Capital outlay:</b>				
General services	-	-	-	-
Development services	2,797,431	1,800,019	2,735,526	17,709,054
Public works	8,553,896	11,780,955	11,225,868	8,076,371
Public safety	759,463	640,353	269,002	607,105
Parks and recreation	-	-	-	-
Community services	865,036	1,310,704	964,706	750,975
<b>Total expenditures</b>	<b>89,205,996</b>	<b>85,258,828</b>	<b>91,876,238</b>	<b>106,673,971</b>
Revenues over (under) expenditures	<u>(10,512,260)</u>	<u>(4,202,946)</u>	<u>(8,999,322)</u>	<u>(3,142,788)</u>
<b>Other financing sources (uses):</b>				
Transfers in	14,113,607	7,509,683	5,748,790	6,205,652
Transfers out	(14,365,044)	(9,199,397)	(7,836,949)	(7,351,067)
Bonds issued	8,445,000	12,720,000	11,515,000	9,315,000
Refunded bonds paid from escrow	-	-	-	-
Bond premiums	15,426	202,010	882,240	476,462
Bond discounts	(18,998)	-	-	-
<b>Total other financing sources (uses)</b>	<b>8,189,991</b>	<b>11,232,296</b>	<b>10,309,081</b>	<b>8,646,047</b>
Net change in fund balance	<u><u>(\$2,322,269)</u></u>	<u><u>\$7,029,350</u></u>	<u><u>\$1,309,759</u></u>	<u><u>\$5,503,259</u></u>
Debt service as a percentage of noncapital expenditures	8.2%	10.3%	12.8%	13.8%
Debt service as percentage of total expenditures	7.1%	8.5%	10.7%	10.4%



**Table 4**

2014	2015	2016	2017	2018	2019
\$46,756,493	\$48,852,186	\$51,277,151	\$53,202,530	\$55,702,232	\$58,922,678
14,222,909	14,412,263	16,936,352	16,274,658	18,042,869	17,945,320
5,864,807	6,241,921	4,743,748	5,191,270	6,354,508	6,875,207
1,216,254	1,251,693	1,057,518	1,243,454	885,262	758,081
3,021,925	3,116,814	2,908,551	2,385,511	2,161,498	2,391,552
3,645,884	4,469,106	3,943,212	3,820,155	4,166,801	3,697,939
14,745,267	17,553,679	14,435,816	21,480,304	20,939,959	12,130,865
1,250,209	833,337	701,235	1,396,754	1,872,255	3,242,671
8,612,823	9,870,031	16,056,456	10,369,189	9,809,885	9,521,012
<u>99,336,571</u>	<u>106,601,030</u>	<u>112,060,039</u>	<u>115,363,825</u>	<u>119,935,269</u>	<u>115,485,325</u>
6,804,893	6,741,110	7,431,274	7,487,434	8,103,825	6,594,273
19,400,112	8,479,242	14,926,374	10,987,159	11,952,854	17,574,031
10,464,616	9,989,225	10,778,986	11,333,270	12,222,664	12,575,661
28,984,753	29,692,500	32,045,686	31,496,674	33,071,958	33,525,568
-	-	-	-	-	9,747,086
14,709,288	15,396,539	16,131,465	16,410,862	16,749,515	7,380,426
43,887	-	-	-	-	-
1,973,965	1,697,056	1,680,180	1,746,775	1,518,071	1,484,983
17,645,000	7,895,000	6,975,000	8,950,000	7,705,000	7,285,000
238,249	-	278,450	-	-	-
12,057,284	14,577,484	10,555,736	4,365,969	2,147,303	8,422,424
11,681,648	9,044,239	12,314,905	21,983,079	23,366,023	13,685,921
80,704	510,613	90,429	125,739	521,315	246,070
1,779,496	979,392	496,599	3,305,609	1,382,549	36,115
<u>125,863,895</u>	<u>105,002,400</u>	<u>113,705,084</u>	<u>118,192,570</u>	<u>118,741,077</u>	<u>119,313,414</u>
<u>(26,527,324)</u>	<u>1,598,630</u>	<u>(1,645,045)</u>	<u>(2,828,745)</u>	<u>1,194,192</u>	<u>(3,828,089)</u>
4,213,697	7,268,816	8,063,372	9,075,643	8,566,040	7,644,763
(6,808,000)	(7,188,369)	(7,925,954)	(8,698,959)	(9,121,654)	(7,909,867)
7,465,000	5,355,000	11,455,000	6,390,000	7,210,000	13,300,000
-	-	-	-	(4,615,000)	-
177,674	400,749	637,349	528,292	514,488	950,395
-	-	-	-	-	-
<u>5,048,371</u>	<u>5,836,196</u>	<u>12,229,767</u>	<u>7,294,976</u>	<u>2,553,874</u>	<u>13,985,291</u>
<u>(\$21,478,953)</u>	<u>\$7,434,826</u>	<u>\$10,584,722</u>	<u>\$4,466,231</u>	<u>\$3,748,066</u>	<u>\$10,157,202</u>
19.4%	12.0%	9.6%	12.1%	10.1%	9.1%
15.6%	9.1%	7.6%	9.1%	7.8%	7.4%

**CITY OF BLOOMINGTON, MINNESOTA**

**TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property <sup>(a)</sup>	Commercial/Industrial Property	All Other <sup>(b)</sup>	Total Tax Capacity <sup>(c)</sup>	Less: Fiscal Disparity Contribution <sup>(d)</sup>
2010	\$ 74,813,460	\$ 73,876,662	\$ 1,541,063	\$ 150,231,185	\$ 23,270,711
2011	70,275,703	66,648,996	1,642,367	138,567,066	21,615,548
2012	63,662,004	66,632,744	1,616,795	131,911,543	19,235,462
2013	60,099,901	69,646,814	1,792,190	131,538,905	18,610,390
2014	59,132,614	70,232,985	2,004,039	131,369,638	15,255,532
2015	64,894,848	70,943,301	2,072,962	137,911,111	11,956,404
2016	70,536,480	81,279,393	2,113,468	153,929,341	12,505,688
2017	75,259,992	85,280,733	2,165,600	162,706,325	14,137,440
2018	81,653,574	87,864,419	2,316,715	171,834,708	14,293,380
2019	87,297,785	91,040,654	2,242,278	180,580,717	14,430,978

Source: City of Bloomington Assessing Division

By State Statute, property taxes are calculated and collected based on the prior year's assessor market value. For example, the tax capacity and market value figures for payable 2019 above relate to the January 2, 2018 assessment.

- <sup>(a)</sup> Includes single-family homes, condominiums, townhouses, cooperatives, apartments and residential vacant land.
- <sup>(b)</sup> Includes personal property accounts and utilities/machinery classification.
- <sup>(c)</sup> Includes properties in tax increment financing (TIF) districts, the majority of which are commercial/industrial.
- <sup>(d)</sup> Figure represents fiscal disparities contribution net of fiscal disparities distribution.
- <sup>(e)</sup> Figure represents total tax capacity less net fiscal disparities. Note that total direct tax rate in the next column is calculated based on total tax capacity less fiscal disparities contribution and less tax capacity in TIF districts.

**Table 5**

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<u>Adjusted Tax Capacity Value <sup>(e)</sup></u>	<u>Total Direct Tax Rate</u>	<u>Estimated Market Value (EMV)</u>	<u>Tax Capacity as a Percent of EMV</u>
\$ 126,960,474	38.10	\$ 11,121,834,800	1.14%
116,951,518	41.27	10,318,566,800	1.13%
112,676,081	42.94	10,111,784,800	1.11%
112,928,515	45.48	9,927,891,400	1.14%
116,114,106	48.68	9,874,797,100	1.18%
125,954,707	45.67	10,435,859,700	1.21%
141,423,653	44.29	11,463,977,000	1.23%
148,568,885	40.93	12,080,139,600	1.23%
157,541,328	40.57	12,802,264,000	1.23%
166,149,739	40.05	13,472,272,600	1.23%

**CITY OF BLOOMINGTON, MINNESOTA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years

**Table 6**

Fiscal Year	Direct Rate - City of Bloomington			Overlapping Rates*			Total
	Operating	Debt	Total	School District	County	Other Districts	
2010	35.41	2.69	38.10	19.31	42.64	11.10	111.15
2011	37.96	3.31	41.27	21.90	45.84	12.30	121.31
2012	39.48	3.46	42.94	22.46	48.23	12.75	126.38
2013	41.68	3.80	45.48	26.76	49.46	13.21	134.91
2014	44.42	4.26	48.68	28.18	49.96	13.92	140.74
2015	41.98	3.69	45.67	25.74	46.40	12.76	130.57
2016	40.95	3.34	44.29	24.25	45.36	12.38	126.28
2017	37.88	3.05	40.93	20.63	44.09	12.13	117.77
2018	37.70	2.87	40.57	20.76	42.81	11.73	115.87
2019	36.95	3.10	40.05	20.13	41.86	11.25	113.29

Sources: Hennepin County and City of Bloomington Assessing Division

\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners. Although County property tax rates apply to all City property owners, the Other Districts rates apply only to property owners whose property is located within certain geographic boundaries.

For example, a small percentage of Bloomington taxpayers pay school district taxes to schools in neighboring communities. Also, the Other Districts rates include Watershed taxing districts, of which there are four different rates depending on location of parcels in Bloomington.

**CITY OF BLOOMINGTON, MINNESOTA**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

**Table 7**

Taxpayer	Payable 2019			Payable 2010		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Mall of America	\$19,513,060 <sup>(a)</sup>	1	10.81%	\$12,824,570 <sup>(a)</sup>	1	8.54%
Metropolitan Life Insurance	6,469,760 <sup>(b)</sup>	2	3.58%	-	-	-
Kraus-Anderson	2,353,838	3	1.30%	2,107,364	4	1.40%
Carlson Companies	1,708,200	4	0.95%	-	-	-
Workspace Property Trust	1,522,550 <sup>(c)</sup>	5	0.84%	-	-	-
HealthPartners	1,318,500 <sup>(d)</sup>	6	0.73%	-	-	-
Frauenschuh	1,177,831	7	0.65%	-	-	-
Mdewakanton Sioux	1,136,000	8	0.63%	-	-	-
KBS Capital Advisors	1,069,880	9	0.59%	-	-	-
DRA Advisors	1,037,360	10	0.58%	-	-	-
Teachers Insurance and Annuity	-	-	-	4,808,540 <sup>(b)</sup>	2	3.20%
United Properties	-	-	-	3,070,552	3	2.04%
Duke Realty LP	-	-	-	2,020,086	5	1.34%
Liberty Property LP	-	-	-	1,553,614 <sup>(c)</sup>	6	1.03%
Gateway Lake Properties	-	-	-	1,042,650	7	0.69%
Bloomington Central Station	-	-	-	1,029,663 <sup>(d)</sup>	8	0.69%
Ryan Properties/Porky's West Lake/ Two Marketpointe	-	-	-	835,962	9	0.56%
Bloomgate Holdings	-	-	-	835,512	10	0.56%
<b>Total</b>	<u>\$37,306,979</u>		<u>20.66%</u>	<u>\$30,128,513</u>		<u>20.05%</u>
<b>Total All Property</b>	<u>\$180,580,717</u>			<u>\$150,231,185</u>		

Source: City of Bloomington Assessing Division

Note: Tax capacity values above relate to the prior year's assessment.

<sup>(a)</sup> Market value in the Mall of America Phase I TIF district became part of local tax base starting in 2017. Mall of America Phase II TIF District became part of local tax base starting in 2019.

<sup>(b)</sup> Normandale Lake Office Park sold by Teachers Insurance to Equity Group in August 2012, who then sold to Metropolitan Life in October 2014.

<sup>(c)</sup> Liberty Property Trust properties sold to Workspace Property Trust in October 2016.

<sup>(d)</sup> HealthPartners corporate headquarters building is the anchor tenant for the Bloomington Central Station development.

**CITY OF BLOOMINGTON, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Delinquent Collections in Subsequent Years <sup>(a)</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 43,230,933	\$ 42,603,925	98.55%	\$ 52,061	\$ 42,655,986	98.67%
2011	43,002,753	42,520,657	98.88%	(438,381)	42,082,276	97.86%
2012	44,441,371	44,134,422	99.31%	(224,425)	43,909,997	98.80%
2013	46,641,219	46,450,282	99.59%	(86,072)	46,364,210	99.41%
2014	48,049,784	47,836,890	99.56%	(156,495)	47,680,395	99.23%
2015	49,971,775	49,888,157	99.83%	(25,883)	49,862,274	99.78%
2016	52,845,452	52,561,489	99.46%	(336,619)	52,224,870	98.83%
2017	55,883,748	55,477,456	99.27%	(562,215)	54,915,241	98.27%
2018	58,398,517	58,069,379	99.44%	(341,739)	57,727,640	98.85%
2019	61,756,432	61,429,758	99.47%	(13,979)	61,415,779	99.45%

Source: City of Bloomington Finance Department

<sup>(a)</sup> Negative amounts in the "Collection in Subsequent Years" column reflect reductions of assessed property values.

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

**Table 9**

Fiscal Year	Governmental Activities			Total Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(b)</sup>	Per Capita <sup>(b)</sup>
	General Obligation Bonds	Improvement Bonds <sup>(a)</sup>	Tax Increment Bonds		Revenue Bonds			
2010	\$ 13,050,000	\$ 44,630,000	\$ 4,535,000	\$62,215,000	\$ 455,000	\$ 62,670,000	1.8%	\$ 755
2011	12,680,000	50,440,000	6,795,000	69,915,000	300,000	70,215,000	1.9%	837
2012	11,335,000	56,668,281	6,175,000	74,178,281	150,000	74,328,281	1.9%	864
2013	9,940,000	61,570,377	3,095,000	74,605,377	-	74,605,377	1.8%	864
2014	8,515,000	52,451,706	2,970,000	63,936,706	-	63,936,706	1.5%	741
2015	7,055,000	51,139,974	2,850,000	61,044,974	-	61,044,974	1.4%	707
2016	7,180,000	55,489,159	4,770,000	67,439,159	-	67,439,159	1.5%	790
2017	5,520,000	54,392,867	4,635,000	64,547,867	1,170,000	65,717,867	1.4%	765
2018	6,320,000	48,597,893	4,105,000	59,022,893	12,656,987	71,679,880	1.5%	838
2019	7,290,000	47,079,614	10,660,000	65,029,614	14,144,480	79,174,094	1.6%	932

Source: City of Bloomington Finance Department

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

<sup>(a)</sup> The unamortized bond premiums are included in the Improvement Bond totals, beginning in 2012.

<sup>(b)</sup> See Table 14 for personal income and population data.

**CITY OF BLOOMINGTON, MINNESOTA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

**Table 10**

Fiscal Year	General Obligation Debt			Total	Less Debt Service Fund Balance	Net Bonded Debt	Percentage of Estimated Market Value of Property <sup>(b)</sup>	Net Bonded Debt Per Capita <sup>(c)</sup>
	General Obligation Bonds	Improvement Bonds <sup>(a)</sup>	Tax Increment Bonds					
2010	\$ 13,050,000	\$ 44,630,000	\$ 4,535,000	\$62,215,000	\$ 12,016,405	\$ 50,198,595	0.45%	\$ 605
2011	12,680,000	50,440,000	6,795,000	69,915,000	17,950,997	51,964,003	0.50%	619
2012	11,335,000	56,668,281	6,175,000	74,178,281	23,572,558	50,605,723	0.50%	588
2013	9,940,000	61,570,377	3,095,000	74,605,377	27,682,370	46,923,007	0.47%	544
2014	8,515,000	52,451,706	2,970,000	63,936,706	17,590,028	46,346,678	0.47%	537
2015	7,055,000	51,139,974	2,850,000	61,044,974	18,208,674	42,836,300	0.41%	496
2016	7,180,000	55,489,159	4,770,000	67,439,159	23,725,327	43,713,832	0.38%	512
2017	5,520,000	54,392,867	4,635,000	64,547,867	21,701,505	42,846,362	0.35%	499
2018	6,320,000	48,597,893	4,105,000	59,022,893	17,109,882	41,913,011	0.33%	490
2019	7,290,000	47,079,614	10,660,000	65,029,614	17,580,823	47,448,791	0.35%	559

Source: City of Bloomington Finance Department

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

<sup>(a)</sup> The unamortized bond premiums are included in the Improvement Bond totals, beginning in 2012.

<sup>(b)</sup> See Table 5 for estimated market value data.

<sup>(c)</sup> See Table 14 for population data.



**CITY OF BLOOMINGTON, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
December 31, 2019

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>(a)</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
School Districts:			
ISD No. 271	\$90,990,000	99.98%	\$90,971,802
ISD No. 272	101,395,000	0.43%	\$435,999
ISD No. 273	191,720,000	1.32%	\$2,530,704
Other debt:			
Hennepin County	990,655,000	7.87%	\$77,964,549
Hennepin County Park District	54,325,000	11.10%	\$6,030,075
Hennepin Regional RR Authority	98,385,000	7.87%	\$7,742,900
Metropolitan Council	265,680,000	4.00%	<u>\$10,627,200</u>
Subtotal - overlapping debt			\$196,303,228
City direct debt <sup>(b)</sup>	65,029,614	100.00%	<u>65,029,614</u>
Total direct and overlapping debt			<u><u>\$261,332,842</u></u>

Source: Hennepin County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City'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.

<sup>(a)</sup> The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

<sup>(b)</sup> Excludes revenue bonded indebtedness.

**CITY OF BLOOMINGTON, MINNESOTA**

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$333,655,044	\$309,557,004	\$303,353,544	\$297,836,742
Total net debt applicable to limit	<u>6,457,546</u>	<u>10,924,513</u>	<u>9,493,644</u>	<u>8,047,547</u>
Legal debt margin	<u>\$327,197,498</u>	<u>\$298,632,491</u>	<u>\$293,859,900</u>	<u>\$289,789,195</u>
Total net debt applicable to the limit as a percentage of debt limit	1.94%	3.53%	3.13%	2.70%

Source: City of Bloomington Finance Department

Note: Under State finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

For example, in 2019 the debt limit was \$404,168,178, the total net debt applicable to the limit was \$5,720,003, and the City could issue up to an additional \$398,448,175 of general obligation debt and still be in compliance with the above statute.

**Table 12**

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$296,243,913	\$313,075,791	\$343,919,310	\$362,404,188	\$384,067,920	\$404,168,178
<u>6,557,605</u>	<u>5,039,777</u>	<u>3,884,062</u>	<u>4,114,836</u>	<u>4,895,008</u>	<u>5,720,003</u>
<u>\$289,686,308</u>	<u>\$308,036,014</u>	<u>\$340,035,248</u>	<u>\$358,289,352</u>	<u>\$379,172,912</u>	<u>\$398,448,175</u>
2.21%	1.61%	1.13%	1.14%	1.27%	1.42%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Market value	<u>\$13,472,272,600</u>
Debt limit (3% of market value)	<u>404,168,178</u>
Debt applicable to limit:	
General obligation bonds	7,290,000
Less: Amount set aside for repayment	
of general obligation debt	<u>(1,569,997)</u>
Total net debt applicable to limit	<u>5,720,003</u>
Legal debt margin	<u>\$398,448,175</u>

**CITY OF BLOOMINGTON, MINNESOTA**

**PLEDGED-REVENUE COVERAGE**

Last Ten Fiscal Years

Fiscal Year	Enterprise Revenue Bonds <sup>(a)</sup>					Coverage
	Pledged Service Charges	Less Operating Expenses <sup>(c)</sup>	Net Available Revenue	Debt Service		
				Principal	Interest	
2010	\$1,432,860	\$1,085,440	\$347,420	\$160,000	\$21,998	1.91
2011	1,420,357	1,136,811	283,546	155,000	15,739	1.66
2012	1,344,365	1,135,713	208,652	150,000	3,188	1.36
2013	-	-	-	-	-	0.00
2014	-	-	-	-	-	0.00
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2017	25,149,599	22,781,314	2,368,285	-	23,746	99.73
2018	34,227,654	25,444,879	8,782,775	110,000	43,073	57.38
2019	33,727,328	26,553,698	7,173,630	105,000	341,918	16.05

Source: City of Bloomington Finance Department

<sup>(a)</sup> From 2010 to 2012, the remaining enterprise bonds had pledged revenues from the Ice Garden activity in the Recreational Facilities Fund. From 2017 to present, the enterprise bonds have pledged revenues from the water utility, storm water utility, and special assessments.

<sup>(b)</sup> Both improvement bonds and tax increment bonds are general obligation bonds and have tax levy authority to cover all debt requirements. In both 2014 and 2018 the City had advanced refunding bonds that refunded the original issue.

<sup>(c)</sup> Operating expenses do not include depreciation.

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

**Table 13**

Special Assessment Collections	Improvement Bonds <sup>(b)</sup>			Tax Increment Collections	Tax Increment Bonds <sup>(b)</sup>		
	Debt Service		Coverage		Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$3,176,372	\$3,185,000	\$1,453,531	0.68	\$1,189,685	\$805,000	\$266,984	1.11
3,693,237	3,815,000	1,539,217	0.69	1,004,967	835,000	222,090	0.95
4,420,188	6,335,000	1,562,573	0.56	827,103	620,000	181,475	1.03
3,718,701	4,810,000	1,805,825	0.56	455,351	165,000	139,573	1.50
3,440,152	16,660,000	1,576,016	0.19	723,577	125,000	111,440	3.06
4,278,664	6,890,000	1,329,972	0.52	885,766	120,000	107,765	3.89
3,752,488	5,940,000	1,320,498	0.52	1,179,405	125,000	104,090	5.15
3,617,854	6,330,000	1,355,018	0.47	1,486,003	135,000	116,415	5.91
3,978,335	11,420,000	1,360,135	0.31	1,626,230	530,000	119,629	2.50
3,457,212	6,340,000	1,331,524	0.45	1,641,424	545,000	111,859	2.50

**CITY OF BLOOMINGTON, MINNESOTA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

**Table 14**

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	
					Metropolitan Area	Bloomington
2010	83,038	\$3,557,597,034	\$42,843	10,242	6.5%	6.2%
2011	83,896	\$3,747,802,112	44,672	10,240	5.5	5.2
2012	86,033	\$3,977,047,491	46,227	10,228	5.1	4.9
2013	86,319	\$4,130,882,064	47,856	10,030	4.3	4.1
2014	86,314	\$4,204,441,254	48,711	10,005	3.2	3.0
2015	86,435	\$4,368,511,335	50,541	9,980	3.2	2.9
2016	85,319	\$4,446,570,323	52,117	10,273	3.6	3.4
2017	85,866	\$4,554,590,238	53,043	10,136	2.9	2.8
2018	85,578	\$4,824,374,172	56,374	10,171	2.8	2.7
2019	84,943	\$5,069,653,069	59,683	10,182	3.0	2.8

Sources: (1) U.S. Census estimates were used for 2010 through 2019 and Metropolitan Council estimates were used for prior years. Of note, the 2019 Metropolitan Council population estimate was considerably higher at 90,271 and it is used to calculate distributions from the Fiscal Disparities tax base sharing pool as well as per capita based state aids.  
 (2) Minnesota per capita income, as published by Bureau of Economic Analysis  
 (3) Bloomington School Districts #271  
 (4) Minnesota Department of Employment and Economic Development, based on December rates

**CITY OF BLOOMINGTON, MINNESOTA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

**Table 15**

Employer	2019			2010		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Mall of America Tenants	13,000	1	14%	13,000	1	15%
HealthPartners	3,735	2	4%	2,490	2	3%
Bloomington School District #271	1,875	3	2%	1,826	3	2%
Seagate Technology	1,400	4	2%	1,600	4	2%
Donaldson Company	1,073	5	1%	1,150	7	1%
Toro Company	961	6	1%	876	8	1%
General Dynamics	819	7	1%	-	-	-
NCS Pearson	765	8	1%	-	-	-
Normandale Community College	631	9	1%	631	9	1%
City of Bloomington	585	10	1%	-	-	-
Wells Fargo Bank	-	-	-	1,523	5	2%
Express Scripts	-	-	-	1,261	6	1%
Polar Semiconductor, Inc	-	-	-	583	10	1%
<b>Total</b>	<b>24,844</b>		<b>27%</b>	<b>24,940</b>		<b>29%</b>
<b>Total City Employment</b>	<b>91,603</b>			<b>86,339</b>		

Sources: (1) City of Bloomington Finance Department  
 (2) Minnesota Department of Employment and Economic Development (average annual City employment)

**CITY OF BLOOMINGTON, MINNESOTA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

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Function/Program	2010	2011	2012	2013
Governmental activities:				
General services	80	80	80	80
Development services	71	71	72	74
Public works	116	117	118	117
Public safety	153	152	152	155
Community services	60	61	62	60
Total governmental activities	480	481	484	486
Business-type activities:				
Water/wastewater	54	54	54	54
Storm water	11	12	11	12
Recreational facilities	16	16	16	18
Solid waste management	1	1	1	1
Motor vehicle	6	5	5	5
Total business-type activities	88	88	87	90
Total	568	569	571	576

Source: City of Bloomington Finance Department



Table 16

Full-Time Equivalent Employees as of December 31						
2014	2015	2016	2017	2018	2019	
80	80	82	84	82	92	
74	69	69	71	71	74	
117	117	118	121	122	121	
155	160	165	165	165	162	
60	60	59	55	52	50	
486	486	493	496	492	499	
54	54	54	54	54	52	
12	12	12	12	12	7	
18	18	18	18	18	14	
1	1	1	1	1	1	
5	6	6	6	6	6	
90	91	91	91	91	80	
576	577	584	587	583	579	

**CITY OF BLOOMINGTON, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities:</b>				
General services:				
New full-time employees hired	15	33	43	44
Criminal case appearances	12,200	14,200	16,000	20,000
Purchase orders issued	1,788	1,696	1,875	1,457
Development services:				
Permits issued	11,179	11,254	11,362	16,119
Estimated value of permits	\$128,201,819	\$263,305,005	\$198,432,583	\$201,614,610
Fire inspections	1,909	1,730	2,111	2,643
Fire investigations	61	105	152	152
Public works:				
Street resurfacing (miles)	41	36	43	31
Street sweeping (tons of material)	4,552	3,784	4,263	3,477
Public safety:				
Bookings	2,420	2,153	2,262	2,349
DWI's	624	593	512	451
Part 1 crimes <sup>(a)</sup>	3,309	3,358	3,443	3,524
Fire dispatch to scene average response time	4:31	4:36	4:31	4:23
Fire emergency responses	1,168	1,184	1,161	1,221
Fires extinguished	153	142	177	159
Community services:				
Volunteers	405	284	309	317
City website pageviews	*	1,776,135	1,814,332	1,948,674
Number of E-Subscribers	4,100	5,673	7,565	9,706
Influenza immunizations	6,780	4,101	3,506	4,488
<b>Business-type activities:</b>				
Water/wastewater utility:				
Average daily consumption (gallons)	10,500,000	10,720,000	11,700,000	11,202,000
Average daily sewage treatment (gallons)	8,285,000	8,570,000	8,130,000	8,078,000
Storm water utility:				
Storm mains inspected (miles)	9	9	8	8
Recreational facilities:				
Golf course rounds played	76,209	66,180	62,852	51,658
Ice garden hours	9,888	9,342	9,206	9,635
Solid waste management:				
Annual trash clean-up (tons)	1,689	1,717	1,497	1,300
Contractual police:				
Overtime hours billed	6,552	8,308	9,399	9,270
Motor vehicle:				
DNR transactions	2,730	2,543	2,879	2,876
Drivers license transactions	17,346	18,209	21,610	20,439
Motor vehicle transactions	55,900	61,878	64,265	61,835

Sources: Various City of Bloomington departments.

\*Certain statistical data was not tracked in this format in prior years and is, therefore, unavailable.

The City of Bloomington will gather this information going forward.

<sup>(a)</sup> Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, theft, auto theft, and arson.

<sup>(b)</sup> In 2015 the City launched a redesigned website with dramatically fewer pages.

<sup>(c)</sup> In 2015 and 2016, Mall of America Security significantly increased their use of police contractual services.

**Table 17**

Fiscal Year						
2014	2015	2016	2017	2018	2019	
44	51	46	40	40		48
18,000	20,000	22,000	20,000	20,876		
1,382	1,026	995	878	767		779
14,413	12,313	11,856	10,859	10,568		10,600
\$342,190,790	\$485,208,914	\$185,368,384	\$304,605,776	\$391,619,950		\$411,122,855
2,724	2,851	2,219	3,024	2,955		3,274
117	105	115	62	47		67
36	40	38	41	40		41
3,834	2,635	2,850	3,475	2,950		3,150
2,350	2,218	2,320	2,256	2,112		2,454
425	362	363	423	371		474
3,423	3,118	3,035	2,812	2,775		3,115
4:16	4:06	4:14	4:14	3:58		3:56
1,317	1,510	1,769	1,802	1,692		2,451
149	184	166	175	209		255
350	324	279	250	231		230
1,911,818	1,468,653 <sup>(b)</sup>	1,629,355	1,846,618	1,965,802		2,841,638
12,191	14,593	21,464	23,750	25,515		28,583
3,851	3,216	2,795	2,666	2,808		2,803
10,700,000	10,300,000	10,360,000	9,990,000	10,100,000		9,436,000
8,175,000	7,920,000	8,100,000	7,520,000	7,879,000		7,360,000
9	11	12	8	8		8
61,355	62,392	57,599	53,373	55,885		53,675
9,440	9,793	9,752	9,838	9,103		9,722
1,789	1,758	1,949	1,807	1,425		1,536
7,739	23,481 <sup>(e)</sup>	25,666 <sup>(e)</sup>	10,284	14,924		10,033
2,641	2,581	2,370	1,891	2,433		2,137
20,727	20,092	21,157	20,551	19,828		20,868
66,061	66,569	64,821	59,159	54,626		54,732

**CITY OF BLOOMINGTON, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities:</b>				
Public works:				
Streets (miles)	341	341	342	342
Streetlights	4,339	4,339	4,339	4,339
Traffic signals	147	147	147	144
Emergency vehicle pre-emption systems	121	121	121	121
Emergency outdoor warning sirens	22	22	22	22
Public safety:				
Police stations	1	1	1	1
Patrol units - marked and unmarked	37	37	37	37
Police admin and investigative vehicles	27	27	27	27
Fire stations	6	6	6	6
Community services:				
Community center	1	1	1	1
Skate park	1	1	1	1
Playgrounds/playlots	54	54	54	54
Baseball/softball diamonds	61	61	61	61
Soccer/football fields	22	22	22	22
Tennis courts	51	50	50	49
Picnic shelters/gazebos	22	22	22	22
<b>Business-type activities:</b>				
Water/wastewater utility:				
Water mains (miles)	489	489	495	496
Fire hydrants	4,570	4,599	4,589	4,617
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	383	384	384	384
Storm water utility:				
Storm sewers (miles)	253	253	253	253
Recreational facilities:				
Swimming beaches	1	1	1	1
Swimming pools	1	1	1	1
Golf courses	2	2	2	2
Indoor ice rinks	3	3	3	3

Sources: Various City of Bloomington departments.

Note: No capital asset indicators are available for the general services, development services, solid waste, contractual police, or motor vehicle functions.

Table 18

Fiscal Year						
2014	2015	2016	2017	2018	2019	
342	342	342	342	342	342	342
4,339	4,361	4,361	4,380	4,456	4,456	4,456
144	143	143	143	143	143	143
121	122	122	122	122	122	122
22	22	22	22	22	22	22
1	1	1	1	1	1	1
37	37	37	37	38	38	38
27	27	27	29	30	30	30
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
54	54	54	53	53	53	53
62	62	61	61	60	60	60
22	22	22	22	22	22	22
49	50	50	50	50	50	50
22	22	22	22	23	23	23
496	498	498	501	503	505	505
4,617	4,665	4,676	4,677	4,712	4,737	4,737
44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
384	385	385	385	384	385	385
251	252	252	237	241	262	262
1	1	1	1	1	1	1
1	1	1	1	1	1	1
2	2	2	2	2	2	2
3	3	3	3	3	3	3



CITY OF  
**BLOOMINGTON**  
MINNESOTA