

SHAPE^{of} THINGS^{to}COME

comprehensive annual financial report

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

Comprehensive Annual Financial Report

of the City of
Bloomington, Minnesota

For the Year Ended
December 31, 2014

Prepared by the Finance Department

CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

SECTION I

INTRODUCTORY SECTION

CITY OF BLOOMINGTON, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

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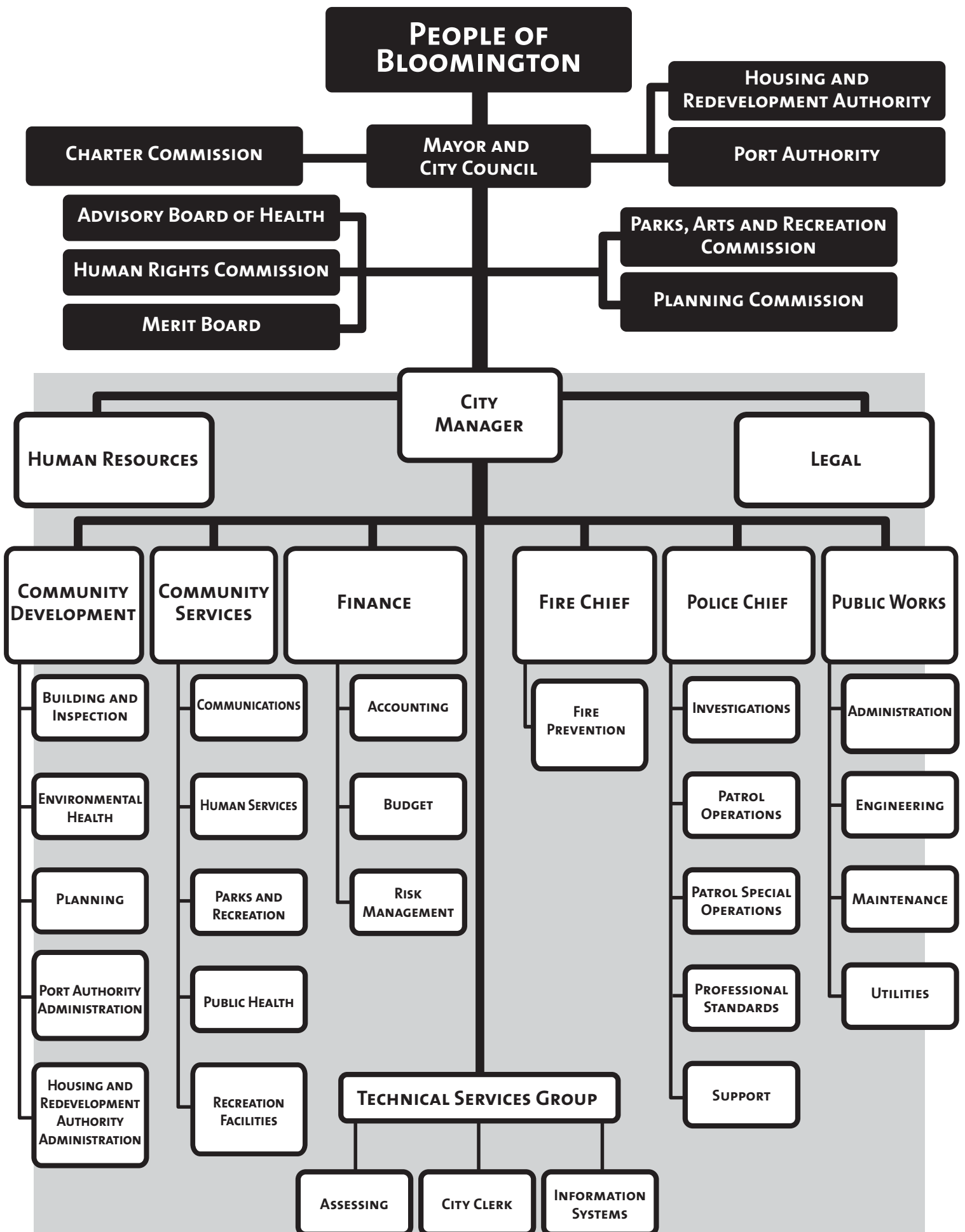
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CITY OF BLOOMINGTON, MINNESOTA

DECEMBER 31, 2014

PRINCIPAL OFFICIALS

GENE WINSTEAD, MAYOR

CYNTHIA BEMIS ABRAMS COUNCILMEMBER

JACK BALOGA COUNCILMEMBER

TIM BUSSE COUNCILMEMBER

ANDREW CARLSON COUNCILMEMBER

DWAYNE LOWMAN COUNCILMEMBER

JON OLESON COUNCILMEMBER

MARK E. BERNHARDSON, CITY MANAGER



June 18, 2015

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, 2014 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 Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 15 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 wholly in Hennepin County. In six decades, Bloomington has grown from a rural village beyond the developing edge of Minneapolis to its current status as Minnesota's fourth largest city 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) light rail line which opened in 2004 to connect several popular Twin Cities destinations including Mall of America, VA Medical Center, Minneapolis/St. Paul International Airport, Minnehaha Park, 11 neighborhoods, and Downtown Minneapolis.

The city has many well-known national and international corporations within its boundaries, including HealthPartners, Seagate Technology, Express Scripts, Donaldson Company, Toro, Cypress Semiconductors, Ceridian Corporation, Thermo King, Polar Semiconductors, and Ziegler, Inc. Bloomington is home to the largest shopping and entertainment complex in the United States, Mall of America®. It employs approximately 13,000 and attracts 42 million visitors each year. As the state's number one tourist attraction, Mall of America actually attracts more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and over 8,700 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. Bloomington is fortunate to have a diversified tax base, currently composed of approximately 52.9% commercial/industrial, 40.1% residential, and 7.0% 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 targeting significant additional growth in three districts located along I-494.

Current City Development

In 2014, the City issued building permits for 94 new residential units with a total project valuation of \$17,795,209. 2014 was a record year for construction in Bloomington as measured in permit valuation. Most of the growth continued 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.

- The Luxembourg, a 282-unit upscale apartment development, continued construction just west of Normandale Boulevard and north of West 84th Street. The development is anticipated to be ready for occupancy in 2015.
- Toro completed construction on a new 75,000 square foot office building at their international headquarters campus on Lyndale Avenue and American Boulevard.
- The Covington Apartments in the Normandale Lake District were completed and began occupancy. The project includes 250 rental units within a five-story building.
- Luther Infiniti began construction of a new 33,000 square foot auto dealership building in the Penn American District.
- Three Rivers Park District began construction on a new 37,000 square foot ski chalet at Hyland Ski and Snowboard Area.
- TownePlace Suites, a 118-room extended stay hotel in the South Loop District, began construction.

- Hampton Inn and Suites, a 100-room hotel in the Normandale Lake District, began construction.
- Applewood Pointe, a 77-unit independent senior living cooperative, began construction on Old Shakopee Road at Beard Avenue.
- Hyatt Regency, a 302-room hotel in the South Loop District, began construction.
- OATI, a software company serving the energy sector, began construction on their five-story, 110,000 square foot office building and data center along I-494 at Computer Avenue.
- Penn American Phase II, a mixed use project in the Penn American District, began construction. It includes:
 - A 107-room, five-story Home2 Suites by Hilton extended stay hotel.
 - A 28,600 square foot Fresh Thyme grocery.
 - A Red Robin restaurant.
 - Over 9,000 square feet of ground level retail.
- The Mall of America's Phase 1C expansion started construction in the South Loop District. It includes:
 - A 14-story, 342-room J.W. Marriott hotel.
 - A 10-story, 180,500 square foot speculative office tower.
 - 161,000 square feet of retail and restaurant space over three-levels attached to Phase 1 of the Mall of America.

Mall of America Development

Mall of America, the largest shopping mall in the country, opened its doors in August 1992 and has become one of the most visited tourist destinations in the world. March 2013 marked the opening of the Radisson Blu Mall of America – the only hotel conveniently connected by skyway to Mall of America. The hotel offers 500 superb fashion inspired rooms, ballrooms, meeting rooms, a state-of-the-art fitness center, an indoor pool, and on-site dining at the FireLake Grill House & Cocktail Bar.

Mall of America has three anchor department stores: Macy's, Nordstrom, and Sears, as well as more than 50 eateries and 520 specialty shops. In 2014, Mall of America welcomed several new restaurants, retailers, entertainment and exclusive tenants including Hard Rock Café, Benihana, and Running Room.

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 Teenage Mutant Ninja Turtles Shell Shock. The ride takes guests 70 feet in the air in a matter of seconds, reaching up to 25 miles per hour. With 12 single-bucket seats at the end of a cantilevered arm that rotates around a central tower, this ride is a thrill-seeker's dream.

Other attractions at the mall include a nightly lightshow called "Universe of Light" that takes place in Nickelodeon Universe every evening, the newly-renovated LEGO Imagination Center featuring a LEGO Robot towering over 34 feet tall, a 14-theater movie complex with a VIP theater and the STARBAR lounge, 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.

The Mall of America is a regional asset, attracting 42 million visitors a year and generating significant income and sales tax revenues for the State of Minnesota. The Port Authority of the City of Bloomington financed the initial land acquisition and on-site improvements. The total project was \$789 million, of which, the Port Authority provided approximately \$152 million in public improvements: \$11 million in site work, \$93 million in parking facilities, \$20 million in structural roadway and bridge work, and \$28 million in land acquisition.

In 2004, a new IKEA store marked the beginning of Mall of America's expansion. The 500-room Radisson Blu Hotel broke ground in May of 2011 and was completed in March of 2013. The 13-story hotel was constructed over a new three-story parking structure and is connected to the Mall's second level via skyway. The Mall began construction in early 2014 on a 555,000-square foot integrated expansion on its north side that will include a 342-room J.W. Marriott luxury hotel, an office tower, and 161,000 square feet of additional retail and restaurant area. At buildout, 9.8 million square feet of development is planned.

Major Initiative

FootGolf

Even with two beautiful golf courses set in convenient locations, the City's golf course attendance and revenues have been slowly declining in recent years. Golf has faded in popularity and golf courses are under financial pressure when competing for recreation dollars. With that in mind, the City's Golf Course Manager was intrigued by stories of a new style of golfing with an innovative twist: FootGolf, a hybrid sport featuring golf played with a soccer ball.

FootGolf started in Europe several years ago and is just developing in the U.S. as an outdoor sport. Played on golf courses, participants simply use their feet and a soccer ball to get the ball into the hole with the least amount of kicks. It's fast-paced, easy and quick to learn. Although FootGolf rules are similar to golf rules, the FootGolf hole is 21" in diameter and is located on the shorter fairway, not the golf green.

Following a few weeks of research and equipment acquisition, FootGolf was added to the City's Hyland Greens golf course in the spring of 2014. Bloomington was the first metro area facility certified by the American FootGolf League to offer this new sport, and local media jumped on the news. Headlines like "Bloomington hopes a new sport will give a golf course life," "The rapidly growing sport of FootGolf has arrived in Bloomington," and "Soccer-golf hybrid is exploding in popularity in Minnesota" attracted masses of teens, young adults and families to the greens. Best of all, these customers don't typically play golf, so a new golf market was being born in Bloomington.

The initial cost to add Footgolf to Hyland Greens was only \$2,000 (for flags, cups, tees and rental soccer balls). In its inaugural season, the Hyland Greens FootGolf program brought in 7,749 players and hosted 27 different soccer clubs and teams. Revenues for the season were \$68,811. The City anticipates that excitement and attendance levels will only increase as the hybrid sport kicks off its second season in 2015.

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
2011	\$54,436,064	\$19,450,283	35.7%
2012	56,927,790	20,005,338	35.1
2013	59,687,288	20,691,737	34.7
2014	61,452,110	20,915,301	34.0
2015	63,990,692	24,643,306	38.5

The City's General Fund working capital balance of \$25,350,166 at December 31, 2014 includes amounts committed for encumbrances, carryovers, and fair value adjustments for investments, which brings the total fund balance to \$24,643,306. The City anticipates that the 2015 year-end General Fund balance will remain constant (plus any commitments for carryovers or encumbrances), based upon budgeted 2015 revenues and expenditures and one-time transfers of fund balance to other funds for specific projects.

Debt Administration

General obligation bond debt statistics for the City of Bloomington at December 31, 2014 are as follows (primary government only):

	Amount	% Market Value	Bonded Debt per Capita	
			Current Year	Prior Year
General Obligation Bonded Debt	\$ 8,515,000			
Improvement Bonds	50,930,000			
General Obligation Tax Increment	2,970,000			
Net Total	62,415,000			
Less Debt Service Funds	(17,590,028)			
Total Net Bonded Debt	44,824,972	.46%	\$ 519	\$ 527
Overlapping Debt (1)	130,826,519	1.32	1,516	1,192
Total – 2014 Year-End	<u>\$ 175,651,491</u>	<u>1.78%</u>	<u>\$ 2,035</u>	
Total - Prior Year-End	<u>\$ 148,382,255</u>	<u>1.50%</u>		<u>\$ 1,719</u>

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

In 2014, the City retired \$16,660,000 of improvement, \$1,425,000 of general obligation, and \$125,000 of general obligation tax increment. The City issued \$6,695,000 of improvement bonds and \$770,000 of refunding improvement bonds in 2014.

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
11/15/11	\$7,545,000	Improvement	6.35 years	2.28%	\$.15
11/15/11	2,080,000	Refunding Improvement	3.63	1.53	.09
11/15/11	3,095,000	Refunding Tax Increment	12.22	3.90	.48
06/28/12	5,615,000	Improvement	6.06	1.79	.16
06/28/12	5,900,000	Refunding Improvement	7.40	2.03	.22
11/20/13	4,180,000	Improvement	5.92	1.89	.14
11/20/13	5,135,000	Refunding Improvement	6.15	2.16	.18
12/18/14	6,695,000	Improvement	5.70	1.79	.12
12/18/14	770,000	Refunding Improvement	1.58	.84	.03

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 2014 financial results, combined with its prospects for the future, 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.

5-Year Community Investment Program

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 five-year Community Investment Program, outlining projected costs and sources of funding for proposed capital improvement projects. Any unrestricted fund balances of the Park Development Fund and the Facility and Parks Maintenance Fund are identified for use as proposed in the Community Investment Program, when and if such projects are ordered by the City Council.

The City's latest five-year Community Investment Program indicated the following totals for the five-year period of 2015-2019:

Project Category	Estimated Amount (in millions)	Approximate Sources of Funding	
City Facilities, Parks and Park Development	\$ 49	Grants, Other	97%
		Park Donations	3
Alternative/Surface Transportation	262	Abatement/Assessment	2%
		Federal Funds	36
		Other Governments	21
		P.I.R. Bonds	20
		Municipal State Aid	5
		Tax Increment	6
		Other	10
Water, Sewer, and Stormwater Facilities	26	Cash on Hand	73%
		Bonds	27
Economic Development and Redevelopment		Assessment	2%
		Liquor/Lodging Tax	59
		Federal Funds	2
	<u>60</u>	State Funds	33
		Tax Increment	4
Total	<u>\$ 397</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, 2013. 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 43 consecutive years. We believe this 2014 CAFR continues to conform to Certificate of Achievement Program requirements, and we will be submitting it to GFOA.

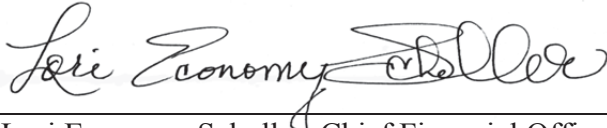
Independent Audit

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, Kari Carlson, Mary Lee, Steve McDaniel, 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,



Lori Economy-Scholler, Chief Financial Officer
Finance Department



Juliana H. Vogel, Finance Manager
Finance Department



Government Finance Officers Association

**Certificate of
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, 2013

Executive Director/CEO



CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report
For The Year Ended December 31, 2014

SECTION II

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Bloomington, Minnesota'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 of 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Bloomington, Minnesota, as of December 31, 2014, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomington, Minnesota's basic financial statements. The introductory section, supplementary information, other supplementary information and the statistical section are not a required part of the basic financial statements.

The supplementary information and other supplementary information 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 supplementary information and other supplementary information are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the City of Bloomington, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bloomington, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 18, 2015



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, 2014. This discussion and analysis should be read in conjunction with the transmittal letter, which can be found on pages 7 - 16 of this report, and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the 2014 fiscal year by \$536.1 million (*net position*). Of this amount, \$99.0 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$35.3 million is restricted for debt service, \$21.5 million is restricted for tax increment, \$6.9 million is restricted for street reconstruction, \$3.6 million is restricted for other purposes, and \$369.8 million is the City's net investment in capital assets.
- The City's total net position increased by \$3.5 million. The primary reason for the increase in net position was the increase in Business taxes in General Revenues.
- As of December 31, 2014, the City's governmental funds had combined fund balances of \$100.3 million, a decrease of \$21.5 million in comparison with the prior year. Approximately 51% of the combined committed, assigned, and unassigned fund balances are available to meet the City's current and future needs. The remaining 49% is 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 \$24.6 million, or 40% of actual total General Fund expenditures. This compares to \$20.9 million from the prior year, an increase of roughly \$3.7 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, 2014, the fund balance of the General Fund was within this range. \$1,250,000 of this positive performance has been committed for budgeted carryover amounts unspent in 2014 and encumbrances for open purchase order contracts at the end of 2014 that were carried over to the 2015 budget.
- The City's total non-current liabilities decreased by \$9.2 million (10%) in comparison with the prior year. The primary reason for this decrease is that the City retired General Obligation debt totaling \$18.2 million and issued General Obligation debt of \$7.5 million.
- The estimated market value for all taxable property is at \$9.9 billion for assessment year 2013 (payable in 2014). After fifteen years of steadily increasing market values, values declined as a result of the worldwide "Great Recession" before leveling off for the January 2013 assessment. Total market value in assessment year 2013 is now at a level just slightly above that in assessment year 2004.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- Entity-wide, the City recorded \$16.6 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 and liabilities, with the difference between the two 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, storm water, solid waste management, recreational facilities, contractual police services, 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.

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.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 Fund, Community Development Block Grant, Improvement Bonds, Capital Projects, and Improvement Construction, 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, storm water, recreational facilities, solid waste, 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 support services, information systems, equipment, public safety radio, self-insurance, insured benefits, benefit accrual, and facilities and parks maintenance. 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-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, recreational facilities (which are considered to be major funds of the City), and 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

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 66 – 107 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-3 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 F-2 of this report.

The *other supplementary* 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.

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 exceeded liabilities by \$536,134,632 at December 31, 2014, as compared to \$532,677,089 at the end of 2013.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF BLOOMINGTON'S NET POSITION							Total Percentage Change
	Governmental activities		Business-type activities		Total		
	2014	2013	2014	2013	2014	2013	
Assets:							
Current and other assets	\$ 190,174,587	\$ 210,236,856	\$ 13,095,485	\$ 15,256,992	\$ 203,270,072	\$ 225,493,848	(9.9)%
Capital assets	342,930,423	328,356,201	86,185,438	84,457,359	429,115,861	412,813,560	3.9%
Total assets	533,105,010	538,593,057	99,280,923	99,714,351	632,385,933	638,307,408	(0.9)%
Liabilities:							
Current and other liabilities	9,823,514	10,158,108	1,313,073	1,200,351	11,136,587	11,358,459	(2.0)%
Noncurrent liabilities	85,114,714	94,271,860	-	-	85,114,714	94,271,860	(9.7)%
Total liabilities	94,938,228	104,429,968	1,313,073	1,200,351	96,251,301	105,630,319	(8.9)%
Net position:							
Net investment in capital asset:	283,643,717	269,230,824	86,185,438	84,457,359	369,829,155	353,688,183	4.6%
Restricted	67,294,971	91,045,904	-	-	67,294,971	91,045,904	(26.1)%
Unrestricted	87,228,094	73,886,361	11,782,412	14,056,641	99,010,506	87,943,002	12.6%
Total net position	\$ 438,166,782	\$ 434,163,089	\$ 97,967,850	\$ 98,514,000	\$ 536,134,632	\$ 532,677,089	

By far, the largest portion of the City's net position, \$369,829,155 (approximately 69%), 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, \$67,294,971 (approximately 13%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$99,010,506 (approximately 18%), may be used to meet the government's ongoing obligation to citizens and creditors.

As of December 31, 2014, the City had a positive net position balance for the government as a whole.

The following schedule provides a summary of the City's operations for the year ended December 31, 2014:

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF BLOOMINGTON'S CHANGES IN NET POSITION

Year Ended December 31, 2014

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2014	2013	2014	2013	2014	2013	
REVENUES:							
Program revenues:							
Charges for services	\$ 11,714,260	\$ 10,121,800	\$ 31,165,115	\$ 30,861,647	\$ 42,879,375	\$ 40,983,447	4.6 %
Operating grants and contributions	6,524,865	6,277,517	854,174	592,432	7,379,039	6,869,949	7.4 %
Capital grants and contributions	16,172,833	32,781,014	-	-	16,172,833	32,781,014	(50.7)%
General revenues:							
Property taxes	46,752,023	44,775,678	1,451,140	1,366,798	48,203,163	46,142,476	4.5 %
Business taxes	14,222,910	8,906,394	-	-	14,222,910	8,906,394	59.7 %
Grants and contributions not restricted	1,850,619	1,202,154	-	-	1,850,619	1,202,154	53.9 %
Gain on sale of capital assets	4,275	70,765	-	-	4,275	70,765	- %
Interest and investment earnings	1,508,213	513,017	88,357	24,047	1,596,570	537,064	197.3 %
Total revenues	<u>98,749,998</u>	<u>104,648,339</u>	<u>33,558,786</u>	<u>32,844,924</u>	<u>132,308,784</u>	<u>137,493,263</u>	<u>(3.8)%</u>
EXPENSES:							
General services	7,702,188	7,527,901	-	-	7,702,188	7,527,901	2.3 %
Development services	23,261,857	12,006,241	-	-	23,261,857	12,006,241	93.7 %
Public works	15,620,844	15,162,908	-	-	15,620,844	15,162,908	3.0 %
Public safety	29,695,195	28,124,185	-	-	29,695,195	28,124,185	5.6 %
Community services	15,720,340	15,894,544	-	-	15,720,340	15,894,544	(1.1)%
Interest on long-term debt	1,767,122	3,145,420	-	-	1,767,122	3,145,420	(43.8)%
Water/wastewater utility	-	-	23,004,075	22,804,577	23,004,075	22,804,577	0.9 %
Storm water utility	-	-	3,446,390	3,229,686	3,446,390	3,229,686	6.7 %
Recreational facilities	-	-	5,781,663	5,459,451	5,781,663	5,459,451	5.9 %
Solid waste management	-	-	1,606,211	1,230,654	1,606,211	1,230,654	30.5 %
Contractual police services	-	-	607,999	620,702	607,999	620,702	(2.0)%
Motor vehicle	-	-	637,357	628,026	637,357	628,026	1.5 %
Total expenses	<u>93,767,546</u>	<u>81,861,199</u>	<u>35,083,695</u>	<u>33,973,096</u>	<u>128,851,241</u>	<u>115,834,295</u>	<u>11.2 %</u>
Change in net position before transfers	4,982,452	22,787,140	(1,524,909)	(1,128,172)	3,457,543	21,658,968	(84.0)%
Transfers	<u>(978,759)</u>	<u>(189,469)</u>	<u>978,759</u>	<u>189,469</u>	<u>-</u>	<u>-</u>	<u>- %</u>
Change in net position	<u>4,003,693</u>	<u>22,597,671</u>	<u>(546,150)</u>	<u>(938,703)</u>	<u>3,457,543</u>	<u>21,658,968</u>	<u>(84.0)%</u>
Net position - January 1	434,163,089	409,988,569	98,514,000	99,452,703	532,677,089	509,441,272	4.6 %
Prior period adjustment	-	1,576,849	-	-	-	1,576,849	- %
Net position - January 1, as restated	<u>434,163,089</u>	<u>411,565,418</u>	<u>98,514,000</u>	<u>99,452,703</u>	<u>532,677,089</u>	<u>511,018,121</u>	<u>4.2 %</u>
Net position - December 31	<u>\$ 438,166,782</u>	<u>\$ 434,163,089</u>	<u>\$ 97,967,850</u>	<u>\$ 98,514,000</u>	<u>\$ 536,134,632</u>	<u>\$ 532,677,089</u>	<u>0.6 %</u>

Expenses above include \$12,599,444 of depreciation expense for governmental activities under the full accrual basis of accounting.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

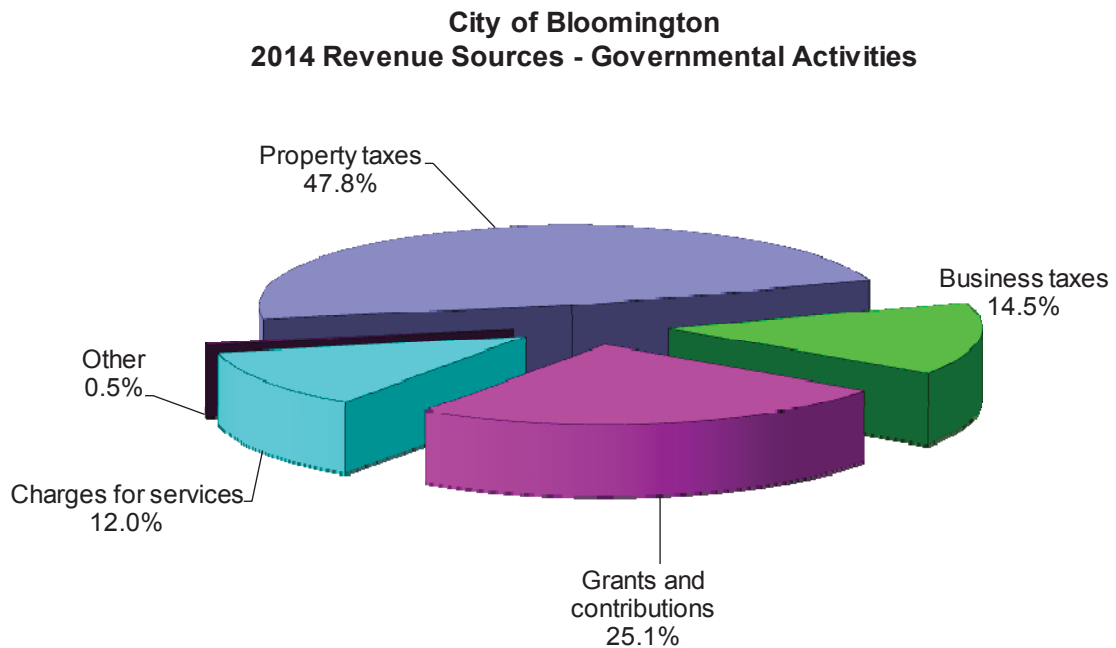
Governmental activities

As part of GASB Statement No. 34 reporting changes, internal service fund charges for services (program revenues of \$34,157,228) and expenses (\$35,275,402) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2013 to 2014 follows:

Overall, governmental activities revenues decreased by \$5.9 million. Within the total \$5.9 million decrease, general revenues increased overall by \$8.8 million in 2014 due to a combination of the following factors. Property taxes increased by \$2 million as a result of the exemption of the market value credit, and investment earnings increased by \$1 million. Local business taxes increased by \$5.3 million, resulting from increased local lodging and admission sales as the economy picked up in our lodging and admission arena.

Program revenues decreased by \$14.8 million in 2014. The primary cause for this was due to a decrease in capital grants and contributions.

Development services expenses increased by \$11.3 million due an increase in capital improvement project spending.



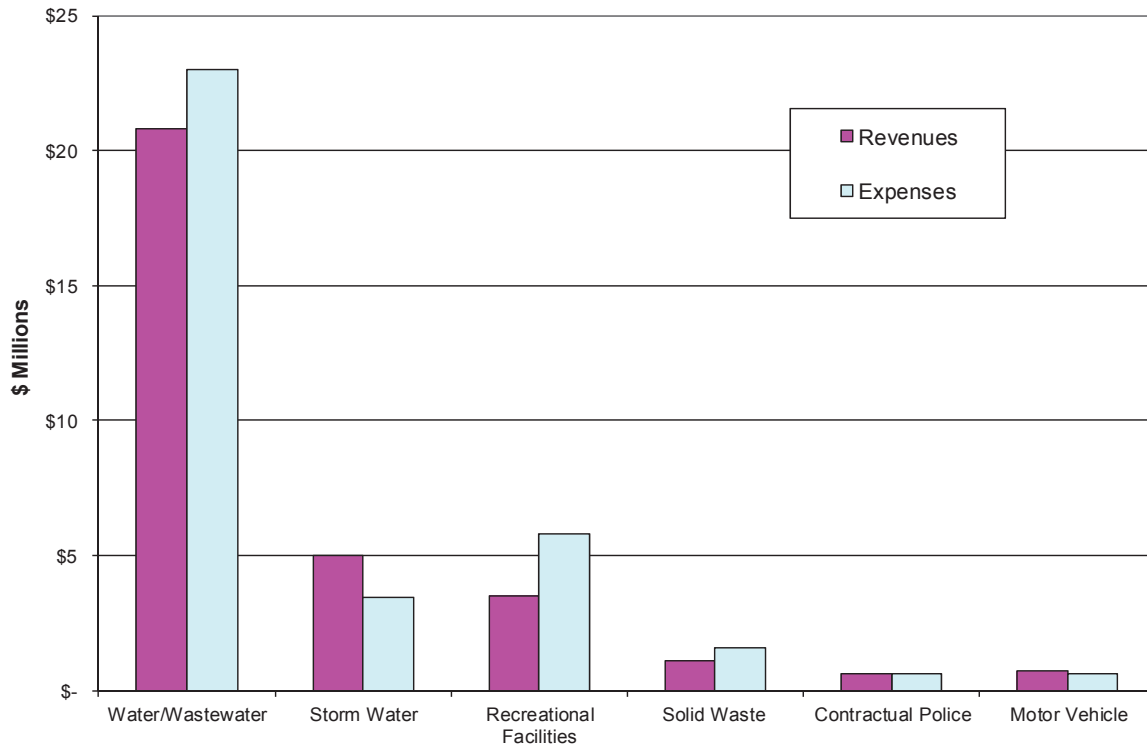
CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Business-type activities

Business-type expenses increased in 2014 by \$1.1 million. 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
2014 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, 2014, the City's governmental funds reported combined ending fund balances of \$100,258,634, a decrease of \$21.5 million in comparison with the prior year. Fund balance of \$49.6 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$50.7 million or 51% 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	\$ 24,639,354
Special revenue funds	1,433,340
Capital projects funds	18,346,651
Improvement construction funds	6,244,950
Total	<u>\$ 50,664,295</u>

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

Revenues by Source Governmental Funds

	2014		2013		Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total	Amount
Revenues by source:					
Taxes	\$ 60,979,402	61.4%	\$ 54,391,679	52.5%	\$ 6,587,723
Special assessments	3,645,884	3.7	3,738,367	3.6	(92,483)
Business licenses	5,864,807	5.9	4,679,509	4.5	1,185,298
Fines and forfeitures	1,216,254	1.2	1,493,871	1.5	(277,617)
Intergovernmental	14,745,267	14.8	14,575,098	14.1	170,169
Program income	3,021,925	3.0	2,771,138	2.7	250,787
Interest and investment income	1,250,209	1.3	448,813	0.4	801,396
Franchise fees	1,166,756	1.2	1,164,721	1.1	2,035
Contractual component unit	3,090,004	3.1	18,014,212	17.4	(14,924,208)
Other	4,356,063	4.4	2,253,775	2.2	2,102,288
Total	<u>\$ 99,336,571</u>	<u>100.0%</u>	<u>\$ 103,531,183</u>	<u>100.0%</u>	<u>\$ (4,194,612)</u>

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Expenditures by Function Governmental Funds

	2014		2013		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 6,804,893	5.4%	\$ 6,301,804	5.9%	\$ 503,089
Development services	19,400,112	15.4	9,548,984	9.0	9,851,128
Public works	10,464,616	8.3	10,007,731	9.4	456,885
Public safety	28,984,756	23.0	27,490,143	25.8	1,494,610
Community services	14,709,288	11.7	14,983,442	14.0	(274,154)
Debt service	19,662,852	15.6	11,198,362	10.5	8,464,490
Capital outlay	25,837,381	20.6	27,143,505	25.4	(1,306,124)
Total	<u>\$ 125,863,895</u>	<u>100.0%</u>	<u>\$ 106,673,971</u>	<u>100.0%</u>	<u>\$ 19,189,924</u>

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 \$24,643,306 which was comprised of \$1,250,496 of committed fund balance, \$3,952 of nonspendable fund balance and \$23,388,858 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 39% of total General Fund expenditures. It is important to note that the General Fund unassigned fund balance of \$23,388,858 is designated in its entirety for a working capital goal of \$20,796,395. The committed amount of \$1,250,496 consists of a budget carryover amount of \$716,167, and encumbrance rollover amount of \$534,329. The budget carryover represents 2014 budgeted amounts that were unspent in 2014 and were carried over to the 2015 budget. The encumbrance rollover amount represents encumbrances for open purchase order contracts at the end of 2014 that were carried over to the 2015 budget.

Overall, General Fund revenues increased from \$58.2 million in 2013 to \$61.7 million in 2014. Of this increase, that largest factor was an increase in property tax revenue by \$1.3 million resulting from exemption of the market value credit. There were also increases in lodging and admission tax revenues of \$618,000, as well as business license revenue increase of \$1.2 million due to a continued improvement in the local economy which contributed to increased lodging and entertainment sales as well as increased building construction. General Fund expenditures increased from \$59 million in 2013 to \$60 million in 2014.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Improvement Bonds fund balance decreased by \$10.1 million, due to payment of refunded bonds, 2004 Series 39 and 2009 Series 43, in 2014. This will result in a cost savings to the City of over \$709,000.

The Capital Projects fund balance had a net decrease of \$10.1 million in 2014 due to payments of \$6 million for Phase 1C (North Pad Ramp) of the Mall of America project and \$4.1 million for loan forgiveness to the Port Authority component unit.

The Improvement Construction fund balance decreased \$2 million due to increased capital outlay expenditures.

The fund balance of the City's Nonmajor Governmental Funds decreased by \$2.9 million during 2014 due to pension liability payments.

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 decreased by \$378,400 during the current fiscal year. Key factors in this change include:

- The Water/Wastewater Utility Fund had a decrease in net position of \$1.9 million due to a decrease in service charges.
- The Storm Water Fund had an increase in net position of \$1.7 million due mostly to a modest increase in charges for services to finance future storm water improvements.

The net position of the internal service funds increased by \$929,000 during the current fiscal year. Key factors in this change include:

- The Information Systems Fund had an increase in net position by \$454,400 due to an increase in service charges.
- The Self Insurance Fund had a decrease of net position by \$100,596 due to an increase in liability claims, including land use claims that are expensive to defend.
- The Insured Benefit Fund net position increased by \$488,000 as the City is working toward building working capital to offset future anticipated increases in health insurance expenses after a three year rate freeze.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an \$85,068 increase in appropriations and can be briefly summarized as follows:

- The year-end Public Works departmental budget increased \$336,247 as a result of additional projects approved by the City Council.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The actual results compared to the final budget showed a \$3.7 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 \$777,888 due to a better than expected recovery in the local hotel and entertainment industries as well as new hotels opening.
- Business license revenue exceeded budget by \$1.4 million also due to a better than expected improvement in the local economy.
- Public Works expenditures were \$481,598 under budget due to a spending reduction in administrative expenditures and savings from unfilled positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2014 amount to \$429,115,861 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and structures, machinery and equipment, and distribution system. 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 \$4,913,874.
- The 2014 Pavement Management Program expended \$7,795,538. These improvements included 4.35 miles of reconstructed streets and 7.4 miles of overlaid streets.
- The City's State Aid Construction Fund spent \$1,434,700 on street improvement projects in 2014.

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 of \$62,415,000 as compared to \$73,160,000 in the prior year. This amount is comprised of \$62,415,000 related to governmental activities and no debt related to business-type activities.

In 2014, the City issued \$7,465,000 of General Obligation Permanent Improvement Revolving (PIR) Bonds. \$770,000 of the PIR bond proceeds will be used to refund the Permanent Improvement Refunding bonds from 2006 totaling \$1,225,000. Also refunded in 2014 were two bonds, a 2004 PIR bond totaling \$6,000,000 and a 2009 PIR bond totaling \$5,320,000, and \$6,765,000 of current year principal was paid. In 2014 the City retired a total of \$18,210,000 resulting in \$62,415,000 in bonds payable as of December 31, 2014.

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 27 cities nationwide to hold

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

this “Triple A” bond ratings combination. Additional information on the City’s long-term debt can be found in Note 6.

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 2014, the unemployment rate in Bloomington was 3.0%, down 1.2% from a year ago. This compares favorably to the state’s December unemployment rate of 3.6% and the national rate of 5.4%.
- As of January 2014 the assessor’s total estimated market value for Bloomington turned up 5.7% following the recessionary years to approximately \$10.4 billion. This is a 44% increase in total City market value since 2000, though down 12% from the peak in 2008. The City’s diverse tax base, approximately half commercial and half residential, will provide stability in the coming year.
- The City’s contract with its health care provider included a rate freeze for the years 2013-2014 and a 15% increase cap for 2015.
- The proposed Public Employees Retirement Association (PERA) pension costs to the City for 2015 are estimated at roughly \$4.1 million.
- Property tax reforms and budget deficits at the state level significantly reduced general state government aid and market value homestead credit payments made to the City. 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 most recent recession. The budgets, starting with the year 2013, began replenishing reserve funds used for the downturn.
- The 2015 budget was approved without the need to reduce existing service levels. In the approved 2015 budget, there was a two and a half percent salary increase for City employees. For 2014, there was a two percent salary increase approved.
- The City uses a five-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.

All of these factors were considered in preparing the City of Bloomington’s budget for the 2015 fiscal year.

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, 2014

EXHIBIT 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
ASSETS					
Cash, cash equivalents, and investments	\$ 132,292,849	\$ 10,033,563	\$ 142,326,412	\$ 47,420,686	\$ 4,332,810
Receivables, net	37,094,844	5,910,759	43,005,603	2,059,519	7,791,328
Prepaid items	655,414	84	655,498	16,500	327,973
Due from primary government	-	-	-	2,785,056	78,645
Due from component units	6,770,502	-	6,770,502	-	-
Due from other governments	-	-	-	5,830	133,856
Inventory	10,512,057	-	10,512,057	-	873,285
Internal balances	2,848,921	(2,848,921)	-	-	-
Capital assets, net of related depreciation:					
Land - nondepreciable	93,605,439	4,714,616	98,320,055	-	1,600,300
Buildings and structures	33,436,151	20,917,302	54,353,453	-	1,398,349
Machinery and equipment	12,906,006	767,541	13,673,547	-	3,769
Improvements	5,799,049	2,263,418	8,062,467	-	-
Distribution system	-	57,340,529	57,340,529	-	-
Construction in progress	1,175,158	182,032	1,357,190	-	-
Infrastructure	196,008,620	-	196,008,620	-	-
Net capital assets	342,930,423	86,185,438	429,115,861	-	3,002,418
Total assets	533,105,010	99,280,923	632,385,933	52,287,591	16,540,315
LIABILITIES					
Accounts payable and other current liabilities	5,215,214	1,184,419	6,399,633	1,342,689	118,649
Accrued interest payable	708,399	-	708,399	-	-
Unearned revenue	1,036,200	128,654	1,164,854	-	-
Due to component units	2,863,701	-	2,863,701	-	-
Due to primary government	-	-	-	3,577,943	260,579
Noncurrent liabilities:					
Due to primary government -	-	-	-	-	2,931,980
Bonds payable due in more than one year	-	-	-	-	-
Due within one year	10,388,409	-	10,388,409	-	-
Due in more than one year	74,726,305	-	74,726,305	-	1,574,720
Total liabilities	94,938,228	1,313,073	96,251,301	4,920,632	4,885,928
NET POSITION					
Net investment in capital assets	283,643,717	86,185,438	369,829,155	-	1,427,698
Restricted for:					
Debt service	35,294,612	-	35,294,612	-	-
Tax increment	21,529,112	-	21,529,112	47,162,557	1,155,865
Street reconstruction	6,908,376	-	6,908,376	-	-
Restricted - other	3,562,871	-	3,562,871	-	70,697
Unrestricted	87,228,094	11,782,412	99,010,506	204,402	9,000,127
Total net position	\$ 438,166,782	\$ 97,967,850	\$ 536,134,632	\$ 47,366,959	\$ 11,654,387

See notes to the basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA
Statement of Activities
Year Ended December 31, 2014

EXHIBIT 2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position					
		Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Component Units Port Authority Housing and Redevelopment Authority
Primary Government:							
Governmental activities:							
General Services	\$ 7,702,188	\$ 3,500,551	\$ 581,528	\$ -	\$ (3,620,109)	\$ -	\$ -
Development Services	23,261,857	5,166,271	461,436	6,713,999	(10,920,151)	-	-
Public Works	15,620,844	385,274	142,779	8,816,226	(6,276,565)	-	-
Public Safety	29,695,195	511,613	1,211,408	47,666	(27,924,508)	-	-
Community Services	15,720,340	2,150,551	4,127,714	594,942	(8,847,133)	-	-
Interest on long-term debt	1,767,122	-	-	-	(1,767,122)	-	-
Total governmental activities	93,767,546	11,714,260	6,524,865	16,172,833	(59,355,588)	-	-
Business-type activities:							
Water/Wastewater Utility	23,004,075	20,578,287	243,919	-	-	(2,181,869)	-
Storm Water Utility	3,446,390	4,873,273	251,617	-	-	1,678,500	-
Recreational Facilities	5,781,663	3,448,585	32,992	-	-	(2,300,086)	-
Solid Waste Management	1,606,211	892,769	325,646	-	-	(387,796)	-
Contractual Police	607,999	639,241	-	-	-	31,242	-
Motor Vehicle	637,357	732,960	-	-	-	95,603	-
Total business-type activities	35,083,695	31,165,115	854,174	-	-	(3,064,406)	-
Total primary government	\$ 128,851,241	\$ 42,879,375	\$ 7,379,039	\$ 16,172,833	(59,355,588)	(3,064,406)	-
Component units:							
Port Authority	\$ 29,647,878	\$ 290,016	\$ -	\$ 6,150,913	-	-	-
Housing and Redevelopment Authority	10,726,131	1,150,968	5,047,677	-	-	-	(4,527,486)
Total component units	\$ 40,374,009	\$ 1,440,984	\$ 5,047,677	\$ 6,150,913	-	(23,206,949)	(4,527,486)
General revenues:							
Property taxes				46,752,023	1,451,140	48,203,163	2,550,297
Business taxes				14,222,910	-	14,222,910	-
Grants and contributions not restricted				1,850,619	-	1,850,619	-
Gain on sale of capital assets				4,275	-	4,275	-
Interest and investment earnings				1,508,213	88,357	1,596,570	-
Transfers				(978,759)	978,759	-	-
Total general revenues and transfers				63,359,281	2,518,256	65,877,537	2,550,297
Change in net position				4,003,693	(546,150)	3,457,543	(1,977,189)
Net position - January 1				434,163,089	98,514,000	532,677,089	13,631,576
Net position - December 31				\$ 438,166,782	\$ 97,967,850	\$ 536,134,632	\$ 11,654,387

See notes to the basic financial statements.



CITY OF BLOOMINGTON, MINNESOTA

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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 FUNDS

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, 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, sewer and water construction.

CITY OF BLOOMINGTON, MINNESOTA

Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Community Development Block Grant	Improvement Bonds
ASSETS			
Cash, cash equivalents and investments	\$ 24,823,180	\$ 56,378	\$ 16,216,744
Accrued interest receivable	64,115	73	40,138
Taxes receivable	609,603	-	19,566
Accounts receivable	1,325,674	-	-
Loan receivable	-	-	-
Mortgages receivable	-	9,276,544	-
Prepays items	3,952	-	-
Land held for resale	-	-	-
Due from other funds	208,000	-	-
Due from component units	174,548	-	-
Due from other governments	161,244	37,291	-
Special assessments receivable	20,100	-	18,412,983
Total assets	\$ 27,390,416	\$ 9,370,286	\$ 34,689,431
LIABILITIES			
Accounts payable	\$ 1,695,646	\$ 15,097	\$ 36,015
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to component units	-	78,645	-
Unearned revenue	627,282	-	-
Deposits payable	5,913	-	-
Total liabilities	2,328,841	93,742	36,015
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - mortgages	-	9,276,544	-
Deferred inflows - taxes	398,169	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	20,100	-	18,412,983
Deferred inflows - land held for resale	-	-	-
Total deferred inflows of resources	418,269	9,276,544	18,412,983
FUND BALANCES			
Nonspendable	3,952	-	-
Restricted	-	-	16,240,433
Committed	1,250,496	-	-
Assigned	-	-	-
Unassigned	23,388,858	-	-
Total fund balances	24,643,306	-	16,240,433
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,390,416	\$ 9,370,286	\$ 34,689,431

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 22,317,540	\$ 16,030,124	\$ 18,145,570	\$ 97,589,536
86,373	53,338	53,584	297,621
969	6,301	4,833	641,272
82,867	-	385,739	1,794,280
1,313,866	-	-	1,313,866
-	-	-	9,276,544
-	-	-	3,952
9,740,351	-	606,477	10,346,828
1,100,000	-	-	1,308,000
3,543,974	-	-	3,718,522
2,064,327	610,306	738,340	3,611,508
1,745,868	-	-	20,178,951
<u>\$ 41,996,135</u>	<u>\$ 16,700,069</u>	<u>\$ 19,934,543</u>	<u>\$ 150,080,880</u>
\$ 473,623	\$ 225,565	\$ 665,271	\$ 3,111,217
357,075	487,868	67,426	912,369
-	1,100,000	122,000	1,222,000
2,785,056	-	-	2,863,701
-	-	333,918	961,200
21,635	-	78,591	106,139
<u>3,637,389</u>	<u>1,813,433</u>	<u>1,267,206</u>	<u>9,176,626</u>
-	-	-	9,276,544
-	-	-	398,169
-	402,306	42,822	445,128
1,745,868	-	-	20,178,951
9,740,351	-	606,477	10,346,828
<u>11,486,219</u>	<u>402,306</u>	<u>649,299</u>	<u>40,645,620</u>
-	-	-	3,952
21,930,655	8,239,380	3,179,919	49,590,387
4,941,872	-	1,433,340	7,625,708
-	6,244,950	13,404,779	19,649,729
-	-	-	23,388,858
<u>26,872,527</u>	<u>14,484,330</u>	<u>18,018,038</u>	<u>100,258,634</u>
<u>\$ 41,996,135</u>	<u>\$ 16,700,069</u>	<u>\$ 19,934,543</u>	<u>\$ 150,080,880</u>



CITY OF BLOOMINGTON, MINNESOTA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2014

EXHIBIT 4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 100,258,634

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

Capital assets used in governmental funds are not current financial resources and, therefore, are not reported as assets in governmental funds:

Cost of capital assets	\$ 422,248,623	
Less accumulated depreciation	<u>(129,700,239)</u>	292,548,384

Governmental funds do not report a liability for accrued interest until due and payable.	(674,074)
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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.

Internal service fund net position per statements	64,342,534	
Add allocation to business-type activities	<u>3,194,357</u>	67,536,891

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(58,180,000)
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A portion of the annual required contribution for other post employment benefits was not paid in the current period and, therefore, not reported in the governmental funds.	(5,296,640)
---	-------------

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.	(1,521,706)
---	-------------

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.	3,049,677
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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 deferred in the governmental funds.	<u>40,445,616</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 438,166,782

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, 2014

	General Fund	Community Development Block Grant	Improvement Bonds
REVENUES			
Property taxes	\$ 37,497,251	\$ -	\$ 2,845,312
Fiscal disparities	3,193,380	-	233,434
Special assessments	10,446	-	3,440,152
Lodging and admissions tax	8,194,438	-	-
Business licenses	5,864,807	-	-
Fines and forfeitures	1,061,974	-	-
Intergovernmental	2,323,116	450,213	-
Program income	2,215,136	456,848	-
Interest	112,312	(77)	67,075
Net change in fair value of investments	62,048	77	44,229
Other	1,195,337	-	78,321
Franchise fees	-	-	-
Contractual payments from component unit	-	-	-
Total revenues	<u>61,730,245</u>	<u>907,061</u>	<u>6,708,523</u>
EXPENDITURES			
Current:			
General services	6,405,417	-	105,660
Development services	6,693,650	897,143	-
Public works	9,845,326	-	-
Public safety	25,281,185	-	-
Community services	11,996,828	-	-
Debt service:			
Administrative charges	-	-	14,750
Interest	-	-	1,576,016
Principal retirement	-	-	16,660,000
Capital outlay:			
General services	-	-	-
Development services	-	-	-
Public works	43,569	-	-
Public safety	21,400	-	-
Community services	89,197	-	-
Total expenditures	<u>60,376,572</u>	<u>897,143</u>	<u>18,356,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,353,673</u>	<u>9,918</u>	<u>(11,647,903)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	2,869,272	-	729,182
Transfers to other funds	(494,940)	(26,455)	(84,851)
Issuance of debt	-	-	835,627
Premium on bonds issued	-	-	17,476
Total other financing sources (uses)	<u>2,374,332</u>	<u>(26,455)</u>	<u>1,497,434</u>
Net change in fund balance	3,728,005	(16,537)	(10,150,469)
Fund balance - January 1	<u>20,915,301</u>	<u>16,537</u>	<u>26,390,902</u>
Fund balance - December 31	<u>\$ 24,643,306</u>	<u>\$ -</u>	<u>\$ 16,240,433</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
\$ 555,677	\$ 1,305,422	\$ 994,331	\$ 43,197,993
6,667	43,369	81,650	3,558,500
195,286	-	-	3,645,884
6,028,471	-	-	14,222,909
-	-	-	5,864,807
-	-	154,280	1,216,254
5,668,758	1,938,867	4,364,313	14,745,267
-	-	349,941	3,021,925
527,278	149,262	132,711	988,561
63,688	40,733	50,873	261,648
2,650,705	-	431,700	4,356,063
-	-	1,166,756	1,166,756
3,090,004	-	-	3,090,004
<u>18,786,534</u>	<u>3,477,653</u>	<u>7,726,555</u>	<u>99,336,571</u>
-	82,300	211,516	6,804,893
11,509,386	299,933	-	19,400,112
-	19,399	599,891	10,464,616
-	-	3,703,568	28,984,753
14,911	-	2,697,549	14,709,288
-	29,137	-	43,887
70,075	50,634	277,240	1,973,965
-	-	985,000	17,645,000
-	-	238,249	238,249
11,288,091	769,193	-	12,057,284
-	10,203,379	1,434,700	11,681,648
-	-	59,304	80,704
1,584,365	-	105,934	1,779,496
<u>24,466,828</u>	<u>11,453,975</u>	<u>10,312,951</u>	<u>125,863,895</u>
<u>(5,680,294)</u>	<u>(7,976,322)</u>	<u>(2,586,396)</u>	<u>(26,527,324)</u>
415,000	84,851	115,392	4,213,697
(4,873,572)	(904,182)	(424,000)	(6,808,000)
-	6,629,373	-	7,465,000
-	160,198	-	177,674
<u>(4,458,572)</u>	<u>5,970,240</u>	<u>(308,608)</u>	<u>5,048,371</u>
(10,138,866)	(2,006,082)	(2,895,004)	(21,478,953)
<u>37,011,393</u>	<u>16,490,412</u>	<u>20,913,042</u>	<u>121,737,587</u>
<u>\$ 26,872,527</u>	<u>\$ 14,484,330</u>	<u>\$ 18,018,038</u>	<u>\$ 100,258,634</u>



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, 2014

EXHIBIT 6

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ (21,478,953)**

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. Losses on disposal of capital assets are not reported in the fund statements.

Capital outlays	\$ 25,837,381	
Capital outlay not capitalized	(878,795)	
Capital Contribution from Component Unit	295,479	
Depreciation expense	(8,789,408)	
Loss on disposal of assets	-	16,464,657

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	(7,465,000)	
Principal paid	17,645,000	10,180,000

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. (177,674)

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 and the net other post employment benefits (OPEB) obligation. (513,240)

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	928,972	
Add allocation to business-type activities	167,725	1,096,697

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,440,667)

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. (2,127)

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. (125,000)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 4,003,693**

See notes to the basic financial statements.



CITY OF BLOOMINGTON, MINNESOTA

MAJOR PROPRIETARY FUNDS

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, 2014

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,277,780	\$ 3,950,493
Accrued interest receivable	9,677	7,927
Taxes receivable	163,976	-
Accounts receivable	3,781,757	1,093,356
Prepaid items	84	-
Due from other funds	431,436	-
Due from other governments	-	137,787
Inventory	-	-
Total current assets	<u>7,664,710</u>	<u>5,189,563</u>
Noncurrent assets:		
Land	2,280,001	478,858
Buildings and structures	18,436,732	791,498
Machinery and equipment	1,435,891	8,542
Improvements	2,117,458	1,908,426
Distribution system	93,632,862	37,545,579
Construction in progress	182,032	-
Accumulated depreciation	<u>(68,770,790)</u>	<u>(13,386,692)</u>
Total noncurrent assets	<u>49,314,186</u>	<u>27,346,211</u>
Total assets	<u>56,978,896</u>	<u>32,535,774</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	680,929	61,777
Estimated claims payable	-	-
Due to other funds	-	-
Retainage payable	-	24,786
Unearned revenue	101,521	-
Bonds payable	-	-
Accrued interest payable	-	-
Deposits payable	18,292	-
Total current liabilities	<u>800,742</u>	<u>86,563</u>
Noncurrent liabilities:		
Benefits payable	-	-
Bonds payable	-	-
Estimated claims payable	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>800,742</u>	<u>86,563</u>
 NET POSITION		
Net investment in capital assets	49,314,186	27,346,211
Unrestricted	6,863,968	5,103,000
Total net position	<u>\$ 56,178,154</u>	<u>\$ 32,449,211</u>

See notes to the basic financial statements.

EXHIBIT 7

Recreational Facilities	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ 1,619,027	\$ 1,186,265	\$ 10,033,565	\$ 34,703,313
3,652	2,623	23,879	64,556
5,979	70,384	240,339	-
148,400	374,734	5,398,247	118,552
-	-	84	651,462
-	-	431,436	-
-	110,502	248,289	-
-	-	-	165,229
<u>1,777,058</u>	<u>1,744,508</u>	<u>16,375,839</u>	<u>35,703,112</u>
1,955,757	-	4,714,616	11,432,262
16,943,961	-	36,172,191	40,152,287
1,240,348	24,229	2,709,010	34,428,997
2,208,901	-	6,234,785	624,517
-	-	131,178,441	-
-	-	182,032	-
<u>(12,827,554)</u>	<u>(20,594)</u>	<u>(95,005,630)</u>	<u>(36,256,023)</u>
<u>9,521,413</u>	<u>3,635</u>	<u>86,185,445</u>	<u>50,382,040</u>
<u>11,298,471</u>	<u>1,748,143</u>	<u>102,561,284</u>	<u>86,085,152</u>
167,842	229,597	1,140,145	1,757,152
-	-	-	1,076,632
-	86,000	86,000	431,436
-	-	24,786	-
11,447	15,686	128,654	75,000
-	-	-	575,000
-	-	-	35,103
-	1,200	19,492	-
<u>179,289</u>	<u>332,483</u>	<u>1,399,077</u>	<u>3,950,323</u>
-	-	-	12,776,376
-	-	-	3,660,000
-	-	-	1,355,919
-	-	-	17,792,295
<u>179,289</u>	<u>332,483</u>	<u>1,399,077</u>	<u>21,742,618</u>
9,521,413	3,635	86,185,445	46,147,040
1,597,769	1,412,025	14,976,762	18,195,494
<u>\$ 11,119,182</u>	<u>\$ 1,415,660</u>	<u>101,162,207</u>	<u>\$ 64,342,534</u>

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

(3,194,357)
\$ 97,967,850

CITY OF BLOOMINGTON, MINNESOTA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>
Operating revenues:		
Charges for services	\$ 20,469,581	\$ 4,868,922
Other	121,196	4,351
Total operating revenues	<u>20,590,777</u>	<u>4,873,273</u>
Operating expenses:		
Salaries and benefits	5,015,869	1,226,704
Materials, supplies and service	6,154,310	962,239
Depreciation	2,118,609	1,245,216
Water purchased	3,396,335	-
Wastewater disposal cost	6,241,142	-
Total operating expenses	<u>22,926,265</u>	<u>3,434,159</u>
Operating income (loss)	<u>(2,335,488)</u>	<u>1,439,114</u>
Nonoperating revenues (expenses):		
Taxes	116,391	-
Fiscal disparities	-	-
Intergovernmental	243,919	251,617
Interest income	20,698	27,368
Net change in fair value of investments	11,451	8,870
Gain (loss) on sale of capital assets	-	-
Other	-	-
Interest expense	-	-
Total nonoperating revenues (expenses)	<u>392,459</u>	<u>287,855</u>
Income (loss) before transfers	(1,943,029)	1,726,969
Transfers from other funds	-	-
Transfers to other funds	-	(39,996)
Change in net position	(1,943,029)	1,686,973
Total net position - January 1	<u>58,121,183</u>	<u>30,762,238</u>
Total net position - December 31	<u>\$ 56,178,154</u>	<u>\$ 32,449,211</u>

See notes to the basic financial statements.

EXHIBIT 8

			Governmental Activities -
Recreational Facilities	Nonmajor Proprietary Funds	Total	Internal Service Funds
\$ 3,439,834	\$ 2,238,252	\$ 31,016,589	\$ 34,121,290
-	26,718	152,265	35,938
<u>3,439,834</u>	<u>2,264,970</u>	<u>31,168,854</u>	<u>34,157,228</u>
2,238,053	1,323,517	9,804,143	16,645,185
2,831,509	1,516,404	11,464,462	14,820,181
643,638	2,423	4,009,886	3,810,036
-	-	3,396,335	-
-	-	6,241,142	-
<u>5,713,200</u>	<u>2,842,344</u>	<u>34,915,968</u>	<u>35,275,402</u>
<u>(2,273,366)</u>	<u>(577,374)</u>	<u>(3,747,114)</u>	<u>(1,118,174)</u>
1,238,596	55,005	1,409,992	-
41,149	-	41,149	-
32,992	325,646	854,174	-
6,344	7,209	61,619	187,913
4,038	2,377	26,736	72,220
(12,491)	-	(12,491)	128,613
8,750	-	8,750	127,574
-	-	-	(84,718)
<u>1,319,378</u>	<u>390,237</u>	<u>2,389,929</u>	<u>431,602</u>
(953,988)	(187,137)	(1,357,185)	(686,572)
800,000	249,996	1,049,996	1,805,936
-	(31,241)	(71,237)	(190,392)
(153,988)	31,618	(378,426)	928,972
<u>11,273,170</u>	<u>1,384,042</u>		<u>63,413,562</u>
<u>\$ 11,119,182</u>	<u>\$ 1,415,660</u>		<u>\$ 64,342,534</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)

(167,725)
\$ (546,151)

CITY OF BLOOMINGTON, MINNESOTA

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Water/Wastewater Utility</u>	<u>Stormwater Utility</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from interfund services provided	\$ 36,349	\$ -
Cash receipts from customers	20,731,366	4,935,543
Other cash receipts	86,414	-
Cash payments to other funds	(2,977,719)	(1,005,846)
Payments to employees	(4,994,956)	(1,159,046)
Payments to suppliers	(12,504,079)	-
Net cash provided by (used in) operating activities	<u>377,375</u>	<u>2,770,651</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants	243,919	113,830
Transfers from other funds	-	-
Transfers to other funds	-	(39,996)
Subsidy from endowment fund	-	-
Taxes	116,392	-
Net cash provided by noncapital financing activities	<u>360,311</u>	<u>73,834</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond payments	-	-
Insurance proceeds	-	-
Interest and other payments	-	-
Proceeds from sale of capital assets	-	-
Purchase of capital assets	(2,299,851)	(2,802,751)
Net cash used in capital and related financing activities	<u>(2,299,851)</u>	<u>(2,802,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	32,149	36,238
Net cash provided by investing activities	<u>32,149</u>	<u>36,238</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,530,016)</u>	<u>77,972</u>
Cash and cash equivalents - January 1	<u>4,807,796</u>	<u>3,872,521</u>
Cash and cash equivalents - December 31	<u>\$ 3,277,780</u>	<u>\$ 3,950,493</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,335,488)	\$ 1,439,114
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,118,609	1,245,216
Changes in assets and liabilities:		
Accounts receivable	227,399	62,270
Other operating receivables	-	-
Interfund receipts	35,953	-
Inventory	200,436	-
Accounts payable	130,466	24,051
Interfund payables	-	-
Net cash provided by (used in) operating activities	<u>\$ 377,375</u>	<u>\$ 2,770,651</u>
Noncash Investing, Capital & Financing Activities-		
Conversion of Interfund Loan to Operating Transfer	\$ -	\$ -

See notes to the basic financial statements.

EXHIBIT 9

			Governmental Activities -
Recreational Facilities	Nonmajor Proprietary Funds	Total	Internal Service Funds
\$ -	\$ -	\$ 36,349	\$ 33,984,195
3,508,644	2,323,907	31,499,460	-
671	-	87,085	-
(1,639,031)	(249,367)	(5,871,963)	(4,380,795)
(2,223,143)	(1,307,612)	(9,684,757)	(16,020,327)
(1,310,195)	(1,297,117)	(15,111,391)	(9,992,691)
<u>(1,663,054)</u>	<u>(530,189)</u>	<u>954,783</u>	<u>3,590,382</u>
32,992	215,144	605,885	-
800,000	249,996	1,049,996	1,805,936
-	(31,241)	(71,237)	(190,392)
8,750	-	8,750	-
1,279,745	55,005	1,451,142	-
<u>2,121,487</u>	<u>488,904</u>	<u>3,044,536</u>	<u>1,615,544</u>
-	-	-	(565,000)
-	-	-	127,574
-	-	-	(84,718)
-	-	-	183,400
<u>(647,856)</u>	<u>-</u>	<u>(5,750,458)</u>	<u>(1,974,387)</u>
<u>(647,856)</u>	<u>-</u>	<u>(5,750,458)</u>	<u>(2,313,131)</u>
10,381	9,586	88,354	260,134
<u>10,381</u>	<u>9,586</u>	<u>88,354</u>	<u>260,134</u>
(179,042)	(31,699)	(1,662,785)	3,152,929
1,798,069	1,217,964	11,696,350	31,550,384
<u>\$ 1,619,027</u>	<u>\$ 1,186,265</u>	<u>\$ 10,033,565</u>	<u>\$ 34,703,313</u>
\$ (2,273,366)	\$ (577,374)	\$ (3,747,114)	\$ (1,118,174)
643,638	2,423	4,009,886	3,810,036
68,811	(2,253)	356,227	(183,773)
670	-	670	10,187
-	-	35,953	(35,403)
-	-	200,436	141,591
(102,807)	61,015	112,725	965,918
-	(14,000)	(14,000)	-
<u>\$ (1,663,054)</u>	<u>\$ (530,189)</u>	<u>\$ 954,783</u>	<u>\$ 3,590,382</u>
\$ -	\$ -	\$ -	\$ -



CITY OF BLOOMINGTON, MINNESOTA

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held by the City as trustee or agent 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.

Agency Funds – These funds account for the collection and disbursement of funds received and disbursed for other parties and governmental units.

City of Bloomington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

EXHIBIT 10

	Private-Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 999,263	\$ 657,662
Accounts receivable	-	281,091
Accrued interest receivable	2,693	-
Total assets	<u>1,001,956</u>	<u>938,753</u>
 LIABILITIES		
Current liabilities -		
Accounts payable	<u>-</u>	<u>938,753</u>
 NET POSITION		
Held in trust	<u><u>\$ 1,001,956</u></u>	<u><u>\$ -</u></u>

See notes to the basic financial statements.

City of Bloomington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2014

EXHIBIT 11

	<u>Private-Purpose Trust</u>
ADDITIONS	
Investment earnings -	
Interest	<u>\$ 10,497</u>
DEDUCTIONS	
Current:	
General services	<u>10,450</u>
Change in net position	47
Net position - January 1	<u>1,001,909</u>
Net position - December 31	<u><u>\$ 1,001,956</u></u>

See notes to the basic financial statements.



NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGTON, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS **FOR THE YEAR ENDED DECEMBER 31, 2014**

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 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 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, and water 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 support services, information systems, equipment, public safety radios, self-insurance, insured benefits, benefit accruals, and facilities and parks maintenance, 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 fund balances between various governmental activities in the government-wide statements.

Private-Purpose Trust and Agency Funds - 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. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They account for collection and disbursement of lodging taxes for the Bloomington Visitors and Convention Bureau, State pass-through loans, and funds received for other parties and governments. These 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 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 and current liabilities 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 net current assets.

Basis of Accounting - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the 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 which is recognized when due.

Proprietary and Fiduciary Funds:

Measurement Focus - Proprietary funds and fiduciary 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. All applicable GASB pronouncements have been applied to the proprietary funds.

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, 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.

Encumbrances represent purchase commitments. Encumbrances outstanding at year-end are reported as committed fund balances.

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 2a7 like external investment pools, 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. Restricted cash and investments are included with cash equivalents for purposes of the statement of cash flows.

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).

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.

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 fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City’s government-wide statement of net position, which uses the full accrual basis of accounting. Infrastructure has been capitalized retroactively to 1980. 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. 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 fair market 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. The estimated useful lives are as follows:

	Years
Land improvements	20-50
Buildings and structures	15-95
Distribution system	30
Equipment	3-15
Infrastructure	5-48

I. COMPENSATED ABSENCES

The City compensates all employees upon termination for unused vacation up to a maximum of 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 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. Although employees no longer accrue sick leave, they are entitled to draw upon any unused sick leave previously earned. Employees are not compensated for unused sick leave upon termination.

J. 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.

K. 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, 2014, there were seven series of Industrial and Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$99.1 million.

L. 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. These constraints are established by Resolution of City Council.

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.

M. 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.

N. 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 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.

O. 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.

P. DEFICIT NET POSITION AND FUND BALANCE

The Benefit Accrual internal service fund had a negative net position balance of \$1,802,914 on December 31, 2014. 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. The HRA TIF Special Revenue fund had a negative balance of \$3,878,219 as of December 31, 2014. This fund accounts for Tax Increment Financing (TIF) districts' activity. The negative balance will be covered in the future primarily by TIF funding.

Q. 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.

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, 2014, the carrying amount of the City's deposits with financial institutions was \$1,706,329 and the bank balances totaled \$1,742,881.

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, 2014, 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 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 which 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, 2014, the City had the following investments and maturities:

Investment Type	Fair Value	Less than Six Months	Six Months To One Year	One Year to Two Years	Two Years to Six Years
Money Market	\$ 28,678,690	\$28,678,690	\$ -	\$ -	\$ -
Treasury Bills	14,374,970	4,036,720	10,338,250	-	-
Federal Agriculture Mortgage Corporation	10,364,812	5,351,712	-	5,013,100	-
4M Term Series	10,000,000	5,000,000	5,000,000	-	-
Federal Home Loan Bank	20,915,055	-	-	15,968,405	4,946,650
Federal Home Loan Mortgage Corporation Note	19,912,100	-	-	14,983,850	4,928,250
Federal National Mortgage Association Note	17,228,136	-	-	12,293,086	4,935,050
Municipal Bonds	20,803,247	-	425,765	12,243,481	8,134,001
Total investments	142,277,010	<u>\$43,067,122</u>	<u>\$ 15,764,015</u>	<u>\$ 60,501,922</u>	<u>\$22,943,951</u>
Total deposits	1,706,329				
Total investments and deposits	<u>143,983,339</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, 2014, 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). 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. In no event does the City invest in securities with maturities exceeding 10 years.

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, 2014, the City held no investments in commercial paper. Also, the City's investments in money market funds, Federal Farm Credit, Federal Home Loan Banks, Federal Home Loan 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 2a7-like pool and the fair value of the position in the pool is the same as the value of pool shares.

Concentration of Credit Risk - 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. No more than 50% of the entity's total investment portfolio is invested in a single security type or with a single financial institution. No more than 3% of the entity's total investment portfolio is invested in a single corporation. More than 5% of the City's investments are in the following governmental agencies: Federal Home Loan Bank (15%), Federal Home Loan Mortgage Corporation (14%), Federal Agriculture Mortgage Corporation (7%), Federal National Mortgage Association (12%), United States Treasuries (10%), and municipals (15%).

Securities Lending Transactions - Minnesota State Statutes authorize governmental entities to enter into securities lending agreements with specified institutions. At no time during 2014 did the City have any activity or balance in this type of an investment.

The following table reconciles cash, cash equivalents, and investments to the basic financial statements at December 31, 2014:

Governmental funds	\$ 97,589,536
Proprietary funds:	
Enterprise	10,033,565
Internal service	34,703,313
Government-wide	142,326,414
Fiduciary funds	1,656,925
Total cash, cash equivalents, and investment	143,983,339
Less restricted cash and investments	0
Net cash, cash equivalents, and investments	<u>\$ 143,983,339</u>

3. CAPITAL ASSETS

During 2014 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2014 was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 92,403,770	\$ 1,201,669	\$ -	\$ 93,605,439
Construction in progress	14,515,713	1,175,158	(14,515,713)	1,175,158
Total capital assets not being depreciated	<u>106,919,483</u>	<u>2,376,827</u>	<u>(14,515,713)</u>	<u>94,780,597</u>
Capital assets being depreciated:				
Buildings and structures	69,048,858	-	(15,000)	69,033,858
Machinery and equipment	39,915,507	2,064,290	(990,003)	40,989,794
Improvements	9,918,089	796,388	(4,909)	10,709,568
Infrastructure	256,866,204	36,506,659	-	293,372,863
Total capital assets being depreciated	<u>375,748,658</u>	<u>39,367,337</u>	<u>(1,009,912)</u>	<u>414,106,083</u>
Less accumulated depreciation for:				
Buildings and structures	(34,150,335)	(1,462,372)	15,000	(35,597,707)
Machinery and equipment	(25,958,099)	(3,060,907)	935,217	(28,083,789)
Improvements	(4,454,419)	(461,009)	4,909	(4,910,519)
Infrastructure	(89,749,087)	(7,615,156)	-	(97,364,243)
Total accumulated depreciation	<u>(154,311,940)</u>	<u>(12,599,444)</u>	<u>955,126</u>	<u>(165,956,258)</u>
Total capital assets being depreciated, net	<u>221,436,718</u>	<u>26,767,893</u>	<u>(54,786)</u>	<u>248,149,825</u>
Governmental capital assets, net	<u>328,356,201</u>	<u>29,144,720</u>	<u>(14,570,499)</u>	<u>342,930,422</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	4,714,616	-	-	4,714,616
Construction in progress	800,350	86,082	(704,400)	182,032
Total capital assets not being depreciated	<u>5,514,966</u>	<u>86,082</u>	<u>(704,400)</u>	<u>4,896,648</u>
Capital assets being depreciated:				
Buildings and structures	34,832,980	1,355,866	(16,655)	36,172,191
Machinery and equipment	2,677,608	99,036	(67,634)	2,709,010
Distribution system	126,264,566	4,913,874	-	131,178,440
Improvements	6,234,784	-	-	6,234,784
Total capital assets being depreciated	<u>170,009,938</u>	<u>6,368,776</u>	<u>(84,289)</u>	<u>176,294,425</u>
Less accumulated depreciation for:				
Buildings and structures	(14,525,270)	(733,783)	4,164	(15,254,889)
Machinery and equipment	(1,900,947)	(108,156)	67,634	(1,941,469)
Distribution system	(70,831,226)	(3,006,685)	-	(73,837,911)
Improvements	(3,810,102)	(161,264)	-	(3,971,366)
Total accumulated depreciation	<u>(91,067,545)</u>	<u>(4,009,888)</u>	<u>71,798</u>	<u>(95,005,635)</u>
Total capital assets being depreciated, net	<u>78,942,393</u>	<u>2,358,888</u>	<u>(12,491)</u>	<u>81,288,790</u>
Business-type activities capital assets, net	<u>\$ 84,457,359</u>	<u>\$ 2,444,970</u>	<u>\$ (716,891)</u>	<u>\$ 86,185,438</u>

Depreciation expense was charged to governmental functions at December 31, 2014 as follows:

General services	\$ 1,584,236
Development services	2,056,824
Public works	7,607,723
Public safety	752,599
Community services	598,062
Total depreciation expense	<u>\$ 12,599,444</u>

4. COMMITMENTS

At December 31, 2014 encumbrances totaled \$534,329 and are reported within the General Fund. At December 31, 2014, the City had commitments for twenty-four uncompleted construction contracts with a remaining balance of \$7,523,875.

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. These deductibles are considered immaterial to the financial statements. 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.

	2013	2014
Unpaid claims at beginning of year	\$1,787,826	\$2,195,842
Claims paid	(1,364,729)	(788,535)
New claims	1,772,745	1,025,244
Unpaid claims at end of year	<u>\$2,195,842</u>	<u>\$2,432,551</u>

6. LONG-TERM DEBT

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

Type of Bonds	Maturities	Rates	Balance at 12/31/14
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2015-2021	1.00 - 4.00%	\$ 4,280,000
G.O. improvement bonds	2015-2031	.80 - 5.70	50,930,000
G.O. tax increment bonds	2015-2032	3.00 - 4.30	2,970,000
Total governmental funds			<u>58,180,000</u>
Internal service funds:			
G.O. capital improvement bonds	2015-2021	.60 - 2.60	4,235,000
Total bonds			<u>\$ 62,415,000</u>

Changes in long-term liabilities during 2014 are summarized as follows:

	Balance at 01/01/14	Additions	Retirements	Balance at 12/31/14	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 9,940,000	\$ -	\$ 1,425,000	\$ 8,515,000	\$ 1,460,000
G.O. improvement bonds	60,125,000	7,465,000	16,660,000	50,930,000	6,890,000
G.O. tax increment bonds	3,095,000	-	125,000	2,970,000	120,000
Unamortized bond prems	1,445,377	177,674	101,345	1,521,706	169,336
Benefits payable	12,978,801	2,103,407	1,633,391	13,448,817	672,441
Estimated claims payable	2,195,842	1,025,244	788,535	2,432,551	1,076,632
OPEB liability	4,491,840	1,268,987	464,187	5,296,640	-
Total governmental	<u>94,271,860</u>	<u>12,040,312</u>	<u>21,197,458</u>	<u>85,114,714</u>	<u>10,388,409</u>
Business-type activities -					
Total business-type	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 94,271,860</u>	<u>\$ 12,040,312</u>	<u>\$ 21,197,458</u>	<u>\$ 85,114,714</u>	<u>\$ 10,388,409</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.

Long-term debt maturities (including interest of \$9,513,818) are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2015	\$ 8,470,000	\$ 1,658,335	\$ -	\$ -	\$ 10,128,335
2016	7,550,000	1,493,193	-	-	9,043,193
2017	7,105,000	1,296,545	-	-	8,401,545
2018	6,890,000	1,101,180	-	-	7,991,180
2019	6,130,000	913,971	-	-	7,043,971
2020-2024	20,180,000	2,388,975	-	-	22,568,975
2025-2029	5,235,000	617,878	-	-	5,852,878
2030-2032	855,000	43,741	-	-	898,741
Total	<u>\$ 62,415,000</u>	<u>\$ 9,513,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,928,818</u>

On December 18, 2014, the City issued \$7,465,000 of General Obligation Permanent Improvement Revolving Fund Bonds, Series 48 with an effective rate of 1.76%, the proceeds of which were used to provide funding for public improvements and refund \$770,000 of the 2006 General Obligation Permanent Improvement Revolving Fund Bonds, Series 40.

Current Refunding

On December 18, 2014, the City issued \$7,465,000 of General Obligation Permanent Improvement Refunding Bonds, Series 48 with an effective rate of 1.76%. A portion of the proceeds (\$770,000) and cash available will be used to refund \$1,225,000 of the City's outstanding Taxable General Obligation Permanent Improvement Revolving Fund Bonds, Series 2006 (February 2016 through February 2017 maturities) on February 1, 2015. The Series 2006 bonds have an effective interest rate of 3.74%.

The City refunded the 2006 Taxable General Obligation Permanent Improvement Refunding bonds to reduce its total debt service payments over the next 3 years by \$503,261 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$40,468.

The following is a schedule of bonds payable at December 31, 2014:

Type of Bonds	Original Amount	Maturities	Rates	Balance at Dec. 31, 2014
Governmental Activities:				
General Obligation (G.O.) Bonds:				
2007 Art Center Refunding	\$ 5,590,000	2015-2021	4.00%	\$ 3,370,000
2010 Fire Pension	2,210,000	2015-2016	1.00 - 1.90%	910,000
2010 Capital Improvement	5,900,000	2015-2021	.60 - 2.60%	4,235,000
Total G.O. Bonds	<u>13,700,000</u>			<u>8,515,000</u>
General Obligation (G.O.) Improvement Bonds:				
2006 PIR, Forty Series	5,855,000	2015	4.00%	1,845,000
2007 PIR, Forty-One Series	5,915,000	2015-2028	4.00 - 4.50%	2,955,000
2008 PIR, Forty-Two Series	9,570,000	2015-2029	3.25 - 5.00%	6,500,000
2010 PIR, Forty-Four Series	6,235,000	2015-2021	.80 - 3.50%	4,465,000
2011 PIR Refunding, Thirty-Eight Series	2,080,000	2015-2018	2.00 - 2.50%	1,340,000
2011 PIR, Forty-Five Series	7,545,000	2015-2031	2.00 - 3.375%	6,110,000
2012 PIR Refunding, Thirty-Nine Series	5,900,000	2015-2025	3.00%	5,900,000
2012 PIR, Forty-Six Series	5,615,000	2015-2023	2.00 - 3.00%	5,035,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2015-2030	2.40 - 3.25%	5,135,000
2013 PIR, Forty-Seven Series	4,180,000	2015-2024	2.10 - 3.00%	4,180,000
2014 PIR, Forty-Eight Series	7,465,000	2015-2025	2.00 - 2.50%	7,465,000
Total G.O. Improvement Bonds	<u>65,495,000</u>			<u>50,930,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2011 Serial Refunding Bonds	3,095,000	2015-2032	3.00 - 4.30%	2,970,000
Total G.O. Tax Increment Bonds	<u>3,095,000</u>			<u>2,970,000</u>
Total governmental activities	<u>82,290,000</u>			<u>62,415,000</u>
Total bonds payable	<u>\$ 82,290,000</u>			<u>\$ 62,415,000</u>

PIR = Permanent Improvement Revolving

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
Governmental Activities:								
General Obligation (G.O.) Bonds:								
2007 G.O. Arts Center Refunding Bds Feb-07	Refund 2000 Arts Center Bonds - Crossover	Debt Service Tax Levy	100%	n/a	2007 - 2021	\$ 3,859,800	\$ 563,200	563,200
2010 G.O. Fire Pension Bonds Nov-10	Payment of a portion of the City's Pension Obligation	Debt Service Tax Levy	100%	n/a	2012 - 2016	928,300	462,600	462,600
2010 Capital Improvement Bonds Nov-10	Paid Port Authority Lease Revenue Bonds	Debt Service Tax Levy	100%	n/a	2012 - 2021	4,575,834	652,073	652,073
General Obligation (G.O.) Improvement Bonds:								
2006 PIR Bonds, Forty Series Nov-06	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	33% 67%	n/a n/a	2006 - 2017	1,954,500	685,800	685,800
2007 PIR Bonds, Forty-One Series Dec-07	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	55% 45%	n/a n/a	2007 - 2028	3,448,016	640,369	640,369
2008 PIR Bonds, Forty-Two Series Oct-08	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	76% 24%	n/a n/a	2008 - 2029	8,425,836	948,768	948,768
2010 PIR Bonds, Forty-Four Series Nov-10	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	39% 61%	n/a n/a	2012 - 2021	4,945,559	722,192	722,192
2011 PIR Bonds, Forty-Five Series Nov-11	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	28% 72%	n/a n/a	2013 - 2031	6,821,850	868,738	868,738
2011 PIR Refunding, Thirty-Eight Srs Nov-11	Refunding 2003 PIR Bonds Infrastructure Improvements	Special Assessments Debt Service Tax Levy	12% 88%	n/a n/a	2013 - 2018	1,406,412	365,125	365,125
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	6,839,150	177,000	177,000
2012 PIR Bonds, Forty-Six Srs Jun-12	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	48% 52%	n/a n/a	2014 - 2023	5,646,463	710,075	710,075
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	5,961,277	108,344	108,344
2013 PIR Bonds, Forty-Seven Srs Nov-13	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	24% 76%	n/a n/a	2015 - 2024	4,748,901	81,915	81,915
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	8,303,182	-	-
General Obligation (G.O.) Tax Increment Bonds:								
2011 Serial G.O. TIF Refunding Bds Nov-11	Refund 2003 & 2004 TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2013 - 2032	4,136,308	236,440	236,440

General Obligation (G.O.) Bonds:

- 2007 Art Center Refunding. The City has pledged future tax ad valorem revenue to repay the \$5,590,000 bonds issued in February 2007. Proceeds from the bonds refunded the 2000 Arts Center Bonds on February 1, 2008. 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 \$3,859,800, payable through February 2021. For the current year, principal and interest paid and total tax levy revenues were \$563,200 and \$563,200, respectively.
- 2010 Fire Pension Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,210,000 bonds issued in November 2010. Proceeds from the bonds were used to fund a portion of the City's required contribution to the single-employer public employee retirement plan operated by the Bloomington Fire Department Relief Association. 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 \$928,300, payable through February 2016. For the current year, principal and interest paid and total tax levy revenues were \$462,600 and \$462,600, respectively.
- 2010 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 debt service payments through the life of the bonds. Total principal and interest remaining on the bonds is \$4,575,834, payable through February 2021. For the current year, principal and interest paid and total tax levy revenues were \$652,073 and \$652,073, respectively.

General Obligation (G.O.) Improvement Bonds:

- 2006 PIR, Forty Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,855,000 bonds issued in November 2006. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 67% and special assessments were projected to produce 33% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,954,500, payable through February 2017. These bonds will be refunded on February 1, 2015 with available cash and proceeds from the 2014 Serial Bonds. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$685,800 and \$685,800, respectively.
- 2007 PIR, Forty-One Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,915,000 bonds issued in December 2007. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 45% and special assessments were projected to produce 55% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,448,016, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$640,369 and \$640,369, respectively.
- 2008 PIR, Forty-Two Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$9,570,000 bonds issued in October 2008. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 24% and special assessments were projected to produce 76% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$8,425,836, payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$948,768 and \$948,768 respectively.

- 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 \$4,945,559, payable through February 2021. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$722,192 and \$722,192, 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 \$6,821,850, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$868,738 and \$868,738, respectively.
- 2011 PIR Refunding, Thirty-Eight Series. The City has pledged future tax ad valorem revenue to repay the \$2,080,000 bonds issued in November 2011. Proceeds from the bonds refunded the 2003 PIR, 38 Series Bonds on February 1, 2012. Tax levies were projected to produce 88% and special assessments were projected to produce 12% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,406,412, payable through February 2018. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$365,125 and \$365,125, 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 \$6,839,150, payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$177,000 and \$177,000, 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 \$5,646,463, payable through February 2023. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$710,075 and \$710,075, 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 \$5,961,277, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$108,344 and \$108,344, 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 \$4,748,901, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$81,915 and \$81,915, 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 will partially refund the 2006 PIR, 40 Series Bonds on February 1, 2015 and provide 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 \$8,303,182 payable through February 2025. 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:

- 2011 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 \$4,136,308, payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$236,440 and \$236,440, respectively.

7. FUND BALANCE/NET POSITION

A. GOVERNMENTAL CLASSIFICATIONS

At December 31, 2014, a summary of the governmental fund balance classifications is as follows:

	General Fund	Improvement Bonds	Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items, inventory	\$ 3,952	\$ -	\$ -	\$ -	\$ -	\$ 3,952
Restricted for:						
Debt service	-	16,240,433	-	-	1,349,595	17,590,028
Abatement purposes	-	-	-	1,331,004	-	1,331,004
Tax increment purposes	-	-	21,529,112	-	-	21,529,112
Public safety	-	-	-	-	831,260	831,260
Public health	-	-	-	-	113,481	113,481
Grant purposes	-	-	-	-	20,478	20,478
Art Center	-	-	100,093	-	-	100,093
Cemetery	-	-	-	-	865,105	865,105
Bridge reconstruction	-	-	301,450	-	-	301,450
Street reconstruction	-	-	-	6,908,376	-	6,908,376
Total restricted	-	16,240,433	21,930,655	8,239,380	3,179,919	49,590,387
Committed:						
Encumbrances	534,329	-	-	-	-	534,329
Budget carryovers	716,167	-	-	-	-	716,167
Capital purposes	-	-	-	-	39,673	39,673
Park development	-	-	1,243,628	-	-	1,243,628
Public safety	-	-	-	-	969,174	969,174
Future projects	-	-	3,698,244	-	-	3,698,244
Communications	-	-	-	-	478,474	478,474
Total committed	1,250,496	-	4,941,872	-	1,487,321	7,679,689
Assigned for:						
Capital purposes	-	-	-	-	543,171	543,171
Street reconstruction	-	-	-	6,244,950	12,807,627	19,052,577
Total assigned	-	-	-	6,244,950	13,350,798	19,595,748
Unassigned	23,388,858	-	-	-	-	23,388,858
Total fund balances	<u>\$ 24,643,306</u>	<u>\$ 16,240,433</u>	<u>\$ 26,872,527</u>	<u>\$ 14,484,330</u>	<u>\$ 18,018,038</u>	<u>\$100,258,634</u>

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, 2014, the fund balance of the General Fund was \$24,643,306, 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, 2014:

<u>Fund/Component Unit</u>		<u>Receivable</u>	<u>Payable</u>
General Fund	(1)	\$ 208,000	\$ -
Capital Projects	(1)	1,100,000	-
Improvement Construction	(1)	-	1,100,000
Enterprise Funds:			
Water/Wastewater Fund	(2)	431,436	-
Internal Service Fund	(2)	-	431,436
Nonmajor enterprise funds	(1)	-	86,000
Nonmajor governmental funds	(1)	-	122,000
Total		<u>1,739,436</u>	<u>1,739,436</u>
Primary Government:			
General Fund		\$ 174,547	\$ -
Community Development Block Grant Fund		-	78,645
Capital Projects Fund		3,543,974	2,785,056
Bonds receivable – due:			
Within one year		120,000	-
In more than one year		2,931,980	-
Component Units:			
Housing and Redevelopment Authority:			
Primary government		78,645	140,579
Bonds payable – due:			
Within one year		-	120,000
In more than one year		-	2,931,980
Port Authority		<u>2,785,056</u>	<u>3,577,942</u>
		<u>\$ 9,634,202</u>	<u>\$ 9,634,202</u>

Interfund receivables and payables represent (1) lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year and (2) a loan to an Internal Service Fund for facilities construction.

The following is a schedule of interfund transfers for the year ended December 31, 2014:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Community Dev. Block Grant	\$ 26,455
	Capital Projects	2,623,572
	Nonmajor Governmental	153,000
	Nonmajor Enterprise	31,241
	Internal Service	35,004
Total General		<u>2,869,272</u>
Capital Projects	Improvement Construction	175,000
	Nonmajor Governmental	240,000
Total Capital Projects		<u>415,000</u>
Nonmajor Governmental	Internal Service	<u>115,392</u>
Nonmajor Enterprise	General Fund	<u>249,996</u>
Recreational Facilities	Capital Projects	<u>800,000</u>
Improvement Bonds	Improvement Construction	<u>729,182</u>
Improvement Construction	Improvement Bonds	<u>84,851</u>
Internal Service	Nonmajor Governmental	31,000
	Storm Water	39,996
	Internal Service	39,996
	General Fund	244,944
	Capital Projects	1,450,000
Total Internal Service		<u>1,805,936</u>
Total		<u>\$ 7,069,629</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

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.

A. 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 will 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, 2014.

B. 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 BENEFIT PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

PLAN DESCRIPTION

All full-time and certain part-time employees of the City of Bloomington (except for the City Manager who may choose to be exempt from coverage at time of employment) are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

The majority of City members belong to the GERF Coordinated Plan. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement 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.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088, calling (651) 296-7460 or 1-800-652-9026, or on the web at www.mnpera.org.

FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2014. PEPFF members were required to contribute 10.20% of their annual covered salary in 2014. The City is required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERP members and 15.30% for PEPFF members.

The City's contributions to the General Employees Retirement Fund for the years ended December 31, 2014, 2013, and 2012 were \$2,257,355, \$2,233,242, and \$2,122,329, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ended December 31, 2014, 2013, and 2012 were \$1,772,263, \$1,642,645, and \$1,541,070, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

RELATED-PARTY INVESTMENTS

As of June 30, 2014 and for the fiscal year then ended, PERA held minimal, if any, securities issued by the City, its components, or other related parties.

B. BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION (THE ASSOCIATION)

PLAN DESCRIPTION

The City may levy taxes on behalf of a single-employer public employee retirement plan operated by the Association for volunteer firefighters.

Volunteer firefighters of the City are members of the Association. A member of the Association who has completed 20 or more years of service as a volunteer of the Fire Department shall, after age 50 and retirement, be entitled to a basic pension of 33-1/3% of the average of the highest paid non-officer police officer's pay over the last 3 years, in conformance with the by-laws of the Association. Disability benefits are the same as a normal pension and are payable while the member remains disabled. After age 50, the normal retirement benefit is payable. These benefit provisions and all other requirements are consistent with enabling Minnesota Statutes.

Volunteers of the Fire Department are required to contribute \$144 per year of their gross earnings to the Association. If a member leaves the department after 20 years of service, and has attained age 50, the accumulated contributions plus earned interest are refunded to the member or designated beneficiary. The City levies property taxes at the direction of and for the benefit of the Association and passes through state aids allocated to the plan, all in accordance with enabling Minnesota Statutes.

The Association's actuarial accrued liability is determined as part of an annual actuarial valuation on January 1, 2015. Significant methods are as follows:

- The most recent actuarial valuation date is January 1, 2015.
- Actuarial cost is determined using the Entry Age Normal Cost Method expressed as a level percentage of earnings.
- Actuarial value of assets is market value.
- The unfunded accrued liability is amortized using a 20-year rolling end date.

Significant actuarial assumptions are as follows:

- Investment rate of return: 6% per annum.
- Payroll increase : 4% for 2014, and 4% per annum thereafter
- Cost of Living Adjustment (COLA): Based on increases in index salary
- Inflation rate: N/A
- Mortality assumptions:
 - Pre-retirement - RP 2000 Non-annuitant Generational Mortality Table with white collar adjustment, set back two years for males and females.
 - Post-retirement - RP 2000 Annuitant Generational Mortality Table with white collar adjustment, for males and females.
 - Post-disability - RP 2000 Non-annuitant Mortality Table with white collar adjustment, set forward eight years for males and females.

From 2007 to 2014 there were no significant changes to plan provisions and actuarial methods and assumptions.

The Association issues a publicly available financial report that includes financial statements and required supplementary information for the Association. That report may be obtained by writing to the Bloomington Fire Department Relief Association, 1800 West Old Shakopee Road, Bloomington, MN 55431, or by calling (952) 563-8700.

FUNDING POLICY

The Association's funding policy provides for contributions from the State and the City in amounts sufficient to accumulate sufficient assets to pay benefits when due. The annual contribution is the sum of the normal cost, the state contribution payment, and the provision for administrative expenses. The normal cost is a level percentage of pay assuming each firefighter would earn the same as a Bloomington police officer. The Bloomington Fire Department is comprised of volunteers; therefore, there are no covered payroll percentage calculations.

For the year ended December 31, 2014, the City made a contribution of \$2,548,092 to the Association. For the years ended 2013 and 2012, the City contributed \$1,911,112 and \$1,852,639, respectively. During the year, the City recognized as revenue and an expenditure on-behalf payments of \$622,164 made by the State of Minnesota for the Fire Relief Association. The City's contributions were in conformance to the contractually required contributions for each year as set by state statute.

ANNUAL PENSION COST AND NET PENSION OBLIGATION

Three-year trend information for the Association is as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>City Contributions</u>	<u>State Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$2,105,542	\$1,852,639	\$361,567	105%	-
12/31/13	2,199,801	1,911,112	401,714	105	-
12/31/14	3,016,121	2,548,092	622,164	105	-

Note: The annual pension cost is actuarially determined. The City, if necessary, and State are required by statute to make contributions, all of which have been made. The State's contributions on behalf of the City are recorded in a non-major special revenue fund as revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION Schedule of Funding Progress for the Association

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) (B)</u>	<u>Unfunded AAL (UAAL) (B)-(A)</u>	<u>Funded Ratio (A)/(B)</u>	<u>Annual Covered Payroll* (Previous FY) (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
12/31/12	\$122,544,915	124,210,384	\$1,665,469	98.7%	\$ 9,069,840	17.2%
12/31/13	143,611,691	129,441,911	(14,169,780)	111.0	9,668,988	(140.2)
12/31/14	152,114,148	133,798,748	(18,315,400)	113.7	10,110,384	(181.2)

*Annual covered payroll is based on the assumption that each active plan member earns the most recent three-year average salary rates of the highest paid non-supervisory police officer in the City of Bloomington. Because all active plan members are volunteers, there is no actual payroll.

12. POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 11, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees and police and firefighters disabled in the line of duty, through a single-employer defined benefit plan. The term *Plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance.

The Other Post Employment Benefit (OPEB) plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B. BENEFITS PROVIDED

RETIREES

The City is required by State Statute to allow a retiree to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Eligibility for continuing group health and dental insurance for City retirees is defined as follows:

Eligibility Requirements

The following eligibility requirements are the minimum allowed under Minnesota Statutes 471.61 and 299A.465 for local government entities:

- At retirement, employees of the City of Bloomington receiving a retirement or disability benefit, from a Minnesota public pension plan (other than a volunteer Firefighter plan) may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement.
- For peace officers or firefighters disabled in the line of duty, Minnesota Statute 299A.465 requires the peace officer's or firefighter's employer to continue payment of the employer's contribution toward health coverage for the peace or firefighter and their dependents, if the dependents were covered at the time of the disability, until age 65.
- Retirees may continue spouse/dependent coverage at retirement or add such coverage at the spouse's retirement or the beginning of an enrollment year. Covered spouses/dependents may continue coverage after the retiree's death.

Length of coverage

- Retirees and spouses/dependents are eligible to continue coverage in the City's group health insurance plans until they obtain Medicare coverage (usually at age 65) or until dependents become ineligible under the contract, provided the above eligibility requirements are met and applicable premiums are paid. Retirees may drop spouse or dependent coverage and maintain coverage for themselves. Retirees that elect not to continue health coverage, at any time, are not eligible to re-enroll in the City's group health insurance plan.
- Upon obtaining Medicare coverage, retirees and spouses are eligible to continue coverage in a City-sponsored Medicare Supplemental Plan (HealthPartners Freedom, Medica Prime Solution, or UCare Minnesota).
- Surviving spouses may maintain coverage after a retiree's death provided the applicable premiums are paid.

All health care coverage is provided through the City's group health insurance plans. The retirees are required to pay 100% of the premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Retirees and spouses are eligible to remain in the City-sponsored group health insurance plan until death or the obtainment of Medicare, provided the applicable premiums are paid timely and coverage does not cease at any time.

DISABLED PEACE OFFICERS AND FIREFIGHTERS

In accordance with Minnesota Statute 299A.465, the City is responsible to continue payment of the City's contribution toward health coverage for peace officers or firefighters disabled in the line of duty; or a surviving spouse and/or dependents of a peace officer or firefighters killed in the line of duty. A peace officer is defined in the City as a sworn police officer. The only firefighters eligible for health coverage under the City's policy are the Fire Chief and Assistant Fire Chief. The City's contribution continues until the peace officer or firefighter reaches age 65 or the spouse/dependents are no longer eligible under the contract.

In 2014, the City paid \$85,715 for health insurance premiums for disabled public safety retirees and recognized this amount as an expense. The State reimburses the City annually for a portion of the City's costs; in 2014, the City recognized as revenue a \$29,182 reimbursement from the State.

ACTIVE DEATH BENEFITS

The City will pay 100% of the group health insurance premium for an employee's dependents for two years after the employee's death and 0% thereafter.

C. PARTICIPANTS

As of the most recent actuarial valuation dated January 2013, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	139
Active employees with coverage	531
Active employees without coverage	<u>1</u>
Total	<u><u>671</u></u>
Participating employers	<u>1</u>

D. FUNDING POLICY

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time.

E. ANNUAL OPEB COSTS AND NET OPEB OBLIGATION

The City's annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2014, was calculated as follows:

Annual required contribution (ARC)	\$ 1,264,036
Interest on net OPEB obligation	179,674
Adjustment to ARC	(174,723)
Annual OPEB cost	1,268,987
Contributions made during the year (1)	(464,187)
Increase (decrease) in net OPEB obligation	804,800
Net OPEB obligation – beginning of year	4,491,840
Net OPEB obligation – end of year	<u>\$ 5,296,640</u>

- (1) Employer contributions (Pay-As-You-Go costs) in 2014 will be actuarially determined at the end of the year and will equal the retiree costs less contributions paid by retirees.

For the governmental activities, other post employment benefits are liquidated through the Insured Benefits Fund.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$ 1,323,996	\$ 487,250	36.8%	\$ 3,664,834
12/31/13	1,222,982	395,976	32.4	4,491,840
12/31/14	1,268,987	464,187	36.6	5,296,640

F. FUNDED STATUS AND FUNDING PROGRESS

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits; therefore, the actuarial value of assets is zero. The funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/12	\$ -	\$ 13,849,388	\$ 13,849,388	0.0%	\$ 36,760,000	37.7%
01/01/13	-	11,193,424	11,193,424	0.0	37,374,000	29.9
01/01/14	-	11,976,962	11,976,962	0.0	38,776,000	30.9

*Using the entry age normal actuarial pay cost method.

G. ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The remaining amortization period at December 31, 2014 is 23 years.

In the January 1, 2013 actuarial valuation, the Entry-age Normal Level Percent of Pay cost method was used. The following assumptions were used:

- Discount rate – 4% (pay-as-you-go funding)
- Inflation rate – 3%
- Payroll growth rate – 3.75%
- Salary increase rates – the salary increase rates used in the PERA plan of which the employee is a participant.
- Mortality rates – the mortality rates used in the PERA plan of which the employee is a participant.
- Retirement rates – the retirement rates used in the PERA plan of which the employee is a participant.
- Dependent status – the marital percentage assessed in 75% of males and 70% of females. Current and future retirees were assumed to have no dependent children.
- Healthcare Cost Trend Rate – a 2014 rate of 9.0%, reducing .50% each year over 10 years.

13. RECEIVABLES AND DEFERRED INFLOWS

Receivables not expected to be collected within one year are mortgages receivable of \$8,348,890 and deferred special assessments receivable of \$18,161,056. 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	\$ 398,169	\$ -	\$ 20,100	\$ -	\$ -	\$ 418,269
Community Development						
Block Grant	-	-	-	9,276,544	-	9,276,544
Capital Projects	-	-	1,745,868	-	9,740,351	11,486,219
Improvement Construction	-	402,306	-	-	-	402,306
Improvement Bonds	-	-	18,412,983	-	-	18,412,983
Total Major Funds	398,169	402,306	20,178,951	9,276,544	9,740,351	39,996,321
Nonmajor Funds	-	42,822	-	-	606,477	649,299
Total Deferred Inflows	<u>\$ 398,169</u>	<u>\$ 445,128</u>	<u>\$ 20,178,951</u>	<u>\$ 9,276,544</u>	<u>\$ 10,346,828</u>	<u>\$ 40,645,620</u>

14. SUBSEQUENT EVENT

Management has evaluated subsequent events through June 18, 2015, the date the Independent Auditor's Report was available to be issued, and concluded that there are no subsequent events that require disclosure.

15. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Units - Notes 1 through 14 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. As of December 31, 2014, 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.

At December 31, 2014, the carrying amount of the Port Authority's deposits with financial institutions is \$145,594 and the bank balances totaled \$150,138.

B. INVESTMENTS

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

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

At December 31, 2014, the Port Authority had the following investments and maturities:

Investment Type	Fair Value	Less than Six Months	Six Months To One Year	One Year to Two Years	Two Years to Five Years
Money Market	\$ 37,270,222	\$37,270,222	\$ -	\$ -	\$ -
Federal Home Loan Banks Note	-	-	-	-	-
Federal Home Loan Mortgage Corporation Note	-	-	-	-	-
Federal National Mortgage Association Note	-	-	-	-	-
Municipal	10,004,870	1,004,330	4,006,990	-	4,993,550
Total investments	47,275,092	<u>\$38,274,552</u>	<u>\$ 4,006,990</u>	<u>\$ -</u>	<u>\$ 4,993,550</u>
Total deposits	<u>145,594</u>				
Total cash, cash equivalents, and investments	<u>\$ 47,420,686</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, 2014, 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.

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

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, 2014 the Port Authority held no commercial paper. The Port Authority's investments in money market funds, and the municipal investments are all rated AA or better by Standard & Poor's and Moody's Investors Service.

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: Municipals (21%).

Committed Contracts

At December 31, 2014, the Port had a commitment for a construction contract in the Capital Projects fund with a remaining balance of \$9,409,373.

Long-term Debt

On December 6, 2013 the Port Authority placed \$4,649,485 into an irrevocable trust with an escrow agent to be used solely for satisfying schedule payments of both interest and principal of the Special Tax Revenue Refunding Bonds of 2009. Because the possibility that the Port Authority will be required to make future payments on that debt is remote, the debt is considered defeased (paid) for accounting and financial reporting purposes and is no longer reported as a liability. The amount of debt defeased but still outstanding including principal and interest on the bonds is \$3,095,825, payable through February 2016.

Due from City

The Port Authority issued a loan to the City in 2012 for the Mall of America ramp lighting project. The amount due on that loan as of December 31, 2014 is \$1,285,053. At December 31, 2014 other payments due to the Port Authority were \$1,500,003.

Due to City

At December 31, 2014, the Port Authority owed the City \$504,342 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 \$3,073,601, the proceeds of which were used to catch up special assessments owed and \$2,000,000 for future special assessments that will be levied for public improvements. The expected repayment to the City in 2015 is \$131,063.

Loan Receivable

In 2014 the Port Authority loaned a developer \$2 million at an interest rate of four percent. Semi-annual principal payments are scheduled to begin in 2016 with the last payment scheduled in 2021. The balance at December 31, 2014, including interest, was \$2,040,000.

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

Governmental Classifications

At December 31, 2014, a summary of the governmental fund balance classifications is as follows:

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable -				
Prepaid items	\$ 16,500	\$ -	\$ -	\$ 16,500
Restricted for -				
Tax increment purposes	-	-	47,162,557	47,162,557
Committed -				
Capital purposes	-	-	150,911	150,911
Unassigned	36,991	-	-	36,991
Total fund balances	<u>\$ 53,491</u>	<u>\$ -</u>	<u>\$ 47,313,468</u>	<u>\$ 47,366,959</u>

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, 2014 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	\$ 459,581	\$ 90,386

Investment balances at December 31, 2013 were:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
Money market	01/01/15	\$ 4,242,424	100%
Total investments		4,242,424	<u>100.0%</u>
Total deposits		<u>90,386</u>	
Net cash, cash equivalents, and investments		<u>\$ 4,332,810</u>	

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

Capital Assets and Land Held for Resale

Changes in general capital assets during 2014 are summarized as follows:

	Balance 1/1/14	Additions	Retirements	Balance 12/31/14
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 130,300	\$ -	\$ -	\$ 130,300
Capital assets being depreciated -				
Machinery and equipment	30,764	-	-	30,764
Less accumulated depreciation for -				
Machinery and equipment	(24,482)	(2,513)	-	(26,995)
Total capital assets being depreciated, net	6,282	(2,513)		3,769
Governmental activities capital assets, net	\$ 136,582	\$ (2,513)	\$ -	\$ 134,069
Business-type activities:				
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	(1,789,098)	(98,170)	-	(1,887,268)
Total capital assets being depreciated, net	1,496,519	(98,170)	-	1,398,349
Business-type activities capital assets, net	\$2,966,519	\$ (98,170)	\$ -	\$ 2,868,349

Land held for resale activity for the year ended December 31, 2014, was as follows:

	Balance 1/1/14	Additions	Retirements	Balance 12/31/14
Land Held for Resale (Inventory)	\$ 3,935,313	\$ 182,472	\$ (3,244,500)	\$ 873,285

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

Long-Term Debt and Obligations Due to Primary Government

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 12/31/14</u>
Governmental activities -				
Due to primary government:				
2011 Crossover Refunding Bonds	<u>\$ 3,095,000</u>	2015-2032	3.00 – 4.35%	<u>\$ 2,970,000</u>
Total	<u>\$ 3,095,000</u>			<u>\$ 2,970,000</u>
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>
Total	<u>\$ 1,574,720</u>			<u>\$ 1,574,720</u>

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 2014 are summarized as follows:

	<u>Balance 1/01/14</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/14</u>	<u>Due Within One Year</u>
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$3,095,000	\$ -	\$ (125,000)	\$ 2,970,000	\$ 120,000
Business-type Activities -					
Enterprise Fund Loan					
Agreements	<u>1,574,720</u>	-	-	<u>1,574,720</u>	-
Total	<u>\$ 4,669,720</u>	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ 4,544,720</u>	<u>\$ 120,000</u>

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 December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2015	\$ 120,000	\$ 107,765	\$ -	\$ -	\$ 227,765
2016	125,000	104,090	-	-	229,090
2017	135,000	100,190	-	-	235,190
2018	135,000	96,140	-	-	231,140
2019	140,000	92,015	-	-	232,015
2020-2024	750,000	393,160	1,324,720	-	2,467,880
2025-2029	945,000	234,950	-	-	1,179,950
2030-2032	620,000	37,998	250,000	-	907,998
Total	<u>\$ 2,970,000</u>	<u>\$ 1,166,308</u>	<u>\$ 1,574,720</u>	<u>\$ -</u>	<u>\$ 5,711,028</u>

Fund Balance Classifications

At December 31, 2014 a summary of the governmental fund balance classifications is as follows:

	General Fund	Housing Develop	Redevelop	Section 8 Vouchers	Housing Rehab	TIF Special Revenue	Capital Projects	Totals
Nonspendable:								
Long term receivables	\$ -	\$ 387,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,436
Prepaid items	-	-	-	327,973	-	-	-	327,973
Restricted for:								
Tax increment purposes	-	-	223,890	-	-	1,013,955	-	1,237,845
HUD rehab loans	-	-	-	-	70,697	-	-	70,697
Committed to:								
Development activities	-	5,930,144	-	-	-	-	-	5,930,144
Rehabilitation loans	-	-	-	-	1,489,814	-	-	1,489,814
Assigned	-	-	-	-	-	-	817	817
Unassigned	490,012	-	-	(281,631)	-	(4,892,174)	-	(4,683,793)
Total fund balances	<u>\$ 490,012</u>	<u>\$ 6,317,580</u>	<u>\$ 223,890</u>	<u>\$ 46,342</u>	<u>\$ 1,560,511</u>	<u>\$ (3,878,219)</u>	<u>\$ 817</u>	<u>\$ 4,760,933</u>

Due to the City

At December 31, 2014, the HRA owed the City \$140,579 for services and facilities provided to the HRA and \$120,000 for the current portion and \$2,931,980 for the long-term portion of the debt obligation.

Due to HRA

At December 31, 2014, the City owed a total of \$78,645 to the HRA for HRA rehabilitation loan program activities.

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

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, 2014, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$2.2 million.

The following table shows the balance of the conduit debt obligations as of December 31, 2014:

	Original Balance	Beginning Balance 1/01/14	Additions	Less Payments/ Refinance	Ending Balance 12/31/14
Masonic Homes	\$ 4,000,000	\$ 2,300,000	\$ -	\$ (100,000)	\$ 2,200,000

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 of Bloomington. 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 loans (including interest) from repayments will be recognized as revenue by the HRA when received. The Neighborhood loan balances outstanding, including interest, total \$4,232,538. 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 provides \$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 outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.

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 Hennepin 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 Hennepin County. The HRA and Hennepin County alternate the loans which are committed in terms of who is the mortgage holder. The HRA loans are recognized as mortgages receivable and deferred inflows 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.

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

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 2014 the mortgage note and interest totaling \$698,787 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.

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 88th 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.

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

The following table shows the balance of the mortgage loans receivable as of December 31, 2014:

	Balance 01/01/14	Additions	Interest	Payments Received	Balance 12/31/14
Neighborhood Loans	\$ 4,251,825	\$ 8,380	\$ 67,183	\$ (94,850)	\$ 4,232,538
Foreclosure Loans	434,362	-	18,780	(11,738)	441,404
CEP II Loans	216,978	235,960	17,274	-	470,212
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	686,607	-	12,180	-	698,787
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	230,520	-	6,916	-	237,436
Blooming Glen	237,742	-	6,000	-	243,742
Blooming Glen	290,000	-	-	-	290,000
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	2	-	-	(1)	1
Total	<u>\$ 7,418,036</u>	<u>\$ 244,340</u>	<u>\$ 128,333</u>	<u>\$ (106,589)</u>	<u>\$ 7,684,120</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.

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.



REQUIRED SUPPLEMENTARY INFORMATION



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, 2014

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 37,450,658	\$ 37,450,658	\$ 37,497,251	\$ 46,593
Fiscal disparities	3,000,000	3,000,000	3,193,380	193,380
Special assessments	-	-	10,446	10,446
Lodging and admissions tax	7,416,550	7,416,550	8,194,438	777,888
Business licenses	4,468,425	4,468,425	5,864,807	1,396,382
Fines and forfeitures	1,150,000	1,150,000	1,061,974	(88,026)
Intergovernmental	2,156,957	2,200,657	2,323,116	122,459
Program income	2,134,428	2,183,678	2,215,136	31,458
Interest	75,000	75,000	112,312	37,312
Net change in fair value of investments	-	-	62,048	62,048
Other	788,522	807,647	1,195,337	387,690
Total revenues	58,640,540	58,752,615	61,730,245	2,977,630
EXPENDITURES				
General Government	570,548	556,048	543,347	12,701
City Manager	348,364	313,364	265,452	47,912
Legal	1,285,931	1,308,431	1,308,133	298
Human Resources	670,161	601,579	575,894	25,685
Finance	1,087,212	1,078,312	1,054,512	23,800
Public Safety	25,487,607	25,387,659	25,302,585	85,074
Community Development	6,985,873	6,985,873	6,693,650	292,223
Community Services	12,331,880	12,424,918	12,086,024	338,894
Public Works	10,034,246	10,370,493	9,888,895	481,598
Technical Services	2,694,522	2,665,735	2,638,080	27,655
Contingency/estimated unspent	(539,184)	(650,184)	20,000	(670,184)
Total expenditures	60,957,160	61,042,228	60,376,572	665,656
Excess (deficiency) of revenues over (under) expenditures	(2,316,620)	(2,289,613)	1,353,673	3,643,286
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,811,570	2,811,570	2,869,272	57,702
Transfers to other funds	(494,950)	(494,950)	(494,940)	10
Total other financing sources	2,316,620	2,316,620	2,374,332	57,712
Net change in fund balance	-	27,007	3,728,005	3,700,998
Fund balance - January 1	20,691,737	19,270,575	20,915,301	1,644,726
Fund balance - December 31	\$ 20,691,737	\$ 19,297,582	\$ 24,643,306	\$ 5,345,724

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
Year Ended December 31, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 919,321	\$ 450,213	\$ (469,108)
Program income	-	400,000	456,848	56,848
Total revenues	-	1,319,321	907,061	(412,260)
EXPENDITURES				
Current -				
Development services	-	1,284,321	897,143	387,178
Total expenditures	-	1,284,321	897,143	387,178
Excess (deficiency) of revenues over (under) expenditures	-	35,000	9,918	(25,082)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(35,000)	(26,455)	8,545
Net change in fund balance	-	-	(16,537)	(16,537)
Fund balance - January 1	16,537	16,537	16,537	-
Fund balance - December 31	\$ 16,537	\$ 16,537	\$ -	\$ (16,537)

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress - Retiree Health Plan
Year Ended December 31, 2014

EXHIBIT A-3

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
January 1, 2012	\$ -	\$ 13,849,388	\$ 13,849,388	0.0%	\$ 36,760,000	37.7%
January 1, 2013	-	11,193,424	11,193,424	0.0%	37,374,000	29.9%
January 1, 2014	-	11,976,962	11,976,962	0.0%	38,776,000	30.9%

*Using the entry age normal actuarial pay cost method.

CITY OF BLOOMINGTON, MINNESOTA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

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, City Manager's Office, Legal, and Human Resources) 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, 2014.

SUPPLEMENTARY INFORMATION



CITY OF BLOOMINGTON, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Public Health Special Revenue 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 Special Revenue 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 Special Revenue 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.

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.

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 FUNDS

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.

State Aid Construction – This fund accounts for the state allotment of gasoline tax collections for road construction.

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

				Special Revenue				
	Public Health Special Revenue	Public Safety Special Revenue	Communications	Parks Grants	Community Landscape	South Loop Revolving Dev	Cemetery Trust	
ASSETS								
Cash, cash equivalents and investments	\$ 339	\$ 1,765,097	\$ 225,756	\$ 238,799	\$ 1,102	\$ 38,346	\$ 862,652	
Accrued interest receivable	56	8,752	838	366	-	225	2,453	
Taxes receivable	-	-	-	-	-	-	-	
Accounts receivable	-	35,042	296,110	-	-	-	-	
Land held for resale	-	-	-	-	-	-	-	
Due from other governments	207,600	136,841	-	542	-	-	-	
Total assets	\$ 207,995	\$ 1,945,732	\$ 522,704	\$ 239,707	\$ 1,102	\$ 38,571	\$ 865,105	
LIABILITIES								
Accounts payable	\$ 36,476	\$ 54,283	\$ 44,230	\$ 2,345	\$ -	\$ -	\$ -	
Retainage payable	-	-	-	-	-	-	-	
Due to other funds	2,000	84,000	-	-	-	-	-	
Unearned revenue	56,038	60,996	-	216,884	-	-	-	
Deposits payable	-	-	-	-	-	-	-	
Total liabilities	94,514	199,279	44,230	219,229	-	-	-	
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows - state aid	-	-	-	-	-	-	-	
Deferred inflows - land held for resale	-	-	-	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	-	-	-	
FUND BALANCES								
Restricted	113,481	831,260	-	20,478	-	-	865,105	
Committed	-	915,193	478,474	-	1,102	38,571	-	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total fund balances	113,481	1,746,453	478,474	20,478	1,102	38,571	865,105	
Total liabilities, deferred inflows of resources, and fund balances	\$ 207,995	\$ 1,945,732	\$ 522,704	\$ 239,707	\$ 1,102	\$ 38,571	\$ 865,105	

EXHIBIT B-1

Total	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	G.O. Tax Increment	General Obligation Bonds	Total	Developer Escrow	State Aid Construction	Total	
\$ 3,132,091	\$ 45,306	\$ 1,332,824	\$ 1,378,130	\$ 685,487	\$ 12,949,862	\$ 13,635,349	\$ 18,145,570
12,690	18	2,614	2,632	2,652	35,610	38,262	53,584
-	-	4,833	4,833	-	-	-	4,833
331,152	-	-	-	-	54,587	54,587	385,739
-	-	-	-	-	606,477	606,477	606,477
344,983	-	-	-	-	393,357	393,357	738,340
<u>\$ 3,820,916</u>	<u>\$ 45,324</u>	<u>\$ 1,340,271</u>	<u>\$ 1,385,595</u>	<u>\$ 688,139</u>	<u>\$ 14,039,893</u>	<u>\$ 14,728,032</u>	<u>\$ 19,934,543</u>
\$ 137,334	\$ -	\$ -	\$ -	\$ 12,396	515,541	\$ 527,937	\$ 665,271
-	-	-	-	-	67,426	67,426	67,426
86,000	36,000	-	36,000	-	-	-	122,000
333,918	-	-	-	-	-	-	333,918
-	-	-	-	78,591	-	78,591	78,591
<u>557,252</u>	<u>36,000</u>	<u>-</u>	<u>36,000</u>	<u>90,987</u>	<u>582,967</u>	<u>673,954</u>	<u>1,267,206</u>
-	-	-	-	-	42,822	42,822	42,822
-	-	-	-	-	606,477	606,477	606,477
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>649,299</u>	<u>649,299</u>	<u>649,299</u>
1,830,324	9,324	1,340,271	1,349,595	-	-	-	3,179,919
1,433,340	-	-	-	-	-	-	1,433,340
-	-	-	-	597,152	12,807,627	13,404,779	13,404,779
-	-	-	-	-	-	-	-
<u>3,263,664</u>	<u>9,324</u>	<u>1,340,271</u>	<u>1,349,595</u>	<u>597,152</u>	<u>12,807,627</u>	<u>13,404,779</u>	<u>18,018,038</u>
<u>\$ 3,820,916</u>	<u>\$ 45,324</u>	<u>\$ 1,340,271</u>	<u>\$ 1,385,595</u>	<u>\$ 688,139</u>	<u>\$ 14,039,893</u>	<u>\$ 14,728,032</u>	<u>\$ 19,934,543</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2014

	Special Revenue					
	Public Health Special Revenue	Public Safety Special Revenue	Communications	Parks Grants	Community Landscape	South Loop Revolving Dev
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal disparities	-	-	-	-	-	-
Fines and forfeitures	-	154,280	-	-	-	-
Intergovernmental	1,180,892	1,100,088	-	10,631	-	-
Program income	57,188	-	39,016	-	-	164,504
Interest	(39)	22,375	2,432	1,214	-	970
Net change in fair value of investments	16	10,726	1,013	398	-	275
Other	-	-	41,695	340	-	-
Franchise fees	-	-	1,166,756	-	-	-
Total revenues	1,238,057	1,287,469	1,250,912	12,583	-	165,749
EXPENDITURES						
Current:						
General services	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	3,703,568	-	-	-	-
Community services	1,282,395	-	1,403,927	11,227	-	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
General services	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	59,304	-	-	-	-
Community services	-	-	105,934	-	-	-
Total expenditures	1,282,395	3,762,872	1,509,861	11,227	-	-
Excess (deficiency) of revenues over (under) expenditures	(44,338)	(2,475,403)	(258,949)	1,356	-	165,749
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	115,392	-	-	-
Transfers to other funds	-	(184,000)	-	-	-	(240,000)
Total other financing sources (uses)	-	(184,000)	115,392	-	-	(240,000)
Net change in fund balance	(44,338)	(2,659,403)	(143,557)	1,356	-	(74,251)
Fund balance - January 1	157,819	4,405,856	622,031	19,122	1,102	112,822
Fund balance - December 31	\$ 113,481	\$ 1,746,453	\$ 478,474	\$ 20,478	\$ 1,102	\$ 38,571

EXHIBIT B-2

Cemetery Trust	Total	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
		G.O. Tax Increment	General Obligation Bonds	Total	Developer Escrow	State Aid Construction	Total	
\$ -	\$ -	\$ -	\$ 994,331	\$ 994,331	\$ -	\$ -	\$ -	\$ 994,331
-	-	-	81,650	81,650	-	-	-	81,650
-	154,280	-	-	-	-	-	-	154,280
-	2,291,611	-	-	-	-	2,072,702	2,072,702	4,364,313
89,233	349,941	-	-	-	-	-	-	349,941
6,703	33,655	16	4,625	4,641	9,238	85,177	94,415	132,711
2,895	15,323	21	2,961	2,982	3,234	29,334	32,568	50,873
-	42,035	236,765	-	236,765	-	152,900	152,900	431,700
-	1,166,756	-	-	-	-	-	-	1,166,756
98,831	4,053,601	236,802	1,083,567	1,320,369	12,472	2,340,113	2,352,585	7,726,555
211,516	211,516	-	-	-	-	\$ -	\$ -	\$ 211,516
-	-	-	-	-	-	599,891	599,891	599,891
-	3,703,568	-	-	-	-	-	-	3,703,568
-	2,697,549	-	-	-	-	-	-	2,697,549
-	-	-	-	-	-	-	-	-
-	-	111,440	165,800	277,240	-	-	-	277,240
-	-	125,000	860,000	985,000	-	-	-	985,000
238,249	238,249	-	-	-	-	-	-	238,249
-	-	-	-	-	-	1,434,700	1,434,700	1,434,700
-	59,304	-	-	-	-	-	-	59,304
-	105,934	-	-	-	-	-	-	105,934
449,765	7,016,120	236,440	1,025,800	1,262,240	-	2,034,591	2,034,591	10,312,951
(350,934)	(2,962,519)	362	57,767	58,129	12,472	305,522	317,994	(2,586,396)
-	115,392	-	-	-	-	-	-	115,392
-	(424,000)	-	-	-	-	-	-	(424,000)
-	(308,608)	-	-	-	-	-	-	(308,608)
(350,934)	(3,271,127)	362	57,767	58,129	12,472	305,522	317,994	(2,895,004)
1,216,039	6,534,791	8,962	1,282,504	1,291,466	584,680	12,502,105	13,086,785	20,913,042
\$ 865,105	\$ 3,263,664	\$ 9,324	\$ 1,340,271	\$ 1,349,595	\$ 597,152	\$ 12,807,627	\$ 13,404,779	\$ 18,018,038

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, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,439,955	\$ 1,492,040	\$ 1,180,892	\$ (311,148)
Program income	23,876	23,876	57,188	33,312
Interest	-	-	(39)	(39)
Net change in fair value of investments	-	-	16	16
Total revenues	<u>1,463,831</u>	<u>1,515,916</u>	<u>1,238,057</u>	<u>(277,859)</u>
EXPENDITURES				
Current -				
Community services	<u>1,538,528</u>	<u>1,610,613</u>	<u>1,282,395</u>	<u>(328,218)</u>
Total expenditures	<u>1,538,528</u>	<u>1,610,613</u>	<u>1,282,395</u>	<u>(328,218)</u>
Excess (deficiency) of revenues over (under) expenditures	(74,697)	(94,697)	(44,338)	50,359
Fund balance - January 1	<u>135,296</u>	<u>155,296</u>	<u>157,819</u>	<u>2,523</u>
Fund balance - December 31	<u>\$ 60,599</u>	<u>\$ 60,599</u>	<u>\$ 113,481</u>	<u>\$ 52,882</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, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 238,000	\$ 238,000	\$ 154,280	\$ (83,720)
Intergovernmental	708,539	856,788	1,100,088	243,300
Interest	40,706	40,706	22,375	(18,331)
Net change in fair value of investments	-	-	10,726	10,726
Total revenues	<u>987,245</u>	<u>1,135,494</u>	<u>1,287,469</u>	<u>151,975</u>
EXPENDITURES				
Current -				
Public safety	3,515,264	3,665,236	3,703,568	(38,332)
Capital outlay	<u>40,000</u>	<u>99,305</u>	<u>59,304</u>	<u>40,001</u>
Total expenditures	<u>3,555,264</u>	<u>3,764,541</u>	<u>3,762,872</u>	<u>1,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,568,019)</u>	<u>(2,629,047)</u>	<u>(2,475,403)</u>	<u>153,644</u>
OTHER FINANCING USES				
Transfers to other funds	<u>(183,500)</u>	<u>(183,500)</u>	<u>(184,000)</u>	<u>500</u>
Total other financing sources (uses)	<u>(183,500)</u>	<u>(183,500)</u>	<u>(184,000)</u>	<u>(500)</u>
Net change in fund balance	(2,751,519)	(2,812,547)	(2,659,403)	153,144
Fund balance - January 1	<u>4,405,856</u>	<u>4,405,856</u>	<u>4,405,856</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,654,337</u>	<u>\$ 1,593,309</u>	<u>\$ 1,746,453</u>	<u>\$ 153,144</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Communications
Year Ended December 31, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Program income	\$ 37,500	\$ 37,500	\$ 39,016	\$ 1,516
Interest	-	-	2,432	2,432
Net change in fair value of investments	-	-	1,013	1,013
Other	50,400	50,450	41,695	(8,755)
Franchise fees	1,360,400	1,360,400	1,166,756	(193,644)
Total revenues	<u>1,448,300</u>	<u>1,448,350</u>	<u>1,250,912</u>	<u>(197,438)</u>
EXPENDITURES				
Current -				
Community services	1,416,349	1,444,399	1,403,927	40,472
Capital outlay	84,700	114,920	105,934	8,986
Total expenditures	<u>1,501,049</u>	<u>1,559,319</u>	<u>1,509,861</u>	<u>49,458</u>
Excess (deficiency) of revenues over (under) expenditures	(52,749)	(110,969)	(258,949)	(147,980)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>115,396</u>	<u>115,396</u>	<u>115,392</u>	<u>(4)</u>
Total other financing sources (uses)	<u>115,396</u>	<u>115,396</u>	<u>115,392</u>	<u>(4)</u>
Net change in fund balance	62,647	4,427	(143,557)	(147,984)
Fund balance - January 1	<u>622,031</u>	<u>622,031</u>	<u>622,031</u>	<u>-</u>
Fund balance - December 31	<u>\$ 684,678</u>	<u>\$ 626,458</u>	<u>\$ 478,474</u>	<u>\$ (147,984)</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Grants
Year Ended December 31, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 63,851	\$ 5,630	\$ 10,631	\$ 5,001
Interest	-	-	1,214	1,214
Net change in fair value of investments	-	-	398	398
Contributions	-	-	340	340
Total revenues	<u>63,851</u>	<u>5,630</u>	<u>12,583</u>	<u>6,953</u>
EXPENDITURES				
Current -				
Community services	113,000	113,000	11,227	101,773
Total expenditures	<u>113,000</u>	<u>113,000</u>	<u>11,227</u>	<u>101,773</u>
Net change in fund balance	(49,149)	(107,370)	1,356	108,726
Fund balance - January 1	<u>19,122</u>	<u>19,122</u>	<u>19,122</u>	<u>-</u>
Fund balance - December 31	<u>\$ (30,027)</u>	<u>\$ (88,248)</u>	<u>\$ 20,478</u>	<u>\$ 108,726</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
South Loop Revolving Development Services
Year Ended December 31, 2014

	<u>Budget</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Program income	\$ 270,000	\$ 270,000	\$ 164,504	\$ (105,496)
Interest	500	500	970	470
Net change in fair value of investments	<u>-</u>	<u>-</u>	<u>275</u>	<u>275</u>
Total revenues	<u>270,500</u>	<u>270,500</u>	<u>165,749</u>	<u>(104,751)</u>
EXPENDITURES				
Current -				
Development services	<u>-</u>	<u>6,261</u>	<u>-</u>	<u>6,261</u>
Total expenditures	<u>-</u>	<u>6,261</u>	<u>-</u>	<u>6,261</u>
Excess (deficiency) of revenues over expenditures	270,500	264,239	165,749	(98,490)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(348,000)</u>	<u>(348,000)</u>	<u>(240,000)</u>	<u>108,000</u>
Total other financing sources (uses)	<u>(348,000)</u>	<u>(348,000)</u>	<u>(240,000)</u>	<u>108,000</u>
Net change in fund balance	(77,500)	(83,761)	(74,251)	9,510
Fund balance - January 1	<u>112,822</u>	<u>112,822</u>	<u>112,822</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 35,322</u></u>	<u><u>\$ 29,061</u></u>	<u><u>\$ 38,571</u></u>	<u><u>\$ 9,510</u></u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Cemetery Trust
Year Ended December 31, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Program income	\$ 106,300	\$ 106,300	\$ 89,233	\$ (17,067)
Interest	8,973	8,973	6,703	(2,270)
Net change in fair value of investments	-	-	2,895	2,895
Total revenues	<u>115,273</u>	<u>115,273</u>	<u>98,831</u>	<u>(16,442)</u>
EXPENDITURES				
Current -				
General services	152,536	152,536	211,516	58,980
Capital outlay	<u>383,000</u>	<u>383,000</u>	<u>238,249</u>	<u>144,751</u>
Total expenditures	<u>535,536</u>	<u>535,536</u>	<u>449,765</u>	<u>203,731</u>
Excess of revenues over expenditures	(420,263)	(420,263)	(350,934)	69,329
Fund balance - January 1	<u>1,216,039</u>	<u>1,216,039</u>	<u>1,216,039</u>	<u>-</u>
Fund balance - December 31	<u>\$ 795,776</u>	<u>\$ 795,776</u>	<u>\$ 865,105</u>	<u>\$ 69,329</u>



CITY OF BLOOMINGTON, MINNESOTA

NONMAJOR ENTERPRISE FUNDS

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, 2014

EXHIBIT D-1

	Solid Waste Management	Contractual Police	Motor Vehicle	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 713,871	\$ (29,435)	\$ 501,829	\$ 1,186,265
Accrued interest receivable	1,815	-	808	2,623
Taxes receivable	70,384	-	-	70,384
Accounts receivable	213,717	161,017	-	374,734
Due from other governments	110,502	-	-	110,502
Total current assets	<u>1,110,289</u>	<u>131,582</u>	<u>502,637</u>	<u>1,744,508</u>
Noncurrent assets:				
Machinery and equipment	24,229	-	-	24,229
Accumulated depreciation	(20,594)	-	-	(20,594)
Total noncurrent assets	<u>3,635</u>	<u>-</u>	<u>-</u>	<u>3,635</u>
Total assets	<u>1,113,924</u>	<u>131,582</u>	<u>502,637</u>	<u>1,748,143</u>
LIABILITIES				
Current liabilities:				
Accounts payable	43,784	44,382	141,431	229,597
Due to other funds	-	86,000	-	86,000
Unearned revenue	15,686	-	-	15,686
Deposits payable	-	1,200	-	1,200
Total current liabilities	<u>59,470</u>	<u>131,582</u>	<u>141,431</u>	<u>332,483</u>
Total liabilities	<u>59,470</u>	<u>131,582</u>	<u>141,431</u>	<u>332,483</u>
NET POSITION				
Net investment in capital assets	3,635	-	-	3,635
Unrestricted	1,050,819	-	361,206	1,412,025
Total net position	<u>\$ 1,054,454</u>	<u>\$ -</u>	<u>\$ 361,206</u>	<u>\$ 1,415,660</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, 2014

	<u>Solid Waste Management</u>	<u>Contractual Police</u>	<u>Motor Vehicle</u>	<u>Total</u>
Operating revenues -				
Charges for services	\$ 866,051	\$ 639,241	\$ 732,960	\$ 2,238,252
Other	26,718	-	-	26,718
Total operating revenues	<u>892,769</u>	<u>639,241</u>	<u>732,960</u>	<u>2,264,970</u>
Operating expenses:				
Salaries and benefits	226,403	587,986	509,128	1,323,517
Materials, supplies and service	1,373,197	20,014	123,193	1,516,404
Depreciation	2,423	-	-	2,423
Total operating expenses	<u>1,602,023</u>	<u>608,000</u>	<u>632,321</u>	<u>2,842,344</u>
Operating income (loss)	<u>(709,254)</u>	<u>31,241</u>	<u>100,639</u>	<u>(577,374)</u>
Nonoperating revenues:				
Taxes	55,005	-	-	55,005
Intergovernmental	325,646	-	-	325,646
Interest income	4,562	-	2,647	7,209
Net change in fair value of investments	2,086	-	291	2,377
Total nonoperating revenues	<u>387,299</u>	<u>-</u>	<u>2,938</u>	<u>390,237</u>
Income (loss) before transfers	(321,955)	31,241	103,577	(187,137)
Transfers from other funds	249,996	-	-	249,996
Transfers to other funds	<u>-</u>	<u>(31,241)</u>	<u>-</u>	<u>(31,241)</u>
Change in net position	(71,959)	-	103,577	31,618
Total net position - January 1	<u>1,126,413</u>	<u>-</u>	<u>257,629</u>	<u>1,384,042</u>
Total net position - December 31	<u>\$ 1,054,454</u>	<u>\$ -</u>	<u>\$ 361,206</u>	<u>\$ 1,415,660</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2014

EXHIBIT D-3

	Solid Waste Management	Contractual Police	Motor Vehicle	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 909,936	\$ 619,842	\$ 794,129	\$ 2,323,907
Other cash receipts		-	-	-
Cash payments to other funds	(110,014)	(27,049)	(112,304)	(249,367)
Payments to employees	(226,672)	(574,894)	(506,046)	(1,307,612)
Payments to suppliers	(1,280,152)	(16,965)	-	(1,297,117)
Net cash provided by (used in) operating activities	(706,902)	934	175,779	(530,189)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	215,144	-	-	215,144
Transfers from other funds	249,996	-	-	249,996
Transfers to other funds	-	(31,241)	-	(31,241)
Taxes	55,005	-	-	55,005
Net cash provided by noncapital financing activities	520,145	(31,241)	-	488,904
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	6,647	-	2,939	9,586
Net cash provided by investing activities	6,647	-	2,939	9,586
Net increase (decrease) in cash and cash equivalents	(180,110)	(30,307)	178,718	(31,699)
Cash and cash equivalents - January 1	893,981	872	323,111	1,217,964
Cash and cash equivalents - December 31	\$ 713,871	\$ (29,435)	\$ 501,829	\$ 1,186,265
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (709,254)	\$ 31,241	\$ 100,639	\$ (577,374)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	2,423	-	-	2,423
Changes in assets and liabilities:				
Customer receivables	17,168	(19,398)	(23)	(2,253)
Interfund receipts		-	-	-
Accounts payable - other	999	-	4,130	5,129
Accounts payable - supplier	(17,968)	(10,000)	67,952	39,984
Interfund payables	-	(14,000)	-	(14,000)
Salaries and benefits payable	(270)	13,091	3,081	15,902
Net cash used in operating activities	\$ (706,902)	\$ 934	\$ 175,779	\$ (530,189)

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

Equipment Division Fund - This fund accounts for the acquisition and maintenance of motorized equipment. User charges are billed to the various City departments.

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.

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2014

	Information Systems	Equipment Division	Support Services
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,243,355	\$ 5,598,283	\$ 236,146
Accrued interest receivable	5,660	10,190	507
Accounts receivable	534	-	-
Prepaid items	422,095	-	-
Inventory	-	165,229	-
Total current assets	<u>3,671,644</u>	<u>5,773,702</u>	<u>236,653</u>
Noncurrent assets:			
Land	-	-	-
Buildings and structures	-	-	-
Machinery and equipment	1,584,891	26,246,308	227,419
Improvements	-	26,827	-
Accumulated depreciation	(562,764)	(18,237,728)	(223,634)
Total noncurrent assets	<u>1,022,127</u>	<u>8,035,407</u>	<u>3,785</u>
Total assets	<u>4,693,771</u>	<u>13,809,109</u>	<u>240,438</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	275,581	335,440	5,327
Estimated claims payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Current bonds payable	-	-	-
Accrued interest payable	-	-	-
Total current liabilities	<u>275,581</u>	<u>335,440</u>	<u>5,327</u>
Noncurrent liabilities:			
Benefits payable	-	-	-
Bonds payable	-	-	-
Estimated claims payable	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>275,581</u>	<u>335,440</u>	<u>5,327</u>
 NET POSITION			
Net investment in capital assets	1,022,127	8,035,407	3,785
Unrestricted	3,396,063	5,438,262	231,326
Total net position	<u>\$ 4,418,190</u>	<u>\$ 13,473,669</u>	<u>\$ 235,111</u>

EXHIBIT E-1

Public Safety Radio	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	Total
\$ 1,108,954	\$ 2,405,026	\$ 11,699,553	\$ 4,023,153	\$ 6,388,843	\$ 34,703,313
2,055	4,662	22,778	7,227	11,477	64,556
-	-	-	4,044	113,974	118,552
-	229,367	-	-	-	651,462
-	-	-	-	-	165,229
<u>1,111,009</u>	<u>2,639,055</u>	<u>11,722,331</u>	<u>4,034,424</u>	<u>6,514,294</u>	<u>35,703,112</u>
-	-	-	-	11,432,262	11,432,262
305,383	-	-	-	39,846,904	40,152,287
1,649,457	-	-	-	4,720,922	34,428,997
-	-	-	-	597,690	624,517
(1,124,019)	-	-	-	(16,107,878)	(36,256,023)
<u>830,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,489,900</u>	<u>50,382,040</u>
<u>1,941,830</u>	<u>2,639,055</u>	<u>11,722,331</u>	<u>4,034,424</u>	<u>47,004,194</u>	<u>86,085,152</u>
16,286	21,349	748,869	12,841	341,459	1,757,152
-	1,076,632	-	-	-	1,076,632
-	-	-	-	431,436	431,436
-	-	-	-	75,000	75,000
-	-	-	-	575,000	575,000
-	-	-	-	35,103	35,103
<u>16,286</u>	<u>1,097,981</u>	<u>748,869</u>	<u>12,841</u>	<u>1,457,998</u>	<u>3,950,323</u>
-	-	12,776,376	-	-	12,776,376
-	-	-	-	3,660,000	3,660,000
-	1,355,919	-	-	-	1,355,919
<u>-</u>	<u>1,355,919</u>	<u>12,776,376</u>	<u>-</u>	<u>3,660,000</u>	<u>17,792,295</u>
<u>16,286</u>	<u>2,453,900</u>	<u>13,525,245</u>	<u>12,841</u>	<u>5,117,998</u>	<u>21,742,618</u>
830,821	-	-	-	36,254,900	46,147,040
1,094,723	185,155	(1,802,914)	4,021,583	5,631,296	18,195,494
<u>\$ 1,925,544</u>	<u>\$ 185,155</u>	<u>\$ (1,802,914)</u>	<u>\$ 4,021,583</u>	<u>\$ 41,886,196</u>	<u>\$ 64,342,534</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2014

	Information Systems	Equipment Division	Support Services
Operating revenues:			
Charges for services	\$ 4,456,674	\$ 6,321,581	\$ 464,387
Other	5,082	90	-
Total operating revenues	<u>4,461,756</u>	<u>6,321,671</u>	<u>464,387</u>
Operating expenses:			
Salaries and benefits	1,508,159	1,276,222	198,058
Materials, supplies and service	3,443,197	3,570,720	279,554
Depreciation	209,106	1,958,749	13,367
Total operating expenses	<u>5,160,462</u>	<u>6,805,691</u>	<u>490,979</u>
Operating income (loss)	<u>(698,706)</u>	<u>(484,020)</u>	<u>(26,592)</u>
Nonoperating revenues (expenses):			
Interest income	12,218	30,939	1,461
Net change in fair value of investments	6,276	11,361	577
Gain (loss) on sale of capital assets	-	128,613	-
Other	-	-	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>18,494</u>	<u>170,913</u>	<u>2,038</u>
Income (loss) before transfers	(680,212)	(313,107)	(24,554)
Transfers from other funds	1,250,000	324,936	-
Transfers to other funds	<u>(115,392)</u>	<u>-</u>	<u>-</u>
Change in net position	454,396	11,829	(24,554)
Total net position - January 1	<u>3,963,794</u>	<u>13,461,840</u>	<u>259,665</u>
Total net position - December 31	<u><u>\$ 4,418,190</u></u>	<u><u>\$ 13,473,669</u></u>	<u><u>\$ 235,111</u></u>

EXHIBIT E-2

Public Safety Radio	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	Total
\$ 407,748	\$ 1,657,696	\$ 1,598,783	\$ 8,986,557	\$ 10,227,864	\$ 34,121,290
-	-	-	25,000	5,766	35,938
407,748	1,657,696	1,598,783	9,011,557	10,233,630	34,157,228
100,282	-	1,649,923	8,581,754	3,330,787	16,645,185
174,182	1,778,253	-	-	5,574,275	14,820,181
164,946	-	-	-	1,463,868	3,810,036
439,410	1,778,253	1,649,923	8,581,754	10,368,930	35,275,402
(31,662)	(120,557)	(51,140)	429,803	(135,300)	(1,118,174)
6,293	14,707	68,386	19,397	34,512	187,913
2,299	5,254	25,640	8,048	12,765	72,220
-	-	-	-	-	128,613
-	-	-	-	127,574	127,574
-	-	-	-	(84,718)	(84,718)
8,592	19,961	94,026	27,445	90,133	431,602
(23,070)	(100,596)	42,886	457,248	(45,167)	(686,572)
-	-	-	31,000	200,000	1,805,936
(35,004)	-	-	-	(39,996)	(190,392)
(58,074)	(100,596)	42,886	488,248	114,837	928,972
1,983,618	285,751	(1,845,800)	3,533,335	41,771,359	63,413,562
\$ 1,925,544	\$ 185,155	\$ (1,802,914)	\$ 4,021,583	\$ 41,886,196	\$ 64,342,534

CITY OF BLOOMINGTON, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2014

	Information Systems	Equipment Division	Support Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from interfund services provided	\$ 4,424,762	\$ 6,323,568	\$ 465,920
Cash payments to other funds	(230,859)	(1,062,176)	(205,904)
Payments to employees	(1,485,878)	(1,267,771)	(197,433)
Payments to suppliers	(3,279,262)	(2,247,421)	(77,232)
Net cash provided by (used in) operating activities	<u>(571,237)</u>	<u>1,746,200</u>	<u>(14,649)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	1,250,000	324,936	-
Transfers to other funds	(115,392)	-	-
Net cash provided by (used in) noncapital financing activities	<u>1,134,608</u>	<u>324,936</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond payments	-	-	-
Insurance proceeds	-	-	-
Interest and other payments	-	-	-
Proceeds from sale of capital assets	-	183,400	-
Purchase of capital assets	(96,646)	(1,672,164)	-
Net cash provided by (used in) capital and related financing activities	<u>(96,646)</u>	<u>(1,488,764)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	18,494	42,300	2,038
Net cash provided by investing activities	<u>18,494</u>	<u>42,300</u>	<u>2,038</u>
Net increase (decrease) in cash and cash equivalents	<u>485,219</u>	<u>624,672</u>	<u>(12,611)</u>
Cash and cash equivalents - January 1	<u>2,758,136</u>	<u>4,973,611</u>	<u>248,757</u>
Cash and cash equivalents - December 31	<u><u>\$ 3,243,355</u></u>	<u><u>\$ 5,598,283</u></u>	<u><u>\$ 236,146</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (698,706)	\$ (484,020)	\$ (26,592)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	209,106	1,958,749	13,367
Changes in assets and liabilities:			
Accounts receivable	(38,037)	1,897	1,434
Other operating receivables	1,044	-	98
Interfund receipts	-	-	-
Inventory	-	141,591	-
Accounts payable - other	14	(1,628)	(3,581)
Accounts payable - supplier	(66,939)	121,161	-
Salaries and benefits payable	22,281	8,450	625
Net cash provided by (used in) operating activities	<u><u>\$ (571,237)</u></u>	<u><u>\$ 1,746,200</u></u>	<u><u>\$ (14,649)</u></u>

EXHIBIT E-3

Public Safety Radio	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	Total
\$ 408,132	\$ 1,625,672	\$ 1,603,093	\$ 9,010,713	\$ 10,122,335	\$ 33,984,195
(18,782)	(768,657)	-	-	(2,094,417)	(4,380,795)
(99,243)	-	(1,142,578)	(8,495,393)	(3,332,031)	(16,020,327)
(158,643)	(767,115)	-	(76,632)	(3,386,386)	(9,992,691)
<u>131,464</u>	<u>89,900</u>	<u>460,515</u>	<u>438,688</u>	<u>1,309,501</u>	<u>3,590,382</u>
-	-	-	31,000	200,000	1,805,936
(35,004)	-	-	-	(39,996)	(190,392)
<u>(35,004)</u>	<u>-</u>	<u>-</u>	<u>31,000</u>	<u>160,004</u>	<u>1,615,544</u>
-	-	-	-	(565,000)	(565,000)
-	-	-	-	127,574	127,574
-	-	-	-	(84,718)	(84,718)
-	-	-	-	-	183,400
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(205,577)</u>	<u>(1,974,387)</u>
-	-	-	-	(727,721)	(2,313,131)
<u>8,592</u>	<u>19,961</u>	<u>94,025</u>	<u>27,445</u>	<u>47,279</u>	<u>260,134</u>
<u>8,592</u>	<u>19,961</u>	<u>94,025</u>	<u>27,445</u>	<u>47,279</u>	<u>260,134</u>
<u>105,052</u>	<u>109,861</u>	<u>554,540</u>	<u>497,133</u>	<u>789,063</u>	<u>3,152,929</u>
<u>1,003,902</u>	<u>2,295,165</u>	<u>11,145,013</u>	<u>3,526,020</u>	<u>5,599,780</u>	<u>31,550,384</u>
<u>\$ 1,108,954</u>	<u>\$ 2,405,026</u>	<u>\$ 11,699,553</u>	<u>\$ 4,023,153</u>	<u>\$ 6,388,843</u>	<u>\$ 34,703,313</u>
\$ (31,662)	\$ (120,557)	\$ (51,140)	\$ 429,803	\$ (135,300)	\$ (1,118,174)
164,946	-	-	-	1,463,868	3,810,036
-	(32,907)	-	(2,186)	(113,974)	(183,773)
384	883	4,309	1,342	2,127	10,187
-	-	-	-	(35,403)	(35,403)
-	-	-	-	-	141,591
(212)	236,709	470,017	9,729	79,109	790,157
(3,031)	5,772	-	-	50,318	107,281
1,039	-	37,329	-	(1,244)	68,480
<u>\$ 131,464</u>	<u>\$ 89,900</u>	<u>\$ 460,515</u>	<u>\$ 438,688</u>	<u>\$ 1,309,501</u>	<u>\$ 3,590,382</u>

CITY OF BLOOMINGTON, MINNESOTA

FIDUCIARY FUNDS - AGENCY

Agency funds are used to account for resources held by the City as agent for the benefit of parties outside of the government.

Convention Bureau Fund – This agency fund accounts for the collection of lodging taxes for the Bloomington Visitors and Convention Bureau.

State Pass-Through Loans Fund – This agency fund accounts for loans between the Minnesota Department of Employment and Economic Development (DEED) and local Bloomington businesses.

City Fiduciary Fund – This agency fund accounts for the collection and disbursement of funds received for other parties and governmental units including the police property room, Metro Mobility, AARP, Farmers Market, Creekside agreements, and youth summer programs.

City of Bloomington
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2014

EXHIBIT F-1

	Convention Bureau	State Pass-Through Loans	City Fiduciary	Total
ASSETS				
Cash and cash equivalents	\$ 306,925	\$ 3,006	\$ 347,731	\$ 657,662
Accounts receivable	278,085	3,006	-	281,091
Total assets	<u>585,010</u>	<u>6,012</u>	<u>347,731</u>	<u>938,753</u>
LIABILITIES				
Current liabilities -				
Accounts payable	<u>585,010</u>	<u>6,012</u>	<u>347,731</u>	<u>938,753</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Bloomington
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended December 31, 2014

EXHIBIT F-2

	Balance 1/1/2014	Additions	Deductions	Balance 12/31/2014
CONVENTION BUREAU				
ASSETS				
Cash and cash equivalents	\$ 284,448	\$ 4,597,298	\$ 4,574,821	\$ 306,925
Accounts receivable	274,640	278,085	274,640	278,085
Total assets	<u>\$ 559,088</u>	<u>\$ 4,875,383</u>	<u>\$ 4,849,461</u>	<u>\$ 585,010</u>
LIABILITIES				
Due to Convention Bureau	<u>\$ 559,088</u>	<u>\$ 4,875,383</u>	<u>\$ 4,849,461</u>	<u>\$ 585,010</u>
STATE PASS-THROUGH LOANS				
ASSETS				
Cash and cash equivalents	\$ -	\$ 786,072	\$ 783,066	\$3,006
Accounts receivable	-	39,078	36,072	3,006
Total assets	<u>\$ -</u>	<u>\$ 825,150</u>	<u>\$ 819,138</u>	<u>6,012</u>
LIABILITIES				
Due to Loan Recipients	<u>\$ -</u>	<u>\$ 825,150</u>	<u>\$ 819,138</u>	<u>6,012</u>
CITY FIDUCIARY				
ASSETS				
Cash and cash equivalents	<u>\$ 2,834</u>	<u>\$ 417,603</u>	<u>\$ 72,706</u>	<u>347,731</u>
LIABILITIES				
Due to Other Parties	<u>\$ 2,834</u>	<u>\$ 417,603</u>	<u>\$ 72,706</u>	<u>347,731</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 287,282	\$ 5,800,973	\$ 5,430,593	657,662
Accounts receivable	274,640	317,163	310,712	281,091
Total assets	<u>\$ 561,922</u>	<u>\$ 6,118,136</u>	<u>\$ 5,741,305</u>	<u>938,753</u>
LIABILITIES				
Due to Convention Bureau	\$ 559,088	\$ 4,875,383	\$ 4,849,461	585,010
Due to Loan Recipients	-	825,150	819,138	6,012
Due to Other Parties	2,834	417,603	72,706	347,731
Total liabilities	<u>\$ 561,922</u>	<u>\$ 6,118,136</u>	<u>\$ 5,741,305</u>	<u>938,753</u>

OTHER
SUPPLEMENTARY
INFORMATION –

COMPONENT
UNITS

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**
Schedule of Assets, Liabilities, and Fund Balances
December 31, 2014

EXHIBIT G-1

	Governmental Fund Types		Totals	
	General	Capital Projects	2014	2013
ASSETS				
Cash, cash equivalents, and investments	\$ 59,143	\$ 47,361,543	\$ 47,420,686	\$ 46,410,634
Taxes receivable	-	5,830	5,830	1,076
Accrued interest receivable	20	19,499	19,519	62,766
Prepaid items	16,500	-	16,500	16,500
Due from primary government	-	2,785,056	2,785,056	1,919,545
Loans receivable	-	2,040,000	2,040,000	-
Land held for resale	-	-	-	5,273,000
Total assets	75,663	52,211,928	52,287,591	53,683,521
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	388	1,342,301	1,342,689	934,853
Due to primary government	21,784	3,556,159	3,577,943	5,573,160
Total liabilities	22,172	4,898,460	4,920,632	6,508,013
Fund Balances:				
Nonspendable	16,500	-	16,500	16,500
Restricted	-	47,162,557	47,162,557	47,139,305
Committed	-	150,911	150,911	-
Unassigned	36,991	-	36,991	19,703
Total fund balances	53,491	47,313,468	47,366,959	47,175,508
Total liabilities and fund balances	\$ 75,663	\$ 52,211,928	\$ 52,287,591	\$ 53,683,521

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT G-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2014

	Governmental Fund Types		Totals	
	General	Capital Projects	2014	2013
REVENUES				
Taxes - lodging and liquor	\$ -	\$ -	\$ -	\$ 4,234,224
Property tax increment	-	23,209,171	23,209,171	11,898,262
Interest	53	12,495	12,548	398,277
Net change in fair value of investments	(41)	176,722	176,681	(199,500)
City contribution	290,000	6,000,000	6,290,000	220,000
Other	-	150,929	150,929	-
Total revenues	<u>290,012</u>	<u>29,549,317</u>	<u>29,839,329</u>	<u>16,551,263</u>
EXPENDITURES				
Current:				
General services	256,224	328,093	584,317	705,133
Development services	-	28,803,787	28,803,787	20,498,131
Debt service:				
Principal retirement	-	-	-	20,425,000
Interest	-	259,774	259,774	995,190
Total expenditures	<u>256,224</u>	<u>29,391,654</u>	<u>29,647,878</u>	<u>42,623,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,788</u>	<u>157,663</u>	<u>191,451</u>	<u>(26,072,191)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	35,537,116
Transfers out	-	-	-	(35,537,116)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	33,788	157,663	191,451	(26,072,191)
Fund balance - January 1	<u>19,703</u>	<u>47,155,805</u>	<u>47,175,508</u>	<u>73,247,699</u>
Fund balance - December 31	<u>\$ 53,491</u>	<u>\$ 47,313,468</u>	<u>\$ 47,366,959</u>	<u>\$ 47,175,508</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Net Position
December 31, 2014

EXHIBIT H-1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,974,026	\$ 358,784	\$ 4,332,810
Accounts receivable	7,707,932	83,396	7,791,328
Prepaid items	327,973	-	327,973
Due from primary government	78,645	-	78,645
Due from other government	133,856	-	133,856
Inventory - land held for resale	873,285	-	873,285
Land	130,300	1,470,000	1,600,300
Buildings and structures, net of accumulated depreciation	-	1,398,349	1,398,349
Machinery and equipment, net of accumulated depreciation	3,769	-	3,769
Total assets	13,229,786	3,310,529	16,540,315
LIABILITIES			
Accounts payable	31,702	86,947	118,649
Due to primary government	237,382	23,197	260,579
Noncurrent liabilities:			
Due to primary government -			
Bonds payable due in more than one year	2,931,980	-	2,931,980
Due in more than one year	-	1,574,720	1,574,720
Total liabilities	3,201,064	1,684,864	4,885,928
NET POSITION			
Net investment in capital assets	134,069	1,293,629	1,427,698
Restricted for:			
Tax increment purposes	1,155,865	-	1,155,865
HUD rehab loans	70,697	-	70,697
Unrestricted	8,668,091	332,036	9,000,127
Total net position	\$ 10,028,722	\$ 1,625,665	\$ 11,654,387

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Activities
For the Year Ended December 31, 2014

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	\$ 4,919,751	\$ 28,095	\$ 4,042,210	\$ -	\$ (849,446)	\$ -	\$ (849,446)
Development services	5,065,263	580,093	1,005,467	-	(3,479,703)	-	(3,479,703)
Interest on long-term debt and amounts due to primary government - bonds payable	107,752	-	-	-	(107,752)	-	(107,752)
Total governmental activities	10,092,766	608,188	5,047,677	-	(4,436,900)	-	(4,436,900)
Business-type activities:							
Property management	322,214	222,650	-	-	-	(99,564)	(99,564)
Assisted rental	311,151	320,129	-	-	-	8,978	8,978
Total business-type activities	633,365	542,779	-	-	-	(90,586)	(90,586)
Total	<u>\$ 10,726,131</u>	<u>\$ 1,150,967</u>	<u>\$ 5,047,677</u>	<u>-</u>	<u>(4,436,900)</u>	<u>(90,586)</u>	<u>(4,527,486)</u>
General revenues:							
Property taxes					2,525,597	24,700	2,550,297
Transfers					(40,000)	40,000	-
Total general revenues and transfers					<u>2,485,597</u>	<u>64,700</u>	<u>2,550,297</u>
Change in net position					(1,951,303)	(25,886)	(1,977,189)
Net position - January 1					<u>11,980,025</u>	<u>1,651,551</u>	<u>13,631,576</u>
Net position - December 31					<u>\$ 10,028,722</u>	<u>\$ 1,625,665</u>	<u>\$ 11,654,387</u>

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Assets, Liabilities, and Fund Balances
Governmental Funds
December 31, 2014

	General Fund	Housing Development	Redevelopment	Section 8 Vouchers
ASSETS				
Cash and cash equivalents	\$ 520,038	\$ 954,917	\$ 226,760	\$ 10,998
Taxes receivable	23,739	-	-	-
Accounts receivable	-	-	-	72
Mortgage receivable	-	1,406,224	-	-
Prepaid items	-	-	-	327,973
Due from other funds	-	5,000,000	-	-
Due from primary government	-	-	-	-
Due from other govts	-	-	-	7,003
Inventory - land for resale	-	-	-	-
Total assets	<u>\$ 543,777</u>	<u>\$ 7,361,141</u>	<u>\$ 226,760</u>	<u>\$ 346,046</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 244	\$ 13,997	\$ 2,870	\$ -
Due to other funds	-	-	-	260,000
Due to primary government	37,791	10,776	-	39,704
Total liabilities	<u>38,035</u>	<u>24,773</u>	<u>2,870</u>	<u>299,704</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow-taxes	15,730	-	-	-
Deferred inflow-mortgages	-	1,018,788	-	-
Deferred inflow-land held for resale	-	-	-	-
Total deferred inflows of resources	<u>15,730</u>	<u>1,018,788</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable	-	387,436	-	327,973
Restricted	-	-	223,890	-
Committed	-	5,930,144	-	-
Assigned	-	-	-	-
Unassigned	490,012	-	-	(281,631)
Total fund balances	<u>490,012</u>	<u>6,317,580</u>	<u>223,890</u>	<u>46,342</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 543,777</u>	<u>\$ 7,361,141</u>	<u>\$ 226,760</u>	<u>\$ 346,046</u>

EXHIBIT H-3

Housing Rehabilitation	TIF Special Revenue	Capital Projects	Total Governmental Funds
\$ 1,126,372	\$ 1,134,072	\$ 869	\$ 3,974,026
-	-	-	23,739
-	-	-	72
5,144,155	-	1,133,742	7,684,121
-	-	-	327,973
260,000	-	-	5,260,000
78,645	-	-	78,645
126,853	-	-	133,856
-	263,700	609,585	873,285
<u>\$ 6,736,025</u>	<u>\$ 1,397,772</u>	<u>\$ 1,744,196</u>	<u>\$ 18,355,717</u>
\$ 2,248	\$ 12,291	\$ 52	\$ 31,702
-	5,000,000	-	5,260,000
29,111	-	-	117,382
<u>31,359</u>	<u>5,012,291</u>	<u>52</u>	<u>5,409,084</u>
-	-	-	\$ 15,730
5,144,155	-	1,133,742	7,296,685
-	263,700	609,585	873,285
<u>5,144,155</u>	<u>263,700</u>	<u>1,743,327</u>	<u>8,185,700</u>
-	-	-	715,409
70,697	1,013,955	-	1,308,542
1,489,814	-	-	7,419,958
-	-	817	817
-	(4,892,174)	-	(4,683,793)
<u>1,560,511</u>	<u>(3,878,219)</u>	<u>817</u>	<u>4,760,933</u>
<u>\$ 6,736,025</u>	<u>\$ 1,397,772</u>	<u>\$ 1,744,196</u>	<u>\$ 18,355,717</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, 2014

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	4,760,933
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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	\$ 161,064	
Less accumulated depreciation	<u>(26,995)</u>	134,069

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.

8,185,700

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

(2,970,000)

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.

(36,328)

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

(45,652)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 10,028,722



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, 2014

	General Fund	Housing Development	Redevelopment
REVENUES			
Taxes:			
Regular	\$ 263,492	\$ 1,525,262	\$ -
Tax increment	-	32,456	-
Intergovernmental	4	-	-
Program	-	6,916	-
Interest	(962)	-	-
Other	100	6,320	-
Total revenues	<u>262,634</u>	<u>1,570,954</u>	<u>-</u>
EXPENDITURES			
Current:			
General services	298,819	-	2,882
Development services	-	175,286	-
Debt service:			
Administrative charges	-	-	13,130
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>298,819</u>	<u>175,286</u>	<u>16,012</u>
Excess (deficiency) of revenues over expenditures	(36,185)	1,395,668	(16,012)
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	-	(402,000)	-
Transfers from other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(402,000)</u>	<u>-</u>
Net change in fund balance	(36,185)	993,668	(16,012)
Fund balance (deficit) - January 1	<u>526,197</u>	<u>5,323,912</u>	<u>239,902</u>
Fund balance (deficit) - December 31	<u><u>\$ 490,012</u></u>	<u><u>\$ 6,317,580</u></u>	<u><u>\$ 223,890</u></u>

EXHIBIT H-5

<u>Section 8 Vouchers</u>	<u>Housing Rehabilitation</u>	<u>TIF Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,788,754
-	-	704,088	-	736,544
4,042,206	1,005,467	-	-	5,047,677
-	125,215	-	-	132,131
-	-	-	-	(962)
28,957	-	-	-	35,377
<u>4,071,163</u>	<u>1,130,682</u>	<u>704,088</u>	<u>-</u>	<u>7,739,521</u>
4,174,513	-	425,379	-	4,901,593
-	1,414,294	-	231,183	1,820,763
-	-	2,515	-	15,645
-	-	111,440	-	111,440
-	-	125,000	-	125,000
<u>4,174,513</u>	<u>1,414,294</u>	<u>664,334</u>	<u>231,183</u>	<u>6,974,441</u>
(103,350)	(283,612)	39,754	(231,183)	765,080
-	-	-	-	(402,000)
<u>50,000</u>	<u>80,000</u>	<u>-</u>	<u>232,000</u>	<u>362,000</u>
<u>50,000</u>	<u>80,000</u>	<u>-</u>	<u>232,000</u>	<u>(40,000)</u>
(53,350)	(203,612)	39,754	817	725,080
<u>99,692</u>	<u>1,764,123</u>	<u>(3,917,973)</u>	<u>-</u>	<u>4,035,853</u>
<u>\$ 46,342</u>	<u>\$ 1,560,511</u>	<u>\$ (3,878,219)</u>	<u>\$ 817</u>	<u>\$ 4,760,933</u>

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

EXHIBIT H-6

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, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	725,080
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Amounts reported for governmental activities in the Schedule of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Schedule of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives as depreciation expense:

Depreciation expense	<u>(2,513)</u>	(2,513)
----------------------	----------------	---------

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.		299
--	--	-----

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.		259,170
---	--	---------

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.		(3,062,028)
---	--	-------------

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.		125,000
--	--	---------

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.		2,125
---	--	-------

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.		<u>1,563</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(1,951,303)</u>
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**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-7

Schedule of Fund Net Position
Proprietary Funds
December 31, 2014

	Assisted Rental	Property Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 271,404	\$ 87,380	\$ 358,784
Accounts receivable	46,271	37,125	83,396
Total current assets	<u>317,675</u>	<u>124,505</u>	<u>442,180</u>
Noncurrent assets:			
Land	700,000	770,000	1,470,000
Buildings and structures	1,698,090	1,587,527	3,285,617
Accumulated depreciation	(972,546)	(914,722)	(1,887,268)
Total noncurrent assets	<u>1,425,544</u>	<u>1,442,805</u>	<u>2,868,349</u>
Total assets	<u>1,743,219</u>	<u>1,567,310</u>	<u>3,310,529</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,346	1,622	3,968
Due to primary government	13,009	10,188	23,197
Deposits payable	11,035	71,944	82,979
Total current liabilities	<u>26,390</u>	<u>83,754</u>	<u>110,144</u>
Noncurrent liabilities -			
Long-term debt	<u>-</u>	<u>1,574,720</u>	<u>1,574,720</u>
Total liabilities	<u>26,390</u>	<u>1,658,474</u>	<u>1,684,864</u>
NET POSITION			
Net investment in capital assets	1,425,544	(131,915)	1,293,629
Unrestricted	<u>291,285</u>	<u>40,751</u>	<u>332,036</u>
Total net position	<u>\$ 1,716,829</u>	<u>\$ (91,164)</u>	<u>\$ 1,625,665</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, 2014

EXHIBIT H-8

	Assisted Rental	Property Management	Total
OPERATING REVENUES			
Program income	\$ 269,319	\$ 183,808	\$ 453,127
Other	50,810	38,842	89,652
Total operating revenues	<u>320,129</u>	<u>222,650</u>	<u>542,779</u>
OPERATING EXPENSES			
Salaries and benefits	110,426	83,219	193,645
Professional services	3,725	1,897	5,622
City support services	3,265	414	3,679
Purchased services	42,208	56,751	98,959
Home rehabilitation	101,590	131,700	233,290
Depreciation	49,937	48,233	98,170
Total operating expenses	<u>311,151</u>	<u>322,214</u>	<u>633,365</u>
Operating income (loss)	<u>8,978</u>	<u>(99,564)</u>	<u>(90,586)</u>
NONOPERATING REVENUES			
Taxes	-	24,700	24,700
Total nonoperating revenues	<u>-</u>	<u>24,700</u>	<u>24,700</u>
Income (loss) before contributions and transfers	8,978	(74,864)	(65,886)
Transfers from other funds	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Change in net position	8,978	(34,864)	(25,886)
Total net position - January 1	<u>1,707,851</u>	<u>(56,300)</u>	<u>1,651,551</u>
Total net position - December 31	<u><u>\$ 1,716,829</u></u>	<u><u>\$ (91,164)</u></u>	<u><u>\$ 1,625,665</u></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, 2014

	Assisted Rental	Property Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 273,858	\$ 185,673	\$ 459,531
Payments to other funds	(1,751)	(476)	(2,227)
Payments to employees	(110,426)	(83,219)	(193,645)
Payments to suppliers	(147,874)	(163,692)	(311,566)
Net cash provided by (used in) operating activities	<u>13,807</u>	<u>(61,714)</u>	<u>(47,907)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	40,000	40,000
Taxes	-	24,700	24,700
Net cash provided by noncapital financing activities	<u>-</u>	<u>64,700</u>	<u>64,700</u>
Net increase in cash and cash equivalents	13,807	2,986	16,793
Cash and cash equivalents - January 1	<u>257,597</u>	<u>84,394</u>	<u>341,991</u>
Cash and cash equivalents - December 31	<u><u>\$ 271,404</u></u>	<u><u>\$ 87,380</u></u>	<u><u>\$ 358,784</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 8,978	\$ (99,564)	\$ (90,586)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	49,937	48,233	98,170
Changes in assets and liabilities:			
Accounts payable	(582)	(196)	(778)
Deposits payable	231	26,852	27,083
Due to primary government	1,514	(62)	1,452
Customer receivables	(46,271)	(36,977)	(83,248)
Net cash provided by (used in) operating activities	<u><u>\$ 13,807</u></u>	<u><u>\$ (61,714)</u></u>	<u><u>\$ (47,907)</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, 2014

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Taxes -				
Regular	\$ 269,445	\$ 269,445	\$ 263,492	\$ (5,953)
Intergovernmental	-	-	4	4
Interest	1,200	1,200	(962)	(2,162)
Other	-	-	100	100
Total revenues	<u>270,645</u>	<u>270,645</u>	<u>262,634</u>	<u>(8,011)</u>
EXPENDITURES				
Current -				
General services	<u>270,645</u>	<u>320,645</u>	<u>298,819</u>	<u>21,826</u>
Net change in fund balance	-	(50,000)	(36,185)	13,815
Fund balance - January 1	<u>526,197</u>	<u>526,197</u>	<u>526,197</u>	-
Fund balance - December 31	<u>\$ 526,197</u>	<u>\$ 476,197</u>	<u>\$ 490,012</u>	<u>\$ 13,815</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 Fund
Year Ended December 31, 2014

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Regular	\$ 1,543,770	\$ 1,603,770	\$ 1,525,262	\$ (78,508)
Tax increment	-	-	32,456	32,456
Intergovernmental	266,066	-	-	-
Sale of real property	150,000	-	-	-
Program	6,700	6,700	6,916	216
Other	6,225	6,225	6,320	95
Total revenues	<u>1,972,761</u>	<u>1,616,695</u>	<u>1,570,954</u>	<u>(45,741)</u>
EXPENDITURES				
Current -				
Development services	170,047	180,047	175,286	4,761
Capital outlay -				
Development services	<u>1,802,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,972,761</u>	<u>180,047</u>	<u>175,286</u>	<u>4,761</u>
Excess (deficiency) of revenues over expenditures	-	1,436,648	1,395,668	(40,980)
OTHER FINANCING USES				
Transfers to other funds	<u>-</u>	<u>(402,000)</u>	<u>(402,000)</u>	<u>-</u>
Net change in fund balance	-	1,034,648	993,668	(40,980)
Fund balance - January 1	<u>5,323,912</u>	<u>5,323,912</u>	<u>5,323,912</u>	<u>-</u>
Fund balance - December 31	<u>\$ 5,323,912</u>	<u>\$ 6,358,560</u>	<u>\$ 6,317,580</u>	<u>\$ (40,980)</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
Redevelopment Fund
Year Ended December 31, 2014

	<u>Budget</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes -				
Regular	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current -				
General services	<u>177,811</u>	<u>177,811</u>	<u>2,882</u>	<u>174,929</u>
Debt service:				
Administrative charges	<u>-</u>	<u>-</u>	<u>13,130</u>	<u>(13,130)</u>
Total expenditures	<u>177,811</u>	<u>177,811</u>	<u>16,012</u>	<u>161,799</u>
Excess of revenues over expenditures	(177,811)	(177,811)	(16,012)	161,799
Fund balance - January 1	<u>239,902</u>	<u>239,902</u>	<u>239,902</u>	<u>-</u>
Fund balance - December 31	<u>\$ 62,091</u>	<u>\$ 62,091</u>	<u>\$ 223,890</u>	<u>\$ 161,799</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
Section 8 Vouchers Fund
Year Ended December 31, 2014

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 4,275,531	\$ 4,075,531	\$ 4,042,206	\$ (33,325)
Interest	1,000	1,000	-	(1,000)
Other	29,600	29,600	28,957	(643)
Total revenues	<u>4,306,131</u>	<u>4,106,131</u>	<u>4,071,163</u>	<u>(34,968)</u>
EXPENDITURES				
Current -				
General services	<u>4,306,131</u>	<u>4,201,131</u>	<u>4,174,513</u>	<u>26,618</u>
Excess of revenues over expenditures	-	(95,000)	(103,350)	(8,350)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	-	(45,000)	(53,350)	(8,350)
Fund balance - January 1	<u>99,692</u>	<u>99,692</u>	<u>99,692</u>	<u>-</u>
Fund balance - December 31	<u>\$ 99,692</u>	<u>\$ 54,692</u>	<u>\$ 46,342</u>	<u>\$ (8,350)</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
Housing Rehabilitation Fund
Year Ended December 31, 2014

	<u>Budget</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes -				
Intergovernmental	\$ 1,615,650	\$ 881,716	\$ 1,005,467	\$ 123,751
Program	95,000	145,000	125,215	(19,785)
Total revenues	<u>1,710,650</u>	<u>1,026,716</u>	<u>1,130,682</u>	<u>103,966</u>
EXPENDITURES				
Current -				
Development services	<u>1,710,650</u>	<u>1,440,650</u>	<u>1,414,294</u>	<u>26,356</u>
Excess (deficiency) of revenues over (under) expenditures	-	(413,934)	(283,612)	130,322
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	-	(333,934)	(203,612)	130,322
Fund balance - January 1	<u>1,764,123</u>	<u>1,764,123</u>	<u>1,764,123</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,764,123</u>	<u>\$ 1,430,189</u>	<u>\$ 1,560,511</u>	<u>\$ 130,322</u>



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, 2014

	Oxboro O-4	France & Old Shakopee	Penn & American
ASSETS			
Cash and cash equivalents	\$ 8,731	\$ 18,448	\$ 90,587
Taxes receivable	-	-	-
Inventory - land for resale	-	263,700	-
Total assets	<u>\$ 8,731</u>	<u>\$ 282,148</u>	<u>\$ 90,587</u>
LIABILITIES AND FUND BALANCES			
Current liabilities -			
Accounts payable	\$ 8,731	\$ 595	\$ 614
Due to other funds	-	1,000,000	4,000,000
Total liabilities	<u>8,731</u>	<u>1,000,595</u>	<u>4,000,614</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow-land held for resale	-	263,700	-
Total deferred inflows of resources	<u>-</u>	<u>263,700</u>	<u>-</u>
FUND BALANCES			
Fund Balances:			
Restricted	-	-	-
Unassigned	-	(982,147)	(3,910,027)
Total fund balances	<u>-</u>	<u>(982,147)</u>	<u>(3,910,027)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,731</u>	<u>\$ 282,148</u>	<u>\$ 90,587</u>

EXHIBIT H-15

GO Tax Increment Bonds 2004A	GO Tax Increment Bonds 2003A	Total
\$ 706,535	\$ 309,771	\$ 1,134,072
-	-	-
-	-	263,700
<u>\$ 706,535</u>	<u>\$ 309,771</u>	<u>\$ 1,397,772</u>

\$ 1,416	\$ 935	\$ 12,291
-	-	5,000,000
<u>1,416</u>	<u>935</u>	<u>5,012,291</u>

-	-	263,700
-	-	<u>263,700</u>

705,119	308,836	1,013,955
-	-	(4,892,174)
<u>705,119</u>	<u>308,836</u>	<u>(3,878,219)</u>
<u>\$ 706,535</u>	<u>\$ 309,771</u>	<u>\$ 1,397,772</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, 2014

	<u>Oxboro O-4</u>	<u>France & Old Shakopee</u>	<u>Penn & American</u>
REVENUES			
Taxes -			
Tax increment	\$ 17,461	\$ 12,485	\$ 308,269
Total revenues	<u>17,461</u>	<u>12,485</u>	<u>308,269</u>
EXPENDITURES			
Current -			
General services	17,461	2,234	403,696
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>17,461</u>	<u>2,234</u>	<u>403,696</u>
Net change in fund balance	-	10,251	(95,427)
Fund balance - January 1	<u>-</u>	<u>(992,398)</u>	<u>(3,814,600)</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ (982,147)</u></u>	<u><u>\$ (3,910,027)</u></u>

EXHIBIT H-16

GO Tax Increment Bonds 2004A	GO Tax Increment Bonds 2003A	Total
\$ 287,939	\$ 77,934	\$ 704,088
<u>287,939</u>	<u>77,934</u>	<u>704,088</u>
1,988	-	425,379
1,498	1,017	2,515
82,365	29,075	111,440
90,000	35,000	125,000
<u>175,851</u>	<u>65,092</u>	<u>664,334</u>
112,088	12,842	39,754
<u>593,031</u>	<u>295,994</u>	<u>(3,917,973)</u>
<u>\$ 705,119</u>	<u>\$ 308,836</u>	<u>\$ (3,878,219)</u>



CITY OF BLOOMINGTON, MINNESOTA

Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

SECTION III

STATISTICAL INFORMATION



**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.

CONTENTS	PAGE
Financial Trends	172
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	180
These tables contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	
Debt Capacity	185
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.	
Demographic and Economic Information	192
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.	
Operating Information	194
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)

	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$223,186,534	\$233,313,606	\$234,297,444	\$232,922,311
Restricted	19,755,275	18,287,861	26,841,630	27,895,072
Unrestricted	97,543,190	101,101,321	106,939,521	124,055,525
Total governmental activities net position	<u>\$340,484,999</u>	<u>\$352,702,788</u>	<u>\$368,078,595</u>	<u>\$384,872,908</u>
Business-type activities:				
Net investment in capital assets	\$75,603,248	\$75,763,507	\$78,786,554	\$81,918,711
Restricted	183,500	183,500	183,500	183,500
Unrestricted	18,521,954	19,306,154	16,299,438	14,147,711
Total business-type activities net position	<u>\$94,308,702</u>	<u>\$95,253,161</u>	<u>\$95,269,492</u>	<u>\$96,249,922</u>
Primary government:				
Net investment in capital assets	\$298,789,782	\$309,077,113	\$313,083,798	\$314,841,022
Restricted	19,938,775	18,471,361	27,025,130	28,078,572
Unrestricted	116,065,144	120,407,475	123,238,959	138,203,236
Total primary government net position	<u>\$434,793,701</u>	<u>\$447,955,949</u>	<u>\$463,347,887</u>	<u>\$481,122,830</u>

Table 1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$235,909,200	\$237,427,493	\$239,452,569	\$247,436,963	\$269,230,824	\$283,643,717
32,235,051	32,602,549	78,893,688	82,269,101	91,045,904	67,294,971
123,811,008	127,671,490	84,444,842	80,282,505	73,886,361	87,228,094
<u>\$391,955,259</u>	<u>\$397,701,532</u>	<u>\$402,791,099</u>	<u>\$409,988,569</u>	<u>\$434,163,089</u>	<u>\$438,166,782</u>
\$82,916,273	\$83,743,321	\$84,427,251	\$84,300,863	\$84,457,359	\$86,185,438
183,500	183,500	183,500	183,500	-	-
14,605,681	13,691,701	13,264,850	14,968,340	14,056,641	11,782,412
<u>\$97,705,454</u>	<u>\$97,618,522</u>	<u>\$97,875,601</u>	<u>\$99,452,703</u>	<u>\$98,514,000</u>	<u>\$97,967,850</u>
\$318,825,473	\$321,170,814	\$323,879,820	\$331,737,826	\$353,688,183	\$369,829,155
32,418,551	32,786,049	79,077,188	82,452,601	91,045,904	67,294,971
138,416,689	141,363,191	97,709,692	95,250,845	87,943,002	99,010,506
<u>\$489,660,713</u>	<u>\$495,320,054</u>	<u>\$500,666,700</u>	<u>\$509,441,272</u>	<u>\$532,677,089</u>	<u>\$536,134,632</u>

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
Government services	\$6,743,979	\$6,216,805	\$6,551,564	\$7,552,801
Development services	9,130,695	10,640,623	12,936,734	11,446,884
Public works	15,178,674	14,402,209	15,879,366	18,618,172
Public safety	21,132,288	21,401,304	22,163,979	22,690,239
Community services	10,304,936	10,434,867	11,085,832	11,204,261
Interest on long-term debt	1,987,536	1,847,762	2,169,550	1,928,534
Total governmental activities expenses	<u>64,478,108</u>	<u>64,943,570</u>	<u>70,787,025</u>	<u>73,440,891</u>
Business-type activities:				
Water/wastewater	17,515,594	19,173,632	20,241,555	20,445,586
Storm water	2,341,475	2,368,189	2,741,346	3,022,346
Recreational facilities	4,758,019	4,916,572	5,035,848	5,244,075
Other activities	2,065,431	1,762,678	1,868,510	2,515,841
Total business-type activities expenses	<u>26,680,519</u>	<u>28,221,071</u>	<u>29,887,259</u>	<u>31,227,848</u>
Total primary government expenses	<u>\$91,158,627</u>	<u>\$93,164,641</u>	<u>\$100,674,284</u>	<u>\$104,668,739</u>
Program revenues				
Governmental activities:				
Charges for services:				
General services	\$2,705,654	\$2,661,425	\$2,821,039	\$2,721,079
Development services	4,044,776	3,379,723	3,763,403	2,743,925
Public works	305,191	314,316	709,361	250,770
Public safety	697,031	953,783	889,046	835,721
Community services	1,733,703	1,857,661	1,947,222	2,067,333
Operating grants and contributions	5,697,266	4,808,672	5,275,523	5,323,062
Capital grants and contributions	16,969,829	15,197,852	16,640,764	20,075,161
Total governmental activities program revs	<u>32,153,450</u>	<u>29,173,432</u>	<u>32,046,358</u>	<u>34,017,051</u>
Business-type activities:				
Charges for services:				
Water/wastewater	16,656,065	18,166,058	18,958,895	19,870,545
Storm water	3,476,286	3,990,285	3,903,039	4,152,024
Recreational facilities	3,387,040	3,456,326	3,412,322	3,747,232
Other activities	1,591,585	1,550,438	1,663,392	1,905,193
Operating grants and contributions	575,872	266,916	286,829	783,997
Capital grants and contributions	-	-	-	-
Total business-type activities program revs	<u>25,686,848</u>	<u>27,430,023</u>	<u>28,224,477</u>	<u>30,458,991</u>
Total primary government program revs	<u>\$57,840,298</u>	<u>\$56,603,455</u>	<u>\$60,270,835</u>	<u>\$64,476,042</u>
Net (expense) revenue:				
Governmental activities	(32,324,658)	(35,770,138)	(38,740,667)	(39,423,840)
Business-type activities	(993,671)	(791,048)	(1,662,782)	(768,857)
Total primary gov't net (expense) revenue	<u>(\$33,318,329)</u>	<u>(\$36,561,186)</u>	<u>(\$40,403,449)</u>	<u>(\$40,192,697)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$34,095,724	\$36,663,093	\$39,924,520	\$40,957,857
Business taxes	5,529,892	6,068,647	6,529,409	6,818,771
Unrestricted grants and contributions	903,820	1,265,422	1,267,909	1,203,893
Gain on sale of capital assets	1,208,916	114,928	-	30,545
Investment earnings	2,218,702	4,977,731	6,377,834	6,936,739
Transfers	555,000	(75,269)	16,602	(24,000)
Total governmental activities	<u>44,512,054</u>	<u>49,014,552</u>	<u>54,116,274</u>	<u>55,923,805</u>
Business-type activities:				
Taxes	683,236	714,712	751,318	768,967
Gain on sale of capital assets	-	-	-	-
Investment earnings	412,097	945,526	944,397	775,794
Transfers	(555,000)	75,269	(16,602)	24,000
Total business-type activities	<u>540,333</u>	<u>1,735,507</u>	<u>1,679,113</u>	<u>1,568,761</u>
Total primary government	<u>\$45,052,387</u>	<u>\$50,750,059</u>	<u>\$55,795,387</u>	<u>\$57,492,566</u>
Change in net position:				
Governmental activities	\$12,187,396	\$13,244,414	\$15,375,607	\$16,499,965
Business-type activities	(453,338)	944,459	16,331	799,904
Total primary government	<u>\$11,734,058</u>	<u>\$14,188,873</u>	<u>\$15,391,938</u>	<u>\$17,299,869</u>

Table 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$7,749,164	\$6,755,313	\$7,255,182	\$7,185,895	\$7,527,901	\$7,702,188
10,440,313	10,201,540	9,993,980	9,686,546	12,006,241	23,261,857
16,483,155	16,918,065	16,787,405	14,229,217	15,162,908	15,620,844
23,123,311	26,208,360	26,751,391	26,245,526	28,124,185	29,695,195
11,501,567	12,593,495	12,532,613	14,787,079	15,894,544	15,720,340
2,254,770	2,312,818	2,140,825	2,236,062	3,145,420	1,767,122
71,552,280	74,989,591	75,461,396	74,370,325	81,861,199	93,767,546
21,095,746	21,186,738	21,876,605	21,927,951	22,804,577	23,004,075
2,940,357	3,207,573	3,205,055	3,181,680	3,229,686	3,446,390
5,180,193	5,193,546	5,290,940	5,372,380	5,459,451	5,781,663
2,190,527	2,097,085	2,272,292	2,294,436	2,479,382	2,851,567
31,406,823	31,684,942	32,644,892	32,776,447	33,973,096	35,083,695
\$102,959,103	\$106,674,533	\$108,106,288	\$107,146,772	\$115,834,295	\$128,851,241
\$2,716,248	\$3,034,137	\$3,002,960	\$2,999,283	\$3,117,163	\$3,500,551
2,833,463	2,844,876	3,482,579	3,601,313	3,692,808	5,166,271
1,275,586	795,439	926,935	433,640	352,955	385,274
759,798	916,777	623,482	564,118	664,015	511,613
2,165,263	2,298,546	2,141,239	2,378,476	2,294,859	2,150,551
5,532,596	7,765,315	7,250,512	5,407,043	6,277,517	6,524,865
16,448,770	11,273,508	13,390,833	14,166,562	32,781,014	16,172,833
31,731,724	28,928,598	30,818,540	29,550,435	49,180,331	34,411,958
21,262,140	19,974,684	19,800,214	20,954,786	20,575,176	20,578,287
4,463,832	4,491,970	4,373,221	4,519,242	4,736,151	4,873,273
3,694,046	3,695,146	3,485,848	3,445,419	3,412,602	3,448,585
1,991,306	1,949,741	2,119,848	2,349,498	2,137,718	2,264,970
39,369	16,768	78,763	267,591	592,432	854,174
-	-	179	36	-	-
31,450,693	30,128,309	29,858,073	31,536,572	31,454,079	32,019,289
\$63,182,417	\$59,056,907	\$60,676,613	\$61,087,007	\$80,634,410	\$66,431,247
(39,820,556)	(46,060,993)	(44,642,856)	(44,819,890)	(32,680,868)	(59,355,588)
43,870	(1,556,633)	(2,786,819)	(1,239,875)	(2,519,017)	(3,064,406)
(\$39,776,686)	(\$47,617,626)	(\$47,429,675)	(\$46,059,765)	(\$35,199,885)	(\$62,419,994)
\$41,263,207	\$41,994,611	\$40,962,947	\$43,284,520	\$44,775,678	\$46,752,023
5,808,668	6,200,706	6,874,548	7,010,018	8,906,394	14,222,910
1,179,388	1,167,739	1,593,424	1,232,810	1,202,154	1,850,619
7,491	99,283	82,023	58,760	70,765	4,275
2,649,119	2,562,594	2,002,925	1,551,127	513,017	1,508,213
(265,927)	(217,667)	(1,783,444)	(1,535,643)	(189,469)	(978,759)
50,641,946	51,807,266	49,732,423	51,601,592	55,278,539	63,359,281
872,387	1,001,875	1,092,948	1,253,288	1,366,798	1,451,140
809	7,481	6,367	-	-	-
272,539	242,678	161,139	28,046	24,047	88,357
265,927	217,667	1,783,444	1,535,643	189,469	978,759
1,411,662	1,469,701	3,043,898	2,816,977	1,580,314	2,518,256
\$52,053,608	\$53,276,967	\$52,776,321	\$54,418,569	\$56,858,853	\$65,877,537
\$10,821,390	\$5,746,273	\$5,089,567	\$6,781,702	\$22,597,671	\$4,003,693
1,455,532	(86,932)	257,079	1,577,102	(938,703)	(546,150)
\$12,276,922	\$5,659,341	\$5,346,646	\$8,358,804	\$21,658,968	\$3,457,543

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

	2005	2006	2007	2008
General Fund:				
Reserved	\$426,414	\$389,770	\$622,847	\$316,429
Unreserved	15,537,681	16,703,081	18,300,838	19,388,591
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$15,964,095</u>	<u>\$17,092,851</u>	<u>\$18,923,685</u>	<u>\$19,705,020</u>
All other governmental funds:				
Reserved	\$10,586,258	\$8,847,003	\$15,911,503	\$11,866,315
Unreserved, designated, reported in:				
Special revenue funds	6,370,551	6,053,338	5,266,190	4,989,824
Capital projects funds	41,942,841	48,346,797	59,561,910	72,251,099
Unreserved, undesignated, reported in -				
Special revenue funds	-	-	(96,377)	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$58,899,650</u>	<u>\$63,247,138</u>	<u>\$80,643,226</u>	<u>\$89,107,238</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					
2009	2010	2011	2012	2013	2014
\$261,546	\$328,007	\$ -	\$ -	\$ -	\$ -
19,650,614	19,122,276	-	-	-	-
-	-	-	-	-	3,952
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,007,844	712,554	571,066	1,250,496
-	-	18,997,494	19,979,183	20,344,235	23,388,858
<u>\$19,912,160</u>	<u>\$19,450,283</u>	<u>\$20,005,338</u>	<u>\$20,691,737</u>	<u>\$20,915,301</u>	<u>\$24,643,306</u>
\$12,561,450	\$13,047,049	\$ -	\$ -	\$ -	\$ -
4,615,480	8,152,553	-	-	-	-
71,551,551	65,668,487	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	58,933,054	63,348,535	73,455,034	49,590,387
-	-	13,096,599	12,621,177	11,155,740	6,375,212
-	-	21,312,731	17,996,032	16,211,514	19,649,729
<u>\$88,728,481</u>	<u>\$86,868,089</u>	<u>\$93,342,384</u>	<u>\$93,965,744</u>	<u>\$100,822,288</u>	<u>\$75,615,328</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes	\$34,056,051	\$36,635,384	\$38,604,975	\$40,277,913
Lodging and admissions taxes	5,529,892	6,068,647	6,529,409	6,818,771
Licenses, fees and permits	4,512,653	3,913,055	4,562,365	3,774,304
Fines and penalties	1,293,423	1,556,778	1,375,256	1,277,684
Charges for services	2,885,891	2,907,522	2,594,882	2,669,727
Special assessments	2,073,347	2,206,193	2,048,460	2,572,993
Intergovernmental	14,468,819	12,287,406	13,248,739	9,145,167
Investment earnings	1,655,109	3,684,855	4,980,416	5,651,222
Other revenues	9,419,276	7,024,906	8,780,360	10,544,436
Total revenues	<u>75,894,461</u>	<u>76,284,746</u>	<u>82,724,862</u>	<u>82,732,217</u>
Expenditures:				
Current:				
General services	5,114,634	5,213,619	5,513,732	5,624,310
Development services	6,226,649	8,522,035	9,569,608	8,481,077
Public works	9,990,836	10,759,575	11,175,235	11,491,947
Public safety	19,893,981	20,420,001	21,067,496	21,748,003
Community services	8,907,709	9,323,145	9,962,691	10,380,435
Debt service:				
Paying agent fees	32,354	25,123	191,853	60,689
Interest	1,693,844	1,563,055	1,708,961	2,196,443
Principal retirement	6,760,000	4,055,000	3,125,000	9,345,000
Capital outlay:				
General services	-	-	-	22,522
Development services	2,277,338	2,258,896	162,767	4,251,155
Public works	17,152,737	10,511,219	10,542,665	9,944,230
Public safety	953,137	904,876	276,882	281,249
Community services	1,265,596	659,250	270,224	1,061,763
District decertified - repayment of tax increments	-	1,008,680	1,054,532	-
Total expenditures	<u>80,268,815</u>	<u>75,224,474</u>	<u>74,621,646</u>	<u>84,888,823</u>
Revenues over (under) expenditures	<u>(4,374,354)</u>	<u>1,060,272</u>	<u>8,103,216</u>	<u>(2,156,606)</u>
Other financing sources (uses):				
Bonds issued	3,300,000	5,855,000	11,505,000	9,570,000
Bond premiums	145,366	86,519	89,705	213
Bond discounts	-	-	-	-
Proceeds capital assets	-	-	-	2,194,455
Transfers in	10,116,124	10,159,209	4,540,495	6,059,851
Transfers out	(12,579,080)	(11,684,757)	(5,011,494)	(6,543,471)
Total other financing sources (uses)	<u>982,410</u>	<u>4,415,971</u>	<u>11,123,706</u>	<u>11,281,048</u>
Net change in fund balance	<u>(\$3,391,944)</u>	<u>\$5,476,243</u>	<u>\$19,226,922</u>	<u>\$9,124,442</u>
Debt service as a percentage of noncapital expenditures	12.9%	9.3%	8.1%	16.5%
Debt service as percentage of total expenditures	10.5%	7.5%	6.5%	13.6%

Table 4

2009	2010	2011	2012	2013	2014
\$41,277,481	\$42,020,340	\$41,365,118	\$43,092,371	\$45,485,284	\$46,756,493
5,808,668	6,200,709	6,874,548	7,010,018	8,906,395	14,222,909
3,732,882	3,623,605	4,474,072	4,648,260	4,679,509	5,864,807
1,185,711	1,515,366	1,376,797	1,283,725	1,493,871	1,216,254
2,726,102	2,894,200	2,744,425	2,961,413	2,771,138	3,021,925
2,873,470	3,210,522	3,809,554	4,438,899	3,738,367	3,645,884
9,120,682	9,041,238	9,804,326	10,125,744	14,575,098	14,745,267
2,100,221	2,054,891	1,645,392	1,239,085	448,813	1,250,209
9,691,594	8,132,865	8,961,650	8,077,401	21,432,708	8,612,823
78,516,811	78,693,736	81,055,882	82,876,916	103,531,183	99,336,571
6,024,864	5,368,743	5,332,137	5,741,888	6,301,804	6,804,893
7,996,300	15,408,814	7,454,595	11,742,179	9,548,984	19,400,112
11,756,830	11,909,318	11,613,863	9,362,745	10,007,731	10,464,616
22,617,035	25,500,113	26,191,631	25,733,989	27,490,143	28,984,753
10,754,056	11,658,659	11,683,752	13,979,633	14,983,442	14,709,288
76,932	88,308	227,284	281,170	136,333	43,887
1,936,789	1,961,215	2,203,535	2,074,532	2,342,029	1,973,965
4,610,000	4,335,000	5,020,000	7,765,000	8,720,000	17,645,000
-	-	-	-	-	238,249
3,182,677	2,797,431	1,800,019	2,735,526	17,709,054	12,057,284
9,787,120	8,553,896	11,780,955	11,225,868	8,076,371	11,681,648
125,671	759,463	640,353	269,002	607,105	80,704
912,968	865,036	1,310,704	964,706	750,975	1,779,496
-	-	-	-	-	-
79,781,242	89,205,996	85,258,828	91,876,238	106,673,971	125,863,895
(1,264,431)	(10,512,260)	(4,202,946)	(8,999,322)	(3,142,788)	(26,527,324)
7,835,000	8,445,000	12,720,000	11,515,000	9,315,000	7,465,000
(59,155)	15,426	202,010	882,240	476,462	177,674
-	(18,998)	-	-	-	-
-	-	-	-	-	-
7,860,345	14,113,607	7,509,683	5,748,790	6,205,652	4,213,697
(10,804,337)	(14,365,044)	(9,199,397)	(7,836,949)	(7,351,067)	(6,808,000)
4,831,853	8,189,991	11,232,296	10,309,081	8,646,047	5,048,371
\$3,567,422	(\$2,322,269)	\$7,029,350	\$1,309,759	\$5,503,259	(\$21,478,953)
9.9%	8.2%	10.3%	12.8%	13.8%	19.4%
8.2%	7.1%	8.5%	10.7%	10.4%	15.6%

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 ^(a)	Commercial/ Industrial Property	All Other ^(b)	Total Tax Capacity ^(c)	Less: Fiscal Disparity Contribution ^(d)
2005	\$68,173,718	\$55,203,025	\$1,872,412	\$125,249,155	\$13,843,059
2006	74,284,170	58,402,855	1,737,668	134,424,693	13,240,303
2007	79,432,988	64,100,590	1,603,052	145,136,630	14,054,146
2008	81,208,773	74,938,304	1,626,746	157,773,823	15,034,222
2009	79,090,466	78,899,492	1,603,754	159,593,712	22,292,418
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

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 2014 above relate to the January 2, 2013 assessment.

^(a) Includes single-family homes, condominiums, townhouses, cooperatives, apartments and residential vacant land.

^(b) Includes personal property accounts and utilities/machinery classification.

^(c) Includes properties in tax increment financing (TIF) districts, the majority of which are commercial/industrial.

^(d) Figure represents fiscal disparities contribution net of fiscal disparities distribution.

^(e) 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

Adjusted Tax Capacity Value ^(e)	Total Direct Tax Rate	Estimated Market Value (EMV)	Tax Capacity as a Percent of EMV
\$111,406,096	34.69	\$9,686,599,800	1.15%
121,184,390	33.82	10,353,417,000	1.17%
131,082,484	32.89	11,095,431,100	1.18%
142,739,601	31.97	11,786,153,600	1.21%
137,301,294	34.34	11,792,231,200	1.16%
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	45.49	9,927,891,400	1.14%
116,114,106	48.68	9,874,797,100	1.18%

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	
2005	31.35	3.34	34.69	16.70	44.17	9.87	105.43
2006	31.47	2.35	33.82	16.33	41.02	9.42	100.59
2007	30.31	2.58	32.89	15.61	39.11	9.73	97.34
2008	29.65	2.32	31.97	17.26	38.58	9.82	97.63
2009	31.65	2.69	34.34	17.42	40.41	9.93	102.10
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

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 2014			Payable 2005		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Mall of America	\$13,871,060 ^(a)	1	10.56%	\$10,581,112 ^(a)	1	8.45%
Equity Group Investments JV	5,200,000 ^(b)	2	3.96%	-	-	-
Kraus-Anderson	1,807,002	3	1.38%	1,310,556	5	1.05%
United Properties	1,716,052	4	1.31%	1,869,342	3	1.49%
Carlson Companies	1,472,992	5	1.12%	-	-	-
CB Richard Ellis	1,433,060	6	1.09%	-	-	-
Liberty Property LP	1,303,528	7	0.98%	1,301,116	4	1.04%
Frauenschuh	1,048,698	8	0.80%	-	-	-
Gateway Lake Properties	1,017,260	9	0.77%	841,710	8	0.67%
Artis REIT	931,220	10	0.71%	-	-	-
Teachers Insurance and Annuity	-	-	0.00%	3,326,562 ^(b)	2	2.66%
Duke Realty LP	-	-	0.00%	1,234,550	6	0.99%
Metropolitan Life Insurance	-	-	0.00%	1,175,760	7	0.94%
Bloomgate Holdings	-	-	0.00%	757,854	9	0.61%
Bloomington Corporate Center	-	-	0.00%	734,550	10	0.59%
Total	<u>\$29,800,872</u>		<u>22.67%</u>	<u>\$23,133,112</u>		<u>18.49%</u>
Total All Property	<u>\$131,369,638</u>			<u>\$125,249,135</u>		

Source: City of Bloomington Assessing Division

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

^(a) Market value in the existing Mall of America TIF districts will become part of the local tax base starting in 2017 for Phase I and 2019 for Phase II.

^(b) Normandale Lake Office Park sold by Teachers Insurance to Equity Group in August 2012.

CITY OF BLOOMINGTON, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 8

Fiscal Year Ended <u>December 31,</u>	Taxes Levied For The <u>Fiscal Year</u>	<u>Collected Within The Fiscal Year of the Levy</u>		Delinquent Collections in Subsequent Years ^(a)	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$34,479,870	\$34,222,098	99.25%	\$45,708	\$34,267,806	99.38%
2006	37,167,181	36,964,084	99.45%	114,613	37,078,697	99.76%
2007	38,800,770	38,607,066	99.50%	66,373	38,673,439	99.67%
2008	40,853,864	40,456,342	99.03%	207,117	40,663,459	99.53%
2009	41,936,879	41,636,622	99.28%	138,949	41,775,571	99.62%
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%

Source: City of Bloomington Finance Department

^(a) 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 ^(a)	Per Capita ^(a)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds		Revenue Bonds			
2005	\$7,485,000	\$22,880,000	\$8,210,000	\$38,575,000	\$2,035,000	\$40,610,000	1.3%	\$475
2006	6,680,000	26,105,000	7,590,000	40,375,000	1,530,000	41,905,000	1.3%	488
2007	11,715,000	30,100,000	6,940,000	48,755,000	1,165,000	49,920,000	1.4%	585
2008	5,590,000	37,210,000	6,180,000	48,980,000	865,000	49,845,000	1.4%	585
2009	5,285,000	41,580,000	5,340,000	52,205,000	615,000	52,820,000	1.5%	629
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	55,620,000	6,175,000	73,130,000	150,000	73,280,000	1.9%	852
2013	9,940,000	60,125,000	3,095,000	73,160,000	-	73,160,000	1.8%	848
2014	8,515,000	50,930,000	2,970,000	62,415,000	-	62,415,000	1.5%	723

Source: City of Bloomington Finance Department

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

^(a)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 ^(a)	Net Bonded Debt Per Capita ^(b)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds					
2005	\$7,485,000	\$22,880,000	\$8,210,000	\$38,575,000	\$9,824,240	\$28,750,760	0.30%	336
2006	6,680,000	26,105,000	7,590,000	40,375,000	8,035,432	32,339,568	0.31%	377
2007	11,715,000	30,100,000	6,940,000	48,755,000	15,040,665	33,714,335	0.30%	395
2008	5,590,000	37,210,000	6,180,000	48,980,000	10,943,810	38,036,190	0.32%	446
2009	5,285,000	41,580,000	5,340,000	52,205,000	11,586,697	40,618,303	0.34%	483
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	55,620,000	6,175,000	73,130,000	23,572,558	49,557,442	0.49%	576
2013	9,940,000	60,125,000	3,095,000	73,160,000	27,682,370	45,477,630	0.46%	527
2014	8,515,000	50,930,000	2,970,000	62,415,000	17,590,028	44,824,972	0.45%	519

Source: City of Bloomington Finance Department

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

^(a)See Table 5 for estimated market value data.

^(b)See Table 14 for population data.

CITY OF BLOOMINGTON, MINNESOTA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****Table 11**

December 31, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
School Districts:			
ISD No. 271	\$54,135,000	99.88%	\$54,070,038
ISD No. 272	65,610,000	0.47%	308,367
ISD No. 273	60,935,000	1.31%	798,249
Other debt:			
Hennepin County	766,200,000	7.44%	57,005,280
Hennepin County Park District	64,495,000	10.14%	6,539,793
Hennepin Regional RR Authority	36,205,000	10.14%	3,671,187
Metropolitan Council	220,775,000	3.82%	8,433,605
Subtotal - overlapping debt			130,826,519
City direct debt ^(b)	62,415,000	100.00%	62,415,000
Total direct and overlapping debt			<u>\$193,241,519</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.

^(a) 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.

^(b) Excludes revenue bonded indebtedness.

CITY OF BLOOMINGTON, MINNESOTA**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$207,068,340	\$221,908,622	\$235,806,328	\$353,327,586
Total net debt applicable to limit ^(a)	<u>5,446,728</u>	<u>5,161,497</u>	<u>4,931,655</u>	<u>5,009,500</u>
Legal debt margin	<u><u>\$201,621,612</u></u>	<u><u>\$216,747,125</u></u>	<u><u>\$230,874,673</u></u>	<u><u>\$348,318,086</u></u>
Total net debt applicable to the limit as a percentage of debt limit	2.63%	2.33%	2.09%	1.42%

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.

In 2008, the debt limit increased from 2% of total assess market value to 3% of total assessed market value.

For example, in 2014 the debt limit was \$296,243,913, the total net debt applicable to the limit was \$6,557,605, and the City could issue up to an additional \$289,686,308 of general obligation debt and still be in compliance with the above statute.

Table 12

2009	2010	2011	2012	2013	2014
\$353,157,039	\$333,655,044	\$309,557,004	\$303,353,544	\$297,836,742	\$296,243,913
4,638,800	6,457,546	10,924,513	9,493,644	8,047,547	6,557,605
<u>\$348,518,239</u>	<u>\$327,197,498</u>	<u>\$298,632,491</u>	<u>\$293,859,900</u>	<u>\$289,789,195</u>	<u>\$289,686,308</u>
1.31%	1.94%	3.53%	3.13%	2.70%	2.21%

Legal Debt Margin Calculation for Fiscal Year 2014

Market value	\$9,874,797,100
Debt limit (3% of market value)	<u>296,243,913</u>
Debt applicable to limit:	
General obligation bonds	8,515,000
Less: Amount set aside for repayment	
of general obligation debt	<u>(1,957,395)</u>
Total net debt applicable to limit	<u>6,557,605</u>
Legal debt margin	<u>\$289,686,308</u>

CITY OF BLOOMINGTON, MINNESOTA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Enterprise Revenue Bonds ^(a)					Coverage
	Pledged Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2005	\$6,863,326	\$5,333,412	\$1,529,914	\$505,000	\$87,047	2.58
2006	7,446,610	5,622,407	1,824,203	505,000	67,443	3.19
2007	7,360,667	6,094,601	1,266,066	365,000	54,676	3.02
2008	7,899,256	6,521,853	1,377,403	300,000	41,496	4.03
2009	8,117,878	6,444,332	1,673,546	250,000	30,260	5.97
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

Source: City of Bloomington Finance Department

^(a) Storm water utility bonds were paid off in 2009. From 2010 to 2012, the remaining enterprise bonds had pledged revenues from the Ice Garden activity in the Recreational Facilities Fund.

^(b) Both improvement bonds and tax increment bonds are general obligation bonds and have tax levy authority to cover all debt requirements.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include depreciation.

Table 13

Improvement Bonds ^(b)				Tax Increment Bonds ^(b)			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$2,049,313	\$1,565,000	\$761,802	0.88	\$641,737	\$1,095,000	\$546,600	0.39
2,181,414	2,630,000	799,015	0.64	857,010	620,000	413,208	0.83
2,048,460	1,920,000	711,974	0.78	1,147,754	650,000	387,888	1.11
2,518,754	2,460,000	1,043,280	0.72	1,414,486	760,000	354,440	1.27
2,836,610	3,465,000	1,356,869	0.59	1,282,134	840,000	311,380	1.11
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	222,550	2.08

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
2005	85,442	\$3,183,227,152	\$37,256	10,598	3.7%	3.5%
2006	85,832	\$3,335,345,688	38,859	10,434	3.9	3.7
2007	85,389	\$3,503,852,226	41,034	10,359	4.5	4.1
2008	85,238	\$3,645,799,736	42,772	10,307	6.4	6.2
2009	84,034	\$3,491,780,768	41,552	10,170	7.2	7.0
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

Sources: (1) U.S. Census estimates were used for 2010 through 2014 and Metropolitan Council estimates were used for prior years
 (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 Ten Years Ago

Table 15

Employer	2014			2004 (3)		
	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	15%	13,000	1	14%
HealthPartners	2,666	2	3%	1,352	5	1%
Bloomington School District #271	1,936	3	2%	1,700	3	2%
Seagate Technology	1,743	4	2%	2,300	2	2%
NCS Pearson	1,245	5	1%	-	-	-
Donaldson Company	1,174	6	1%	1,100	6	1%
Toro Company	939	7	1%	944	7	1%
Express Scripts	838	8	1%	1,642	4	2%
Wells Fargo Bank	678	9	1%	-	-	-
Normandale Community College	675	10	1%	-	-	-
Thermo King/Ingersoll Rand Corp.	-	-	-	850	8	1%
Holiday Companies	-	-	-	800	9	1%
Minnesota Masonic Home	-	-	-	794	10	1%
Total	24,894		28%	24,482		26%
Total City Employment	89,040			92,708		

Sources: (1) City of Bloomington Finance Department

(2) Minnesota Department of Employment and Economic Development (average annual City employment)

(3) 2005 data for Bloomington's principal employers is not available; therefore, 2004 data was used for comparison.

CITY OF BLOOMINGTON, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
Governmental activities:				
General services	82	81	81	80
Development services	62	64	71	71
Public works	116	114	118	121
Public safety	152	153	153	153
Community services	56	56	55	56
Total governmental activities	468	468	478	481
Business-type activities:				
Water/wastewater	52	53	54	54
Storm water	9	9	11	11
Recreational facilities	16	16	16	15
Solid waste management	1	1	1	1
Contractual police	-	-	-	-
Motor vehicle	6	6	6	5
Total business-type activities	84	85	88	86
Total	552	553	566	567

Source: City of Bloomington Finance Department

Table 16

Full-Time Equivalent Employees as of December 31					
2009	2010	2011	2012	2013	2014
80	80	80	80	80	80
71	71	71	72	74	74
117	116	117	118	117	117
153	153	152	152	155	155
58	60	61	62	60	60
479	480	481	484	486	486
54	54	54	54	54	54
12	11	12	11	12	12
16	16	16	16	18	18
1	1	1	1	1	1
-	-	-	-	-	-
5	6	5	5	5	5
88	88	88	87	90	90
567	568	569	571	576	576

CITY OF BLOOMINGTON, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
General services:				
New full-time employees hired	34	32	34	23
Criminal case appearances	11,440	11,663	10,621	10,800
Purchase orders issued	2,593	2,386	2,307	2,047
Development services:				
Permits issued	12,317	11,386	12,940	11,443
Estimated value of permits	\$252,324,355	\$203,712,920	\$268,529,230	\$168,211,851
Fire inspections	2,067	2,338	1,995	1,972
Fire investigations	56	78	52	73
Public works:				
Street resurfacing (miles)	47	45	52	46
Street sweeping (tons of material)	*	3,100	3,967	3,447
Public safety:				
Bookings	2,877	2,536	2,515	2,358
DWI's	715	690	625	630
Part 1 crimes ^(a)	3,468	3,230	3,463	3,399
Fire department average response time	4:01	4:22	4:18	4:17
Fire emergency responses	1,190	1,207	1,305	1,309
Fires extinguished	266	289	238	192
Community services:				
City website pageviews	*	*	*	*
Number of E-Subscribers	N/A	N/A	N/A	N/A
Human services volunteers	540	406	431	390
Influenza immunizations	5,022	4,351	4,927	4,875
Client cancer screenings	836	919	1,141	1,079
Business-type activities:				
Water/wastewater utility:				
Average daily consumption (gallons)	11,460,000	12,410,000	12,270,000	11,800,000
Average daily sewage treatment (gallons)	9,000,000	8,850,000	8,789,000	8,550,000
Storm water utility:				
Storm mains inspected (miles)	6	6	6	3
Recreational facilities:				
Golf course rounds played	96,310	96,289	91,002	87,556
Ice garden hours	8,386	8,618	8,041	8,766
Solid waste management:				
Annual trash clean-up (tons)	2,176	2,166	1,963	1,626
Contractual police:				
Overtime hours billed	9,514	8,589	8,062	8,126
Motor vehicle:				
DNR transactions	2,838	2,971	2,913	2,734
Drivers license transactions	18,700	17,824	17,095	18,371
Motor vehicle transactions	64,994	60,129	59,969	58,130

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.

^(a) Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, theft, auto theft, and arson.

^(b) In 2009 the City implemented E-Subscribe, a free news service to send electronic notifications to registered subscribers.

^(c) In 2009 and 2010, the new H1N1 vaccine was separate, and beginning in 2011, H1N1 was included in the regular influenza vaccine.

Table 17

Fiscal Year					
2009	2010	2011	2012	2013	2014
19	15	33	43	44	44
13,400	12,200	14,200	16,000	20,000	18,000
1,912	1,788	1,696	1,875	1,457	1,382
10,061	11,179	11,254	11,362	16,119	14,413
\$173,870,423	\$128,201,819	\$263,305,005	\$198,432,583	\$201,614,610	\$342,190,790
2,121	1,909	1,730	2,111	2,643	2,724
72	61	105	152	152	117
46	41	36	43	31	36
4,558	4,552	3,784	4,263	3,477	3,834
2,469	2,420	2,153	2,262	2,349	2,350
624	624	593	512	451	425
3,459	3,309	3,358	3,443	3,524	3,423
4:24	4:31	4:36	4:31	4:23	4:16
1,089	1,168	1,184	1,161	1,221	1,317
178	153	142	177	159	149
*	*	1,776,135	1,814,332	1,948,674	1,911,818
3,050 ^(b)	4,100	5,673	7,565	9,706	12,191
321	405	284	309	317	350
9,630 ^(c)	6,780 ^(c)	4,101 ^(c)	3,506 ^(c)	4,488 ^(c)	3,905 ^(c)
1,347	1,170	1,234	1,213	1,139	574
11,700,000	10,500,000	10,720,000	11,700,000	11,202,000	10,700,000
8,190,000	8,285,000	8,570,000	8,130,000	8,078,000	8,175,000
6	9	9	8	8	9
83,638	76,209	66,180	62,852	51,658	61,355
9,553	9,888	9,342	9,206	9,635	9,440
1,796	1,689	1,717	1,497	1,300	1,789
8,309	6,552	8,308	9,399	9,270	7,739
2,676	2,730	2,543	2,879	2,876	2,641
17,170	17,346	18,209	21,610	20,439	20,727
56,743	55,900	61,878	64,265	61,835	66,061

CITY OF BLOOMINGTON, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Public works:				
Streets (miles)	344	343	343	342
Streetlights	4,118	4,118	4,148	4,148
Traffic signals	149	149	149	149
Emergency outdoor warning sirens	22	22	22	22
Emergency vehicle pre-emption systems	121	121	121	121
Public safety:				
Police stations	1	1	1	1
Patrol units - marked and unmarked	35	37	37	37
Police investigator vehicles	24	26	27	27
Fire stations	6	6	6	6
Community services:				
Community center	1	1	1	1
Skate park	1	1	1	1
Playgrounds/playlots	46	46	46	54 ^(a)
Baseball/softball diamonds	74	74	74	62 ^(a)
Soccer/football fields	36	36	36	22 ^(a)
Tennis courts	57	57	53	52 ^(a)
Picnic shelters/gazebos	15	15	15	19 ^(a)
Business-type activities:				
Water/wastewater utility:				
Water mains (miles)	488	489	489	490
Fire hydrants	4,491	4,514	4,529	4,556
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	380	380	380	382
Storm water utility:				
Storm sewers (miles)	250	250	250	250
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.

^(a) In 2008, the City conducted a Park Master Plan Update, which provided a more accurate classification and accounting of park amenities. Also, park fields utilized for multiple activities are now only counted for one function.

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					
2009	2010	2011	2012	2013	2014
342	341	341	342	342	342
4,118	4,339	4,339	4,339	4,339	4,339
147	147	147	147	144	144
22	22	22	22	22	22
121	121	121	121	121	121
1	1	1	1	1	1
37	37	37	37	37	37
27	27	27	27	27	27
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
54	54	54	54	54	54
61	61	61	61	61	62
22	22	22	22	22	22
51	51	50	50	49	49
22	22	22	22	22	22
489	489	489	495	496	496
4,565	4,570	4,599	4,589	4,617	4,617
44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
383	383	384	384	384	384
253	253	253	253	253	251
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3



CITY OF
BLOOMINGTON
MINNESOTA