

# CITY OF BURNSVILLE

## AUDIT REPORT

YEAR ENDED DECEMBER 31, 2019

James H. Eichten, CPA





# AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - Financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America
- **Testing of Internal Controls and Compliance**
  - Internal controls over financial reporting
  - Compliance with laws and regulations related to financial reporting
- **Minnesota Legal Compliance Audit**
  - Compliance with Minnesota state laws and regulations
- **Single Audit of Federal Awards**
  - Not Required for Fiscal 2019



# AUDIT OPINIONS AND FINDINGS

- **Financial Report**
  - Unmodified or clean opinion
- **Internal Controls Over Financial Reporting**
  - No findings
- **Minnesota Legal Compliance Audit**
  - No findings

## ■ **Audit Summary**

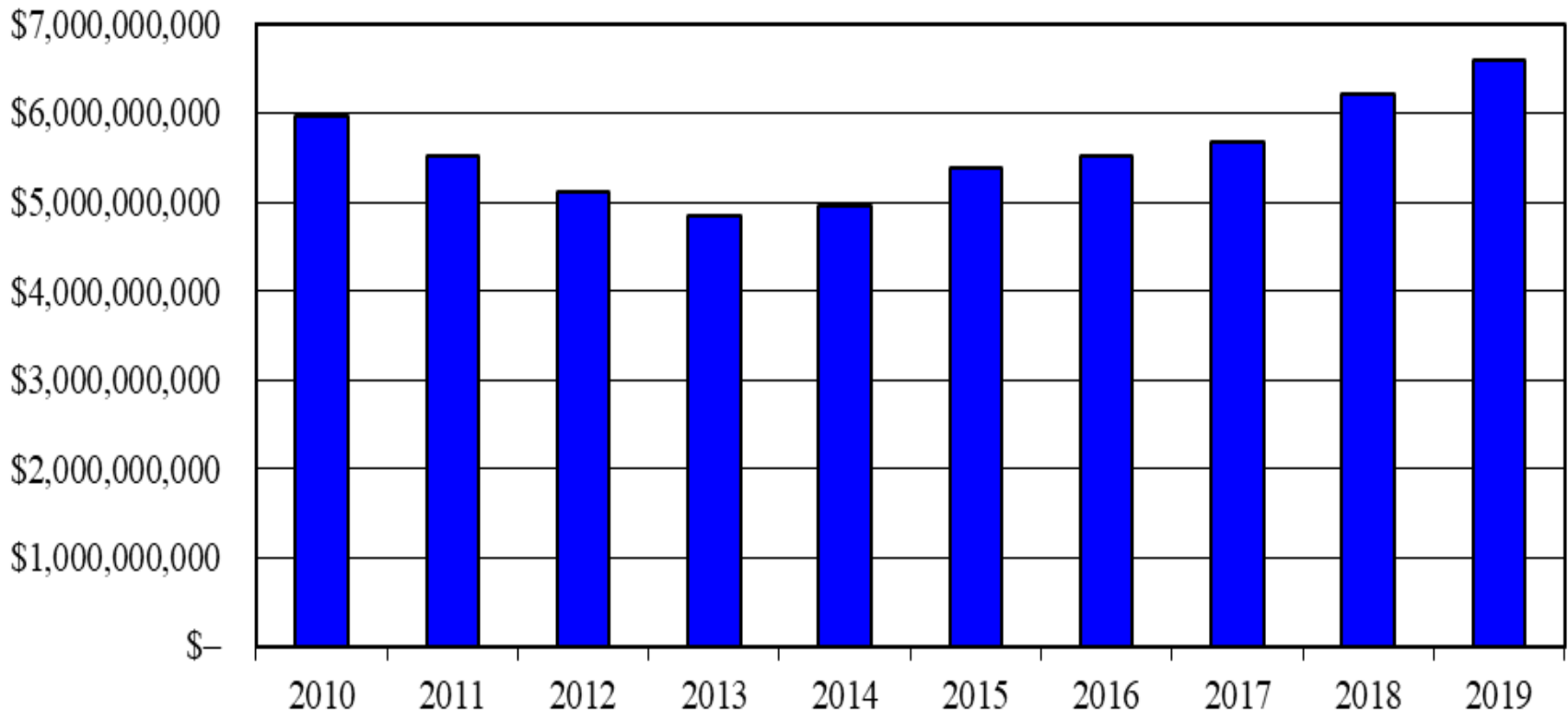
- **Responsibility of auditor**
- **Planned scope and timing of audit**
- **Audit opinions**
- **Formal required communications**



# MANAGEMENT REPORT

- **Audit Summary**
- **Property Taxes**

Taxable Market Value





# MANAGEMENT REPORT (CONT.)

## Rates Expressed as a Percentage of Net Tax Capacity

	City of Burnsville		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Average tax rate</b>			
City	46.6	43.6	43.6
County	28.0	26.6	25.4
School	27.5	27.5	24.4
Special taxing	<u>5.4</u>	<u>4.8</u>	<u>4.7</u>
Total	<u>107.5</u>	<u>102.5</u>	<u>98.1</u>



# MANAGEMENT REPORT

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**





# MANAGEMENT REPORT (CONT.)

## Governmental Funds Revenue per Capita With State-Wide Averages by Population Class

Year	State-Wide		City of Burnsville		
	December 31, 2017	December 31, 2018	2017	2018	2019
Population	20,000–100,000	20,000–100,000	62,239	62,657	62,657
Property taxes	\$ 475	\$ 493	\$ 525	\$ 544	\$ 571
Tax increments	38	43	13	15	16
Franchise fees and other taxes	48	50	40	38	37
Special assessments	59	57	30	28	37
Licenses and permits	49	47	33	39	54
Intergovernmental revenues	147	157	82	85	92
Charges for services	103	112	107	115	115
Other	48	49	41	48	82
<b>Total revenue</b>	<b>\$ 967</b>	<b>\$ 1,008</b>	<b>\$ 871</b>	<b>\$ 912</b>	<b>\$ 1,004</b>



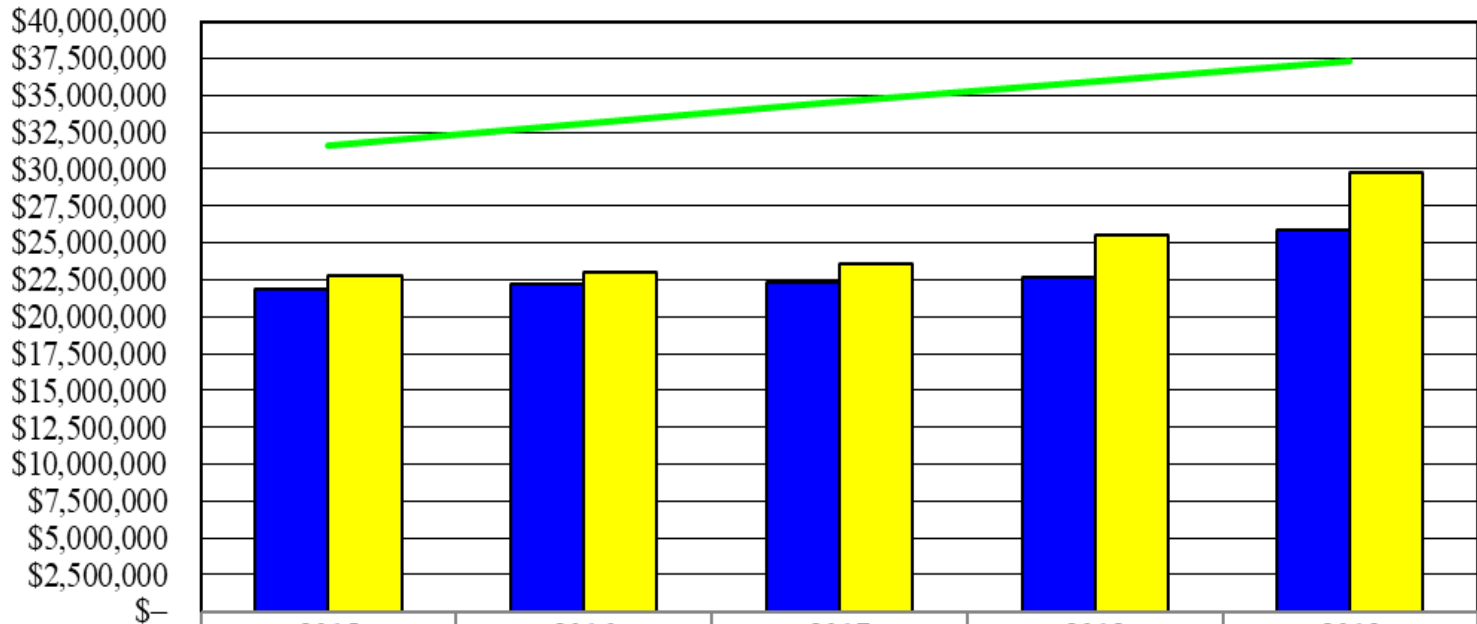
# MANAGEMENT REPORT (CONT.)

## Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class

Year	State-Wide		City of Burnsville		
	December 31, 2017	December 31, 2018	2017	2018	2019
Population	20,000–100,000	20,000–100,000	62,239	62,657	62,657
<b>Current</b>					
General government	\$ 101	\$ 104	\$ 114	\$ 112	\$ 112
Public safety	287	294	374	375	386
Public works	101	106	109	124	123
Recreation	99	104	16	16	18
All other	77	78	29	32	33
Total current	<u>665</u>	<u>686</u>	<u>642</u>	<u>659</u>	<u>672</u>
Capital outlay and construction	263	307	274	177	201
<b>Debt service</b>					
Principal	121	109	52	72	61
Interest and fiscal	32	29	25	25	19
Total debt service	<u>153</u>	<u>138</u>	<u>77</u>	<u>97</u>	<u>80</u>
Total expenditures	<u>\$ 1,081</u>	<u>\$ 1,131</u>	<u>\$ 993</u>	<u>\$ 933</u>	<u>\$ 953</u>

# MANAGEMENT REPORT (CONT.)

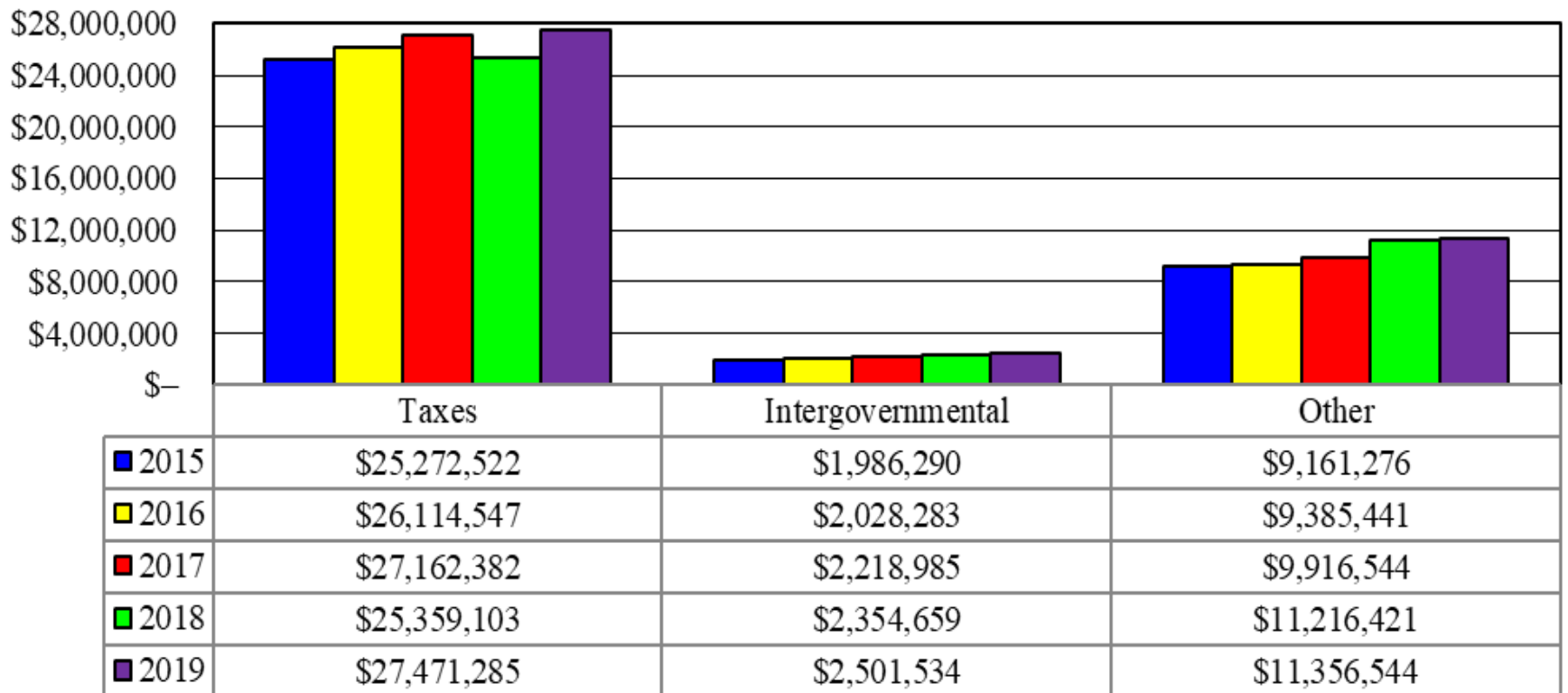
General Fund Financial Position  
 Year Ended December 31,



Fund Balance	\$21,849,224	\$22,212,232	\$22,338,001	\$22,608,694	\$25,835,752
Cash Bal (Incl Interfund Borrowing)	\$22,739,656	\$22,950,731	\$23,566,028	\$25,551,247	\$29,796,637
Expenditures	\$31,570,145	\$33,059,591	\$34,601,354	\$35,939,483	\$37,298,890

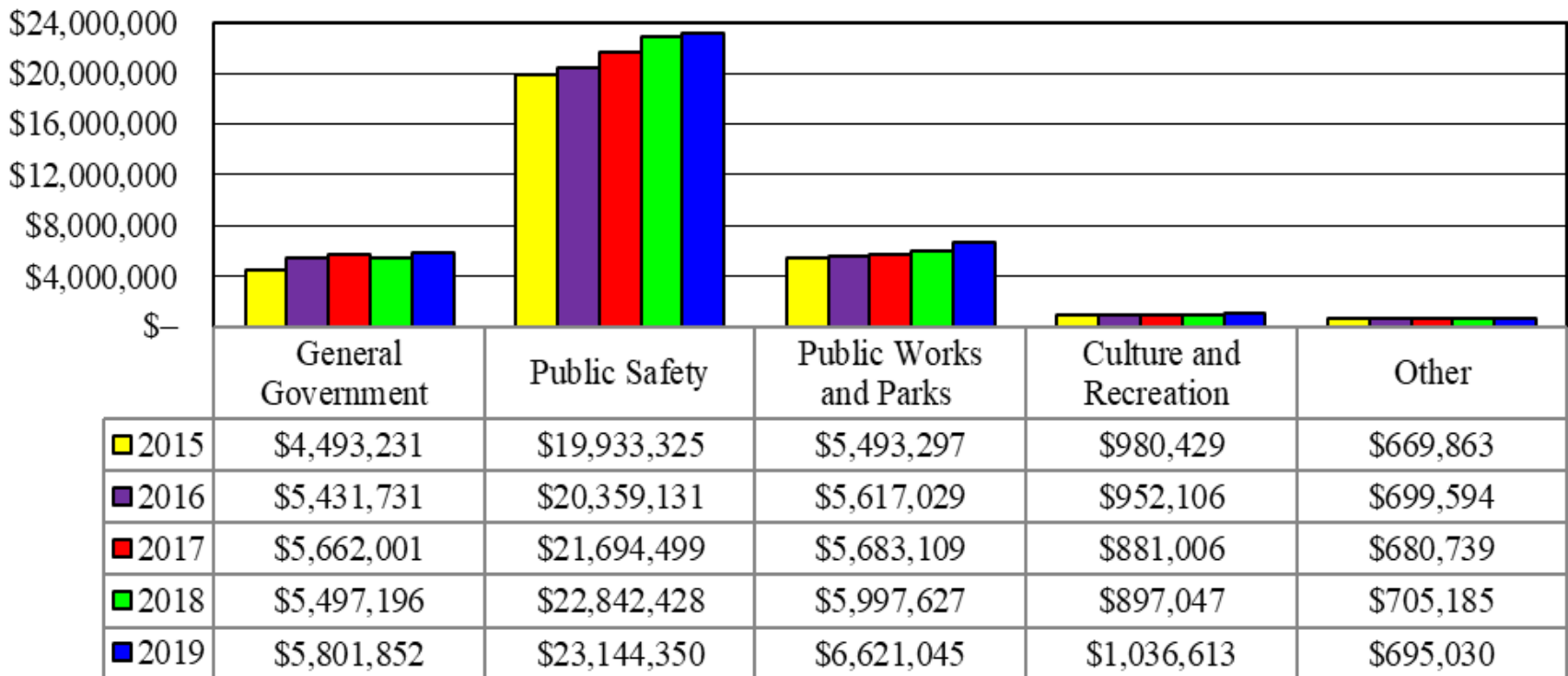
# MANAGEMENT REPORT (CONT.)

General Fund Revenue by Source  
 Year Ended December 31,



# MANAGEMENT REPORT (CONT.)

General Fund Expenditures by Function  
Year Ended December 31,



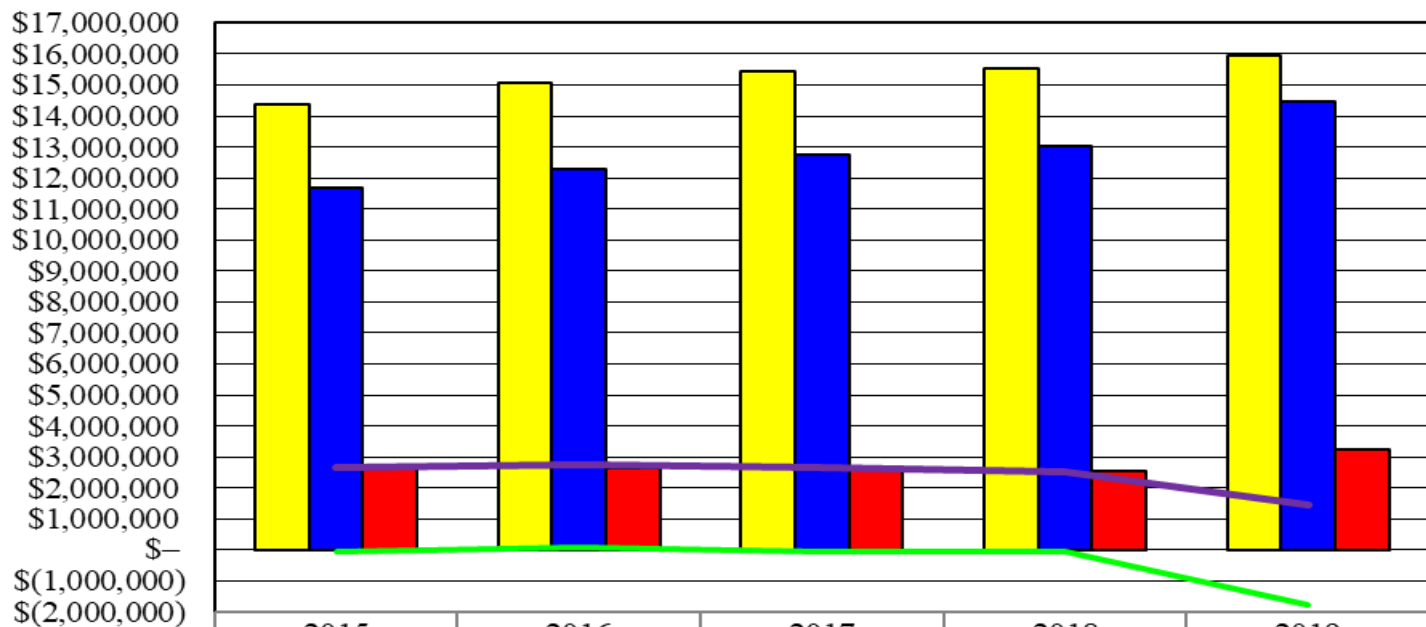



## MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**
- **Enterprise Funds Overview**

# MANAGEMENT REPORT (CONT.)

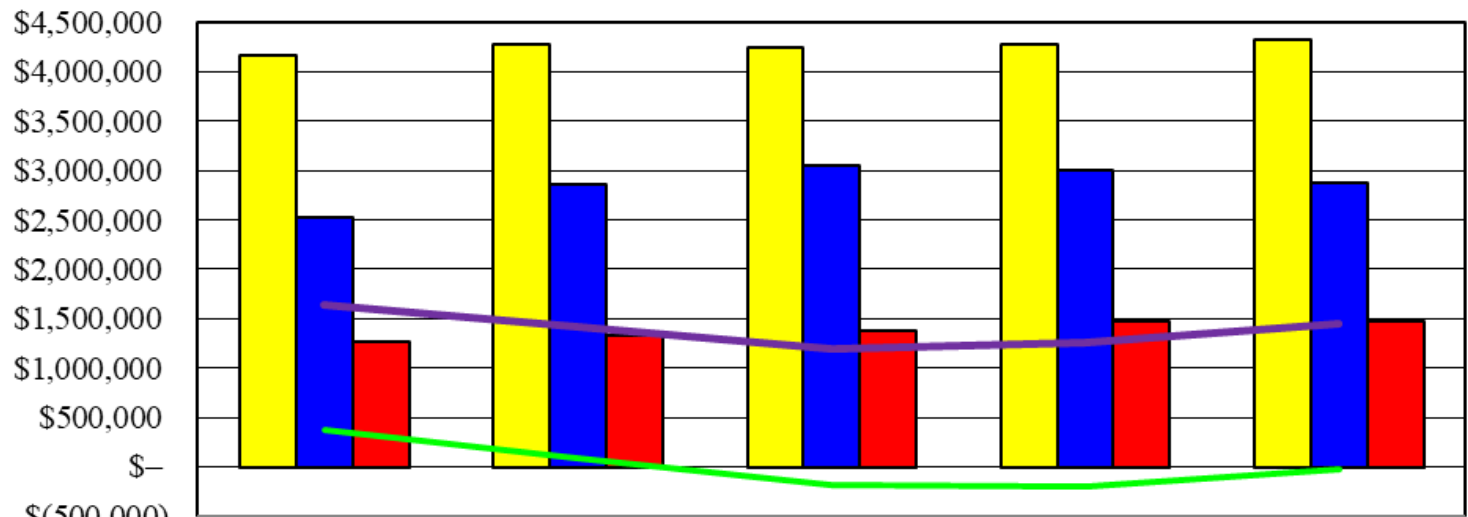
Water and Sewer Fund  
Year Ended December 31,








	2015	2016	2017	2018	2019
 Oper Revenue	\$14,350,769	\$15,044,358	\$15,436,661	\$15,520,599	\$15,935,623
 Oper Expense	\$11,691,664	\$12,293,736	\$12,768,350	\$13,010,204	\$14,458,200
 Depreciation Exp	\$2,710,276	\$2,656,234	\$2,696,682	\$2,564,038	\$3,235,453
 Oper Inc (Loss)	\$(51,171)	\$94,388	\$(28,371)	\$(53,643)	\$(1,758,030)
 Oper Inc Excl Dep	\$2,659,105	\$2,750,622	\$2,668,311	\$2,510,395	\$1,477,423

# MANAGEMENT REPORT (CONT.)

Storm Water Fund  
Year Ended December 31,

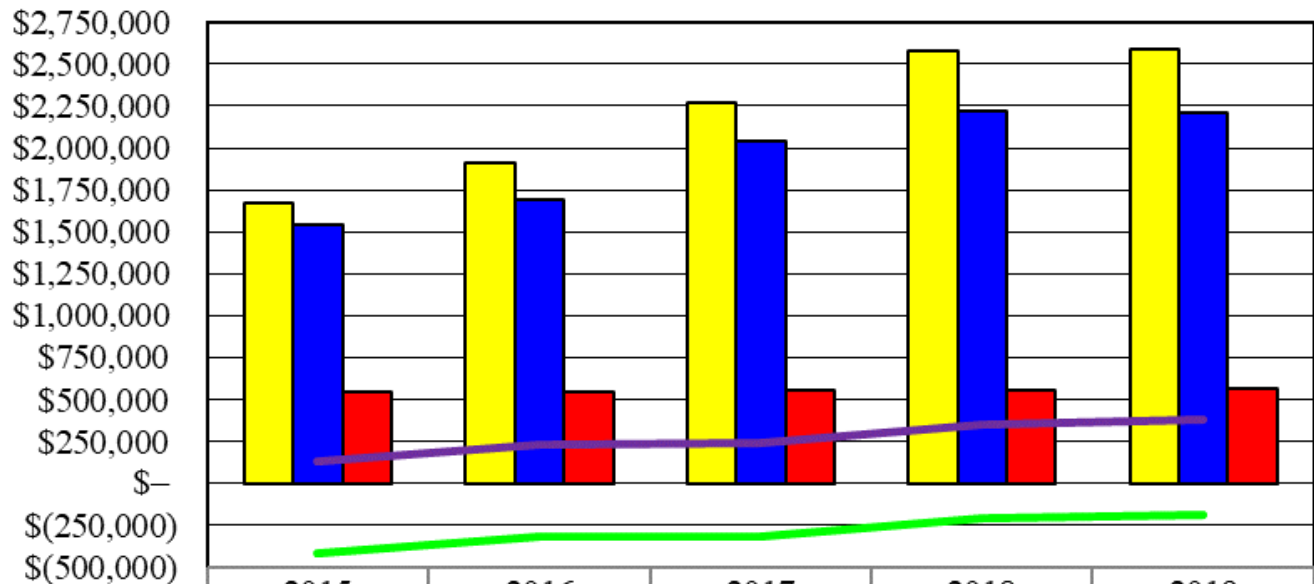







	2015	2016	2017	2018	2019
 Oper Revenue	\$4,166,171	\$4,271,318	\$4,251,318	\$4,271,323	\$4,326,247
 Oper Expense	\$2,524,717	\$2,852,255	\$3,058,176	\$3,007,405	\$2,877,235
 Depreciation Exp	\$1,270,182	\$1,325,092	\$1,376,664	\$1,469,754	\$1,469,474
 Oper Inc (Loss)	\$371,272	\$93,971	\$(183,522)	\$(205,836)	\$(20,462)
 Oper Inc Excl Dep	\$1,641,454	\$1,419,063	\$1,193,142	\$1,263,918	\$1,449,012



# MANAGEMENT REPORT (CONT.)

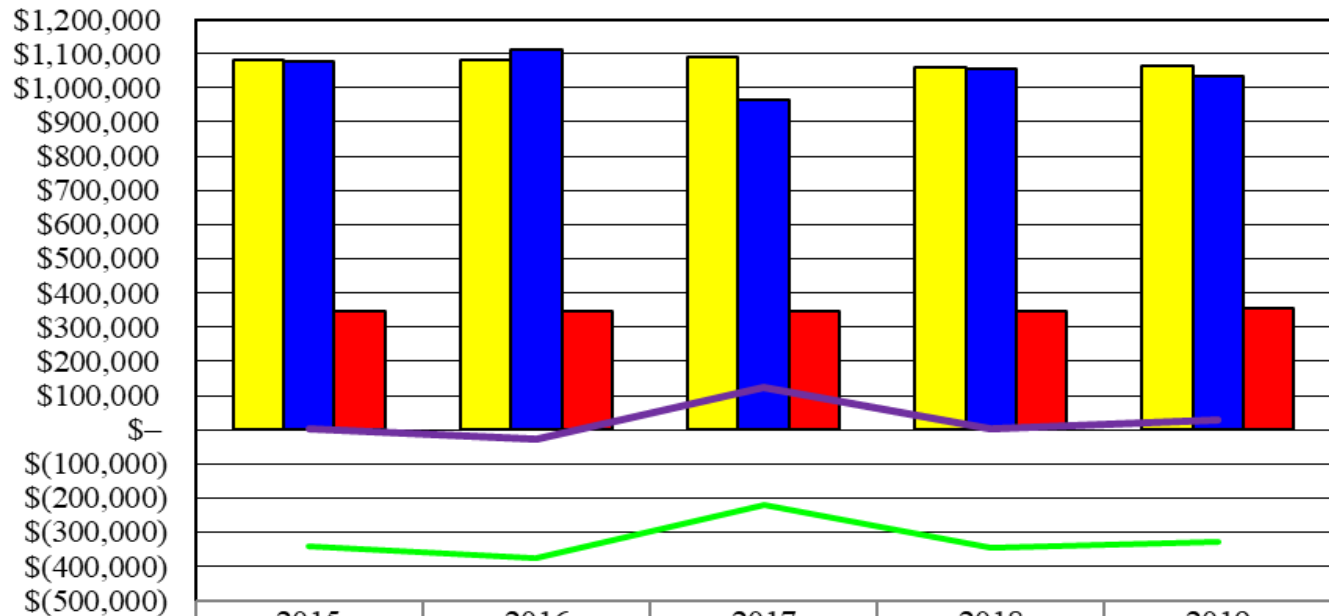
Ames Center Fund  
Year Ended December 31,








	2015	2016	2017	2018	2019
 Revenue	\$1,674,811	\$1,914,540	\$2,273,555	\$2,573,831	\$2,588,448
 Exp Excl Depreciation	\$1,545,968	\$1,686,710	\$2,035,424	\$2,223,269	\$2,207,412
 Depreciation Exp	\$544,513	\$546,283	\$556,439	\$558,435	\$563,305
 Inc (Loss) Before Trans	\$(415,670)	\$(318,453)	\$(318,308)	\$(207,873)	\$(182,269)
 Inc (Loss) Before Trans Excl Dep	\$128,843	\$227,830	\$238,131	\$350,562	\$381,036

# MANAGEMENT REPORT (CONT.)

Ice Arena Fund  
Year Ended December 31,



	2015	2016	2017	2018	2019
 Oper Revenue	\$1,081,207	\$1,080,874	\$1,091,259	\$1,060,331	\$1,063,694
 Oper Expense	\$1,077,786	\$1,110,163	\$965,308	\$1,057,567	\$1,033,659
 Depreciation Exp	\$345,529	\$345,530	\$347,592	\$348,674	\$356,914
 Oper Inc (Loss)	\$(342,108)	\$(374,819)	\$(221,641)	\$(345,910)	\$(326,879)
 Oper Inc (Loss) Excl Dep	\$3,421	\$(29,289)	\$125,951	\$2,764	\$30,035



## MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**
- **Enterprise Funds Overview**
- **Government-Wide Information**
- **Legislative Information**
- **Accounting and Auditing Updates**



# SUMMARY

- **Clean Opinion on Financial Statements**
- **No Findings Reported**
- **Certificate of Achievement in Financial Reporting**
- **City has Solid Financial Condition**
- **Continued Ongoing Assessment of Financial Projections and Results, Including General, Other Operational, and Enterprise Fund Activities**