

VIRTUAL meeting being
conducted by electronic
means in accordance with
Minnesota Statutes, section
13D.021 Public portion
available for connection via
telephone Dial: 1-312-626-
6799 Meeting ID:
2365542887# Passcode:
04152021#
June 7, 2021

AGENDA



1. Call to Order - 6:30 p.m.

The City Council requests that attendees turn off cell phones and pagers during the meeting. A copy of the full City Council packet is available to the public. The packet ring binder is located at the entrance of the council chambers.

2. Roll Call/Introductions

3. Presentation of Audit Report and Management Letter

a. Presentation of Audit Report

4. Council/Commission Questions

5. Staff Overview of Comprehensive Annual Financial Report

6. Council/Commission Questions

7. Miscellaneous

8. Adjourn

COUNCIL ITEM MEMORANDUM

DATE: 6/7/2021

TO: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

FROM: Mark Ebensteiner, Finance Director

SUBJECT: Presentation of Audit Report

Background:

ATTACHMENTS:

Description	Upload Date	Type
Presentation	6/4/2021	Presentation
Presentation	6/4/2021	Presentation
BC Management Report	6/4/2021	Backup Material
BC Special Purpose	6/4/2021	Backup Material
BC CAP	6/4/2021	Backup Material
BC Audit Report	6/4/2021	Backup Material

CITY OF BROOKLYN CENTER

AUDIT REPORT

YEAR ENDED DECEMBER 31, 2020

Jackie Huegel, 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



AUDITOR'S ROLE

- **Minnesota Legal Compliance Audit**
 - Compliance with Minnesota state laws and regulations
- **Single Audit of Federal Awards**
 - Opinion on Schedule of Federal Awards
 - Compliance with each major program
 - Internal Controls over compliance



MANAGEMENT REPORT

■ Audit Summary

- Planned scope and timing of audit
- Audit opinions and findings



AUDIT OPINIONS AND FINDINGS

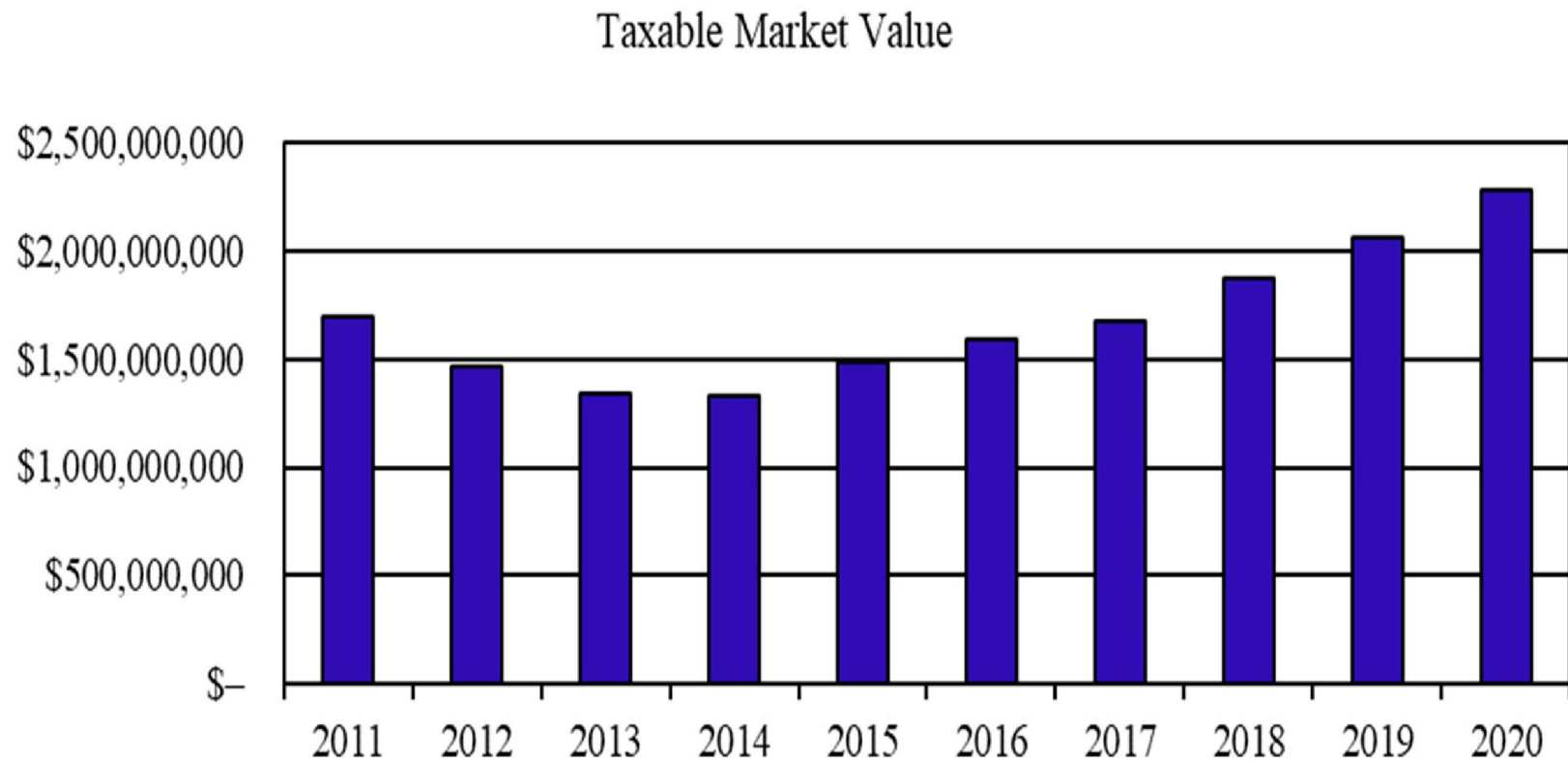
- **Financial Report**
 - **Unmodified or Clean Opinion**
- **Internal Controls Over Financial Reporting**
 - **No Findings**
- **Legal Compliance Audit Findings**
 - **Withholding Affidavit**
- **Single Audit of Federal Awards**
 - **No Findings**



MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Governmental Funds Overview**

MANAGEMENT REPORT (CONT.)



MANAGEMENT REPORT (CONT.)

Tax Rates

	City of Brooklyn Center		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Average tax rate			
City	67.1	70.4	65.2
County	42.8	41.9	41.1
School	46.3	50.2	47.4
Special taxing	<u>10.4</u>	<u>10.0</u>	<u>9.6</u>
Total	<u><u>166.6</u></u>	<u><u>172.5</u></u>	<u><u>163.3</u></u>



MANAGEMENT REPORT (CONT.)

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

Year Population	State-Wide			City of Brooklyn Center		
	December 31, 2019			2018	2019	2020
	2,500–10,000	10,000–20,000	20,000–100,000	32,299	32,722	32,722
Property taxes	\$ 514	\$ 489	\$ 512	\$ 547	\$ 581	\$ 614
Tax increments	30	28	44	158	165	195
Franchise fees and other taxes	45	50	50	58	55	40
Special assessments	54	38	53	55	63	54
Licenses and permits	40	35	51	37	36	30
Intergovernmental revenues	342	297	201	197	374	239
Charges for services	135	108	115	33	38	25
Other	89	78	79	42	64	37
Total revenue	<u>\$ 1,249</u>	<u>\$ 1,123</u>	<u>\$ 1,105</u>	<u>\$ 1,127</u>	<u>\$ 1,376</u>	<u>\$ 1,234</u>



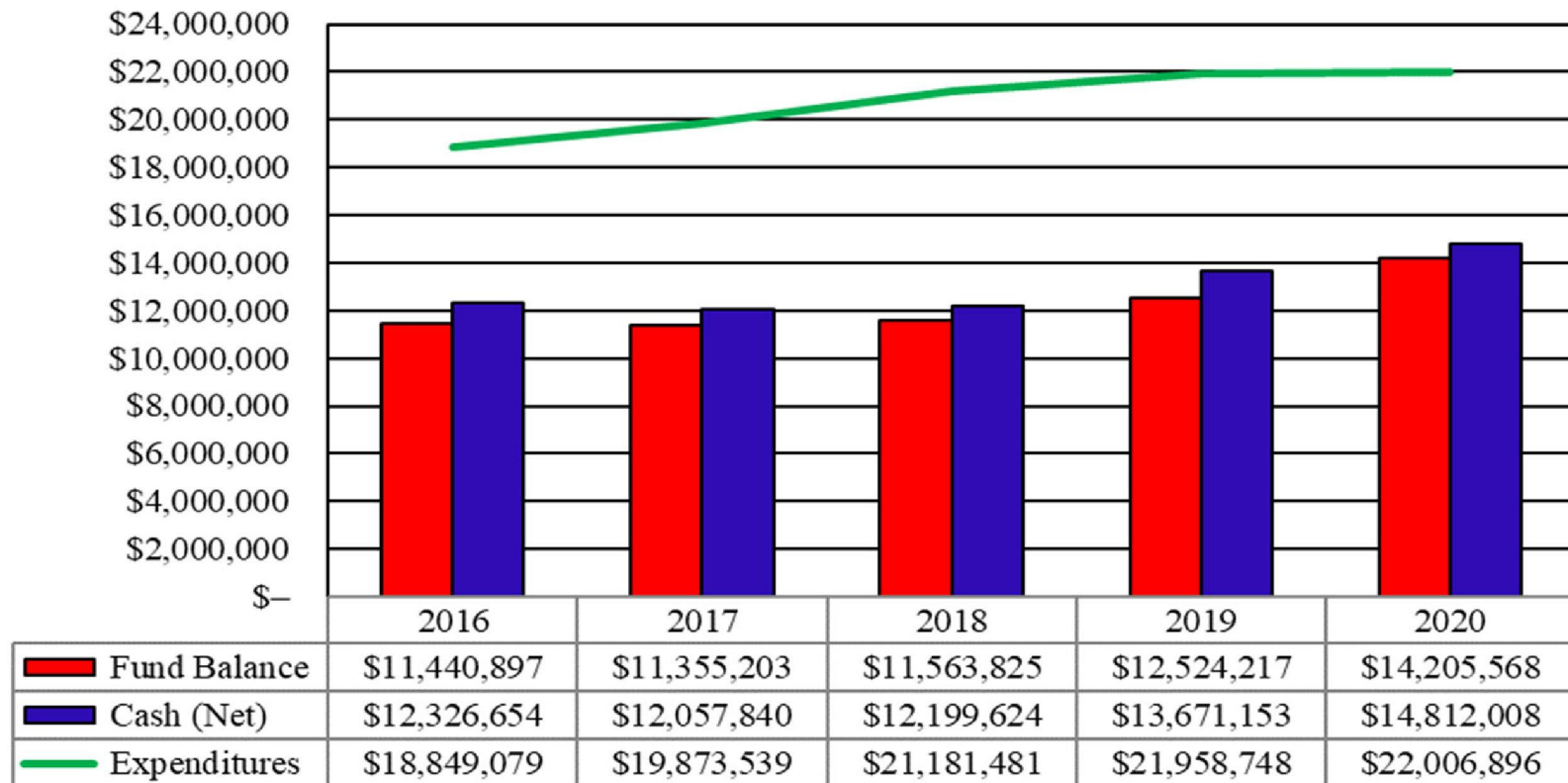
MANAGEMENT REPORT (CONT.)

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

Year	State-Wide			City of Brooklyn Center		
	December 31, 2019			2018	2019	2020
Population	2,500–10,000	10,000–20,000	20,000–100,000	32,299	32,722	32,722
Current						
General government	\$ 152	\$ 128	\$ 107	\$ 114	\$ 114	\$ 128
Public safety	300	282	306	353	367	379
Street maintenance	146	149	119	73	76	65
Parks and recreation	103	124	106	87	97	82
All other	74	75	97	84	81	113
	<u>\$ 775</u>	<u>\$ 758</u>	<u>\$ 735</u>	<u>\$ 711</u>	<u>\$ 735</u>	<u>\$ 767</u>
Capital outlay and construction						
	<u>\$ 438</u>	<u>\$ 376</u>	<u>\$ 355</u>	<u>\$ 304</u>	<u>\$ 408</u>	<u>\$ 290</u>
Debt service						
Principal	\$ 168	\$ 182	\$ 88	\$ 101	\$ 112	\$ 125
Interest and fiscal	43	41	28	23	24	25
	<u>\$ 211</u>	<u>\$ 223</u>	<u>\$ 116</u>	<u>\$ 124</u>	<u>\$ 136</u>	<u>\$ 150</u>
Total expenditures	<u>\$ 1,424</u>	<u>\$ 1,357</u>	<u>\$ 1,206</u>	<u>\$ 1,139</u>	<u>\$ 1,279</u>	<u>\$ 1,207</u>

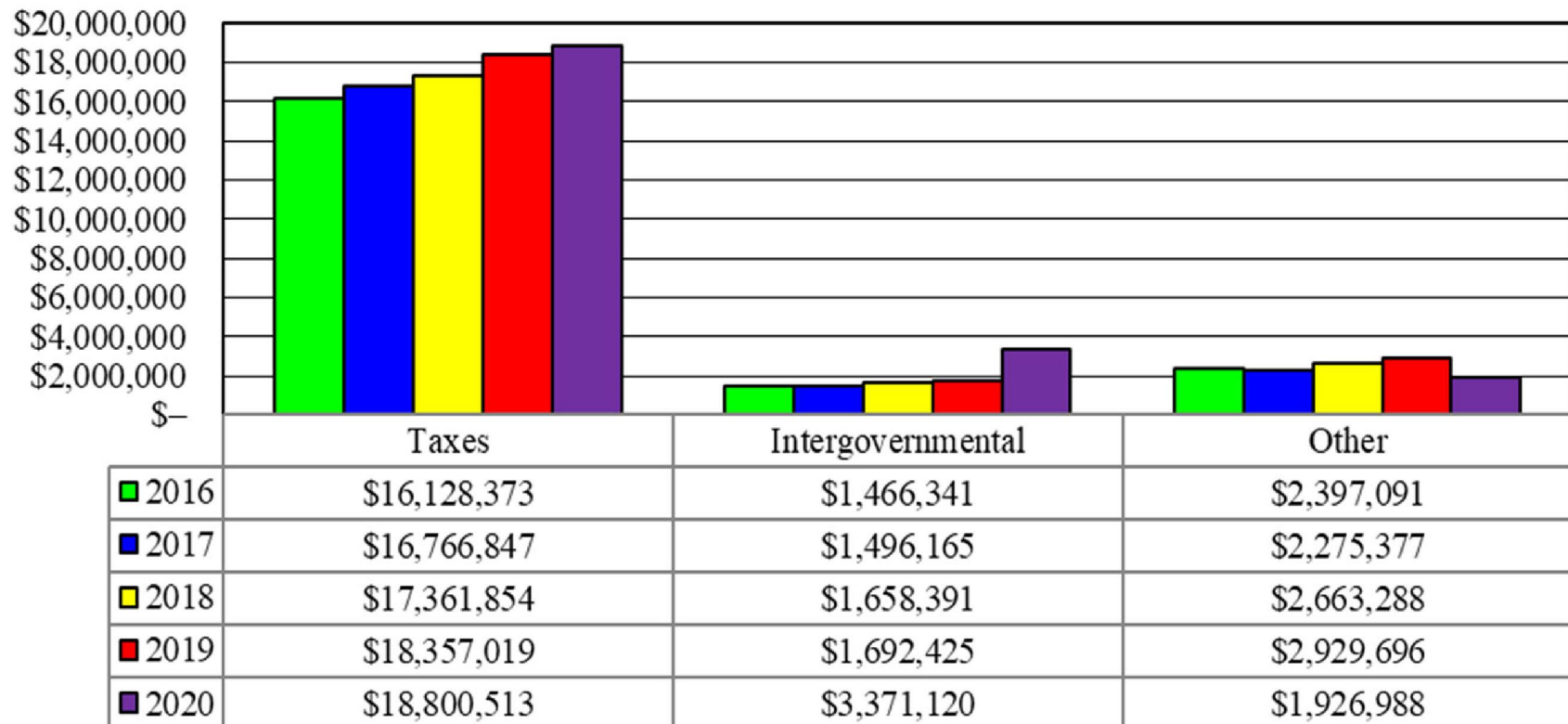
MANAGEMENT REPORT (CONT.)

General Fund Financial Position
Year Ended December 31,



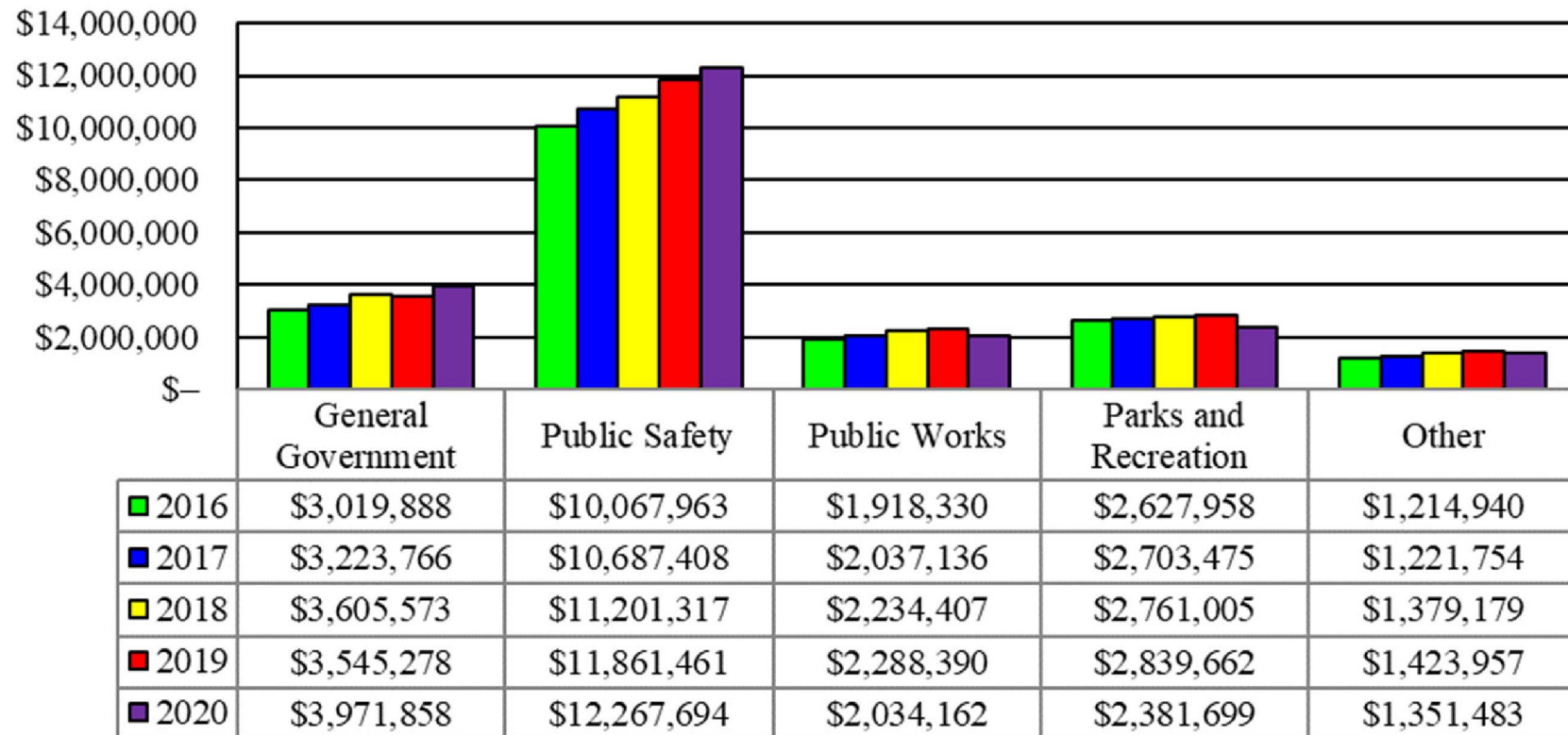
MANAGEMENT REPORT (CONT.)

General Fund Revenue by Source
 Year Ended December 31,



MANAGEMENT REPORT (CONT.)

General Fund Expenditures by Function
 Year Ended December 31,



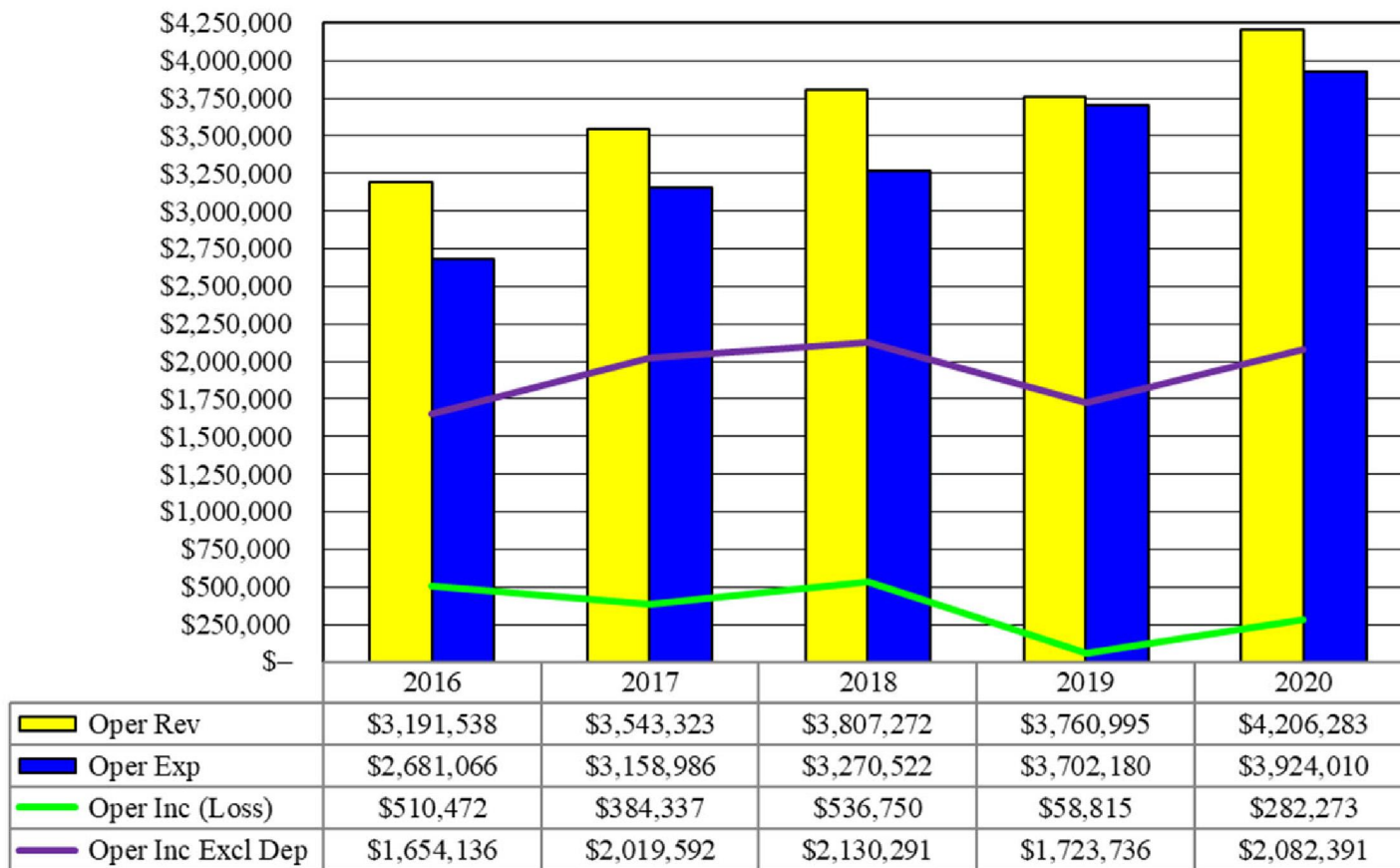


MANAGEMENT REPORT (CONT.)

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

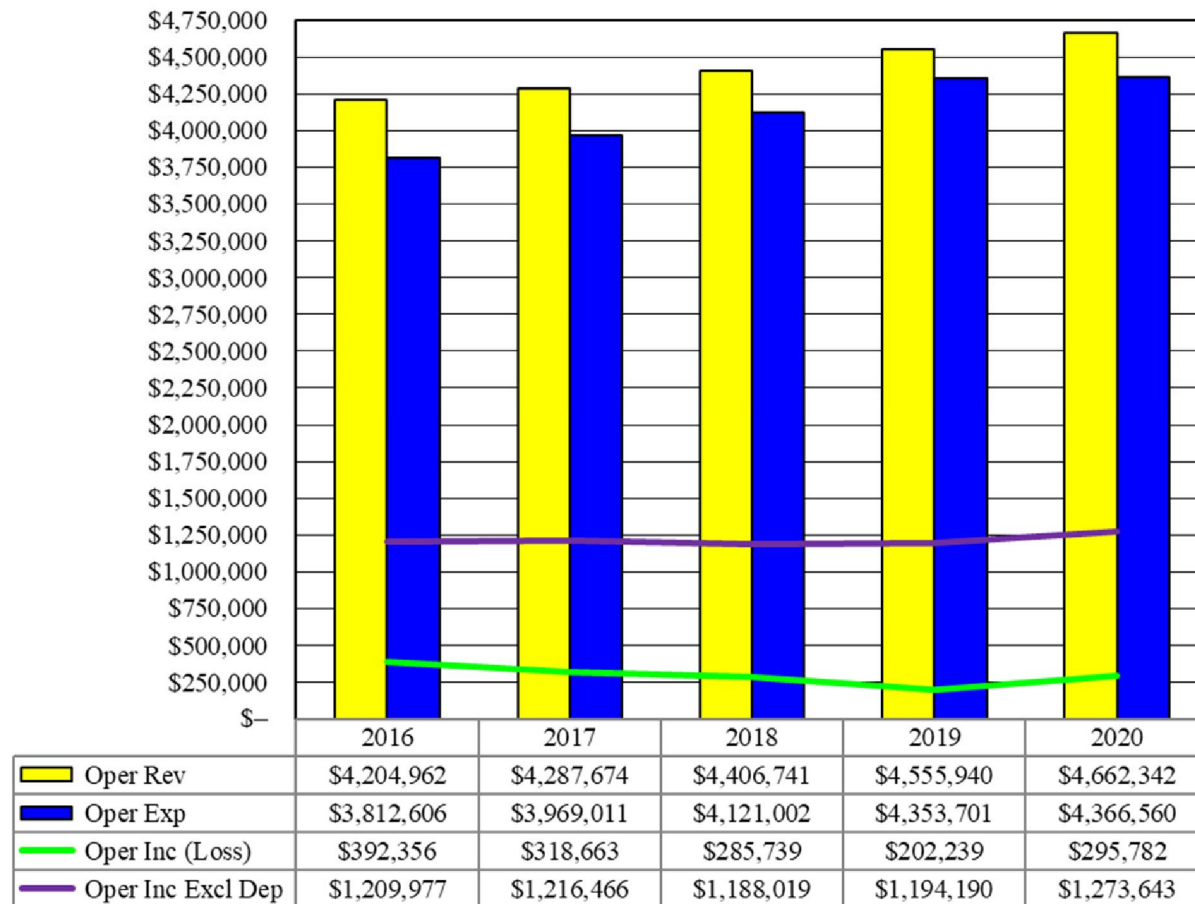
MANAGEMENT REPORT (CONT.)

Water Fund
Year Ended December 31,



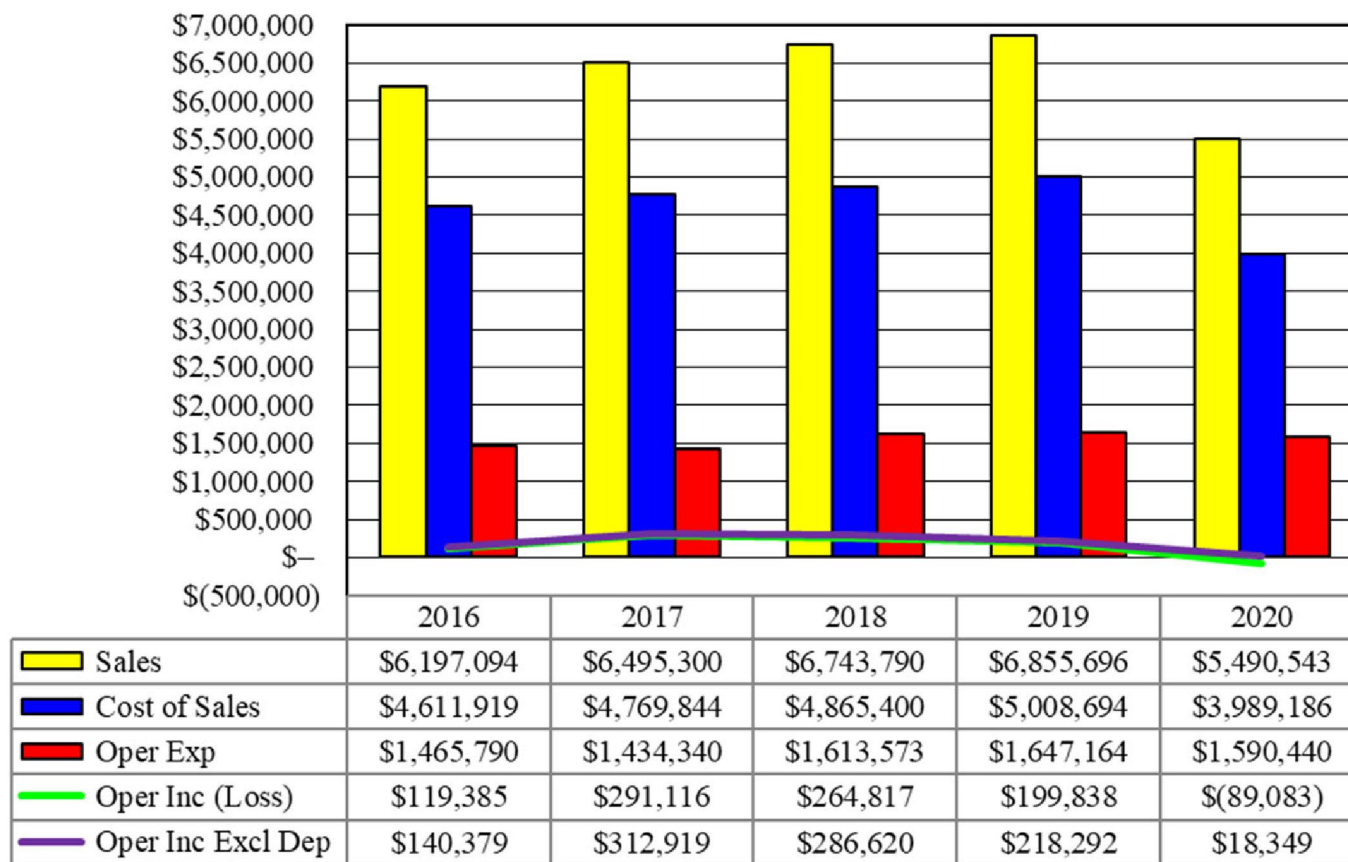
MANAGEMENT REPORT (CONT.)

Sanitary Sewer Fund
Year Ended December 31,



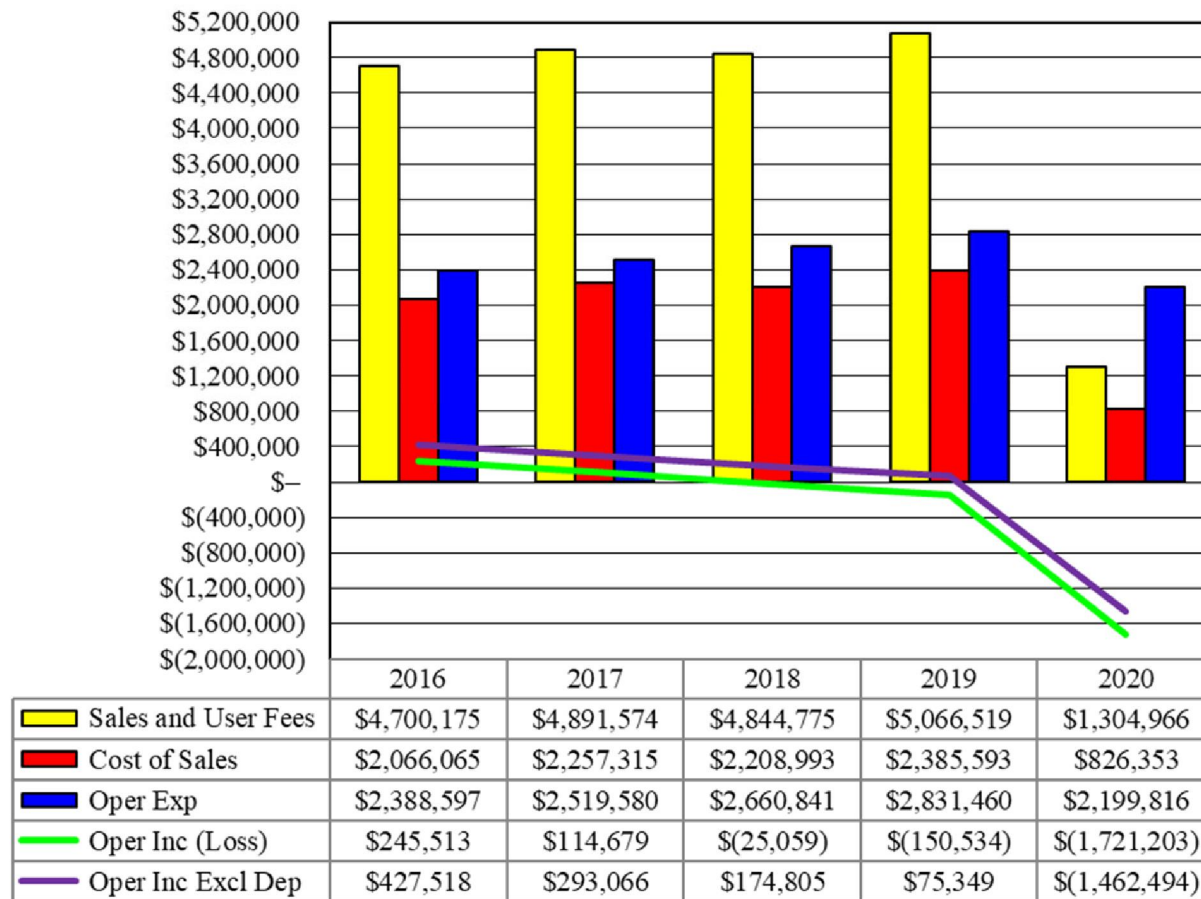
MANAGEMENT REPORT (CONT.)

Liquor Fund
Year Ended December 31,



MANAGEMENT REPORT (CONT.)

Earle Brown Heritage Center Fund
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Governmental Funds Overview**
- **Enterprise Funds Overview**
- **Government-Wide Financial Statements**
- **Legislative Updates**
- **Accounting and Auditing Updates**



SUMMARY

- **Unmodified or Clean Opinion on Financial Statements**
- **One Finding Reported**
- **Improving General Fund and Overall Financial Position of the City**
- **Continued Ongoing Assessment of Financial Projections and Results Including General, Other Operational and Enterprise Fund Activities**

2020 Annual Comprehensive Financial Report



City Council/Financial Commission Joint Work Session - June 7, 2021
Mark Ebensteiner, Finance Director

General Fund

- Positive operating budget results of \$1,681,351
- Net increase in fund balance of \$1,681,351 (\$1,769,004 assigned fund balance in general fund for capital transfer)
- General Fund unassigned fund balance represents 52% of next year's budgeted expenditures
 - Fund Balance >52% for capital projects transfer based on policy



General Fund Revenues

- Revenues over budget by \$304,632

2020 Significant Budget Variances	Amount
Investment Earnings (net of market value)	\$141,188
Building permits	(\$143,433)
Intergovernmental Revenue	\$1,557,339
Lodging tax	(\$618,398)
Property tax revenue	(\$122,339)
Community Center Fees	(\$497,909)



General Fund Expenditures

- Expenses under budget by \$1,524,220

2020 Significant Budget Variances	Amount
Recreation Programs	\$434,659
Community Center	\$276,563
Park Maintenance	\$166,098
Police Protection	\$345,900
Street Department	\$260,444
Nondepartmental expenditures	(\$148,672)



Enterprise Funds

- Municipal Liquor
 - Operating loss of \$89,083, compared to operating income of \$199,838 in 2019.
 - Both stores were closed or had limited hours from March 18th through July 4th due to COVID19
- EBHC
 - Operating loss of \$1,721,203 compared to a operating loss of \$150,534 in 2019.
 - \$300,000 DEED grant to support operations
 - Closed and/or minimal activity due to COVID19 restrictions

Enterprise Fund	Change in Cash
Municipal Liquor	(\$1,326,489)
EBHC	(\$995,785)



Utility Funds

Utility Fund	Change in Cash
Water	(\$708,703)
Sanitary Sewer	(\$1,691,030)
Storm Drainage	(\$1,768,029)
Street Light	\$235,041
Recycling	\$5,511

- Water received \$1.8 million in bond proceeds to pay its' portion of neighborhood improvement project costs
- Sanitary Sewer received \$1.1 million in bond proceeds as a result of planned project costs



Other

Significant capital investments made during the year (\$18 million)

- Interstate Area Improvements- \$6.5 million
- Continued work on Brooklyn Blvd. Improvements - \$2 million
- Grandview North Area Improvements - \$5.3 million
- Mill and overlay projects - \$2.1 million
- Water Tower #1 Rehab – total cost \$780,000
- Liquor store #1 completion - \$2.9 million
- Central Garage - Added/Replaced 18 pieces of equipment totaling \$923,898, primarily public works and police vehicles.
- Debt – Retired \$6,500,000 of principal on previously issued bonds and issued \$4,800,000 in new debt for infrastructure projects.



Other Continued...

- Net Investment gain of \$1,452,728, compared to an investment gain of \$1,927,956 in 2019
 - Net investment gain includes:
 - Investment income of \$933,773 (2019 was \$1,266,690)
 - Unrealized gain on investments of \$518,955 (2019 was \$661,266)
 - Unrealized (paper gain) due to lowering interest rates
 - Investments anticipated to be held to maturity
- City/EDA owned \$18.3 million in assets held for resale at year-end



Questions?



Management Report
for
City of Brooklyn Center, Minnesota
December 31, 2020

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PRINCIPALS

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

To the City Council and Management
City of Brooklyn Center, Minnesota

We have prepared this management report in conjunction with our audit of the City of Brooklyn Center, Minnesota's (the City) financial statements for the year ended December 31, 2020. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
May 24, 2021

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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2020:

- We have issued an unmodified opinion on the City's basic financial statements.
- We reported no deficiencies in the City's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the City has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the City's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported one finding based on our testing of the City's compliance with Minnesota laws and regulations. This finding, as further detailed in the City's Special Purpose Audit Reports, includes the following:
 1. For one of two contracts selected for testing that were completed during the 2020 fiscal year, the statutory requirement to obtain a Form IC134 or Contractor's Withholding Affidavit prior to making the final payment to a contractor, was not met.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Electronic Funds Transfers Fraud

As the use of electronic funds transfers and payment methods has become more prevalent, we have seen increases in both the incidences of fraud related to these transactions and the dollar amounts involved. Operational changes related to the COVID-19 pandemic, including greater reliance on technology and more employees working remotely, have tended to increase risk in this area. We urge cities to carefully review controls over these transactions, and consider best practices to address these risks, such as:

- Ensuring segregation of duties over these transactions by involving more than one employee in the process.
- Requiring multi-factor authentication of requests for electronic payments from new vendors or for changes in wiring instructions for existing vendors. It is recommended that changes for existing vendors be verified through trusted contact information used previously for that vendor, not as provided in the change request, to verify the accuracy of the change.
- Educate employees on the controls in place to protect the organization's financial assets and ensure management is supportive and accepting of the processes in place. Attempted fraudulent transactions are often initiated using the profile of a supervisor. Employees must be comfortable questioning unusual transactions or requests, and instructed not to circumvent internal control procedures regardless of whom they believe initiated the transaction.
- Recommended cyber security measures, such as limiting network access and requiring robust passwords that are changed regularly, should be implemented and followed by all city employees, not just those directly involved with financial transactions.
- Review insurance policies to understand the coverage provided for financial losses due to cybersecurity risks and evaluate whether they provide adequate coverage based on management's assessment of these risks.

Uniform Guidance Written Controls and Micro-Purchase Threshold

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an *annual* self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet *one* of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the City review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

Uniform Guidance Written Procedures

The Uniform Guidance requires the City to have written procedures. During our audit, we noted that the City had developed and adopted written federal grant procedures; however, these did not fully address procedures specific to cash management, cost principles, budget to actual reviews, and subrecipient monitoring as it relates to federal awards.

Federal Uniform Guidance requires the City to have documented cash management procedures in accordance with 2 CFR 200.305, which includes payments for allowable costs charged to a federal program among other things.

Federal Uniform Guidance requires the City to have documented cost principles for determining the allowability of costs in accordance with 2 CFR 200 Subpart E – Cost Principles.

Federal Uniform Guidance requires the City to have documented budget to actual procedures that includes budget to actual comparison of expenditures for each federal award in accordance with 2 CFR § 200.302(b)(5).

Federal Uniform Guidance requires nonfederal entities to have and use documented subrecipient monitoring and management procedures consistent with 2CFR § 200.331-333 for disbursements of federal funds determined to be a federal subaward. A subaward is an agreement between the City and an outside party for the purpose of carrying out a portion of a federal award, which creates a federal assistance relationship with the subrecipient. The Uniform Guidance requirements for pass-through entities include, but are not limited to:

- Providing the subrecipient with the best information available to describe the key identifiers and terms of the federal award and subaward;
- A written risk assessment evaluating each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring;
- Written documentation of monitoring activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that the subaward performance goals are achieved; and
- Written procedures verifying that every subrecipient is audited as required by the Uniform Guidance Subpart F when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2CFR § 200.501.

We recommend that the City review its current federal grant procedures to ensure they include and are consistent with the Uniform Guidance requirements.

Untimely Deposit of Golf Course Cash Receipts

As part of our current year audit, we noted that cash receipts at the golf course were not remitted to the Finance Department at City Hall in a timely manner and, consequently, were not deposited in a timely manner. An important element of internal accounting controls over cash receipts includes timely deposits and the security of funds. It is our recommendation that the City review procedures for receipts and deposits at the golf course to ensure all cash receipts are deposited timely.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2020.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Net Other Post-Employment Benefits (OPEB) and Pension Liabilities** – The City has recorded liabilities and activity for OPEB and pension benefits. These obligations are calculated using actuarial methodologies described in Governmental Accounting Standards Board Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.
- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Compensated Absences** – Management's estimate is based on current rates of pay and sick leave balances.
- **Assets Held for Resale** – Management's estimates of this asset are based on the lower of cost or acquisition value.

We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated May 24, 2021.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis (MD&A) and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules accompanying the financial statements and the separately issued Schedule of Expenditures of Federal Awards, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the combining and individual fund statements and schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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GOVERNMENTAL FUNDS OVERVIEW

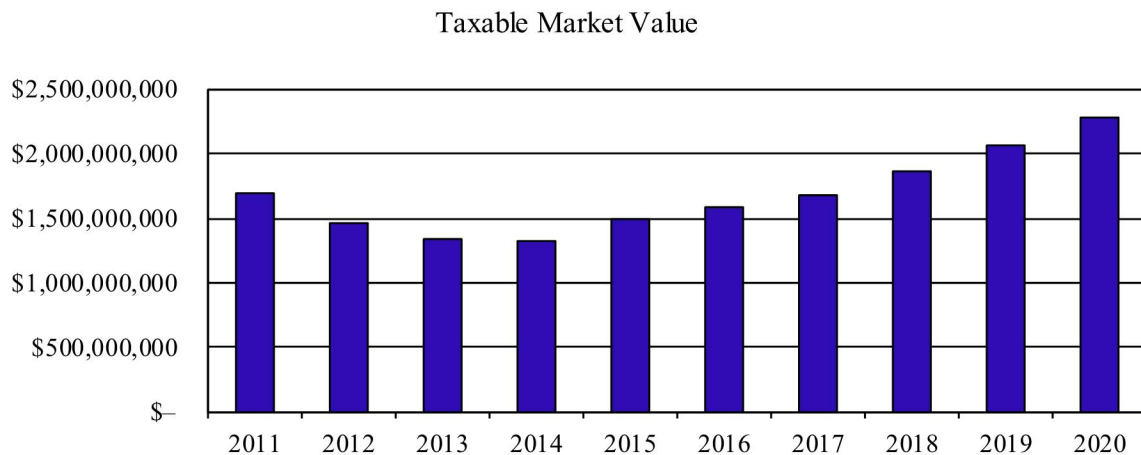
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance and the sufficiency of each governmental fund's current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2019 fiscal year, local ad valorem property tax levies provided 40.8 percent of the total governmental fund revenues for cities over 2,500 in population, and 37.6 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2020 increased 6.1 percent from the prior year.

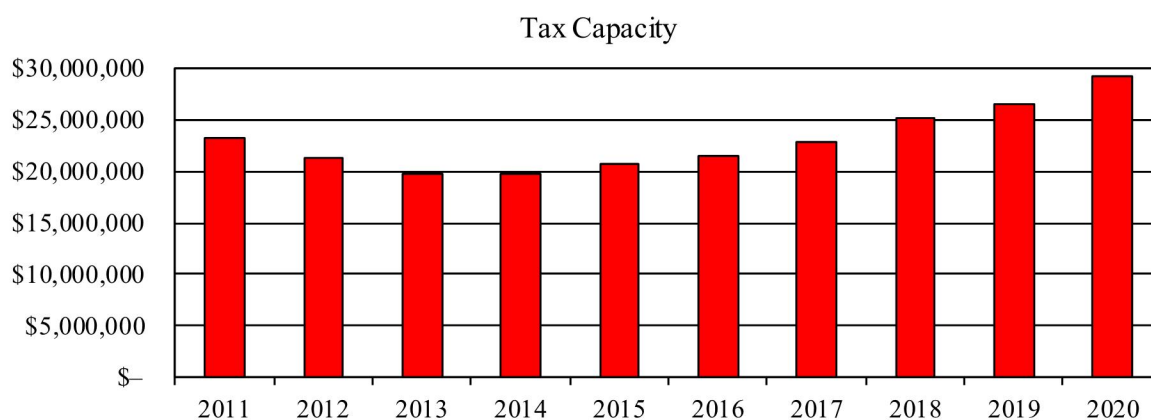
The total tax capacity value of property in Minnesota cities increased about 6.5 percent for the 2020 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2020 were based on assessed market values as of January 1, 2019), so the trend of change in these tax capacity values lags somewhat behind the housing market and economy in general.

The City's taxable market value increased 10.1 percent for taxes payable in 2019 and increased 10.7 percent for taxes payable in 2020. The following graph shows the City's changes in taxable market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state's property classification system to each property's market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city's total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of its tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City's tax capacity increased 5.6 percent for taxes payable in 2019 and increased 10.2 percent for taxes payable in 2020.

The following graph shows the City's change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last three levy years:

	City of Brooklyn Center		
	2018	2019	2020
Average tax rate			
City	67.1	70.4	65.2
County	42.8	41.9	41.1
School	46.3	50.2	47.4
Special taxing	10.4	10.0	9.6
Total	166.6	172.5	163.3

The City's portion of the tax capacity rates for Brooklyn Center residents, as well as the total tax capacity rate, decreased from the prior year.

GOVERNMENTAL FUNDS REVENUE AND EXPENDITURES

The following table presents the per capita revenue of the City's governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as a city's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year, due to the effect of inflation and changes in its operation. Also, certain data on these tables may be classified differently than how they appear in the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class						
Year Population	State-Wide			City of Brooklyn Center		
	December 31, 2019			2018	2019	2020
	2,500–10,000	10,000–20,000	20,000–100,000	32,299	32,722	32,722
Property taxes	\$ 514	\$ 489	\$ 512	\$ 547	\$ 581	\$ 614
Tax increments	30	28	44	158	165	195
Franchise fees and other taxes	45	50	50	58	55	40
Special assessments	54	38	53	55	63	54
Licenses and permits	40	35	51	37	36	30
Intergovernmental revenues	342	297	201	197	374	239
Charges for services	135	108	115	33	38	25
Other	89	78	79	42	64	37
Total revenue	<u>\$ 1,249</u>	<u>\$ 1,123</u>	<u>\$ 1,105</u>	<u>\$ 1,127</u>	<u>\$ 1,376</u>	<u>\$ 1,234</u>

The City relies more on property tax revenue for its governmental funds revenue, compared to the average Minnesota city. The City continues to generate significantly more tax increment revenue per capita than average, as it has made extensive use of this tool to finance commercial development.

The City's per capita governmental funds revenue for 2020 was \$1,234, a decrease of about 10.3 percent from the prior year. The majority of this decrease was in intergovernmental revenues, which decreased \$135 per capita, due to the federal grant and county funds received for the Brooklyn Boulevard improvement project in the prior year.

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City's circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources, such as taxes and intergovernmental revenues.
- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.
- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources, such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City's expenditures per capita of its governmental funds for the past three years, together with state-wide averages, are presented in the following table:

Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class						
Year	State-Wide			City of Brooklyn Center		
	December 31, 2019			2018	2019	2020
Population	2,500–10,000	10,000–20,000	20,000–100,000	32,299	32,722	32,722
Current						
General government	\$ 152	\$ 128	\$ 107	\$ 114	\$ 114	\$ 128
Public safety	300	282	306	353	367	379
Street maintenance	146	149	119	73	76	65
Parks and recreation	103	124	106	87	97	82
All other	74	75	97	84	81	113
	<u>\$ 775</u>	<u>\$ 758</u>	<u>\$ 735</u>	<u>\$ 711</u>	<u>\$ 735</u>	<u>\$ 767</u>
Capital outlay and construction						
	<u>\$ 438</u>	<u>\$ 376</u>	<u>\$ 355</u>	<u>\$ 304</u>	<u>\$ 408</u>	<u>\$ 290</u>
Debt service						
Principal	\$ 168	\$ 182	\$ 88	\$ 101	\$ 112	\$ 125
Interest and fiscal	43	41	28	23	24	25
	<u>\$ 211</u>	<u>\$ 223</u>	<u>\$ 116</u>	<u>\$ 124</u>	<u>\$ 136</u>	<u>\$ 150</u>
Total expenditures	<u>\$ 1,424</u>	<u>\$ 1,357</u>	<u>\$ 1,206</u>	<u>\$ 1,139</u>	<u>\$ 1,279</u>	<u>\$ 1,207</u>

The City's governmental funds current per capita expenditures are higher than state-wide averages for cities in the same population class. The City's current operating costs are higher than average, mainly due to above average public safety costs. The City's current expenditures increased \$32 per capita in 2020, mainly due to the \$32 increase in all other as a result of a loss on a transfer of an asset held for resale and the write-off of an advance. Capital outlay costs per capita decreased \$118 in the current year, due to the Brooklyn Boulevard improvement project.

GOVERNMENTAL FUND BALANCES

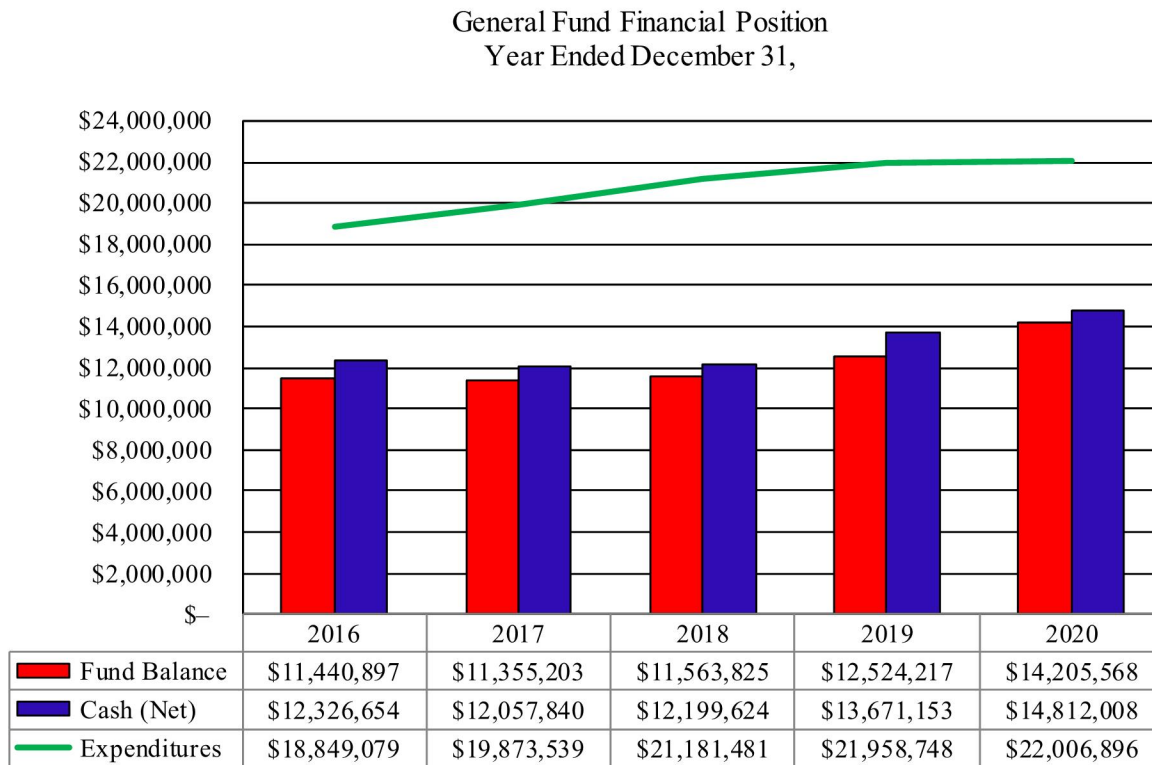
The following table summarizes the changes in the fund balances of the City's governmental funds during the year ended December 31, 2020, presented both by fund balance classification and by fund:

Governmental Funds Change in Fund Balance			
	Fund Balance as of December 31,		
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 85,703	\$ 88,109	\$ (2,406)
Restricted	34,032,886	32,219,640	1,813,246
Committed	7,631,587	9,570,360	(1,938,773)
Assigned	3,249,137	1,192,667	2,056,470
Unassigned	<u>12,136,345</u>	<u>11,241,736</u>	<u>894,609</u>
Total governmental funds	<u>\$ 57,135,658</u>	<u>\$ 54,312,512</u>	<u>\$ 2,823,146</u>
Total by fund			
General	\$ 14,205,568	\$ 12,524,217	\$ 1,681,351
Tax Increment District No. 3	23,057,146	21,614,535	1,442,611
Debt Service	4,398,682	3,991,322	407,360
Capital Improvements	773,207	1,613,299	(840,092)
Municipal State Aid for Construction	2,672,384	1,294,135	1,378,249
Special Assessment Construction	1,480,133	2,742,063	(1,261,930)
Street Reconstruction	5,129,774	6,442,489	(1,312,715)
Nonmajor funds	<u>5,418,764</u>	<u>4,090,452</u>	<u>1,328,312</u>
Total governmental funds	<u>\$ 57,135,658</u>	<u>\$ 54,312,512</u>	<u>\$ 2,823,146</u>

In total, the fund balances of the City's governmental funds increased by \$2,823,146 during the year ended December 31, 2020. The majority of the increase was in restricted and assigned fund balances offset by the decrease in committed fund balance. Restricted fund balances increased \$1,813,246, mainly in funds restricted for tax increment financing and state-aid street systems. Assigned fund balances increased \$2,056,470, mainly in funds assigned for capital improvements in the General Fund that will be transferred in 2021 in accordance with the City's fund balance policy. These increases were offset by the \$1,938,773 decrease in funds committed for capital and street improvements.

GENERAL FUND

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and parks and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. We have also included a line representing annual expenditures to reflect the change in the size of the General Fund operation over the same period.

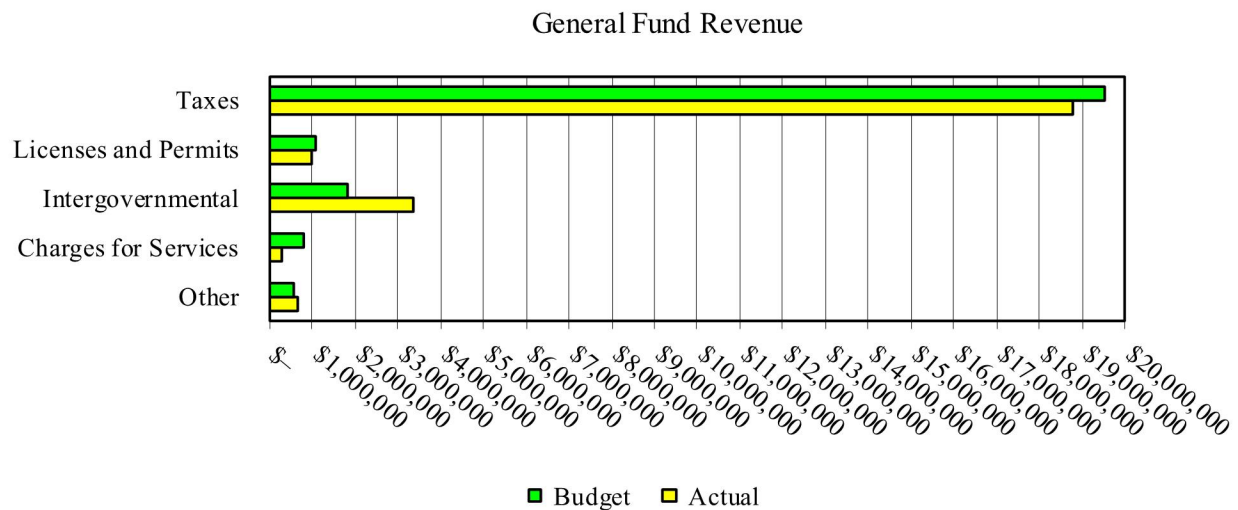


The City's General Fund cash and investments balance (net of interfund borrowing) at December 31, 2020 was \$14,812,008, which increased \$1,140,855 from 2019. Total fund balance at December 31, 2020 was \$14,205,568, an increase of \$1,681,351 from the prior year.

Having an appropriate fund balance is an important factor in assessing the City's financial health because a government, like any organization, requires a certain amount of equity to operate. Generally, the amount of equity required typically increases as the size of the operation increases. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and can be a factor in determining the City's bond rating and resulting interest costs.

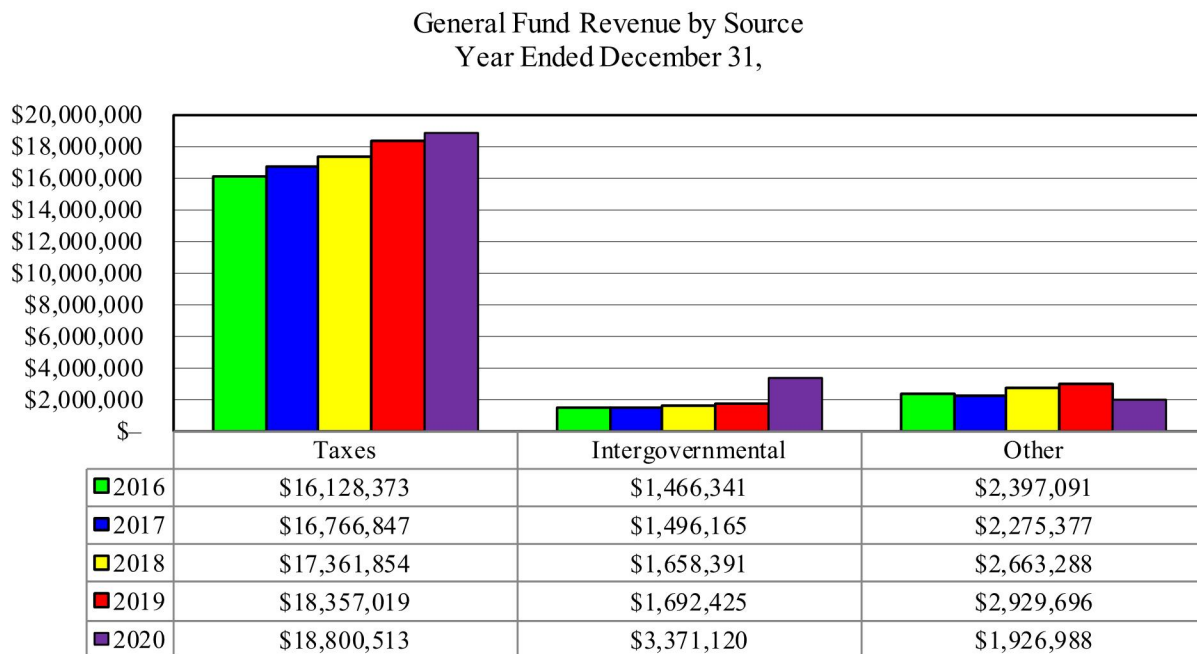
The City has an approved fund balance policy that states the General Fund will manage its cash flow by having a year-end target unassigned fund balance of between 50 percent and 52 percent of next year's General Fund budgeted expenditures. At December 31, 2020, the City's General Fund had an unassigned fund balance of 52 percent of the subsequent year's budgeted expenditures.

The following graph reflects the City's General Fund revenue sources for 2020 compared to budget:



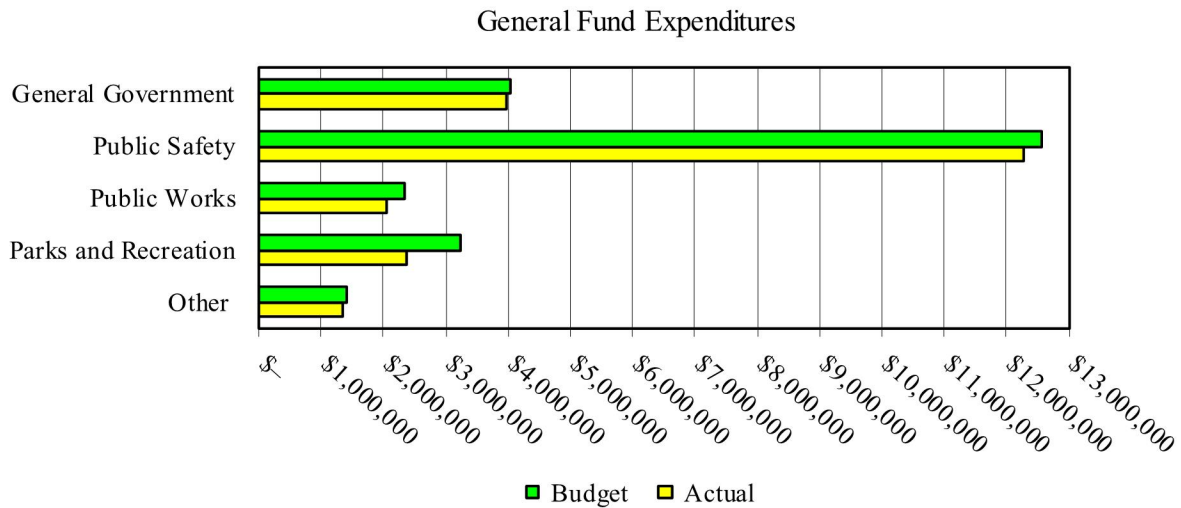
Total General Fund revenues for 2020 were \$24,098,621, which was \$304,632 (1.3 percent) over the final budget. Intergovernmental revenues were \$1,557,339 over budget, due to the recognition of the City's portion of coronavirus relief funds (CRF). This variance was offset by taxes and charges for services under budget by \$747,344 and \$496,652, respectively. Taxes were under budget, mainly in lodging taxes, due to the COVID-19 pandemic. Charges for services were under budget, mainly in community center and recreation fees, due to closures during 2020, due to the COVID-19 pandemic.

The following graph presents the City's General Fund revenues by source for the last five years:



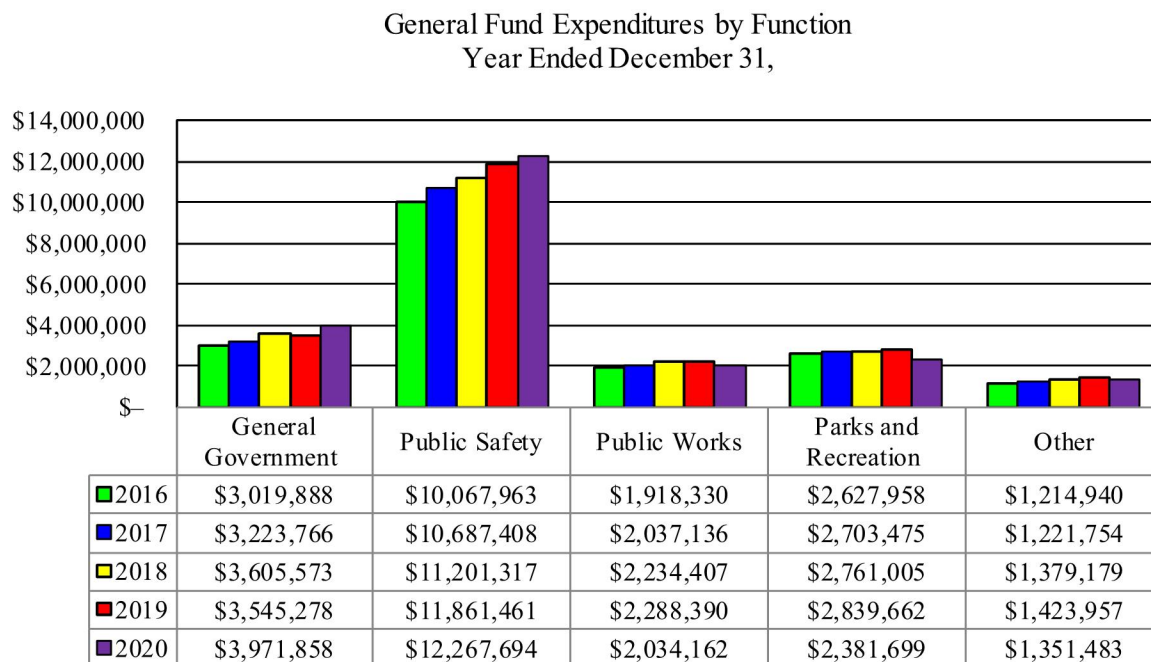
Overall, General Fund revenues increased \$1,119,481 (4.9 percent) from the previous year, mainly in intergovernmental revenue. Intergovernmental revenue increased \$1,678,695, due to receipt of the CRF as previously mentioned.

The following graph illustrates the components of General Fund spending for 2020 compared to budget:



Total General Fund expenditures for 2020 were \$22,006,896, which was \$1,577,093 (6.7 percent) less than budget. The largest variances occurred in the parks and recreation, public works, and public safety functions. Parks and recreation expenditures were \$861,600 under budget, due to the closure of the community center at times during 2020, due to the COVID-19 pandemic. Public works expenditures were \$306,133 under budget, mainly in the street department. Expenditures in the public safety function were \$281,286 under budget, mainly in the building and community standards department.

The following graph presents the City's General Fund expenditures by function for the last five years:



General Fund expenditures increased by \$48,148, or 0.2 percent, from the prior year. General government and public safety expenditures increased, while public works, parks and recreation, and other expenditures decreased. General government expenditures increased \$426,580 in the elections and government buildings functions. Public safety expenditures increased \$406,233 in the police and fire protection departments. Expenditures in the public works function decreased \$254,228, mainly in the street department. Parks and recreation expenditures decreased \$457,963 in the community center and recreation programs departments.

ENTERPRISE FUNDS OVERVIEW

The City maintains several enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds, which include the Municipal Liquor, Earle Brown Heritage Center, Water Utility, Sanitary Sewer Utility, Storm Drainage Utility, Street Light Utility, and Recycling Utility Funds.

The utility funds comprise a considerable portion of the City's activities. These funds significantly help to defray overhead and administrative costs and provide additional support to general government operations by way of annual transfers. We understand that the City is proactive in reviewing these activities on an ongoing basis and we want to reiterate the importance of continually monitoring these operations. Over the years, we have emphasized to our city clients the importance of these utility operations being self-sustaining, preventing additional burdens on general government funds. This would include the accumulation of net position for future capital improvements and to provide a cushion in the event of a negative trend in operations.

ENTERPRISE FUNDS FINANCIAL POSITION

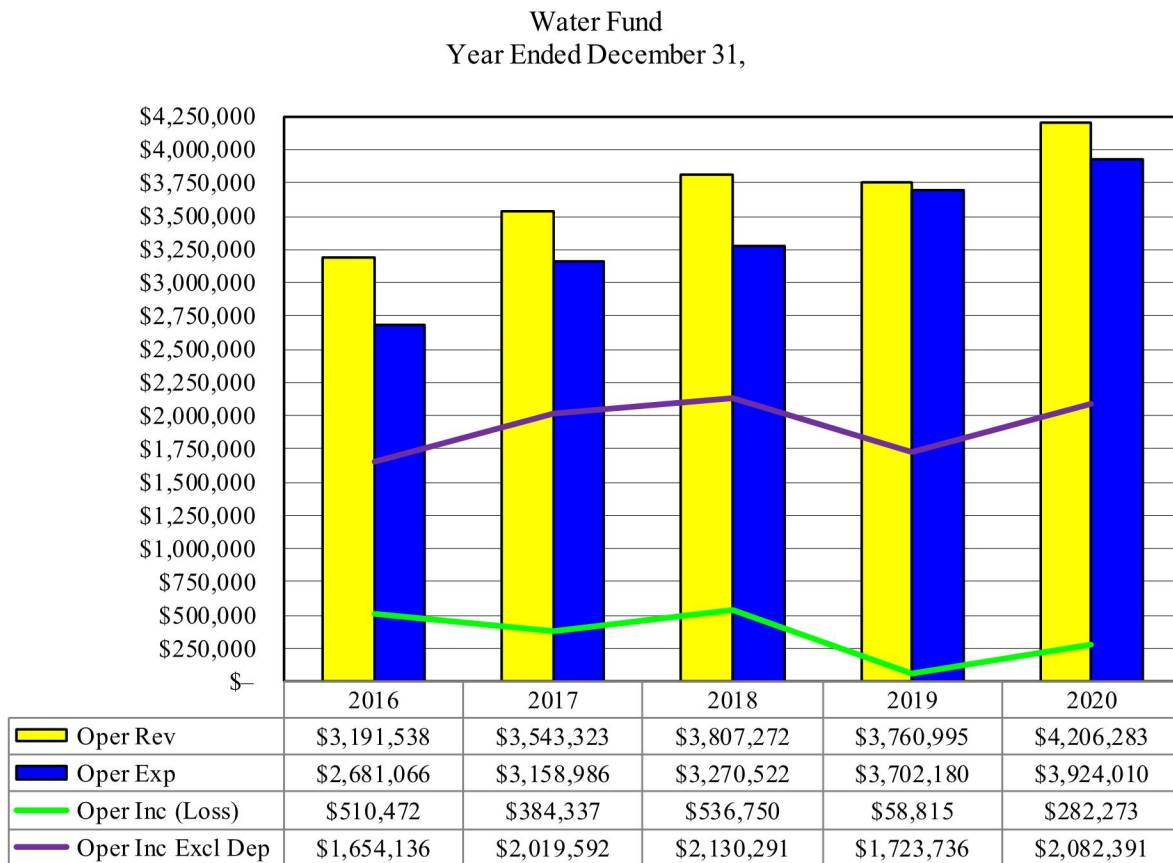
The following table summarizes the changes in the financial position of the City's enterprise funds during the year ended December 31, 2020, presented both by classification and by fund:

Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		
	2020	2019	Change
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 43,786,262	\$ 43,450,307	\$ 335,955
Unrestricted	17,132,524	18,604,787	(1,472,263)
Total enterprise funds	<u>\$ 60,918,786</u>	<u>\$ 62,055,094</u>	<u>\$ (1,136,308)</u>
Total by fund			
Municipal Liquor	\$ 2,611,035	\$ 2,718,036	\$ (107,001)
Earle Brown Heritage Center	4,539,013	5,877,018	(1,338,005)
Water Utility	13,225,747	13,223,758	1,989
Sanitary Sewer Utility	15,923,860	15,639,348	284,512
Storm Drainage Utility	21,635,354	21,811,793	(176,439)
Street Light Utility	2,697,489	2,501,755	195,734
Recycling Utility	286,288	283,386	2,902
Total enterprise funds	<u>\$ 60,918,786</u>	<u>\$ 62,055,094</u>	<u>\$ (1,136,308)</u>

In total, the net position of the City's enterprise funds decreased by \$1,136,308 during the year ended December 31, 2020, mainly in unrestricted net position in the Earle Brown Heritage Center Fund.

Water Fund

The following graph presents five years of operating results for the Water Fund:

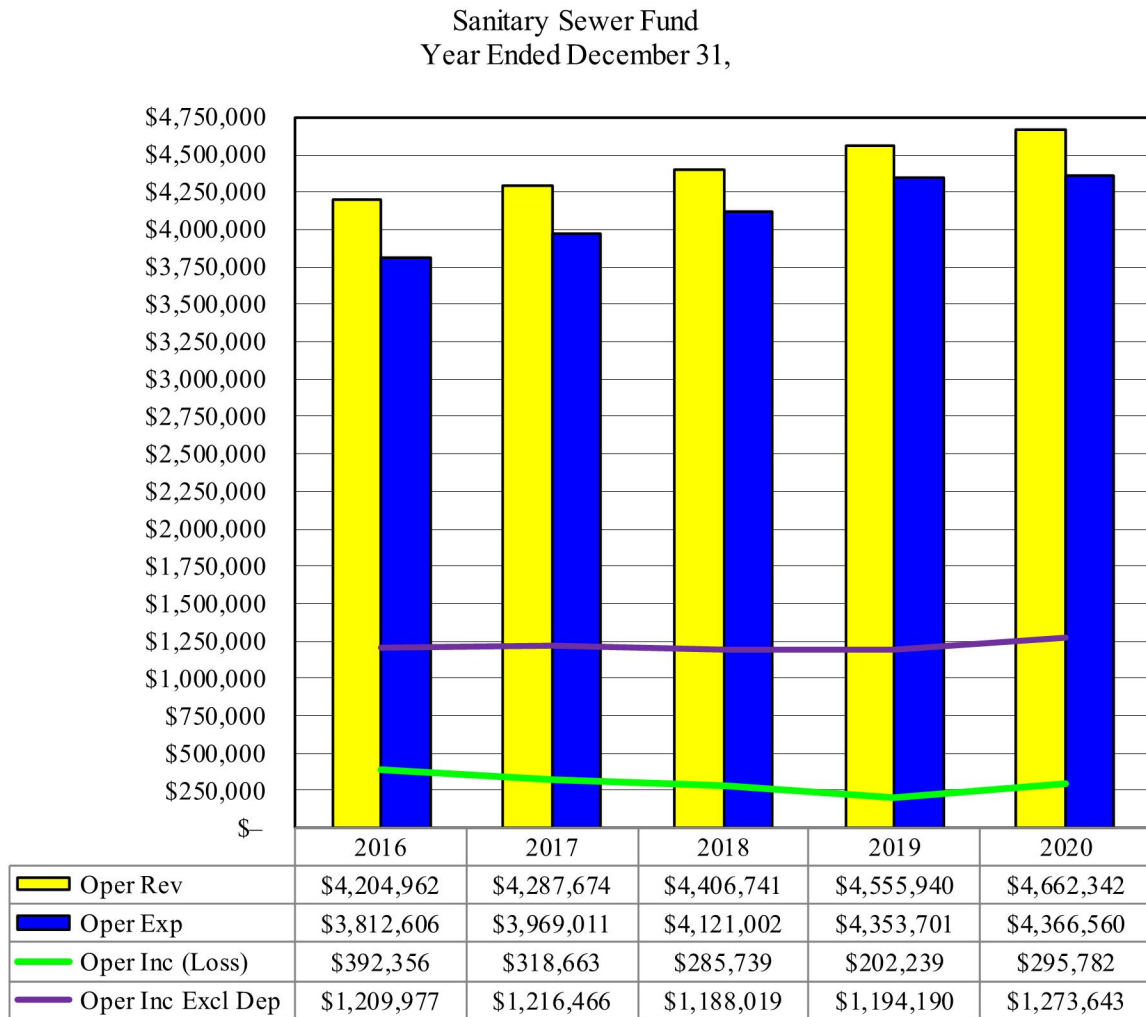


The Water Fund ended 2020 with a net position of \$13,225,747, an increase of \$1,989 from the prior year. Of this, \$10,219,490 represents the net investment in utility distribution system capital assets, leaving \$3,006,257 of unrestricted net position.

Water Fund operating revenue was \$4,206,283 for 2020, an increase of \$445,288 (11.8 percent) from the prior year, due to an approved rate increase and increase in consumption in the current year. Operating expenses of \$3,924,010 were \$221,830 (6.0 percent) more than last year, mainly due to an increase in other services expense and depreciation expense in the current year.

Sanitary Sewer Fund

The following graph presents five years of operating results for the Sanitary Sewer Fund:



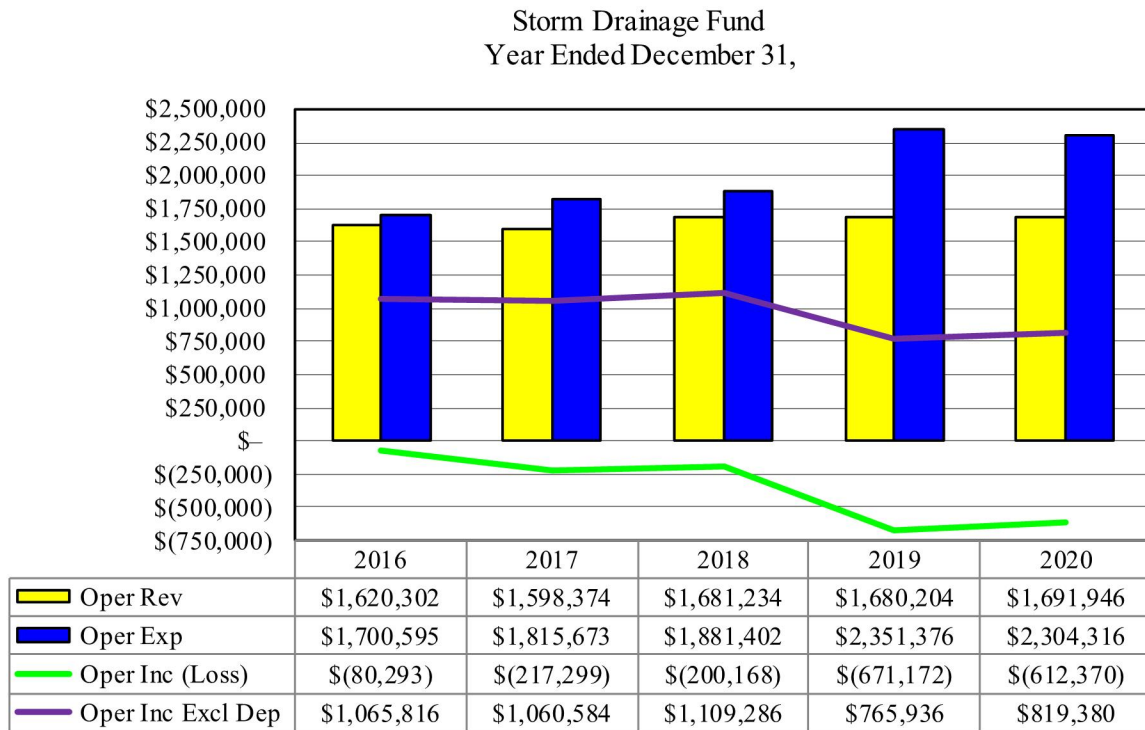
The Sanitary Sewer Fund ended 2020 with a net position of \$15,923,860, an increase of \$284,512 from the prior year. Of this, \$10,680,918 represents the net investment in the sanitary sewer capital assets, leaving \$5,242,942 of unrestricted net position.

Sanitary Sewer Fund operating revenues for 2020 were \$4,662,342, which was an increase of \$106,402 (2.3 percent) from the prior year, due to an approved rate increase.

Operating expenses for 2020 were \$4,366,560, which was an increase of \$12,859 from the prior year. The largest operating expense of this fund is to Metropolitan Council Environmental Services (MCES) for sewer service charges. MCES disposal charges in 2020 increased by \$46,531 from the prior year.

Storm Drainage Fund

The following graph presents five years of operating results for the Storm Drainage Fund:



The Storm Drainage Fund ended 2020 with a net position of \$21,635,354, a decrease of \$176,439 from the prior year. Of this, \$17,199,885 represents the net investment in capital assets, leaving \$4,435,469 of unrestricted net position.

Storm Drainage Fund operating revenues for 2020 were \$1,691,946, which was a slight increase of \$11,742 from the prior year.

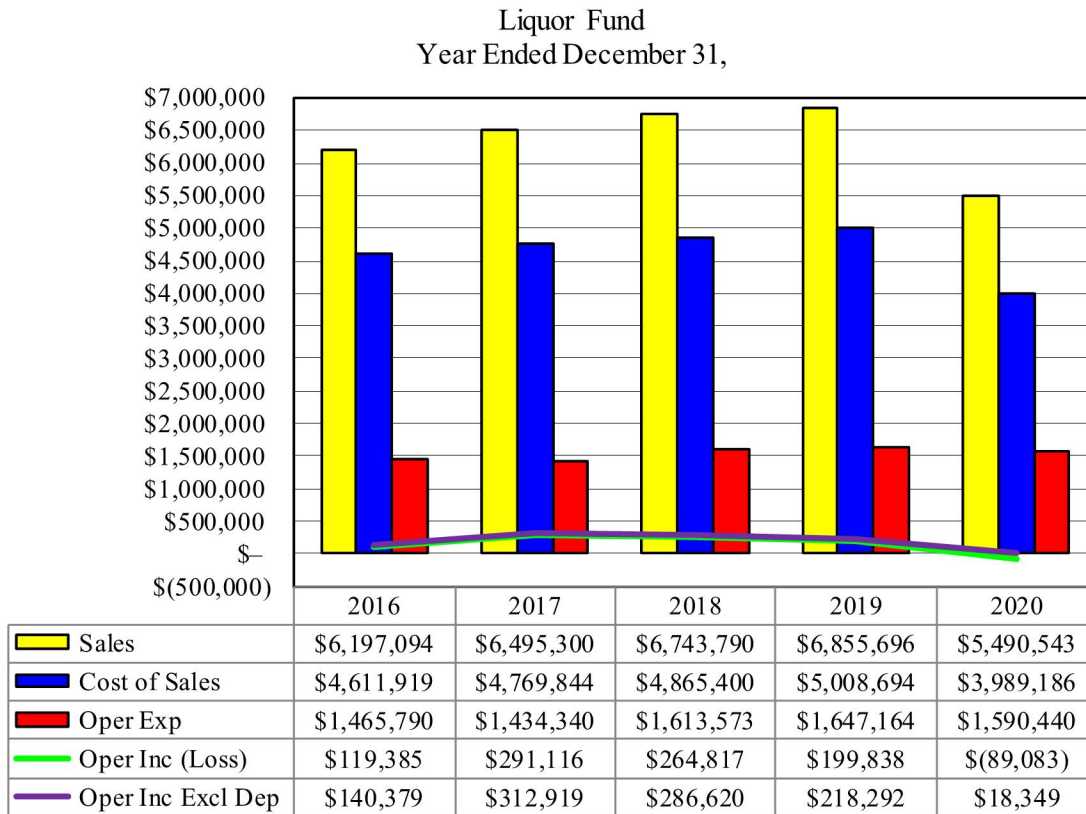
Operating expenses for 2020 were \$2,304,316, which was \$47,060 lower than the prior year, mainly in other services expense.

The Storm Drainage Fund received capital contributions of \$391,952 from governmental activities in the current year.

OTHER ENTERPRISE FUNDS

Liquor Fund

The following graph presents five years of operating results for the Liquor Fund:



The Liquor Fund ended 2020 with a net position of \$2,611,035, a decrease of \$107,001 from the prior year. Of the net position balance, \$736,550 represents the net investment in liquor capital assets, leaving \$1,874,485 of unrestricted net position.

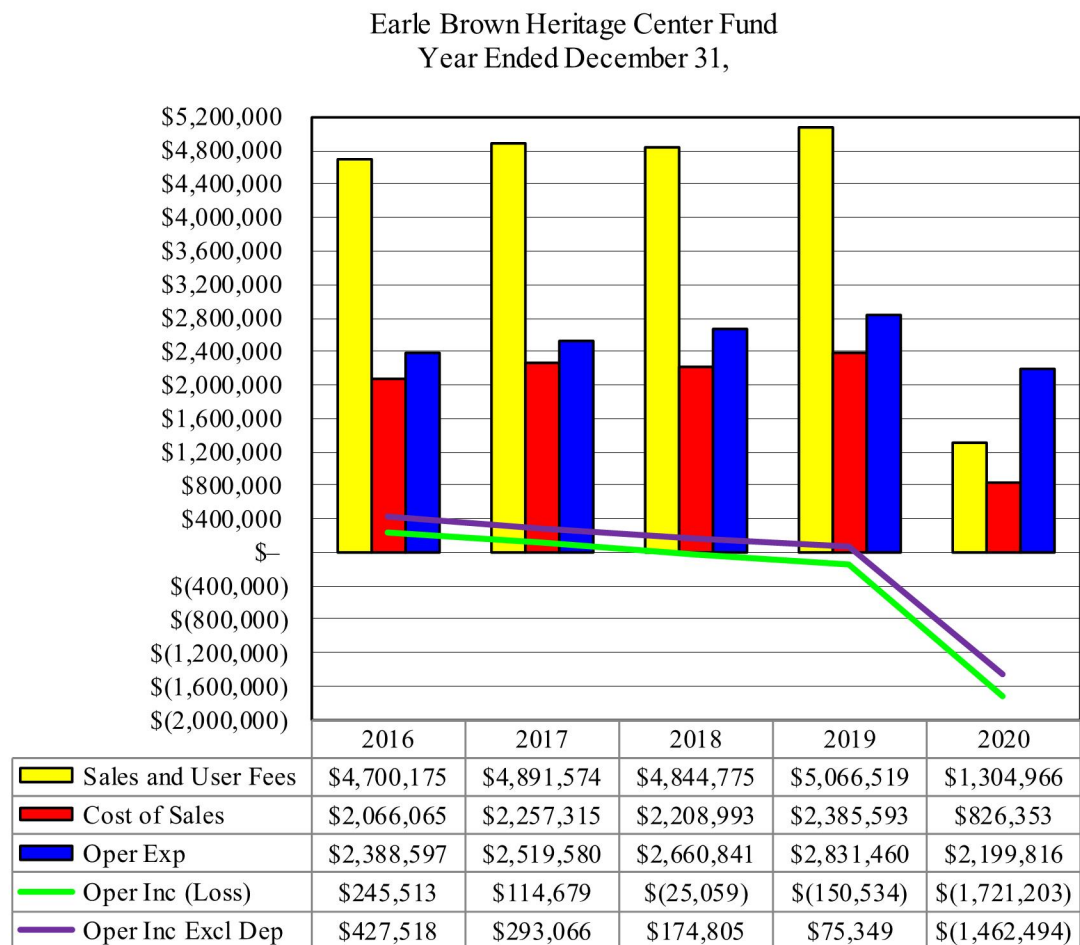
Liquor sales for 2020 were \$5,490,543, which is \$1,365,153 (19.9 percent) lower than the prior year, due primarily to the impact of COVID-19 restrictions. Operating expenses of \$1,590,440 represented a decrease of \$56,724, mainly due to a decrease in rent expense offset by an increase in depreciation expense as the City completed construction and opened a new liquor store in the current year.

The Liquor Fund had an operating loss of \$89,083 in 2020, compared to operating income of \$199,838 in 2019.

The Liquor Fund's gross profit margin was 27.34 in fiscal 2020, which is higher than the average gross profit margin of 26.75 seen over the previous five years.

Earle Brown Heritage Center Fund

The following graph presents five years of operating results for the Earle Brown Heritage Center Fund:



The Earle Brown Heritage Center Fund ended 2020 with a net position of \$4,539,013, a decrease of \$1,338,005 from the prior year. Of the net position balance, \$3,476,551 represents investments in Earle Brown Heritage Center capital assets, leaving \$1,062,462 of unrestricted net position.

Earle Brown Heritage Center Fund sales and user fees for 2020 were \$1,304,966, which is \$3,761,553 (74.2 percent) lower than last year, due to the impact of COVID-19 restrictions. Operating expenses for 2020 were \$2,199,816, a decrease of \$631,644 from the prior year, mainly in personal services and other services expense, due to closures during 2020, due to the COVID-19 pandemic.

During fiscal 2020, this fund experienced depreciation expense totaling \$258,709.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what the City owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, the Statement of Net Position divides the net position into three components:

- **Net Investment in Capital Assets** – The portion of net position reflecting equity in capital assets (i.e., capital assets minus related debt).
- **Restricted Net Position** – The portion of net position equal to resources whose use is legally restricted minus any noncapital-related liabilities payable from those same resources.
- **Unrestricted Net Position** – The residual balance of net position after the elimination of net investment in capital assets and restricted net position.

The following table presents the components of the City's net position as of December 31, 2020 and 2019 for governmental activities and business-type activities:

	As of December 31,		
	2020	2019	Change
Net position			
Governmental activities			
Net investment in capital assets	\$ 54,471,240	\$ 52,560,591	\$ 1,910,649
Restricted	38,473,882	35,743,847	2,730,035
Unrestricted	9,335,442	5,152,891	4,182,551
Total governmental activities	102,280,564	93,457,329	8,823,235
Business-type activities			
Net investment in capital assets	43,786,262	43,450,307	335,955
Unrestricted	14,484,003	16,005,070	(1,521,067)
Total business-type activities	58,270,265	59,455,377	(1,185,112)
Total net position	\$ 160,550,829	\$ 152,912,706	\$ 7,638,123

The City's total net position at December 31, 2020 was \$7,638,123 higher than the previous year-end. Of the increase, \$8,823,235 came from governmental activities and an offset of \$1,185,112 came from business-type activities. The increase in the governmental activities was due to increases in restricted balances for tax increment and municipal state-aid for construction. The increase in unrestricted is due to the positive operating results of the City as a whole.

The business-type activities net position decreased in the current year as previously discussed.

STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2020 and 2019:

	2020		2019
	Expenses	Program Revenues	Net Change
Net (expense) revenue			
Governmental activities			
General government	\$ 4,834,450	\$ 412,993	\$ (4,421,457)
Public safety	13,057,043	1,814,834	(11,242,209)
Public works	6,450,769	4,679,687	(1,771,082)
Community service	171,344	—	(171,344)
Parks and recreation	3,218,266	455,270	(2,762,996)
Economic development	2,872,886	340,195	(2,532,691)
Interest on long-term debt	634,139	—	(634,139)
Business-type activities			
Municipal liquor	5,699,529	5,503,163	(196,366)
Earle Brown Heritage Center	3,034,695	1,309,634	(1,725,061)
Water utility	4,377,809	4,261,455	(116,354)
Sanitary sewer utility	4,551,331	4,662,764	111,433
Storm drainage utility	2,441,109	1,691,946	(749,163)
Street light utility	306,619	476,766	170,147
Recycling utility	396,402	394,495	(1,907)
Total net (expense) revenue	<u>\$ 52,046,391</u>	<u>\$ 26,003,202</u>	(26,043,189)
General revenues			
Property taxes			20,136,395
Tax increments			6,566,099
Lodging taxes			561,602
Grants and contributions not restricted to specific programs			4,881,613
Unrestricted investment earnings			1,452,728
Gain on disposal of capital assets			82,875
Total general revenues			<u>33,681,312</u>
Change in net position			<u>\$ 7,638,123</u>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as property taxes and unrestricted grants. It also shows if the City's business-type activities are generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.

LEGISLATIVE UPDATES

The 2020 legislative session, coming in the second half of the state's fiscal biennium, was expected to be a typical short session focused primarily on making relatively minor modifications to the biennial budget. Given a projected budget surplus of \$1.5 billion going into the session, consideration of a substantial capital investment and bonding bill was also a potential focus.

The start of the legislative session in February was followed by a series of significant events that changed the course of the session, including a world-wide health pandemic, the death of George Floyd while in police custody and the ensuing protests and unrest, and a hotly contested national election. On March 13, 2020, the Governor issued an executive order declaring a peacetime emergency, giving his administration the ability to quickly impose restrictions and measures aimed at mitigating the COVID-19 outbreak. By early May, the state's budget outlook had changed from a robust surplus to a projected deficit of \$2.4 billion. The legislative session ultimately encompassed an unprecedented seven special sessions, more than double the previous state record of three, with the final special session in mid-December.

In the end, a \$1.87 billion omnibus bonding bill was passed that included \$1.36 billion in general obligation state bonding for capital improvements, \$31.0 million in supplemental General Fund budget spending, and provisions for tax relief and economic assistance. The session also yielded a new Police Accountability Act, and a \$217.0 million economic relief package to help businesses negatively impacted by the pandemic. The following is a brief summary of legislative changes from the 2020 session or previous legislative sessions potentially impacting Minnesota cities.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The CARES Act provided federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Minnesota received approximately \$2.2 billion in funding under the CARES Act.

When the first legislative special session ended without an agreement on the distribution of approximately \$841.5 million of federal Coronavirus Relief Fund (CRF) funding earmarked for Minnesota local governments, the Governor distributed the funds by executive order based on the framework of the legislative agreement debated during the first special session. This resulted in \$350.4 million being distributed directly to Minnesota cities with populations equal to or greater than 200. The funds were authorized for use for unbudgeted costs related to the COVID-19 pandemic, but not to replace lost revenues. In accordance with CARES Act provisions, the CRF funding was available to cover costs that:

- 1) were necessary expenditures incurred due to the public health emergency related to COVID-19;
- 2) were not accounted for in the entity's budget most recently approved as of March 27, 2020; and
- 3) were incurred during the period from March 1, 2020 through December 31, 2020 (the availability period end date was revised by the state to November 15, 2020 for Minnesota cities).

Emergency Small Business Assistance Program – The Legislature created a program to appropriate \$60.0 million of federal CRF funding to make grants available through the Minnesota Department of Employment and Economic Development for eligible small businesses impacted by COVID-19. Small businesses employing up to 50 full-time employees are eligible to receive grants of up to \$10,000. The allocation is split between the metro area and greater Minnesota, with specific allocations for businesses owned by minorities, veterans, and women. \$18.0 million of the allocation is earmarked for businesses with 6 or less employees.

Workers' Compensation Claims – COVID-19 Presumption – The Legislature adopted several new provisions to state unemployment statutes related to COVID-19, including a presumption that an employee who contracts COVID-19 has an "occupational disease" arising out of, and in the course of, employment if the employee works in one of the specified occupations and has a confirmed case of COVID-19. Covered occupations include nurses, healthcare workers, and workers required to provide childcare for first responders and healthcare workers under Executive Orders 20-02 and 20-19. The COVID-19 presumption provision sunsets on May 1, 2021.

Bonding Bill – The 2020 bonding bill provided financing for approximately \$1.36 billion of projects. Some of the more significant appropriations for local infrastructure included: \$105 million in undesignated grants for local road improvement and bridge replacement; \$100 million for water infrastructure and point source implementation grants; \$25 million for state match of federal grants for public facilities improvements, \$20 million for natural resource asset preservation, \$17 million for flood control mitigation, \$15 million for the Local Government Roads Wetlands Replacement Program; \$5 million for Metropolitan Council inflow and infiltration grants; and \$5 million for metropolitan regional parks and trails. The bill also included funding for a number of state initiatives, including: \$300 million in trunk highway bonds for the improvement of the state trunk highway system; \$145 million in appropriation bonds to fund the infrastructure and capital needs of the Minnesota Housing Finance Agency, Minnesota Pollution Control Agency, and Minnesota Public Television; \$30 million for state agency projects aimed at promoting racial equity, \$29.5 million for the state Emergency Operations Center; and \$16 million for the Minnesota Housing Finance Agency.

The bill provides authority for eligible local governments to own and operate childcare facilities, and permits local governments to enter into management agreements with licensed childcare providers to operate in publicly-owned facilities. It also makes cities, counties, school districts, and joint powers boards located outside of the seven-county metro area eligible to apply for grants through the Greater Minnesota Childcare Facility Capital Grant Program.

The bill also included a provision extending the equal pay certificate of compliance requirement to contracts by any public entity, including political subdivisions, using state general obligation bond proceeds for all or part of a capital project. Local governments will be responsible for requiring that bids include proper certification on applicable projects, which applies to projects for goods or services valued at more than \$1 million utilizing appropriated bond proceeds on or after January 1, 2022.

Elections – A number of measures were passed to help ensure the safe and secure conduct of the 2020 state primary and general elections, including; allowing for the processing of absentee ballots to begin 14 days prior to the date of the election, extending the period during which absentee ballots could be processed for 2 days following the election, accepting electronic filings for affidavits of candidacy or nominating petitions, and specifying that municipalities were to use schools as polling places only when no other public or private location was reasonably available. Funds from the federal Help America Vote Act were made available for modernizing, securing, and improving election facilities, a portion of which was made available for grants to local governments to fund activities prescribed by this program.

Minors Operating Lawn Care Equipment – Effective May 28, 2020, Minnesota Statutes lowered the employment age for operating lawn care equipment to age 16. Minors aged 16 and 17 must be trained in the safe operation of the equipment and wear appropriate personal protective equipment when operating the lawn care equipment. The exception under this statute applies only to minors directly employed by golf courses, resorts, rental property owners, or municipalities to perform lawn care on golf courses, resort grounds, rental property, or municipal grounds.

Open Meeting Law Exception – The interactive television provision of the Minnesota Open Meeting Law was amended to allow for participation in meetings by interactive electronic means, such as Skype or Zoom, without requiring that an elected official be advised to do so by a healthcare professional for personal or family medical reasons. This allowance is available only when a national security or peacetime emergency has been declared and may be used up to 60 days after the emergency declaration has been lifted. Whenever public meetings are held via interactive electronic means of this type, votes must be conducted by roll call and be recorded in the minutes.

Expanded Authority for Electronic Signatures During COVID-19 – Effective May 17, 2020, cities are allowed to accept certain documents, signatures, or filings electronically, by mail, or facsimile during the COVID-19 pandemic, including; planning and zoning applications and permits; land use documents; documents requiring the signature of licensed architects, engineers, land surveyors, geoscientists, or interior designers; applications for birth or death certificates; or recording notary commissions. This accommodation expires January 16, 2021, or 60 days following the termination of the peacetime public health emergency.

Solid Waste Recycling Exemption – The requirement that not more than 15 percent of mixed municipal solid waste received by recycling or composting facilities be disposed of, rather than recycled or composted, is suspended as long as the need for the exception is triggered by operational changes implemented to address the COVID-19 pandemic.

Pension Changes – Effective January 1, 2021, the maximum lump-sum pension amount for volunteer firefighters is increased from \$10,000 to \$15,000 per year of service. Municipalities are permitted to split state fire aid received between its career firefighters and its affiliated volunteer firefighters, but only if the amount allocated to the career firefighters is approved by the membership of the volunteer firefighter relief association. Any aid allocated to career firefighters must be used to pay the Public Employees Retirement Association (PERA) employer contributions on their behalf within 18 months of the transfer or be returned to the relief association.

Police Accountability Act – The Legislature passed the Police Accountability Act, which enacted a number of changes to laws governing police conduct, training, and oversight. Among the more significant changes adopted were:

- Defined and authorized “public safety peer counseling” and “critical incident stress management,” and classifies information shared in these settings as private data.
- Established an Independent Use of Force Investigations Unit within the Bureau of Criminal Apprehension to investigate all officer-involved deaths in the state, as well as criminal sexual assault allegations against peace officers, effective August 1, 2020.
- Authorized statutory or home rule charter cities to offer incentives to encourage a person hired as a peace officer to be a resident of the city.
- Limited the use of certain restraint methods by peace officer unless the use of deadly force is authorized in a given situation.
- Established and modified provisions related to law enforcement use of deadly force.
- Defined and prohibited “warrior-style” training for peace officers.
- Established a 15-member “Ensuring Police Excellence and Improving Community Relations Advisory Council” under the Police Officer Standards and Training (POST) Board, to assist the POST Board in maintaining policies and regulating peace officers in a manner that ensures the protection of civil and human rights.
- Established a duty for peace officers to intercede when another officer is using excessive force and report incidents of excessive force to supervisors.

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ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB Statement No. 87, *Leases*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third party obligors in the course of their activities.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

An SBITA is defined as a contract that conveys control of the right to use another party's (an SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

CITY OF BROOKLYN CENTER
HENNEPIN COUNTY, MINNESOTA

Special Purpose Audit Reports on

Single Audit,
Internal Controls, and
Compliance With Laws and Regulations

Year Ended
December 31, 2020

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CITY OF BROOKLYN CENTER
HENNEPIN COUNTY, MINNESOTA

Table of Contents

	Page
Schedule of Expenditures of Federal Awards	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	2-3
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	4-6
Independent Auditor's Report on Minnesota Legal Compliance	7
Schedule of Findings and Questioned Costs	8-9

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CITY OF BROOKLYN CENTER

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-Through Entity Identification Number	Federal Expenditures
U.S. Department of Treasury			
Passed through Hennepin County			
COVID-19 – Coronavirus Relief Fund	21.019		\$ 19,827
Passed through the Minnesota Department of Management and Budget			
COVID-19 – Coronavirus Relief Fund	21.019	SLT0016	2,433,415
U.S. Department of Justice			
Direct program			
Bulletproof Vest Partnership Program	16.607		421
Passed through Hennepin County			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		3,253
U.S. Department of Transportation			
Passed through the State of Minnesota			
Highway Planning and Construction	20.205		35,207
Passed through the City of Brooklyn Park			
National Priority Safety Programs	20.616		4,501
Passed through the City of Brooklyn Park			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		5,452
Total federal awards			<u>\$ 2,502,076</u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

Note 2: Unless noted in the table above, the pass-through entities use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The City did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: Unaudited Disclosure – The City received donated personal protective equipment (PPE) with an estimated value of \$8,500. The City was unable to determine whether federal dollars were used to purchase the donated PPE.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
City of Brooklyn Center, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Center, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 24, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
May 24, 2021

PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the City Council and Management
City of Brooklyn Center, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the City of Brooklyn Center, Minnesota's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

(continued)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 24, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
May 24, 2021

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of Brooklyn Center, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Center, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 24, 2021.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the City failed to comply with provisions of the contracting and bidding section of the *Minnesota Legal Compliance Audit Guide for the Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as finding 2020-001. Also, in connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, or tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

CITY'S RESPONSE TO FINDING

The City's response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The City's response was not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
May 24, 2021

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CITY OF BROOKLYN CENTER

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X None reported
Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X None reported
Type of auditor's report issued on compliance for major programs? X Unmodified
 Qualified
 Adverse
 Disclaimer
Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? Yes X No

Programs tested as major programs:

<u>Program or Cluster</u>	<u>CFDA No.</u>
U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	21.019
Threshold for distinguishing between type A and B programs:	<u>\$ 750,000</u>
Does the auditee qualify as a low-risk auditee?	<u> X </u> Yes <u> </u> No

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CITY OF BROOKLYN CENTER

Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2020

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2020-001 WITHHOLDING AFFIDAVIT

Criteria – Minnesota Statutes § 270C.66.

Condition – Before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor or subcontractors, the City of Brooklyn Center, Minnesota (the City) must obtain a certificate by the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statutes § 290.92 (either by obtaining a Commissioner of Revenue Form IC134 or a Contractor's Withholding Affidavit). The City did not obtain the required certificate for one of two contracts selected for testing prior to making final settlement in 2020.

Questioned Costs – Not applicable.

Context – One of two contracts tested was not in compliance.

Cause – This was an oversight by city personnel.

Repeat Finding – This is a current year finding.

Effect – The City did not obtain the required documentation of either a Commissioner of Revenue Form IC134 or a Contractor's Withholding Affidavit as required by state statutes prior to making final settlement.

Recommendation – We recommend that the City review its policies and procedures to ensure future compliance with this statute.

View of Responsible Official and Planned Corrective Actions – The City is in agreement with this finding, however does believe this was an isolated incident. Strong procedures are in place, but staff working on this specific project were new to the process, and the vendor the City worked with was new to the withholding reporting requirements of Minnesota Statutes § 290.92. The City will review its procedures and update if necessary, to ensure future compliance with Minnesota Statutes.

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Corrective Action Plans and
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

A. FINANCIAL STATEMENT FINDINGS

None.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

C. MINNESOTA LEGAL COMPLIANCE FINDINGS

2020-001 WITHHOLDING AFFIDAVIT

Finding Summary

Minnesota Statutes require the filing of Form IC134 or a Contractor's Withholding Affidavit prior to making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractors. For one contract selected for testing, the City of Brooklyn Center, Minnesota (the City) did not obtain a Form IC134 or a Contractor's Withholding Affidavit before making final payment to the contractor.

Corrective Action Plan

Actions Planned – The City will review policies and procedures to ensure compliance with this statute in the future.

Official Responsible – Mark Ebensteiner, Finance Director.

Planned Completion Date – December 31, 2021.

Disagreement With or Explanation of Finding – The City is in agreement with this finding, however does believe this was an isolated incident. Strong procedures are in place, but staff working on this specific project were new to the process, and the vendor the City worked with was new to the withholding reporting requirements of Minnesota Statutes § 290.92.

Plan to Monitor – Mark Ebensteiner, Finance Director, will ensure policies and procedures are reviewed and updated if necessary to ensure compliance with state statutes in the future.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No audit findings were reported for the year ended December 31, 2019.

City of Brooklyn Center | Finance Department



Annual Comprehensive Financial Report
For the year ended December 31, 2020
City of Brooklyn Center, Minnesota

Member of the Government Finance Officers Association of the United States

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF BROOKLYN CENTER,
MINNESOTA

Dr. Reginald M. Edwards
Acting City Manager

Prepared By:
FINANCE DIVISION
DEPARTMENT OF FISCAL & SUPPORT SERVICES

Mark Ebensteiner
Finance Director

Andrew Splinter
Assistant Finance Director

FOR THE YEAR ENDED
DECEMBER 31, 2020



Member of Government Finance Officers
Association of the United States and Canada



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CITY OF BROOKLYN CENTER, MINNESOTA
TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Principal Officials	9
Organizational Chart	10
Certificate of Achievement	11
FINANCIAL SECTION	
Independent Auditor's Report	13
Management's Discussion and Analysis	17
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements	
Governmental Funds	
Balance Sheet	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Statement of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual	
General Fund	39
Tax Increment District No. 3 Special Revenue Fund	40
Proprietary Funds	
Statement of Net Position	42
Statement of Revenues, Expenses and Changes in Net Position	44
Statement of Cash Flows	46
Notes to the Financial Statements	49
<u>Required Supplementary Information</u>	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	91
Schedule of City Contributions - Public Employees General Employees Retirement Fund	92
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability - Public Employees General Employees Retirement Fund	94
Schedule of City Contributions - Public Employees Police and Fire Fund	96
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability - Public Employees Police and Fire Fund	98
Schedule of Changes in Net Pension Asset and Related Ratio - Fire Relief Association	99
Schedule of City Contributions - Fire Relief Association	100
Schedule of City Contributions - International Union of Operating Engineers Central Pension Fund	101
<u>Combining and Individual Fund Statements and Schedules</u>	
Governmental Funds	
Nonmajor Governmental Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	107
Nonmajor Special Revenue Funds	
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	110

CITY OF BROOKLYN CENTER, MINNESOTA
TABLE OF CONTENTS

Nonmajor Capital Projects Funds	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	113
Schedule of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual	
General Fund	114
Special Revenue Funds	
Housing and Redevelopment Authority	119
Economic Development Authority	120
Community Development Block Grant	121
Police Forfeitures	122
Revolving Loan Fund	123
Centerbrook Golf Course	124
Tax Increment District No. 2	125
Tax Increment District No. 3	126
Tax Increment District No. 4	127
Tax Increment District No. 5	128
Tax Increment District No. 6	129
Tax Increment District No. 7	130
Tax Increment District No. 8	131
City Initiatives Grant	132
Debt Service Fund	133
Capital Projects Funds	
Capital Improvements	134
Municipal State-Aid for Construction	135
Special Assessment Construction	136
Street Reconstruction	137
Capital Reserve Emergency	138
Technology	139
Debt Service Fund by Account	
Combining Balance Sheet	140
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	142
Schedule of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual	
G.O. Improvement Bonds, 2013B	144
G.O. Improvement Bonds, 2015A	145
G.O. Improvement Bonds, 2016A	146
G.O. Improvement Bonds, 2017A	147
G.O. Improvement Bonds, 2018A	148
G.O. Improvement Bonds, 2019A	149
G.O. Tax Increment Bonds, 2016C	150
G.O. Tax Increment Bonds, 2016B	151
G.O. Tax Increment Refunding Bonds, 2015B	152
G.O. Tax Increment Bonds, 2013A	153
Proprietary Funds	
Internal Service Funds	
Combining Statement of Net Position	156
Combining Statement of Revenues, Expenses and Changes in Net Position	158
Combining Statement of Cash Flows	160
STATISTICAL SECTION (UNAUDITED)	
Financial Trends	
Net Position by Component	164
Changes in Net Position	166
Governmental Activities Tax Revenue by Source	172
Fund Balances - Governmental Funds	174
Changes in Fund Balances - Governmental Funds	176

CITY OF BROOKLYN CENTER, MINNESOTA
TABLE OF CONTENTS

Revenue Capacity	
Assessed Tax Capacity and Estimated Actual Value of Taxable Property	178
Property Tax Rates - Direct and Overlapping Governments	180
Principal Property Taxpayers	182
Property Tax Levies and Collections	183
Debt Capacity	
Ratios of Outstanding Debt by Type	184
Ratios of General Bonded Debt Outstanding	185
Computation of Direct and Overlapping Governmental Activities Debt	186
Legal Debt Margin Information	188
Pledged Revenue Coverage	190
Demographic and Economic Information	
Demographic and Economic Statistics	191
Principal Employers	192
Operating Information	
Full-Time City Government Positions by Function	193
Operating Indicators by Function	194
Capital Asset Statistics by Function	195



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May 24, 2021

Honorable Mayor and Members of the City Council
City of Brooklyn Center

Transmitted herewith is the Annual Comprehensive Financial Report of the City of Brooklyn Center for the fiscal year ended December 31, 2020.

Management of the City of Brooklyn Center assumes full responsibility for the completeness and reliability of the information contained in this report based on the current system of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Minnesota Statutes and City Charter Section 7.12 require that the financial statements of the City of Brooklyn Center be audited annually by the State Auditor or a certified public accountant selected by the City Council. These financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A. (MMKR). Their opinion is included in the financial section of this report

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Brooklyn Center

The City of Brooklyn Center was incorporated in 1911. It is a northern suburb of the Twin Cities metropolitan area, adjacent to the City of Minneapolis and located 10 miles from its downtown area. The City is wholly within Hennepin County and covers an area of about 8.5 square miles. The Mississippi River forms the City's eastern boundary.

The City has operated under the council-manager form of government since the adoption of the City Charter in 1966. The governing body is comprised of the Mayor and four Council Members elected at large. All members serve four-year terms with two of the Council Members standing for election during each national election year cycle. The Mayor and Council Members hire a City Manager who is responsible for the daily operations of the City.

The City provides a full range of municipal services to its citizens. These include police and fire protection and services, zoning and code enforcement, municipal planning, parks, recreation activities, construction and maintenance of streets, provision of water, wastewater collection and

treatment, stormwater collection and treatment, and street lighting. Community and economic development are facilitated through a Housing and Redevelopment Authority and an Economic Development Authority (EDA). The Boards of those two organizations are comprised of the Mayor and members of the City Council. The City also has internal departments providing human resources, engineering, financial management and information technology support to these various functions. The City operates a conference and meeting facility at the Earle Brown Heritage Center, two municipal liquor stores, and Centerbrook, an executive nine-hole golf course.

Financial planning and control for the City of Brooklyn Center is based on the Annual Operating Budget and the multi-year Capital Improvement Program. Under Minnesota Statutes, a preliminary property tax levy must be adopted no later than September 30 of each year for the ensuing year's collection. This establishes a maximum levy that may subsequently be lowered but not raised. Effective establishment of this levy requires that a preliminary budget be prepared. The City Manager, with the assistance of staff, prepares such a budget each year and presents it to the City Council in August, prior to the consideration of the preliminary tax levy. In addition, the City Council reviews the recommended rates and charges for utility funds and other operations on an annual basis as part of the budget process. Citizens receive a notice of taxes proposed for their individual properties in November based on the preliminary levies established by all taxing districts. Following the receipt of this notice citizens are invited to public meetings in each taxing jurisdiction. The City's meeting includes information about the budget, the property tax levy and the priorities of the City Council for the coming year as reflected by the budget allocations proposed. Public comment is received and considered at this meeting. The final property tax levy and the resulting operational budgets for the ensuing fiscal year are adopted at a subsequent meeting.

In addition, a Capital Improvement Program is reviewed and revised during the budget process each year. This includes projects for which the City may issue debt and/or assess portions of the cost to adjacent or benefited property owners. Because there are limited funds available each year and the City does not wish to issue excessive amounts of debt, these projects are reviewed and reprioritized each year.

The City Council remains focused on the achievement of strategic priorities. City financial planning, policies, spending and initiatives reflect these priorities. The City Council adopted six strategic priorities as follows:

Resident Economic Stability

The economic stability of residents is essential to vibrant neighborhoods and to retail, restaurant, and business growth. We will lead by supporting collaborative efforts of education, business, and government sectors to improve income opportunities for residents.

Targeted Redevelopment

Redeveloping properties to the highest value and best use will accomplish our goals regarding housing, job creation, and growth of the City's tax base. We will appropriately prepare sites and provide the necessary supporting infrastructure investments to guide redevelopment of publicly- and privately-owned properties.

Enhanced Community Image

Our ability to attract and retain residents and businesses is influenced by the perception of the City. We will take specific actions to assure that Brooklyn Center is recognized by residents, businesses, stakeholders, and visitors as a high quality, attractive, and safe community.

Inclusive Community Engagement

In order to provide effective and appropriate services, we must clearly understand and respond to community needs. We will consistently seek input from a broad range of stakeholders from the general public, non-profit, and for-profit sectors. Efforts to engage the community will be transparent, responsive, deliberately inclusive, and culturally sensitive.

Safe, Secure, and Stable Community

For residents and visitors to fully appreciate and enjoy a great quality of life, it is essential that all neighborhoods are safe, secure, and stable. We are committed to assuring compliance with neighborhood conditions and building safety standards, providing proactive and responsive public safety protection, wise stewardship of City resources and policies that promote safety, security, and a lasting stable environment.

Key Transportation Investments

Proactively maintaining an efficient and effective infrastructure will meet the high level of community expectations. We will plan for and invest in critical infrastructure improvements that enhance safety, improve life quality, and support opportunities for redevelopment, while sustaining the natural environment.

Local Economy

Brooklyn Center is a mature, fully developed first ring suburb of Minneapolis. With its affordable housing, excellent schools, beautiful parks, and convenient transportation access it has the attributes to continue as a vibrant community for many years to come.

The City experienced its most rapid growth from 1950 to 1970 when the City's population grew from 4,300 to its peak of 35,173. The 2019 population estimated from the Metropolitan Council estimates the population for Brooklyn Center at 32,722. The number of housing units has increased from 10,791 in 2011 to an estimated 11,318.

The City's taxable market value is \$2,280,312,601 for taxes payable 2021, which is an increase of \$220,238,243 or 10.69 percent from last year. The taxable market value increase is driven by large increases in residential (6.2%), Industrial (11.4%), and apartment properties (9.7%). The net tax capacity of the City is estimated at \$29,240,979 compared to \$26,538,221 for taxes payable 2020, which is an increase of \$2,702,758 (10.2%). Residential housing makes up 50.7% of the 2021 tax capacity base. According to the Hennepin County Assessor's Office, for the valuation used to calculate the 2021 property tax payments, the median value home in Brooklyn Center is \$207,000 compared to \$198,000 in the previous valuation.

Major transportation routes in and through the City, including Interstates 94 and 694, and State Highways 100 and 252, have provided a continued impetus for development of a strong commercial tax base in the City along these corridors.

There are no large, undeveloped tracts of land in Brooklyn Center and no potential for annexation of additional undeveloped land. Therefore, the revitalization of Brooklyn Center is proceeding on three tracks: redevelopment and renewal of the commercial and industrial areas of the City; reconstruction and enhancement of its streets, utilities, and parks; and the revitalization of neighborhoods.

The hospitality industry contributes a significant amount to Brooklyn Center's economy. Lodging tax receipts for fiscal year 2019 totaled \$1,091,105, however due to the impact of COVID 19 on the lodging industry that number dropped to \$561,602 in 2020.

City issued building permits in 2020 had a total permit value of \$56,445,490, showing a continued trend of significant investments being made in the community.

Long Term Financial Planning

The City maintains a comprehensive Capital Improvement Plan to facilitate the replacement of its aging infrastructure. When streets are reconstructed in this program, aging water, sanitary and storm sewer infrastructure is also repaired or replaced. These improvements are funded by a combination of general obligation improvement bonds supported with special assessments against benefited properties and cash from the capital projects funds and utility enterprise funds. About one twenty-fifth of the City's streets and utilities are reconstructed each year. It is expected that this will be an ongoing process and the Plan is reviewed and amended as a part of each budget cycle. In addition, cash flows for all funds providing financing for the Plan are updated for cash flow projections during the 15 year timeframe of the Plan. The Capital Improvements Plan projects completion of the first citywide round of reconstruction of the streets and utilities throughout the entire community by 2022. An additional benefit of these neighborhood projects has been the increased investment by residents in their properties following reconstruction projects.

The development of utility rate models and of non-utility cash flow projection models has improved the City's ability to plan and generate cash for operations, scheduled maintenance and capital improvements. A plan for the maintenance and upgrading of the City's buildings and facilities is being incorporated into spending plans for both operational repairs and for large capital expenditure type improvements.

Major Initiatives

Successful redevelopment continues to be the key to commercial and industrial tax base growth including:

The 80-acre Opportunity Site, which is planned for a mix of commercial and residential redevelopment, along with regional recreational and entertainment amenities.

- Since 2008, the EDA has acquired 44 acres of land within the Opportunity Site. This includes the former Brookdale Square shopping center site, former Brookdale Ford dealership property, and former Target store.

- In 2016, the City Council approved the creation of a 25 year tax increment redevelopment district and completed the soil corrections and final demolition of the former Brookdale Ford building, floor lifts, and underground LP tank.
- The EDA entered into a Preliminary Development Agreement (PDA) with Alatus, LLC, a Minneapolis-based developer, in April 2018 for the southern 35 acres of the Opportunity Site. The PDA identified Alatus as the master developer to plan the site and initiate a Phase I development.
- In May 2018, the census tract (27053020200) that the Opportunity Site is located within was designated as an Opportunity Zone.
- City EDA renewed its PDA with Alatus in April of 2019, taking the lead on the master planning for the entire 80-acre Opportunity Site in collaboration with Alatus. The timing was structured to allow Alatus to move forward with Phase I in conjunction with the creation of a master plan.
- The City engaged a consultant to update the 2006 Opportunity Site Master Plan. A draft of the Master Plan has been completed and a traffic study and stormwater plan are underway. The Master Plan is in final draft form and will be going to the City Council in the summer of 2021 for final adoption. Zoning regulations are currently being drafted for the site.
- Alatus is in predevelopment on Phase I of the development, which they intend to move ahead with in 2021. Phase I would include 750 units of multi-family housing with a mix of market-rate and affordable, and 36,000 square feet of additional commercial space, including 20,000 square feet of community driven entrepreneurial market space. Alatus has partnered with Project for Pride in Living on the project. They anticipate bringing the project through entitlements in the fall of 2021. An Environmental Assessment Worksheet is currently underway.

Additional development activities in 2020/2021 include:

- On September 24, 2018 Earle Brown Elementary School (1500 59th Avenue North) received approval to construct a new 1,200 square foot front entry, a 23,551-square foot second story addition, and select site improvements. Construction began following end of the school year in June 2019 and construction is still underway at this time.
- The City approved plans to construct a new car wash facility within the Shingle Creek Crossing shopping center. The project is currently under construction.
- The City approved an application by C Alan Homes to construct 13 triplexes on EDA owned lots along Brooklyn Boulevard. The project consists of a total of 39 three-bedroom units in 13 structures. Construction is underway on the first two buildings, with the rest to follow through the end of 2021.
- Real Estate Equities completed 270 new units at 5801 Xerxes Avenue N. The project includes a mix of 143 affordable independent senior units (Sonder Point) and 127 workforce units (Sonder House). Buildings were completed ahead of schedule. The first building opened April 1 and was fully leased at opening. The second building will officially open next month and is also fully leased.
- Sears has entered into a purchase agreement with Scannell Properties for the 15-acre former Sears site. They are currently conducting environmental assessment on the site and conducting due diligence. They anticipate submitting a formal land use application in the summer of 2021 for a commercial business center for the site.

- Construction is wrapping up on the 30-lot Eastbrook Estates subdivision by Developer Centra Homes on approximately 8 acres of land located west of 252 and south of 69th Avenue North. All 30 lots have sold and all building permits have been issued. The City recently submitted the final punch list to Centra Homes on the new streets.
- The City has entered into a Preliminary Development Agreement with J O Companies for a multi-family apartment on the EDA-owned properties at Brooklyn Boulevard and 61st Avenue North. JO properties has continued their due diligence and is putting together an application for 9% Low Income Housing Tax credits to be submitted to the Minnesota Housing Finance Authority in June.

Other Activities in 2020/2021

- Brooklyn Boulevard (49th Avenue to Bass Lake Road) was reconstructed and modernized to improve roadway safety, enhance traffic operations, reduce access points and provide improvement bicycle and pedestrian facilities. Federal funding through the Surface Transportation Program has been awarded to the City and Hennepin County for this project. Phase I of the project is complete. Phase II will focus on Brooklyn Boulevard from Bass lake Road north to 69th Avenue. Design began in 2020 and construction is scheduled to begin spring 2021 and be completed in 2022.
- In conjunction with the Brooklyn Boulevard reconstruction the City is undertaking a land use study along the corridor and the creation of an overlay district with regulatory framework intended to facilitate redevelopment. The study will include the numerous EDA-owned properties along the corridor and identify a plan for their reuse.
- The City is in the process of rewriting of its zoning ordinances. This will include the creation of several new mixed-use zoning districts to implement the recent 2040 Comprehensive Plan. The mixed-use zoning districts will introduce higher density housing to currently underdeveloped areas of the City where housing has historically not been allowed, such as the Opportunity Site, along Brooklyn Boulevard, and in other key redevelopment sites in the City.

Relevant Financial Policies

The City of Brooklyn Center includes in its Financial Policies a requirement that the General Fund balance at year end must be between 50.0% and 52.0% of the ensuing year's General Fund operating budget. This provides both for cash flow needs and emergency expenditures in the short term.

The City's Capital Project Funding Policy provides recurring sources of funding for the City's 15-year Capital Improvement Plan. The Policy specifically identifies three main funding sources as follows:

1. Audited year-end General Fund unassigned fund balance above 52% of the next year's General Fund operating budget
2. Audited year-end Liquor Fund unrestricted cash balance that exceeds two months of the next year's operating budget and one year of budgeted capital equipment needs.

3. Local Governmental Aid (LGA) received in the amount of \$650,000 or half of the amount received by the City (whichever is greater).

Also included in the Financial Policies are internal control directives to protect the City's assets from loss, theft or misuse. These controls provide reasonable assurance of the safety of the City's assets while recognizing that management estimates and judgments as to the cost of such controls are also important to deriving maximum benefit from these controls.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn Center for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2019. The City was first awarded this certificate in 1966. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both accounting principles generally accepted in the United States and applicable federal, state and local legal requirements.

A Certificate of Achievement is valid for a period of one year. It is expected that the 2020 report conforms to Certificate of Achievement Program requirements. It will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation and publication of this report would not have been possible without the dedicated and efficient work of the Finance staff, most especially Andrew Splinter, the Assistant Finance Director. We would like to acknowledge all staff that contributed their efforts to the Finance operations in 2020. We would also like to thank the Mayor and City Council for their support in promoting and maintaining the highest standards of professionalism and management of the City of Brooklyn Center.

Respectfully Submitted,



Dr. Reginald M. Edwards
Acting City Manager



Mark A. Ebensteiner
Finance Director



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CITY OF BROOKLYN CENTER, MINNESOTA**PRINCIPAL OFFICIALS**

December 31, 2020

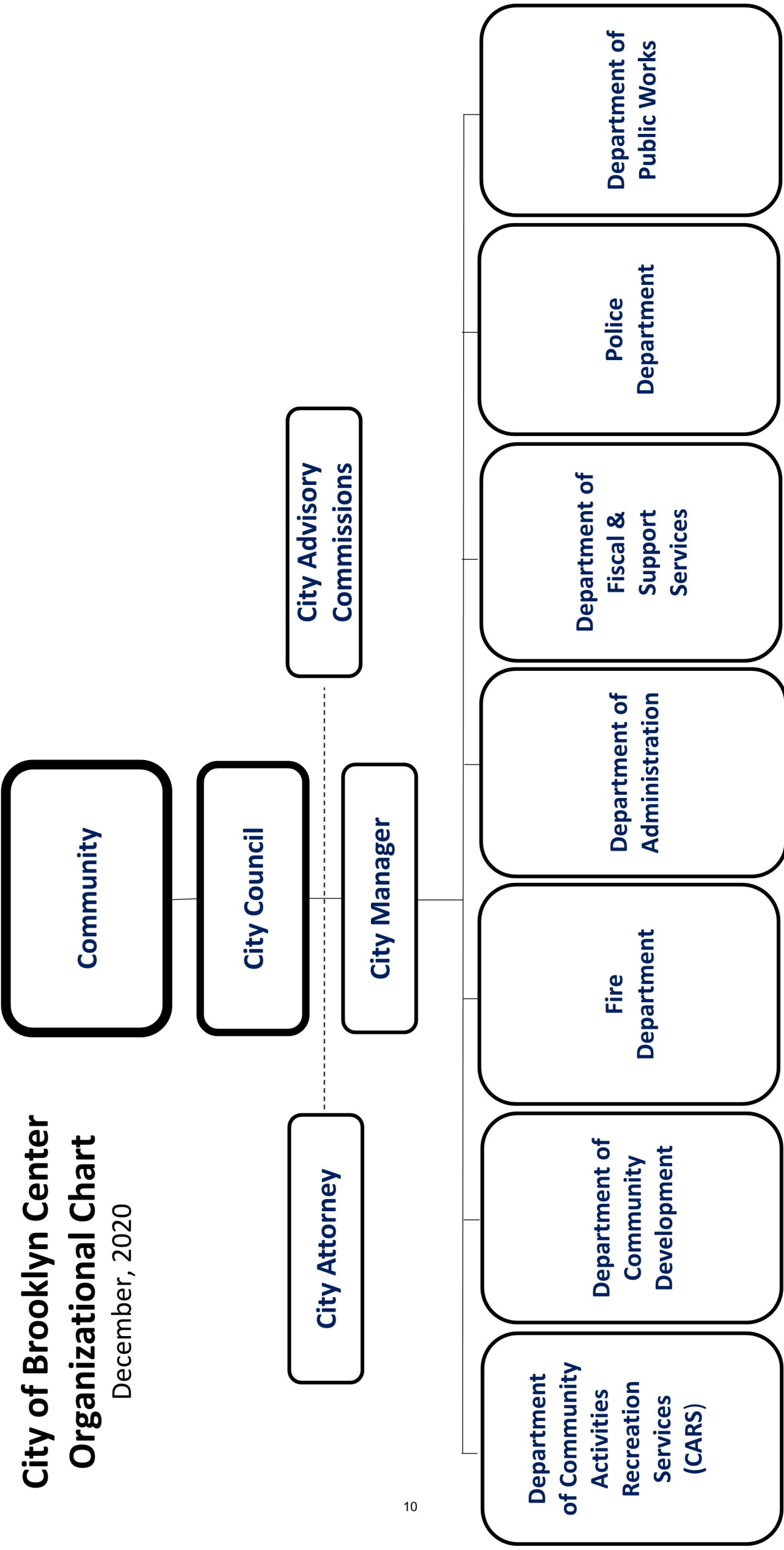
Name	Position	Term of Office	Term Expires
<u>ELECTED OFFICIALS</u>			
Mike Elliott	Mayor	Four Years	December 31, 2022
April Graves	Council Member	Four Years	December 31, 2022
Kris Lawrence-Anderson	Council Member	Four Years	December 31, 2020
Dan Ryan	Council Member	Four Years	December 31, 2022
Marquita Butler	Council Member	Four Years	December 31, 2020

APPOINTED OFFICIALS

Dr. Reginald Edwards	Acting City Manager	Appointed
Troy Gilchrist	City Attorney	Contractual Appointee
Barb Suci	City Clerk	Appointed
Tony Gruenig	Acting Police Chief	Appointed
Meg Beckman	Community Development Director	Appointed
Todd Berg	Fire Chief	Appointed
Joel Iverson	Acting Community Activities, Recreation and Services Director	Appointed
Doran Cote	Director of Public Works	Appointed
Mark Ebensteiner	Finance Director	Appointed

City of Brooklyn Center Organizational Chart

December, 2020





Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Brooklyn Center
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO



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INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Brooklyn Center, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Center, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and budgeted major special revenue funds 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 and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules 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.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
May 24, 2021



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CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

As management of the City of Brooklyn Center (the City), we offer readers of the City's Annual Comprehensive Financial Report (ACFR), this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this ACFR.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$160,550,829 (net position). Of this amount, \$23,819,445 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7,638,123 (5.0%) from the previous year. The increase can be primarily attributed to a significant amount of tax increment revenues and utility revenues being used for debt service and capital outlay.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,135,658, which is an increase of \$2,823,146 (5.20%) from the previous year. Of the total fund balance, \$12,136,345 (21.24%) is unassigned, which is free from any internal or external constraints of its use.
- The General fund has a fund balance of \$14,205,568 at the close of the current fiscal year. During 2020, the fund balance increased \$1,681,351 (13.42%) from the previous year. The unassigned fund balance at year end is \$12,352,562, which represents 52.00% of the following year's budget. The remaining portion of the fund balance is nonspendable or assigned.
- The City's total outstanding bonded debt decreased by \$1,742,000 during the current fiscal year, from \$63,113,445 to \$61,371,445. The City retired \$6,527,000 in principal in 2020, and issued \$4,785,000 in new debt for infrastructure projects that included the Grandview North Area Infrastructure Improvement Project and rehabilitation of Water Tower #1.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 the City's 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 the 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 the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include: general government, public safety, public works, community services, parks & recreation, economic development, and interest on long-term debt. The business-type activities of the City include: municipal liquor, Earle Brown Heritage Center, water utility, sanitary sewer utility, storm drainage utility, street light utility, and the recycling utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Housing and Redevelopment Authority and Economic Development Authority, for which the City is financially accountable. Although legally separate, these component units, function for all practical purposes as a department of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 29 through 31 of this ACFR.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains 22 individual 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 following: General, Tax Increment District No. 3, Debt Service, Capital Improvements, Municipal State Aid for Construction, Special Assessment Construction, and Street Reconstruction Funds which are considered to be major funds. Data from the other 15 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 or schedules, elsewhere in this ACFR.

The City adopts an annual appropriated budget for nearly all funds presented in this ACFR. A budgetary comparison statement has been provided in the basic financial statements for the General fund and the Tax Increment District No. 3 fund. The budgetary comparison statements for any nonmajor funds are provided elsewhere in this ACFR.

The basic governmental fund financial statements can be found on pages 32 through 40 of this ACFR.

Proprietary Funds: Proprietary funds provide similar information to the government-wide financial statements, but in more detail. The City maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its: municipal liquor, Earle Brown Heritage Center, water utility, sanitary sewer utility, storm drainage utility, street light utility, and recycling utility. All of the City's enterprise funds are considered to be major funds, and separate information is provided for each of them in the basic financial statements.

Internal service funds are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its: central garage, employee retirement benefits, pension - coordinated, pension - police and fire, and compensated absences accumulations. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this ACFR. Because all of these services predominately benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 42 through 47 of this ACFR.

Notes to the 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 financial statements can be found on pages 49 through 90 of this ACFR.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, for other post-employment benefits (OPEB) and defined benefit pension plans. The schedule of changes in the City's total OPEB liability and related ratios, City contributions, City's and non-employer proportionate share of net pension liability, and schedule of changes in Net Pension Asset can be found on pages 91 through 101 of this ACFR. The combining and budgetary comparison statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and budgetary comparison statements can be found on pages 103 through 161 of this ACFR.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$160,550,829 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$98,257,502 or 61.20%) reflects its investment in capital assets, which includes: land infrastructure, buildings, and machinery & equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets 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.

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

CITY OF BROOKLYN CENTER - SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 77,873,628	\$ 78,587,258	\$ 18,326,844	\$ 25,042,033	\$ 96,200,472	\$ 103,629,291
Capital assets	72,579,894	68,784,513	81,248,474	76,186,001	153,828,368	144,970,514
Total assets	150,453,522	147,371,771	99,575,318	101,228,034	250,028,840	248,599,805
Deferred outflows of resources	4,617,608	6,222,876	-	-	4,617,608	6,222,876
Long-term liabilities outstanding	38,175,263	38,201,286	36,416,500	36,385,096	74,591,763	74,586,382
Other liabilities	6,776,783	7,613,928	4,888,553	5,387,561	11,665,336	13,001,489
Total liabilities	44,952,046	45,815,214	41,305,053	41,772,657	86,257,099	87,587,871
Deferred inflows of resources	7,838,520	14,322,104	-	-	7,838,520	14,322,104
Net investment in capital assets	54,471,240	52,560,591	43,786,262	43,450,307	98,257,502	96,010,898
Restricted	38,473,882	35,743,847	-	-	38,473,882	35,743,847
Unrestricted	9,335,442	5,152,891	14,484,003	16,005,070	23,819,445	21,157,961
Total Net Position	\$ 102,280,564	\$ 93,457,329	\$ 58,270,265	\$ 59,455,377	\$ 160,550,829	\$ 152,912,706

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position (23.96%) represents resources that are subject to external restrictions on how they may be used. The remaining portion (14.84%) may be used to meet the City's ongoing obligations.

Current and other assets decreased by over \$7.4 million during 2020. This relates to the usage of current assets to fund increases in capital assets which increased by \$8.8 million.

The governmental activities had a significant decrease in the amount of deferred outflows and inflows of resources. The change is primarily a result of GASB Statement No. 68 in which the City is required to report its proportionate share of the Minnesota Public Employees Retirement Association (PERA) net pension liabilities and deferred outflows and inflows of resources. Recording these items does not change the City's future contribution requirements or obligations under the plans, which are determined by Minnesota statutes.

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Governmental Activities

Governmental activities resulted in an increase of the City's net position by \$8,823,235 (9.44%). Key elements of the changes are as follows:

CITY OF BROOKLYN CENTER - CHANGES IN NET POSITION

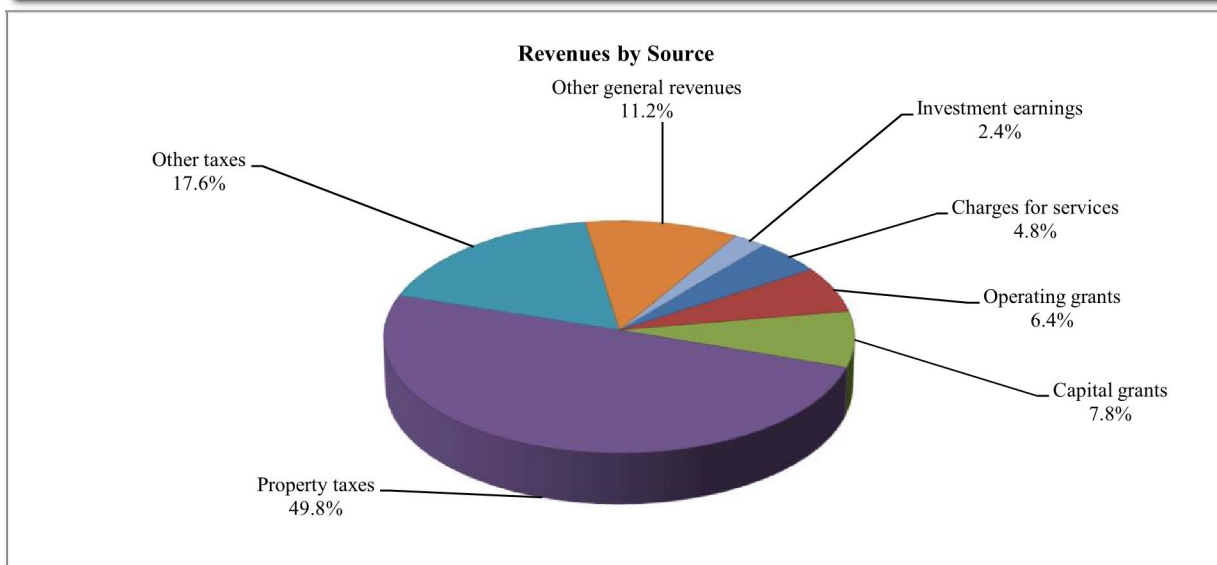
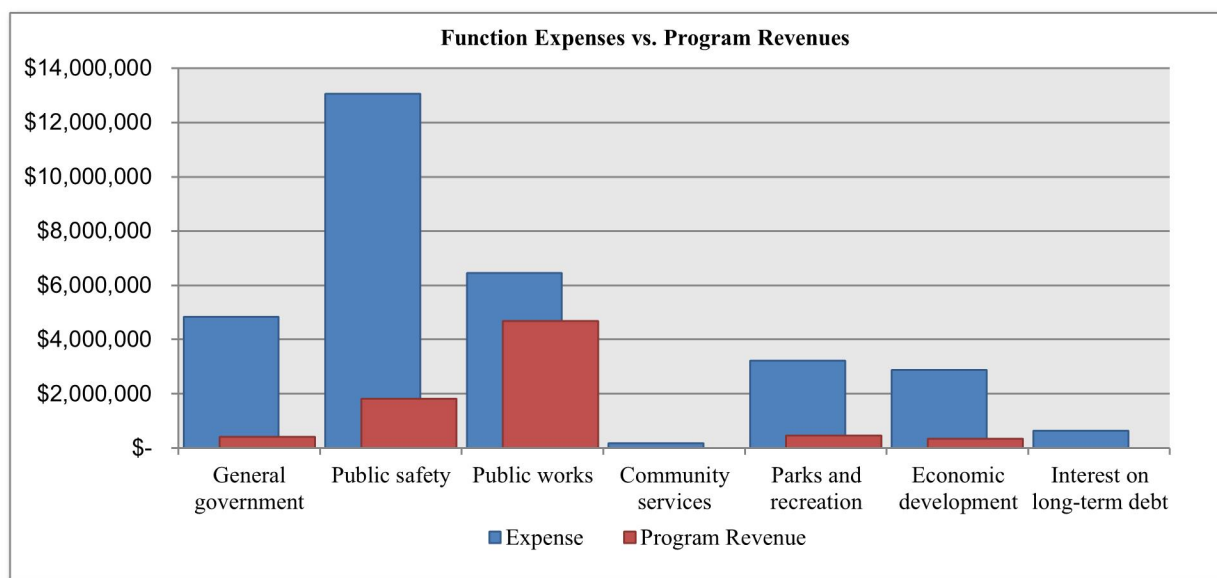
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 1,946,890	\$ 2,781,595	\$ 18,300,223	\$ 22,857,361	\$ 20,247,113	\$ 25,638,956
Operating grants and contributions	2,607,134	9,562,139	-	-	2,607,134	9,562,139
Capital grants and contributions	3,148,955	3,148,710	-	455,363	3,148,955	3,604,073
General revenues						
Property taxes	20,136,395	19,073,449	-	-	20,136,395	19,073,449
Other taxes	7,127,701	6,445,854	-	-	7,127,701	6,445,854
Grants and contributions not restricted to specific programs	4,432,381	2,239,180	449,232	-	4,881,613	2,239,180
Unrestricted investment earnings	971,753	1,271,500	480,975	656,456	1,452,728	1,927,956
Gain on disposal of capital assets	82,875	58,869	-	-	82,875	58,869
Total revenues	40,454,084	44,581,296	19,230,430	23,969,180	59,684,514	68,550,476
Expenses:						
General government	4,834,450	4,423,425	-	-	4,834,450	4,423,425
Public safety	13,057,043	12,706,644	-	-	13,057,043	12,706,644
Public works	6,450,769	12,787,805	-	-	6,450,769	12,787,805
Community services	171,344	181,159	-	-	171,344	181,159
Parks and recreation	3,218,266	3,827,299	-	-	3,218,266	3,827,299
Economic development	2,872,886	2,146,011	-	-	2,872,886	2,146,011
Interest on long-term debt	634,139	666,343	-	-	634,139	666,343
Municipal liquor	-	-	5,699,529	6,775,430	5,699,529	6,775,430
Earle Brown Heritage Center	-	-	3,034,695	5,242,416	3,034,695	5,242,416
Water utility	-	-	4,377,809	4,148,609	4,377,809	4,148,609
Sanitary sewer utility	-	-	4,551,331	4,546,350	4,551,331	4,546,350
Storm drainage utility	-	-	2,441,109	2,407,046	2,441,109	2,407,046
Street light utility	-	-	306,619	333,744	306,619	333,744
Recycling utility	-	-	396,402	410,610	396,402	410,610
Total expenses	31,238,897	36,738,686	20,807,494	23,864,205	52,046,391	60,602,891
Change in net position before transfers	9,215,187	7,842,610	(1,577,064)	104,975	7,638,123	7,947,585
Transfers	-	325,487	-	(325,487)	-	-
Transfers - capital assets	(391,952)	(1,016,734)	391,952	1,016,734	-	-
Change in net position	8,823,235	7,151,363	(1,185,112)	796,222	7,638,123	7,947,585
Net Position - January 1	93,457,329	86,305,966	59,455,377	58,659,155	152,912,706	144,965,121
Net Position - December 31	\$ 102,280,564	\$ 93,457,329	\$ 58,270,265	\$ 59,455,377	\$ 160,550,829	\$ 152,912,706

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2020

Governmental activities accounted for (115.52%) of the increase in the City's net position. The change in net position from the previous year can be attributed to prepaid special assessments, tax increment revenues received in Tax Increment District #3, and municipal state aid and other intergovernmental revenues earned related to capital spending.

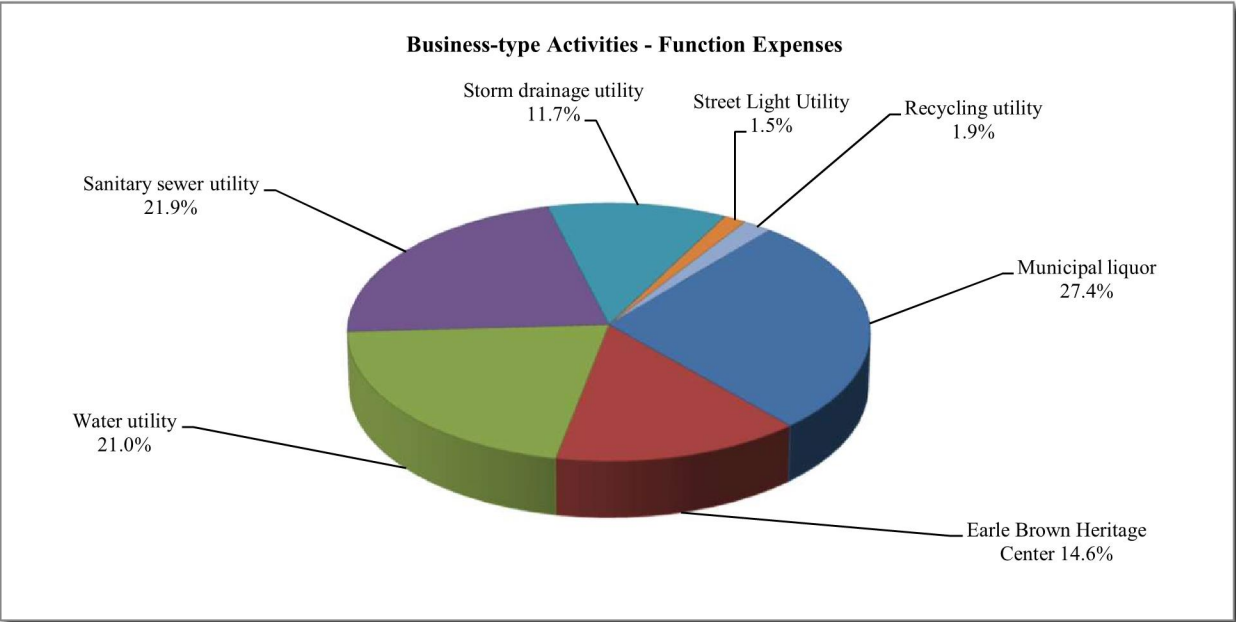
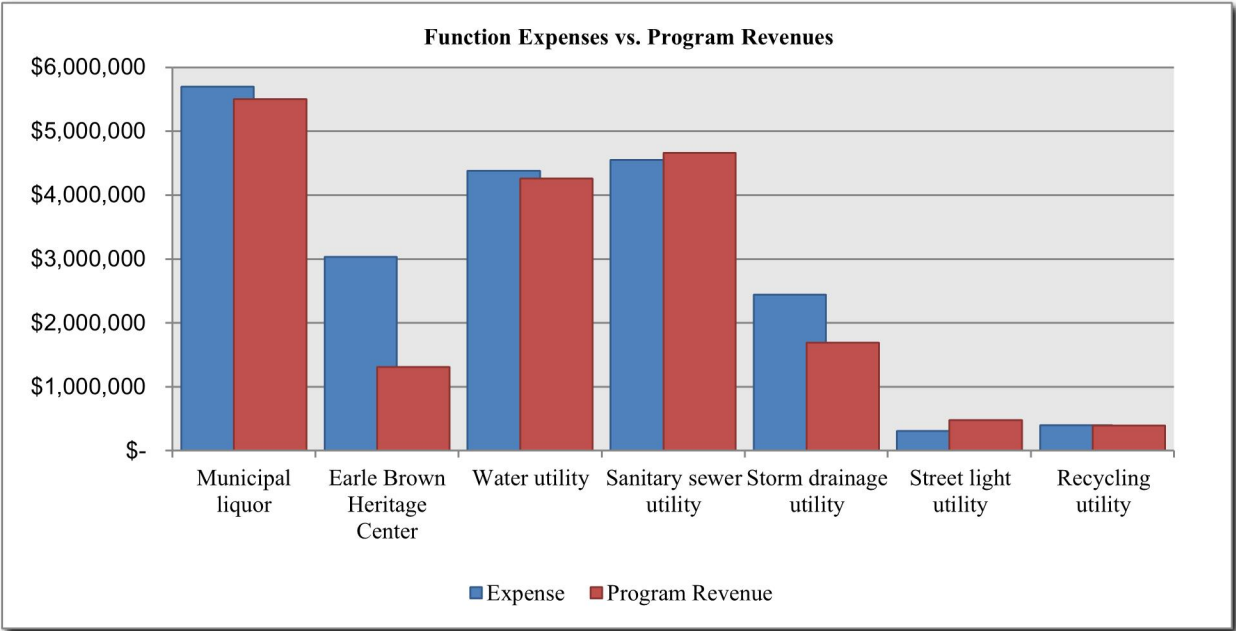
Government wide charges for services and expenses for the Earle Brown Heritage Center saw significant decreases in 2020 due to the effects of the pandemic lockdown. Operating grants and Public Works expenses were much higher in the prior year due to the outside funding the City received and expensed for the Brooklyn Boulevard Phase 1 project that was largely County owned property.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:



Business-type Activities

Business-type activities decreased net position by \$1,185,112, which accounts for (-15.52%) of the total growth in the City's net position. The factors contributing to this change are illustrated below:



The net position of the business-type activities increased for the Sanitary Sewer, Water, Street Light, and Recycling Utilities. Net position of the Municipal Liquor fund, Earle Brown Heritage Center, and Storm Drainage Utility decreased during 2020.

Financial Analysis of the Government's Funds

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,135,658, which is an increase of \$2,823,146 (5.20%) from the previous year. The unassigned fund balance, which is not subject to internal or external constraints upon its use, is \$12,136,345, or 21.24% of total fund balance. A small portion of the fund balance, \$85,703 (0.15%) is in nonspendable form. The remaining fund balance has either internal or external constraints upon its use, and can be broken down into the following components: \$34,032,886 (59.57%) of restricted fund balance; \$7,631,587 (13.36%) of committed fund balance; and \$3,249,137 (5.68%) of assigned fund balance. A more detailed breakdown of fund balance components can be found in the basic financial statements.

The General fund is the primary operating fund of the City. At the end of the current fiscal year, total fund balance is \$14,205,568. As a measure of the General fund's liquidity, it may be useful to compare both unassigned and total fund balance, to total fund expenditures. Unassigned balance, which is \$12,352,562, represents 56.13% of the current year General fund expenditures. Total General fund balance represents 64.55% of those same expenditures.

The fund balance of the City's General fund increased by \$1,681,351 (13.42%) from the previous year. The City had budgeted for a break-even year in 2020, however there was a positive variance in revenues of \$304,632, and expenditures and transfers out of \$1,376,719. The revenue variance was driven by unbudgeted Coronavirus Aid, Relief, and Economic Security (CARES) Act grant funding which was offset by significant negative variances in lodging taxes and charges for services due to various Covid-19 related shutdowns. The largest expenditure variances were in Parks and Recreation due to shutdown of the Community Center for a large portion of the year among other programs, and in economic development related to reduced lodging tax payments forwarded to North Metro Tourism Board.

The Tax Increment District No. 3 fund has a total fund balance of \$23,057,146 at the end of the year. The increase in fund balance was \$1,442,611 (6.67%) from the previous year. The fund received \$5,201,153 in tax increment revenues, expended \$1,330,802 on economic development and transferred \$2,796,461 for debt service. As of December 31, 2020 the fund has total assets held for resale of \$17,860,307, the largest contributor to the decrease from prior year was transfer of property to C Alan Homes.

The Debt Service fund has a total fund balance of \$4,398,682 at the end of the year. The increase in fund balance was \$407,360 (10.21%) from the previous year. The increase in fund balance is primarily the result of prepaid special assessments.

The Capital Improvements fund has a total fund balance of \$773,207, a decrease of \$840,092 (52.07%) from the previous year. The decrease was the result of the Brooklyn Boulevard improvement project.

The Municipal State Aid Construction fund has a fund balance of \$2,672,384 at the end of the year. The increase in fund balance was \$1,378,249 (106.5%) from the previous year. As of December 31, 2020 the fund had a cash balance of \$3,108,623 and a receivable balance in the amount of \$2,480,464 in Municipal State Aid Construction funds.

The Special Assessments Construction fund has an ending fund balance of \$1,480,133 a decrease of \$1,261,930 from the previous year. The fund incurred \$1,841,451 of capital expenditures during the year primarily for Grandview North Area neighborhood infrastructure reconstruction project.

The Street Reconstruction fund has an ending fund balance of \$5,129,774, a decrease of \$1,312,715 from the prior year. Bond proceeds were received in the amount of \$2,036,687 to help fund capital expenditures of \$4,227,779 during the year, primarily for Grandview North Area neighborhood infrastructure reconstruction project.

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

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The enterprise funds have a combined ending net position of \$60,918,786, of which \$17,132,524 (28.12%) is unrestricted and can be used for operations. As a measure of the liquidity of the enterprise funds, it may be useful to compare the unrestricted net position to the operating expenses. For the current year, unrestricted net position is 113.55% of the current year operating expenses. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, there were no amendments to the General Fund budget. The City had budgeted for a break-even year in 2020, however there was a positive variance in revenues of \$304,632, and expenditures and transfers of \$1,376,719. The revenue variance was driven by unbudgeted CARES grant funding which was offset by significant negative variances in lodging taxes and charges for services due to various Covid-19 related shutdowns. The largest expenditure variances were in Parks and Recreation due to shutdown of the Community Center for a large portion of the year among other programs, and in economic development related to reduced lodging tax payments forwarded to North Metro Tourism Board.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities at the end of the current year, amounts to \$153,828,368 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, infrastructure machinery and equipment, and construction in progress. The City's investment in capital assets increased \$8,857,854 (6.11%) from the previous year.

Major capital asset events during the current year included the following:

- The Interstate Area neighborhood infrastructure reconstruction project was partially completed, with a total cost of \$8,733,849 including construction in progress from the previous year. This amount includes work on streets, as well as water, sewer, storm and street light utilities.
- The Grandview North Area Infrastructure project was partially completed, with a total cost of \$5,381,051 (including previous years). This amount includes work on streets, water, sewer, storm, and street light utilities.
- The Brooklyn Boulevard street reconstruction project (49th Avenue to Bass Lake Road) continued construction, with a total of \$15,659,473 in costs (including previous years). This amount includes work on streets, as well as water, sewer, storm and street light utilities. Federal funding through the Surface Transportation Program has been awarded to the City and Hennepin County for this project. Phase II Engineering and Planning also got underway during 2020 totalling \$1,497,673.
- The Bellvue Mill and Overlay project was completed, with a total cost of \$2,114,882 (including previous years). This amount includes work on streets, water, sewer, storm, and street light utilities.
- The Rehabilitation of Water Tower #1 was completed at a total cost of \$781,799.
- The City completed construction of a municipal liquor store with total costs of \$2,952,674.
- The Central Garage purchased or completed setup of 18 pieces of machinery & equipment during the year. The total outlay for machinery and equipment during the year was \$923,898

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

CITY OF BROOKLYN CENTER - CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,632,883	\$ 5,632,883	\$ 2,698,879	\$ 2,698,879	\$ 8,331,762	\$ 8,331,762
Easements	88,704	88,704	10,285	10,285	98,989	98,989
Construction in progress	11,469,260	5,699,286	11,855,805	6,920,806	23,325,065	12,620,092
Land improvements	-	-	238,599	267,754	238,599	267,754
Other land improvements	5,840,636	6,209,125	-	-	5,840,636	6,209,125
Buildings and improvements	9,188,779	9,905,593	24,820,509	22,316,360	34,009,288	32,221,953
Machinery and equipment	4,484,842	4,536,876	370,749	416,323	4,855,591	4,953,199
Street infrastructure	35,874,790	36,712,046	-	-	35,874,790	36,712,046
Street light systems	-	-	576,172	646,273	576,172	646,273
Mains and lines	-	-	40,677,476	42,909,321	40,677,476	42,909,321
Total	\$ 72,579,894	\$ 68,784,513	\$ 81,248,474	\$ 76,186,001	\$ 153,828,368	\$ 144,970,514

Additional information on the City's capital assets can be found in Note 3 (C) on pages 62 through 63 of this ACFR.

Long-Term Debt: At the end of the current year, the City had outstanding long-term bonded debt of \$61,371,445.

CITY OF BROOKLYN CENTER - LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation tax increment bonds	\$ 7,300,000	\$ 9,650,000	\$ -	\$ -	\$ 7,300,000	\$ 9,650,000
General obligation improvement bonds	16,739,519	16,525,276	1,115,481	1,294,724	17,855,000	17,820,000
General obligation revenue bonds	-	-	18,905,000	17,350,000	18,905,000	17,350,000
General obligation lease revenue bonds	-	-	2,520,000	2,520,000	2,520,000	2,520,000
General obligation revenue notes	-	-	14,791,445	15,773,445	14,791,445	15,773,445
Unamortized premiums (discounts)	1,405,244	1,463,854	1,917,557	1,883,170	3,322,801	3,347,024
Compensated absences	1,552,660	1,408,546	-	-	1,552,660	1,408,546
Net pension liability	13,240,629	11,346,322	-	-	13,240,629	11,346,322
Total OPEB liability	2,451,494	2,038,900	-	-	2,451,494	2,038,900
Total	\$ 42,689,546	\$ 42,432,898	\$ 39,249,483	\$ 38,821,339	\$ 81,939,029	\$ 81,254,237

The City's total outstanding bonded debt decreased by \$1,742,000 during the current fiscal year, from \$63,113,445 to \$61,371,445. The City retired \$6,527,000 in principal in 2020, and issued \$4,785,000 in new debt for infrastructure projects that included the Grandview North Area Infrastructure Improvement Project and rehabilitation of Water Tower #1.

The City's bond rating is AA from Standard & Poor's Ratings Services.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Taxable Market Value. The current debt limitation for the City is \$68,409,378. The City does not currently have any debt outstanding that is applicable to the limit.

Additional information on the City's long-term debt can be found in Note 3 (F) on pages 67 through 71 of this ACFR.

Economic Factors and Next Year's Budget and Rates

All of these factors were considered in the preparation of the City's budget for the 2021 fiscal year.

- The unemployment rate for the City is 8.7% at the end of the 2020 fiscal year, which is an increase from the rate of 3.6% a year ago. This compares to the State's average unemployment rate of 6.2% and the national average of 8.1%.
- An increase in estimated taxable market value of 7.09% from taxes payable 2020 to 2021. The taxable market value increase was driven by significant increases in residential property values (6.2%) and apartment property values (9.7%).
- Continuing redevelopment throughout the City will yield net growth in tax base and stability in tax base along with providing job growth in the City.
- Since 2008, the EDA has acquired approximately 35 acres of land including the former Brookdale Square shopping center site and former Brookdale Ford dealership property. The EDA entered into a Preliminary Development Agreement with Alatus, LLC as the master developer of this site. In May 2018, the site was federally designated as an Opportunity Zone. The preliminary development concept proposed involves the construction of a mixed-use apartment/hotel/commercial/single-family development together with related improvements including a centralized park area, new roads and storm water ponding improvements.
- As a result of the impact of COVID 19 on the travel and tourism industry the City's collection of lodging tax was significantly impacted. Net revenues in 2020 were approximately 50% of budget and the City plans to offset some of the continued shortfall into 2021 with fund balance reserves until the industry recovers.
- The COVID 19 pandemic amplified the need for emergency preparedness. CARES funding was utilized to equip the emergency operations center with better technology. Going forward the City will review and expand funds available for future emergency response.

The City's policy is to maintain a General fund unassigned fund balance of 50% - 52% of the ensuing year's budgeted General fund operations. Additionally the City's capital project funding policy that transfers the amount of fund balance exceeding 52% to the Capital Improvements fund following the completed audit of the City's ACFR. Total unassigned and assigned fund balance at the end of 2020 was \$14,121,566 (59.45%) of the adopted 2021 budgeted expenditures. The City intends to make a Capital Improvements fund transfer of \$1,372,967 from the General fund during 2021.

Requests for Information

This financial report is designed to provide a general overview of the City of Brooklyn Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 6301 Shingle Creek Parkway, Brooklyn Center, MN 55430.



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CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 46,891,591	\$ 16,596,060	\$ 63,487,651
Receivables:			
Accounts - net	436,152	2,876,005	3,312,157
Taxes	561,623	-	561,623
Special assessments	5,374,273	478,150	5,852,423
Internal balances	2,648,521	(2,648,521)	-
Due from other governments	2,552,789	-	2,552,789
Prepaid items	52,245	243,861	296,106
Inventories	54,410	781,289	835,699
Notes receivable	59,216	-	59,216
Assets held for resale	18,295,285	-	18,295,285
Capital assets:			
Nondepreciable	17,190,847	14,564,969	31,755,816
Depreciable	55,389,047	66,683,505	122,072,552
Net pension asset	947,523	-	947,523
Total assets	<u>150,453,522</u>	<u>99,575,318</u>	<u>250,028,840</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	4,076,073	-	4,076,073
Deferred OPEB resources	541,535	-	541,535
Total deferred outflows of resources	<u>4,617,608</u>	<u>-</u>	<u>4,617,608</u>
LIABILITIES			
Accounts payable	871,272	477,799	1,349,071
Contracts payable	156,251	125,068	281,319
Accrued salaries and wages	510,863	83,221	594,084
Accrued interest payable	300,877	343,808	644,685
Due to other governments	146,401	106,565	252,966
Deposits payable	275,245	587,673	862,918
Unearned revenue	1,591	331,436	333,027
Compensated absences payable:			
Due within one year	155,266	-	155,266
Due in more than one year	1,397,394	-	1,397,394
Total OPEB liability:			
Due in more than one year	2,451,494	-	2,451,494
Bonds and net pension liability payable:			
Due within one year	4,359,017	2,832,983	7,192,000
Due in more than one year	34,326,375	36,416,500	70,742,875
Total liabilities	<u>44,952,046</u>	<u>41,305,053</u>	<u>86,257,099</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	4,840,090	-	4,840,090
Deferred OPEB resources	82,111	-	82,111
State aid received for subsequent years	2,916,319	-	2,916,319
Total deferred inflows of resources	<u>7,838,520</u>	<u>-</u>	<u>7,838,520</u>
NET POSITION			
Net investment in capital assets	54,471,240	43,786,262	98,257,502
Restricted for:			
Tax increment financing	25,284,162	-	25,284,162
Economic development	1,866,516	-	1,866,516
Law enforcement enhancements	11,158	-	11,158
Debt service	7,873,661	-	7,873,661
Pension benefits	766,001	-	766,001
State-aid street systems	2,672,384	-	2,672,384
Unrestricted	9,335,442	14,484,003	23,819,445
Total net position	<u>\$ 102,280,564</u>	<u>\$ 58,270,265</u>	<u>\$ 160,550,829</u>

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

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Charges For Services</u>
Government activities:		
General government	\$ 4,834,450	\$ 412,993
Public safety	13,057,043	808,885
Public works	6,450,769	13,451
Community services	171,344	-
Parks and recreation	3,218,266	408,515
Economic development	2,872,886	303,046
Interest on long-term debt	634,139	-
Total government activities	<u>31,238,897</u>	<u>1,946,890</u>
Business-type activities:		
Municipal liquor	5,699,529	5,503,163
Earle Brown Heritage Center	3,034,695	1,309,634
Water utility	4,377,809	4,261,455
Sanitary sewer utility	4,551,331	4,662,764
Storm drainage utility	2,441,109	1,691,946
Street light utility	306,619	476,766
Recycling utility	396,402	394,495
Total business-type activities	<u>20,807,494</u>	<u>18,300,223</u>
Total	<u>\$ 52,046,391</u>	<u>\$ 20,247,113</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ -	\$ (4,421,457)	\$ -	\$ (4,421,457)
1,005,949	-	(11,242,209)	-	(11,242,209)
1,527,479	3,138,757	(1,771,082)	-	(1,771,082)
-	-	(171,344)	-	(171,344)
36,557	10,198	(2,762,996)	-	(2,762,996)
37,149	-	(2,532,691)	-	(2,532,691)
-	-	(634,139)	-	(634,139)
<u>2,607,134</u>	<u>3,148,955</u>	<u>(23,535,918)</u>	<u>-</u>	<u>(23,535,918)</u>
-	-	-	(196,366)	(196,366)
-	-	-	(1,725,061)	(1,725,061)
-	-	-	(116,354)	(116,354)
-	-	-	111,433	111,433
-	-	-	(749,163)	(749,163)
-	-	-	170,147	170,147
-	-	-	(1,907)	(1,907)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,507,271)</u>	<u>(2,507,271)</u>
<u>\$ 2,607,134</u>	<u>\$ 3,148,955</u>	<u>(23,535,918)</u>	<u>(2,507,271)</u>	<u>(26,043,189)</u>
General revenues:				
Property taxes		20,136,395	-	20,136,395
Tax increments		6,566,099	-	6,566,099
Lodging taxes		561,602	-	561,602
Grants and contributions not restricted to specific programs		4,432,381	449,232	4,881,613
Unrestricted investment earnings		971,753	480,975	1,452,728
Gain on disposal of capital asset		82,875	-	82,875
Transfers - capital assets		(391,952)	391,952	-
Total general revenues and transfers		<u>32,359,153</u>	<u>1,322,159</u>	<u>33,681,312</u>
Change in net position		8,823,235	(1,185,112)	7,638,123
Net position - January 1		93,457,329	59,455,377	152,912,706
Net position - December 31		<u>\$ 102,280,564</u>	<u>\$ 58,270,265</u>	<u>\$ 160,550,829</u>

CITY OF BROOKLYN CENTER, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General	Tax Increment District No. 3	Debt Service
ASSETS			
Cash and investments	\$ 14,607,156	\$ 5,247,197	\$ 4,376,976
Receivables:			
Accounts - net	171,268	7,500	-
Current taxes	130,172	20,952	10,261
Delinquent taxes	198,267	199,114	-
Special assessments	75,131	-	3,787,301
Due from other funds	204,852	-	-
Due from other governments	23,920	-	-
Notes receivable	-	-	-
Inventories	32,659	-	-
Prepaid items	51,343	-	-
Advances to other funds	-	-	-
Assets held for resale	-	17,860,307	-
Total assets	<u>15,494,768</u>	<u>23,335,070</u>	<u>8,174,538</u>
LIABILITIES			
Accounts payable	175,782	68,075	-
Contracts payable	-	-	-
Accrued salaries and wages	485,256	-	-
Due to other funds	-	-	-
Due to other governments	97,975	7,844	-
Deposits payable	258,970	1,856	-
Unearned revenue	556	1,035	-
Advances from other funds	-	-	-
Total liabilities	<u>1,018,539</u>	<u>78,810</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	198,267	-	-
Unavailable revenue - tax increments	-	199,114	-
Unavailable revenue - special assessments	72,394	-	3,775,856
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>270,661</u>	<u>199,114</u>	<u>3,775,856</u>
FUND BALANCES (DEFICITS)			
Nonspendable	84,002	-	-
Restricted	-	23,057,146	4,398,682
Committed	-	-	-
Assigned	1,769,004	-	-
Unassigned	12,352,562	-	-
Total fund balances	<u>14,205,568</u>	<u>23,057,146</u>	<u>4,398,682</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,494,768</u>	<u>\$ 23,335,070</u>	<u>\$ 8,174,538</u>

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

Capital Improvements	Municipal State Aid for Construction	Special Assessment Construction	Street Reconstruction	Other Nonmajor Governmental	Total Governmental
\$ 1,110,319	\$ 3,108,623	\$ 1,579,756	\$ 5,089,944	\$ 5,314,031	\$ 40,434,002
6,493	-	-	185,966	7	371,234
-	-	-	-	2,857	164,242
-	-	-	-	-	397,381
524	-	1,511,317	-	-	5,374,273
-	-	-	-	-	204,852
10,000	2,480,464	-	-	30,851	2,545,235
-	-	-	-	59,216	59,216
-	-	-	-	799	33,458
-	-	-	-	902	52,245
-	-	-	-	356,954	356,954
-	-	-	-	434,978	18,295,285
<u>1,127,336</u>	<u>5,589,087</u>	<u>3,091,073</u>	<u>5,275,910</u>	<u>6,200,595</u>	<u>68,288,377</u>
290,424	-	30,087	127,235	152,496	844,099
63,181	-	74,169	18,901	-	156,251
-	-	-	-	13,533	498,789
-	-	-	-	204,852	204,852
-	384	-	-	39,577	145,780
-	-	-	-	14,419	275,245
-	-	-	-	-	1,591
-	-	-	-	356,954	356,954
<u>353,605</u>	<u>384</u>	<u>104,256</u>	<u>146,136</u>	<u>781,831</u>	<u>2,483,561</u>
-	-	-	-	-	198,267
-	-	-	-	-	199,114
524	-	1,506,684	-	-	5,355,458
-	2,916,319	-	-	-	2,916,319
<u>524</u>	<u>2,916,319</u>	<u>1,506,684</u>	<u>-</u>	<u>-</u>	<u>8,669,158</u>
-	-	-	-	1,701	85,703
-	2,672,384	-	-	3,904,674	34,032,886
773,207	-	-	5,129,774	1,728,606	7,631,587
-	-	1,480,133	-	-	3,249,137
-	-	-	-	(216,217)	12,136,345
<u>773,207</u>	<u>2,672,384</u>	<u>1,480,133</u>	<u>5,129,774</u>	<u>5,418,764</u>	<u>57,135,658</u>
<u>\$ 1,127,336</u>	<u>\$ 5,589,087</u>	<u>\$ 3,091,073</u>	<u>\$ 5,275,910</u>	<u>\$ 6,200,595</u>	<u>\$ 68,288,377</u>



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CITY OF BROOKLYN CENTER, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2020

Fund balances - governmental funds	\$ 57,135,658
Amounts reported for the governmental activities within the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.	
Cost of capital assets	121,577,946
Accumulated depreciation	(52,638,738)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in governmental funds.	
Bonds payable	(24,039,519)
Accrued interest payable	(300,877)
Unamortized premium	(1,405,244)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore, are unavailable in governmental funds.	
Delinquent property taxes receivable	198,267
Delinquent tax increments receivable	199,114
Special assessments receivable	5,355,458
The Plan Fiduciary Net Position of the City's Fire Relief Association Pension Fund currently exceeds the actuarially determined total pension liability creating a net pension asset	947,523
Deferred outflows related to the City's Fire Relief Association Pension Fund	
Change of assumptions	110,343
Contributions to the plan subsequent to the measurement date	177,079
Deferred inflows related to City's Fire Relief Association Pension Fund	
Grant funding of contributions to the plan subsequent to the measurement date	(177,079)
Net difference between expected and actual liability, projected and actual investment earnings, and change of assumptions	(291,865)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets, liabilities, and deferred outflows/inflows are included in the governmental statement of net position.	(4,567,502)
Total net position - governmental activities	<u>\$ 102,280,564</u>

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

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General	Tax Increment District No. 3	Debt Service
REVENUES			
Property taxes	\$ 18,238,911	\$ -	\$ 1,456,676
Tax increments	-	5,201,153	-
Lodging taxes	561,602	-	-
Franchise fees	-	-	-
Licenses and permits	991,972	-	-
Intergovernmental	3,371,120	-	-
Charges for services	293,498	241,029	-
Special assessments	63,154	-	1,143,880
Fines and forfeits	155,462	-	-
Investment earnings (net of market value adjustment)	266,188	92,277	74,597
Miscellaneous	156,714	35,415	-
Total revenues	<u>24,098,621</u>	<u>5,569,874</u>	<u>2,675,153</u>
EXPENDITURES			
Current:			
General government	3,971,106	-	-
Public safety	12,267,694	-	-
Public works	2,034,162	-	-
Community services	171,344	-	-
Parks and recreation	2,368,409	-	-
Economic development	632,739	1,330,802	-
Nondepartmental	547,400	-	-
Capital outlay:			
General government	752	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	13,290	-	-
Debt service:			
Principal	-	-	4,090,757
Interest	-	-	756,623
Fiscal agent fees	-	-	11,759
Bond issuance costs	-	-	-
Total expenditures	<u>22,006,896</u>	<u>1,330,802</u>	<u>4,859,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,091,725</u>	<u>4,239,072</u>	<u>(2,183,986)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,591,346
Issuance of debt	-	-	-
Premium on issuance of debt	-	-	-
Transfers out	(410,374)	(2,796,461)	-
Total other financing sources (uses)	<u>(410,374)</u>	<u>(2,796,461)</u>	<u>2,591,346</u>
Net change in fund balance	1,681,351	1,442,611	407,360
Fund balances - January 1	<u>12,524,217</u>	<u>21,614,535</u>	<u>3,991,322</u>
Fund balances - December 31	<u>\$ 14,205,568</u>	<u>\$ 23,057,146</u>	<u>\$ 4,398,682</u>

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

Capital Improvements	Municipal State Aid for Construction	Special Assessment Construction	Street Reconstruction	Other Nonmajor Governmental	Total Governmental
\$ -	\$ -	\$ -	\$ -	\$ 405,209	\$ 20,100,796
-	-	-	-	1,195,244	6,396,397
-	-	-	-	-	561,602
-	-	-	738,213	-	738,213
-	-	-	-	-	991,972
2,444,615	1,412,471	-	-	607,037	7,835,243
-	-	1,065	-	293,840	829,432
-	-	563,786	-	-	1,770,820
-	-	-	-	640	156,102
12,296	72,176	17,527	175,021	117,823	827,905
-	-	-	-	32,987	225,116
<u>2,456,911</u>	<u>1,484,647</u>	<u>582,378</u>	<u>913,234</u>	<u>2,652,780</u>	<u>40,433,598</u>
-	-	-	-	232,689	4,203,795
-	-	-	-	121,488	12,389,182
-	105,834	2,857	-	-	2,142,853
-	-	-	-	-	171,344
-	-	-	-	328,679	2,697,088
-	-	-	-	1,004,838	2,968,379
-	-	-	-	-	547,400
-	-	-	-	-	752
-	-	-	-	51,889	51,889
3,361,877	564	1,841,451	4,227,779	-	9,431,671
-	-	-	-	-	13,290
-	-	-	-	-	4,090,757
-	-	-	-	-	756,623
-	-	-	-	-	11,759
-	-	-	34,857	-	34,857
<u>3,361,877</u>	<u>106,398</u>	<u>1,844,308</u>	<u>4,262,636</u>	<u>1,739,583</u>	<u>39,511,639</u>
(904,966)	1,378,249	(1,261,930)	(3,349,402)	913,197	921,959
64,874	-	-	-	1,176,410	3,832,630
-	-	-	1,955,000	-	1,955,000
-	-	-	81,687	-	81,687
-	-	-	-	(761,295)	(3,968,130)
<u>64,874</u>	<u>-</u>	<u>-</u>	<u>2,036,687</u>	<u>415,115</u>	<u>1,901,187</u>
(840,092)	1,378,249	(1,261,930)	(1,312,715)	1,328,312	2,823,146
<u>1,613,299</u>	<u>1,294,135</u>	<u>2,742,063</u>	<u>6,442,489</u>	<u>4,090,452</u>	<u>54,312,512</u>
<u>\$ 773,207</u>	<u>\$ 2,672,384</u>	<u>\$ 1,480,133</u>	<u>\$ 5,129,774</u>	<u>\$ 5,418,764</u>	<u>\$ 57,135,658</u>

CITY OF BROOKLYN CENTER, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Total net change in fund balances - governmental funds	\$ 2,823,146
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation.	
Capital outlays	7,971,092
Depreciation expense	(3,710,814)
Contributions of capital assets from the proprietary funds increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	
	(391,952)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the affect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Long-term debt issued (including premiums on current year bonds)	(2,036,687)
Principal repayments	4,090,757
Amortization of bond discount and premium	140,297
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	28,803
Contributions to the Fire Relief Association Pension are reported as expenses in the fund financial statements. In the statement of activities, however, all facets of the pension plan are taken into account and when considering things such as investment return, changes in assumptions, and plan performance differing from expectations, pension expense related to this retirement plan for the year was reported at the following amount.	
	(156,821)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	35,599
Tax increments	169,702
Special assessments	(559,592)
Internal service funds are used by management to charge the cost of certain activities to individual funds. This amount is net revenue attributable to governmental activities.	
	419,705
Change in net position - governmental activities	\$ 8,823,235

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

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 18,367,857	\$ 18,367,857	\$ 18,238,911	\$ (128,946)
Lodging taxes	1,180,000	1,180,000	561,602	(618,398)
Licenses and permits	1,075,001	1,075,001	991,972	(83,029)
Intergovernmental	1,813,781	1,813,781	3,371,120	1,557,339
Charges for services	790,150	790,150	293,498	(496,652)
Special assessments	50,000	50,000	63,154	13,154
Fines and forfeits	246,500	246,500	155,462	(91,038)
Investment earnings (net of market value adjustment)	125,000	125,000	266,188	141,188
Miscellaneous	145,700	145,700	156,714	11,014
Total revenues	23,793,989	23,793,989	24,098,621	304,632
EXPENDITURES				
Current:				
General government	4,039,666	4,039,666	3,971,106	68,560
Public safety	12,548,980	12,548,980	12,267,694	281,286
Public works	2,340,295	2,340,295	2,034,162	306,133
Community services	187,000	187,000	171,344	15,656
Parks and recreation	3,243,299	3,243,299	2,368,409	874,890
Economic development	826,021	826,021	632,739	193,282
Nondepartmental	398,728	398,728	547,400	(148,672)
Capital outlay:				
General government	-	-	752	(752)
Parks and recreation	-	-	13,290	(13,290)
Total expenditures	23,583,989	23,583,989	22,006,896	1,577,093
Excess of revenues over expenditures	210,000	210,000	2,091,725	1,881,725
OTHER FINANCING SOURCES (USES)				
Transfers out	(210,000)	(210,000)	(410,374)	(200,374)
Net change in fund balance	-	-	1,681,351	1,681,351
Fund balance - January 1	12,524,217	12,524,217	12,524,217	-
Fund balance - December 31	\$ 12,524,217	\$ 12,524,217	\$ 14,205,568	\$ 1,681,351

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

CITY OF BROOKLYN CENTER, MINNESOTA
TAX INCREMENT DISTRICT NO. 3 - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Tax increments	\$ 4,379,239	\$ 4,379,239	\$ 5,201,153	\$ 821,914
Charges for services	164,548	164,548	241,029	76,481
Investment earnings (net of market value adjustment)	42,742	42,742	92,277	49,535
Miscellaneous	1,400,000	1,400,000	35,415	(1,364,585)
Total revenues	<u>5,986,529</u>	<u>5,986,529</u>	<u>5,569,874</u>	<u>(416,655)</u>
EXPENDITURES				
Current:				
Economic development	<u>842,214</u>	<u>842,214</u>	<u>1,330,802</u>	<u>(488,588)</u>
Excess of revenues over expenditures	5,144,315	5,144,315	4,239,072	(905,243)
OTHER FINANCING SOURCES (USES)				
Transfers in	281,502	281,502	-	(281,502)
Transfers out	<u>(2,234,513)</u>	<u>(2,234,513)</u>	<u>(2,796,461)</u>	<u>(561,948)</u>
Total other financing sources (uses)	<u>(1,953,011)</u>	<u>(1,953,011)</u>	<u>(2,796,461)</u>	<u>(843,450)</u>
Net change in fund balance	3,191,304	3,191,304	1,442,611	(1,748,693)
Fund balance - January 1	<u>21,614,535</u>	<u>21,614,535</u>	<u>21,614,535</u>	<u>-</u>
Fund balance - December 31	<u>\$ 24,805,839</u>	<u>\$ 24,805,839</u>	<u>\$ 23,057,146</u>	<u>\$ (1,748,693)</u>

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



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CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities			
	Municipal Liquor	Earle Brown Heritage Center	Water Utility	Sanitary Sewer Utility
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,441,472	\$ 1,662,759	\$ 3,135,562	\$ 4,878,097
Receivables:				
Accounts - net	8,127	10,333	1,187,312	1,121,588
Special assessments	-	-	474,724	3,426
Due from other governments	-	-	-	-
Prepaid items	23,248	13,279	1,259	204,816
Inventories	695,195	36,325	49,769	-
Total current assets	<u>2,168,042</u>	<u>1,722,696</u>	<u>4,848,626</u>	<u>6,207,927</u>
Noncurrent assets:				
Capital assets:				
Land	594,298	1,493,300	20,734	3,389
Easements	-	-	-	20,335
Land improvements	-	570,769	-	-
Buildings and improvements	2,952,675	13,057,343	27,002,589	2,571,416
Machinery and equipment	106,913	740,815	163,334	179,130
Street light systems	-	-	-	-
Mains and lines	-	-	29,157,595	27,981,910
Construction in progress	-	-	2,524,950	4,374,913
Total capital assets	<u>3,653,886</u>	<u>15,862,227</u>	<u>58,869,202</u>	<u>35,131,093</u>
Less: accumulated depreciation	<u>(187,530)</u>	<u>(12,385,676)</u>	<u>(23,867,228)</u>	<u>(18,349,448)</u>
Net capital assets	<u>3,466,356</u>	<u>3,476,551</u>	<u>35,001,974</u>	<u>16,781,645</u>
Total noncurrent assets	<u>3,466,356</u>	<u>3,476,551</u>	<u>35,001,974</u>	<u>16,781,645</u>
Total assets	<u>5,634,398</u>	<u>5,199,247</u>	<u>39,850,600</u>	<u>22,989,572</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension resources	-	-	-	-
Deferred OPEB resources	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	136,941	26,111	46,102	252,368
Contracts payable	-	27,841	34,523	62,704
Accrued salaries and wages	27,020	23,134	17,503	6,291
Accrued interest payable	35,667	-	182,786	69,209
Due to other governments	64,344	-	8,709	33,512
Deposits payable	-	581,548	6,125	-
Unearned revenue	29,585	1,600	300,251	-
Notes payable	-	-	992,000	-
Bonds payable	100,000	-	848,750	577,233
Compensated absences payable	-	-	-	-
Total current liabilities	<u>393,557</u>	<u>660,234</u>	<u>2,436,749</u>	<u>1,001,317</u>
Noncurrent liabilities:				
Notes payable	-	-	13,799,445	-
Bonds payable	2,629,806	-	10,388,659	6,064,395
Compensated absences payable	-	-	-	-
Total OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>2,629,806</u>	<u>-</u>	<u>24,188,104</u>	<u>6,064,395</u>
Total liabilities	<u>3,023,363</u>	<u>660,234</u>	<u>26,624,853</u>	<u>7,065,712</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension resources	-	-	-	-
Deferred OPEB resources	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	736,550	3,476,551	10,219,490	10,680,918
Unrestricted	1,874,485	1,062,462	3,006,257	5,242,942
Total net position	<u>\$ 2,611,035</u>	<u>\$ 4,539,013</u>	<u>\$ 13,225,747</u>	<u>\$ 15,923,860</u>

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

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

Business-Type Activities				Governmental Activities- Internal Service
Storm Drainage Utility	Street Light Utility	Recycling Utility	Total Enterprise	
\$ 4,119,635	\$ 1,152,977	\$ 205,558	\$ 16,596,060	\$ 6,457,589
380,352	87,504	80,789	2,876,005	64,918
-	-	-	478,150	-
-	-	-	-	7,554
1,259	-	-	243,861	-
-	-	-	781,289	20,952
<u>4,501,246</u>	<u>1,240,481</u>	<u>286,347</u>	<u>20,975,365</u>	<u>6,551,013</u>
587,158	-	-	2,698,879	-
10,285	-	-	30,620	-
-	-	-	570,769	-
-	-	-	45,584,023	166,108
109,332	-	-	1,299,524	10,616,777
-	1,087,627	-	1,087,627	-
36,096,405	-	-	93,235,910	-
4,059,246	896,696	-	11,855,805	-
40,862,426	1,984,323	-	156,363,157	10,782,885
(19,813,346)	(511,455)	-	(75,114,683)	(7,142,199)
<u>21,049,080</u>	<u>1,472,868</u>	<u>-</u>	<u>81,248,474</u>	<u>3,640,686</u>
<u>21,049,080</u>	<u>1,472,868</u>	<u>-</u>	<u>81,248,474</u>	<u>3,640,686</u>
<u>25,550,326</u>	<u>2,713,349</u>	<u>286,347</u>	<u>102,223,839</u>	<u>10,191,699</u>
-	-	-	-	3,788,651
-	-	-	-	541,535
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,330,186</u>
358	15,860	59	477,799	27,173
-	-	-	125,068	-
9,273	-	-	83,221	12,074
56,146	-	-	343,808	-
-	-	-	106,565	621
-	-	-	587,673	-
-	-	-	331,436	-
-	-	-	992,000	-
315,000	-	-	1,840,983	-
-	-	-	-	155,266
<u>380,777</u>	<u>15,860</u>	<u>59</u>	<u>4,888,553</u>	<u>195,134</u>
-	-	-	13,799,445	-
3,534,195	-	-	22,617,055	-
-	-	-	-	1,397,394
-	-	-	-	2,451,494
-	-	-	-	13,240,629
<u>3,534,195</u>	<u>-</u>	<u>-</u>	<u>36,416,500</u>	<u>17,089,517</u>
<u>3,914,972</u>	<u>15,860</u>	<u>59</u>	<u>41,305,053</u>	<u>17,284,651</u>
-	-	-	-	4,371,146
-	-	-	-	82,111
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,453,257</u>
17,199,885	1,472,868	-	43,786,262	3,640,686
4,435,469	1,224,621	286,288	17,132,524	(10,856,709)
<u>\$ 21,635,354</u>	<u>\$ 2,697,489</u>	<u>\$ 286,288</u>	<u>\$ 60,918,786</u>	<u>\$ (7,216,023)</u>
			\$ 60,918,786	
			(2,648,521)	
			<u>\$ 58,270,265</u>	

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities			
	Municipal Liquor	Earle Brown Heritage Center	Water Utility	Sanitary Sewer Utility
OPERATING REVENUES				
Sales and user fees	\$ 5,490,543	\$ 1,304,966	\$ 4,206,283	\$ 4,662,342
Cost of sales	(3,989,186)	(826,353)	-	-
Total operating revenues	1,501,357	478,613	4,206,283	4,662,342
OPERATING EXPENSES				
Personal services	909,611	1,059,005	610,323	270,334
Supplies	33,131	72,239	316,795	26,058
Other services	271,169	614,745	932,051	3,034,503
Insurance	22,687	41,952	45,435	21,115
Utilities	55,433	153,166	219,288	36,689
Rent	190,977	-	-	-
Depreciation	107,432	258,709	1,800,118	977,861
Total operating expenses	1,590,440	2,199,816	3,924,010	4,366,560
Operating income (loss)	(89,083)	(1,721,203)	282,273	295,782
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	61,484	335,719	18,862	8,271
Investment earnings (net of market value adjustment)	29,667	42,811	87,134	152,855
Special assessments	-	-	47,046	422
Gain on sale of capital assets	-	-	-	-
Loss on sale of capital assets	(34,688)	-	-	-
Other revenue (expense)	12,620	4,668	8,126	-
Interest and fiscal agent fees	(87,001)	-	(441,452)	(172,818)
Total nonoperating revenues (expenses)	(17,918)	383,198	(280,284)	(11,270)
Income (loss) before contributions and transfers	(107,001)	(1,338,005)	1,989	284,512
Capital contributions from other funds	-	-	-	-
Transfers in	-	-	-	-
Change in net position	(107,001)	(1,338,005)	1,989	284,512
Net position - January 1	2,718,036	5,877,018	13,223,758	15,639,348
Net position - December 31	<u>\$ 2,611,035</u>	<u>\$ 4,539,013</u>	<u>\$ 13,225,747</u>	<u>\$ 15,923,860</u>
Change in net position from this Statement				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Change in net position of business-type activities				

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

Business-Type Activities				Governmental
Storm Drainage Utility	Street Light Utility	Recycling Utility	Total Enterprise	Activities- Internal Service
\$ 1,691,946	\$ 449,286	\$ 394,495	\$ 18,199,861	\$ 3,559,356
-	-	-	(4,815,539)	-
<u>1,691,946</u>	<u>449,286</u>	<u>394,495</u>	<u>13,384,322</u>	<u>3,559,356</u>
324,114	-	-	3,173,387	2,155,611
13,541	481	405	462,650	353,728
529,352	52,520	394,117	5,828,457	215,456
2,759	1,132	1,880	136,960	66,115
2,800	182,385	-	649,761	537
-	-	-	190,977	-
1,431,750	70,101	-	4,645,971	897,970
<u>2,304,316</u>	<u>306,619</u>	<u>396,402</u>	<u>15,088,163</u>	<u>3,689,417</u>
(612,370)	142,667	(1,907)	(1,703,841)	(130,061)
24,896	-	-	449,232	120,006
138,112	25,587	4,809	480,975	143,848
-	-	-	47,468	-
-	-	-	-	82,875
-	-	-	(34,688)	(9,316)
-	27,480	-	52,894	28,049
(119,029)	-	-	(820,300)	-
<u>43,979</u>	<u>53,067</u>	<u>4,809</u>	<u>175,581</u>	<u>365,462</u>
(568,391)	195,734	2,902	(1,528,260)	235,401
391,952	-	-	391,952	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,500</u>
(176,439)	195,734	2,902	(1,136,308)	370,901
21,811,793	2,501,755	283,386	62,055,094	(7,586,924)
<u>\$ 21,635,354</u>	<u>\$ 2,697,489</u>	<u>\$ 286,288</u>	<u>\$ 60,918,786</u>	<u>\$ (7,216,023)</u>
			\$ (1,136,308)	
			(48,804)	
			<u>\$ (1,185,112)</u>	

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities			
	Municipal Liquor	Earle Brown Heritage Center	Water Utility	Sanitary Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 5,470,790	\$ 1,483,816	\$ 4,097,420	\$ 4,642,831
Receipts from interfund services provided	-	-	-	-
Other operating receipts	74,104	340,387	26,988	8,271
Payments for interfund services received	(137,197)	(164,676)	(208,613)	(199,524)
Payments to suppliers	(5,188,715)	(1,648,080)	(1,351,884)	(2,834,173)
Payments to employees	(853,079)	(1,010,986)	(572,533)	(256,969)
Net cash flows provided (used) by operating activities	(634,097)	(999,539)	1,991,378	1,360,436
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (operating)	-	-	-	-
Interfund payable (operating)	-	4,862	-	-
Special assessments	-	-	149,571	(3,004)
Intergovernmental grants	-	-	-	-
Net cash flows provided (used) by noncapital financing activities	-	4,862	149,571	(3,004)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(646,385)	(43,919)	(2,515,184)	(3,678,642)
Transfers in (capital)	-	-	-	-
Principal paid on revenue and improvement bonds	-	-	(773,750)	(460,493)
Principal paid on revenue notes	-	-	(982,000)	-
Interest paid on capital debt	(75,674)	-	(491,456)	(180,289)
Proceeds from g.o. revenue bonds	-	-	1,825,604	1,118,107
Proceeds from sale of assets	-	-	-	-
Net cash flows provided (used) by capital and related financing activities	(722,059)	(43,919)	(2,936,786)	(3,201,317)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	29,667	42,811	87,134	152,855
Net increase (decrease) in cash and cash equivalents	(1,326,489)	(995,785)	(708,703)	(1,691,030)
Cash and cash equivalents - January 1	2,767,961	2,658,544	3,844,265	6,569,127
Cash and cash equivalents - December 31	\$ 1,441,472	\$ 1,662,759	\$ 3,135,562	\$ 4,878,097
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (89,083)	\$ (1,721,203)	\$ 282,273	\$ 295,782
Adjustments to reconcile operating income (loss) to net cash flows provided (used) by operating activities:				
Depreciation	107,432	258,709	1,800,118	977,861
Other income (expense) related to operations	74,104	340,387	26,988	8,271
(Increase) decrease in assets:				
Accounts receivable	(347)	178,850	(17,436)	(19,511)
Due from other governments	-	104,238	-	-
Prepaid items	5,136	18,162	2,629	6,415
Inventories	33,349	(2,514)	(11,173)	-
(Increase) decrease in deferred outflows of resources:				
Deferred outflows for pension	-	-	-	-
Increase (decrease) in liabilities				
Accounts payable	(754,569)	(154,984)	(9,365)	90,995
Due to other governments	4,452	(18,055)	3,096	-
Net pension liability	-	-	-	-
Accrued salaries and wages	4,835	(3,129)	5,675	623
Unearned revenue	(19,406)	-	(91,427)	-
(Increase) decrease in deferred inflows of resources:				
Deferred pension resources	-	-	-	-
Net cash flows provided (used) by operating activities	\$ (634,097)	\$ (999,539)	\$ 1,991,378	\$ 1,360,436
NONCASH FINANCING ACTIVITIES				
Acquisitions of capital assets on account	\$ -	\$ -	\$ 34,523	\$ -
Capital assets contributed from other funds	\$ -	\$ -	\$ -	\$ -
Capital asset trade-ins	\$ -	\$ -	\$ -	\$ -
Loss on disposal of capital assets	\$ 34,688	\$ -	\$ -	\$ -
Grants deposited with pension plan	\$ -	\$ -	\$ -	\$ -

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

Business-Type Activities				Governmental Activities- Internal Service
Storm Drainage Utility	Street Light Utility	Recycling Utility	Total Enterprise	
\$ 1,690,175	\$ 462,270	\$ 398,449	\$ 18,245,751	\$ -
-	-	-	-	3,540,812
24,896	27,480	-	502,126	37,536
(209,735)	(25,766)	(11,169)	(956,680)	(42,314)
(376,081)	(200,100)	(386,578)	(11,985,611)	(677,965)
(305,902)	-	-	(2,999,469)	(2,254,190)
823,353	263,884	702	2,806,117	603,879
-	-	-	-	110,000
-	-	-	4,862	-
-	-	-	146,567	-
-	-	-	-	8,841
-	-	-	151,429	118,841
(2,378,098)	(54,430)	-	(9,316,658)	(923,898)
-	-	-	-	25,500
(220,000)	-	-	(1,454,243)	-
-	-	-	(982,000)	-
(131,396)	-	-	(878,815)	-
-	-	-	2,943,711	-
-	-	-	-	172,432
(2,729,494)	(54,430)	-	(9,688,005)	(725,966)
138,112	25,587	4,809	480,975	143,848
(1,768,029)	235,041	5,511	(6,249,484)	140,602
5,887,664	917,936	200,047	22,845,544	6,316,987
\$ 4,119,635	\$ 1,152,977	\$ 205,558	\$ 16,596,060	\$ 6,457,589
\$ (612,370)	\$ 142,667	\$ (1,907)	\$ (1,703,841)	\$ (130,061)
1,431,750	70,101	-	4,645,971	897,970
24,896	27,480	-	502,126	139,214
(1,771)	12,984	3,954	156,723	(18,045)
-	-	-	104,238	-
(25)	-	-	32,317	550
-	-	-	19,662	327
-	-	-	-	1,315,958
(21,126)	10,652	(1,345)	(839,742)	(85,320)
-	-	-	(10,507)	-
-	-	-	-	1,894,307
1,999	-	-	10,003	558,756
-	-	-	(110,833)	-
-	-	-	-	(3,969,777)
\$ 823,353	\$ 263,884	\$ 702	\$ 2,806,117	\$ 603,879
\$ -	\$ -	\$ -	\$ 34,523	\$ -
\$ 391,952	\$ -	\$ -	\$ 391,952	\$ -
\$ -	\$ -	\$ -	\$ -	\$ 54,000
\$ -	\$ -	\$ -	\$ 34,688	\$ 9,316
\$ -	\$ -	\$ -	\$ -	\$ 42,474



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CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The City of Brooklyn Center was incorporated in 1911 and has operated under a Council/Manager form of government since the adoption of the City charter in 1966. The governing body consists of a Mayor and four City Council members, elected at-large to serve four-year staggered terms. The City provides a full range of municipal services to its citizens, including public safety (police and fire protection), highways and streets, parks and recreation, public improvements, planning and inspections, economic development, sanitary and storm sewer, water, and general administrative services.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB).

The City's significant accounting policies are described below.

A. REPORTING ENTITY

The City includes all funds, organizations, institutions, agencies, departments, boards, and offices that are not legally separate from the City. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and 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.

Blended component units, although legally separate, are, in substance, part of the government's operations. A blended component unit is reported as if it were a fund of the City throughout the year. It is included at both the government-wide and fund financial reporting levels.

A description of the City's blended component units follows:

City of Brooklyn Center Housing and Redevelopment Authority (HRA) - The City Council serves as the Board of Directors for the HRA, with the power to levy taxes and enter into contracts. The Council reviews and approves the tax levy and all expenditures for the HRA. The HRA is reported as a Special Revenue fund. The HRA does not issue separate financial statements. Financial information may be obtained at the City's offices.

City of Brooklyn Center Economic Development Authority (EDA) – The governing board for the EDA is the City Council, with the power to issue bonds and enter into contracts. The council reviews and approves major community development improvement activities. City general obligation tax increment financing bonds are issued to finance EDA activities. The EDA is reported as a Special Revenue fund. The EDA does not issue separate financial statements. Financial information may be obtained at the City's offices.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The statement of activities 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 business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal year. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences, net pension liabilities, and OPEB are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal year is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the current day-to-day operations of the governmental units are financed from this fund.

Tax Increment District No. 3 Special Revenue Fund

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities throughout the City. This fund also provides the resources to repay the debt service on bonds issued to finance these redevelopment activities.

Debt Service Fund

This fund is used to account for the collection of property taxes, special assessments and other resources which are used to repay the principal and interest on debt issued for various improvements in the City.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Capital Improvements Capital Project Fund

This fund was established to provide funds and to account for the expenditure of such funds, for major capital outlays. The accumulation of funds to provide for such outlays is an attempt to reduce future debt issuance. The financing sources of the fund primarily consist of transfers from other funds.

Municipal State-Aid for Construction Capital Project Fund

This fund was established to account for the state allotment of construction and maintenance aid. The source of the State funding is provided for through the collection of gasoline taxes. The funds accumulated must be used on transportation related construction and maintenance projects.

Special Assessment Construction Capital Project Fund

This fund was established to account for the resources and expenditures required for the acquisition and construction of capital facilities or improvements financed wholly or in part by special assessments levied against benefited properties.

Street Reconstruction Capital Project Fund

This fund was established to account for the resources and expenditures required for the acquisition and construction of capital facilities or improvements financed wholly or in part by franchise fees.

The government reports the following major enterprise funds:

Municipal Liquor Fund

The fund accounts for the operations of the City's municipal off-sale liquor stores.

Earle Brown Heritage Center Fund

The Earle Brown Heritage Center is a pioneer farmstead that has been historically preserved and restored as a modern multipurpose facility. Its convention center can host conferences, trade shows and concerts.

Water Utility Fund

The fund accounts for pumping, treatment and distribution of water to customers. Administration, wells, water treatment, water storage, and distribution are included.

Sanitary Sewer Utility Fund

The fund accounts for the collection and pumping of sanitary sewage through a system of sewer lines and lift stations. Sewage is treated by the Metropolitan Council Environmental Services whose fees represent about 60% of this fund's operating expenses.

Storm Drainage Utility Fund

The fund accounts for the collection and treatment of surface runoff water that does not require sanitary wastewater treatment. It incorporates not only the storm sewer collection system, but also structures such as holding ponds and facilities to improve water quality. Fees are based upon the quantity of water running off a property and vary with both size and absorption characteristics of the parcel.

Street Light Utility Fund

The fund accounts for the electrical service, maintenance, repair and replacement of lights owned by the City as well as those lights owned by Xcel Energy.

Recycling Utility Fund

The fund accounts for the contracted services to provide a City wide recycling program.

Additionally, the City reports the following fund type:

Internal Service Funds

Account for compensated absences, health care insurance benefits for retired employees, pension liabilities, and central garage services provided to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. CASH AND INVESTMENTS

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from pooled investments are allocated on the basis of applicable participation by each of the funds.

The City's investment policy authorizes the City to invest in the following:

- a) United States Securities: including bonds, notes, bills or other securities which are direct obligations of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, which carry full faith and credit of the United States.
- b) Commercial paper issued by U.S. corporations or their Canadian subsidiaries that is rated in the highest quality by at least two nationally recognized rating agencies and matures in 90 days or less.
- c) Certificates of Deposits (Time Deposits) that are fully insured by the Federal Deposit Insurance Corporation.
- d) Repurchase agreements and reverse repurchase agreements may be entered into with financial institutions identified by Minnesota Statutes Chapter 118A. Reverse repurchase agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs.
- e) Securities lending agreements may be entered into with financial institutions identified by Minnesota Statutes Chapter 118A.
- f) Minnesota joint powers investment trusts may be entered into with trusts identified by Minnesota Statutes Chapter 118A.
- g) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of short term securities permitted by Minnesota Statutes 118A.
- h) Bonds of the City of Brooklyn Center issued in prior years, may be redeemed at current market price, which may include a premium, prior to maturing using surplus funds of the debt service fund set up for that issue.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

- i) General obligation bonds of state or local governments rated A or better by a national bond rating service.
- j) Revenue obligations of state or local governments rated AA or better by a national bond rating agency.
- k) The Minnesota Municipal Money Market Fund (4M) that was established by the League of Minnesota Cities to address the investment needs of Minnesota cities.

Investments are reported at fair value, based on quoted market prices as of the balance sheet date, except for investments in external investment pools, which are stated at amortized cost. The reported value of these funds is the same as the value of the pool shares. For the 4M fund, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid class; the redemption notice period is 14 days for the Plus Class. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment earnings. Investment income on commingled funds is allocated monthly, based on month-end balances.

E. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at December 31, 2020 are planned to be eliminated in 2021. Long-term interfund loans are classified as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by restricted or committed fund balance in applicable governmental funds. This classification is based on the restraint that will be placed on the advanced funds when they are returned to the lending fund.

All miscellaneous accounts receivable and trade receivables, other than utilities, are presented net of an allowance for doubtful accounts. All utility trade receivables are reported at gross because it is the City's policy to certify delinquent account balances as special assessments. The City expects to make full collection of all property tax and special assessment receivables, so no allowance is considered necessary.

Property tax levies are submitted to the County in December each year. The County allocates these levies across taxable properties in the City based on valuations certified in the prior year. The County collects these levies and distributes the City's proceeds in June and December of the fiscal year. These taxes are reported as general revenues in the government-wide financial statements in the year levied. Unpaid taxes at December 31 become liens on the respective property and are classified as delinquent receivables and are fully offset by a deferred inflow of resources in the fund financial statements. Delinquent taxes receivable includes the past six years of uncollected taxes.

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Governmental special assessments have been offset by a deferred inflow of resources for collections not received within 60 days after year end in the fund financial statements.

F. INVENTORIES AND PREPAID ITEMS

Inventories in the governmental funds are reported using the consumption method and valued at cost, using the first in/first out (FIFO) method. Inventories in the proprietary funds are valued at cost, using the weighted average method in the Municipal Liquor and Earle Brown Heritage Center Funds and the FIFO method in all other funds.

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.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

G. ASSETS HELD FOR RESALE

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2020 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the amounts in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Infrastructure	\$ 250,000
Buildings and Building Improvements	50,000
Land Improvements	25,000
Heavy Equipment	25,000
Furniture and Furnishings	10,000
Motorized Vehicles	10,000
Technology Equipment	10,000
Land Easements	10,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the City, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Easements - temporary	
Land improvements	25 years
Buildings and structures	25 years
Water and sewer mains and lines, wells and storage tanks, sewer lift stations	25 years
Infrastructure	25 years
Street light systems	15 years
Machinery and equipment	5 - 15 years

I. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in the category and are reported only in the statements of net position. These items result from actuarial calculations and current year pension and OPEB contributions made subsequent to the measurement date.

J. PENSIONS

For purposes of measuring the net pension liability/asset, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the applicable pension and additions to or deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arise under a modified accrual basis of accounting, which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from sources such as: property taxes, tax increments, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The second item, imposed nonexchange revenue transactions, state aid, and capital funding received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the government-wide statement of Net Position as a deferred inflow of resources. The third item results from actuarial calculations related to the City's pension and OPEB obligations.

L. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and vested sick leave pay is accrued in the Public Employees Compensated Absences internal service fund. In accordance with the provisions of Statement of Government Accounting Standards No. 16, Accounting for Compensated Absences, a liability is recognized for that portion of accumulating sick leave benefits that is vested. The City pays out up to 230 hours of vacation upon separation and one third of accrued sick leave time.

M. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Under Minnesota Statute 471.61, subdivision 2(b), public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan; 2) coverage must continue in group plan until age 65 and pay no more than the group premium; and 3) retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement No. 75, at January 1, 2020. The liability is accrued in the Public Employees Retirement internal service fund.

N. LONG TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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.

O. FUND EQUITY

Fund equity in the fund financial statements is classified as fund balance for governmental funds and net position for proprietary funds. Fund equity in the government-wide financial statements is classified as net position for both governmental and business-type activities.

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

Nonspendable – consists of amounts that are not in spendable form or are required to be maintained intact.

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 imposed by formal action (resolution) of the City Council, which is the highest level of decision making authority.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council or, pursuant to council resolution, the City Manager or the City Manager's designee.

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

When both restricted and unrestricted fund balances are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for an allowable use, it is the City's policy to use resources in the following order; 1) committed, 2) assigned, and 3) unassigned.

The City has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance amount of 50-52% of the next year's operating budget for cash flow needs (working capital). At December 31, 2020 the unassigned fund balance of the General fund was 52% of the subsequent year's budgeted expenditures.

Net Position – Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net position, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All remaining net position is reported as unrestricted.

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

P. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from such estimates.

R. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board recently approved the following statements which were not implemented in these financial statements. The effect these standards may have on future financial statements has not been determined at this time.

Statement No. 87, Leases. The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement excludes short-term leases of 12 months (or less). The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for all governmental funds. All annual appropriations lapse at fiscal year end.

In September, the City Manager submits to the City Council proposed operating budgets for the fiscal year commencing the following January. The proposed general fund budget and preliminary tax levy must be certified to the County prior to September 30. The Council holds public hearings on the certified budget and levy and must submit a final levy to the County prior to the end of December.

The appropriated budget is prepared by fund and department. The City Council must authorize any transfer of budgeted amounts between departments or funds. Transfers of budgeted amounts within departments in the General Fund must be authorized by the City Manager. The legal level of budgetary control is the department level for the General Fund and the fund level for all other governmental funds. There were no supplemental budgetary appropriations or amendments during the year.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

For the year ended December 31, 2020 expenditures and transfers out exceeded appropriations in the following General Fund departments and other governmental funds:

	Final Budget	Actual	Excess of Appropriations
Major Funds:			
General Fund:			
Elections and voter registration	\$ 174,154	\$ 181,607	\$ (7,453)
Assessing	210,200	239,969	(29,769)
Government buildings	939,939	1,152,247	(212,308)
Fire protection	1,556,794	1,592,343	(35,549)
Protective inspection	287,086	350,321	(63,235)
Emergency preparedness	11,500	47,801	(36,301)
Engineering department	1,080,500	1,087,684	(7,184)
Park and recreation administration	258,903	274,623	(15,720)
Community development administration	263,121	366,653	(103,532)
Nondepartmental	398,728	547,400	(148,672)
Transfers out	210,000	410,374	(200,374)
Special Revenue Funds:			
Tax Increment District No. 3	842,214	1,330,802	(488,588)
Capital Project Funds:			
Capital Improvements	1,331,800	3,361,877	(2,030,077)
Special Assessment Construction	1,042,300	1,844,308	(802,008)
Street Reconstruction	2,350,000	4,262,636	(1,912,636)
Nonmajor Funds:			
Special Revenue Funds:			
Economic Development Authority	475,088	705,483	(230,395)
Police Forfeitures	13,000	57,025	(44,025)
Centerbrook Golf Course	301,550	322,533	(20,983)
Tax Increment District No. 7	-	30,845	(30,845)

B. DEFICIT FUND EQUITY

Deficit fund equity exists at December 31, 2020 in the following funds:

Unassigned deficit fund balance	
Nonmajor Funds:	
Centerbrook Golf	\$ 199,713
Tax Increment District No. 6	4,004
Tax Increment District No. 8	12,500
Unrestricted deficit net position	
Internal Service Funds:	
EE Retirement Benefit	1,932,817
Pension - GERP	7,017,266
Pension - PEPFF	6,805,858

The deficits are being funded through internal borrowing and will be repaid from future collections of tax increment revenues, intergovernmental revenue, customer revenues, and internal transfers. The Internal service fund deficits will be funded through future interfund charges, state grant revenues, and employee withholdings.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Note 3 DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

In accordance with Minnesota Statutes, the City maintains deposits at only those depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

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. Authorized collateral includes the legal investments described in Note 1.D., as well as certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be placed in safekeeping in a restricted account at the Federal Reserve bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At year-end, the City's carrying value and bank balance of deposits was \$0.

As of December 31, 2020 the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		No maturity	< 1	1 - 3	3 - 6
Negotiable certificates of deposit	\$ 22,320,852	\$ -	\$ 9,380,862	\$ 9,199,480	\$ 3,740,510
Federal agency notes	8,506,204	-	1,522,144	6,984,060	-
Municipal bonds	11,819,342	-	1,712,762	4,514,461	5,592,119
External investment pool - 4M Fund	13,966,187	13,966,187	-	-	-
Money market	6,860,361	6,860,361	-	-	-
Total Investments	<u>\$ 63,472,946</u>	<u>\$ 20,826,548</u>	<u>\$ 12,615,768</u>	<u>\$ 20,698,001</u>	<u>\$ 9,332,629</u>

As of December 31, 2020, the City had the following summary of investments related to the credit risk, par values and fair values of securities:

Investment Type	Credit Risk (*)	Par	Fair Value	% of total Portfolio
Negotiable certificates of deposit	Not rated	\$ 21,790,000	\$ 22,320,852	35.17%
Federal agency notes	AA	8,360,000	8,506,204	13.40%
Municipal bonds	A or better	11,110,000	11,819,342	18.62%
External investment pool - 4M Fund	Not rated	13,966,185	13,966,187	22.00%
Money market	AAA	6,860,329	6,860,361	10.81%
Total Investments		<u>\$ 62,086,514</u>	<u>\$ 63,472,946</u>	<u>100.00%</u>

(*) The credit risk for the Federal Agency Notes, Municipal Bonds and Money Market ratings are provided by S&P.

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

Investments	\$ 63,472,946
Petty cash and change funds	14,705
Total cash, cash equivalents, and investments	<u>\$ 63,487,651</u>

The deposits and investments of the City are presented in the financial statements as follows:

Statement of Net Position	
Cash and investments	<u>\$ 63,487,651</u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The City has the following recurring fair value measurements as of December 31, 2020:

Investment Type	12/31/2020	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	
Investments at fair value:					
Negotiable certificates of deposit	\$ 22,320,852	\$ -	\$ 22,320,852	\$ -	
Federal agency notes	8,506,204	-	8,506,204	-	
Municipal bonds	11,819,342	-	11,819,342	-	
Money market	6,860,361	6,860,361	-	-	
Total Investments	<u>\$ 49,506,759</u>	<u>\$ 6,860,361</u>	<u>\$ 42,646,398</u>	<u>\$ -</u>	
Investments at amortized cost:					
External investment pool - 4M Fund	13,966,187				
Total	<u>\$ 63,472,946</u>				

Interest rate risk – The City’s investment policy mitigates interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in short-term securities. The City’s policy restricts investments to investments maturing no more than six years from the date of the purchase. No more than ten percent of the City’s portfolio at any time shall be invested in securities with maturities of more than five years. The policy also states that the portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably expected.

Credit risk – The City’s investment policy restricts investment instruments to those authorized by Minnesota Statutes §118A as listed in Note 1.D. The policy also requires that any counterparty in investment transactions be pre-qualified and approved by the City Council and that the portfolio be diversified to limit potential losses on individual securities.

Concentration of credit risk – The City’s investment policy requires that the investment portfolio be diversified to minimize potential losses on individual securities. As of year end, the City had portfolio concentrations in excess of five percent (excluding external investment pools) in the following federal agencies: Federal Home Loan Bank (5.86%).

Custodial credit risk – The City’s investment policy requires that securities purchased from any bank or dealer be placed with an independent third party for custodial safekeeping. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. All of the City’s remaining investments were held in an institutional trust under contract with the City for safekeeping services.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

B. RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2020 are as follows:

	Delinquent Property Taxes	Delinquent Tax Increments	Special Assessments	Due from Other Governments	Notes Receivable
Major Funds:					
General	\$ 198,267	\$ -	\$ 72,394	\$ -	\$ -
Tax Increment District No. 3	-	199,114	-	-	-
Debt Service	-	-	3,775,856	-	-
Capital Improvements	-	-	524	-	-
Municipal State Aid for Construction	-	-	-	2,480,464	-
Special Assessment Construction	-	-	1,506,684	-	-
Nonmajor Funds					
Revolving Loan	-	-	-	-	59,216
Total	<u>\$ 198,267</u>	<u>\$ 199,114</u>	<u>\$ 5,355,458</u>	<u>\$ 2,480,464</u>	<u>\$ 59,216</u>

The Economic Development Authority (EDA) offers a down payment and closing cost assistance program to home buyers purchasing foreclosed or vacant properties as their principal residence. The program offers up to a \$10,000, no-interest deferred loan that is forgivable if the borrower resides in the property for five consecutive years. As of December 31, 2020, the balance of these loans is \$20,000. There has been an allowance for doubtful accounts recorded for the same amount, as it is fully expected that these loans will be forgiven.

The Revolving Loan Fund received a grant from the Minnesota Investment Fund and disbursed an interest-free loan to Get Bizzy coffee in the amount of \$101,513 in 2018. It will be repaid in 60 monthly installments of \$1,692 ending December 1, 2023. As the repayments are made, the City will remit 60% to the Minnesota Department of Employment and Economic Development.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,632,883	\$ -	\$ -	\$ 5,632,883
Easements - perpetual	88,704	-	-	88,704
Construction in progress	5,699,286	7,197,360	(1,427,386)	11,469,260
Total capital assets, not being depreciated	<u>11,420,873</u>	<u>7,197,360</u>	<u>(1,427,386)</u>	<u>17,190,847</u>
Capital assets, being depreciated:				
Easements - temporary	22,715	-	-	22,715
Buildings and improvements	25,991,735	218,790	-	26,210,525
Land improvements	12,436,714	-	-	12,436,714
Machinery and equipment	11,912,222	1,082,024	(690,149)	12,304,097
Street infrastructure	62,763,683	1,432,250	-	64,195,933
Total capital assets, being depreciated	<u>113,127,069</u>	<u>2,733,064</u>	<u>(690,149)</u>	<u>115,169,984</u>
Less accumulated depreciation for:				
Easements - temporary	22,715	-	-	22,715
Buildings and improvements	16,086,142	935,604	-	17,021,746
Land improvements	6,227,589	368,489	-	6,596,078
Machinery and equipment	7,375,346	1,035,185	(591,276)	7,819,255
Street infrastructure	26,051,637	2,269,506	-	28,321,143
Total accumulated depreciation	<u>55,763,429</u>	<u>4,608,784</u>	<u>(591,276)</u>	<u>59,780,937</u>
Total capital assets being depreciated - net	<u>57,363,640</u>	<u>(1,875,720)</u>	<u>(98,873)</u>	<u>55,389,047</u>
Governmental activities capital assets - net	<u>\$ 68,784,513</u>	<u>\$ 5,321,640</u>	<u>\$ (1,526,259)</u>	<u>\$ 72,579,894</u>

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

Governmental activities:	
General government	\$ 158,369
Public safety	508,861
Public works	2,548,751
Parks and recreation	493,049
Economic development	1,784
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	897,970
Total depreciation expense - governmental activities	<u>\$ 4,608,784</u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,698,879	\$ -	\$ -	\$ 2,698,879
Easements - perpetual	10,285	-	-	10,285
Construction in progress	6,920,806	7,921,595	(2,986,596)	11,855,805
Total capital assets, not being depreciated	<u>9,629,970</u>	<u>7,921,595</u>	<u>(2,986,596)</u>	<u>14,564,969</u>
Capital assets, being depreciated:				
Easements - temporary	20,335	-	-	20,335
Land improvements	570,769	-	-	570,769
Buildings and improvements	41,998,401	3,778,393	(192,771)	45,584,023
Machinery and equipment	1,384,542	84,745	(169,763)	1,299,524
Street light systems	1,087,627	-	-	1,087,627
Mains and lines	92,290,915	944,995	-	93,235,910
Total capital assets, being depreciated	<u>137,352,589</u>	<u>4,808,133</u>	<u>(362,534)</u>	<u>141,798,188</u>
Less accumulated depreciation for:				
Easements - temporary	20,335	-	-	20,335
Land improvements	303,015	29,155	-	332,170
Buildings and improvements	19,682,041	1,274,244	(192,771)	20,763,514
Machinery and equipment	968,219	95,631	(135,075)	928,775
Street light systems	441,354	70,101	-	511,455
Mains and lines	49,381,594	3,176,840	-	52,558,434
Total accumulated depreciation	<u>70,796,558</u>	<u>4,645,971</u>	<u>(327,846)</u>	<u>75,114,683</u>
Total capital assets being depreciated - net	<u>66,556,031</u>	<u>162,162</u>	<u>(34,688)</u>	<u>66,683,505</u>
Business-type activities capital assets - net	<u>\$ 76,186,001</u>	<u>\$ 8,083,757</u>	<u>\$ (3,021,284)</u>	<u>\$ 81,248,474</u>

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

Business-type activities:	
Municipal liquor	\$ 107,432
Earle Brown Heritage Center	258,709
Water utility	1,800,118
Sanitary sewer utility	977,861
Storm drainage utility	1,431,750
Street light utility	70,101
Total depreciation expense - business-type activities	<u>\$ 4,645,971</u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

CONSTRUCTION COMMITMENTS

At December 31, 2020 the City had construction project contracts in progress. The commitments related to remaining contract balances are summarized as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
Brooklyn Boulevard Corridor Project Phase 1	\$ 12,670,125	\$ 97,134
51st Avenue Frontage Road Improvements	616,511	3,126
Water Tower #1 Rehab	707,950	52,022
Lift Station #2 Rehab	997,000	121,034
Lift Station #6 Rehab	369,200	53,800
Bellvue Mill & Overlay	2,472,410	329,945
Interstate Area Improvements	9,667,269	1,873,608
Grandview North Area Improvements	5,074,230	183,413
Total	<u>\$ 32,574,695</u>	<u>\$ 2,714,082</u>

D. INTERFUND BALANCES AND TRANSFERS

The composition of due to/from other fund balances at December 31, 2020 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General	\$ 204,852	\$ -
Nonmajor Funds:		
Centerbrook Golf Course	-	192,352
Tax Increment District No. 8	-	12,500
Total	<u>\$ 204,852</u>	<u>\$ 204,852</u>

Interfund due to/from balances are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year. Balances will be paid with future tax increments, operating revenues, interfund transfers, and/or receipt of federal grant funds.

Individual fund advances to and advances from other funds at December 31, 2020 are as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances From Other Funds</u>
Nonmajor Funds:		
Tax Increment District No. 5	\$ -	\$ 356,954
Tax Increment District No. 2	356,954	-
	<u>\$ 356,954</u>	<u>\$ 356,954</u>

The \$356,954 advance between the Tax Increment District No. 2 and the Tax Increment District No. 5 funds was made to provide funding for a specific development project within the City. The financing plan for the Tax Increment District projects payments of approximately \$110,000 in 2019 through 2024.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The composition of interfund transfers as of December 31, 2020 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
Major Funds:		
General	\$ -	\$ 410,374
Tax Increment District No. 3	-	2,796,461
Debt Service	2,591,346	-
Capital Improvements	64,874	-
Nonmajor Funds:		
Housing and Redevelopment Authority	-	404,462
Economic Development Authority	404,462	-
Centerbrook Golf Course	85,000	-
Tax Increment District No. 4	561,948	-
Tax Increment District No. 5	-	356,833
Technology	125,000	-
Total governmental funds	<u>3,832,630</u>	<u>3,968,130</u>
Proprietary Funds:		
Governmental activities: Internal Service		
Central Garage	25,500	-
EE Comp Absences	110,000	-
Total proprietary funds	<u>135,500</u>	<u>-</u>
Total all funds	<u>\$ 3,968,130</u>	<u>\$ 3,968,130</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund or to provide additional capital and infrastructure funding. In addition, interfund transfers are occasionally authorized to allow redistribution of resources between funds for the most efficient use of funds. In 2020, the following non-routine transfers were made between funds:

- The General Fund transferred \$25,500 to the Central Garage to fund a vehicle out of the 2020 budget that was not yet purchased.
- The General Fund transferred \$110,000 to the EE Comp Absences fund to set aside previously levied funds for increases in Part-Time Livable Wages during 2021.
- The General Fund transferred \$64,874 to the Capital Improvements fund for Unassigned Fund Balance at 12/31/19 in excess of 52% of the 2020 General Fund budget.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

E. OPERATING LEASES

The City has leased a portion of the police second floor expansion area to the Local Government Information Systems Association (LOGIS) as a backup computer facility. The lease has a term of ten years, commencing on January 12, 2016 and calls for monthly lease payments based on square-footage. Lease revenue for the year ended December 31, 2020 was \$12,000. Future minimum lease revenues under the current agreement is as follows:

Year Ending	Total Minimum Rents
2021	\$ 12,000
2022	12,000
2023	12,000
2024	12,000
2025	12,000
	<u>\$ 60,000</u>

The City leased space for both of its liquor stores for part of 2020, one of which was replaced by the new City owned building. The remaining lease is ten years and began in 2013. The lease provides for a minimum monthly base rent payment, plus a pro-rata share of common area expenses. Additional lease payments are required if agreed-upon revenue thresholds are attained. The lease may be cancelled at the City's option if the City ceases liquor operations. Total rental expense under the lease agreements for the year ended December 31, 2020 was \$190,977. Future minimum base rent payments under the remaining agreement are as follows:

Year Ending	Total Minimum Rents
2021	\$ 93,360
2022	93,360
2023	93,360
	<u>\$ 280,080</u>

The City is the lessor in an operating lease for a building being used for a sit-down restaurant. The lease was originally signed in 2011 with a ten year term with an option to extend for an additional five years. For the year ended 2020, the City received \$103,029 in rental revenue. Future minimum base rent revenues under the current agreement are as follows:

Year Ending	Total Minimum Rents
2021	<u>\$ 96,190</u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The City is the lessor in an operating lease for a building, known as "Building D", consisting of approximately 4,100 square feet and located within the Earle Brown Heritage Center. The lease was originally signed January 1, 2009 with a ten year term with an option for two renewals of five years each. For the year ended 2020, the City received \$78,810 in rental revenue. Future minimum base rent revenues under the current agreement are as follows:

Year Ending	Total Minimum Rents
2021	\$ 78,810
2022	78,810
2023	78,810
	<u>\$ 236,430</u>

The City leases golf carts used at Centerbrook Golf Course. A new lease was signed May 10, 2019 with a 4 year term. Total rental expenses under the lease agreements for the year ended December 31, 2020 was \$13,234. Future minimum base rent payments under the current agreement are as follows:

Year Ending	Total Minimum Rents
2021	\$ 12,012
2022	12,012
2023	12,012
	<u>\$ 36,036</u>

F. LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

The City issued general obligation improvement bonds to provide funds for the construction of major capital facilities and construction of infrastructure. These bonds are reported in the governmental activities of the City.

The City issued general obligation tax increment bonds to finance various redevelopment projects and redevelopment property acquisitions within the City. These bonds are reported in the governmental activities of the City.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/2020
G.O. Tax Increment Bonds:					
Taxable Tax Increment Bonds of 2013A	2.00 - 3.25%	12/19/2013	02/01/2022	\$ 6,040,000	\$ 4,335,000
Tax Increment Bonds of 2016B	2.00 - 2.50%	12/08/2016	02/01/2029	2,075,000	2,075,000
Taxable Tax Increment Bonds of 2016C	2.00 - 2.30%	12/08/2016	02/01/2023	1,725,000	890,000
Total G.O. Tax Increment Bonds				<u>9,840,000</u>	<u>7,300,000</u>
G.O. Improvement Bonds:					
Improvement Bonds, 2013B	3.00%	12/19/2013	02/01/2024	4,920,000	1,495,000
Improvement Bonds, 2015A	2.00 - 2.50%	07/09/2015	02/01/2026	3,416,248	2,089,519
Improvement Bonds, 2016A	2.00%	10/13/2016	02/01/2027	1,820,000	1,320,000
Improvement Bonds, 2017A	2.25 - 3.00%	06/08/2017	02/01/2028	3,735,000	3,035,000
Improvement Bonds, 2018A	3.00 - 5.00%	07/10/2018	02/01/2029	3,835,000	3,490,000
Improvement Bonds, 2019A	4.00 - 5.00%	09/12/2019	02/01/2030	3,355,000	3,355,000
Improvement Bonds, 2020A	1.00 - 2.00%	11/24/2020	02/01/2031	1,955,000	1,955,000
Total G.O. Improvement Bonds				<u>23,036,248</u>	<u>16,739,519</u>
Unamortized Bond Premiums				1,970,038	1,405,244
Total - bonded indebtedness				<u>\$ 34,846,286</u>	<u>25,444,763</u>
Other Liabilities:					
Compensated absences payable					1,552,660
Net pension liability					13,240,629
Total OPEB liability					<u>2,451,494</u>
Total governmental activities					<u>\$ 42,689,546</u>

All long-term bonded indebtedness outstanding at December 31, 2020 is backed by the full faith and credit of the City, including improvement and tax increment bond issues. Bonds in the governmental activities will be retired by future property tax levies, tax increments or special assessments accumulated in the specific debt services funds. In the event that a deficiency exists because of unpaid or delinquent taxes or special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. At the end of the current year, there are \$8,174,538 of assets accumulated in the debt service funds for future debt service. Included within those accumulated assets, there was a combined \$3,797,562 of property taxes and special assessments receivable.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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

Year Ending December 31	Governmental Activities			
	G.O. Tax Increment Bonds		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,430,000	\$ 166,520	\$ 1,929,017	\$ 503,727
2022	2,490,000	92,680	2,042,277	448,966
2023	305,000	50,333	2,015,537	381,688
2024	330,000	43,525	2,053,796	313,234
2025	335,000	36,875	1,880,316	245,643
2026-2030	1,410,000	69,763	6,593,576	424,670
2031	-	-	225,000	1,406
Total	<u>\$ 7,300,000</u>	<u>\$ 459,696</u>	<u>\$ 16,739,519</u>	<u>\$ 2,319,334</u>

BUSINESS-TYPE ACTIVITIES

The City issued general obligation revenue bonds to finance the metering of all City connected water and sewer utility services in 2010 which were refunded in 2015. The City also issued general obligation revenue bonds in 2015, 2016, 2017, 2018, 2019 and 2020 for utility portions of infrastructure improvement projects and a Revenue Note financed by the MN Public Facilities Authority Drinking Water State Revolving Fund for the construction of a new water treatment plant. In 2019 the City issued Lease Revenue Bonds for the construction of a City-owned municipal liquor store. These bonds are reported in the business-type activities of the City.

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/2020
G.O. Improvement Bonds:					
Improvement Bonds, 2015A	2.00 - 2.50%	07/09/2015	02/01/2026	\$ 1,823,752	\$ 1,115,481
G.O. Lease Revenue Bonds:					
Lease Revenue Bonds of 2019B	3.00 - 4.00%	09/18/2019	02/01/2035	2,520,000	2,520,000
General Obligation Taxable Utility Revenue Bonds:					
Revenue Refunding Bonds of 2015A	2.00 - 2.50%	07/09/2015	02/01/2026	1,660,000	860,000
Revenue Bonds of 2016A	2.00%	10/13/2016	02/01/2027	3,605,000	2,615,000
Revenue Bonds of 2017A	2.25 - 3.00%	06/08/2017	02/01/2028	4,625,000	3,805,000
Revenue Bonds of 2018A	3.00 - 5.00%	07/10/2018	02/01/2029	4,350,000	4,005,000
Revenue Bonds of 2019A	4.00 - 5.00%	09/12/2019	02/01/2030	4,790,000	4,790,000
Revenue Bonds of 2020A	1.00 - 2.00%	11/24/2020	02/01/2031	2,830,000	2,830,000
Total General Obligation Taxable Utility Revenue Bonds				<u>21,860,000</u>	<u>18,905,000</u>
General Obligation Taxable Utility Revenue Notes:					
PFA Revenue Note of 2015	1.00%	01/20/2015	08/20/2034	19,622,797	14,791,445
Unamortized Bond Premiums				2,091,162	1,917,557
Total business-type activities				<u>\$ 47,917,711</u>	<u>\$ 39,249,483</u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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

Year Ending December 31	Business-Type Activities			
	G.O. Improvement Bonds		G.O. Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 180,983	\$ 22,871	\$ 100,000	\$ 83,600
2022	182,723	19,234	135,000	78,900
2023	184,463	15,562	140,000	73,400
2024	186,204	11,623	145,000	67,700
2025	189,684	7,157	155,000	61,700
2026-2030	191,424	2,393	850,000	217,775
2031-2035	-	-	995,000	76,425
Total	<u>\$ 1,115,481</u>	<u>\$ 78,840</u>	<u>\$ 2,520,000</u>	<u>\$ 659,500</u>

Year Ending December 31	Business-Type Activities			
	G.O. Revenue Bonds		G.O. Revenue Notes	
	Principal	Interest	Principal	Interest
2021	\$ 1,560,000	\$ 580,763	\$ 992,000	\$ 148,310
2022	1,965,000	536,169	1,002,000	138,390
2023	2,030,000	469,119	1,012,000	128,370
2024	2,105,000	399,175	1,022,000	118,250
2025	2,160,000	326,206	1,033,000	108,030
2026-2030	8,780,000	609,272	5,320,000	383,160
2031-2035	305,000	1,906	4,410,445	111,800
Total	<u>\$ 18,905,000</u>	<u>\$ 2,922,610</u>	<u>\$ 14,791,445</u>	<u>\$ 1,136,310</u>

The utility revenue bonds, lease revenue bonds, and notes are backed by the full faith and credit of the City. Bonds and Notes in the business-type activities will be retired with the net revenues of the Liquor fund, Water Utility, Sanitary Sewer Utility, and Storm Drainage Utility systems. (Net revenues of each system are defined as the excess of gross revenues and earnings over the normal, reasonable, and current costs of operating and maintaining the system.) In the event that a deficiency exists because of inadequate net revenues at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. For the year ended December 31, 2020, the liquor, water, sewer, and storm utility funds provided net revenues of (\$123,398), which accounts for a debt-service coverage ratio of (3.72%) on principal and interest payments of \$3,315,058.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. tax increment bonds	\$ 9,650,000	\$ -	\$ (2,350,000)	\$ 7,300,000	\$ 2,430,000
G.O. improvement bonds	16,525,276	1,955,000	(1,740,757)	16,739,519	1,929,017
Premium	1,463,854	81,687	(140,297)	1,405,244	-
Total bonds payable	27,639,130	2,036,687	(4,231,054)	25,444,763	4,359,017
Compensated absences	1,408,546	276,840	(132,726)	1,552,660	155,266
Net Pension liability:					
GERF	6,573,715	1,721,186	(860,533)	7,434,368	-
PEPFF	4,772,607	2,126,814	(1,093,160)	5,806,261	-
Total OPEB liability	2,038,900	523,384	(110,790)	2,451,494	-
Total government activity long-term liabilities	<u>\$42,432,898</u>	<u>\$ 6,684,911</u>	<u>\$ (6,428,263)</u>	<u>\$ 42,689,546</u>	<u>\$ 4,514,283</u>
Business-type activities:					
Bonds payable:					
G.O. improvement bonds	\$ 1,294,724	\$ -	\$ (179,243)	\$ 1,115,481	\$ 180,983
G.O. lease revenue bonds	2,520,000	-	-	2,520,000	100,000
G.O. revenue bonds	17,350,000	2,830,000	(1,275,000)	18,905,000	1,560,000
G.O. revenue notes	15,773,445	-	(982,000)	14,791,445	992,000
Premium	1,883,170	113,711	(79,324)	1,917,557	-
Total business-type activity long-term liabilities	<u>\$38,821,339</u>	<u>\$ 2,943,711</u>	<u>\$ (2,515,567)</u>	<u>\$ 39,249,483</u>	<u>\$ 2,832,983</u>

Compensated absences are liquidated by the Public Employees Compensated Absences internal service fund and the total OPEB liability by the Public Employees Retirement internal service fund. Net pension liabilities will be liquidated by the Pension - GERF and Pension - PEPFF internal service funds.

CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Housing Revenue Bonds and Industrial Revenue Bonds or Notes to provide assistance to qualified private sector entities for the acquisition and construction of housing, industrial, or commercial facilities deemed to be in the public interest. The bonds or notes are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The City has no obligation of its assets or of its general tax base for the repayment of any of these bonds or notes. Accordingly, the bonds or notes are not reported as liabilities in the accompanying financial statements. Upon final redemption of the bonds or notes, ownership of the property transfers to the private sector entity served by the bond or note issue.

As of December 31, 2020 there were two series of fixed rate Multifamily Housing Revenue Refunding bonds, one Housing Revenue Development Refinancing Note, two Healthcare Revenue Notes, four Senior Housing Development Revenue Notes, three Multifamily Housing Revenue bonds, and two Charter School Lease Revenue bonds outstanding. The aggregate amount of conduit debt as of December 31, 2020 is \$66,619,253.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

G. FUND EQUITY

Net position reported in the government-wide statement of net position at December 31, 2020 include the following:

Governmental activities

Net investment in capital assets:	
Cost of capital assets	\$ 132,360,831
Less: accumulated depreciation	(59,780,937)
Less: related long-term debt outstanding	(18,108,654)
Total net investment in capital assets	<u>54,471,240</u>
Restricted:	
Tax increment financing	25,284,162
Economic development	1,866,516
Law enforcement enhancements	11,158
Debt service	7,873,661
Pension benefits	766,001
State-aid Street Systems	2,672,384
Total restricted	<u>38,473,882</u>
Unrestricted	<u>9,335,442</u>
Total governmental activities net position	<u><u>\$ 102,280,564</u></u>

Related debt for governmental activities capital assets includes \$16,739,519 in G.O. Improvement Bonds and \$1,456,131 of premium which was the amount issued to finance the street portion of construction projects.

Business-type activities

Net investment in capital assets:	
Cost of capital assets	\$ 156,363,157
Less: accumulated depreciation	(75,114,683)
Less: related long-term debt outstanding	(38,359,620)
Add: unspent bond proceeds	897,408
Total net investment in capital assets	<u>43,786,262</u>
Unrestricted	<u>14,484,003</u>
Total business-type activities net position	<u><u>\$ 58,270,265</u></u>

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Aggregated fund balances reported in the governmental funds balance sheet at December 31, 2020 include the following:

Governmental funds

	Nonspendable	Restricted	Committed	Assigned
General				
Inventories	\$ 32,659	\$ -	\$ -	\$ -
Prepaid Items	51,343	-	-	-
Capital Improvements	-	-	-	1,769,004
Tax Increment District No. 3				
Tax Increment Financing	-	23,057,146	-	-
Debt Service				
Debt Service	-	4,398,682	-	-
Capital Improvements				
Capital Improvements	-	-	773,207	-
Municipal State-Aid for Construction				
State-Aid street systems	-	2,672,384	-	-
Special Assessment Construction				
Capital Improvements	-	-	-	1,480,133
Street Reconstruction Fund				
Street Improvements	-	-	5,129,774	-
Nonmajor Funds				
Centerbrook Golf Course	799	-	-	-
Tax Increment Financing	-	2,027,902	-	-
Economic Development	902	1,865,614	-	-
Law Enforcement Enhancements	-	11,158	-	-
Public Safety	-	-	8,112	-
Cable Communications	-	-	124,159	-
Community Recreation	-	-	78,475	-
Emergency Capital Improvements	-	-	1,171,730	-
Technology Improvements	-	-	346,130	-
Total fund balances	\$ 85,703	\$ 34,032,886	\$ 7,631,587	\$ 3,249,137

Note 4 DEFINED BENEFIT PENSION PLAN - CITY EMPLOYEES

A. PLAN DESCRIPTION

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

1. GENERAL EMPLOYEES RETIREMENT FUND (GERF)

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

2. PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)

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

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF BENEFITS

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

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

2. PEPFF BENEFITS

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

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

C. CONTRIBUTIONS

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

1. GERF CONTRIBUTIONS

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2020. The City was required to contribute 7.5 percent for Coordinated Plan members in calendar year 2020. The City's contributions to the GERF for year ended December 31, 2020 were \$649,561. The City's contributions were equal to the required contributions as set by state statute.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. PEPFF CONTRIBUTIONS

Police and Fire member's contribution rates increased from 11.3 percent of pay to 11.8 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City contributions to the PEPFF for the year ended December 31, 2020 were \$887,315. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

The City reported amounts for pension expense in the statement of activities, as well as deferred outflows, deferred inflows, and net pension liability in the statement of net position associated with various plans as follows:

Pension Plan	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability
PERA - GERP	\$ 441,092	\$ 739,813	\$ 322,712	\$ 7,434,368
PERA - PEPFF	713,552	3,048,838	4,048,434	5,806,261
PERA - PEDCP	1,623	-	-	-
Fire Relief Association	156,821	287,422	468,944	-
Central Pension Fund	48,624	-	-	-
Total	<u>\$ 1,361,712</u>	<u>\$ 4,076,073</u>	<u>\$ 4,840,090</u>	<u>\$ 13,240,629</u>

1. GERP PENSION COSTS

At December 31, 2020, the City reported a liability of \$7,434,368 for its proportionate share of the GERP's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2020. The State of Minnesota is considered a nonemployer contributing entity and their contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$229,207. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion was 0.1240 percent which was an increase of 0.0051 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City recognized pension expense of \$660,193 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$19,948 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP. Adjustments for deferred inflows and outflows decreased the total amount reported across governmental and business type activities to \$441,092

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

At December 31, 2020, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 65,005	\$ 28,128
Changes in actuarial assumptions	-	269,542
Differences between projected and actual investment earnings	148,293	-
Changes in proportion	211,476	25,042
GERS contributions paid subsequent to the measurement date	315,039	-
Totals	<u>\$ 739,813</u>	<u>\$ 322,712</u>

\$315,039 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2021	\$ (350,610)
2022	61,677
2023	211,381
2024	179,614
Total	<u>\$ 102,062</u>

2. PEPFF PENSION COSTS

At December 31, 2020, the City reported a liability of \$5,806,261 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion was 0.4405 percent which was a decrease of 0.0078 percent from its proportion measured as of June 30, 2019.

The State of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$136,792. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020 the City recognized pension expense of \$1,003,794 for its proportionate share of the Police and Fire Plan's pension expense. Adjustment for deferred inflows and outflows adjusted this amount reported to public safety activities to \$713,552. The City recognized \$42,085 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$39,645 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 256,552	\$ 268,536
Changes in actuarial assumptions	1,895,001	3,624,420
Differences between projected and actual investment earnings	183,529	-
Changes in proportion	269,247	155,478
PEPFF contributions paid subsequent to the measurement date	444,509	-
Totals	<u>\$ 3,048,838</u>	<u>\$ 4,048,434</u>

\$444,509 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2021	\$ (412,255)
2022	(1,534,203)
2023	247,322
2024	264,798
2025	(9,767)
Total	<u>\$ (1,444,105)</u>

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Plan	Police & Fire Plan
Inflation	2.25% per year	2.5% per year
Active Member Payroll Growth	3.00% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

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

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2020. The recommended assumptions for these plans were adopted by the Board and will be effective with the July 1, 2020 actuarial valuations if approved by the state legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.50%	5.10%
International Stocks	17.50%	5.30%
Bonds (Fixed Income)	20.00%	0.75%
Alternative Assets (Private Markets)	25.00%	5.90%
Cash	2.00%	0.00%

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

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

	Sensitivity of Net Pension Liability			
	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	\$ 11,914,712	6.50%	\$ 11,572,715
Current Discount Rate	7.50%	7,434,368	7.50%	5,806,261
1% Higher	8.50%	3,738,443	8.50%	1,035,532

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained by:

Internet:	www.mnpera.org
Phone:	(651) 296-7460
Mail:	60 Empire Drive, #200 St. Paul, MN 55103-2088

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Note 5 DEFINED BENEFIT PENSION PLAN - SINGLE EMPLOYER - FIRE RELIEF ASSOCIATION

A. PLAN DESCRIPTION

The City contributes to the Brooklyn Center Fire Department Relief Association (the Association) which is the administrator of a single employer, public employee defined benefit retirement system to provide a retirement plan (the Plan) to volunteer firefighters of the City who are members of the Association. The Association is organized and operates under the provisions of Minnesota State Statutes 424A, and provides benefits in accordance with those statutes.

At December 31, 2019, the membership of the Association consisted of:

Retirees and beneficiaries currently receiving benefits	14
Terminated employees entitled to benefits but not yet receiving them	15
Active plan participants - vested	8
Active plan participants - non-vested	19
Total	<u>56</u>

The Association issues a financial report that includes financial statements and required supplementary information for the Brooklyn Center Fire Department Relief Association. That report is available at the City of Brooklyn Center City offices.

B. BENEFITS PROVIDED

Basic Service Pension for Retired Members - Upon retirement each individual will receive a lump sum distribution of \$8,500 per year of service. This benefit level was placed into effect on January 1, 2019. Prior to 1998, a monthly benefit level of \$26.50 was available for retirees. The monthly benefit is no longer an option for retiring members. Vested, terminated members, who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time of termination from membership.

Basic Service Pension for Deferred Pensioner - A member who is otherwise qualified for a service pension but who has not reached the age of 50 years may retire from the Fire Department without forfeiting the member's right to such pension. Upon approval of an application therefore, the deferred pensioner shall receive a pension based on the benefit level at that time multiplied by such person's years of active service with the Fire Department and further multiplied by the decimal equivalent of the applicable percentage determined from the following table:

<u>Years of Service</u>	<u>Applicable Percentage</u>
10	60%
11	64
12	68
13	72
14	76
15	80
16	84
17	88
18	92
19	96
20 and beyond	100

C. FUNDING POLICY

The City levies property taxes at the direction of and for the benefit of the Plan and passes through state aids allocated to the Plan, all in accordance with enabling State statutes. The minimum tax levy obligation is the financial contribution requirement for the year less anticipated state aids.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

D. CONTRIBUTIONS

Authority for contributions to the pension plan is established by Minn. Stat. § 69.77 and may be amended only by the Minnesota State Legislature. See 2018 Minn. Laws, ch. 111, art. 5, § 31 to 42 and 80. There are no employee contributions. The City provided no statutory contributions in 2020. The actuary compares the actual statutory contribution rate to a "required" contribution rate. The required contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability, and (c) an allowance for administrative expenses.

E. PENSION COSTS

At December 31, 2020, the City reported an asset of \$947,523 for the difference between the Fire Relief Plan Fiduciary net position and the total pension liability. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Changes in Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at 12/31/19	\$ 2,703,445	\$ 3,405,643	\$ (702,198)
Changes for the year			
Service cost	99,907	-	99,907
Interest	137,983	-	137,983
Changes of benefit terms	164,525	-	164,525
Contributions - State and local	-	165,652	(165,652)
Net investment income	-	503,214	(503,214)
Benefit payments	(350,222)	(350,222)	-
Administrative expenses	-	(21,707)	21,707
Other changes	-	581	(581)
Net changes	52,193	297,518	(245,325)
Balance at 12/31/20	\$ 2,755,638	\$ 3,703,161	\$ (947,523)

Plan Changes since the prior measurement date include the following:

The lump sum benefit amount increased from \$7,700 to \$8,500

At December 31, 2020, the City reported deferred outflows of resources, and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 110,343	\$ 17,076
Difference between expected and actual liability	-	128,077
Difference between projected and actual investment earnings	-	146,712
Contribution paid subsequent to measurement date	177,079	177,079
Totals	\$ 287,422	\$ 468,944

\$177,079 reported as deferred outflows of resources related to pensions resulting from state aid received subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Deferred inflows of resources totaling \$177,079 related to state aid received subsequent to the measurement date will be recognized for its impact on the net pension liability in the year ended December 31, 2021.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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

Year Ended December 31,	Pension Expense Amount
2021	\$ (32,730)
2022	(67,508)
2023	14,291
2024	(80,190)
2026	(12,213)
Thereafter	(3,172)
Total	<u>\$ (181,522)</u>

F. ACTUARIAL ASSUMPTIONS

The Association is funded with contributions from the City of Brooklyn Center. The actuarially determined contributions in the Schedule of Contributions are calculated as of the beginning of the fiscal year in which contributions were reported.

The following methods and assumptions were used to calculate the actuarially determined contributions reported in the most recent fiscal year end.

- The most recent actuarial valuation date is January 1, 2019.
- Actuarial cost is determined using the Entry Age Normal Cost Method.
- The actuarial value of assets is market value.
- The unfunded accrued liability is amortized using a 20-year rolling end date.
- Investment rate of return is 5.25 percent.
- The inflation rate assumption is 2.50 percent.
- Mortality assumptions for pre-retirement, post-retirement, and post-disability are:

Pre-retirement:	RP-2014 employee generational mortality table projected with mortality improvement scale MP-2017, from a base year of 2006.
Post-retirement:	RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2017 from a base year of 2006. Male rates are adjusted by a factor of .96.
Post-disability:	RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2017 from a base year of 2006. Male rates are adjusted by a factor of .96.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	45.00%	4.76%	7.26%
International Equity	15.00%	5.41%	7.91%
Fixed Income	30.00%	2.01%	4.51%
Real Estate and Alternatives	0.00%	4.53%	7.03%
Cash and Equivalents	10.00%	0.74%	3.24%
Total	100.00%		6.58%
Reduced for assumed investment expense			-1.40%
Net assumed investment return (weighted average rounded to 1/4%)			5.25%

G. DISCOUNT RATE

The discount rate used to measure the total pension liability was 5.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Association's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. PENSION LIABILITY (ASSET) SENSITIVITY

The following presents the net pension asset calculated using the discount rate of 5.25 percent, as well as what the net pension (asset)/liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.25 percent) or one percentage-point higher (6.25 percent) than the current rate:

City's Proportionate Share of the Net Pension (Asset) Liability	4.25% One Point Decrease	5.25% Current Rate	6.25% One Point Increase
Net Pension (Asset)/Liability	\$ (853,630)	\$ (947,523)	\$ (1,035,823)

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Note 6 MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

City employees belonging to International Union of Operating Engineers (IUOE) are participants in a multiple-employer defined benefit pension plan Central Pension Fund of the International Union of Operating Engineers and Participating Employers (CPF) administered by the Board of Trustees of the Central Pension Fund. The plan is a cost-sharing pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employers that are not state or local governmental employers, and has no predominant state or local government employer. The Plan issues a publicly available financial report located on their website at www.cpfuoe.org.

The City has 26 employees who are covered by this pension plan. The plan provides benefits such as monthly retirement income, special and early retirement benefits, post-retirement surviving spouse benefits, pre-retirement surviving spouse benefits, and disability benefits. The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, 356.24, subdivision 1(9). The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.

The City's contributions to the plan are pursuant to a collective bargaining agreement with the IUOE which expires December 31, 2021. The required contribution rate is \$0.96 per hour, which is applied to all compensated hours, and capped at \$5,000 per year. Total employer contributions for the year ended December 31, 2020 were \$48,624. With regard to withdrawal from the pension plan, the parties agree that the amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as pre-tax employer contributions.

Note 7 DEFINED CONTRIBUTION PLAN

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

The defined contribution plan consists of individual accounts paying a lump-sum benefit, plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota Statutes, Chapter 353(D.03), specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (.0025%) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during fiscal year 2020 were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees & Employers	
	Employee	Employer	Employee	Employer	Employee	Employer
December 31, 2020	\$ 1,623	\$ 1,623	5.0%	5.0%	5.0%	5.0%

Note 8 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

B. Benefits Provided

Retirees

The City is required by State Statute to allow retirees 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. Former employees who are receiving, or who have met age and service requirements to receive, an annuity from a Minnesota public pension plan and those receiving a disability benefit from such a plan are immediately eligible to participate in this Plan. Retirees may obtain dependent coverage if the employee received dependent coverage immediately before leaving employment. Covered spouses may continue coverage after the death of a retiree. In addition, the surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay the premium as described below:

Employees hired before January 1, 1992 with continuous full-time employment

Employees who, on the date of their retirement, meet eligibility requirement for a full retirement annuity under PERA or PERA Police without reduction of benefits because of age, disability, or any other reason for reduction shall be eligible for the City to pay 100% of the single-person premium until such time as the retiree is eligible for Medicare or at age 65, whichever is sooner. If the retiree desires to continue coverage in excess of single coverage, the additional cost for the coverage shall be paid to the City by the retiree on a monthly basis.

Employees hired after January 1, 1992

The retiree is required to pay 100% of their 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, they are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees.

Disabled police and firefighter

The City is required to continue to pay the employer's contribution toward health coverage for police or firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability.

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$131,937.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

D. Membership

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

Retirees and beneficiaries receiving benefits	14
Active plan members	163
Total members	177

E. Total OPEB Liability of the City

The City's total OPEB liability of \$2,451,494 as of year-end was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2020.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.74%
20-year municipal bond yield	2.74%
Inflation rate	2.00%
Salary increases	3.25%
Medical trend rate	7.67% grading to 5.00% over 8 years

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

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 2.74 percent, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date. The City discount rate used in the prior measurement date was 4.09 percent.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The mortality rates used in the previous study were based on the RP-2014 adjusted to 2006 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (Blue Collar Tables for Police and Fire Personnel). Medical trend rates were also changed from the previous study to better anticipate short-term and long-term medical increases.

Future retirees electing coverage is assumed to be 55 percent for employees. Spouses of Coordinated Plan participants is assumed to be 40% electing coverage and spouses of Police & Fire Fund participants is assumed to be 60%.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2020	\$ 2,038,900
Changes for the year	
Service cost	114,736
Interest	85,818
Differences between expected and actual experience	45,132
Changes of assumptions	277,698
Benefit payments	(110,790)
Total net changes	<u>412,594</u>
Ending balance – December 31, 2020	<u>\$ 2,451,494</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.09 percent to 2.74 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

H. Total OPEB Liability Sensitivity to Discount and Health-Care Trend Rate Changes

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

	1% Decrease	Current Discount Rate	1% Increase
OPEB Discount Rate	1.74%	2.74%	3.74%
Total OPEB Liability	\$ 2,688,402	\$ 2,451,494	\$ 2,241,541

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Medical Trend Rate	1% Increase
Medical Trend Rate	6.67 to 4.00% over 8 years	7.67 to 5.00% over 8 years	8.67 to 6.00% over 8 years
Total OPEB Liability	\$ 2,174,590	\$ 2,451,494	\$ 2,783,035

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$240,933. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 284,406	\$ 82,111
Difference between expected and actual economic experience	125,192	-
Contribution paid subsequent to measurement date	131,937	-
Totals	<u>\$ 541,535</u>	<u>\$ 82,111</u>

A total of \$131,937 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021.

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

Year Ended December 31,	OPEB Expense Amount
2021	\$ 40,379
2022	40,379
2023	40,379
2024	40,379
2025	40,379
Thereafter	125,592
Total	<u>\$ 327,487</u>

Note 9 OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Property and casualty insurance is provided through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities: general liability, property, automobile, mobile property and marine, crime, employee dishonesty, boiler, and open meeting law. The City pays an annual insurance premium to the LMCIT for its insurance coverage. The City is subject to supplemental assessments if deemed necessary by the LMCIT. Currently, the LMCIT is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

Workers' compensation coverage is provided through a pooled self-insurance program through the 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 Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation is retroactively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

There were no significant changes in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

B. ARBITRAGE REBATE

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. The City issued greater than \$5 million of bonds in subsequent years and therefore is required to rebate excess investment income relating to these issues to the federal government. The extent of the City's liability for arbitrage rebates on the remaining bond issues is not determinable at this time. However, in the opinion of management, any such liability would be immaterial.

C. LITIGATION

The City is subject to certain legal claims in the normal course of business. Management does not expect the resolution of these claims will have a material impact on the City's financial condition or results of operations.

D. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

The City has several agreements with other entities that provide reduced costs, better service, and additional benefits to the participants. The programs in which the City participates are listed below and amounts recorded within the current year's financial statements are disclosed.

Local Government Information Systems Association (LOGIS)

This consortium of approximately 30 government entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of its board, and the Consortium is fiscally independent of the City. The total amount recorded within the 2020 financial statements of the City is \$1,101,229 for general services and application upgrades provided. Costs were allocated to the various funds based on applications and/or use of services. Complete financial statements for LOGIS may be obtained at the LOGIS offices located at 5750 Duluth Street, Golden Valley, Minnesota 55422.

LOGIS Insurance Group

This group provides cooperative purchasing of health and life insurance benefits for approximately 45 governmental entities. The total of 2020 health and life insurance costs paid by the City was \$1,876,463. Complete financial statements may be obtained from Gallagher Benefit Services, Inc. located at 3600 American Blvd West, Bloomington, MN 55431.

The Brooklyn Center Fire Department Relief Association (the Association)

The Association is organized as a nonprofit organization, legally separate from the City, by its members to provide pension and other benefits to members in accordance with Minnesota Statutes. Its board of directors is elected by the membership of the Association and not by the City Council. The Association issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota Statutes, whereby state aids flow to the Association, tax levies are determined by the Association and are only reviewed by the City. The Association pays benefits directly to its members. The Association may certify tax levies to Hennepin County directly if the City does not carry out this function. Because the Association is fiscally independent of the City, the financial information of the Association has not been included within the City's financial statements. (See Note 5 for disclosures relating to the pension plan operated by the Association.) Complete financial statements for the Association may be obtained at the City offices located at 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

E. TAX ABATEMENTS

The City entered into a property tax abatement with Hurlbut-Zeppa Charitable Trust AR under Minnesota Statute 469.1813. Under the Statute the City may grant a prospective property tax abatement if (1) it expects the benefits to the City of the abatement agreement to at least equal the costs of the proposed agreement or intends the abatement to phase in a property tax increase and (2) it finds that doing so is in the public interest. The abatement increased the City's tax base and provided employment opportunities within the City.

For the year ended December 31, 2020, the City abated \$101,575 of property taxes to Hurlbut-Zeppa Charitable Trust AR for the construction and opening of the Embassy Suites Hotel. The abatement is equal to the City's portion of increased property taxes paid on the increased market value of the development of the property for payable years 2010 to 2019.

F. SUBSEQUENT EVENT

The City is exposed to numerous liabilities subsequent to year end resulting from an Officer involved shooting that received national media attention. These include potential settlements with the victim's family, security costs to prevent the destruction of police headquarters by protestors, and potential lawsuits involving the dismissal of employees without due process. The results of these items cannot be estimated at this time and no potential liabilities have been recorded as of year end.

CITY OF BROOKLYN CENTER, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2020

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 114,736	\$ 143,059	\$ 130,096
Interest	85,818	71,986	71,659
Differences between expected and actual experience	45,132	43,355	73,751
Changes of assumptions	277,698	(103,957)	51,929
Benefit payments	(110,790)	(130,222)	(156,791)
Net change in total OPEB liability	412,594	24,221	170,644
Total OPEB liability - beginning of year	2,038,900	2,014,679	1,844,035
Total OPEB liability - end of year	\$ 2,451,494	\$ 2,038,900	\$ 2,014,679
Covered payroll	\$ 12,599,989	\$ 12,122,568	\$ 11,524,587
Total OPEB liability as a percentage of covered payroll	19.46%	16.82%	17.48%

Note 1: 2020 Changes in Actuarial Assumptions
The discount rate was changed from 4.09 percent to 2.74 percent.
The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

2019 Changes in Actuarial Assumptions
The discount rate was changed from 3.44 percent to 4.09 percent.

2018 Changes in Actuarial Assumptions
The health care trend rates were changed to better anticipate short-term and long-term medical increases.
The mortality table was updated from RP-2014 adjusted to 2006 to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
The actuarial cost method was changed from entry age, level dollar to entry age, level percent of pay as prescribed by GASB 75.
The discount rate was changed from 4.50 percent to 3.44 percent.

Note 2: The City implemented GASB Statement No. 75 for the year ended December 31, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a -b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2020	\$ 649,561	\$ 649,561	\$ -	\$ 8,660,814	7.50%
December 31, 2019	651,633	651,633	-	8,688,397	7.50%
December 31, 2018	612,983	612,983	-	8,173,316	7.50%
December 31, 2017	572,442	572,442	-	7,634,297	7.50%
December 31, 2016	550,846	550,846	-	7,344,613	7.50%
December 31, 2015	564,168	564,168	-	7,522,240	7.50%

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

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



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CITY OF BROOKLYN CENTER, MINNESOTA

SCHEDULE OF CITY'S AND NON-EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY

PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND

Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Assets)	Employer's proportionate share of the State of Minnesota's proportionate share of the Net Pension Liability	Proportionate share of the Net Pension Liability and the Employer's share of the State of Minnesota's Share of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2020	0.1240%	\$ 7,434,368	\$ 229,207	\$ 7,663,575	\$ 8,843,395	84.07%	79.10%
June 30, 2019	0.1189%	6,573,715	204,324	6,778,039	8,411,938	78.15%	80.23%
June 30, 2018	0.1194%	6,623,822	217,244	6,841,066	7,892,915	83.92%	79.50%
June 30, 2017	0.1201%	7,667,105	96,388	7,763,493	7,735,587	99.11%	75.90%
June 30, 2016	0.1172%	9,516,060	124,251	9,640,311	7,269,667	130.90%	68.91%
June 30, 2015	0.1243%	6,441,872	-	6,441,872	7,303,595	88.20%	78.20%

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

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

2020 Changes in Plan Provisions

Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2020 Changes in Actuarial Assumptions

The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.

Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.

The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

The assumed spouse age difference was changed from two years older for females to one year older.

The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%.

The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%.

The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 Changes in Plan Provisions

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

2019 Changes in Actuarial Assumptions

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

2018 Changes in Plan Provisions

The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Contribution stabilizer provisions were repealed

Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2015 to MP-2017

The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes in Plan Provisions

The State's contribution for the Minneapolis Employees Retirement Fund equals \$16 million in 2017 and 2018 and \$6 million thereafter

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

2017 Changes in Actuarial Assumptions

The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60.0 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.0 percent for vested deferred member liability, and 3.0 percent for nonvested deferred member liability.

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044, and 2.5 percent per year thereafter.

2016 Changes in Actuarial Assumptions

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035, and 2.5 percent per year thereafter, to 1.0 percent per year for all years.

The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.

Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by .25 percent to 3.25 percent for payroll growth, and 2.5 percent for inflation.

2015 Changes in Plan Provisions

On January 1, 2015, the Minneapolis Employees Retirement Fund was merged in the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

2015 Changes in Actuarial Assumptions

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

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
PUBLIC EMPLOYEES POLICE AND FIRE FUND
Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a -b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2020	\$ 887,315	\$ 887,315	\$ -	\$ 5,013,084	17.70%
December 31, 2019	818,676	818,676	-	4,829,945	16.95%
December 31, 2018	761,952	761,952	-	4,703,405	16.20%
December 31, 2017	720,865	720,865	-	4,449,784	16.20%
December 31, 2016	689,601	689,601	-	4,256,796	16.20%
December 31, 2015	687,935	687,935	-	4,246,511	16.20%

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

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



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CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY'S AND NONEMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES POLICE & FIRE FUND
Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Assets)	Employer's proportionate share of the State of Minnesota's proportionate share of the Net Pension Liability	Proportionate share of the Net Pension Liability and the Employer's share of the State of Minnesota's Share of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2020	0.4405%	\$ 5,806,261	\$ 136,792	\$ 5,943,053	\$ 4,970,710	116.81%	87.20%
June 30, 2019	0.4483%	4,772,607	-	4,772,607	4,729,530	100.91%	89.30%
June 30, 2018	0.4330%	4,615,334	-	4,615,334	4,549,453	101.45%	88.80%
June 30, 2017	0.4410%	5,954,026	-	5,954,026	4,529,519	131.45%	85.40%
June 30, 2016	0.4290%	17,216,517	-	17,216,517	4,128,855	416.98%	63.90%
June 30, 2015	0.4460%	5,067,604	-	5,067,604	4,031,138	125.71%	86.60%

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

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

2020 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions

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

2018 Changes in Plan Provisions

Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.

An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.

Employer Contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 Changes in Actuarial Assumptions

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

2017 Changes in Actuarial Assumptions

Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

Assumed rates of retirement were changed, resulting in fewer retirements

The Combined Service Annuity (CSA) load was 30 percent for vested and nonvested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for nonvested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.

Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65 percent to 60 percent.

Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities was increased.

The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064, and 2.5 percent thereafter.

The single discount rate changed from 5.6 percent to 7.5 percent per annum.

2016 Changes in Actuarial Assumptions

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037, and 2.5 percent thereafter, to 1.0 percent per year for all future years.

The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate changed from 7.9 percent to 5.6 percent.

The assumed future salary increases, payroll growth, and inflation were decreased by .25 percent to 3.25 percent for payroll growth, and 2.5 percent for inflation.

2015 Changes in Plan Provisions

The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

2015 Changes in Actuarial Assumptions

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

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIO
FIRE RELIEF ASSOCIATION
Required Supplementary Information (Last Ten Years*)

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 99,907	\$ 107,405	\$ 98,240	\$ 120,802	\$ 88,266	\$ 85,904
Interest	137,983	171,057	191,790	174,191	173,219	178,242
Changes in Benefit Terms	164,525	18,251	-	26,709	-	-
Differences Between Expected and Actual Experience	-	(141,409)	-	(75,613)	-	-
Changes of Assumptions	-	52,746	44,974	(50,396)	358,422	-
Benefit Payments	(350,222)	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Net Change in Total Pension Liability	52,193	(536,161)	203,396	59,525	560,891	(353,395)
Total Pension Liability - Beginning of Year	2,703,445	3,239,606	3,036,210	2,976,685	2,415,794	2,769,189
Total Pension Liability - End of Year	2,755,638	2,703,445	3,239,606	3,036,210	2,976,685	2,415,794
Plan Fiduciary Net Position						
Contributions - State and Local	165,652	164,147	154,366	147,002	143,061	158,545
Net Investment Income	503,214	(236,910)	557,117	275,625	(181,185)	149,635
Benefit Payments	(350,222)	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Administrative Expenses	(21,707)	(15,708)	(15,024)	(9,495)	(14,560)	(10,080)
Other	581	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	297,518	(832,682)	564,851	276,964	(111,700)	(319,441)
Plan Fiduciary Net Position - Beginning of Year	3,405,643	4,238,325	3,673,474	3,396,510	3,508,210	3,827,651
Plan Fiduciary Net Position - End of Year	3,703,161	3,405,643	4,238,325	3,673,474	3,396,510	3,508,210
Net Pension Liability (Asset) - End of Year	(947,523)	(702,198)	(998,719)	(637,264)	(419,825)	(1,092,416)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	134.4%	126.0%	130.8%	121.0%	114.1%	145.2%
Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a
Net Pension Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015 (using a December 31, 2014 measurement date).

2020 Changes in Benefit Terms

The lump sum distribution upon retirement per year of service was changed from \$7,700 to \$8,500

2019 Changes in Actuarial Assumptions

The discount rate was changed from 5.75% to 5.25% to reflect updated capital market assumptions.

The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation.

The inflation assumption was updated from 2.75% to 2.50%.

2019 Changes in Benefit Terms

The lump sum distribution upon retirement per year of service was changed from \$7,600 to \$7,700

2018 Changes in Actuarial Assumptions

The discount rate was changed from 6.25% to 5.75% to reflect updated capital market assumptions.

2017 Changes in Actuarial Assumptions

The discount rate was changed from 5.75% to 6.25% to reflect updated capital market assumptions.

2017 Changes in Benefit Terms

The lump sum distribution upon retirement per year of service was changed from \$7,500 to \$7,600

2016 Changes in Actuarial Assumptions

The discount rate was changed from 7.00% to 5.75% to reflect updated capital market assumptions.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
FIRE RELIEF ASSOCIATION
Required Supplementary Information (Last Ten Years)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ 67,773	\$ 85,089	\$ 85,089	\$ 71,203	\$ 101,453	\$ 101,453	\$ 111,463	\$ 111,463	\$ 135,929	\$ 183,928
Contributions in Relation to the										
Actuarially Determined Contribution	170,652	159,147	154,366	147,002	143,061	158,545	134,340	151,503	101,119	165,697
Contribution Deficiency (Excess)	(102,879)	(74,058)	(69,277)	(75,799)	(41,608)	(57,092)	(22,877)	(40,040)	34,810	18,231
Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of										
Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Straight-line amortization over a closed 5-year period
Remaining amortization period	5 years
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	5.25% compounded annually
Retirement age	Members are assumed to retire at the later of age 50 or 20 years of service
Mortality	Based on RP-2014 Annuitant Mortality Table

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
INTERNATIONAL UNION OF OPERATING ENGINEERS CENTRAL PENSION FUND
Required Supplementary Information (Last Ten Years)



<u>Fiscal Year Ending</u>	<u>Required Contributions</u>
December 31, 2020	\$ 48,624
December 31, 2019	53,912
December 31, 2018	51,152
December 31, 2017	50,782
December 31, 2016	51,410
December 31, 2015	51,699
December 31, 2014	51,868
December 31, 2013	52,046
December 31, 2012	51,636
December 31, 2011	50,603



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CITY OF BROOKLYN CENTER, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS

A special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Housing and Redevelopment Authority (HRA)

This fund was established to account for housing and redevelopment projects within the City of Brooklyn Center. The HRA has the authority to levy an ad-valorem property tax levy, which is the primary funding source for the expenditures from this fund. Annually, the cash balance at the end of the year is transferred into the EDA fund.

Economic Development Authority (EDA)

This fund was established to account for the development related activities in the City of Brooklyn Center. The EDA generates the funding to accomplish the development projects from grants, excess funding from the HRA property tax levy, or from transfers from other funds of the City.

Community Development Block Grant

This fund was established to account for the collection of grant funding for related projects within the City. During the year, the City received grant funding through the Neighborhood Stabilization Program, which is for the acquisition of run-down properties, the improvement of said properties, and then marketing them to the public.

Police Forfeitures

This fund was established to account for the proceeds from property seized by Police Department personnel.

Revolving Loan

This fund was established to account for the proceeds and disbursement of revolving loan funds granted from the Minnesota Investment Fund.

Centerbrook Golf

The Centerbrook Golf fund accounts for operations of Centerbrook Golf Course, a 9 hole executive golf course owned by the City.

Tax Increment District No. 2

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District, which consisted of the redevelopment of the properties historically referred to as the Earle Brown Farm.

Tax Increment District No. 4

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District, which consisted of soil remediation projects within the France Avenue Business Park.

Tax Increment District No. 5

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District, which consisted of the redevelopment of the former Brookdale mall site, which is now called Shingle Creek Crossing.

Tax Increment District No. 6

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District.

Tax Increment District No. 7

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District.

Tax Increment District No. 8

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities within the District.

City Initiative Grants

Revenues and expenditures from grants received from outside entities are accounted for in the fund. The Police Department receive several federal, state and other local grants, which are accounted for here. Other activities include grant funding for local recreation programs and cable television.

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal, interest and other charges related to long-term debt.

General Obligation Improvement Bonds, 2013B

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2024.

General Obligation Improvement Bonds, 2015A

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2026.

General Obligation Improvement Bonds, 2016A

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2027.

General Obligation Improvement Bonds, 2017A

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2028.

General Obligation Improvement Bonds, 2018A

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2029.

General Obligation Improvement Bonds, 2019A

This fund was established to accumulate collections of special assessments which were levied on the property owners who benefited from the improvements that were constructed with the proceeds of this bond. This bond has a final maturity date of February 1, 2030.

Tax Increment Bonds, 2016C

This fund was established to account for the collection of tax-increment generated revenues, which are annually transferred from Tax Increment District No. 5 fund. This bond was issued to finance various redevelopment projects within the City. This bond has a final maturity date of February 1, 2023.

Tax Increment Bonds, 2016B

This fund was established to account for the collection of tax-increment generated revenues, which are annually transferred from Tax Increment District No. 5 fund. This bond was issued to finance various redevelopment projects within the City. This bond has a final maturity date of February 1, 2029.

Tax Increment Refunding Bonds, 2015B

This fund was established to account for the collection of tax-increment generated revenues, which are annually transferred from Tax Increment District No. 3 fund. The bond was issued to refund the maturities of the Tax Increment Bonds, 2004D. This original bond was issued to finance various redevelopment projects within the City. This bond has a final maturity date of February 1, 2020.

Tax Increment Bonds, 2013A

This fund was established to account for the collection of tax-increment generated revenues, which are annually transferred from Tax Increment District No. 3 fund. This bond was issued to finance various redevelopment projects within the City. This bond has a final maturity date of February 1, 2022.

CITY OF BROOKLYN CENTER, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Reserve Emergency

This fund was established to account for monies held in reserve for catastrophic losses or unforeseen capital items.

Technology

This fund was established to provide funds and to account for the expenditure of such funds, for technological improvements/renovations.

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue	Capital Project	Total Nonmajor Governmental
ASSETS			
Cash and investments	\$ 3,785,923	\$ 1,528,108	\$ 5,314,031
Receivables:			
Accounts - net	7	-	7
Current taxes	2,857	-	2,857
Due from other governments	30,851	-	30,851
Inventory	799	-	799
Prepaid items	902	-	902
Notes receivable	59,216	-	59,216
Advances to other funds	356,954	-	356,954
Assets held for resale	434,978	-	434,978
Total assets	<u>\$ 4,672,487</u>	<u>\$ 1,528,108</u>	<u>\$ 6,200,595</u>
LIABILITIES			
Accounts payable	\$ 142,248	\$ 10,248	\$ 152,496
Accrued salaries and wages	13,533	-	13,533
Due to other funds	204,852	-	204,852
Due to other governments	39,577	-	39,577
Deposits payable	14,419	-	14,419
Advances from other funds	356,954	-	356,954
Total liabilities	<u>771,583</u>	<u>10,248</u>	<u>781,831</u>
FUND BALANCES			
Nonspendable			
Inventory	799	-	799
Prepaid items	902	-	902
Restricted			
Tax increment financing	2,027,902	-	2,027,902
Economic development	1,865,614	-	1,865,614
Law enforcement enhancements	11,158	-	11,158
Committed			
Public safety	8,112	-	8,112
Cable communications	124,159	-	124,159
Community recreation	78,475	-	78,475
Emergency capital improvements	-	1,171,730	1,171,730
Technology improvements	-	346,130	346,130
Unassigned	(216,217)	-	(216,217)
Total fund balances	<u>3,900,904</u>	<u>1,517,860</u>	<u>5,418,764</u>
Total liabilities and fund balances	<u>\$ 4,672,487</u>	<u>\$ 1,528,108</u>	<u>\$ 6,200,595</u>

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Special Revenue	Capital Project	Total Nonmajor Governmental
REVENUES			
Property taxes	\$ 405,209	\$ -	\$ 405,209
Tax increments	1,195,244	-	1,195,244
Intergovernmental	548,844	58,193	607,037
Charges for services	293,840	-	293,840
Fines and forfeits	640	-	640
Investment earnings (net of market value adjustment)	84,185	33,638	117,823
Miscellaneous	32,987	-	32,987
Total revenues	<u>2,560,949</u>	<u>91,831</u>	<u>2,652,780</u>
EXPENDITURES			
Current:			
General government	-	232,689	232,689
Public safety	121,488	-	121,488
Parks and recreation	328,679	-	328,679
Economic development	1,004,838	-	1,004,838
Capital outlay:			
Public safety	51,889	-	51,889
Total expenditures	<u>1,506,894</u>	<u>232,689</u>	<u>1,739,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,054,055</u>	<u>(140,858)</u>	<u>913,197</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,051,410	125,000	1,176,410
Transfers out	(761,295)	-	(761,295)
Total other financing sources (uses)	<u>290,115</u>	<u>125,000</u>	<u>415,115</u>
Net change in fund balance	1,344,170	(15,858)	1,328,312
Fund balances - January 1	<u>2,556,734</u>	<u>1,533,718</u>	<u>4,090,452</u>
Fund balances - December 31	<u>\$ 3,900,904</u>	<u>\$ 1,517,860</u>	<u>\$ 5,418,764</u>

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2020

	Housing and Redevelopment Authority	Economic Development Authority	Community Development Block Grant	Police Forfeitures	Revolving Loan	Centerbrook Golf
ASSETS						
Cash and investments	\$ -	\$ 1,793,279	\$ 72,376	\$ 25,577	\$ 17,455	\$ 46
Receivables:						
Accounts - net	-	-	-	-	-	7
Current taxes	2,857	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	799
Prepaid items	-	902	-	-	-	-
Notes receivable	-	-	-	-	59,216	-
Advances to other funds	-	-	-	-	-	-
Assets held for resale	-	12,000	-	-	-	-
Total assets	<u>\$ 2,857</u>	<u>\$ 1,806,181</u>	<u>\$ 72,376</u>	<u>\$ 25,577</u>	<u>\$ 76,671</u>	<u>\$ 852</u>
LIABILITIES						
Accounts payable	\$ -	\$ 50,158	\$ -	\$ -	\$ -	\$ 3,872
Accrued salaries and wages	-	5,881	-	-	-	3,175
Due to other funds	-	-	-	-	-	192,352
Due to other governments	-	-	-	-	35,530	367
Deposits payable	-	-	-	14,419	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>56,039</u>	<u>-</u>	<u>14,419</u>	<u>35,530</u>	<u>199,766</u>
FUND BALANCES (DEFICITS)						
Nonspendable						
Inventory	-	-	-	-	-	799
Prepaid items	-	902	-	-	-	-
Restricted						
Tax increment financing	-	-	-	-	-	-
Economic development	2,857	1,749,240	72,376	-	41,141	-
Law enforcement enhancements	-	-	-	11,158	-	-
Committed						
Public safety	-	-	-	-	-	-
Cable communications	-	-	-	-	-	-
Community recreation	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(199,713)
Total fund balances (deficits)	<u>2,857</u>	<u>1,750,142</u>	<u>72,376</u>	<u>11,158</u>	<u>41,141</u>	<u>(198,914)</u>
Total liabilities and fund balances	<u>\$ 2,857</u>	<u>\$ 1,806,181</u>	<u>\$ 72,376</u>	<u>\$ 25,577</u>	<u>\$ 76,671</u>	<u>\$ 852</u>

Tax Increment District No. 2	Tax Increment District No. 4	Tax Increment District No. 5	Tax Increment District No. 6	Tax Increment District No. 7	Tax Increment District No. 8	City Initiative Grants	Total Nonmajor Special Revenue
\$ 932,394	\$ 961	\$ 547,262	\$ 83,787	\$ 127,232	\$ -	\$ 185,554	\$ 3,785,923
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	2,857
-	-	-	-	-	-	30,851	30,851
-	-	-	-	-	-	-	799
-	-	-	-	-	-	-	902
-	-	-	-	-	-	-	59,216
356,954	-	-	-	-	-	-	356,954
422,978	-	-	-	-	-	-	434,978
<u>\$ 1,712,326</u>	<u>\$ 961</u>	<u>\$ 547,262</u>	<u>\$ 83,787</u>	<u>\$ 127,232</u>	<u>\$ -</u>	<u>\$ 216,405</u>	<u>\$ 4,672,487</u>
\$ -	\$ -	\$ -	\$ 87,036	\$ -	\$ -	\$ 1,182	\$ 142,248
-	-	-	-	-	-	4,477	13,533
-	-	-	-	-	12,500	-	204,852
-	961	1,247	755	717	-	-	39,577
-	-	-	-	-	-	-	14,419
-	-	356,954	-	-	-	-	356,954
-	961	358,201	87,791	717	12,500	5,659	771,583
-	-	-	-	-	-	-	799
-	-	-	-	-	-	-	902
1,712,326	-	189,061	-	126,515	-	-	2,027,902
-	-	-	-	-	-	-	1,865,614
-	-	-	-	-	-	-	11,158
-	-	-	-	-	-	8,112	8,112
-	-	-	-	-	-	124,159	124,159
-	-	-	-	-	-	78,475	78,475
-	-	-	(4,004)	-	(12,500)	-	(216,217)
<u>1,712,326</u>	<u>-</u>	<u>189,061</u>	<u>(4,004)</u>	<u>126,515</u>	<u>(12,500)</u>	<u>210,746</u>	<u>3,900,904</u>
<u>\$ 1,712,326</u>	<u>\$ 961</u>	<u>\$ 547,262</u>	<u>\$ 83,787</u>	<u>\$ 127,232</u>	<u>\$ -</u>	<u>\$ 216,405</u>	<u>\$ 4,672,487</u>

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	Housing and Redevelopment Authority	Economic Development Authority	Community Development Block Grant	Police Forfeitures	Revolving Loan	Centerbrook Golf
REVENUES						
Property taxes	\$ 405,209	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	-	-	-	-
Intergovernmental	-	395,702	-	-	-	1,964
Charges for services	-	-	-	-	-	292,009
Fines and forfeits	-	-	-	640	-	-
Investment earnings (net of market value adjustment)	-	37,721	-	1,071	335	537
Miscellaneous	-	20,670	-	-	-	-
Total revenues	<u>405,209</u>	<u>454,093</u>	<u>-</u>	<u>1,711</u>	<u>335</u>	<u>294,510</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	5,136	-	-
Parks and recreation	-	-	-	-	-	322,533
Economic development	-	705,483	-	-	-	-
Capital outlay:						
Public safety	-	-	-	51,889	-	-
Total expenditures	<u>-</u>	<u>705,483</u>	<u>-</u>	<u>57,025</u>	<u>-</u>	<u>322,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>405,209</u>	<u>(251,390)</u>	<u>-</u>	<u>(55,314)</u>	<u>335</u>	<u>(28,023)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	404,462	-	-	-	85,000
Transfers out	(404,462)	-	-	-	-	-
Total other financing sources (uses)	<u>(404,462)</u>	<u>404,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
Net change in fund balance	747	153,072	-	(55,314)	335	56,977
Fund balances (deficits) - January 1	<u>2,110</u>	<u>1,597,070</u>	<u>72,376</u>	<u>66,472</u>	<u>40,806</u>	<u>(255,891)</u>
Fund balances (deficits) - December 31	<u>\$ 2,857</u>	<u>\$ 1,750,142</u>	<u>\$ 72,376</u>	<u>\$ 11,158</u>	<u>\$ 41,141</u>	<u>\$ (198,914)</u>

Tax Increment District No. 2	Tax Increment District No. 4	Tax Increment District No. 5	Tax Increment District No. 6	Tax Increment District No. 7	Tax Increment District No. 8	City Initiative Grants	Total Nonmajor Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,209
-	362,217	531,096	178,535	123,396	-	-	1,195,244
-	-	-	-	-	-	151,178	548,844
-	-	-	-	-	-	1,831	293,840
-	-	-	-	-	-	-	640
19,125	4,080	14,583	886	2,086	-	3,761	84,185
5,932	6,157	-	-	-	-	228	32,987
<u>25,057</u>	<u>372,454</u>	<u>545,679</u>	<u>179,421</u>	<u>125,482</u>	<u>-</u>	<u>156,998</u>	<u>2,560,949</u>
-	-	-	-	-	-	116,352	121,488
-	-	-	-	-	-	6,146	328,679
6,926	38,504	34,999	188,081	30,845	-	-	1,004,838
-	-	-	-	-	-	-	51,889
<u>6,926</u>	<u>38,504</u>	<u>34,999</u>	<u>188,081</u>	<u>30,845</u>	<u>-</u>	<u>122,498</u>	<u>1,506,894</u>
18,131	333,950	510,680	(8,660)	94,637	-	34,500	1,054,055
-	561,948	-	-	-	-	-	1,051,410
-	-	(356,833)	-	-	-	-	(761,295)
-	<u>561,948</u>	<u>(356,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,115</u>
18,131	895,898	153,847	(8,660)	94,637	-	34,500	1,344,170
1,694,195	(895,898)	35,214	4,656	31,878	(12,500)	176,246	2,556,734
<u>\$ 1,712,326</u>	<u>\$ -</u>	<u>\$ 189,061</u>	<u>\$ (4,004)</u>	<u>\$ 126,515</u>	<u>\$ (12,500)</u>	<u>\$ 210,746</u>	<u>\$ 3,900,904</u>

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2020

	Capital Reserve Emergency	Technology	Total Nonmajor Capital Projects
ASSETS			
Cash and investments	\$ 1,171,730	\$ 356,378	\$ 1,528,108
LIABILITIES			
Accounts payable	-	10,248	10,248
FUND BALANCES			
Committed			
Emergency capital improvements	1,171,730	-	1,171,730
Technology improvements	-	346,130	346,130
Total fund balances	1,171,730	346,130	1,517,860
Total liabilities and fund balances	\$ 1,171,730	\$ 356,378	\$ 1,528,108

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2020

	Capital Reserve Emergency	Technology	Total Nonmajor Capital Projects
REVENUES			
Intergovernmental	\$ -	\$ 58,193	\$ 58,193
Investment earnings (net of market value adjustment)	26,975	6,663	33,638
Total revenues	<u>26,975</u>	<u>64,856</u>	<u>91,831</u>
EXPENDITURES			
Current:			
General government	<u>-</u>	<u>232,689</u>	<u>232,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,975</u>	<u>(167,833)</u>	<u>(140,858)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Net change in fund balance	26,975	(42,833)	(15,858)
Fund balances - January 1	<u>1,144,755</u>	<u>388,963</u>	<u>1,533,718</u>
Fund balances - December 31	<u>\$ 1,171,730</u>	<u>\$ 346,130</u>	<u>\$ 1,517,860</u>

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

Page 1 of 5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes:				
Property taxes	\$ 18,349,805	\$ 18,349,805	\$ 18,227,466	\$ (122,339)
Penalties and interest	18,052	18,052	11,445	(6,607)
Lodging tax	1,180,000	1,180,000	561,602	(618,398)
Total taxes	19,547,857	19,547,857	18,800,513	(747,344)
Special assessments	50,000	50,000	63,154	13,154
Licenses and permits:				
Liquor and beer licenses	52,800	52,800	44,525	(8,275)
Building permits	550,000	550,000	406,567	(143,433)
Mechanical permits	85,000	85,000	71,123	(13,877)
Sewer and water permits	3,500	3,500	2,440	(1,060)
Plumbing permits	75,000	75,000	133,209	58,209
Garbage licenses	3,290	3,290	2,770	(520)
Mechanical licenses	9,000	9,000	9,345	345
Service station licenses	2,190	2,190	2,230	40
Vehicle dealer licenses	1,500	1,500	1,500	-
Cigarette licenses	2,850	2,850	3,150	300
Sign permits	3,500	3,500	1,558	(1,942)
Rental dwelling licenses	210,246	210,246	195,324	(14,922)
Amusement licenses	515	515	175	(340)
Electrical Permits	65,000	65,000	88,452	23,452
ROW permits	5,000	5,000	23,550	18,550
Miscellaneous licenses and permits	5,610	5,610	6,054	444
Total licenses and permits	1,075,001	1,075,001	991,972	(83,029)
Intergovernmental:				
Federal:				
CARES funding	-	-	1,569,647	1,569,647
State:				
Local government aid	1,059,416	1,059,416	1,066,938	7,522
Police pension aid	408,000	408,000	438,686	30,686
PERA aid	34,365	34,365	-	(34,365)
Fireperson pension aid	160,000	160,000	177,079	17,079
Police training	48,000	48,000	46,105	(1,895)
Other state grants	3,000	3,000	23,714	20,714
Local:				
Miscellaneous grants	101,000	101,000	48,951	(52,049)
Total intergovernmental	1,813,781	1,813,781	3,371,120	1,557,339
Charges for services:				
General government charges	68,900	68,900	86,279	17,379
Public safety charges	95,250	95,250	79,128	(16,122)
Community development fees	33,000	33,000	12,219	(20,781)
Recreation fees	241,000	241,000	43,768	(197,232)
Community Center fees	352,000	352,000	72,104	(279,896)
Total charges for services	790,150	790,150	293,498	(496,652)
Fines and forfeits	246,500	246,500	155,462	(91,038)
Miscellaneous:				
Investment earnings (net of market value change)	125,000	125,000	266,188	141,188
Other	145,700	145,700	156,714	11,014
Total miscellaneous	270,700	270,700	422,902	152,202
Total revenues	23,793,989	23,793,989	24,098,621	304,632

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

Page 2 of 5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
EXPENDITURES				
General government:				
Mayor and council:				
Current:				
Personal services	\$ 56,099	\$ 56,099	\$ 55,997	\$ 102
Supplies	450	450	17	433
Services and other charges	85,660	85,660	81,741	3,919
Total mayor and council	142,209	142,209	137,755	4,454
Administrative (Manager, Clerk, HR) offices:				
Current:				
Personal services	951,794	951,794	859,476	92,318
Supplies	9,250	9,250	3,606	5,644
Services and other charges	146,930	146,930	137,266	9,664
Total administrative office	1,107,974	1,107,974	1,000,348	107,626
Elections and voter registration:				
Current:				
Personal services	147,604	147,604	144,058	3,546
Supplies	8,000	8,000	18,996	(10,996)
Services and other charges	18,550	18,550	17,801	749
Total current	174,154	174,154	180,855	(6,701)
Capital outlay	-	-	752	(752)
Total elections and voter registration	174,154	174,154	181,607	(7,453)
Finance:				
Current:				
Personal services	593,997	593,997	533,863	60,134
Supplies	6,100	6,100	3,417	2,683
Services and other charges	56,484	56,484	53,122	3,362
Total finance	656,581	656,581	590,402	66,179
Assessing				
Current:				
Supplies	200	200	-	200
Services and other charges	210,000	210,000	239,969	(29,969)
Total assessing	210,200	210,200	239,969	(29,769)
Legal:				
Current:				
Services and other charges	435,000	435,000	416,521	18,479
Communications and engagement				
Current:				
Personal services	210,647	210,647	169,665	40,982
Supplies	-	-	3,599	(3,599)
Services and other charges	124,860	124,860	101,891	22,969
Total communications and engagement	335,507	335,507	275,155	60,352
Government buildings:				
Current:				
Personal services	285,835	285,835	270,725	15,110
Supplies	35,850	35,850	96,761	(60,911)
Services and other charges	618,254	618,254	784,761	(166,507)
Total government buildings	939,939	939,939	1,152,247	(212,308)
Information technology:				
Current:				
Personal services	345,025	345,025	341,948	3,077
Supplies	5,700	5,700	12,714	(7,014)
Services and other charges	345,531	345,531	281,346	64,185
Total information technology	696,256	696,256	636,008	60,248
Total general government	4,697,820	4,697,820	4,630,012	67,808

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

Page 3 of 5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (continued):				
Public safety:				
Police protection:				
Current:				
Personal services	\$ 8,035,416	\$ 8,035,416	\$ 7,851,520	\$ 183,896
Supplies	184,850	184,850	175,319	9,531
Services and other charges	1,264,018	1,264,018	1,111,545	152,473
Total police protection	9,484,284	9,484,284	9,138,384	345,900
Fire protection:				
Current:				
Personal services	1,040,302	1,040,302	1,075,414	(35,112)
Supplies	67,300	67,300	60,675	6,625
Services and other charges	449,192	449,192	456,254	(7,062)
Total fire protection	1,556,794	1,556,794	1,592,343	(35,549)
Protective inspection:				
Current:				
Personal services	239,686	239,686	272,511	(32,825)
Supplies	5,000	5,000	293	4,707
Services and other charges	42,400	42,400	77,517	(35,117)
Total protective inspection	287,086	287,086	350,321	(63,235)
Building and community standards				
Current:				
Personal services	1,032,347	1,032,347	932,637	99,710
Supplies	6,800	6,800	9,596	(2,796)
Services and other charges	144,669	144,669	196,612	(51,943)
Total current	1,183,816	1,183,816	1,138,845	44,971
Capital outlay	25,500	25,500	-	25,500
Total building and community standards	1,209,316	1,209,316	1,138,845	70,471
Emergency preparedness:				
Current:				
Supplies	4,500	4,500	43,702	(39,202)
Services and other charges	7,000	7,000	4,099	2,901
Total emergency preparedness	11,500	11,500	47,801	(36,301)
Total public safety	12,548,980	12,548,980	12,267,694	281,286
Public works:				
Engineering department:				
Current:				
Personal services	1,003,332	1,003,332	1,052,592	(49,260)
Supplies	13,325	13,325	2,728	10,597
Services and other charges	63,843	63,843	32,364	31,479
Total engineering department	1,080,500	1,080,500	1,087,684	(7,184)
Street department:				
Current:				
Personal services	865,955	865,955	816,263	49,692
Supplies	153,230	153,230	105,928	47,302
Services and other charges	730,610	730,610	567,160	163,450
Total street department	1,749,795	1,749,795	1,489,351	260,444
Total public works	2,830,295	2,830,295	2,577,035	253,260

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

Page 4 of 5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (continued):				
Community services:				
Social services:				
Current:				
Services and other charges	\$ 187,000	\$ 187,000	\$ 171,344	\$ 15,656
Parks and recreation:				
Administration:				
Current:				
Personal services	249,628	249,628	245,576	4,052
Services and other charges	7,475	7,475	12,369	(4,894)
Total administration	258,903	258,903	274,623	(15,720)
Recreation programs:				
Current:				
Personal services	618,407	618,407	394,951	223,456
Supplies	60,350	60,350	16,287	44,063
Services and other charges	277,113	277,113	109,973	167,140
Total recreation programs	955,870	955,870	521,211	434,659
Community center:				
Current:				
Personal services	429,871	429,871	232,672	197,199
Supplies	35,750	35,750	34,957	793
Services and other charges	206,130	206,130	127,559	78,571
Total community center	671,751	671,751	395,188	276,563
Park maintenance:				
Current:				
Personal services	836,007	836,007	730,091	105,916
Supplies	69,475	69,475	32,572	36,903
Services and other charges	451,293	451,293	428,014	23,279
Total park maintenance	1,356,775	1,356,775	1,190,677	166,098
Total parks and recreation	3,243,299	3,243,299	2,381,699	861,600
Economic development:				
Convention bureau:				
Current:				
Services and other charges	562,900	562,900	266,086	296,814
Community development administration				
Personal services	187,996	187,996	186,943	1,053
Supplies	9,125	9,125	21,416	(12,291)
Services and other charges	66,000	66,000	65,346	654
Total current	263,121	263,121	273,705	(10,584)
Capital outlay	-	-	92,948	(92,948)
Total community development administration	263,121	263,121	366,653	(103,532)
Total economic development	826,021	826,021	632,739	193,282
Nondepartmental:				
Expenditures not charged to departments:				
Current:				
Personal services	(295,000)	(295,000)	-	(295,000)
Supplies	22,500	22,500	7,913	14,587
Services and other charges	671,228	671,228	539,487	131,741
Total nondepartmental	398,728	398,728	547,400	(148,672)
Total expenditures	24,732,143	24,732,143	23,207,923	1,524,220

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

Page 5 of 5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Excess (deficiency) of revenues over (under) expenditures	\$ (938,154)	\$ (938,154)	\$ 890,698	\$ 1,828,852
OTHER FINANCING SOURCES (USES)				
Transfers in - administrative services reimbursed	1,148,154	1,148,154	1,201,027	52,873
Transfers out	(210,000)	(210,000)	(410,374)	(200,374)
Total other financing sources (uses)	938,154	938,154	790,653	(147,501)
Net change in fund balance	-	-	1,681,351	1,681,351
Fund balance - January 1	12,524,217	12,524,217	12,524,217	-
Fund balance - December 31	\$ 12,524,217	\$ 12,524,217	\$ 14,205,568	\$ 1,681,351

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Taxes:			
Property taxes	\$ 405,069	\$ 405,069	\$ 405,209
OTHER FINANCING SOURCES (USES)			
Transfers out	(405,069)	(405,069)	(404,462)
Net change in fund balance	-	-	747
Fund balance - January 1	2,110	2,110	2,110
Fund balance - December 31	\$ 2,110	\$ 2,110	\$ 2,857

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 395,702
Investment earnings (net of market value adjustment)	16,076	16,076	37,721
Miscellaneous	75,000	75,000	20,670
Total revenues	91,076	91,076	454,093
EXPENDITURES			
Current:			
Economic development:			
Personal services	328,531	328,531	172,057
Supplies	2,500	2,500	9,111
Services and other charges	144,057	144,057	524,315
Total expenditures	475,088	475,088	705,483
Excess (deficiency) of revenues over (under) expenditures	(384,012)	(384,012)	(251,390)
OTHER FINANCING SOURCES			
Transfers in	405,069	405,069	404,462
Net change in fund balance	21,057	21,057	153,072
Fund balance - January 1	1,597,070	1,597,070	1,597,070
Fund balance - December 31	\$ 1,618,127	\$ 1,618,127	\$ 1,750,142

CITY OF BROOKLYN CENTER, MINNESOTA**SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT****SCHEDULE OF REVENUES, EXPENDITURES, AND****CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Intergovernmental	\$ 150,000	\$ 150,000	\$ -
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	150,000	150,000	-
Net change in fund balance	-	-	-
Fund balance - January 1	72,376	72,376	72,376
Fund balance - December 31	\$ 72,376	\$ 72,376	\$ 72,376

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - POLICE FORFEITURES
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Fines and forfeitures	\$ 13,000	\$ 13,000	\$ 640
Investment earnings (net of market value adjustment)	1,057	1,057	1,071
Total revenues	<u>14,057</u>	<u>14,057</u>	<u>1,711</u>
EXPENDITURES			
Current:			
Public safety:			
Supplies	12,400	12,400	5,136
Services and other charges	600	600	-
Capital outlay:			
Public safety	-	-	51,889
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>57,025</u>
Net change in fund balance	1,057	1,057	(55,314)
Fund balance - January 1	<u>66,472</u>	<u>66,472</u>	<u>66,472</u>
Fund balance - December 31	<u>\$ 67,529</u>	<u>\$ 67,529</u>	<u>\$ 11,158</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Investment earnings (net of market value adjustment)	\$ -	\$ -	\$ 335
Net change in fund balance	(150,000)	(150,000)	335
Fund balance - January 1	40,806	40,806	40,806
Fund balance - December 31	<u>\$ (109,194)</u>	<u>\$ (109,194)</u>	<u>\$ 41,141</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - CENTERBROOK GOLF COURSE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 1,964
Charges for services	239,250	239,250	292,009
Investment earnings	-	-	537
Miscellaneous	2,000	2,000	-
Total revenues	241,250	241,250	294,510
EXPENDITURES			
Current:			
Parks and Recreation:			
Personal services	161,304	161,304	170,153
Supplies	28,100	28,100	23,347
Services and other charges	112,146	112,146	129,033
Total expenditures	301,550	301,550	322,533
Excess (deficiency) of revenues over (under) expenditures	(60,300)	(60,300)	(28,023)
OTHER FINANCING SOURCES			
Transfers in	85,000	85,000	85,000
Net change in fund balance	24,700	24,700	56,977
Fund balance (deficit) - January 1	(255,891)	(255,891)	(255,891)
Fund balance (deficit) - December 31	\$ (231,191)	\$ (231,191)	\$ (198,914)

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Investment earnings (net of market value adjustment)	\$ 13,626	\$ 13,626	\$ 19,125
Miscellaneous	5,280	5,280	5,932
Total revenues	18,906	18,906	25,057
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	-	-	6,926
Capital outlay:			
Economic development	100,000	100,000	-
Total expenditures	100,000	100,000	6,926
Excess (deficiency) of revenues over (under) expenditures	(81,094)	(81,094)	18,131
OTHER FINANCING SOURCES			
Transfers in	93,893	93,893	-
Net change in fund balance	12,799	12,799	18,131
Fund balance - January 1	1,694,195	1,694,195	1,694,195
Fund balance - December 31	\$ 1,706,994	\$ 1,706,994	\$ 1,712,326

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Tax increments	\$ 4,379,239	\$ 4,379,239	\$ 5,201,153
Charges for services	164,548	164,548	241,029
Investment earnings (net of market value adjustment)	42,742	42,742	92,277
Miscellaneous	1,400,000	1,400,000	35,415
Total revenues	<u>5,986,529</u>	<u>5,986,529</u>	<u>5,569,874</u>
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	<u>842,214</u>	<u>842,214</u>	<u>1,330,802</u>
Excess of revenues over expenditures	5,144,315	5,144,315	4,239,072
OTHER FINANCING SOURCES (USES)			
Transfers in	281,502	281,502	-
Transfers out	<u>(2,234,513)</u>	<u>(2,234,513)</u>	<u>(2,796,461)</u>
Total other financing sources (uses)	<u>(1,953,011)</u>	<u>(1,953,011)</u>	<u>(2,796,461)</u>
Net change in fund balance	3,191,304	3,191,304	1,442,611
Fund balance - January 1	<u>21,614,535</u>	<u>21,614,535</u>	<u>21,614,535</u>
Fund balance - December 31	<u>\$ 24,805,839</u>	<u>\$ 24,805,839</u>	<u>\$ 23,057,146</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Tax increments	\$ 343,087	\$ 343,087	\$ 362,217
Investment earnings (net of market value adjustment)	570	570	4,080
Miscellaneous	-	-	6,157
Total revenues	<u>343,657</u>	<u>343,657</u>	<u>372,454</u>
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	<u>287,502</u>	<u>287,502</u>	<u>38,504</u>
Excess of revenues over expenditures	56,155	56,155	333,950
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>-</u>	<u>561,948</u>
Net change in fund balance	56,155	56,155	895,898
Fund balance (deficit) - January 1	<u>(895,898)</u>	<u>(895,898)</u>	<u>(895,898)</u>
Fund balance (deficit) - December 31	<u>\$ (839,743)</u>	<u>\$ (839,743)</u>	<u>\$ -</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Tax increments	\$ 469,467	\$ 469,467	\$ 531,096
Investment earnings (net of market value adjustment)	7,678	7,678	14,583
Total revenues	<u>477,145</u>	<u>477,145</u>	<u>545,679</u>
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	<u>268,894</u>	<u>268,894</u>	<u>34,999</u>
Excess of revenues over expenditures	208,251	208,251	510,680
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(356,833)</u>	<u>(356,833)</u>	<u>(356,833)</u>
Net change in fund balance	(148,582)	(148,582)	153,847
Fund balance - January 1	<u>35,214</u>	<u>35,214</u>	<u>35,214</u>
Fund balance (deficit) - December 31	<u>\$ (113,368)</u>	<u>\$ (113,368)</u>	<u>\$ 189,061</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Tax increments	\$ 194,731	\$ 194,731	\$ 178,535
Investment earnings (net of market value adjustment)	-	-	886
Total revenues	194,731	194,731	179,421
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	199,731	199,731	188,081
Net change in fund balance	(5,000)	(5,000)	(8,660)
Fund balance - January 1	4,656	4,656	4,656
Fund balance (deficit) - December 31	\$ (344)	\$ (344)	\$ (4,004)

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Tax increments	\$ -	\$ -	\$ 123,396
Investment earnings (net of market value adjustment)	-	-	2,086
Total revenues	-	-	125,482
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	-	-	30,845
Net change in fund balance	-	-	94,637
Fund balance - January 1	31,878	31,878	31,878
Fund balance - December 31	\$ 31,878	\$ 31,878	\$ 126,515

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - TAX INCREMENT DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
EXPENDITURES			
Current:			
Economic development:			
Services and other charges	\$ -	\$ -	\$ -
Net change in fund balance	-	-	-
Fund balance (deficit) - January 1	(12,500)	(12,500)	(12,500)
Fund balance (deficit) - December 31	<u>\$ (12,500)</u>	<u>\$ (12,500)</u>	<u>\$ (12,500)</u>

CITY OF BROOKLYN CENTER, MINNESOTA
SPECIAL REVENUE FUND - CITY INITIATIVES GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental	\$ 193,568	\$ 193,568	\$ 151,178
Charges for services	18,500	18,500	1,831
Investment earnings (net of market value adjustment)	941	941	3,761
Miscellaneous	18,200	18,200	228
Total revenues	231,209	231,209	156,998
EXPENDITURES			
Current:			
Public safety:			
Personal services	129,768	129,768	114,592
Supplies	13,500	13,500	721
Services and other charges	11,300	11,300	1,039
Parks and recreation:			
Personal services	6,237	6,237	1,592
Supplies	9,000	9,000	3,817
Services and other charges	23,500	23,500	737
Total expenditures	193,305	193,305	122,498
Net change in fund balance	37,904	37,904	34,500
Fund balance - January 1	176,246	176,246	176,246
Fund balance - December 31	\$ 214,150	\$ 214,150	\$ 210,746

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 1,455,133	\$ 1,455,133	\$ 1,456,676
Special assessments	989,949	989,949	1,143,880
Investment earnings (net of market value adjustment)	27,751	27,751	74,597
Total revenues	<u>2,472,833</u>	<u>2,472,833</u>	<u>2,675,153</u>
EXPENDITURES			
Debt service:			
Principal	4,090,757	4,090,757	4,090,757
Interest	756,624	756,624	756,623
Fiscal agent fees	15,000	15,000	11,759
Total expenditures	<u>4,862,381</u>	<u>4,862,381</u>	<u>4,859,139</u>
Excess (deficiency) of revenues over (under) expenditures	(2,389,548)	(2,389,548)	(2,183,986)
OTHER FINANCING SOURCES			
Transfers in	<u>2,591,346</u>	<u>2,591,346</u>	<u>2,591,346</u>
Net change in fund balance	201,798	201,798	407,360
Fund balance - January 1	<u>3,991,322</u>	<u>3,991,322</u>	<u>3,991,322</u>
Fund balance - December 31	<u>\$ 4,193,120</u>	<u>\$ 4,193,120</u>	<u>\$ 4,398,682</u>

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental	\$ 1,059,416	\$ 1,059,416	\$ 2,444,615
Investment earnings (net of market value adjustment)	17,520	17,520	12,296
Total revenues	<u>1,076,936</u>	<u>1,076,936</u>	<u>2,456,911</u>
EXPENDITURES			
Capital outlay:			
Public works	<u>1,331,800</u>	<u>1,331,800</u>	<u>3,361,877</u>
Excess (deficiency) of revenues over (under) expenditures	(254,864)	(254,864)	(904,966)
OTHER FINANCING SOURCES			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>64,874</u>
Net change in fund balance	(54,864)	(54,864)	(840,092)
Fund balance - January 1	<u>1,613,299</u>	<u>1,613,299</u>	<u>1,613,299</u>
Fund balance - December 31	<u>\$ 1,558,435</u>	<u>\$ 1,558,435</u>	<u>\$ 773,207</u>

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - MUNICIPAL STATE AID FOR CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Intergovernmental	\$ 1,257,955	\$ 1,257,955	\$ 1,412,471
Investment earnings (net of market value adjustment)	51,359	51,359	72,176
Total revenues	<u>1,309,314</u>	<u>1,309,314</u>	<u>1,484,647</u>
EXPENDITURES			
Current:			
Public works:			
Supplies	70,000	70,000	62,993
Services and other charges	90,000	90,000	42,841
Capital outlay:			
Public works	60,000	60,000	564
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>106,398</u>
Net change in fund balance	1,089,314	1,089,314	1,378,249
Fund balance - January 1	<u>1,294,135</u>	<u>1,294,135</u>	<u>1,294,135</u>
Fund balance - December 31	<u>\$ 2,383,449</u>	<u>\$ 2,383,449</u>	<u>\$ 2,672,384</u>

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - SPECIAL ASSESSMENT CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Charges for services	\$ -	\$ -	\$ 1,065
Special assessments	764,229	764,229	563,786
Investment earnings (net of market value adjustment)	-	-	17,527
Total revenues	<u>764,229</u>	<u>764,229</u>	<u>582,378</u>
EXPENDITURES			
Current:			
Public works			
Supplies	-	-	189
Services and other charges	2,300	2,300	2,668
Capital outlay:			
Public works	1,040,000	1,040,000	1,841,451
Total expenditures	<u>1,042,300</u>	<u>1,042,300</u>	<u>1,844,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(278,071)</u>	<u>(278,071)</u>	<u>(1,261,930)</u>
Fund balance - January 1	<u>2,742,063</u>	<u>2,742,063</u>	<u>2,742,063</u>
Fund balance - December 31	<u>\$ 2,463,992</u>	<u>\$ 2,463,992</u>	<u>\$ 1,480,133</u>

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - STREET RECONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Franchise fees	\$ 710,000	\$ 710,000	\$ 738,213
Investment earnings (net of market value adjustment)	95,058	95,058	175,021
Total revenues	805,058	805,058	913,234
EXPENDITURES			
Capital outlay:			
Public works	2,350,000	2,350,000	4,227,779
Debt service:			
Bond issuance costs	-	-	34,857
Total expenditures	2,350,000	2,350,000	4,262,636
Excess (deficiency) of revenues over (under) expenditures	(1,544,942)	(1,544,942)	(3,349,402)
OTHER FINANCING SOURCES			
Issuance of debt	2,000,000	2,000,000	1,955,000
Premium on issuance of debt	-	-	81,687
Total other financing sources	2,000,000	2,000,000	2,036,687
Net change in fund balance	455,058	455,058	(1,312,715)
Fund balance - January 1	6,442,489	6,442,489	6,442,489
Fund balance - December 31	\$ 6,897,547	\$ 6,897,547	\$ 5,129,774

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - CAPITAL RESERVE EMERGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Investment earnings (net of market value adjustment)	\$ 15,919	\$ 15,919	\$ 26,975
Net change in fund balance	15,919	15,919	26,975
Fund balance - January 1	1,144,755	1,144,755	1,144,755
Fund balance - December 31	<u>\$ 1,160,674</u>	<u>\$ 1,160,674</u>	<u>\$ 1,171,730</u>

CITY OF BROOKLYN CENTER, MINNESOTA
CAPITAL PROJECT FUND - TECHNOLOGY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 58,193
Investment earnings (net of market value adjustment)	5,521	5,521	6,663
Total revenues	5,521	5,521	64,856
EXPENDITURES			
Current:			
General government:			
Supplies	127,200	127,200	86,764
Services and other charges	159,500	159,500	145,925
Capital outlay:			
General government	60,000	60,000	-
Total expenditures	346,700	346,700	232,689
Excess (deficiency) of revenues over (under) expenditures	(341,179)	(341,179)	(167,833)
OTHER FINANCING SOURCES			
Transfers in	125,000	125,000	125,000
Net change in fund balance	(216,179)	(216,179)	(42,833)
Fund balance - January 1	388,963	388,963	388,963
Fund balance - December 31	\$ 172,784	\$ 172,784	\$ 346,130

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUND BY ACCOUNT
December 31, 2020

	General Obligation Improvement Bonds 2013B	General Obligation Improvement Bonds 2015A	General Obligation Improvement Bonds 2016A	General Obligation Improvement Bonds 2017A
ASSETS				
Cash and investments	\$ 832,171	\$ 614,524	\$ 233,674	\$ 805,076
Receivables:				
Current taxes	2,718	1,788	1,515	1,978
Special assessments	257,536	419,917	-	576,871
Total assets	<u>1,092,425</u>	<u>1,036,229</u>	<u>235,189</u>	<u>1,383,925</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	<u>254,882</u>	<u>417,547</u>	<u>-</u>	<u>575,496</u>
FUND BALANCES				
Restricted for debt service	<u>837,543</u>	<u>618,682</u>	<u>235,189</u>	<u>808,429</u>
Total deferred inflows of resources and fund balances	<u>\$ 1,092,425</u>	<u>\$ 1,036,229</u>	<u>\$ 235,189</u>	<u>\$ 1,383,925</u>

General Obligation Improvement Bonds 2018A	General Obligation Improvement Bonds 2019A	Tax Increment Bonds 2016C	Tax Increment Bonds 2016B	Tax Increment Refunding Bonds 2015B	Tax Increment Bonds 2013A	Total Debt Service
\$ 930,046	\$ 956,884	\$ 1,050	\$ 1,050	\$ 1,500	\$ 1,001	\$ 4,376,976
1,779	483	-	-	-	-	10,261
1,058,357	1,474,620	-	-	-	-	3,787,301
1,990,182	2,431,987	1,050	1,050	1,500	1,001	8,174,538
1,057,636	1,470,295	-	-	-	-	3,775,856
932,546	961,692	1,050	1,050	1,500	1,001	4,398,682
\$ 1,990,182	\$ 2,431,987	\$ 1,050	\$ 1,050	\$ 1,500	\$ 1,001	\$ 8,174,538

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
DEBT SERVICE FUND BY ACCOUNT
For the Year Ended December 31, 2020

	General Obligation Improvement Bonds 2013B	General Obligation Improvement Bonds 2015A	General Obligation Improvement Bonds 2016A	General Obligation Improvement Bonds 2017A	General Obligation Improvement Bonds 2018A
REVENUES					
Property taxes	\$ 385,918	\$ 253,812	\$ 215,034	\$ 280,766	\$ 252,609
Special assessments	171,636	166,611	-	186,253	246,340
Investment earnings (net of market value adjustment)	12,797	9,607	2,956	14,055	16,314
Total revenues	<u>570,351</u>	<u>430,030</u>	<u>217,990</u>	<u>481,074</u>	<u>515,263</u>
EXPENDITURES					
Debt service:					
Principal	535,000	335,757	175,000	350,000	345,000
Interest	52,875	49,589	28,150	90,838	158,225
Fiscal agent fees	2,043	4,533	450	1,128	400
Total expenditures	<u>589,918</u>	<u>389,879</u>	<u>203,600</u>	<u>441,966</u>	<u>503,625</u>
Excess (deficiency) of revenues over (under) expenditures	(19,567)	40,151	14,390	39,108	11,638
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
Net change in fund balances	(19,567)	40,151	14,390	39,108	11,638
Fund balances (deficits) - January 1	<u>857,110</u>	<u>578,531</u>	<u>220,799</u>	<u>769,321</u>	<u>920,908</u>
Fund balances - December 31	<u>\$ 837,543</u>	<u>\$ 618,682</u>	<u>\$ 235,189</u>	<u>\$ 808,429</u>	<u>\$ 932,546</u>

General Obligation Improvement Bonds 2019A	Tax Increment Bonds 2016C	Tax Increment Bonds 2016B	Tax Increment Refunding Bonds 2015B	Tax Increment Bonds 2013A	Total Debt Service
\$ 68,537	\$ -	\$ -	\$ -	\$ -	\$ 1,456,676
373,040	-	-	-	-	1,143,880
18,868	-	-	-	-	74,597
460,445	-	-	-	-	2,675,153
-	285,000	-	1,730,000	335,000	4,090,757
141,601	22,008	46,825	25,950	140,562	756,623
2,305	450	450	-	-	11,759
143,906	307,458	47,275	1,755,950	475,562	4,859,139
316,539	(307,458)	(47,275)	(1,755,950)	(475,562)	(2,183,986)
-	308,508	48,325	1,757,450	477,063	2,591,346
316,539	1,050	1,050	1,500	1,501	407,360
645,153	-	-	-	(500)	3,991,322
\$ 961,692	\$ 1,050	\$ 1,050	\$ 1,500	\$ 1,001	\$ 4,398,682

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2013B
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 385,509	\$ 385,509	\$ 385,918
Special assessments	175,321	175,321	171,636
Investment earnings (net of market value adjustment)	6,513	6,513	12,797
Total revenues	<u>567,343</u>	<u>567,343</u>	<u>570,351</u>
EXPENDITURES			
Debt service:			
Principal	535,000	535,000	535,000
Interest	52,875	52,875	52,875
Fiscal agent fees	1,500	1,500	2,043
Total expenditures	<u>589,375</u>	<u>589,375</u>	<u>589,918</u>
Net change in fund balance	(22,032)	(22,032)	(19,567)
Fund balance - January 1	<u>857,110</u>	<u>857,110</u>	<u>857,110</u>
Fund balance - December 31	<u>\$ 835,078</u>	<u>\$ 835,078</u>	<u>\$ 837,543</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2015A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Property taxes	\$ 253,543	\$ 253,543	\$ 253,812
Special assessments	123,898	123,898	166,611
Investment earnings (net of market value adjustment)	4,152	4,152	9,607
Total revenues	<u>381,593</u>	<u>381,593</u>	<u>430,030</u>
EXPENDITURES			
Debt service:			
Principal	335,757	335,757	335,757
Interest	49,589	49,589	49,589
Fiscal agent fees	1,500	1,500	4,533
Total expenditures	<u>386,846</u>	<u>386,846</u>	<u>389,879</u>
Net change in fund balance	(5,253)	(5,253)	40,151
Fund balance - January 1	<u>578,531</u>	<u>578,531</u>	<u>578,531</u>
Fund balance - December 31	<u>\$ 573,278</u>	<u>\$ 573,278</u>	<u>\$ 618,682</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2016A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 214,806	\$ 214,806	\$ 215,034
Investment earnings (net of market value adjustment)	1,744	1,744	2,956
Total revenues	<u>216,550</u>	<u>216,550</u>	<u>217,990</u>
EXPENDITURES			
Debt service:			
Principal	175,000	175,000	175,000
Interest	28,150	28,150	28,150
Fiscal agent fees	1,500	1,500	450
Total expenditures	<u>204,650</u>	<u>204,650</u>	<u>203,600</u>
Net change in fund balance	11,900	11,900	14,390
Fund balance - January 1	<u>220,799</u>	<u>220,799</u>	<u>220,799</u>
Fund balance - December 31	<u>\$ 232,699</u>	<u>\$ 232,699</u>	<u>\$ 235,189</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2017A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 280,486	\$ 280,486	\$ 280,766
Special assessments	126,710	126,710	186,253
Investment earnings (net of market value adjustment)	7,569	7,569	14,055
Total revenues	<u>414,765</u>	<u>414,765</u>	<u>481,074</u>
EXPENDITURES			
Debt service:			
Principal	350,000	350,000	350,000
Interest	90,838	90,838	90,838
Fiscal agent fees	1,500	1,500	1,128
Total expenditures	<u>442,338</u>	<u>442,338</u>	<u>441,966</u>
Net change in fund balance	(27,573)	(27,573)	39,108
Fund balance - January 1	<u>769,321</u>	<u>769,321</u>	<u>769,321</u>
Fund balance - December 31	<u>\$ 741,748</u>	<u>\$ 741,748</u>	<u>\$ 808,429</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2018A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 252,329	\$ 252,329	\$ 252,609
Special assessments	216,155	216,155	246,340
Investment earnings (net of market value adjustment)	7,773	7,773	16,314
Total revenues	<u>476,257</u>	<u>476,257</u>	<u>515,263</u>
EXPENDITURES			
Debt service:			
Principal	345,000	345,000	345,000
Interest	158,225	158,225	158,225
Fiscal agent fees	1,500	1,500	400
Total expenditures	<u>504,725</u>	<u>504,725</u>	<u>503,625</u>
Net change in fund balance	(28,468)	(28,468)	11,638
Fund balance - January 1	<u>920,908</u>	<u>920,908</u>	<u>920,908</u>
Fund balance - December 31	<u>\$ 892,440</u>	<u>\$ 892,440</u>	<u>\$ 932,546</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. IMPROVEMENT BONDS, 2019A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property taxes	\$ 68,460	\$ 68,460	\$ 68,537
Special assessments	347,865	347,865	373,040
Investment earnings (net of market value adjustment)	-	-	18,868
Total revenues	<u>416,325</u>	<u>416,325</u>	<u>460,445</u>
EXPENDITURES			
Debt service:			
Interest	141,601	141,601	141,601
Fiscal agent fees	1,500	1,500	2,305
Total expenditures	<u>143,101</u>	<u>143,101</u>	<u>143,906</u>
Net change in fund balance	273,224	273,224	316,539
Fund balance - January 1	<u>645,153</u>	<u>645,153</u>	<u>645,153</u>
Fund balance - December 31	<u>\$ 918,377</u>	<u>\$ 918,377</u>	<u>\$ 961,692</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. TAX INCREMENT BONDS, 2016C
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES			
Debt service:			
Principal	\$ 285,000	\$ 285,000	\$ 285,000
Interest	22,008	22,008	22,008
Fiscal agent fees	1,500	1,500	450
Total expenditures	<u>308,508</u>	<u>308,508</u>	<u>307,458</u>
Excess (deficiency) of revenues over (under) expenditures	(308,508)	(308,508)	(307,458)
OTHER FINANCING SOURCES			
Transfers in	<u>308,508</u>	<u>308,508</u>	<u>308,508</u>
Net change in fund balance	-	-	1,050
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. TAX INCREMENT BONDS, 2016B
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES			
Debt service:			
Interest	\$ 46,825	\$ 46,825	\$ 46,825
Fiscal agent fees	1,500	1,500	450
Total expenditures	<u>48,325</u>	<u>48,325</u>	<u>47,275</u>
Excess (deficiency) of revenues over (under) expenditures	(48,325)	(48,325)	(47,275)
OTHER FINANCING SOURCES			
Transfers in	<u>48,325</u>	<u>48,325</u>	<u>48,325</u>
Net change in fund balance	-	-	1,050
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,050</u></u>

CITY OF BROOKLYN CENTER, MINNESOTA

DEBT SERVICE FUND - G.O. TAX INCREMENT REFUNDING BONDS, 2015B

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES			
Debt service:			
Principal	\$ 1,730,000	\$ 1,730,000	\$ 1,730,000
Interest	25,950	25,950	25,950
Fiscal agent fees	1,500	1,500	-
Total expenditures	<u>1,757,450</u>	<u>1,757,450</u>	<u>1,755,950</u>
Excess (deficiency) of revenues over (under) expenditures	(1,757,450)	(1,757,450)	(1,755,950)
OTHER FINANCING SOURCES			
Transfers in	<u>1,757,450</u>	<u>1,757,450</u>	<u>1,757,450</u>
Net change in fund balance	-	-	1,500
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>

CITY OF BROOKLYN CENTER, MINNESOTA
DEBT SERVICE FUND - G.O. TAX INCREMENT BONDS, 2013A
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES			
Debt service:			
Principal	\$ 335,000	\$ 335,000	\$ 335,000
Interest	140,563	140,563	140,562
Fiscal agent fees	1,500	1,500	-
Total expenditures	<u>477,063</u>	<u>477,063</u>	<u>475,562</u>
Excess (deficiency) of revenues over (under) expenditures	(477,063)	(477,063)	(475,562)
OTHER FINANCING SOURCES			
Transfers in	<u>477,063</u>	<u>477,063</u>	<u>477,063</u>
Net change in fund balance	-	-	1,501
Fund balance (deficit) - January 1	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>
Fund balance (deficit) - December 31	<u><u>\$ (500)</u></u>	<u><u>\$ (500)</u></u>	<u><u>\$ 1,001</u></u>



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CITY OF BROOKLYN CENTER, MINNESOTA
INTERNAL SERVICE FUNDS

Internal service funds are used to account for and report financial resources for the purchase of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Central Garage

This fund was established to account for the acquisition and maintenance of all City vehicles and rolling stock equipment. Vehicle and equipment maintenance and repair costs are charged to the departments as incurred. Replacement costs are charged to the departments over the estimated useful life of the vehicles and equipment.

Employees (EE) Retirement Benefits

This fund accounts for certain health care insurance benefits for City employees who retire before age 65. Substantially all of the City's full-time police and fire employees and all other full-time employees hired before July 1, 1989 may be eligible for those benefits from the time they qualify for an unreduced PERA pension, until they reach age 65 or become eligible for Medicare. In the event that future costs would exceed earnings, other funds would be charged for the costs associated with their employees.

Employees (EE) Compensated Absences

This fund accounts for payment of unused vacation and vested sick leave benefits, and the allocation of such costs to the respective departments and funds of the City.

Pension - GERP

This fund was established to account for the net pension liability and related expense recorded with the adoption of GASB Statement No. 68 related to the PERA Coordinated plan, and the allocation of such costs to the respective departments and funds of the City.

Pension - PEPFF

This fund was established to account for the net pension liability and related expense recorded with the adoption of GASB Statement No. 68 related to the PERA Police and Fire plan, and the allocation of such costs to the respective departments and funds of the City.

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2020

	Central Garage	EE Retirement Benefit	EE Comp Absences
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,738,970	\$ 57,549	\$ 1,661,070
Receivables:			
Accounts - net	64,918	-	-
Due from other governments	7,554	-	-
Inventories	20,952	-	-
Total current assets	<u>4,832,394</u>	<u>57,549</u>	<u>1,661,070</u>
Noncurrent assets:			
Capital assets:			
Building and improvements	166,108	-	-
Machinery and equipment	10,616,777	-	-
Total capital assets	<u>10,782,885</u>	<u>-</u>	<u>-</u>
Less: accumulated depreciation	<u>(7,142,199)</u>	<u>-</u>	<u>-</u>
Net capital assets	<u>3,640,686</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>3,640,686</u>	<u>-</u>	<u>-</u>
Total assets	<u>8,473,080</u>	<u>57,549</u>	<u>1,661,070</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	-	-	-
Deferred OPEB resources	-	541,535	-
Total deferred outflows of resources	<u>-</u>	<u>541,535</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	27,173	-	-
Accrued salaries and wages	13,778	(1,704)	-
Due to other governments	621	-	-
Compensated absences payable	-	-	155,266
Total current liabilities	<u>41,572</u>	<u>(1,704)</u>	<u>155,266</u>
Noncurrent liabilities:			
Compensated absences payable	-	-	1,397,394
Total OPEB liability	-	2,451,494	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>2,451,494</u>	<u>1,397,394</u>
Total liabilities	<u>41,572</u>	<u>2,449,790</u>	<u>1,552,660</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	-	-	-
Deferred OPEB resources	-	82,111	-
Total deferred inflows of resources	<u>-</u>	<u>82,111</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	3,640,686	-	-
Unrestricted	4,790,822	(1,932,817)	108,410
Total net position	<u>\$ 8,431,508</u>	<u>\$ (1,932,817)</u>	<u>\$ 108,410</u>

Pension - GERF	Pension - PEPFF	Total Internal Service
\$ -	\$ -	\$ 6,457,589
-	-	64,918
-	-	7,554
-	-	20,952
-	-	6,551,013
-	-	166,108
-	-	10,616,777
-	-	10,782,885
-	-	(7,142,199)
-	-	3,640,686
-	-	3,640,686
-	-	10,191,699
739,813	3,048,838	3,788,651
-	-	541,535
739,813	3,048,838	4,330,186
-	-	27,173
-	-	12,074
-	-	621
-	-	155,266
-	-	195,134
-	-	1,397,394
-	-	2,451,494
7,434,367	5,806,262	13,240,629
7,434,367	5,806,262	17,089,517
7,434,367	5,806,262	17,284,651
322,712	4,048,434	4,371,146
-	-	82,111
322,712	4,048,434	4,453,257
-	-	3,640,686
(7,017,266)	(6,805,858)	(10,856,709)
\$ (7,017,266)	\$ (6,805,858)	\$ (7,216,023)

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Central Garage	EE Retirement Benefit	EE Comp Absences
OPERATING REVENUES			
Sales and user fees	\$ 1,734,675	\$ 43,949	\$ 243,856
OPERATING EXPENSES			
Personal services	453,607	268,929	278,431
Supplies	353,728	-	-
Other services	215,456	-	-
Insurance	66,115	-	-
Utilities	537	-	-
Depreciation	897,970	-	-
Total operating expenses	1,987,413	268,929	278,431
Operating income (loss)	(252,738)	(224,980)	(34,575)
NONOPERATING REVENUES (EXPENSE)			
Intergovernmental	9,487	8,841	-
Investment earnings (net of market value adjustment)	108,847	2,016	32,985
Gain on sale of capital assets	82,875	-	-
Loss on sale of capital assets	(9,316)	-	-
Other revenue	28,049	-	-
Total nonoperating revenues (expense)	219,942	10,857	32,985
Income (loss) before transfers	(32,796)	(214,123)	(1,590)
Transfers in	25,500	-	110,000
Change in net position	(7,296)	(214,123)	108,410
Net position - January 1	8,438,804	(1,718,694)	-
Net position - December 31	\$ 8,431,508	\$ (1,932,817)	\$ 108,410



Pension - GERF	Pension - PEPFF	Total Internal Service
\$ 649,561	\$ 887,315	\$ 3,559,356
441,092	713,552	2,155,611
-	-	353,728
-	-	215,456
-	-	66,115
-	-	537
-	-	897,970
441,092	713,552	3,689,417
208,469	173,763	(130,061)
19,948	81,730	120,006
-	-	143,848
-	-	82,875
-	-	(9,316)
-	-	28,049
19,948	81,730	365,462
228,417	255,493	235,401
-	-	135,500
228,417	255,493	370,901
(7,245,683)	(7,061,351)	(7,586,924)
\$ (7,017,266)	\$ (6,805,858)	\$ (7,216,023)

CITY OF BROOKLYN CENTER, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Central Garage	EE Retirement Benefit	EE Comp Absences
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 1,716,131	\$ 43,949	\$ 243,856
Other operating receipts	37,536	-	-
Payments for interfund services received	(42,314)	-	-
Payments to suppliers	(677,965)	-	-
Payments to employees	(449,855)	(133,142)	(134,317)
Net cash flows provided (used) by operating activities	583,533	(89,193)	109,539
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental	-	8,841	-
Transfers in	-	-	110,000
Net cash flows provided by noncapital financing activities	-	8,841	110,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(923,898)	-	-
Transfers in	25,500	-	-
Proceeds from sale of assets	172,432	-	-
Net cash flows provided (used) by capital and related financing activities	(725,966)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	108,847	2,016	32,985
Net increase (decrease) in cash and cash equivalents	(33,586)	(78,336)	252,524
Cash and cash equivalents - January 1	4,772,556	135,885	1,408,546
Cash and cash equivalents - December 31	\$ 4,738,970	\$ 57,549	\$ 1,661,070
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (252,738)	\$ (224,980)	\$ (34,575)
Adjustments to reconcile operating income (loss) to net cash flows provided (used) by operating activities:			
Other income related to operations	37,536	-	-
Depreciation	897,970	-	-
(Increase) decrease in assets:			
Accounts receivable	(18,544)	499	-
Inventories	327	-	-
Prepaid items	550	-	-
(Increase) decrease in deferred outflows of resources:			
Deferred pension resources	-	(264,679)	-
Increase (decrease) in liabilities:			
Accounts payable	(85,320)	-	-
Net pension liability	-	-	-
Accrued salaries and wages	3,752	410,890	144,114
(Increase) decrease in deferred inflows of resources:			
Deferred pension resources	-	(10,923)	-
Net cash provided (used) by operating activities	\$ 583,533	\$ (89,193)	\$ 109,539
NONCASH FINANCING ACTIVITIES			
Loss on disposal of capital assets	\$ 9,316	\$ -	\$ -
Capital asset trade-ins	\$ 54,000	\$ -	\$ -
Grants deposited with pension plan	\$ -	\$ -	\$ -

Pension - GERF	Pension - PEPF	Total Internal Service
\$ 649,561	\$ 887,315	\$ 3,540,812
-	-	37,536
-	-	(42,314)
-	-	(677,965)
(649,561)	(887,315)	(2,254,190)
-	-	603,879
-	-	8,841
-	-	110,000
-	-	118,841
-	-	(923,898)
-	-	25,500
-	-	172,432
-	-	(725,966)
-	-	143,848
-	-	140,602
-	-	6,316,987
\$ -	\$ -	\$ 6,457,589
\$ 208,469	\$ 173,763	\$ (130,061)
19,948	81,730	139,214
-	-	897,970
-	-	(18,045)
-	-	327
-	-	550
(169,169)	1,749,806	1,315,958
-	-	(85,320)
860,652	1,033,655	1,894,307
-	-	558,756
(919,900)	(3,038,954)	(3,969,777)
\$ -	\$ -	\$ 603,879
\$ -	\$ -	\$ 9,316
\$ -	\$ -	\$ 54,000
\$ 2,784	\$ 39,690	\$ 42,474



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STATISTICAL SECTION

This part of the City of Brooklyn Center's comprehensive annual financial report presents detailed information as a context for understanding the financial statements, note disclosures, and supplementary information. This section includes information for the primary government, including any blended component units.

Contents	Page
Financial Trends <i>These tables contain trend information to help the reader understand the City's financial performance by placing it in historical perspective.</i>	164
Revenue Capacity <i>These tables contain information to help the reader assess the City's most significant "own-source" revenue, property taxes.</i>	178
Debt Capacity <i>These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the City's ability to issue debt in the future.</i>	184
Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	191
Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.</i>	193

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

CITY OF BROOKLYN CENTER, MINNESOTA

STATISTICAL SECTION (UNAUDITED)

NET POSITION BY COMPONENT

Last ten fiscal years

(accrual basis of accounting)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 45,761,042	\$ 45,261,629	\$ 42,281,203	\$ 42,947,577
Restricted	24,847,507	24,259,292	27,219,086	28,061,977
Unrestricted	4,376,334	5,875,289	11,205,289	12,357,196
Total governmental activities net position	<u>\$ 74,984,883</u>	<u>\$ 75,396,210</u>	<u>\$ 80,705,578</u>	<u>\$ 83,366,750</u>
Business-type activities				
Net investment in capital assets	\$ 45,051,128	\$ 42,406,210	\$ 42,466,488	\$ 48,537,132
Unrestricted	8,300,659	11,856,924	12,208,126	6,819,765
Total business-type activities net position	<u>\$ 53,351,787</u>	<u>\$ 54,263,134</u>	<u>\$ 54,674,614</u>	<u>\$ 55,356,897</u>
Primary government				
Net investment in capital assets	\$ 90,812,170	\$ 87,667,839	\$ 84,747,691	\$ 91,484,709
Restricted	24,847,507	24,259,292	27,219,086	28,061,977
Unrestricted	12,676,993	17,732,213	23,413,415	19,176,961
Total primary government net position	<u>\$ 128,336,670</u>	<u>\$ 129,659,344</u>	<u>\$ 135,380,192</u>	<u>\$ 138,723,647</u>

Sources: The data for this table has been extracted from the respective years ACFR document.

The City implemented GASB Statement No. 68 and GASB No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Table 1

2015	2016	2017	2018	2019	2020
\$ 47,941,800	\$ 48,358,875	\$ 53,152,985	\$ 52,794,327	\$ 52,560,591	\$ 54,471,240
36,810,593	29,554,944	27,309,336	30,501,419	35,743,847	38,473,882
(5,495,836)	789,884	1,400,658	3,010,220	5,152,891	9,335,442
<u>\$ 79,256,557</u>	<u>\$ 78,703,703</u>	<u>\$ 81,862,979</u>	<u>\$ 86,305,966</u>	<u>\$ 93,457,329</u>	<u>\$ 102,280,564</u>
\$ 47,201,239	\$ 43,483,294	\$ 43,553,672	\$ 42,831,977	\$ 43,450,307	\$ 43,786,262
8,452,630	13,606,322	14,613,409	15,827,178	16,005,070	14,484,003
<u>\$ 55,653,869</u>	<u>\$ 57,089,616</u>	<u>\$ 58,167,081</u>	<u>\$ 58,659,155</u>	<u>\$ 59,455,377</u>	<u>\$ 58,270,265</u>
\$ 95,143,039	\$ 91,842,169	\$ 96,706,657	\$ 95,626,304	\$ 96,010,898	\$ 98,257,502
36,810,593	29,554,944	27,309,336	30,501,419	35,743,847	38,473,882
2,956,794	14,396,206	16,014,067	18,837,398	21,157,961	23,819,445
<u>\$ 134,910,426</u>	<u>\$ 135,793,319</u>	<u>\$ 140,030,060</u>	<u>\$ 144,965,121</u>	<u>\$ 152,912,706</u>	<u>\$ 160,550,829</u>

CITY OF BROOKLYN CENTER, MINNESOTA

STATISTICAL SECTION (UNAUDITED)

CHANGES IN NET POSITION - CONTINUED ON THE FOLLOWING PAGES

Last ten fiscal years

(accrual basis of accounting)

	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Expenses				
General government	\$ 3,216,321	\$ 3,246,015	\$ 3,165,400	\$ 3,736,487
Public safety	9,268,897	9,604,521	9,618,906	10,186,645
Public works	2,771,602	3,561,914	4,215,855	3,688,238
Community services	100,849	141,505	149,203	145,503
Parks and recreation	2,895,769	2,796,561	2,752,539	2,977,707
Economic development	2,542,520	5,438,372	3,833,915	3,234,623
Interest on long-term debt	865,799	768,241	490,162	887,190
Total expenses	21,661,757	25,557,129	24,225,980	24,856,393
Program Revenues				
Charges for services:				
General government	1,078,109	1,082,741	798,088	651,188
Public safety	1,547,446	1,402,204	786,828	722,697
Public works	16,191	270,680	5,879	157,889
Parks and recreation	721,663	897,592	650,522	598,173
Economic development	88,737	19,734	90,656	477,088
Operating grants and contributions	1,637,743	3,165,588	3,089,220	1,746,637
Capital grants and contributions	5,299,705	491,404	4,427,586	1,671,830
Total program revenues	10,389,594	7,329,943	9,848,779	6,025,502
Net (expense) / revenue	(11,272,163)	(18,227,186)	(14,377,201)	(18,830,891)
General Revenues and Transfers				
Taxes:				
Property	13,336,056	14,307,993	14,943,008	14,988,007
Tax increments	2,525,057	2,751,249	3,098,620	3,790,363
Lodging taxes	852,302	882,620	881,252	914,651
Unrestricted grants and contributions	549,649	496,679	590,916	1,499,015
Investment earnings (net)	191,510	85,560	(81,438)	236,936
Gain on disposal of capital asset	111,530	113,976	54,211	27,100
Transfers	(749,308)	436	200,000	675,257
Transfers - capital assets	-	-	-	(639,266)
Total general revenues and transfers	16,816,796	18,638,513	19,686,569	21,492,063
Change in Net Position	\$ 5,544,633	\$ 411,327	\$ 5,309,368	\$ 2,661,172

Table 2
Page 1 of 3

2015	2016	2017	2018	2019	2020
\$ 3,527,323	\$ 3,891,671	\$ 4,007,850	\$ 4,426,549	\$ 4,423,425	\$ 4,834,450
10,707,602	13,222,625	12,438,818	11,757,362	12,706,644	13,057,043
3,867,406	4,099,559	4,542,244	6,501,746	12,787,805	6,450,769
135,604	136,349	143,103	164,544	181,159	171,344
3,053,328	3,183,198	2,995,396	3,234,386	3,827,299	3,218,266
5,419,304	6,825,271	1,917,039	2,543,381	2,146,011	2,872,886
723,000	654,205	540,799	693,575	666,343	634,139
27,433,567	32,012,878	26,585,249	29,321,543	36,738,686	31,238,897
653,535	563,744	530,459	483,572	476,377	412,993
548,669	656,642	683,172	1,047,683	1,030,980	808,885
226,645	79,987	46,359	464,254	259,675	13,451
564,217	635,597	608,590	593,692	754,408	408,515
225,057	417,332	296,103	212,847	260,155	303,046
2,605,477	2,323,913	1,716,671	3,872,109	9,562,139	2,607,134
5,184,381	4,061,903	1,407,482	3,435,074	3,148,710	3,148,955
10,007,981	8,739,118	5,288,836	10,109,231	15,492,444	7,702,979
(17,425,586)	(23,273,760)	(21,296,413)	(19,212,312)	(21,246,242)	(23,535,918)
15,320,998	15,757,198	16,736,759	17,650,461	19,073,449	20,136,395
3,805,367	3,667,590	4,652,373	5,147,964	5,354,749	6,566,099
1,075,425	1,159,519	1,206,565	1,167,961	1,091,105	561,602
1,670,928	1,939,431	1,701,232	2,065,832	2,239,180	4,432,381
254,366	230,705	265,604	442,835	1,271,500	971,753
27,800	57,765	88,326	80,786	58,869	82,875
236,312	93,935	67,898	(782,750)	325,487	-
(1,034,574)	(185,237)	(263,068)	478,610	(1,016,734)	(391,952)
21,356,622	22,720,906	24,455,689	26,251,699	28,397,605	32,359,153
\$ 3,931,036	\$ (552,854)	\$ 3,159,276	\$ 7,039,387	\$ 7,151,363	\$ 8,823,235

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN NET POSITION - CONTINUED
Last ten fiscal years
(accrual basis of accounting)

	2011	2012	2013	2014
BUSINESS-TYPE ACTIVITIES				
Expenses				
Municipal liquor	\$ 1,218,399	\$ 1,274,375	\$ 5,674,937	\$ 5,690,792
Golf course	284,673	273,023	263,425	271,698
Earle Brown Heritage Center	2,602,074	2,768,719	4,835,131	5,137,712
Water utility	1,825,558	1,855,345	2,025,496	1,900,518
Sanitary sewer utility	3,277,874	3,317,427	3,382,810	3,514,687
Storm drainage utility	1,407,712	1,501,652	1,552,327	1,784,907
Recycling utility	284,440	285,853	289,043	291,239
Street light utility	232,716	222,835	257,079	245,426
Total expenses	11,133,446	11,499,229	18,280,248	18,836,979
Program Revenues				
Charges for services:				
Municipal liquor	1,620,315	1,656,125	6,072,334	5,861,066
Earle Brown Heritage Center	2,026,063	2,293,386	4,294,723	4,578,433
Water utility	1,990,664	2,321,539	2,318,176	2,235,332
Sanitary sewer utility	3,474,588	3,592,530	3,675,936	3,942,534
Storm drainage utility	1,621,104	1,660,849	1,622,012	1,638,575
Other activities	778,584	853,585	882,995	1,127,116
Operating grants and contributions	-	-	52,775	63,547
Capital grants and contributions	80,186	-	-	-
Total program revenues	11,591,504	12,378,014	18,918,951	19,446,603
Net (expense) / revenue	458,058	878,785	638,703	609,624
General Revenues and Transfers				
Unrestricted grants and contributions	-	-	-	-
Investment earnings (net)	79,016	32,998	(27,223)	108,650
Transfers	749,308	(436)	(200,000)	(675,257)
Transfers - capital assets	-	-	-	639,266
Total general revenues and transfers	828,324	32,562	(227,223)	72,659
Change in Net Position	\$ 1,286,382	\$ 911,347	\$ 411,480	\$ 682,283

Table 2
Page 2 of 3

	2015	2016	2017	2018	2019	2020
\$	5,816,363	\$ 6,123,608	\$ 6,241,998	\$ 6,478,599	\$ 6,775,430	\$ 5,699,529
	270,307	309,910	335,029	333,768	-	-
	4,739,543	4,507,406	4,825,489	4,874,026	5,242,416	3,034,695
	2,179,892	2,903,198	3,294,345	3,670,089	4,148,609	4,377,809
	3,694,880	3,864,514	4,068,468	4,213,511	4,546,350	4,551,331
	1,883,154	1,700,515	1,848,887	1,959,195	2,407,046	2,441,109
	292,282	291,980	366,608	385,811	410,610	396,402
	281,661	272,072	267,069	274,252	333,744	306,619
	19,158,082	19,973,203	21,247,893	22,189,251	23,864,205	20,807,494
	6,061,680	6,206,584	6,503,094	6,745,617	6,860,482	5,503,163
	4,649,162	4,731,876	4,917,167	4,858,384	5,068,900	1,309,634
	2,640,665	3,216,506	3,585,597	3,888,716	3,819,747	4,261,455
	4,095,017	4,210,081	4,288,655	4,406,741	4,555,940	4,662,764
	1,635,655	1,620,452	1,598,624	1,681,733	1,680,454	1,691,946
	988,038	1,088,695	1,071,232	1,119,322	871,838	871,261
	30,522	16,481	-	-	-	-
	-	106,488	-	-	455,363	-
	20,100,739	21,197,163	21,964,369	22,700,513	23,312,724	18,300,223
	942,657	1,223,960	716,476	511,262	(551,481)	(2,507,271)
	-	-	-	-	-	449,232
	127,686	120,485	165,819	258,591	656,456	480,975
	(236,312)	(93,935)	(67,898)	782,750	(325,487)	-
	1,034,574	185,237	263,068	(478,610)	1,016,734	391,952
	925,948	211,787	360,989	562,731	1,347,703	1,322,159
\$	1,868,605	\$ 1,435,747	\$ 1,077,465	\$ 1,073,993	\$ 796,222	\$ (1,185,112)

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN NET POSITION - CONTINUED
Last ten fiscal years
(accrual basis of accounting)

	2011	2012	2013	2014
TOTAL PRIMARY GOVERNMENT				
Expenses				
Governmental activities	\$ 21,661,757	\$ 25,557,129	\$ 24,225,980	\$ 24,856,393
Business-type activities	11,133,446	11,499,229	18,280,248	18,836,979
Total expenses	32,795,203	37,056,358	42,506,228	43,693,372
Program Revenues				
Governmental activities	10,389,594	7,329,943	9,848,779	6,025,502
Business-type activities	11,591,504	12,378,014	18,918,951	19,446,603
Total program revenues	21,981,098	19,707,957	28,767,730	25,472,105
Net (expense) / revenue	(10,814,105)	(17,348,401)	(13,738,498)	(18,221,267)
General Revenues and Transfers				
Governmental activities	16,816,796	18,638,513	19,686,569	21,492,063
Business-type activities	828,324	32,562	(227,223)	72,659
Total general revenues and transfers	17,645,120	18,671,075	19,459,346	21,564,722
Change in Net Position	\$ 6,831,015	\$ 1,322,674	\$ 5,720,848	\$ 3,343,455

Sources: The data for this table has been extracted from the respective years ACFR document.

The City implemented GASB Statement No. 68 and GASB No. 71 in fiscal 2015. Years prior to 2015 have not been restated

The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

2015	2016	2017	2018	2019	2020
\$ 27,433,567	\$ 32,012,878	\$ 26,585,249	\$ 29,321,543	\$ 36,738,686	\$ 31,238,897
19,158,082	19,973,203	21,247,893	22,189,251	23,864,205	20,807,494
46,591,649	51,986,081	47,833,142	51,510,794	60,602,891	52,046,391
10,007,981	8,739,118	5,288,836	10,109,231	15,492,444	7,702,979
20,100,739	21,197,163	21,964,369	22,700,513	23,312,724	18,300,223
30,108,720	29,936,281	27,253,205	32,809,744	38,805,168	26,003,202
(16,482,929)	(22,049,800)	(20,579,937)	(18,701,050)	(21,797,723)	(26,043,189)
21,356,622	22,720,906	24,455,689	26,251,699	28,397,605	32,359,153
925,948	211,787	360,989	562,731	1,347,703	1,322,159
22,282,570	22,932,693	24,816,678	26,814,430	29,745,308	33,681,312
\$ 5,799,641	\$ 882,893	\$ 4,236,741	\$ 8,113,380	\$ 7,947,585	\$ 7,638,123

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
Last ten fiscal years
(accrual basis of accounting)

Table 3

	Property Taxes	Tax Increments	Lodging Taxes	Total
2011	\$ 13,336,056	\$ 2,525,057	\$ 852,302	\$ 16,713,415
2012	14,307,993	2,751,249	882,620	17,941,862
2013	14,943,008	3,098,620	881,252	18,922,880
2014	14,988,007	3,790,363	914,651	19,693,021
2015	15,320,998	3,805,367	1,075,425	20,201,790
2016	15,757,198	3,667,590	1,159,519	20,584,307
2017	16,736,759	4,652,373	1,206,565	22,595,697
2018	17,650,461	5,147,964	1,167,961	23,966,386
2019	19,073,449	5,354,749	1,091,105	25,519,303
2020	20,136,395	6,566,099	561,602	27,264,096

Sources: The data for this table has been extracted from the respective years ACFR document.



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CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years
(modified accrual basis of accounting)

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 32,308	\$ 88,952	\$ 26,139	\$ 21,967
Assigned	2,614	-	2,754,124	908,761
Unassigned	9,695,913	10,597,944	9,602,450	10,089,353
Total general fund	<u>\$ 9,730,835</u>	<u>\$ 10,686,896</u>	<u>\$ 12,382,713</u>	<u>\$ 11,020,081</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	13,331,705	12,912,357	26,350,322	26,434,113
Committed	3,021,318	3,651,995	7,579,688	10,514,871
Assigned	-	-	-	-
Unassigned	(2,515,053)	(3,425,001)	(1,432,495)	(1,763,877)
Total all other governmental funds	<u>\$ 13,837,970</u>	<u>\$ 13,139,351</u>	<u>\$ 32,497,515</u>	<u>\$ 35,185,107</u>

Sources: The data for this table has been extracted from the respective years ACFR document.

Note: The 2013 fund balances have been restated to align the City's reporting using GASB No. 65.

Note: The 2015 fund balances have been restated to align the City's reporting using GASB No. 68.

Table 4

2015	2016	2017	2018	2019	2020
\$ 78,859	\$ 92,388	\$ 105,634	\$ 82,309	\$ 86,479	\$ 84,002
804,815	715,544	149,630	6,500	64,874	1,769,004
10,287,243	10,632,965	11,099,939	11,475,016	12,372,864	12,352,562
<u>\$ 11,170,917</u>	<u>\$ 11,440,897</u>	<u>\$ 11,355,203</u>	<u>\$ 11,563,825</u>	<u>\$ 12,524,217</u>	<u>\$ 14,205,568</u>
\$ 1,500	\$ 1,500	\$ 7,976	\$ 8,163	\$ 1,630	\$ 1,701
30,365,411	23,355,609	23,888,356	26,097,132	32,219,640	34,032,886
9,306,224	10,852,995	9,678,002	9,007,923	9,570,360	7,631,587
-	-	567,537	1,534,666	1,127,793	1,480,133
(2,425,064)	(1,783,271)	(1,671,355)	(1,372,348)	(1,131,128)	(216,217)
<u>\$ 37,248,071</u>	<u>\$ 32,426,833</u>	<u>\$ 32,470,516</u>	<u>\$ 35,275,536</u>	<u>\$ 41,788,295</u>	<u>\$ 42,930,090</u>

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years
(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues				
Property taxes	\$ 13,396,611	\$ 14,389,842	\$ 15,094,464	\$ 15,036,602
Tax increments	2,527,316	2,685,822	3,149,533	3,795,708
Franchise fees	659,066	647,346	651,832	647,071
Lodging taxes	852,302	882,620	881,252	914,651
Special assessments	1,975,470	1,294,521	1,877,116	1,794,126
Licenses and permits	961,947	858,593	1,084,003	1,021,410
Intergovernmental	4,929,902	3,607,218	3,159,571	2,706,299
Charges for services	1,122,350	1,056,241	1,073,917	1,229,513
Fines and forfeits	340,356	336,740	315,982	364,927
Investment earnings (net)	143,661	48,322	(71,059)	188,913
Miscellaneous	296,427	742,269	423,822	344,690
Total revenues	27,205,408	26,549,534	27,640,433	28,043,910
Expenditures				
General government	2,930,516	2,978,738	3,045,365	3,173,282
Public safety	8,674,195	9,090,324	9,117,541	9,622,239
Public works	2,030,930	1,982,540	1,982,311	2,107,959
Community services	100,849	141,505	149,203	145,503
Parks and recreation	2,412,952	2,532,827	2,481,763	2,457,622
Economic development	2,337,253	5,215,619	3,076,454	2,855,983
Nondepartmental	316,376	287,692	400,835	364,501
Capital outlay	5,558,718	699,563	4,319,756	3,950,187
Debt service				
Principal	2,965,613	2,666,790	2,655,000	1,905,000
Interest	895,053	797,785	698,702	802,892
Other charges	14,581	7,677	179,044	9,039
Total expenditures	28,237,036	26,401,060	28,105,974	27,394,207
Excess (deficiency) of revenues over (under) expenditures	(1,031,628)	148,474	(465,541)	649,703
Other financing sources (uses)				
Transfers in	3,083,093	2,320,883	4,860,459	10,463,495
Issuance of debt	-	-	10,960,000	-
Premium on issuance of debt	-	-	367,405	-
Sale of capital assets	-	108,532	-	-
Refunded bonds redeemed	-	-	-	-
Transfers out	(3,409,350)	(2,320,447)	(4,660,459)	(9,788,238)
Total other financing sources (uses)	(326,257)	108,968	11,527,405	675,257
Restatements for: prior period adjustments or change in accounting principle	-	-	9,992,117	-
Capital outlay	5,558,718	699,563	4,319,756	3,950,187
Debt service				
Principal	2,965,613	2,666,790	2,655,000	1,905,000
Interest	895,053	797,785	698,702	802,892
Other charges	14,581	7,677	179,044	9,039
Total expenditures	28,237,036	26,401,060	28,105,974	27,394,207
Excess (deficiency) of revenues over (under) expenditures	(1,031,628)	148,474	(465,541)	649,703

Table 5

2015	2016	2017	2018	2019	2020
\$ 15,115,171	\$ 15,906,488	\$ 16,728,993	\$ 17,677,601	\$ 19,026,811	\$ 20,100,796
3,669,198	3,667,013	4,824,659	5,116,958	5,384,934	6,396,397
653,648	664,501	702,600	705,608	711,255	738,213
1,075,425	1,159,519	1,206,565	1,167,961	1,091,105	561,602
1,715,159	1,788,247	1,766,736	1,790,485	2,052,187	1,770,820
859,534	932,051	904,785	1,209,029	1,172,439	991,972
4,748,476	3,745,850	3,882,902	6,349,918	12,241,725	7,835,243
967,707	882,473	933,608	1,060,712	1,233,678	829,432
291,682	240,197	295,184	300,324	275,183	156,102
203,172	175,675	208,441	356,841	1,074,114	827,905
429,575	884,187	419,034	698,993	734,347	225,116
29,728,747	30,046,201	31,873,507	36,434,430	44,997,778	40,433,598
2,938,436	3,011,710	3,231,248	3,693,876	3,732,084	4,203,795
10,004,475	10,309,827	10,964,032	11,406,837	12,004,521	12,389,182
2,031,813	2,109,867	2,168,156	2,343,902	2,491,449	2,142,853
135,604	136,349	143,103	164,544	181,159	171,344
2,790,624	2,678,944	2,738,418	2,793,889	3,182,921	2,697,088
5,269,625	5,307,692	1,764,198	2,098,968	1,960,093	2,968,379
450,129	527,819	505,586	462,056	520,518	547,400
10,475,770	5,987,524	10,210,993	9,811,817	13,352,312	9,497,602
3,025,000	2,720,000	3,502,497	3,275,978	3,677,497	4,090,757
826,053	829,812	625,032	674,020	736,838	756,623
127,218	127,194	51,655	79,167	42,326	46,616
38,074,747	33,746,738	35,904,918	36,805,054	41,881,718	39,511,639
(8,346,000)	(3,700,537)	(4,031,411)	(370,624)	3,116,060	921,959
4,541,584	4,318,650	3,978,278	3,826,488	4,051,616	3,832,630
10,016,248	5,620,000	3,735,000	3,835,000	3,355,000	1,955,000
309,809	112,879	186,502	332,016	667,404	81,687
4,820	-	-	-	9,200	-
-	(6,670,000)	-	-	-	-
(4,312,661)	(4,232,250)	(3,910,380)	(4,609,238)	(3,726,129)	(3,968,130)
10,559,800	(850,721)	3,989,400	3,384,266	4,357,091	1,901,187
-	-	-	-	-	-
\$ 2,213,800	\$ (4,551,258)	\$ (42,011)	\$ 3,013,642	\$ 7,473,151	\$ 2,823,146
13.95%	12.79%	15.98%	13.44%	12.09%	15.37%

CITY OF BROOKLYN CENTER, MINNESOTA

STATISTICAL SECTION (UNAUDITED)

ASSESSED TAX CAPACITY AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

	2011	2012	2013	2014
Estimated actual value:				
Real estate	\$ 1,682,317,900	\$ 1,633,327,900	\$ 1,506,661,400	\$ 1,497,679,200
Personal property	15,487,000	16,139,200	18,257,700	18,319,800
Total estimated actual value	<u>\$ 1,697,804,900</u>	<u>\$ 1,649,467,100</u>	<u>\$ 1,524,919,100</u>	<u>\$ 1,515,999,000</u>
Tax Capacity				
Real estate	\$ 20,759,133	\$ 18,351,627	\$ 17,129,016	\$ 17,358,722
Personal property	304,150	316,491	358,867	360,506
Contribution to fiscal disparities	(2,774,593)	(2,619,012)	(2,335,813)	(2,495,133)
Receipt from fiscal disparities	7,123,008	7,194,133	6,844,540	7,117,154
Tax increments	(2,093,764)	(1,922,253)	(2,169,035)	(2,675,416)
Net tax capacity for direct rate	<u>\$ 23,317,934</u>	<u>\$ 21,320,986</u>	<u>\$ 19,827,575</u>	<u>\$ 19,665,833</u>
Net Tax Capacity as a Percentage of Estimated Actual Market Value	1.37%	1.29%	1.30%	1.30%
Property Tax Levies				
General revenues	\$ 12,905,340	\$ 13,207,954	\$ 13,632,326	\$ 13,673,970
Debt service	695,632	708,581	711,725	687,000
Housing and Redevelopment Auth.	310,831	302,288	246,160	282,110
Total property taxes levied	<u>\$ 13,911,803</u>	<u>\$ 14,218,823</u>	<u>\$ 14,590,211</u>	<u>\$ 14,643,080</u>
Tax Rates				
General revenues	54.234	61.036	67.485	70.587
Debt service	2.983	3.323	3.590	3.547
Housing and Redevelopment Auth.	1.341	1.457	1.128	1.609
Total Direct Tax Rate	<u>58.558</u>	<u>65.816</u>	<u>72.202</u>	<u>75.742</u>

Sources: The data for this table has been provided by Hennepin County.

Table 6

2015	2016	2017	2018	2019	2020
\$ 1,648,833,600	\$ 1,758,565,800	\$ 1,848,110,900	\$ 2,032,296,900	\$ 2,213,280,300	\$ 2,423,198,500
18,829,900	20,237,100	22,039,201	22,289,300	20,965,000	24,978,300
<u>\$ 1,667,663,500</u>	<u>\$ 1,778,802,900</u>	<u>\$ 1,870,150,101</u>	<u>\$ 2,054,586,200</u>	<u>\$ 2,234,245,300</u>	<u>\$ 2,448,176,800</u>
\$ 18,953,288	\$ 20,185,645	\$ 21,298,314	\$ 23,515,623	\$ 25,525,066	\$ 28,320,711
370,476	398,267	435,044	440,046	412,752	489,976
(2,690,138)	(2,635,082)	(2,833,028)	(2,766,592)	(3,196,246)	(3,186,988)
6,833,738	6,505,797	7,233,190	7,524,375	7,670,475	8,412,528
(2,764,303)	(2,884,208)	(3,292,251)	(3,592,531)	(3,873,826)	(4,795,248)
<u>\$ 20,703,061</u>	<u>\$ 21,570,419</u>	<u>\$ 22,841,269</u>	<u>\$ 25,120,921</u>	<u>\$ 26,538,221</u>	<u>\$ 29,240,979</u>
1.24%	1.21%	1.22%	1.22%	1.19%	1.19%
\$ 14,381,534	\$ 14,728,750	\$ 15,344,946	\$ 15,963,823	\$ 17,034,997	\$ 18,402,263
396,496	639,485	849,968	1,142,127	1,392,119	1,540,648
280,460	308,518	329,079	345,978	380,098	452,913
<u>\$ 15,058,490</u>	<u>\$ 15,676,753</u>	<u>\$ 16,523,993</u>	<u>\$ 17,451,928</u>	<u>\$ 18,807,214</u>	<u>\$ 20,395,824</u>
68.266	68.788	66.798	62.589	65.116	60.361
1.760	2.987	3.700	4.478	5.284	4.872
1.230	1.517	1.406	1.365	1.460	1.356
<u>71.256</u>	<u>73.292</u>	<u>71.904</u>	<u>68.432</u>	<u>71.860</u>	<u>66.589</u>

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last ten fiscal years

	City Direct Rate			Overlapping Rates						
	Operating Rate	Debt Service Rate	Total Direct Rate	County	School District 11	School District 279	School District 281	School District 286	Metro Districts (1)	Other Districts (2)
2011	55.575	2.983	58.558	45.840	23.999	24.217	34.387	47.697	2.949	6.223
2012	62.493	3.323	65.816	48.231	23.325	24.930	32.810	48.020	3.084	6.439
2013	68.613	3.590	72.202	49.461	26.801	27.973	32.347	56.031	3.242	6.847
2014	72.195	3.547	75.742	49.858	28.471	30.128	35.081	54.563	3.335	7.226
2015	69.495	1.760	71.256	46.398	22.695	27.450	33.511	53.097	3.006	6.779
2016	70.305	2.987	73.292	45.356	21.105	26.545	34.115	54.720	2.899	6.631
2017	68.204	3.700	71.904	44.087	18.805	27.005	31.861	40.559	2.821	6.498
2018	63.954	4.478	68.432	42.808	18.651	25.187	32.191	46.271	2.683	6.290
2019	66.576	5.284	71.860	41.661	16.545	24.729	29.450	49.744	2.529	5.981
2020	61.717	4.872	66.589	41.084	16.893	22.008	26.447	47.372	2.461	5.758

Sources: The data for this table has been provided by Hennepin County.

Note (1) - Metro Districts include: Mosquito Control, Metropolitan Council, and Metro Transit

Note (2) - Other Districts include: Hennepin Parks, Park Museum, Regional Railroad Authority, and Hennepin HRA.

Note (3) - The Watershed levies are applicable to all of School Districts 279 & 281, and portions of School Districts 11 & 286.

Table 7

Total Direct and Overlapping Rates									
Watershed Districts A(3)	Watershed Districts B(3)	ISD 11	ISD 11 & Watershed A (3)	ISD 11 & Watershed B (3)	ISD 279	ISD 281	ISD 286	ISD 286 & Watershed A (3)	ISD 286 & Watershed B (3)
0.568	0.568	137.569	138.137	138.137	138.355	148.525	161.267	161.835	161.835
0.001	0.001	146.895	146.896	146.896	148.501	156.381	171.590	171.591	171.591
0.101	0.101	158.553	158.654	158.654	159.826	164.200	187.783	187.884	187.884
0.101	0.322	164.632	164.733	164.954	166.391	171.343	190.724	190.825	191.046
0.256	0.107	150.133	150.389	150.240	155.145	161.205	180.536	180.792	180.643
0.247	0.072	149.283	149.530	149.355	154.970	162.540	182.898	183.145	182.970
0.267	0.223	144.115	144.382	144.338	152.582	157.438	165.869	166.136	166.092
0.079	0.119	138.864	138.943	138.983	145.479	152.483	166.484	166.563	166.603
0.332	0.134	138.576	138.908	138.710	147.092	151.813	171.775	172.107	171.909
0.157	0.060	132.785	132.942	132.845	138.057	142.496	163.264	163.421	163.324

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 8

Taxpayer	Classification	2020			2011		
		Net Tax Capacity	Rank	Percentage of Total Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Total Tax Capacity Value
The Luther Company, LLP	Commercial	\$ 676,210	1	2.31%	\$ 482,900	1	2.07%
The Molasky Group	Governmental	484,650	2	1.66%			
Marvin F Poer and Company	Commercial	388,250	3	1.33%			
Lake Point, LLC	Apartment	306,138	4	1.05%			
TLN Lanel Ltd	Apartment	300,318	5	1.03%			
Medtronic, Inc.	Industrial	280,430	6	0.96%	184,650	9	0.79%
Brooklyn Hotel Partners	Commercial	277,830	7	0.95%			
Brookdale Corner, LLC	Commercial	276,050	8	0.94%	188,250	8	0.81%
G B Homes LLC	Commercial	271,438	9	0.93%			
Melrose Gates LLC	Apartments	233,400	10	0.80%			
Twin Lakes LLC	Apartment				409,452	2	1.76%
Lang-Nelson	Commercial				283,913	3	1.22%
Regal Cinemas, Inc.	Commercial				235,758	4	1.01%
CSM Freeway Airport, LLC	Commercial				233,062	5	1.00%
BCC Associates	Commercial				219,250	6	0.94%
Capmark	Commercial				192,145	7	0.82%
Target	Commercial				160,250	10	0.69%
Totals		\$ 3,494,714		11.96%	\$ 2,589,630		11.11%

Sources: The data for this table has been provided by Hennepin County.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

Table 9

	Certified Property Tax Levy		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage to Date
2011	\$	13,911,803	\$ 12,947,358	93.1%	\$ 964,445	\$ 13,911,803	100.0%
2012		14,218,823	13,942,766	98.1%	275,291	14,218,057	100.0%
2013		14,590,211	14,472,075	99.2%	118,136	14,590,211	100.0%
2014		14,643,080	14,470,227	98.8%	172,853	14,643,080	100.0%
2015		15,058,490	14,815,657	98.4%	242,833	15,058,490	100.0%
2016		15,676,753	15,563,707	99.3%	80,777	15,644,484	99.8%
2017		16,523,993	16,411,246	99.3%	112,747	16,523,993	100.0%
2018		17,451,928	17,356,168	99.5%	82,580	17,438,748	99.9%
2019		18,807,214	18,673,395	99.3%	18,679	18,692,074	99.4%
2020		20,395,824	20,338,489	99.7%	-	20,338,489	99.7%

Sources: The data for this table has been provided by Hennepin County and from City financial documents.

Note: The components of the Certified Property Tax Levy can be viewed in table 6 of the statistical section.

Table 10

	Governmental Activities				Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Increment Bonds	G.O. Improvement Bonds	Bond Premiums (Discounts)	Utility Revenue Notes (PFA)	Lease Revenue Bonds	Utility Revenue Bonds	G.O. Improvement Bonds	Bond Premiums (Discounts)			
2011	\$ 1,385,000	\$13,720,000	\$ 3,260,000	\$ (80,604)	\$ -	\$ -	\$ 2,210,000	\$ -	\$ (21,933)	\$ 20,472,463	1.18%	\$ 678
2012	700,000	12,795,000	2,590,000	(68,643)	-	-	2,075,000	-	(20,367)	18,070,990	1.00%	591
2013	-	17,470,000	6,920,000	198,657	-	-	1,940,000	-	(18,800)	26,509,857	1.44%	871
2014	-	16,040,000	6,445,000	106,966	-	-	1,800,000	-	(29,767)	24,362,199	1.28%	815
2015	-	20,885,000	8,591,248	418,858	17,545,158	-	1,660,000	1,823,752	47,000	50,971,016	2.53%	1,651
2016	-	16,180,000	9,526,248	546,888	18,663,445	-	5,125,000	1,823,752	191,851	52,057,184	2.47%	1,667
2017	-	14,220,000	11,718,751	660,254	17,709,445	-	9,585,000	1,646,249	417,622	55,957,321	2.60%	1,797
2018	-	11,945,000	14,552,773	903,685	16,746,445	-	13,465,000	1,472,227	747,050	59,832,180	2.60%	1,852
2019	-	9,650,000	16,525,276	1,463,854	15,773,445	2,520,000	17,350,000	1,294,724	1,883,170	66,460,469	2.70%	2,031
2020	-	7,300,000	16,739,519	1,405,244	14,791,445	2,520,000	18,905,000	1,115,481	1,917,557	64,694,246	2.58%	1,977

Sources: The data for this table has been provided from City financial documents.

Note: More detailed information for Population and Personal Income can be viewed in table 15 of the statistical section.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last ten fiscal years

Table 11

	General Obligation Bonds	Plus: Net Premium (Discount) on General Obligation Bonds	Less: Amounts Restricted to Debt Service	Net General Obligation Debt	Percentage of Estimated Market Value of Property	Per Capita
2011	\$ 18,365,000	\$ (80,604)	\$ 1,203,611	\$ 17,080,785	1.01%	\$ 566
2012	16,085,000	(68,643)	1,186,758	14,829,599	0.90%	485
2013	24,390,000	198,657	1,190,972	23,397,685	1.53%	769
2014	22,485,000	106,966	1,909,441	20,682,525	1.36%	692
2015	29,476,248	418,858	8,747,914	21,147,192	1.27%	685
2016	25,706,248	546,888	1,876,481	24,376,655	1.37%	781
2017	25,938,751	660,254	1,909,441	24,689,564	1.32%	793
2018	26,497,773	903,685	2,816,343	24,585,115	1.20%	761
2019	26,175,276	1,463,854	3,991,322	23,647,808	1.06%	723
2020	24,039,519	1,405,244	4,398,682	21,046,081	0.86%	643

Sources: The data for this table has been provided from City financial documents.

Note: More detailed information for Population can be viewed in table 15 of the statistical section.

Note: More detailed information for Estimated Property Values can be viewed in table 6 of the statistical section.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
December 31, 2020

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts:			
No. 11 Anoka	\$ 258,745,000	5.43%	\$ 14,049,854
No. 279 Osseo	143,861,460	3.47%	4,991,993
No. 281 Robbinsdale	172,139,921	4.48%	7,711,868
No. 286 Brooklyn Center	48,065,048	100.00%	48,065,048
Metropolitan Council	103,225,628	0.54%	557,418
Hennepin County	998,790,298	1.06%	10,587,177
Hennepin Regional RR Authority	93,859,422	1.06%	994,910
Three Rivers Park District	42,954,642	1.52%	652,911
Total overlapping debt	<u>\$ 1,861,641,419</u>		87,611,179
City of Brooklyn Center direct debt			<u>25,444,763</u>
Total direct and overlapping debt			<u>\$ 113,055,942</u>

Source: Hennepin County Taxpayer Services Department

Note: More detailed information for the City's outstanding debt can be viewed in table 10 of the statistical section.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The 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.

Note: The percentage of overlapping debt applicable is estimated using tax capacity values. Applicable percentages were estimated by determining the portion of each entity's tax capacity that is within the City's boundaries, and dividing it by the entity's total tax capacity.



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CITY OF BROOKLYN CENTER, MINNESOTA

STATISTICAL SECTION (UNAUDITED)

LEGAL DEBT MARGIN INFORMATION

Last ten fiscal years

	2011	2012	2013	2014
Taxable Market Value	\$ 1,692,594,600	\$ 1,468,159,885	\$ 1,338,405,415	\$ 1,329,268,428
Debt Limit Percentage	3.00%	3.00%	3.00%	3.00%
Debt Limit	50,777,838	44,044,797	40,152,162	39,878,053
Total net debt applicable to limit	181,389	-	-	-
Legal debt margin	\$ 50,596,449	\$ 44,044,797	\$ 40,152,162	\$ 39,878,053
Total net debt applicable to the limit as a percentage of debt limit	0.36%	0.00%	0.00%	0.00%

Sources: The data for this table has been provided by Hennepin County and from City financial documents.

Table 13

2015	2016	2017	2018	2019	2020
\$ 1,489,548,076	\$ 1,585,423,689	\$ 1,677,496,115	\$ 1,870,350,254	\$ 2,060,074,358	\$ 2,280,312,601
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
44,686,442	47,562,711	50,324,883	56,110,508	61,802,231	68,409,378
-	-	-	-	-	-
\$ 44,686,442	\$ 47,562,711	\$ 50,324,883	\$ 56,110,508	\$ 61,802,231	\$ 68,409,378
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 14

Special Assessment Bonds							
	Special Assessment Collections	Property Tax Collections	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	\$ 747,145	\$ 685,214	\$ 1,432,359	\$ 745,000	\$ 136,890	162.42%	
2012	561,618	704,454	1,266,072	670,000	111,460	162.01%	
2013	485,034	703,019	1,188,053	590,000	88,870	175.00%	
2014	674,253	678,966	1,353,219	475,000	160,447	212.96%	
2015	1,120,946	389,705	1,510,651	1,270,000	187,221	103.67%	
2016	797,089	632,692	1,429,781	885,000	228,423	128.41%	
2017	1,040,491	842,093	1,882,584	1,542,497	221,044	106.75%	
2018	1,138,317	1,137,519	2,275,836	1,000,978	304,587	174.32%	
2019	1,547,331	1,383,180	2,930,511	1,382,497	434,643	161.27%	
2020	1,143,880	1,456,676	2,600,556	1,740,757	521,278	114.97%	

Tax Increment Bonds							
	Tax Increment Collections			Debt Service		Coverage	
				Principal	Interest		
2011	\$ 1,321,205			\$ 1,290,000	\$ 702,530	66.31%	
2012	2,388,702			925,000	651,744	151.50%	
2013	2,766,160			1,365,000	598,107	140.91%	
2014	3,038,983			1,430,000	642,445	146.64%	
2015	2,953,728			1,755,000	638,832	123.39%	
2016	2,969,836			1,835,000	601,389	121.89%	
2017	4,500,329			1,960,000	403,988	190.37%	
2018	4,757,113			2,275,000	369,433	179.89%	
2019	5,047,023			2,295,000	434,643	194.33%	
2020	5,732,249			2,350,000	235,345	221.72%	

Utility Revenue Bonds							
	Water, Sewer, and Storm Utility Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	\$ 5,421,679	\$ 5,011,775	\$ 409,904	\$ 140,000	\$ 83,438	183.45%	
2012	5,889,769	5,084,012	805,757	135,000	81,562	372.07%	
2013	5,951,703	5,335,477	616,226	135,000	80,188	286.37%	
2014	6,151,426	5,334,905	816,521	140,000	76,902	376.45%	
2015	6,667,218	5,665,327	1,001,891	1,815,352	238,401	48.78%	
2016	9,016,802	8,194,267	822,535	1,084,000	226,543	62.76%	
2017	9,429,371	8,943,670	485,701	1,296,503	211,072	32.22%	
2018	9,895,247	9,272,926	622,321	1,607,022	532,724	29.08%	
2019	9,997,139	10,407,257	(410,118)	2,055,503	736,877	-14.69%	
2020	10,560,571	10,594,886	(34,315)	2,436,243	803,141	-1.06%	

Lease Revenue Bonds							
	Liquor Gross Margin	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2020	\$ 1,501,357	\$ 1,590,440	\$ (89,083)	\$ -	\$ 75,674	-117.72%	

Sources: The data for this table has been provided from City financial documents.

Table 15

							School Enrollments			
	Population	No. of Households	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	No. 11 Anoka	No. 279 Osseo	No. 281 Robbinsdale	No. 286 Brooklyn Center
2011	30,204	10,791	1,734,223,068	57,417	8.2%	32.8	38,686	20,686	12,062	2,109
2012	30,569	10,812	1,800,452,962	58,898	7.2%	33.1	38,403	20,623	12,181	2,177
2013	30,426	10,862	1,843,846,026	60,601	6.1%	33.3	38,183	20,689	12,266	2,182
2014	29,889	10,756	1,909,936,989	63,901	4.8%	32.3	37,853	20,398	12,385	2,399
2015	30,864	10,994	2,013,289,584	65,231	4.6%	32.8	38,016	20,511	12,714	2,401
2016	31,231	11,042	2,105,812,637	67,427	4.3%	32.3	38,739	20,847	12,553	2,415
2017	31,145	11,063	2,155,919,190	69,222	3.9%	32.1	38,764	21,221	12,553	2,566
2018	32,299	11,289	2,297,783,159	71,141	3.3%	31.8	38,802	21,472	12,546	2,492
2019	32,722	11,318	2,457,847,586	75,113	3.6%	31.9	39,057	21,509	12,388	2,350
2020	32,722	11,318	2,504,934,544	76,552	8.7%	31.9	37,719	20,672	11,692	2,333

Sources: Population & Households - Metropolitan Council
 Personal Income - Calculated by the City
 Per Capita Personal Income - US Department of Commerce; Bureau of Economic Analysis
 Unemployment Rate - Minnesota Department of Employment and Economic Development
 Median Age - US Department of Commerce, Bureau of the Census
 School Enrollment - Minnesota Department of Education

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 16

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hennepin County	9,300 *	1	56.96%			
Promeon Inc., A Division of Medtronic	1,100	2	6.74%	1,100	1	7.30%
Luther Auto Group	555	3	3.40%			
Independent School District #286	396	4	2.43%	385	2	2.55%
City of Brooklyn Center	342	5	2.09%	160	5	1.06%
Wal-Mart	278	6	1.70%			
University of Minnesota Physicians	212	7	1.30%			
Caribou Coffee Headquarters	200	8	1.22%	250	3	1.66%
Presbyterian Homes, Marantha Care Center	200	8	1.22%			
TCR Corporation	150	10	0.92%	145	7	0.96%
Independent School District #279				185	4	1.23%
TCF Call Center				150	6	1.00%
Target				140	8	0.93%
Cub Foods				130	9	0.86%
Kohls				100	10	0.66%
Totals	12,733		77.98%	2,745		17.55%

* Not all employees located in Brooklyn Center

Sources: The data for this table has been extracted from Official Statements for bonds issued in 2011 and 2020.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
FULL TIME CITY GOVERNMENT POSITIONS BY FUNCTION
Last ten fiscal years

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Administrative	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Elections	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Assessor	3.0	3.0	3.5	3.5	-	-	-	-	-	-
Human Resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Communications and Engagement	-	-	-	-	-	-	1.0	1.0	1.0	2.0
Information technology	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Building Maintenance	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total general government	22.0	21.0	21.5	21.5	18.0	18.0	20.0	20.5	20.0	22.0
Public safety										
Police										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Investigation	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Patrol	42.0	42.0	42.0	41.0	41.0	40.0	42.0	42.0	42.0	42.0
Support Services	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire	1.0	1.0	1.0	1.0	2.0	3.0	3.0	3.0	3.0	3.0
Emergency Preparedness	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total public safety	63.0	63.0	63.0	62.0	63.0	63.0	65.0	65.0	65.0	65.0
Community Development										
Community Development Admin	-	-	-	-	-	-	-	2.3	2.3	2.3
Business Development	-	-	-	-	-	-	-	1.2	1.2	2.2
Planning & Zoning	1.5	1.5	1.5	1.5	1.5	1.2	1.2	-	-	-
Inspections	4.0	4.0	4.0	5.0	5.0	5.2	4.2	-	-	-
Code Enforcement	5.0	4.0	5.0	5.0	4.0	3.4	4.4	-	-	-
Building and Community Standards	-	-	-	-	-	-	-	8.5	8.5	8.5
Total Community Development	10.5	9.5	10.5	11.5	10.5	9.8	9.8	12.0	12.0	13.0
Public works										
Engineering & Admin	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Street Maintenance	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0
Traffic Control	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total public works	16.0	15.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	16.0
Parks and recreation										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Recreation Programs	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Community Center	3.0	-	-	-	-	-	-	-	-	-
Parks Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Golf Course	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Forestry	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total park and recreation	16.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	15.0	16.0
Economic Development	2.5	2.5	2.5	2.5	2.5	2.2	2.2	2.0	2.0	2.0
Municipal Liquor	4.0	4.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Earle Brown Heritage Center	11.0	11.0	11.0	12.0	12.0	13.0	13.0	13.0	14.0	16.0
Water	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Sanitary Sewer	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Storm Drainage	1.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	3.4	3.4
Central Garage	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	160.0	155.0	158.5	159.5	156.0	157.0	161.0	164.5	167.0	172.0

Sources: The data for this table has been extracted from the respective years budget document.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
OPERATING INDICATORS BY FUNCTION
 Last ten fiscal years

Table 18

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Violent crimes	135	113	129	97	113	112	125	118	109	134
Property crimes	1,529	1,561	1,712	1,195	1,080	1,076	1,087	1,070	1,231	1,284
Total calls for service	41,347	39,736	37,370	35,914	34,997	35,558	37,041	37,658	38,370	36,420
Fire										
Fires/All other calls	774	781	634	844	769	824	726	700	798	447
Medical calls	1,135	1,209	1,209	1,263	1,212	1,348	742	720	824	772
Fire inspections performed	141	295	270	197	9	33	140	225	281	614
Streets										
Total miles	105.73	105.73	105.73	105.73	105.73	105.73	105.73	105.73	105.73	106.06
Miles of streets reconstructed	5.62	0.70	2.90	3.01	3.91	2.74	5.57	4.00	7.00	4.40
Parks and recreation										
Community Center Admissions	57,874	59,550	62,434	56,142	31,882	50,944	55,418	55,734	53,490	53,490
Acres of park maintained	527	527	527	527	527	527	527	527	527	527
Municipal liquor										
Number of stores	2	2	2	2	2	2	2	2	2	2
Sales (in thousands)	\$5,789	\$5,964	\$6,063	\$5,852	\$6,057	\$6,197	\$6,495	\$6,744	\$6,856	\$5,491
Golf course										
Rounds sold	12,169	12,875	11,724	11,023	12,359	12,601	11,960	11,106	11,883	14,930
Earle Brown Heritage Center										
Bookings	548	460	397	409	374	375	371	510	1,066	1,066
Functions	1,055	1,053	1,082	1,014	935	955	861	782	994	994
Water										
Connections	8,887	8,894	8,896	8,909	8,927	8,933	8,942	8,962	8,969	8,969
Miles of water mains	121.80	121.80	119.70	119.87	119.40	121.10	121.40	121.40	121.00	121.80
Average daily consumption	2,939,000	3,196,072	3,000,378	2,819,874	2,794,874	2,927,562	3,067,362	2,949,468	2,747,411	2,786,633
Sanitary sewer										
Connections	8,820	8,813	8,783	8,789	8,788	8,788	8,769	8,774	8,748	8,748
Miles of sanitary sewer	105.61	105.61	105.61	105.61	97.51	98.40	98.40	98.40	98.00	98.60

Sources: The data for this table has been provided by each respective City department.

CITY OF BROOKLYN CENTER, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CAPITAL ASSET STATISTICS BY FUNCTION
 Last ten fiscal years

Table 19

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units										
Marked squads	9	9	10	10	10	10	11	11	12	12
Other vehicles	18	16	18	18	18	18	18	18	18	18
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	8	8	8	8	8	8	8	8	8	8
Other vehicles	3	3	3	3	5	5	5	6	5	5
Public works										
Streets (miles)	105.73	105.73	105.73	105.73	105.73	105.73	105.73	105.73	105.73	106.06
Mobile equipment	14	14	13	14	14	14	14	14	14	14
Heavy duty trucks	13	13	12	13	13	13	13	13	14	14
Other vehicles	6	6	7	6	4	5	4	4	4	4
Parks and recreation										
Parks acreage	527	527	527	527	527	527	527	527	527	527
Trails (miles)	21.6	21.6	21.6	14.2	14.9	15.3	15.7	15.7	16.6	16.6
Community centers	1	1	1	1	1	1	1	1	1	1
Ground maintenance equipment	15	15	14	12	11	11	11	11	12	12
Other vehicles	8	8	8	8	8	8	8	8	8	8
Water										
Water mains (miles)	121.80	121.80	119.70	119.87	119.40	121.10	121.40	121.40	121.00	121.80
Wells	9	9	9	9	9	9	9	9	9	9
Water treatment plant	-	-	-	-	-	1	1	1	1	1
Sewer										
Sanitary sewers (miles)	105.61	105.61	105.61	105.61	97.51	98.40	98.40	98.30	98.00	98.60
Lift Stations	10	10	10	10	10	10	10	10	10	10
Storm sewers (miles)	74.20	74.20	83.01	84.55	86.28	88.18	88.60	90.00	90.16	91.30

Sources: The data for this table has been provided by each respective City department.

Council Worksession

VIRTUAL meeting being
conducted by electronic
means in accordance with
Minnesota Statutes, section
13D.021 Public portion
available for connection via
telephone Dial: 1-312-626-
6799 Meeting ID:
2365542887# Passcode:
04152021#
June 7, 2021

AGENDA

The City Council requests that attendees turn off cell phones and pagers during the meeting. A copy of the full City Council packet is available to the public at <http://cityofbrooklyncenter.org/>.

- 1. Call to Order - 5:30 p.m.**
- 2. Roll Call**
- 3. Opportunity Site Infrastructure Framework Discussion**
 - a. Opportunity Site Infrastructure Framework Discussion
- 4. City Manager Position Discussion**
- 5. Adjourn**

Council Worksession

DATE: 6/7/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Meg Beekman, Community Development Director

SUBJECT: Opportunity Site Infrastructure Framework Discussion

Background:

In April 2019, the City renewed a Preliminary Development Agreement with Alatus for 35 acres of the 80-acre Opportunity Site. The agreement outlined roles and responsibilities for each party, which included the City taking the lead on master planning for the site, in partnership with Alatus, and incorporating the larger 80-acre Opportunity Site into the master plan. Alatus for their part in the agreement was tasked with implementing an initial phase of development and continuing their work to bring a development forward.

Throughout 2019, the City, along with its consultant team, worked to develop the Opportunity Site Master Plan. This was a multi-phased approach that involved a combination of technical assessment, initial community engagement, feasibility analysis, and further community engagement to continue to refine the plan.

The scale and reach of community engagement on this project has exceeded that of any past effort in the City's history; however, the intent with this project is to ensure that the outcomes truly benefit the residents of Brooklyn Center, and this necessitates a much deeper, more inclusive engagement strategy.

From the beginning, the engagement approach was intended to support this vision through an in-depth, inclusive process that connected with diverse groups and views throughout the city.

Principles guiding this approach included:

- Consistency with city goals and policies, including the new city comprehensive plan.
- Ensuring the development provided direct access and benefits for city residents.
- Authentic engagement to connect people with the decision-making process.
- Meaningful opportunities to influence outcomes for the plan and the site.
- Transparency in decision making, to build trust and accountability.

While these principles have remained, the approach to engagement has evolved and changed since then, in response to feedback on effectiveness, and changes in external conditions.

The City is working with NEOO Partners on a public engagement strategy that includes contracting with community partners to lead deeper and more meaningful engagement with community, and the creation of a citizen advisory taskforce to distill the engagement results and create a community benefits plan for the development. Staff will present the community partner proposals and present a revised timeline for the engagement work at the June 14 City Council meeting.

Master Plan

A master plan is a big picture, values-driven plan that informs future development of an area. Master plans do not provide details on specific development projects. Typically master plans consist of two primary components; 1) a set of physical infrastructure frameworks that comprise the physical layout of the area with roads, parks, trails, stormwater, land use and utilities, and 2) an implementation component that identifies how the physical elements will be delivered and what they are intended to achieve. This component may include development goals, community benefits, financial feasibility, zoning regulations, detailed infrastructure design, and short and longer-term action steps.

A draft master plan largely comprised of the physical infrastructure frameworks was completed in January 2020. This was based on early engagement efforts, the City's comprehensive plan, the geographic context of the site, and the physical realities of the redevelopment areas. The intention at that point was to move into an engagement phase to develop the implementation component of the plan. This process was slowed due to the pandemic and then further delayed by civil unrest, but is being re-engaged under an engagement strategy developed by NEOO Partners, and in collaboration with community partners.

In the interim, a traffic study was conducted, based on the draft master plan, and a regional stormwater plan was developed for the site. One of the next steps to complete the implementation component of the master plan is to develop more refined designs for the roads, streetscapes and utilities. Refined designs are needed to complete cost estimates and stormwater planning, and to develop an implementation plan for the public improvements.

In addition, Three Rivers Park District has committed to providing a 4-acre "mini-regional park", within the development area. They have amended their parks and trails master plan to include the project and have included it in their 2024 CIP. They will begin an engagement and planning process for the park later in 2021.

MNDOT holds approximately 5 acres of right of way adjacent to Highway 100 and in the middle of a highly visible area within the redevelopment plan. This ROW is for John Martin Drive and connects to the John Martin Drive access and bridge over Highway 100, which is also owned by MNDOT. The draft master plan calls for the closure of this access and bridge, and for MNDOT to vacate that ROW, allowing it to be incorporated into a future development area. At present, MNDOT has expressed hesitation to move ahead with any review of that ROW, due to a future 2026 Highway 100 improvement that may need stormwater capacity. Staff has been working with MNDOT to ensure they understand that the highest and best use of that land is not a stormwater pond, nor is waiting to determine MNDOT's potential future need for the land acceptable. These conversations are ongoing.

The EDA controls approximately 44 of the 80-acre Opportunity Site area. The balance of land is privately owned by various parties. Nearly all of those properties are for sale, or have willing sellers. Staff has received numerous inquiries from parties interested in acquiring these parcels. Interest includes redevelopment concepts, as well as reuse concepts. Generally, proposed concepts are for uses that do not align with the draft master plan. This is not surprising since the draft master plan calls for a significant re-visioning of the area, to intensify the land use, bring new infrastructure and amenities to the site, and deliver outcomes that the market would not be able to deliver on its own without city support.

The concern is that absent a vision for the site, the City has limited ability to ensure that any reuse or redevelopment of private property within the Opportunity Site aligns with what the City wants to achieve on the site. Without an adopted framework for future redevelopment, it is more difficult for staff to convey the City's vision and provide direction to property owners and prospective buyers.

The 2040 Comprehensive Plan identifies future land uses of Transit Oriented Development and Commercial

Mixed Use; however, the zoning for the site allows auto-oriented retail and commercial uses, which are not in alignment with the vision. A moratorium on new development was put into place in August 2019, and expired in August 2020. The City does not have the ability to put into place another moratorium.

Infrastructure Framework

In order to complete the Opportunity Site Master Plan, and specifically the implementation component, Staff is seeking direction from the City Council on the physical infrastructure components of the draft master plan. These consist of four elements:

- Land use
- Parks and Open Space
- Stormwater
- Access and Connectivity

The purpose of the work session discussion this evening is to provide an overview of these four elements, and get direction from Council. Each component is described in more detail in the sections below.

Based on the discussion, Staff is proposing that the City Council take action to approve the infrastructure framework at a future meeting. The approval of an infrastructure framework is needed in order to provide guidance on the draft master plan, and to facilitate the completion of the implementation component. In addition, guidance from Council is needed to progress and facilitate discussions with Three Rivers Park District and MNDOT. An approved infrastructure framework would also allow staff to articulate the City's vision for the site, and put staff in a better negotiating position when talking with existing property owners and prospective interested parties.

The sections below outline the vision and outcomes for each infrastructure element.

Land Use

"Downtown Brooklyn Center will feature building and development patterns that are mixed, sustainable, and connective - creating nodes of mixed use activity and neighborhoods for people to live and enjoy at any stage of life."

Land uses within the Opportunity Site are intended to allow for a mix of uses, including those supportive of or oriented around transit, pedestrian and bicycle facilities, and that support local job creation and business growth. Land uses of this nature were informed by the 2040 Brooklyn Center Comprehensive Plan, and community input on the need for living-wage jobs, increasing the City's tax base, and providing opportunities to diversify Brooklyn Center's economy and housing. The final land use policy direction will be supported by an implementation plan, which will be imbedded within the final Opportunity Site Master Plan as well as with new zoning districts in an updated City zoning code.

Transit Oriented Development District (TOD)

The majority of the Opportunity Site will be guided for Transit Oriented Development (TOD). TOD supports opportunities for transit-supportive and transit-oriented land uses that also facilitate pedestrian and bicycle use. The TOD district requires intensities and patterns of development that support vibrant pedestrian activity, and discourages land uses and development patterns that could decrease walkability or interfere with future growth of transit-oriented development and transit ridership. The district promotes sustainable urban places that include places to live, work, shop, and recreate locally, reduces reliance on automobiles,

and encourages the use of public transit. The district fosters job creation and economic growth in proximity to transit and provides residents with new housing and lifestyle choices with more nearby amenities and social interaction spaces.



Southeast Segment

For the approximately 20-acre segment located in the southeast of the Opportunity Site, three land use options are being explored. Each is being assessed as to their viability, support of community goals, and alignment with the larger Master Plan vision. A series of initial pros and cons are provided for additional consideration.



Option 1 | Regional Recreation Attraction

An initial concept for the southeast segment was the introduction of a major recreation attraction, to establish a regional destination within the City. An attraction of this nature would anchor and drive activity for the surrounding Opportunity Site, providing a significant draw, and create more market interest in the area. An attraction of this nature would need to provide year-round indoor and outdoor opportunities for public activities and gathering, meeting a well-known public need. If designed well, the attraction could connect to surrounding neighborhoods via sidewalks and trails, promoting overall Opportunity Site accessibility. Such a use could also provide opportunities to meet community recreation needs; however, a significant source of customers would need to be drawn from the broader region.

To be viable, the attraction would almost certainly need to be privately owned and operated, but with public

accessibility. Discounted rates for Brooklyn Center residents could be pursued to promote local benefit.



Southeast Segment: Regional Recreation Attraction	
Pros	Cons
·Would present a major destination and activity center for the Opportunity Site and City ·Promote year-round healthy recreation for residents and visitors ·Could provide needed community indoor and/or outdoor gathering space(s) ·Address a need for entry-level jobs ·Could support local and regional connectivity and sustainability goals, especially with any outdoor recreation features ·Present opportunities for placemaking and establishing unique community destinations reflective of the many ethnicities that make up Brooklyn Center ·Single site owner simplifies coordination around roadways, utilities, stormwater, and related infrastructure	·Unknown timeline or prospective attraction ·Typically requires high upfront cost of construction & management ·Recreation jobs are generally limited, low paying, and seasonal – unlikely to offer a large number of living-wage jobs or advancement opportunities ·Forecasted for very high traffic demands, which would require several traffic mitigation efforts in/around the Opportunity Site ·Such users are few and the pandemic may have impacted the market demand for such a facility

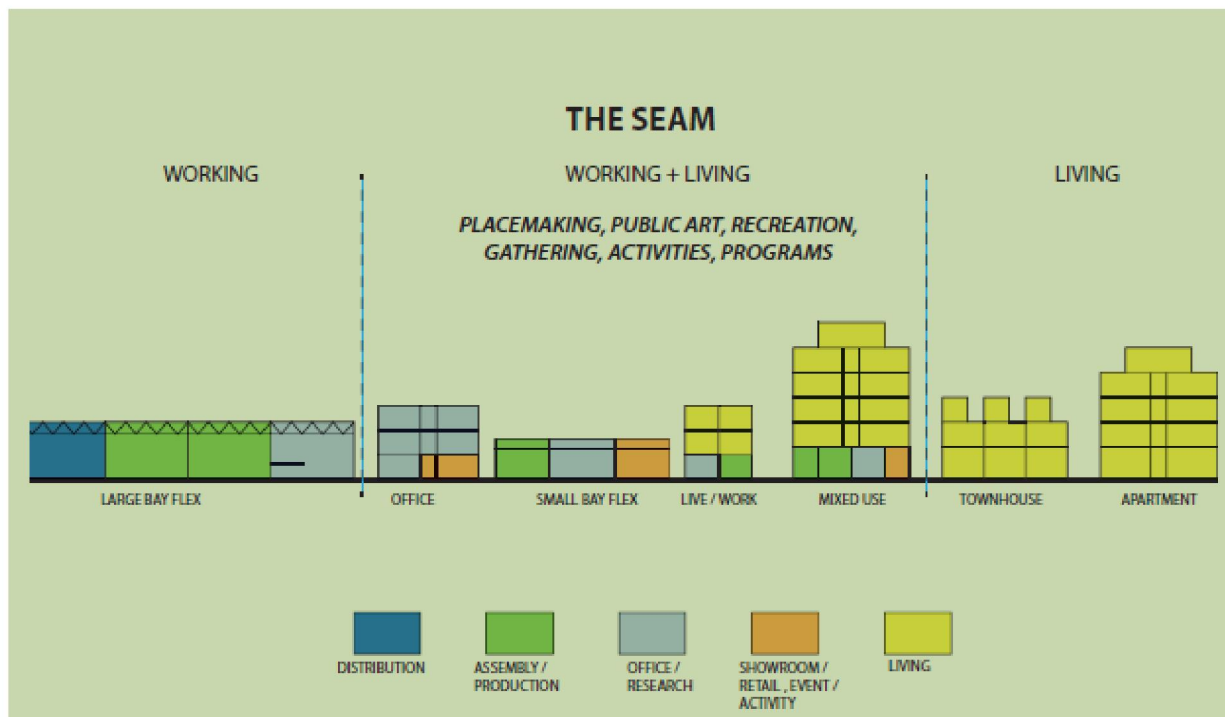
Option 2 | Business Mixed Use

Business Center Options for the southeast segment has since evolved to include the concept of a mixed business- and manufacturing-oriented land use concept. Leveraging adjacent access to major highways and great visibility, this designation which would allow for a business center with manufacturing and business production alongside supportive retail/services to encourage a more dynamic and connected experience for the public, employees, and business owners. The resulting manufacturing, assembly, production, repair, and distribution uses would co-locate small-scale retail uses into an appropriately scaled, integrated district. This concept does not guide for significant residential uses, but may allow for limited live-work opportunities.



Introducing industrial type uses to the Opportunity Site would not come without challenges, each of which would require a comprehensive strategy of mindful site design, supportive programmatic and/or policy systems, and sustainability guidance to mitigate potential issues. Approaches being explored include:

- Sustainability guidance to promote environmental stewardship, closed-loop material/waste systems, and leveraging national momentum around sustainable manufacturing practices.
- In contrast to traditional large buffers and use separation, a “neighborhood seam” would be sculpted between the TOD and Business Mixed Use districts, integrating multimodal access and scaled gathering spaces to promote natural transitions and accessibility. Similarly, mixing uses within the district reduces business system footprints and business costs.
- Require higher-than-average thresholds of impervious surfaces and green infrastructure throughout the district to promote sustainability and mitigate stormwater runoff.
- Local hire and job training programs to support local living wage jobs and ensure capitol is recirculated back into the local community.
- Affordable rental spaces to promote startup and business needs of all sizes.
- Building orientation that keeps trucking away from residential areas, and visually hidden.



Pros	Cons
·Directly responds to an expressed community need for living wage jobs, while presenting opportunity for local hire programs. ·Would provide flexible working spaces for businesses to grow and expand ·Could provide affordable, flexible space for local businesses in need of boutique manufacturing and warehouse/distribution - opportunity to develop a business-focused incubator ·Leverages strong market demand for this type of use, which also would allow for stronger design and performance standards for projects ·Low infrastructure costs regularly produces a net-positive tax base ·With integrated uses come opportunities to establish a unique district identity, reflecting the rich cultural entrepreneurialism of the many ethnicities that make up Brooklyn Center. ·Retail locations along the edge of the district present opportunities for placemaking and public gathering spaces. ·Co-locating residential uses near and within the district reduces transportation needs, promotes access for workers, supports local retail, and creates general district vibrancy. ·Significantly reduces traffic forecasts compared to a regional recreation attraction, requiring minimal-to-no mitigation efforts ·Located near several regional and state-wide routes - Hwy 100 and I-94/694 – offering strong distribution connectivity ·Leverages interest of existing area property owner that wishes to redevelop their property	·Industrial and manufacturing jobs traditionally carry higher waste production and energy needs ·Integrative land use models oriented around industrial are not well established ·Noise, light, and related impacts would need to be well understood with mitigating measures put in place ·Potential pollution effects would need to be well understood with mitigating measures put in place ·Establishing closed-loop systems requires heavy coordination and management ·Would risk attracting heavy-shipping interest, and require coordination of shipping routes around the Opportunity Site - this can be mitigated with strong zoning that regulates the scale and type of business uses which would be permitted. ·Phased buildout could complicate coordination of roadways, utilities, stormwater, and related infrastructure

Option 3 | Transit Oriented Development

A third option would be to continue use of the TOD designation. Guiding the area for TOD would ensure uniformity of urban form and mix of uses with the rest of the Opportunity Site, and present the most straight-forward land use option. Such a designation however would decrease opportunities to establish a unique activity center and destination within this segment. It would also make more it more difficult to establish an employment center with business growth opportunities. Further, residential projects along Hwy 100 may prove to be less than desirable for developers and residents, and may require screening or other buffers.

Southeast Segment Concept: Transit Oriented Development	
Pros	Cons

·Greatest flexibility in allowable land uses ·Would provide opportunities for additional residential units to the city ·Continuity of neighborhood form and density with rest of Opportunity Site ·Promote continued support for transit services, and multi-model connectivity within and around the Opportunity Site	·Wouldn't support the creation of an area destination or employment center ·Proximity to Hwy 11 may deter residential development ·Doesn't leverages interest of existing area property owner that wishes to increase jobs, or regular industrial development inquires ·Unknown traffic impacts, as the TOD concept for this area has not yet been studied ·Unknown stormwater and utility impacts, as the TOD concept for this area has not yet been studied
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Staff is seeking direction from the City Council on land use for the southeast 20 acres of the site.

Open Space

"Downtown Brooklyn Center will feature a system of open spaces, streets, trails and pedestrian areas that promotes healthy living, gathering, social gathering, and environmental responsibility."

The infrastructure framework includes a network of parks and plazas, connected by sidewalks and trails. A new neighborhood park is located on the north side of the site, connected by a garden street to a 4-acre micro regional park that will be managed by Three Rivers Park District on the south side. Pocket parks and plazas are planned throughout to create places for people to gather and recreate.



Some of these open spaces and plazas will be privately owned and maintained, with public access granted through easements. Other elements of the open space plan will be new publicly owned spaces that will be maintained by the City. This will require careful planning to ensure that these spaces can be maintained in an efficient and cost effective manner.



The framework identifies the following outcomes for the open space plan:

- An inclusive, accessible, welcoming and dynamic public realm that becomes a social and gathering center for the entire City.
- An “inside out” City that attracts people to spend time outside together throughout all seasons of the year. Recreational and leisure activities for all ages and abilities.
- Connecting to and leveraging the potential of Centennial Park
- A green and active stormwater system that provides health, recreational, and environmental benefits to all.

Stormwater

“A green and active stormwater system that provides health, recreational, and environmental benefits to all”

A regional stormwater plan has been developed for the Opportunity Site, based on the draft plan. The regional system is designed to manage stormwater for the entire site. Infiltration is planned through neighborhood raingardens, streets designed with storm water best practices, and larger detention areas. Stormwater would be carried primarily in a linear greenway that runs through the site adjacent to a regional trail.



Development projects would provide infiltration enhancements on their sites and connect to the regional system. As part of the implementation plan, a build-out plan and fee system needs to be developed to ensure that the regional stormwater system will be built in a cohesive manner and can be paid for.

A regional stormwater system benefits the City by allowing more intensive use of developable land and creating more value. Further, by utilizing innovative best practices for stormwater and going above and beyond the minimum standards, the regional stormwater plan will be eligible for state funding to support its build-out.

Access and Connectivity

“Downtown Brooklyn Center will have a transportation system that encourages walking and biking, is well connected to the region and reduces the need to own a car by providing safe, affordable, convenient and accessible options.”

The infrastructure framework identifies a hierarchy of roadways, sidewalks and trails that connect both within the site as well as to bring people easily into the site. The roadways and their approximate locations are a critical component to the infrastructure framework because they create a series of pedestrian-scaled blocks that will make up the urban form of the site and dictate where development can occur.

Each roadway is categorized by type. The different types of roadways dictate their function and purpose within the development. Some roads will be designed to carry through-traffic and thus more vehicles, while

others are designated as neighborhood streets, and will be designed for lower traffic.

A garden street connects the site north to south and is envisioned as a low traffic, “shared” street, with pocket parks and ample traffic calming devices. The garden street elevates the role of the pedestrian and bicyclist, while minimizing the role of vehicles. This street is similar to those seen in places such as Amsterdam, where they are designed as residential streets that discourage cut-through traffic. Studies have shown that these types of streets are safer for people and promote social wellbeing for neighborhoods.



Outcomes of the access and connectivity framework are:

- Prioritizing pedestrians to create a walkable community
- Creating a safe and connected bicycle network
- Ensuring vehicular access to Downtown from throughout the City and the region.
- Establishing a network of streets that enables people to get round easily without the use of a car if they chose.

This roadway network represents road types that do not currently exist in the City. Because the goals for the area include a denser development pattern, on-street parking will very likely be part of the design, as well as integrated sidewalk and trail features. Ample streetscaping, including street furniture, lighting and landscaping, all will require extensive maintenance. As part of the implementation plan, it will be necessary to understand what the maintenance requirements will be and how this will be accomplished. For example, new equipment and practices may be needed to effectively plow and remove snow.

Some of the streets shown on the plan may be privately owned and maintained, while others will be new public streets. Determining who will be responsible for building and maintaining the street network will be a critical component of the implementation plan. In some cases, depending on the development timing, new street sections may need to be constructed in advance of a particular development phase. Planning for this, and how it will be paid for, will also be needed.

The exact location of the streets within the master plan are less important than their typologies. For example, depending on how the former Target site redevelops, the streets in that area may adjust a bit; however, their function will remain constant.

Next Steps

Staff is seeking direction from the City Council on the physical infrastructure framework elements. Most especially, the framework of Land Use requires additional discussing and direction.

Based on the discussion, staff will make any needed revisions to the infrastructure framework, with the goal of bringing it back to a future Council meeting for approval. Once approved, staff will continue the process

of developing the implementation component of the Master Plan. This will include a robust engagement effort as well as designing and planning for the open space, stormwater, utility and access plans.

Budget Issues:

None at this time

Inclusive Community Engagement:

Extensive community engagement has occurred in varying degrees over the last three years on this site. Additional engagement is planned and will be presented at the June 14 City Council meeting.

Antiracist/Equity Policy Effect:

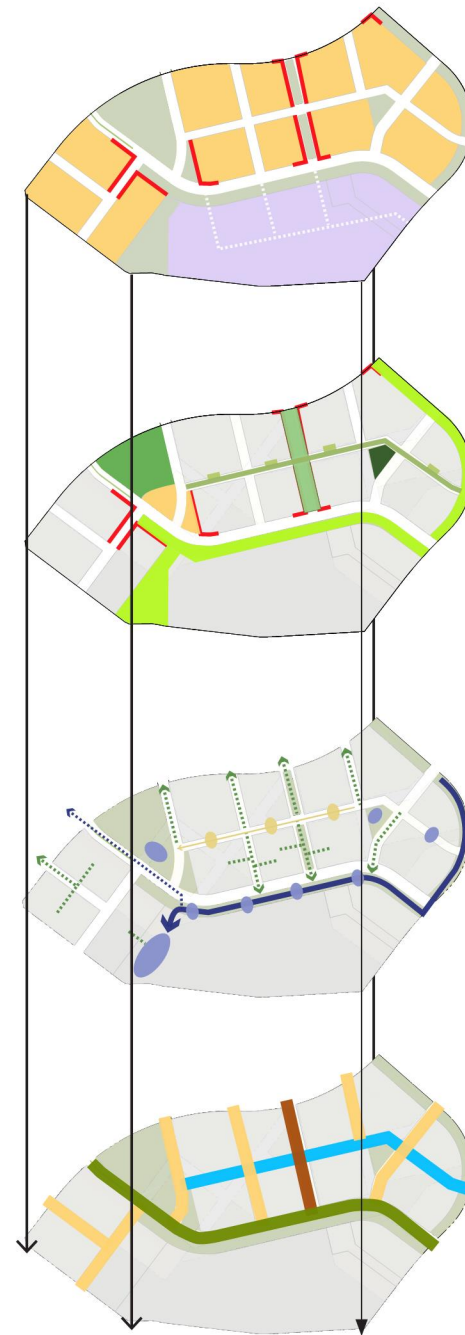
The draft master plan framework has been developed from its inception with an equity lens, focused on producing equitable outcomes and mitigating displacement risks. The infrastructure framework provides the foundation upon which the implementation portion of the plan can be developed, which will identify a community benefits plan to ensure these outcomes take place.

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Framework	6/4/2021	Backup Material



Downtown Brooklyn Center Framework Plan

Brooklyn Center, MN
Draft Report as of June 4, 2021

Prepared for:
City of Brooklyn Center

Prepared by:
Cunningham Group Architecture, Inc.

Cunningham



Table of Contents

Introduction.....page 3

Purpose of the Plan

Community Values

Guiding Principles

Overall Vision

Context

Organization of the Site

Four Frameworks.....page 8

Land Use

Open Space

Stormwater

Access and Connection

The City recognizes that historically, development patterns have resulted in disparate impacts, particularly on communities of color. These disparities have resulted in harm; such as displacement and exclusion from the benefits of new investment. The city endeavors to reverse these disparities and enhance equitable outcomes by working towards a more responsible means of advancing development



1. Introduction

Introduction

Purpose of this Plan

Brooklyn Center is a City of the Future.

The population is rich with diversity from around the world. The large number of children and youth will be future leaders in the years to come.

Brooklyn Center also brings strengths from its past. Its location is accessible and connected. And people still value its stock of affordable housing with convenient access to jobs, shopping and services.

But the transition from past to future is not without challenges. For the city, it means transitioning spaces and places built for a previous era, that no longer meet current needs. For the people, it means addressing past and current practices that exclude some people from benefitting from progress and opportunity, particularly people of color, people with low-incomes, and renters. This includes addressing the potential for displacement and gentrification in the city.

The Opportunity Site project can't meet every need. But it can help. For the city, this means creating a new place that strives to meet the needs of residents and workers, adds value to the community, and becomes a source of community pride. For the people, this means creating an accountable process that addresses past problems and provides transparency, accountability, and benefit to existing residents of the community.



This document sets clear high level direction for the community vision for redevelopment and how the physical structure of the area must change in order to enable this change.

This Framework Plan has two sections :

- 1. Background and Vision for Redevelopment
- 2. Four Frameworks

This document is not a full Master Plan. Adoption and acceptance of this document sets the direction for a fully developed Master Plan and it allows City Staff and officials to have discussions with developers and property owners while a full Master Plan is in development.

Community Values Expressed in the Plan



Diversity and inclusivity



Affordability



Health and Wellness



Fiscal Responsibility



Flexibility



Community Pride



Environmental Sustainability



Local Benefit



Counteracting Displacement

Guiding Principles

Four guiding principles emerged from the community workshops that reinforce a sense of community pride in Brooklyn Center



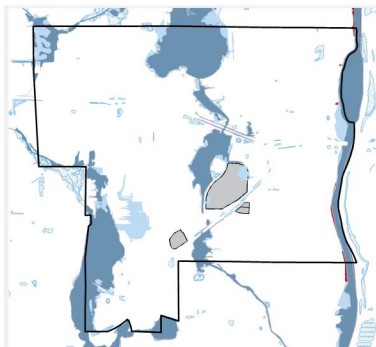
Overall Vision for a New Downtown Brooklyn Center

Downtown Brooklyn Center...

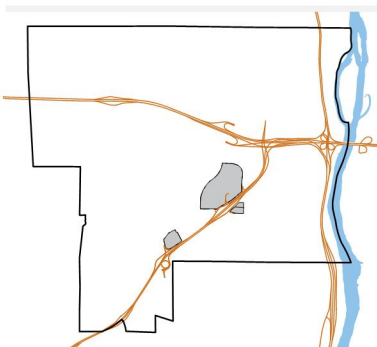
- Will be a place that represents all of what Brooklyn Center is and can become.
- People will choose to invest their time and energies in Downtown Brooklyn Center as much for what it is as for what it is near.
- It will contain a mix of uses that appeal to both current and future residents, entrepreneurs, and visitors of Brooklyn Center.
- It will have a significant amount of new medium and high density housing that helps diversify the City's housing stock - allowing residents to stay in Brooklyn Center and also attracting new residents.
- It will be a place that nurtures local businesses while also attracting new businesses that appeal locally and regionally.
- It will generate value to the City by leveraging its irreplaceable assets - proximity to the park and civic buildings, centrality to the City and it's people, and access to the region.

The Opportunity Site and its Surroundings

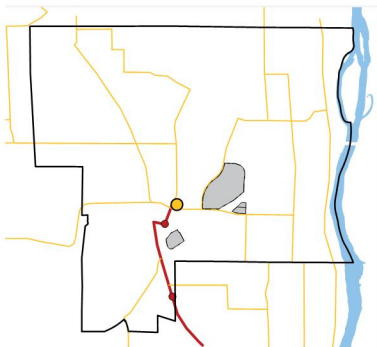
Brooklyn Center in the Region



Natural Systems
The Opportunity site is located a mile from the Mississippi River and adjacent to Shingle Creek. Both are part of regional recreational systems that are significant amenities.

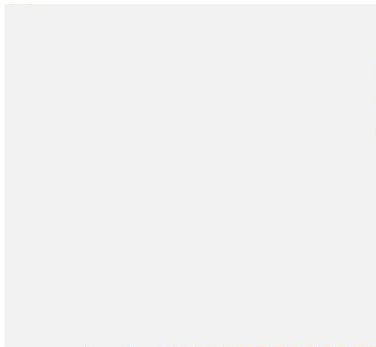
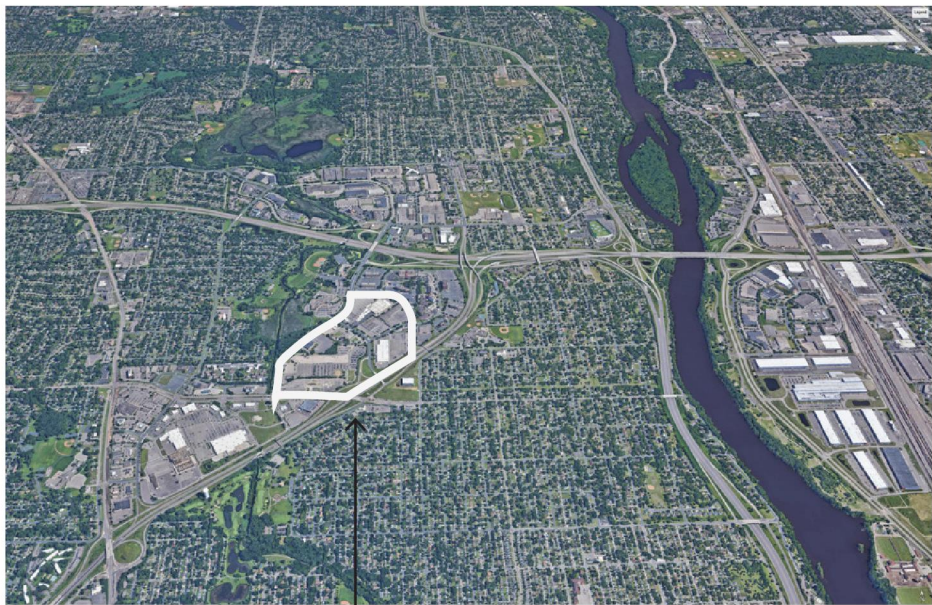


Highways
The Opportunity Site is located along major freeways and highways. It is easily accessible from throughout the region. This Plan recommends a combination of local and regional attractions that benefit from the Sites location and access.

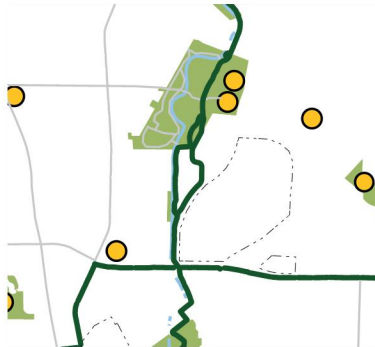


Transit
Metro Transit recently opened the C and D Bus Rapid Transit (BRT) Lines - both which terminate at a charging and layover station adjacent to the Opportunity Site. This Plan recommends relocating the station in the Opportunity Site and making it part of a mobility hub that serves the area.

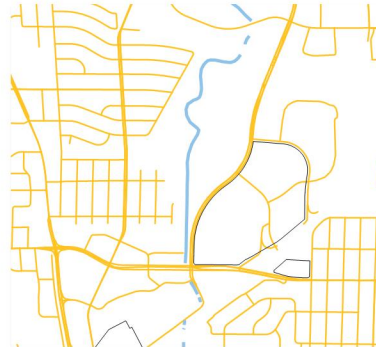
The Opportunity Site in Brooklyn Center



Neighborhoods
The area was developed in the 1960's when land uses were strictly separated. As a result, the site is separated from neighborhood by large parks and highways.

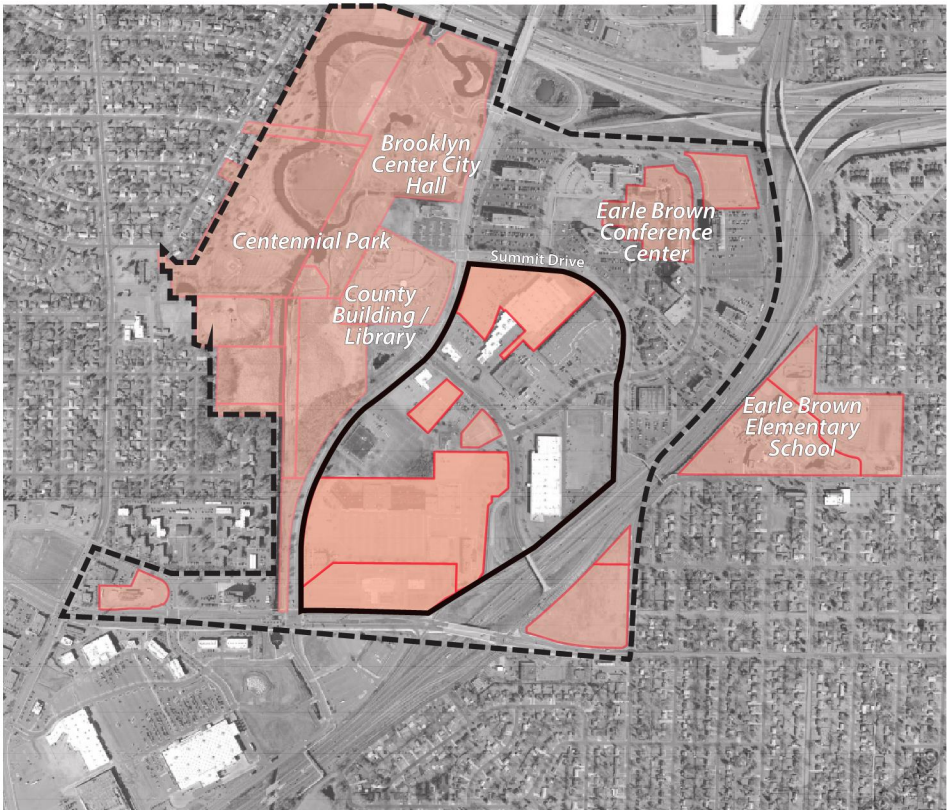


Trails
The Site is located at the junction of two regional trails which connect to the Mississippi River to the east, and large parks and lakes to the west north and south. The Plan recommends leveraging these assets and routing the trail through the Site.



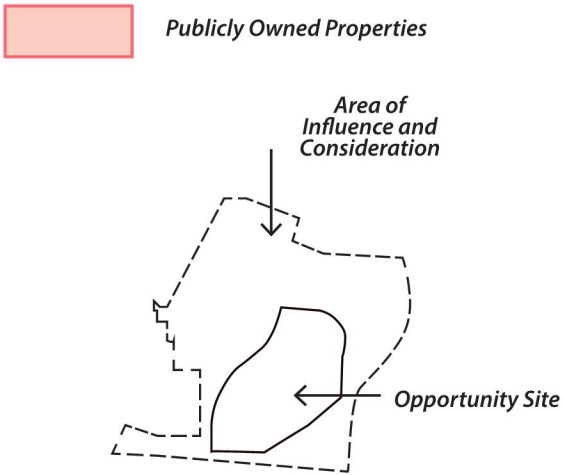
Local Roads
The Site has few local roads serving it and through it. Redevelopment of the Site will require considerable new infrastructure in order for it to be redeveloped

Publicly Owned Properties in the Opportunity Site



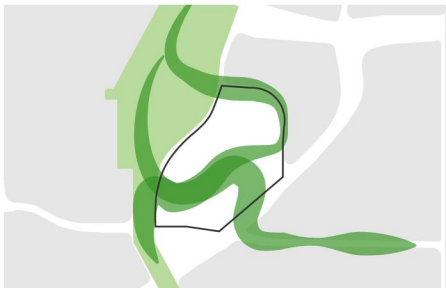
With approximately 40% of the Opportunity Site publicly owned, the City can leverage its influence on future redevelopment. By undertaking a public engagement the City can guide redevelopment in a manner that reflects the wishes, desires, and needs of the Community.

As property owner and driver of the Master Plan, redevelopment of the Opportunity Site can deliver substantially more public benefits than if the redevelopment was exclusively privately driven.

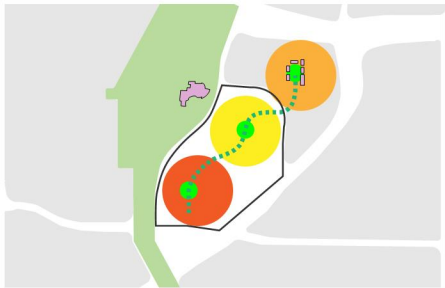


The Opportunity Site is approximately 100 acres. Approximately 40% (shown in red) of it is publicly owned. While this study focuses on the Opportunity Site, it took into consideration a significantly larger area because of its close relationship to the Opportunity Site.

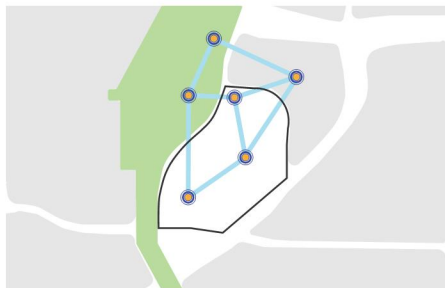
Concepts that Organize The Site



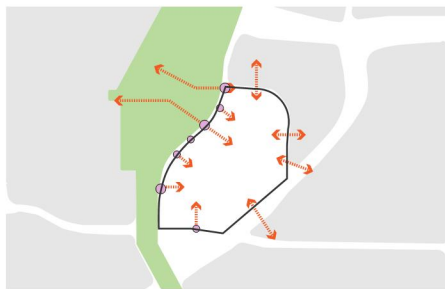
1 Trail and park connections to the expansive regional system



2 A spine to organize neighborhoods



3 Community Anchors to create a core to Brooklyn Center



4 Local connections to make access to Downtown easy



Four Frameworks

Four Frameworks

TODAY

Land Use

The Opportunity Site is a former retail district that is currently occupied with a collection of uses that don't reinforce each other in a meaningful way. Much of the land is vacant and underused



Open Space

The Opportunity Site is adjacent to regional trails, as well as a large City Park - however there are no parks open spaces, or direct connections to regional trail within the Opportunity Site



Stormwater

The Opportunity Site is almost completely impervious with buildings and parking lots. Rainwater that falls on the site is piped to Shingle Creek, picking up contaminants and sediment along the way. It is out of compliance with local, watershed, and regional requirements



Transportation

The Opportunity Site is easy to get to due to its strong regional access, however it lacks an internal street system, pedestrian connections, and bike facilities to encourage redevelopment.



TOMORROW

Downtown Brooklyn Center will feature building and development patterns that are mixed, sustainable, and connective - creating nodes of mixed use activity and neighborhoods for people to live and enjoy at any stage of life.

Open Space

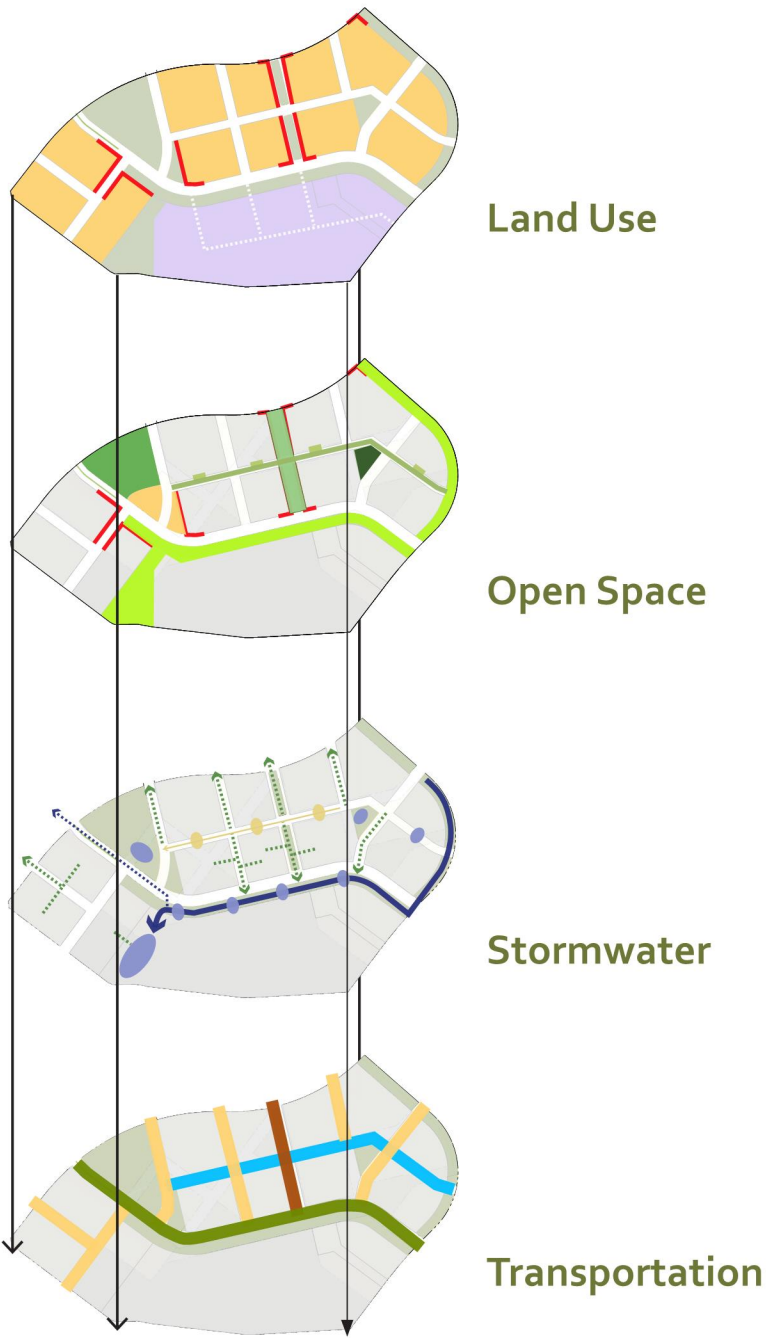
Downtown Brooklyn Center will feature system of open spaces, streets, trails and pedestrian areas that promotes healthy living, gathering, social gathering, and environmental responsibility.

Stormwater

A green and active stormwater system that provides health, recreational, and environmental benefits to all

Transportation

Downtown Brooklyn Center will have a transportation system that encourages walking and biking, is well connected to the region and reduces the need to own a car by providing safe, affordable, convenient and accessible options.



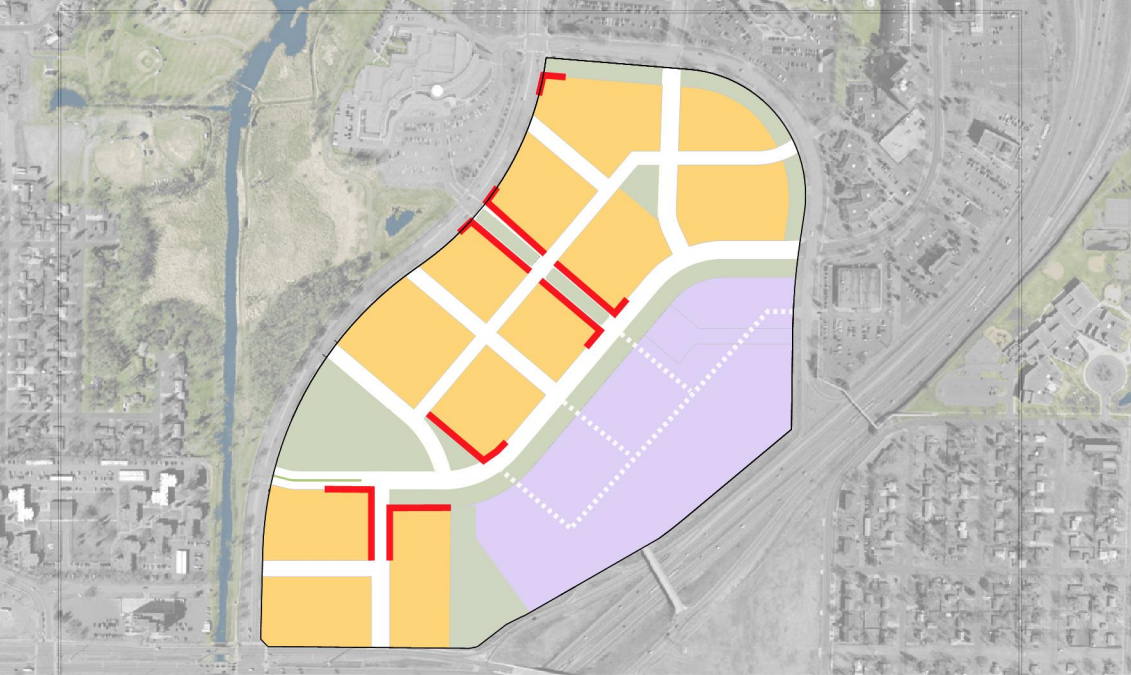
Land Use

Downtown Brooklyn Center will feature building and development patterns that are mixed, sustainable, and connective - creating nodes of mixed use activity and neighborhoods for people to live and enjoy at any stage of life.

Outcomes

- New market rate and affordable housing designed to be walkable, neighborly, and welcoming.
- New neighborhoods with neighborhood parks and amenities at their core and a “garden street” linking them.
- Commercial development that supports local living wage jobs.
- An entrepreneurial market to incubate and accelerate local businesses.

Framework



- Transit Oriented Development
 - Business Mixed Use
 - Active Uses Such as Retail
- descriptions on following pages

Land uses allow for developments supportive of or oriented around transit, pedestrian and bicycle facilities, and that support local job creation and business growth. Land uses of this nature were informed by the 2040 Brooklyn Center Comprehensive Plan, and community input on the need for living-wage jobs, increasing the City’s tax base, and providing opportunities to diversify Brooklyn Center’s economy and housing. The final land use policy direction will be supported by an implementation plan, which will be imbedded within the final Opportunity Site Master Plan as well as with new zoning districts in an updated City zoning code.

Features

Buildings and Spaces for an Entrepreneurial Downtown



Brooklyn Center has an entrepreneurial population with a high percentage of first and second generation Americans, the community boasts small home grown businesses in retail, food, and professional services. The Framework Plan creates buildings and spaces for these activities to flourish. An **Entrepreneurial Market** will provide in house marketing, financial, and mentor support while also offering access to customers in a market hall. In addition, plazas will be designed with kiosks, food trucks, and other opportunities for pop up retail.

Housing for all Stages of Life

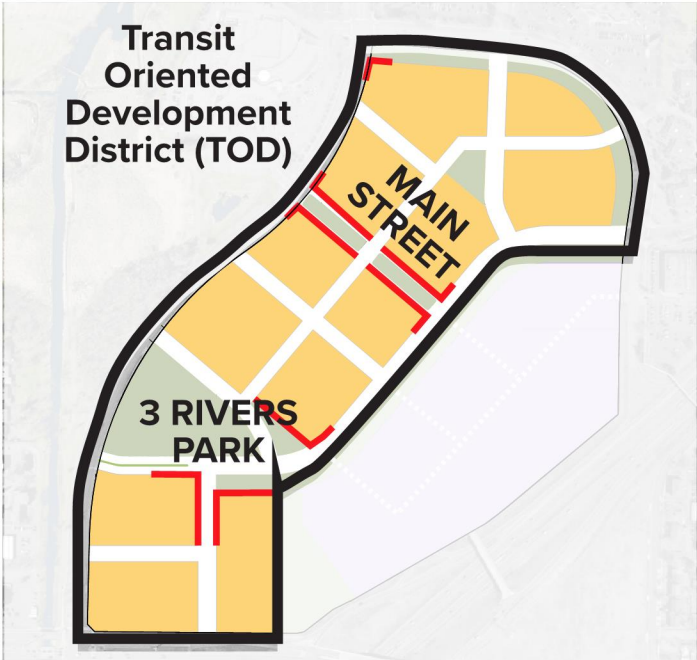


Brooklyn Center lacks the full range of housing options. As a result, some residents are forced to look for housing outside the City as they move through different phases of life. The Opportunity Site will include apartments and townhouses that are both Market rate and Affordable. Efforts will also be made to provide ownership housing across the income levels as well.

Land Use (Continued)

Transit Oriented Development District (TOD)

TOD supports opportunities for transit-supportive and transit-oriented development, as well as land uses that support pedestrian and bicycle use. The TOD district requires intensities and patterns of development that support vibrant pedestrian activity, and discourages land uses and development patterns that could decrease walkability or interfere with future growth of transit-oriented development and transit ridership. The district promotes sustainable urban places that include places to live, work, shop, and recreate locally, reduce reliance on automobiles, and encourage the use of public transit. The district fosters job creation and economic growth in proximity to transit and provides residents with new housing and lifestyle choices with more nearby amenities and social interaction spaces. This will be the guidance for the majority of the Opportunity Site.



Main Street



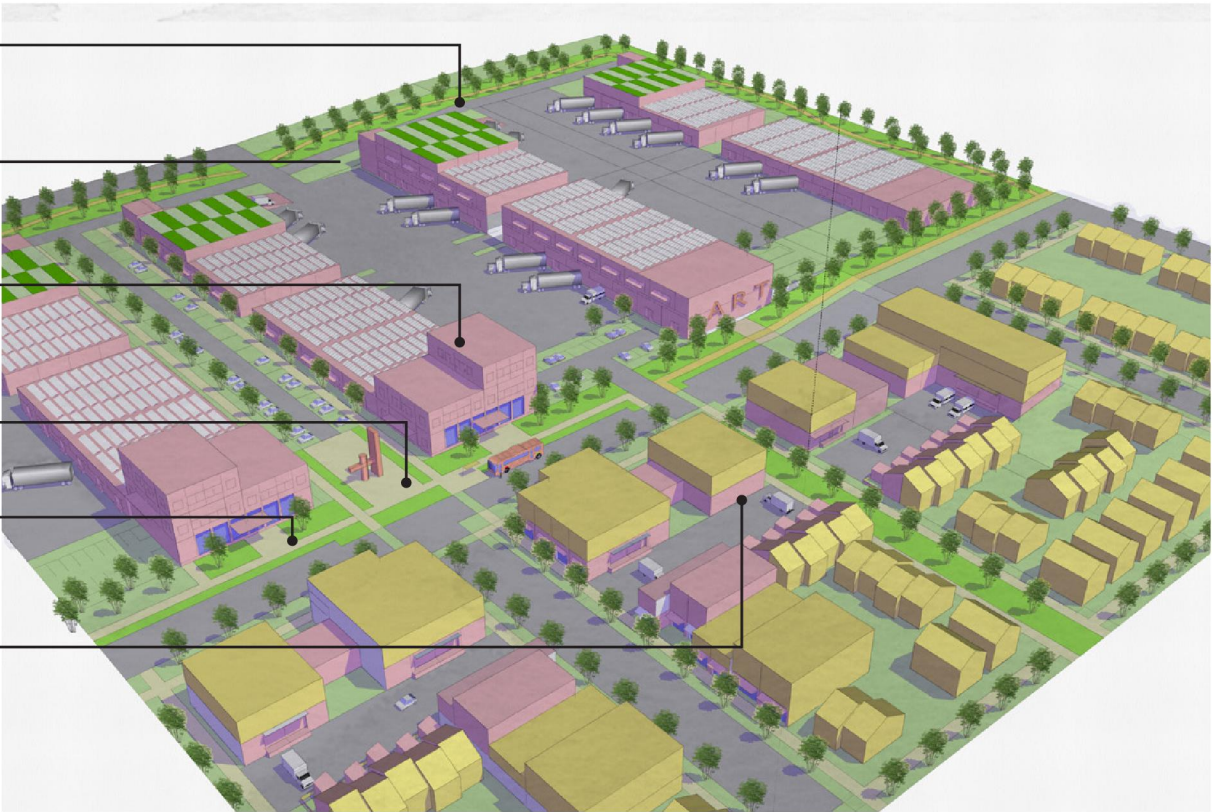
Three Rivers Park

Land Use (Continued)

Business Mixed Use (MX-B1)

The MX-B1 designation guides land for a mix of business and light industrial uses with allowance for supporting retail/ service uses. This designation encourages redevelopment or development of commercial, office, general business and light industrial uses in coordination with supporting retail/commercial uses to encourage a more dynamic and connected experience for workers. This land use does not plan for residential uses but may include limited live-work opportunities as established through supporting official controls. This guidance will apply to an employment district adjacent to the highway, providing proximity to the TOD core, while still managing freight traffic and impacts effectively.

- Rooftop community solar and micro grid
- Pervious pavement to encourage infiltration
- Businesses with public interface located at activity nodes that face the neighborhood
- Clear and simple pedestrian connections to the neighborhood
- Green edge for stormwater, trails, habitat public art and other shared amenities
- Smaller scale employment uses in the neighborhood - maker spaces, live work units



Benefits

- » Living wage jobs with low barrier to entry
- » Jobs that are matched to the skills of the neighborhood
- » Higher than average job density (minimum 25 jobs/acre)
- » Local hiring and local job development
- » Incubator / Accelerator / Collaboration space for small business and start ups
- » Net Positive tax base
- » Workforce development and training
- » Local and distinctive business mix that share resources
- » Businesses that complement existing industrial base
- » Employee base supports local retail and restaurants
- » Back room inventory and logistics for local retail
- » Potential event space for community gathering



Open Space

Downtown Brooklyn Center will feature system of open spaces, streets, trails and pedestrian areas that promotes healthy living, gathering, social gathering, and environmental responsibility.

Outcomes

- An inclusive, accessible, welcoming and dynamic public realm that becomes a social and gathering center for the entire City.
- An “inside out” City that attracts people to spend time outside together throughout all seasons of the year.
- Recreational and leisure activities for all ages and abilities.
- Connecting to and leveraging the potential of Centennial Park
- A green and active stormwater system that provides health, recreational, and environmental benefits to all.

Framework



Features

Three Rivers Urban Bridging Park



The Three Rivers Park District will establish their first “**urban bridging**” park in Brooklyn Center. In an effort to introduce inner ring communities such as Brooklyn Center to its vast park resources throughout Hennepin County, the District endeavors to build 3-4 acre parks in the underserved communities. These parks will serve as a “bridge” to the more natural parks in the county. The District will fund, build, manage, maintain, and program these parks specifically for Brooklyn Center residents.

An “Inside Out” City



The Framework Plan contains parks, plazas, and open spaces designed to encourage gathering, socializing, and cultural expression. The spaces will be welcoming, accessible, and inclusive. they will draw indoor activities to the outdoors. **The pulse of the City will be on display throughout the year in these spaces.** Special consideration will be given to designing spaces that are active throughout the year. The spaces and activities will change with the seasons.

Stormwater

A green and active stormwater system that provides health, recreational, and environmental benefits to all

Outcomes

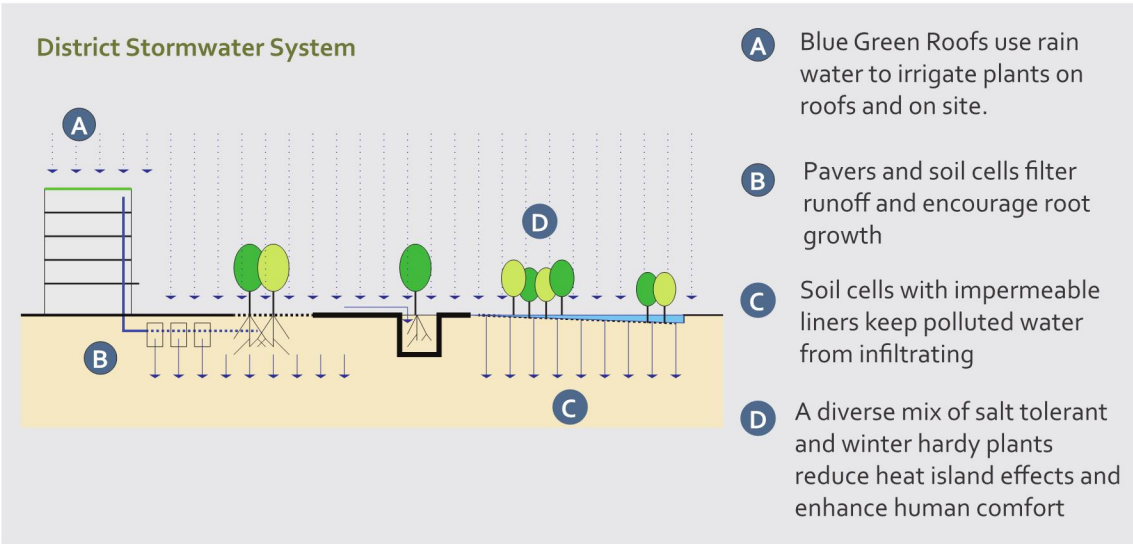
Downtown will feature a stormwater system that manages rainwater throughout the District while also serving as a health, recreational, and aesthetic amenity for residents and visitors.

Framework



- Urban Green Streets
- Greenway and treatment train
- Neighborhood Rain Gardens
- Larger detention areas
- A** Green Streets with Urban Stormwater
- B** A Garden Street with Rain gardens and Parklets
- C** Linear Stormwater parks and greenways along the edge of the large greenspace
- D** Ponding areas

Features



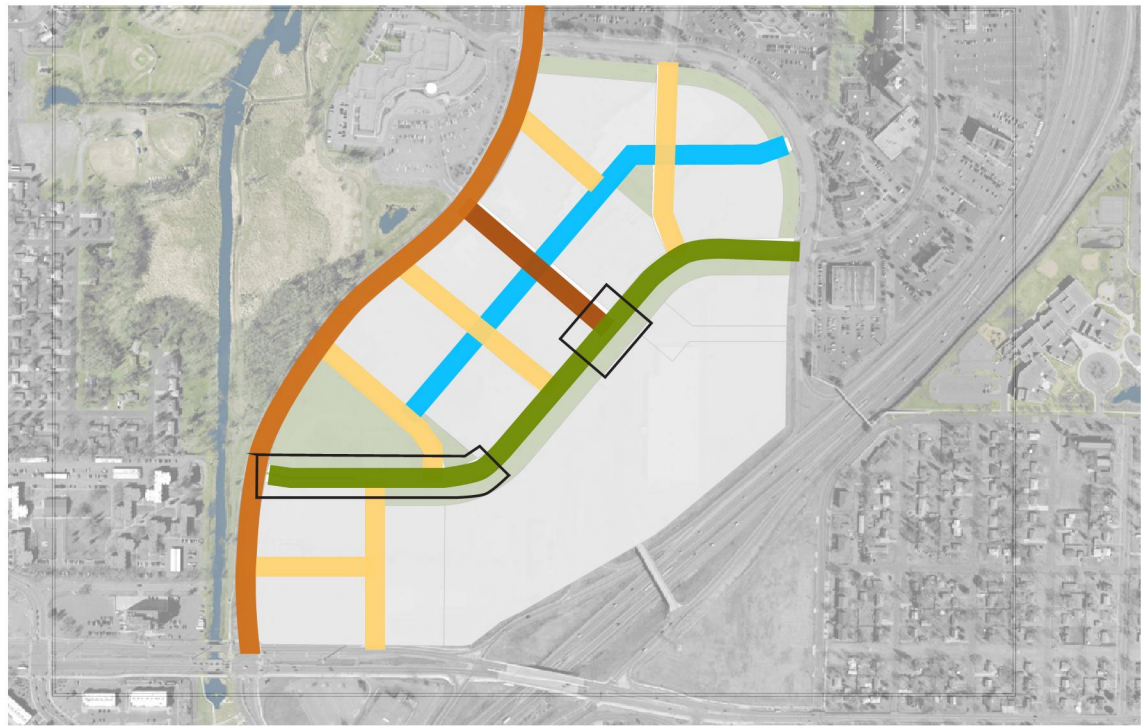
Access and Connectivity

Downtown Brooklyn Center will have a transportation system that encourages walking and biking, is well connected to the region and reduces the need to own a car by providing safe, affordable, convenient and accessible options.

Outcomes

- Prioritizing pedestrians to create a walkable community
- Creating a safe and connected bicycle network
- Ensuring vehicular access to Downtown from throughout the City and the region.
- Establishing a network of streets that enables people to get round easily without the use of a car if they chose.

Framework



- Shingle Creek Parkway
- Main Street
- Garden Street
- Parkway
- Neighborhood Street

Features

Garden Street



A “Garden Street” will be the primary pedestrian spine through the development. The Garden Street will be a narrow residential space lined with townhouses and small apartments. It will be a primarily pedestrian zone, though bicyclists and slow speed cars would be permitted, primarily to access residential parking areas. The Garden Street will contain small play spaces, gardens, and other residential amenities.

Slow Zones



Slow Zones are segments of streets that are specifically designated and designed for slower traffic than otherwise similar streets in the City. The Framework Plan will designate areas around the Three Rivers Park and at the terminus of John Martin Drive as Slow Zones. This will improve the quality of the adjacent spaces, create a safer environment for all users, and enable pedestrians to easily cross the street.

Mobility Hub?
Integrating Regional Trails