

Minneapolis Park & Recreation Board

Minneapolis Park and Recreation Board
Financial Status Report
as of Second Quarter, 2023

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Budget Overview

Minneapolis Park and Recreation Board operating activities are accounted for in funds. The Park Board funds included in this financial status report are the General Fund, Enterprise Fund, and Internal Service Funds. This report details the operations of these funds through June 30, 2023.

This interim financial report has been prepared by the Minneapolis Park and Recreation Board Finance Department. Financial information contained in this report is preliminary and has not been audited, nor is the information contained in this report a complete presentation of all financial activity within the Minneapolis Park and Recreation Board.

General Fund

The General Fund accounts for services and goods provided by the Park Board that are primarily supported by property taxes. To the end of 2023 General Fund revenues are projected to be \$98.9 million and expenditures are projected to be \$98.4 million.

The 2023 year-end fund balance is projected to be \$4.8 million, which is below financial policy requirements by \$205,791. This projected balance is an increase of \$503,619 above the 2022 year-end balance.

Enterprise Fund

The Enterprise Fund accounts for all business-type operations of the Park Board including golf courses, concessions, ice arenas, and permits. The fund is focused on income generation and supports Park Board programs and improvements. To the end of 2023, Enterprise Fund operating revenues are projected to be \$15.6 million, operating expenses are projected to be \$12.6 million and non-operating expenses are projected to be \$7.0 million. The 2023 year-end Enterprise Fund balance is projected to be \$5.2 million, \$3.8 million lower than the 2022 year-end balance.

Internal Service Funds

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2023 Internal Service Fund revenues are projected to be \$11.5 million and expenses are projected to be \$13.2 million. The 2023 year-end Internal Service Funds balance is projected to be \$9.5 million. This projected balance is a decrease of \$1.8 million below the 2022 year-end balance of \$11.3 million.

General Fund

Summary

The General Fund is the operating fund of the Minneapolis Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2023 with a fund balance of \$4.3 million and has a current operating budget of \$99.8 million. Through June of this year, 44 percent of the Fund's appropriations have been spent with 50 percent of the year elapsed.

Revenue generated by the Park Board as of June 30, 2023 totaled \$43.9 million, up 7.3 percent from the \$40.9 million collected in the first half of 2022. Total revenues for 2023 are projected to be \$98.9 million, 5.8 percent higher than 2022 revenues.

As of June 30, 2023, expenditures totaled \$43.9 million, four percent higher than the \$42.4 million spent in the first half of 2022. To the end of 2023, total expenditures are projected to be \$98.4 million, two percent higher than 2022 and one percent under budget.

The fund balance for the General Fund at fiscal year-end 2022 was \$4.3 million, below the financial policy requirement of \$4.8 million (5 percent of the 2022 General Fund operating budget) by \$527,044. The fund balance for the General Fund is projected to be \$4.8 million at fiscal year-end 2023, below the financial policy requirement of \$5.0 million (5 percent of the 2023 General Fund operating budget) by \$205,791.

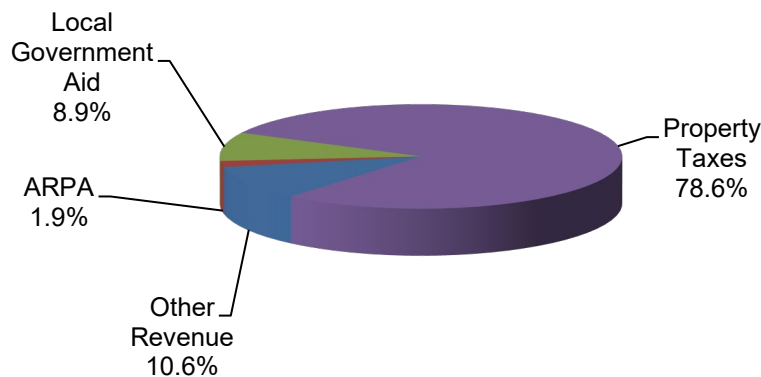
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

General Fund Revenues

As of June 30, 2023, actual revenues totaled \$43.9 million, up 7.3 percent from the \$40.9 million collected in the first half of 2022. Projected year end revenue is \$98.9 million, \$944,525 under budget.

Revenues by Major Category

| | 2022 | | | 2023 | | | |
|--------------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| | Actual Year-End | Actual As of 6/30 | Percent Recognized | Current Budget | Actual As of 6/30 | Percent Recognized | Projected Year End |
| Property and Other Taxes | \$73,792,013 | \$37,196,132 | 50.4% | \$77,671,722 | \$39,268,649 | 50.6% | \$77,749,394 |
| Local Government Aid | 9,233,125 | 0 | 0.0% | 8,788,509 | 0 | 0.0% | 8,788,509 |
| Fees, Fines and Other Revenues | 9,899,521 | 3,667,202 | 37.0% | 12,282,898 | 4,116,994 | 33.5% | 10,499,313 |
| American Rescue Plan Act | 538,612 | | | 1,092,000 | 481,285 | 44.1% | 1,853,388 |
| Total Revenues | \$93,463,271 | \$40,863,334 | 43.7% | \$99,835,129 | \$43,866,928 | 43.9% | \$98,890,604 |


Property Taxes

Property taxes provide 78.6 percent of projected revenue, the largest funding source of the General Fund. The Park Board received the first half property tax payment from Hennepin County, 50.6 percent of budgeted property taxes. Property tax revenue is projected to exceed budget by \$77,672 at year-end.

Local Government Aid

Local Government Aid (LGA) is projected to provide 8.9 percent of 2023 revenue. The State Budget included the 2023 City of Minneapolis LGA allocation of \$74.5 million. The NPP20 Ordinance provides for the transfer of 11.79% of this LGA to the Park Board. The Park Board expects to receive its budgeted amount of 2023 LGA.

Fees, Fines and Other Revenue

Fees, fines and other revenue provide 10.6 percent of projected revenue. Revenues are projected to end the year \$1.8 million under budget due to reduced project chargebacks and free programming.

American Rescue Plan Act (ARPA)

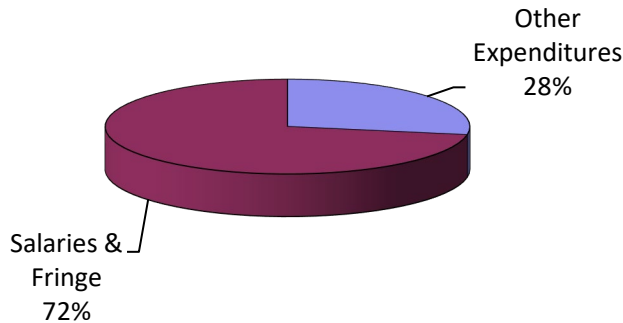
ARPA funding is being received through the City of Minneapolis to fund investment in the Youth of Minneapolis. The Park Board expects to receive its budgeted amount of \$1,092,000 in 2023, plus an additional \$761,388 that was budgeted in 2022 but not received.

General Fund Expenditures

As of June 30, 2023, actual expenditures totaled \$43.9 million, up 3.6 percent from the \$42.4 million spent in the first half of 2022. Projected year end expenditures are \$98.4 million, \$1.4 million under budget.

Expenditures by Major Category

| | 2022 | | | 2023 | | | |
|---------------------------|---------------------|---------------------|------------------|---------------------|---------------------|------------------|---------------------|
| | Actual Year-End | Actual As of 6/30 | Percent Expended | Current Budget | Actual As of 6/30 | Percent Expended | Projected Year End |
| Salaries & Fringe | \$65,659,243 | \$31,033,331 | 47.3% | \$72,113,614 | \$32,177,858 | 44.6% | \$68,110,384 |
| Other Expenditures | 30,906,977 | 11,320,298 | 36.6% | 27,721,515 | 11,689,922 | 42.2% | \$30,276,601 |
| Total Expenditures | \$96,566,220 | \$42,353,629 | 43.9% | \$99,835,129 | \$43,867,780 | 43.9% | \$98,386,985 |



Salaries and Fringe Benefits

Salaries and fringe benefits are 44.6 percent expended with 50 percent of the year elapsed. Hiring and staffing levels have increased since the effects of the pandemic have eased, but the nation-wide worker shortage continues to impact Park Board hiring, especially in seasonal staffing.

Other Expenditures

Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures are 42.2 percent expended with 50 percent of the year elapsed. Transfers to Capital Projects will take place in the second half of the year. The Park Board is experiencing the effects of inflation, especially in utilities and supplies, and will end the year over budget in other expenditures.

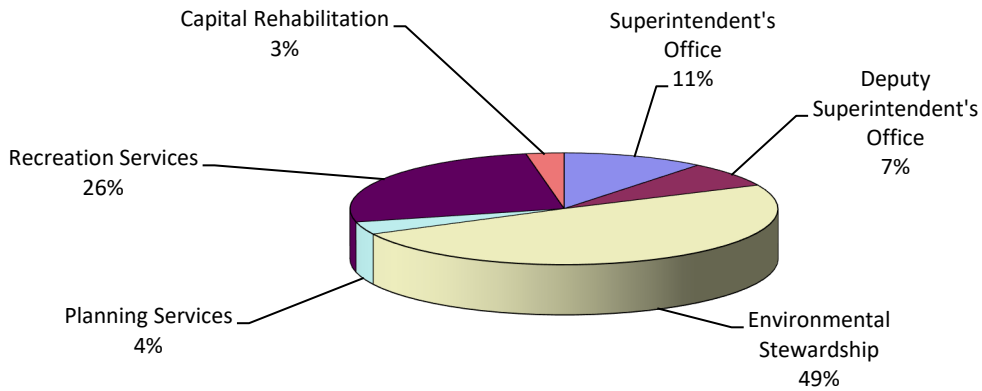
Expenditures by Service Area

| | 2022 | | | 2023 | | | |
|--|---------------------|----------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|
| | Actual Year End | Actual As of 6/30 | Percent Expended | Current Budget | Actual As of 6/30 | Percent Expended | Projected Year-End |
| Operating Departments | | | | | | | |
| Superintendent's Office | | | | | | | |
| Superintendent's Office | \$1,006,657 | \$474,662 | 47.2% | \$1,024,135 | \$466,639 | 45.6% | \$986,697 |
| Board of Commissioners | 1,070,019 | 367,928 | 34.4% | 805,406 | 532,520 | 66.1% | 1,046,045 |
| Communications & Marketing | 954,496 | 451,373 | 47.3% | 1,084,194 | 531,457 | 49.0% | 1,083,368 |
| Community Connections & Violence Prevention | | | | | | | |
| Violence Prevention | 964,495 | 494,649 | 51.3% | 1,209,748 | 381,144 | 31.5% | 879,345 |
| Park Police | 6,827,573 | 3,331,517 | 48.8% | 6,921,613 | 3,215,383 | 46.5% | 6,596,598 |
| Deputy Superintendent's Office | | | | | | | |
| Visitor Services | 1,409,389 | 701,422 | 49.8% | 1,745,940 | 773,587 | 44.3% | 1,615,956 |
| Deputy Superintendent's Office | 502,290 | 236,595 | 47.1% | 650,947 | 299,444 | 46.0% | 612,581 |
| Finance | 1,404,403 | 657,868 | 46.8% | 1,451,738 | 704,401 | 48.5% | 1,451,055 |
| Human Resources | 1,263,485 | 638,643 | 50.5% | 1,509,973 | 600,097 | 39.7% | 1,274,378 |
| ITS - Copy Center | 73,435 | 49,686 | 67.7% | 72,942 | 3,258 | 4.5% | 71,520 |
| City Management Fee, Contributions & Other | 1,410,573 | 873,406 | 61.9% | 2,173,948 | 588,256 | 27.1% | 2,173,148 |
| Environmental Stewardship | | | | | | | |
| Forestry | 10,682,010 | 5,365,918 | 50.2% | 10,763,650 | 5,496,684 | 51.1% | 10,807,762 |
| Asset Management | 33,792,882 | 15,685,316 | 46.4% | 32,663,305 | 15,335,925 | 47.0% | 32,767,098 |
| Environmental Management | 4,715,731 | 1,834,285 | 38.9% | 5,246,861 | 1,959,935 | 37.4% | 5,022,673 |
| Planning Services | | | | | | | |
| Design & Project Management | 1,959,534 | 934,606 | 47.7% | 2,088,622 | 996,089 | 47.7% | 2,034,846 |
| Strategic Planning | 1,556,979 | 715,285 | 45.9% | 1,578,538 | 756,848 | 47.9% | 1,557,446 |
| Recreation Services | | | | | | | |
| Athletic Programs & Aquatics | 3,063,044 | 1,139,807 | 37.2% | 3,277,798 | 1,235,215 | 37.7% | 3,233,083 |
| Youth & Recreation Center Programs | 19,450,899 | 8,400,663 | 43.2% | 22,746,839 | 9,990,898 | 43.9% | 22,354,454 |
| Total Operating Expenditures | \$92,107,894 | \$42,353,629 | 46.0% | \$97,016,197 | \$43,867,780 | 45.2% | \$95,568,053 |
| Capital | | | | | | | |
| Pay-as-You-Go-Rehabilitation | 4,458,326 | | 0.0% | 2,818,932 | 0 | 0.0% | 2,818,932 |
| Total Capital Expenditures | \$4,458,326 | \$0 | 0.0% | \$2,818,932 | \$0 | 0.0% | \$2,818,932 |
| Total General Fund | \$96,566,220 | \$42,353,629 | 43.9% | \$99,835,129 | \$43,867,780 | 43.9% | \$98,386,985 |

Operating Departments

Operating department budgets are monitored closely throughout the year and adjustments are made, if necessary, to ensure budget targets are met. Three departments are projected to overspend their 2023 budget. Board has legal fees that exceed budget, Forestry has tree planting costs over budget, and Asset Management has been impacted by inflation on supplies and utilities.

Expenditures by Division and Capital



General Fund Balance

The 2023 year-end fund balance is estimated to be \$4.8 million, \$503,619 higher than the end of 2022.

| | 2022 | | | 2023 | | | |
|--|----------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------|-----------------------|
| | Actual Year-End | Actual As of 6/30 | Percent Recognized | Current Budget | Actual As of 6/30 | Percent Recognized | Projected Year End |
| Total Revenue | \$93,463,271 | \$40,863,334 | 43.7% | \$99,835,129 | \$43,866,928 | 43.9% | \$98,890,604 |
| Total Expenditures | 96,566,220 | 42,353,629 | 43.9% | 99,835,129 | 43,867,780 | 43.9% | 98,386,985 |
| Revenue Over/(Under) Expenditures | (\$3,102,949) | (\$1,490,295) | | \$0 | (\$852) | | \$503,619 |

General Fund Balance

Park Board financial policy requires the General Fund balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation to provide financial reserves for unanticipated one-time expenditures, revenue shortfalls, and/or emergency needs. Based on un-audited figures, the year-end 2023 balance is estimated at \$4.8 million, which is 4.8 percent of the current year adopted expenditure appropriation. This fund balance is below the financial policy requirements by \$205,791. During 2022 the fund balance dropped below the required 5 percent threshold. In 2023 \$503,619 is being added to fund balance, and the remaining amount necessary to restore the fund balance to the required 5 percent level will be added during 2024.

2023 Projected General Fund Year-End Fund Balance

| | |
|--|---------------------------|
| Fund Balance, January 1, 2023 | 4,282,347 |
| Projected Revenues in Excess of Expenditures | <u>503,619</u> |
| Projected Fund Balance, December 31, 2023 | 4,785,966 |
| Fund Balance Requirement (5%) | <u>4,991,756</u> |
| Fund Balance Above Requirement | <u>(\$205,791)</u> |

The projections in this report are based on estimates and unforeseen changes in revenue or expenditures could cause actual results to vary considerably from the projected year-end results.

Enterprise Fund

Fund Description

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and parking. Operating income from operations is reserved for capital rehabilitation, construction or improvements and debt service.

Enterprise Fund by Service Area

| | 2022 | | | 2023 | | | |
|---|--------------------|-------------------|-----------------------|--------------------|----------------------|-----------------------|-----------------------|
| | Actual | | Percent Recognized | Current Budget | Actual As of 6/30 | Percent Recognized | Projected Year-End |
| | Year End | As of 6/30 | | | | | |
| Golf | | | | | | | |
| Revenues | \$8,165,053 | \$3,418,973 | 41.9% | \$7,585,110 | \$4,216,419 | 55.6% | \$8,639,813 |
| Expenses | 8,117,148 | 3,293,285 | 40.6% | 7,369,791 | 3,414,421 | 46.3% | 8,390,786 |
| Net Income | \$47,905 | \$125,688 | | \$215,319 | \$801,998 | | \$249,027 |
| Use & Events Permitting | | | | | | | |
| Revenues | \$979,858 | \$268,163 | 27.4% | \$1,333,812 | \$262,416 | 19.7% | \$1,009,254 |
| Expenses | 749,839 | 306,830 | 40.9% | 1,113,735 | 472,720 | 42.4% | 915,729 |
| Net Income | \$230,019 | (\$38,667) | | \$220,077 | (\$210,304) | | \$93,525 |
| Concessions | | | | | | | |
| Revenues | \$1,518,808 | \$158,247 | 10.4% | \$1,307,828 | \$243,465 | 18.6% | \$1,604,027 |
| Expenses | 307,188 | 127,574 | 41.5% | 453,471 | 102,351 | 22.6% | 326,966 |
| Net Income | \$1,211,620 | \$30,673 | | \$854,357 | \$141,114 | | \$1,277,061 |
| Parking | | | | | | | |
| Revenues | \$2,150,948 | \$936,931 | 43.6% | \$2,579,715 | \$989,022 | 38.3% | \$2,270,536 |
| Expenses | 541,517 | 173,711 | 32.1% | 778,421 | 168,079 | 21.6% | 554,867 |
| Net Income | \$1,609,431 | \$763,220 | | \$1,801,294 | \$820,943 | | \$1,715,669 |
| Ice Arenas | | | | | | | |
| Revenues | \$1,362,292 | \$844,750 | 62.0% | \$1,243,279 | \$892,116 | 71.8% | \$1,409,658 |
| Expenses | 1,543,806 | 632,983 | 41.0% | 1,261,409 | 703,278 | 55.8% | 1,671,994 |
| Net Income | (\$181,514) | \$211,767 | | (\$18,130) | \$188,838 | | (\$262,336) |
| Sculpture Garden & Cowles Conservatory | | | | | | | |
| Revenues | \$193,145 | \$51,358 | 26.6% | \$195,000 | \$90,977 | 46.7% | \$212,851 |
| Expenses | 262,521 | 73,832 | 28.1% | 358,920 | 136,377 | 38.0% | 282,726 |
| Net Income | (\$69,376) | (\$22,474) | | (\$163,920) | (\$45,400) | | (\$69,875) |
| Water Works | | | | | | | |
| Revenues | \$475,994 | \$86,169 | 18.1% | \$260,000 | \$120,170 | 46.2% | \$430,663 |
| Expenses | 263,220 | 103,847 | 39.5% | 504,330 | 175,504 | 34.8% | 427,669 |
| Net Income | \$212,774 | (\$17,678) | | (\$244,330) | (\$55,334) | | \$2,994 |

Enterprise Fund by Service Area (Continued)

| | 2022 | | | 2023 | | | |
|--|--------------------|--------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Actual | | Percent Recognized | Current Budget | Actual As of 6/30 | Percent Recognized | Projected Year-End |
| | Year End | As of 6/30 | | | | | |
| Total Operating Income | | | | | | | |
| Revenues | \$14,846,098 | \$5,764,591 | 38.8% | \$14,504,744 | \$6,814,585 | 47.0% | \$15,576,801 |
| Expenses | \$11,785,239 | \$4,712,062 | 40.0% | \$11,840,077 | \$5,172,730 | 43.7% | \$12,570,737 |
| Net Income | \$3,060,859 | \$1,052,529 | | \$2,664,667 | \$1,641,855 | | \$3,006,064 |
| Non-Operating Revenue | | | | | | | |
| Transfer | \$3,281,404 | | 0.0% | | \$263,077 | 0.0% | \$263,077 |
| Total Non-Operating Revenue | \$3,281,404 | \$0 | | \$0 | \$263,077 | | \$263,077 |
| Non-Operating Expenses | | | | | | | |
| Improvements | \$4,674,774 | \$1,158,868 | 24.8% | \$2,429,878 | \$2,926,269 | 120.4% | \$5,598,593 |
| MERF Payment | \$141,773 | \$70,887 | 50.0% | \$141,773 | \$70,886 | 50.0% | \$141,773 |
| Debt Service | 1,287,588 | \$111,269 | 8.6% | \$1,284,375 | \$97,163 | 7.6% | 1,284,375 |
| Total Non-Operating Exp | \$6,104,135 | \$1,341,024 | | \$3,856,026 | \$3,094,318 | | \$7,024,741 |
| Income after Non-Operating Expenses | \$238,128 | (\$288,495) | | (\$1,191,359) | (\$1,189,386) | | (\$3,755,600) |

Golf Operations

Golf courses have been very busy this summer, and have benefited from dry weather. If good golfing weather continues into the fall, it is expected that a record amount of revenue will be collected in 2023. Golf courses have also been subject to inflation on goods and services, increasing expenses. To the end of 2023, golf operations is projected to have net income of \$249,027, exceeding budget by \$33,708.

Use & Events Permitting

While the number of events are slowly returning to pre-pandemic levels, the loss of larger races is limiting revenue. To the end of 2023, Use & Events Permitting is projected to have net income of \$93,525, under budget by \$126,552.

Concessions

Concessions are operating and business has returned to normal levels. To the end of 2023, concessions net income is projected to be \$1,277,061, exceeding budget by \$422,704.

Parking

Parking operations include revenue collection and maintenance of on-street single-space parking meters, multi space pay and display machines, patron parking permit sales and event parking. Parking operations have been impacted by a position vacancy. To the end of 2023, parking operations is projected to have net income of \$1,715,669, under budget by \$85,625.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice Arenas. Ice Arena revenue and expenses are both projected to end the year over budget. To the end of 2022, ice arena operations is projected to have a net loss of (\$262,336), under budget by \$244,206.

Sculpture Garden & Cowles Conservatory

The Sculpture Garden revenue is from parking and events. Parking revenue is up at the Sculpture Garden compared to prior years. To the end of 2023, the Sculpture Garden is projected to have a loss of (\$69,875), over budget by \$94,045.

Water Works

Water Works revenue is projected to exceed budget as the restaurant continues to be successful. Revenues were affected by a fire at Water Works building, that caused the restaurant to close for two months. Expenses are projected to be under budget, but higher than 2022 as more staff is hired and maintenance becomes more familiar with the needs of Water Works. To the end of 2023, Water Works is projected to have a net income of \$2,994, over budget by \$247,324.

Enterprise Operating Income

Operating income is the difference between operating revenues and operating expenses. Operating income in 2023 is projected to be \$3,006,064, exceeding budget due to concessions and Water Works.

Operating income is used for facility improvements, debt service, and the MERF pension plan payment. Improvements planned for 2023 include the Gross Golf storage building, Nokomis and Lake Harriet concession building improvements, Minnehaha Falls security cameras, the completion of the Bde Maka Ska concession building, and emergency repairs.

Enterprise Fund Projected 2023 Year-End Reserve for Renewal and Replacement

| | |
|------------------------------------|--------------------|
| Reserve Balance 1/1/2023 | \$8,946,227 |
| Expenditures in Excess of Revenues | <u>(3,755,600)</u> |
| Reserve Balance 12/31/2023 | \$5,190,627 |

Internal Service Funds

Summary

The Internal Service Funds provide accounting for equipment fleet, information technology and self-insurance services to Park Board departments.

| | 2022 | | | 2023 | | | |
|--|----------------------|--------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Actual | | Percent Recognized | Current Budget | Actual As of 6/30 | Percent Recognized | Projected Year-End |
| | Year End | As of 6/30 | | | | | |
| Equipment | | | | | | | |
| Revenues | \$6,155,298 | \$2,968,672 | 48.2% | \$6,205,934 | \$3,285,194 | 52.9% | \$6,413,668 |
| Expenses | 8,039,917 | 3,207,515 | 39.9% | \$8,543,854 | \$3,882,885 | 45.4% | 8,410,513 |
| Net Income | (\$1,884,619) | (\$238,843) | | (\$2,337,920) | (\$597,691) | | (\$1,996,845) |
| Information Technology Services | | | | | | | |
| Revenues | \$2,536,352 | \$1,268,176 | 50.0% | \$2,807,052 | \$1,403,526 | 50.0% | \$2,807,052 |
| Expenses | \$2,645,406 | \$1,290,079 | 48.8% | \$2,857,352 | \$1,587,414 | 55.6% | 2,827,106 |
| Net Income | (\$109,054) | (\$21,903) | | (\$50,300) | (\$183,888) | | (\$20,054) |
| Self-Insurance | | | | | | | |
| Revenues | \$3,736,151 | \$2,256,978 | 60.4% | \$2,020,000 | \$1,203,177 | 59.6% | \$2,247,147 |
| Expenses | \$1,761,666 | \$426,362 | 24.2% | \$2,020,000 | \$991,643 | 49.1% | 1,989,789 |
| Net Income | \$1,974,485 | \$1,830,616 | | \$0 | \$211,534 | | \$257,358 |

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. In 2023, Equipment Services is making equipment purchases that have been delayed due to issues with the state purchasing contract and COVID-19, which accounts for the budgeted loss of (\$2,337,920). Equipment is becoming more available (at higher prices), and delayed purchases are expected to catch-up during 2023. At the end of 2022 the equipment reserve balance was \$2.6 million. The projected 2023 year-end equipment reserve balance is \$587,360.

Information Technology Services

Park Board departments are charged an annual fee for the use and service of computer workstations and access to the Park Board network. Microsoft licenses were purchased in the first half of 2023, and computers and equipment will be purchased in the second half of 2023. At the end of 2022 the Information Technology Services equipment reserve balance was \$785,512. The projected 2023 year-end Information Technology Services equipment reserve balance is \$765,458.

Self-Insurance

Self-Insurance premiums are collected from Park Board departments to fund activities including workers compensation; property, fire and vandalism insurance; and general, automotive and police professional liability. Self-Insurance revenues are expected to end the year over budget while expenses are expected to end the year under budget, although expenses are dependent on the number and amount of claims paid out. At the end of 2022 the Self-Insurance net asset balance was \$7.9 million. The projected 2023 year-end Self-Insurance net asset balance is \$8.2 million.

Equipment Services Equipment Reserve Balance

The Internal Service Fund equipment reserve at year-end 2022 was \$2.6 million. During 2023, expenses are projected to exceed revenues by \$1,996,845, leaving the equipment reserve balance at \$587,360.

| |
|--|
| 2023 Projected Internal Service Fund Year-End Equipment Reserve Balance |
|--|

| | |
|---|--------------------|
| Working Capital January 1, 2023 | \$2,584,205 |
| Equipment Services expenditures in excess of revenues | (1,996,845) |
| Working Capital December 31, 2023 | \$587,360 |

Information Technology Services Equipment Reserve Balance

The Internal Service Fund information technology services equipment reserve at year-end 2022 was \$785,512. During 2023, expenses are projected to exceed revenues by \$20,054, leaving the equipment reserve balance at \$765,458.

| |
|---|
| 2023 Projected Internal Service Fund Year-End Information Technology Equipment Reserve Balance |
|---|

| | |
|--|------------------|
| Working Capital January 1, 2023 | \$785,512 |
| ITS expenditures in excess of revenues | (20,054) |
| Working Capital December 31, 2023 | \$765,458 |

Self-Insurance Fund Net Asset Balance

The Self-Insurance Fund net asset balance at year-end 2022 was \$7.9 million. During 2023, revenues are projected to exceed expenses by \$257,358, leaving the net asset balance at \$8.2 million.

| |
|--|
| 2023 Projected Self Insurance Fund Year-End Net Asset Balance |
|--|

| | |
|---|--------------------|
| Working Capital January 1, 2023 | \$7,900,640 |
| Self Insurance Fund revenue in excess of expenditures | 257,358 |
| Working Capital December 31, 2023 | \$8,157,998 |