

# **Minneapolis Park & Recreation Board**

Minneapolis Park and Recreation Board  
Financial Status Report  
as of Third Quarter, 2024

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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 September 30, 2024.

*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 2024 General Fund revenues are projected to be \$101.1 million and expenditures are projected to be \$102.1 million.

The 2024 year-end fund balance is projected to be \$3.4 million, which is below financial policy requirements by \$1.7 million. This projected balance is a decrease of \$1.0 million below the 2023 year-end balance.

### **Special Revenue – Natural Areas Management Fund**

The Natural Areas Management Fund accounts for State operations and maintenance funding that supports restoration, expansion, and management of the park system's natural areas. To the end of 2024 Natural Areas Management Fund revenues are projected to be \$500,000 and expenses are projected to be \$385,845. The 2024 year-end Natural Areas Management Fund balance is projected to be \$584,875.

### **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 2024, Enterprise Fund operating revenues are projected to be \$16.8 million, operating expenses are projected to be \$14.0 million and non-operating expenses are projected to be \$3.0 million. The 2024 year-end Enterprise Fund balance is projected to be \$3.2 million, \$165,655 lower than the 2023 year-end balance.

### **Stormwater Enterprise Fund**

The Stormwater Enterprise Fund accounts for MPRB stormwater operations. To the end of 2024 Stormwater revenues are projected to be \$1,327,450 and expenses are projected to be \$959,298. The 2024 year-end Stormwater Enterprise Fund balance is projected to be \$368,152.

### **Internal Service Funds**

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2024 Internal Service Fund revenues and expenses are projected to be \$11.7 million. The 2024 year-end Internal Service Funds balance is projected to be \$9.5 million, a decrease of \$53,930 from the 2023 year-end balance.

## **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 2024 with a fund balance of \$4.5 million and has a current operating budget of \$103.2 million. Through September of this year, 72.5 percent of the Fund's appropriations have been spent with 75 percent of the year elapsed.

Revenue generated by the Park Board as of September 30, 2024 totaled \$53.7 million, up 4.1 percent from the \$51.5 million collected in the first three quarters of 2023. Total revenues for 2024 are projected to be \$101.1 million, 3.7 percent higher than 2023 revenues.

As of September 30, 2024, expenditures totaled \$74.8 million, three percent higher than the \$72.9 million spent in the first three quarters of 2023. To the end of 2024, total expenditures are projected to be \$102.1 million, 4.1 percent higher than 2023 and one percent under budget.

The fund balance for the General Fund at fiscal year-end 2023 was \$4.5 million, below the financial policy requirement of \$5.0 million (5 percent of the 2023 General Fund operating budget) by \$541,001. The fund balance for the General Fund is projected to be \$3.4 million at fiscal year-end 2024, below the financial policy requirement of \$5.2 million (5 percent of the 2024 General Fund operating budget) by \$1,739,723.

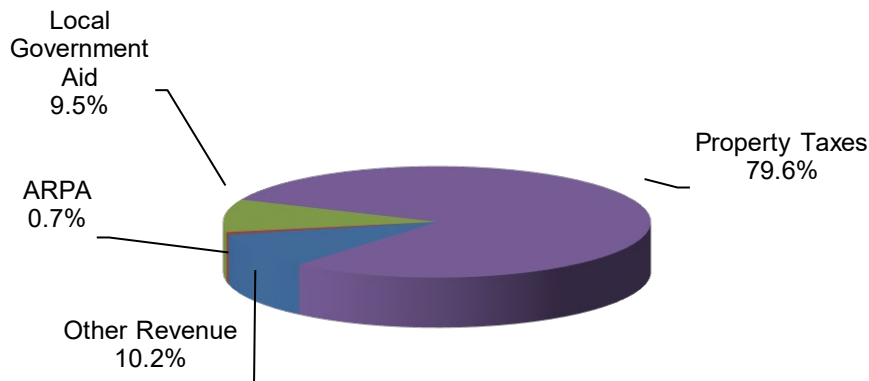
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

### **General Fund Revenues**

As of September 30, 2024, actual revenues totaled \$53.7 million, up 4.1 percent from the \$51.5 million collected in the first three quarters of 2023. Projected year end revenue is \$101.1 million, \$2,093,339 under budget.

**Revenues by Major Category**

|                                | 2023                |                     |                    | 2024                 |                     |                    |                      |
|--------------------------------|---------------------|---------------------|--------------------|----------------------|---------------------|--------------------|----------------------|
|                                | Actual Year-End     | Actual As of 9/30   | Percent Recognized | Current Budget       | Actual As of 9/30   | Percent Recognized | Projected Year End   |
| Property and Other Taxes       | \$76,464,902        | \$39,268,649        | 51.4%              | \$81,825,856         | \$40,846,305        | 49.9%              | \$80,413,959         |
| Local Government Aid           | 8,788,509           | 4,394,255           | 50.0%              | 9,605,214            | 4,802,607           | 50.0%              | 9,605,214            |
| Fees, Fines and Other Revenues | 10,242,841          | 6,910,298           | 67.5%              | 10,861,963           | 7,283,308           | 67.1%              | 10,337,705           |
| American Rescue Plan Act       | 2,010,572           | 955,069             | 47.5%              | 875,400              | 718,216             | 82.0%              | 718,216              |
| <b>Total Revenues</b>          | <b>\$97,506,824</b> | <b>\$51,528,271</b> | <b>52.8%</b>       | <b>\$103,168,433</b> | <b>\$53,650,436</b> | <b>52.0%</b>       | <b>\$101,075,094</b> |


**Property Taxes**

Property taxes provide 79.6 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, 49.9 percent of budgeted property taxes. This is lower than expected due to large commercial properties winning tax court cases that reduce the property's valuation, reducing the property tax received by the Park Board. Eventually the reduced valuations will be incorporated into the tax levy, and the Park Board will receive its budgeted property tax amount. It is unclear how the 2024 second half property tax payment will be affected, but Property Taxes will end the year considerably under budget.

**Local Government Aid**

Local Government Aid (LGA) is projected to provide 9.5 percent of 2024 revenue. The State Budget included the 2024 City of Minneapolis LGA allocation of \$81.5 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 2024 LGA.

**Fees, Fines and Other Revenue**

Fees, fines and other revenue provide 10.2 percent of projected revenue. Revenues are projected to end the year under budget due to reduced state and local funding, and donations under budget.

### American Rescue Plan Act (ARPA)

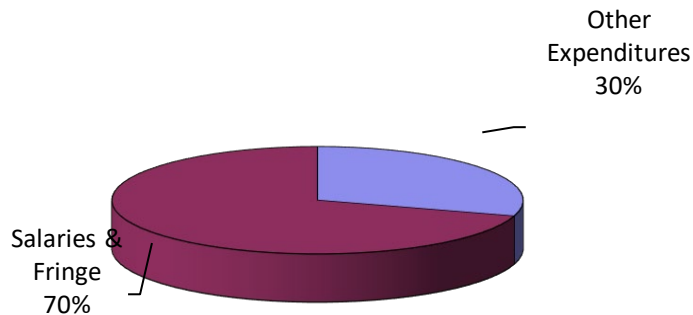
ARPA funding is being received through the City of Minneapolis to fund investment in the Youth of Minneapolis. The Park Board received ARPA funding over the budgeted amount in 2023, causing the 2024 payment to be under budget. The final allocation of ARPA funding has been received.

### General Fund Expenditures

As of September 30, 2024, actual expenditures totaled \$74.8 million, up 2.6 percent from the \$72.9 million spent in the first half of 2023. Projected year end expenditures are \$102.1 million, \$1.1 million under budget.

#### Expenditures by Major Category

|                           | 2023                |                     |                  | 2024                 |                     |                  |                      |
|---------------------------|---------------------|---------------------|------------------|----------------------|---------------------|------------------|----------------------|
|                           | Actual Year-End     | Actual As of 9/30   | Percent Expended | Current Budget       | Actual As of 9/30   | Percent Expended | Projected Year End   |
| Salaries & Fringe         | \$68,678,864        | \$51,971,636        | 75.7%            | \$74,518,624         | \$54,445,031        | 73.1%            | \$71,976,331         |
| Other Expenditures        | 29,451,856          | 20,893,092          | 70.9%            | 28,649,809           | 20,313,602          | 70.9%            | \$30,130,820         |
| <b>Total Expenditures</b> | <b>\$98,130,720</b> | <b>\$72,864,728</b> | <b>74.3%</b>     | <b>\$103,168,433</b> | <b>\$74,758,633</b> | <b>72.5%</b>     | <b>\$102,107,151</b> |



### Salaries and Fringe Benefits

Salaries and fringe benefits are 73.1 percent expended with 75 percent of the year elapsed. Hiring and staffing levels have increased from 2023, especially seasonal staffing.

### Other Expenditures

Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures are 70.9 percent expended with 50 percent of the year elapsed. Transfers to Capital Projects will take place in the fourth quarter. The Park Board is experiencing the effects of inflation, especially in utilities and supplies, and will end the year over budget in other expenditures.

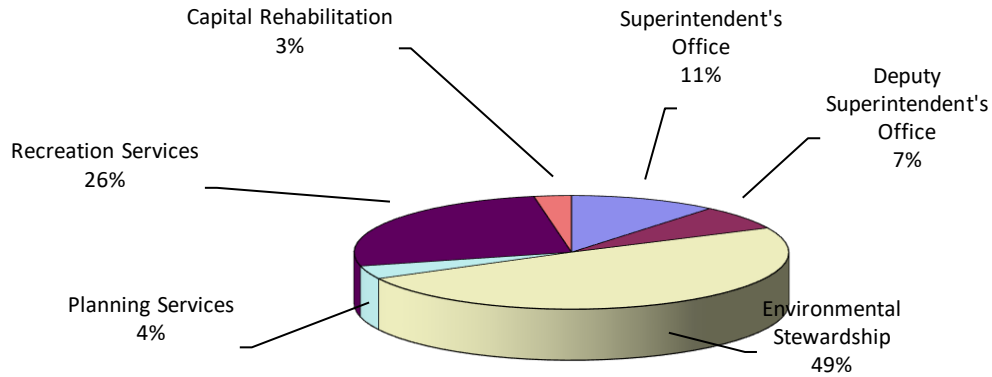
**Expenditures by Service Area**

|   | 2023                |                      |                     | 2024                 |                      |                     |                       |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|-----------------------|
|   | Actual<br>Year End  | Actual<br>As of 9/30 | Percent<br>Expended | Current<br>Budget    | Actual<br>As of 9/30 | Percent<br>Expended | Projected<br>Year-End |
| <b>Operating Departments</b>  |                     |                      |                     |                      |                      |                     |                       |
| <b>Superintendent's Office</b>  |                     |                      |                     |                      |                      |                     |                       |
| Superintendent's Office   | \$1,002,762         | \$732,526            | 73.1%               | \$902,811            | \$759,003            | 84.1%               | \$902,335             |
| Board of Commissioners  | 1,135,110           | 745,825              | 65.7%               | 838,343              | 761,349              | 90.8%               | 1,161,209             |
| Communications & Marketing  | 1,042,640           | 788,083              | 75.6%               | 1,145,410            | 756,751              | 66.1%               | 1,054,673             |
| Community Connections &<br>Violence Prevention                        | 848,451             | 582,469              | 68.7%               | 1,211,612            | 715,807              | 59.1%               | 980,213               |
| Park Police   | 6,638,680           | 4,958,680            | 74.7%               | 7,529,516            | 5,314,188            | 70.6%               | 7,516,792             |
| <b>Deputy Superintendent's Office</b>                                 |                     |                      |                     |                      |                      |                     |                       |
| Deputy Superintendent's Office  | 595,439             | 432,974              | 72.7%               | 707,282              | 527,608              | 74.6%               | 707,057               |
| Finance   | 1,507,684           | 1,098,056            | 72.8%               | 1,632,855            | 1,139,066            | 69.8%               | 1,591,711             |
| Human Resources   | 1,334,281           | 944,476              | 70.8%               | 1,542,075            | 1,233,342            | 80.0%               | 1,540,324             |
| Visitor Services  | 1,580,238           | 1,199,126            | 75.9%               | 1,892,705            | 1,213,051            | 64.1%               | 1,607,715             |
| City Management Fee,<br>Contributions & Other                         | 2,015,392           | 1,108,825            | 55.0%               | 1,672,573            | 1,588,965            | 95.0%               | 1,670,264             |
| <b>Environmental Stewardship</b>                                      |                     |                      |                     |                      |                      |                     |                       |
| Forestry  | 10,884,708          | 8,193,478            | 75.3%               | 11,080,470           | 8,425,707            | 76.0%               | 11,076,548            |
| Asset Management  | 32,702,584          | 24,287,934           | 74.3%               | 34,749,961           | 25,489,622           | 73.4%               | 34,485,920            |
| Environmental Management  | 5,195,432           | 4,022,502            | 77.4%               | 4,825,941            | 3,810,128            | 79.0%               | 4,797,157             |
| <b>Planning Services</b>  |                     |                      |                     |                      |                      |                     |                       |
| Design & Project Management   | 2,014,260           | 1,501,827            | 74.6%               | 2,128,988            | 1,570,896            | 73.8%               | 2,127,270             |
| Strategic Planning  | 1,663,509           | 1,191,459            | 71.6%               | 1,699,581            | 1,274,076            | 75.0%               | 1,698,595             |
| <b>Recreation Services</b>  |                     |                      |                     |                      |                      |                     |                       |
| Athletic Programs & Aquatics<br>Youth & Recreation Center<br>Programs | 3,315,949           | 2,715,414            | 81.9%               | 3,745,983            | 2,858,055            | 76.3%               | 3,595,417             |
|   | 21,834,669          | 16,181,074           | 74.1%               | 23,043,395           | 16,957,693           | 73.6%               | 22,775,019            |
| <b>Total Operating Expenditures</b>                                   | <b>\$95,311,788</b> | <b>\$70,684,728</b>  | <b>74.2%</b>        | <b>\$100,349,501</b> | <b>\$74,395,307</b>  | <b>74.1%</b>        | <b>\$99,288,219</b>   |
| <b>Capital</b>  |                     |                      |                     |                      |                      |                     |                       |
| Pay-as-You-Go-Rehabilitation  | 2,818,932           | 2,180,000            | 77.3%               | 2,818,932            | 363,326              | 12.9%               | 2,818,932             |
| <b>Total Capital Expenditures</b>                                     | <b>\$2,818,932</b>  | <b>\$2,180,000</b>   | <b>77.3%</b>        | <b>\$2,818,932</b>   | <b>\$363,326</b>     | <b>12.9%</b>        | <b>\$2,818,932</b>    |
| <b>Total General Fund</b>   | <b>\$98,130,720</b> | <b>\$72,864,728</b>  | <b>74.3%</b>        | <b>\$103,168,433</b> | <b>\$74,758,633</b>  | <b>72.5%</b>        | <b>\$102,107,151</b>  |

### Operating Departments

Operating department budgets are monitored closely throughout the year and adjustments are made, if necessary, to ensure budget targets are met. Board of Commissioners is expected to exceed budget at the end of 2024 due to legal fees.

### Expenditures by Division and Capital



**General Fund Balance**

The 2024 year-end fund balance is estimated to be \$3.4 million, \$1,032,057 lower than the end of 2023.

|  | 2023               |                       |                       | 2024              |                       |                       |                       |
|--|--------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|-----------------------|
|  | Actual<br>Year-End | Actual<br>As of 6/30  | Percent<br>Recognized | Current<br>Budget | Actual<br>As of 6/30  | Percent<br>Recognized | Projected<br>Year End |
| Total Revenue                                | \$97,506,824       | \$51,528,271          | 52.8%                 | \$103,168,433     | \$53,650,436          | 52.0%                 | \$101,075,094         |
| Total Expenditures                           | 98,130,720         | 72,864,728            | 74.3%                 | 103,168,433       | 74,758,633            | 72.5%                 | 102,107,151           |
| <b>Revenue Over/(Under)<br/>Expenditures</b> | <b>(\$623,896)</b> | <b>(\$21,336,458)</b> |                       | <b>\$0</b>        | <b>(\$21,108,197)</b> |                       | <b>(\$1,032,057)</b>  |

**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 2024 balance is estimated at \$3.4 million, which is 3.3 percent of the current year adopted expenditure appropriation. This fund balance is below the financial policy requirements by \$1.7 million.

**2024 Projected General Fund Year-End Fund Balance**

|  |                             |
|--|-----------------------------|
| <b>Fund Balance, January 1, 2024</b>             | <b>4,450,755</b>            |
| Projected Revenues in Excess of Expenditures     | <u>(1,032,057)</u>          |
| <b>Projected Fund Balance, December 31, 2024</b> | <b>3,418,698</b>            |
| Fund Balance Requirement (5%)                    | <u>5,158,422</u>            |
| <b>Fund Balance Below Requirement</b>            | <b><u>(\$1,739,723)</u></b> |

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.

## **Special Revenue - Natural Areas Management Fund**

### **Fund Description**

The Natural Areas Management fund supports the Environmental Management Department’s restoration, expansion, and management of the park system’s natural areas. It provides additional capacity to support natural area volunteers and increases the Natural Resources workgroup’s ability to conduct field operations through staffing, contracted services and allocations for materials and supplies. This fund supports the organizational goals to increase the acreage and meet the restoration goals of the park system’s Managed Natural Areas.

|                   | <b>2024</b>               |                              |                               |                               |
|-------------------|---------------------------|------------------------------|-------------------------------|-------------------------------|
|                   | <b>Current<br/>Budget</b> | <b>Actual<br/>As of 9/30</b> | <b>Percent<br/>Recognized</b> | <b>Projected<br/>Year-End</b> |
| Revenues          | \$500,000                 | \$375,000                    | 75.0%                         | \$500,000                     |
| Expenses          | 500,000                   | 275,341                      | 55.1%                         | 385,845                       |
| <b>Net Income</b> | <b>\$0</b>                | <b>\$99,659</b>              |                               | <b>\$114,155</b>              |

### **Natural Areas Management**

An ongoing annual allocation of \$500,000 of State operations and maintenance funding provides the revenue for Natural Areas Management. Expenses are projected to end the year under budget as staff is being hired and the program is being built.

### **Fund Balance**

Prior unspent funding was brought into the fund at the beginning of 2024. The projected net income of \$114,155 will be maintained in the fund balance, and reserved for future Natural Areas Management expenses.

#### **Natural Areas Management Projected 2024 Year-End Fund Balance**

|                                    |                         |
|------------------------------------|-------------------------|
| Fund Balance 1/1/2024              | \$470,720               |
| Revenues in Excess of Expenditures | <u>114,155</u>          |
| Fund Balance 12/31/2024            | <u><u>\$584,875</u></u> |

## 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

|   | 2023               |                    |                    | 2024               |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Actual             |                    | Percent Recognized | Current Budget     | Actual As of 9/30  | Percent Recognized | Projected Year-End |
|   | Year End           | As of 9/30         |                    |                    |                    |                    |                    |
| <b>Golf</b>                                       |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$9,228,460        | \$8,395,683        | 91.0%              | \$8,718,441        | \$8,414,264        | 96.5%              | \$9,319,207        |
| Expenses  | 8,299,538          | 6,290,305          | 75.8%              | 7,947,338          | 7,101,850          | 89.4%              | 9,124,703          |
| <b>Net Income</b>                                 | <b>\$928,922</b>   | <b>\$2,105,378</b> |                    | <b>\$771,103</b>   | <b>\$1,312,414</b> |                    | <b>\$194,504</b>   |
| <b>Use &amp; Events Permitting</b>                |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$830,183          | \$530,874          | 63.9%              | \$1,334,312        | \$676,142          | 50.7%              | \$1,105,795        |
| Expenses  | 954,977            | 790,864            | 82.8%              | 1,155,461          | 882,410            | 76.4%              | 1,123,365          |
| <b>Net Income</b>                                 | <b>(\$124,794)</b> | <b>(\$259,990)</b> |                    | <b>\$178,851</b>   | <b>(\$206,268)</b> |                    | <b>(\$17,570)</b>  |
| <b>Concessions</b>                                |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$1,422,691        | \$1,040,337        | 73.1%              | \$1,425,328        | \$1,084,346        | 76.1%              | \$1,466,723        |
| Expenses  | 339,955            | 220,293            | 64.8%              | 474,045            | 315,188            | 66.5%              | 438,989            |
| <b>Net Income</b>                                 | <b>\$1,082,736</b> | <b>\$820,044</b>   |                    | <b>\$951,283</b>   | <b>\$769,158</b>   |                    | <b>\$1,027,734</b> |
| <b>Parking</b>                                    |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$2,300,507        | \$1,966,873        | 85.5%              | \$2,579,715        | \$2,169,353        | 84.1%              | \$2,537,333        |
| Expenses  | 485,675            | 290,982            | 59.9%              | 771,854            | 385,389            | 49.9%              | 604,303            |
| <b>Net Income</b>                                 | <b>\$1,814,832</b> | <b>\$1,675,891</b> |                    | <b>\$1,807,861</b> | <b>\$1,783,964</b> |                    | <b>\$1,933,030</b> |
| <b>Ice Arenas</b>                                 |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$1,528,445        | \$1,143,765        | 74.8%              | \$1,391,279        | \$1,235,475        | 88.8%              | \$1,620,155        |
| Expenses  | 1,608,920          | 1,093,498          | 68.0%              | 1,381,920          | 1,248,670          | 90.4%              | 1,773,142          |
| <b>Net Income</b>                                 | <b>(\$80,475)</b>  | <b>\$50,267</b>    |                    | <b>\$9,359</b>     | <b>(\$13,195)</b>  |                    | <b>(\$152,987)</b> |
| <b>Sculpture Garden &amp; Cowles Conservatory</b> |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$217,323          | \$190,270          | 87.6%              | \$195,000          | \$174,781          | 89.6%              | \$218,450          |
| Expenses  | 338,531            | 242,286            | 71.6%              | 386,090            | 239,984            | 62.2%              | 336,229            |
| <b>Net Income</b>                                 | <b>(\$121,208)</b> | <b>(\$52,016)</b>  |                    | <b>(\$191,090)</b> | <b>(\$65,203)</b>  |                    | <b>(\$117,779)</b> |
| <b>Water Works</b>                                |                    |                    |                    |                    |                    |                    |                    |
| Revenues  | \$620,949          | \$439,563          | 70.8%              | \$320,000          | \$333,830          | 104.3%             | \$532,226          |
| Expenses  | 482,904            | 309,240            | 64.0%              | 641,597            | 388,189            | 60.5%              | 555,605            |
| <b>Net Income</b>                                 | <b>\$138,045</b>   | <b>\$130,323</b>   |                    | <b>(\$321,597)</b> | <b>(\$54,359)</b>  |                    | <b>(\$23,379)</b>  |

**Enterprise Fund by Service Area (Continued)**

|  | 2023                 |                    |                    | 2024               |                    |                    |                    |
|--|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | Actual               |                    | Percent Recognized | Current Budget     | Actual As of 9/30  | Percent Recognized | Projected Year-End |
|  | Year End             | As of 9/30         |                    |                    |                    |                    |                    |
| <b>Total Operating Income</b>              |                      |                    |                    |                    |                    |                    |                    |
| Revenues                                   | \$16,148,558         | \$13,707,366       | 84.9%              | \$15,964,075       | \$14,088,191       | 88.2%              | \$16,799,889       |
| Expenses                                   | \$12,510,500         | \$9,237,468        | 73.8%              | \$12,758,305       | \$10,561,680       | 82.8%              | \$13,956,336       |
| <b>Net Income</b>                          | <b>\$3,638,058</b>   | <b>\$4,469,898</b> |                    | <b>\$3,205,770</b> | <b>\$3,526,511</b> |                    | <b>\$2,843,553</b> |
| <b>Non-Operating Revenue</b>               |                      |                    |                    |                    |                    |                    |                    |
| Transfer                                   | \$302,995            | \$266,224          | 87.9%              | \$0                | \$0                | 0.0%               | \$0                |
| <b>Total Non-Operating Revenue</b>         | <b>\$302,995</b>     | <b>\$266,224</b>   |                    | <b>\$0</b>         | <b>\$0</b>         |                    | <b>\$0</b>         |
| <b>Non-Operating Expenses</b>              |                      |                    |                    |                    |                    |                    |                    |
| Improvements                               | \$5,017,993          | \$3,785,092        | 75.4%              | \$1,785,000        | \$635,574          | 35.6%              | \$1,588,935        |
| MERF Payment                               | \$141,773            | \$106,330          | 75.0%              | \$141,773          | \$106,330          | 75.0%              | \$141,773          |
| Debt Service                               | 1,284,375            | \$97,163           | 7.6%               | \$1,278,500        | \$81,725           | 6.4%               | 1,278,500          |
| <b>Total Non-Operating Exp</b>             | <b>\$6,444,141</b>   | <b>\$3,988,585</b> |                    | <b>\$3,205,273</b> | <b>\$823,629</b>   |                    | <b>\$3,009,208</b> |
| <b>Income after Non-Operating Expenses</b> | <b>(\$2,503,088)</b> | <b>\$747,537</b>   |                    | <b>\$497</b>       | <b>\$2,702,882</b> |                    | <b>(\$165,655)</b> |

**Golf Operations**

Golf courses had an early start in 2024, opening during the winter. The spring and summer were rainy, impacting rounds played. However, fee increases instituted in 2024 have increased revenue over the same point in 2023. Golf courses have also been subject to inflation on goods and services and contract settlements, increasing expenses. To the end of 2024, golf operations is projected to have net income of \$194,504, under budget by \$576,599.

**Use & Events Permitting**

The number of permitted events returning to pre-pandemic levels, and the addition of large scale events like the Basilica Block Party have helped increase revenue above 2023 levels. To the end of 2024, Use & Events Permitting is projected to have a net loss of (\$17,570), under budget by \$196,421.

**Concessions**

Concessions are operating and business has returned to normal levels, although wet weather and storms have affected operations. To the end of 2024, concessions net income is projected to be \$1,027,734, exceeding budget by \$76,451.

**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. To the end of 2024, parking operations is projected to have net income of \$1,933,030, over budget by \$76,451.

**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, with expenses continuing to be impacted by repair costs. To the end of 2024, ice arena operations is projected to have a net loss of (\$152,987), under budget by \$162,346.

**Sculpture Garden & Cowles Conservatory**

The Sculpture Garden revenue is from parking and events. To the end of 2024, the Sculpture Garden is projected to have a loss of (\$65,203), over budget by \$73,311.

**Water Works**

Water Works revenue is projected to exceed budget as the restaurant continues to be successful, but will be lower than 2023 due to a renegotiated contract with the vendor. Expenses are projected to be under budget, but higher than 2023 as more staff is hired and maintenance becomes more familiar with the needs of Water Works. To the end of 2024, Water Works is projected to have a net loss of (\$23,379), over budget by \$298,218.

**Enterprise Operating Income**

Operating income is the difference between operating revenues and operating expenses. Operating income in 2024 is projected to be \$2,843,553, under budget by \$362,217 due to increased expenses in Golf.

Operating income is used for facility improvements, debt service, and the MERF pension plan payment. Improvements planned for 2024 include Golf Simulators at Columbia, Gross Golf storage building, Ice Arenas Market and Feasibility Study, Golf Clubhouse and irrigation improvements, and emergency repairs.

**Enterprise Fund Projected 2024 Year-End Reserve for Renewal and Replacement**

|                                    |                  |
|------------------------------------|------------------|
| Reserve Balance 1/1/2024           | \$3,344,161      |
| Expenditures in Excess of Revenues | <u>(165,655)</u> |
| Reserve Balance 12/31/2024         | \$3,178,506      |

## Stormwater Enterprise Fund

### Fund Description

The Stormwater Enterprise Fund is a self-supporting fund established to account for MPRB stormwater operations. Stormwater operations provides water quality and stormwater monitoring in MPRB and City lakes and water bodies and education services to community members about the importance of water quality. It will also enhance management of the MPRB's portion of the storm sewer system and stormwater best management practices. These items are all associated with compliance with NPDES permit requirements on parkland.

|                   | <b>2024</b>    |                   |                   |                  |
|-------------------|----------------|-------------------|-------------------|------------------|
|                   | <b>Current</b> | <b>Actual</b>     | <b>Percent</b>    | <b>Projected</b> |
|                   | <b>Budget</b>  | <b>As of 9/30</b> | <b>Recognized</b> | <b>Year-End</b>  |
| Revenues          | \$1,324,000    | \$995,654         | 75.2%             | \$1,327,450      |
| Expenses          | 1,324,000      | 587,781           | 44.4%             | 959,298          |
| <b>Net Income</b> | <b>\$0</b>     | <b>\$407,873</b>  |                   | <b>\$368,152</b> |

### Stormwater Operations

A stormwater charge through the City of Minneapolis Stormwater Utility Fee provides revenue for the Stormwater Enterprise Fund. Stormwater expenses are projected to end the year under budget as staff is being hired and the program is being built.

### Fund Balance

The projected net income of \$368,152 will be maintained in the Stormwater Enterprise fund balance, and is reserved for future Stormwater Operations expenses.

### Enterprise Stormwater Operations Projected 2024 Year-End Fund Balance

|                                    |                         |
|------------------------------------|-------------------------|
| Fund Balance 1/1/2024              | \$0                     |
| Revenues in Excess of Expenditures | <u>368,152</u>          |
| Fund Balance 12/31/2024            | <u><u>\$368,152</u></u> |

## Internal Service Funds

### Summary

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

|  | 2023                 |                    |                       | 2024              |                      |                       |                       |
|--|----------------------|--------------------|-----------------------|-------------------|----------------------|-----------------------|-----------------------|
|  | Actual               |                    | Percent<br>Recognized | Current<br>Budget | Actual<br>As of 9/30 | Percent<br>Recognized | Projected<br>Year-End |
|  | Year End             | As of 9/30         |                       |                   |                      |                       |                       |
| <b>Equipment</b>                       |                      |                    |                       |                   |                      |                       |                       |
| Revenues                               | \$6,538,165          | \$5,028,326        | 76.9%                 | \$6,435,276       | \$4,776,871          | 74.2%                 | \$6,477,258           |
| Expenses                               | \$6,813,271          | \$5,472,748        | 80.3%                 | \$6,435,276       | \$4,857,708          | 75.5%                 | 6,692,744             |
| <b>Net Income</b>                      | <b>(\$275,106)</b>   | <b>(\$444,422)</b> |                       | <b>\$0</b>        | <b>(\$80,837)</b>    |                       | <b>(\$215,486)</b>    |
| <b>Information Technology Services</b> |                      |                    |                       |                   |                      |                       |                       |
| Revenues                               | \$2,807,280          | \$2,105,289        | 75.0%                 | \$3,083,542       | \$2,312,657          | 75.0%                 | \$3,083,542           |
| Expenses                               | \$2,795,550          | \$2,257,416        | 80.8%                 | \$3,137,542       | \$2,191,333          | 69.8%                 | 3,101,643             |
| <b>Net Income</b>                      | <b>\$11,730</b>      | <b>(\$152,127)</b> |                       | <b>(\$54,000)</b> | <b>\$121,324</b>     |                       | <b>(\$18,101)</b>     |
| <b>Self-Insurance</b>                  |                      |                    |                       |                   |                      |                       |                       |
| Revenues                               | \$2,483,226          | \$1,708,177        | 68.8%                 | \$2,039,000       | \$1,619,467          | 79.4%                 | \$2,129,217           |
| Expenses                               | \$3,606,532          | \$1,408,145        | 39.0%                 | \$2,039,000       | \$1,105,486          | 54.2%                 | 1,949,560             |
| <b>Net Income</b>                      | <b>(\$1,123,306)</b> | <b>\$300,032</b>   |                       | <b>\$0</b>        | <b>\$513,981</b>     |                       | <b>\$179,657</b>      |

### Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment is becoming more available (at higher prices), and delayed purchases continue to be caught up. Expenses are expected to end the year over budget due to equipment orders from 2022 and 2023 now being received. At the end of 2023 the equipment reserve balance was \$2.2 million. The projected 2024 year-end equipment reserve balance is \$2.0 million.

### 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. Equipment purchases are expected in the final quarter of 2024. At the end of 2023 the Information Technology Services equipment reserve balance was \$798,891. The projected 2024 year-end Information Technology Services equipment reserve balance is \$780,790.

### 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 at 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 2023 the Self-Insurance net asset balance was \$6.6 million. The projected 2024 year-end Self-Insurance net asset balance is \$6.7 million.

**Equipment Services Equipment Reserve Balance**

The Internal Service Fund equipment reserve at year-end 2023 was \$2.2 million. During 2024, expenditures are projected to exceed revenues by \$215,486, leaving the equipment reserve balance at \$2.0 million.

|  |
|--|
| <b>2024 Projected Internal Service Fund Year-End Equipment Reserve Balance</b> |
|--|

|   |                    |
|---|--------------------|
| <b>Working Capital January 1, 2024</b>                | <b>\$2,234,037</b> |
| Equipment Services expenditures in excess of revenues | (215,486)          |
| <b>Working Capital December 31, 2024</b>              | <b>\$2,018,551</b> |

**Information Technology Services Equipment Reserve Balance**

The Internal Service Fund information technology services equipment reserve at year-end 2023 was \$798,891. During 2024, expenses are projected to exceed revenues by \$18,101, leaving the equipment reserve balance at \$780,790.

|   |
|---|
| <b>2024 Projected Internal Service Fund Year-End Information Technology Equipment Reserve Balance</b> |
|---|

|  |                  |
|--|------------------|
| <b>Working Capital January 1, 2024</b>   | <b>\$798,891</b> |
| ITS expenditures in excess of revenues   | (18,101)         |
| <b>Working Capital December 31, 2024</b> | <b>\$780,790</b> |

**Self-Insurance Fund Net Asset Balance**

The Self-Insurance Fund net asset balance at year-end 2023 was \$6.6 million. During 2024, revenues are projected to exceed expenses by \$179,657, increasing the net asset balance to \$6.7 million.

|  |
|--|
| <b>2024 Projected Self Insurance Fund Year-End Net Asset Balance</b> |
|--|

|   |                    |
|---|--------------------|
| <b>Working Capital January 1, 2024</b>                | <b>\$6,556,949</b> |
| Self Insurance Fund revenue in excess of expenditures | 179,657            |
| <b>Working Capital December 31, 2024</b>              | <b>\$6,736,606</b> |