

Minneapolis Park & Recreation Board

Minneapolis Park and Recreation Board
Financial Status Report
as of Year-End, 2025

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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, Special Revenue Fund, Enterprise Fund, and Internal Service Funds. This report details the operations of these funds through December 31, 2025.

This interim financial report has been prepared by the Minneapolis Park and Recreation Board Finance Department. The 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. In 2025 General Fund revenues were \$107.7 million and expenditures were \$106.7 million, resulting in an increase to fund balance of \$1,029,379. The 2025 year-end fund balance is projected to be \$4.7 million, below financial policy requirements by \$715,992.

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. In 2025 Natural Areas Management Fund revenues were \$500,000 and expenses were \$504,942. The 2025 year-end Natural Areas Management Fund balance is projected to be \$605,536.

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. Enterprise Fund operating income in 2025 was \$3.0 million. The 2025 year-end Enterprise Fund balance is projected to be \$4.4 million. This projected balance is an increase of \$870,325 above the 2024 year-end balance of \$3.5 million.

Stormwater Enterprise Fund

The Stormwater Enterprise Fund accounts for MPRB stormwater operations. In 2025 Stormwater revenues were \$1,375,615 and expenses were \$997,777. The 2025 year-end Stormwater Enterprise Fund balance is projected to be \$740,677, \$377,838 higher than the 2024 year-end balance.

Internal Service Funds

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. In 2025 Internal Service Fund revenues were \$12.0 million and expenses were \$11.9 million. The 2025 year-end Internal Service Funds balance is projected to be \$9.9 million, \$99,368 higher than the 2024 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 2025 with a fund balance of \$3.7 million and ended 2025 with a fund balance of \$4.7 million.

In 2025 revenue generated by the Park Board totaled \$107.7 million, up \$7.0 million from 2024 revenues. Revenues increased in 2025 due to increased property tax and fees, fines and other revenues.

In 2025 expenditures totaled \$106.7 million, up \$5.2 million from 2024 expenditures.

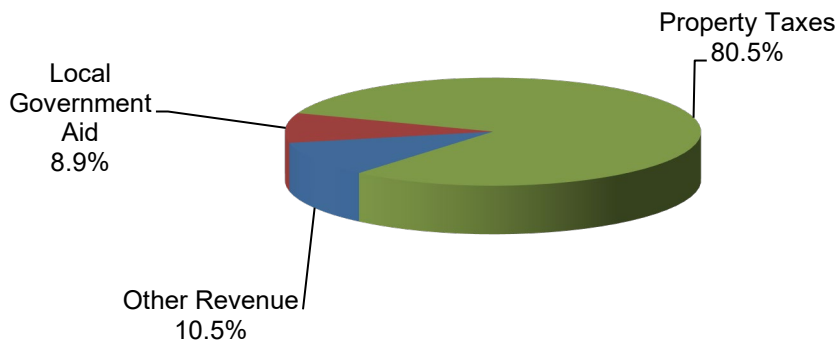
The fund balance for the General Fund at fiscal year-end 2025 is \$4.7 million, below the financial policy requirement of \$5.4 million (5 percent of the 2025 General Fund operating budget) by \$715,992.

The financial information contained in this report has not been audited. The audited 2025 financial information may fluctuate from the information contained in this report.

General Fund Revenues

Actual revenues to the end of 2025 totaled \$107.7 million, up 7.0 percent or \$7.0 million from 2024 revenues. Revenues increased in 2025 due to increased property tax and fees, fines and other revenues.

	Revenues by Major Category			
	2024	2025		
	Actual Year-End	Current Budget	Actual Year-End	Percent Recognized
Property and Other Taxes	\$80,016,264	\$88,146,106	\$86,746,728	98.4%
Local Government Aid	9,605,214	9,620,577	9,620,586	100.0%
Fees, Fines and Other Revenues	10,324,621	10,940,293	11,340,552	103.7%
American Rescue Plan Act	718,216	0		
Total Revenues	\$100,664,315	\$108,706,976	\$107,707,866	99.1%



Property Taxes

Property taxes provided 80.5 percent of 2025 revenue, the largest funding source of the General Fund. Property tax revenue was under budget by \$1.4 million. Property owners, especially large commercial properties, have been winning tax court cases that reduce the property’s valuation, reducing the property tax received by the Park Board.

Local Government Aid

Local Government Aid (LGA) provided 8.9 percent of 2025 revenue. The State Budget included the 2025 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.

Fees, Fines and Other Revenue

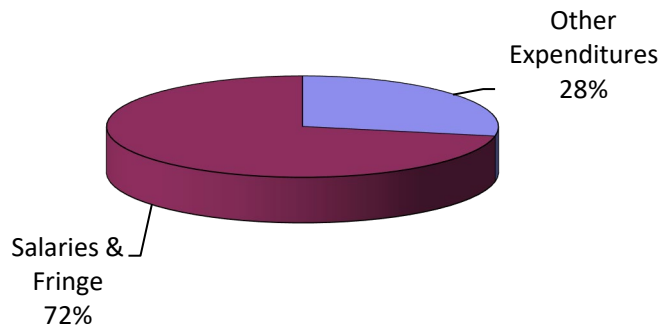
Fees, fines and other revenue provided 10.5 percent of 2025 revenue, \$400,259 over budget. Revenues were over budget due to increased revenue at recreation centers and easement revenues.

General Fund Expenditures

Actual expenditures to the end of 2025 totaled \$106.7 million, up 5.1 percent or \$5.2 million from 2024 expenditures.

Expenditures by Major Category

	2024	2025		Percent Expended
	Actual Year-End	Current Budget	Actual Year-End	
Salaries & Fringe	\$72,226,756	\$79,250,118	\$76,763,157	96.9%
Other Expenditures	29,281,072	29,466,553	29,915,330	101.5%
Total Expenditures	\$101,507,828	\$108,716,671	\$106,678,487	98.1%



Salaries and Fringe Benefits

Salaries and fringe benefits ended the year 96.9 percent spent. Certain full-time positions were held vacant to help reduce expenses, offsetting the reduced property tax revenue.

Other Expenditures

Other expenditures include materials, supplies, contractual services, and capital outlay. Other expenditures ended the year 1.5 percent over budget. Continued effects of inflation impacted other expenditures. Increased wood processing fees caused Forestry to exceed budget.

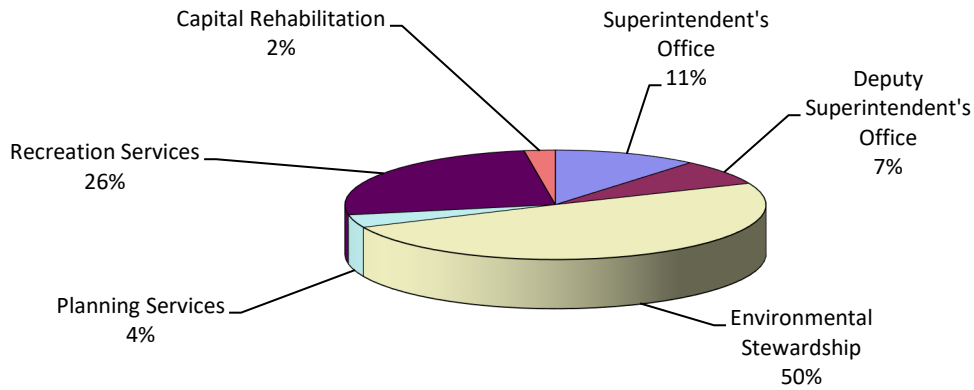
Expenditures by Service Area

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Expended
Operating Departments				
Superintendent's Office				
Superintendent's Office	\$902,234	\$934,764	\$832,104	89.0%
Board of Commissioners	1,012,909	959,595	848,605	88.4%
Communications & Marketing	1,021,662	1,176,220	1,077,934	91.6%
Community Connections & Violence Prevention	955,355	1,327,922	1,080,260	81.3%
Park Police	7,779,860	7,967,785	7,963,027	99.9%
Deputy Superintendent's Office				
Deputy Superintendent's Office	720,906	759,435	734,889	96.8%
Finance	1,603,460	1,668,758	1,617,203	96.9%
Human Resources	1,623,062	1,676,784	1,674,668	99.9%
Visitor Services	1,577,047	1,942,985	1,871,632	96.3%
City Management Fee, Contributions & Other	2,064,232	2,547,241	2,153,887	84.6%
Environmental Stewardship				
Forestry	11,213,100	11,907,249	11,996,540	100.7%
Asset Management	33,527,707	36,371,876	36,032,376	99.1%
Environmental Management	4,652,435	5,060,476	4,871,906	96.3%
Planning Services				
Design & Project Management	2,156,378	2,373,312	2,359,869	99.4%
Strategic Planning	1,763,629	1,748,967	1,671,005	95.5%
Recreation Services				
Athletic Programs & Aquatics	3,549,658	4,814,253	4,809,293	99.9%
Youth & Recreation Center Programs	22,565,262	22,935,723	22,539,963	98.3%
Total Operating Expenditures	\$98,688,896	\$106,173,345	\$104,135,161	98.1%
Capital				
Pay-as-You-Go-Rehabilitation	2,818,932	2,543,326	2,543,326	100.0%
Total Capital Expenditures	\$2,818,932	\$2,543,326	\$2,543,326	100.0%
Total General Fund	\$101,507,828	\$108,716,671	\$106,678,487	98.1%

Operating Departments

Operating department budgets are monitored closely throughout the year and recommendations and adjustments are made to reduce overspending.

Expenditures by Division and Capital



General Fund Budget Appropriation Changes

Two expenditure budget appropriation changes occurred during 2025.

2025 Original Expense Budget

Cedar & Nokomis blue-green algae reduction diagnostic study and plan
 Asset Management System

\$108,706,976 **Board Resolution**

3,695 2021-367

6,000 2022-324

2025 Current Expense Budget

\$108,716,671

General Fund Balance

The 2025 year-end fund balance is estimated to be \$4.7 million, 28 percent higher than 2024 due to planned savings from vacant positions.

	2024	2025		
	Actual Year-End	Current Budget	Actual Year-End	Percent Recognized
Total Revenue	\$100,664,315	\$108,706,976	\$107,707,866	99.1%
Total Expenditures	101,507,828	108,716,671	106,678,487	98.1%
Revenue Over/(Under) Expenditures	<u>(\$843,513)</u>	<u>(\$9,695)</u>	<u>\$1,029,379</u>	

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 2025 balance is estimated at \$4.7 million, which is 4.3 percent of the current year adopted expenditure appropriation. This fund balance is below the financial policy requirements by \$715,992. Property tax revenues under budget have been negatively impacting fund balance.

2025 Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2025	3,689,978
Projected Revenues in Excess of Expenditures	<u>1,029,379</u>
Projected Fund Balance, December 31, 2025	4,719,357
Fund Balance Requirement (5%)	<u>5,435,349</u>
Fund Balance Below Requirement	<u>(\$715,992)</u>

The actuals reflected in this report are unaudited. Audit adjustments to revenues or expenditures could cause audited actuals to vary from the 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.

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Recognized
Revenues	\$500,000	\$500,000	\$500,000	100.0%
Expenses	\$345,433	500,000	504,942	101.0%
Net Income	\$154,567	\$0	(\$4,942)	

Natural Areas Management

An ongoing annual allocation of \$500,000 of State operations and maintenance funding provides the revenue for Natural Areas Management. Expenses ended the year slightly over budget.

Fund Balance

Prior unspent funding was brought into the fund at the beginning of 2024. The fund balance is reserved for future Natural Areas Management expenses.

Natural Areas Management Projected 2025 Year-End Fund Balance

Fund Balance 1/1/2025	\$610,478
Expenditures in Excess of Revenues	<u>(4,942)</u>
Fund Balance 12/31/2025	<u><u>\$605,536</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, improvements, and debt service.

Enterprise Fund by Service Area

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Recognized
Golf				
Revenues	\$9,486,088	\$9,569,891	\$9,847,548	102.9%
Expenses	9,448,114	8,938,692	9,578,853	107.2%
Net Income	\$37,974	\$631,199	\$268,695	
Use & Events Permitting				
Revenues	\$1,175,404	\$1,338,662	\$1,050,014	78.4%
Expenses	1,175,001	1,190,005	1,096,725	92.2%
Net Income	\$403	\$148,657	(\$46,711)	
Concessions				
Revenues	\$1,559,724	\$1,525,328	\$1,865,448	122.3%
Expenses	429,973	591,538	466,997	78.9%
Net Income	\$1,129,751	\$933,790	\$1,398,451	
Parking				
Revenues	\$2,532,778	\$2,500,440	\$2,574,274	103.0%
Expenses	651,016	870,490	792,458	91.0%
Net Income	\$1,881,762	\$1,629,950	\$1,781,816	
Ice Arenas				
Revenues	\$1,600,496	\$1,651,279	\$1,653,362	100.1%
Expenses	1,833,934	1,668,946	1,865,426	111.8%
Net Income	(\$233,438)	(\$17,667)	(\$212,064)	
Sculpture Garden & Cowles Conservatory				
Revenues	\$216,352	\$300,000	\$282,935	94.3%
Expenses	312,846	428,409	344,550	80.4%
Net Income	(\$96,495)	(\$128,409)	(\$61,615)	
Water Works				
Revenues	\$536,624	\$450,000	\$463,016	102.9%
Expenses	516,786	666,873	614,363	92.1%
Net Income	\$19,838	(\$216,873)	(\$151,347)	

Enterprise Fund by Service Area (Continued)

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Recognized
Total Operating Income				
Revenues	\$17,107,466	\$17,335,600	\$17,736,597	102.3%
Expenses	\$14,367,670	\$14,354,953	\$14,759,372	102.8%
Net Income	\$2,739,796	\$2,980,647	\$2,977,225	
Non-Operating Revenue				
Transfer	\$275,000		\$305,000	
Total Non-Operating Revenue	\$275,000	\$0	\$305,000	
Non-Operating Expenses				
Improvements	\$917,625	\$1,460,000	\$974,777	66.8%
MERF Payment	\$141,773	\$141,773	\$141,773	100.0%
Debt Service	\$1,278,500	\$1,295,350	\$1,295,350	100.0%
Total Non-Operating Expense	\$2,337,898	\$2,897,123	\$2,411,900	
Income after Non-Operating Expenses	\$676,898	\$83,524	\$870,325	

Golf Operations

Golf operations had a record year of revenue. Simulators at Columbia Golf Course helped off-season revenue. Revenue increased 4% from 2024, while expenses increased 1%. Golf Operations ended 2025 with net income of \$268,695, under budget by \$362,504.

Use & Events Permitting

Use & Events revenue and expense were both under budget in 2025. The loss of events negatively affected 2025 revenues. Use & Events Permitting ended 2025 with net income of \$(46,711), under budget by \$195,368.

Concessions

Concessions revenue increased 20% over 2024. Newer vendors increased revenues and Nicollet Island Pavillion saw increased revenue. Concessions ended 2025 with net income of \$1,398,451, over budget by \$464,661.

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 revenue and expense both increased from 2024. In 2025 Parking paid for plowing and maintenance of parking lots for the first time, increasing expenses. Parking ended 2025 with net income of \$1,781,816, over budget by \$151,866.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice Arenas. Ice arena revenue and expense both ended 2025 over budget. Increased staffing and repairs at the ice arenas caused expenses to exceed budget. Ice arenas ended 2025 with net income of \$(212,064) under budget by \$194,397.

Sculpture Garden & Cowles Conservatory

The Sculpture Garden revenue is from parking, events and a new concessionaire. Revenue ended the year over budget due to increased parking revenue, while expenses were under budget. The Sculpture Garden ended 2025 with net income of (\$61,615), over budget by \$66,794.

Water Works

Water Works revenue was lower than in 2024 due to a renegotiated contract with the vendor, however parking revenue in the adjacent lots was credited to Water Works. That offset some of the loss in vendor revenue. Expenses ended the year under budget, while revenue was slightly over budget. Water Works ended 2025 with net income of (\$151,347), over budget by \$65,526.

Enterprise Operating Income

Operating income is the difference between operating revenues and operating expenses. Operating income in 2025 is \$2,977,225, \$237,429 higher than 2024 due to increased income in golf and concessions.

Operating income is used for facility improvements, debt service, and the MERF pension plan payment. Improvements that took place in 2025 include Gross Golf maintenance building, Lake Nokomis concession improvements, improvements at Parade Ice Arena, new cart paths at Wirth Golf Course, and emergency repairs.

Enterprise Fund Budget Appropriation Changes

Two budget appropriation changes occurred during 2025. Golf and Ice Arena revenues & expenditures were increased to account for increased usage and the corresponding expenses.

2025 Original Revenue Budget	\$16,462,600
Golf Revenue in Excess of Budget	590,000
Ice Arena Revenue in Excess of Budget	183,000
Concessions Revenue in Excess of Budget	100,000
2025 Current Revenue Budget	<u>\$17,335,600</u>
2025 Original Expense Budget	\$16,379,076
Golf Expense Budget Increase	590,000
Ice Arena Expense Budget Increase	183,000
Concessions Expense Budget Increase	100,000
2025 Current Expense Budget	<u>\$17,252,076</u>

Enterprise Fund Projected 2025 Year-End Reserve for Renewal and Replacement

Reserve Balance 1/1/2025	\$3,542,254
Expenditures in Excess of Revenues	870,325
Reserve Balance 12/31/2025	\$4,412,579

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.

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Recognized
Revenues	\$1,333,565	\$1,356,278	\$1,375,615	101.4%
Expenses	955,650	1,356,278	997,777	73.6%
Net Income	\$377,915	\$0	\$377,838	

Stormwater Operations

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

Fund Balance

The projected net income of \$377,838 will be maintained in the Stormwater Enterprise fund balance, and is reserved for future Stormwater Operations expenses.

**Enterprise Stormwater Operations Projected 2025
Year-End Fund Balance**

Fund Balance 1/1/2025	\$362,839
Revenues in Excess of Expenditures	377,838
Fund Balance 12/31/2025	\$740,677

Internal Service Funds

Summary

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

	2024	2025		
	Actual Year End	Current Budget	Actual Year End	Percent Recognized
Equipment				
Revenues	\$6,396,168	\$6,585,018	\$6,652,873	101.03%
Expenses	\$6,247,012	\$6,585,018	\$5,817,915	88.35%
Net Income	\$149,156	\$0	\$834,958	
Information Technology Services				
Revenues	\$3,083,542	\$3,236,593	\$3,236,593	100.00%
Expenses	\$3,101,695	\$3,395,593	\$3,369,411	99.23%
Net Income	(\$18,153)	(\$159,000)	(\$132,818)	
Self-Insurance				
Revenues	\$2,319,291	\$2,089,975	\$2,127,649	101.80%
Expenses	\$2,222,253	\$3,089,975	\$2,730,421	88.36%
Net Income	\$97,038	(\$1,000,000)	(\$602,772)	

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment expense were under budget in 2025 due to a reduction in repairs by outside vendors and equipment upfitting that was expected in 2025, but not completed until 2026. At the end of 2024 the equipment reserve balance was \$2.4 million. The projected 2025 year-end equipment reserve balance is \$3.3 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. ITS ended 2025 with both revenues and expenses near budget. Board Resolution 2025-58 increased the 2025 ITS budget by \$105,000 to purchase critical network infrastructure using the ITS Reserve Balance. At the end of 2024 the Information Technology Services equipment reserve balance was \$743,993. The projected 2025 year-end Information Technology Services equipment reserve balance is \$611,175.

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 ended the year over budget while expenses ended the year under budget. Board Resolution 2025-230 increased the expense budget by \$1 million to fund Board approved settlements and reduce future liabilities. At the end of 2024 the Self-Insurance net asset balance was \$6.6 million. The projected 2025 year-end Self-Insurance net asset balance is \$6.0 million.

Internal Service Fund Budget Appropriation Changes

Two budget appropriation changes occurred during 2025.

2025 ITS Original Budget	\$3,290,593
Board Resolution 2025-58 - Network Infrastructure	105,000
2025 ITS Current Budget	<u>\$3,395,593</u>
2025 Self-Insurance Original Budget	\$2,089,975
Board Resolution 2025-230 Claim Settlements	1,000,000
2025 Self-Insurance Current Budget	<u>\$3,089,975</u>

Equipment Services Equipment Reserve Balance

The Internal Service Fund equipment reserve at year-end 2024 was \$2.4 million. During 2025 revenues exceeded expenses by \$834,958, leaving the equipment reserve balance at \$3.3 million.

2025 Projected Internal Service Fund Year-End Equipment Reserve Balance

Working Capital January 1, 2025	\$2,428,608
Equipment Services revenue in excess of expenditures	<u>834,958</u>
Working Capital December 31, 2025	\$3,263,566

Information Technology Services Equipment Reserve Balance

The Internal Service Fund information technology services equipment reserve at year-end 2024 was \$743,993. During 2025 expenses exceeded revenues by \$132,818, leaving the equipment reserve balance at \$611,175.

2025 Projected Internal Service Fund Year-End Information Technology Equipment Reserve Balance

Working Capital January 1, 2025	\$743,993
ITS expenditures in excess of revenues	<u>(132,818)</u>
Working Capital December 31, 2025	\$611,175

Self-Insurance Fund Net Asset Balance

The Self-Insurance Fund net assets balance at year-end 2024 was \$6.6 million. During 2025 expenses exceeded revenues by \$602,772 leaving the net asset balance at \$6.0 million.

2025 Projected Self Insurance Fund Year-End Net Asset Balance

Working Capital January 1, 2025	\$6,600,126
Self Insurance Fund expenditures in excess of revenues	<u>(602,772)</u>
Working Capital December 31, 2025	\$5,997,354