

# ANNUAL FINANCIAL REPORT

COMPONENT UNIT OF THE  
CITY OF MINNEAPOLIS

FOR THE YEAR ENDED  
DECEMBER 31, 2008





**MINNEAPOLIS PARK AND RECREATION BOARD**

**COMPONENT UNIT  
ANNUAL FINANCIAL REPORT**



**FOR THE YEAR ENDED DECEMBER 31, 2008**

**FINANCE DEPARTMENT**



# INTRODUCTORY SECTION





**MINNEAPOLIS PARK AND RECREATION BOARD  
MINNEAPOLIS, MINNESOTA**

**TABLE OF CONTENTS**

<b><u>Introductory Section</u></b>	<b><u>Page</u></b>
Letter of Transmittal	1
Organizational Chart	4
Commissioners/Officers	5
<b><u>Financial Section</u></b>	
Independent Auditor's Report	7
Management Discussion and Analysis	9
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Total Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets – Governmental Funds	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities – Governmental Activities	23
Statement of Net Assets – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Net Assets- Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Notes to the Financial Statements	27
<b><u>Required Supplementary Information</u></b>	<b><u>Schedule</u></b>
Detailed Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	A-1
Museum County-wide Levy Fund	A-2
Park Grant and Dedicated Revenue Fund	A-3
Notes to the Required Supplementary Information	45
<b><u>Other Supplementary Information</u></b>	
Balance Sheet – Other Governmental Fund	B-1
Revenues, Expenditures and Changes in Fund Balance - Other Governmental Funds	B-2

TABLE OF CONTENTS  
(Continued)

<u>Other Supplementary Information (Continued)</u>	<u>Schedule</u>	<u>Page</u>
Capital Projects Funds		
Permanent Improvement Fund		
Schedule of Project Costs	C-1	52
Analysis of Other Additions – Current Year	C-2	60
Park Acquisition and Improvement Fund		
Analysis of Expenditures Designated For Specific Capital Projects	C-3	63
Enterprise Fund		
Schedule of Changes in Net Assets – Reserved For Renewal and Replacement	D-1	66
Schedule of Operating Income by Project	D-2	67
Internal Service Funds		
Combining Statement of Net Assets	E-1	70
Combining Statement of Revenues, Expenses and Changes in Net Assets	E-2	71
Combining Statement of Cash Flows	E-3	72
Combining Schedule of Revenues, Expenses and Changes in Net Assets – By Major Program	E-4	73
Schedule of Changes in Net Assets – Reserved for Specific Purposes	E-5	74
 <b><u>Statistical Section</u></b>		
Government-wide Expenses by Function		75
Government-wide Revenues		76
General Fund Revenues by Source and Expenditures by Function		77
Assessed Value and Actual Value of Taxable Property		78
Direct and Overlapping Property Tax Rates per \$1,000 of Assessed Value		79
Principal Property Tax Payers		80
Property Tax Levies and Collections		81
Ratio of Outstanding Debt by Type		82
Ratios of Net General Bonded Debt Outstanding		83
Direct and Overlapping Governmental Activities Debt		84
Legal Debt Margin Information		85
Demographic and Economic Statistics		86
Principal Employers		87
Full-time Equivalent City Government Employees by Function		88
Minneapolis Park and Recreation Board Quick Fact Sheet		89





July 27, 2009

Tom Nordyke, President  
Minneapolis Park & Recreation Board  
Minneapolis, Minnesota 55411

Jon Gurban, Superintendent  
Minneapolis Park & Recreation Board  
Minneapolis, Minnesota 55411

Citizens of the Minneapolis Park & Recreation Board  
Minneapolis, Minnesota

It is our pleasure to submit to you the Annual Financial Report of the Minneapolis Park & Recreation Board for the fiscal year ended December 31, 2008. The purpose of this report is to provide the Park & Recreation Board, Mayor, City Council, staff, citizens, and other interested parties with useful information concerning the Park & Recreation Board's operations and financial position.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Park & Recreation Board. The data presented in this report is believed to be accurate in all material respects. We believe the report contains all disclosures necessary for the reader to understand the Park & Recreation Board's financial affairs.

### **Report Format**

The presentation in this report is in keeping with the requirements of governmental financial reporting. The content of the report is prepared in accordance with generally accepted standards of reporting as recommended by the Governmental Finance Officers Association of the United States and Canada, the Governmental Accounting Standards Board, the Office of the State Auditor, State of Minnesota and the City Charter of the City of Minneapolis, Minnesota.

The transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The Minneapolis Park & Recreation Board's MD&A can be found immediately following the report of the independent auditor.

### **Form of Government**

The Minneapolis Park & Recreation Board was established in 1883 by an act of the Minnesota Legislature. It is to serve as an independently elected, semi-autonomous body responsible for maintaining and developing the diverse system of land and water areas for citizens of the city. It is a nine-member board, serving four-year terms. Six commissioners are elected from designated park districts, and three are elected from the city at-large. The Park & Recreation Board is a discretely presented component unit of the City of Minneapolis. The City Finance Officer acts as Treasurer of the Park & Recreation Board.

## **Reporting Entity**

The accounts of the Minneapolis Park & Recreation Board are maintained in accordance with City Charter on a fund basis representing a series of independent fiscal and accounting entities with self-balancing sets of accounts recording resources together with related liabilities and equities which are segregated for the purpose of carrying on specific activities.

Budgetary Control is maintained in compliance with City Charter requirements that specify that funds be first appropriated by the Park & Recreation Board before being spent by the departments for ongoing services and for projects in all funds except for the Park Grant and Dedicated Revenue Fund of the Special Revenue Fund Type. All purchase orders, contracts and other obligation documents, which exceed appropriations, are not encumbered or processed until additional appropriations are made available. Operating Encumbrances outstanding at December 31 are accounted for as a reserve of equity and do not constitute expenditures or liabilities.

The State Auditor will issue a management and compliance report covering the review of the Minneapolis Park & Recreation Board's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

## **Economic Condition and Outlook**

A discussion and analysis of the Park and Recreation Board's overall financial condition during the fiscal year ended 2008 is included as part of the MD&A.

## **Debt Administration**

In 2006, the Minneapolis Park & Recreation Board entered into a loan agreement for the amount of \$710,000 with Wells Fargo Brokerage Services, LLC for the purchase of an ice arena facility and land at 1306 Central Avenue Northeast. This facility is intended to be self-supporting with a portion of the net income generated being allocated to the debt service payments.

In 2007, the Park and Recreation Board entered into a loan agreement in the amount of \$58,399 with Central Bank for the purchase of energy saving lighting and fixtures for the Parade Ice Garden facility. Energy savings experienced from these improvements will be allocated to the debt service payments. This debt was paid in full in 2009.

The City of Minneapolis accounts for all other Park & Recreation Board's long-term obligations. The outstanding debt issued by the City of Minneapolis for projects benefiting the Park & Recreation Board is secured by the full faith and credit of the City of Minneapolis and not the Park & Recreation Board.

The City of Minneapolis' conservative financial practices have earned its general obligation debt some of the highest ratings available from national bond rating services as follows:

- Fitch IBCA – AAA
- Standard & Poor's – AAA
- Moody's Investors Service – Aa1

### **Cash Management**

The Minneapolis Park & Recreation Board's cash at year-end is on deposit with the City of Minneapolis. Deposits of the Park & Recreation Board were either insured by Federal Depository Insurance or collateralized. All collateral on deposits was held by the Federal Reserve Bank of Minneapolis.

### **Risk Management**

The Minneapolis Park & Recreation Board accounts for its risk management activities as an internal service fund and charges the operating funds annually for the anticipated actuarially projected claims. The Park & Recreation Board's risk management program operates under the direction of the Administrative Services Director. Various programs have been developed to reduce the Park & Recreation Board's risk of loss including: a comprehensive employee health & safety program; a strategy to reduce tort liability exposure; and, a strategy to reduce the frequency of injuries and illnesses and the cost of workers' compensation.

### **Independent Audit**

The State of Minnesota requires an annual audit of the books of account, financial records, and transactions of the Minneapolis Park & Recreation Board by the Office of the State Auditor (OSA). This requirement has been complied with and the auditor's opinion has been included in this report.

### **Acknowledgements**

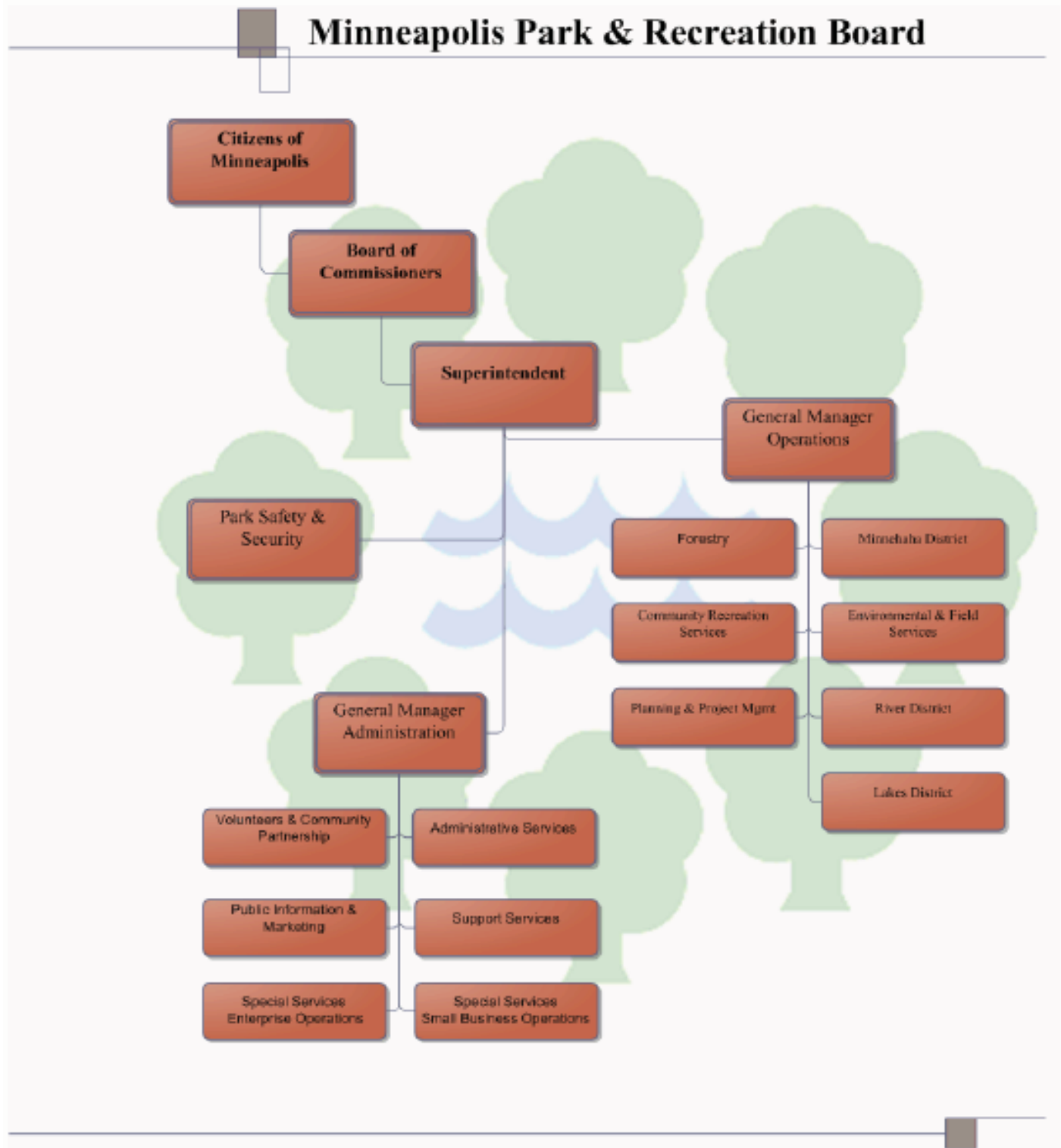
Preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Minneapolis Park & Recreation Board's Finance Department. In addition we would like to thank the State Auditor's Office for their thoroughness and professionalism in conducting the Park & Recreation Board's audit.

Respectfully submitted,

*Julia M. Wiseman*

Julia M. Wiseman  
Finance Manager

# Organization Chart



**MINNEAPOLIS PARK AND RECREATION BOARD**

**COMMISSIONERS AND OFFICERS**

<b>Commissioners</b>	<b>Term of Office From</b>	<b>To</b>
Mary Merrill Anderson	January 1, 2006	December 31, 2009
Walt Dzedzic	January 1, 1998	December 31, 2009
Bob Fine	January 1, 1998	December 31, 2009
Carol A. Kummer	March 5, 2003	December 31, 2009
Tom Nordyke	January 1, 2006	December 31, 2009
Tracy Nordstrom	January 1, 2006	December 31, 2009
Jon Olson	January 1, 2002	December 31, 2009
Scott Vreeland	January 1, 2006	December 31, 2009
M. Annie Young	January 1, 1990	December 31, 2009

**Officers**

**President**

Tom Nordyke	January 1, 2009	December 31, 2009
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**Vice President**

Mary Merrill Anderson	January 1, 2009	December 31, 2009
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**Secretary**

Don Siggelkow	January 1, 2009	December 31, 2009
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REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## INDEPENDENT AUDITOR'S REPORT

Minneapolis Park and Recreation Board  
Minneapolis, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board, a component unit of the City of Minneapolis, as of and for the year ended December 31, 2008, which collectively comprise the Minneapolis Park and Recreation Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Park Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minneapolis Park and Recreation Board's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2009, on our consideration of the Minneapolis Park and Recreation Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

July 27, 2009



# FINANCIAL SECTION





# MINNEAPOLIS PARK AND RECREATION BOARD

## MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

This discussion and analysis of the Park and Recreation Board of the City of Minneapolis' financial performance provides an overview of the Park and Recreation Board's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the Park and Recreation Board's basic financial statements and information provided in the letter of transmittal.

### Financial Highlights

- The Park and Recreation Board's government-wide net assets decreased as a result of this year's operations by \$5,560,378 or 2.0%. Net assets of the business-type activities decreased by \$121,967 or 0.9%, and net assets of the governmental activities decreased by \$5,438,411 or 2.1%.
- The assets of the Park and Recreation Board exceeded its liabilities at the close of the most recent fiscal year by \$271,341,292 (net assets). Of this amount, \$3,828,861 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Park and Recreation Board's Governmental Funds reported combined ending fund balances of \$4,447,801.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$18,410,126. Ending equity of the business-type proprietary fund is \$13,600,099 with approximately 7.5% of this amount or \$1,018,927 available for spending at the government's discretion (unrestricted fund equity). Ending equity of the governmental-type proprietary fund is \$4,810,027 with approximately 10.2% of this amount or \$492,902 available for spending at the government's discretion.

### Financial Statement Overview

This annual report consists of a series of financial statements. The *Statement of Net Assets* and the *Statement of Activities* (on pages 18-19) provide information about the activities of the Park and Recreation Board as a whole and present a longer-term view of the Park and Recreation Board's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Park and Recreation Board's operations in more detail than the government-wide statements by providing information about the Park and Recreation Board's most financially significant funds. Notes to the financial statements start on page 27. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The *Statement of Net Assets* and the *Statement of Activities*

The government-wide financial statements provide an overview of the Park and Recreation Board as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Park and Recreation Board's net assets and the changes in them. The *Statement of Net Assets* presents the Park and Recreation Board's assets and liabilities, with the difference between the two reported as net assets. The *Statement of Activities* presents information showing how the Park and Recreation Board's net assets changed during the most recent fiscal year. Over time, changes in the Park

and Recreation Board's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors should be considered, such as changes in the Park and Recreation Board's property tax base and the condition of the Park and Recreation Board's capital assets to determine the overall financial health of the Park and Recreation Board.

In the *Statement of Net Assets* and the *Statement of Activities*, the Park and Recreation Board is divided into two kinds of activities:

- **Governmental Activities:** Most of the Park and Recreation Board's basic services are reported here and are reported as Culture and Recreation. Property taxes, state and federal grants finance most of these activities.
- **Business-type Activities:** The Park and Recreation Board charges fees to customers to help cover all or most of the costs of certain services it provides. The Park and Recreation Board's golf courses are reported here.

### **Fund Financial Statements**

The fund financial statements begin on page 20 and provide detailed information about the funds. Some funds are required to be established by state law. In addition, the Park and Recreation Board has established other funds to help it control and manage money for particular purposes. The Park and Recreation Board's two kinds of funds, governmental and proprietary, use different accounting approaches.

*Governmental Funds:* Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be used in the near future to finance the Park and Recreation Board's programs. In order to compare these fund statements to the government-wide statements which are presented using accrual accounting, reconciliation is presented with the Governmental fund statements.

*Proprietary Funds:* Proprietary funds provide information on services that are supported by charges to outside customers or other units of the Park and Recreation Board. Proprietary funds are reported using accrual accounting which is the same as the accounting method used in the government-wide statements. The enterprise fund information provided in the fund level statements is the same as the business-type activities presented on the government-wide statements. There are two internal service funds presented on the fund level statements, which report activities that provide self-insurance, park equipment rental, park stores operations and information technology services to the Park and Recreation Board. On the government-wide statements the net internal service funds activities are combined with the governmental funds and included in the column governmental activities.

### **Government-wide Financial Analysis**

The Park and Recreation Board's total governmental assets remained fairly stable from a year ago, however current and other assets increased by \$2,950,591 and capital assets decreased by \$8,113,467 for a net change in governmental assets of \$5,162,876. The Park and Recreation Board's total business type assets decreased from \$15,332,104 to \$15,218,188. This analysis will focus first on the net assets and then on the changes in net assets of the Park and Recreation Board's governmental and business-type activities.

**Minneapolis Park and Recreation Board's Net Assets**

	Governmental		Business-type		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 17,504,493	\$ 14,553,902	\$ 1,995,870	\$ 1,768,801	\$ 19,500,363	\$ 16,322,703
Capital assets	254,931,259	263,044,726	13,222,318	13,563,303	268,153,577	276,608,029
Total assets	272,435,752	277,598,628	15,218,188	15,332,104	287,653,940	292,930,732
Long-term liabilities outstanding	11,146,828	10,629,432	1,093,198	1,083,123	12,240,026	11,712,555
Other liabilities	3,547,731	3,789,592	524,891	526,915	4,072,622	4,316,507
Total liabilities	14,694,559	14,419,024	1,618,089	1,610,038	16,312,648	16,029,062
Net Assets:						
Invested in capital assets, net of related debt	254,931,259	263,044,726	12,581,172	12,860,942	267,512,431	275,905,668
Unrestricted	2,809,934	134,878	1,018,927	861,124	3,828,861	996,002
Total Net Assets	\$257,741,193	\$263,179,604	\$13,600,099	\$13,722,066	\$271,341,292	\$276,901,670

Net assets of the Park and Recreation Board's governmental activities decreased by 2.1%. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, increased by \$2,675,056 and represent 1.1% of total net assets.

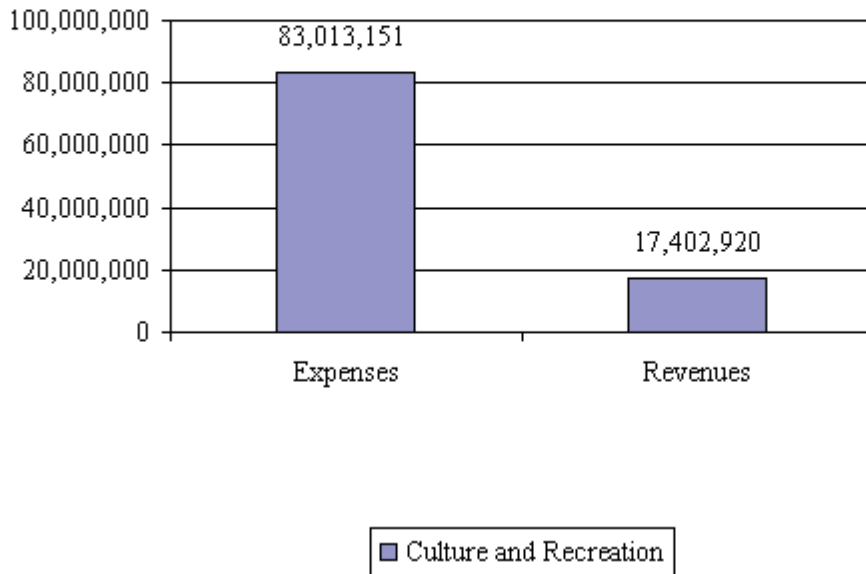
Net assets of the Park and Recreation Board's business-type activities decreased by 0.9% in 2008. The Park and Recreation Board commits these net assets to finance the continuing operations including capital improvements of the Enterprise Fund.

**Minneapolis Park and Recreation Board's Change in Net Assets**

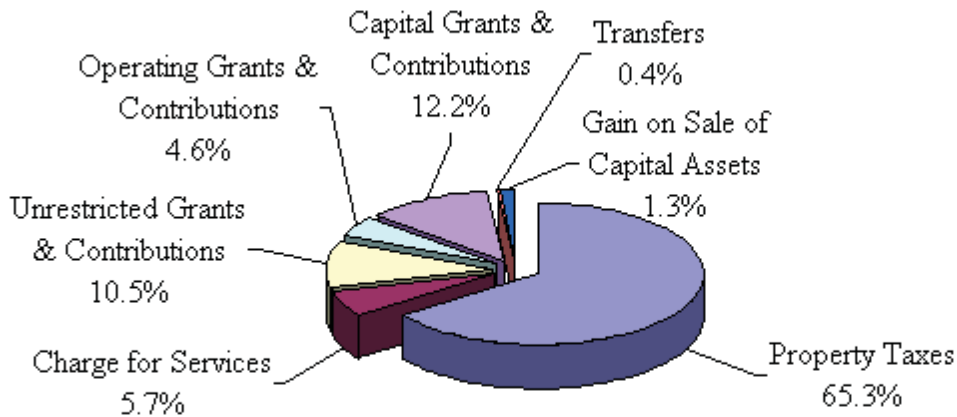
	Governmental		Business-type		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for Services	\$ 4,383,045	\$4,883,145	\$13,457,917	\$12,489,302	\$17,840,962	\$17,372,447
Operating grants & contributions	3,555,456	2,987,325	476,850	547,643	4,032,306	3,534,968
Capital grants & contributions	9,464,419	10,222,272	-	-	9,464,419	10,222,272
General revenues:						
Taxes	50,722,119	48,815,060	-	-	50,722,119	48,815,060
Unrestricted grants & contributions	8,146,017	11,035,316	-	-	8,146,017	11,035,316
Gain on Sale of Capital Assets	1,008,684	-	-	-	1,008,684	-
Transfers	295,000	495,000	-	-	295,000	495,000
Total Revenue	77,574,740	78,438,118	13,934,767	13,036,945	91,509,507	91,475,063
Program Expense:						
Culture & Recreation	83,013,151	77,214,055	-	-	83,013,151	77,214,055
Park Enterprise Fund	-	-	13,761,734	13,017,350	13,761,734	13,017,350
Transfers	-	-	295,000	495,000	295,000	495,000
Total Expenses	83,013,151	77,214,055	14,056,734	13,512,350	97,069,885	90,726,405
Increase (Decrease) in Net Assets	\$(5,438,411)	\$1,224,063	\$ (121,967)	\$ (475,405)	\$(5,560,378)	\$ 748,658

For governmental activities of the Park and Recreation Board, the \$5,438,411 decrease in net assets was largely due to the decrease in State of Minnesota, Local Government Aid (LGA). In December, 2008, Governor Tim Pawlenty unallotted almost \$1.6 million in LGA to the Park and Recreation Board as a part of an effort to balance the state budget. Net assets also decreased due to a change in accounting estimates for the calculation of depreciation as well as actuarially determined adjustment for workers compensation claims payable and general liability claims payable which increased the amount of liability recorded in the financial statements. More information regarding this liability can be found in the Notes to the Financial Statements. The decrease in proprietary activities of the Park and Recreation Board of \$121,967 is primarily due to the costs incurred in the maintenance and repair of golf and other revenue producing facilities.

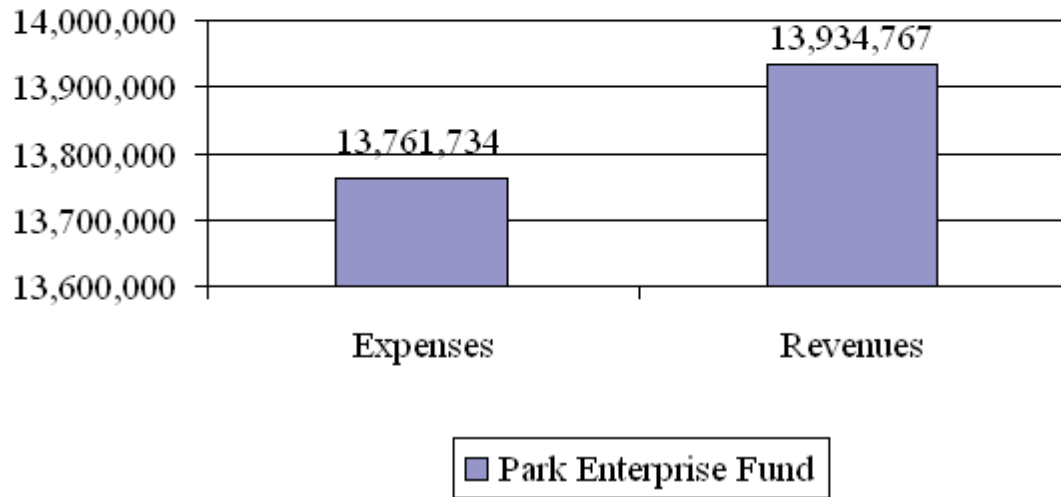
## Expenses and Program Revenues Governmental Activities



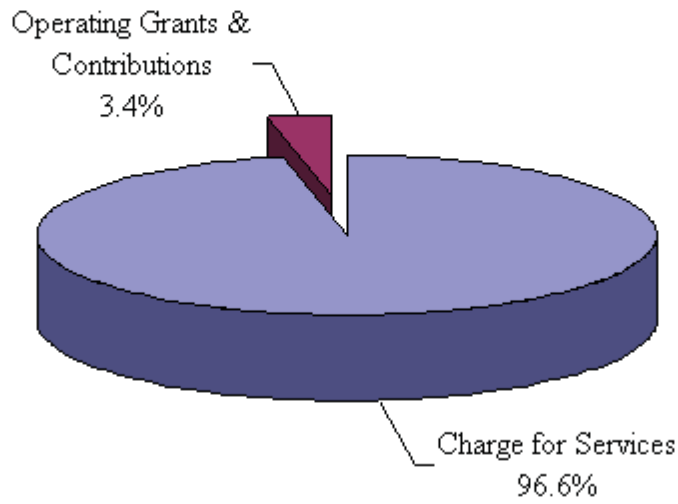
## Revenues by Source - Governmental Activities



### Expenses and Program Revenues Business Type Activities



### Revenues by Source - Business Type Activities



## **Individual Funds Financial Analysis**

The Minneapolis Park and Recreation Board uses fund accounting to ensure compliance with finance-related legal requirements.

### **Governmental Funds**

As of the end of the current fiscal year, the Park and Recreation Board's governmental funds had reported a combined ending fund balance of \$4,447,801. The following is an analysis of the major funds reported in the governmental funds statements.

#### **General Fund**

The General Fund is the Board's operating fund that reports activities not reported in other funds. The fund balance of the General fund decreased by \$534,552 from 2007 largely due to the reduction in Local Government Aid. As of the end of the current fiscal year the General Fund reported a fund balance of \$802,363, of which \$693,720 is classified as unreserved and is available for future near term spending.

***General Fund budgetary Highlights:*** The final budget for the Park and Recreation Board's General Fund represents the original budget and any addition supplemental appropriations that may occur during the fiscal year. The 2008 original appropriation was \$55,305,321 and the final appropriation was \$55,920,321. The appropriation changes of \$615,000 that occurred during the 2008 fiscal year were needed to authorize the appropriation for expenditures related to grants and contributions which funded the Summer Youth Employment program. General revenues and other resources were originally estimated \$55,305,321 and the final revenue estimate was \$55,920,321.

#### **Museum County-wide Levy**

This special revenue fund was established to account for the countywide levy for maintenance of a fine art museum. The Park and Recreation Board acts as a pass-through agency for these funds and a fund balance is not established.

#### **Park Grant and Dedicated Revenue**

This special revenue fund accounts for the activities associated with the purchase and improvement of land used for park purposes and to account for revenue received that is designated for specific purposes. The fund balance of the Park Grant and Dedicated Revenue fund increased by \$759,714 from 2007. This increase is primarily due to the State of Minnesota Lottery proceeds that are held in this fund and then allocated to specific Park & Recreation Board approved projects. As of the end of the current fiscal year the Park Grant and Dedicated Revenue fund reported a fund balance of \$3,653,453, of which \$3,590,855 is classified as reserved and \$62,598 is classified as unreserved and is available for future near term spending.

#### **Minneapolis Parks Fund**

This special revenue fund accounts for revenue received that is designed for specific purposes and is required to earn interest. The fund balance of the Minneapolis Parks Fund increased by \$2,718,012 from 2007. This increase is due to the sale of two capital assets that occurred in 2008. The first sale was riverfront property sold to the Minnesota Department of Transportation for \$744,650 for the Highway 35W bridge project. The proceeds from the sale are designated for future riverfront land acquisitions. The second sale was a building and land located at the Fort Snelling Athletic Complex site that was sold to the Boy Scouts of America for \$1,954,625. The proceeds from the sale are designated to pay down the debt obligations associated with this location.

#### **Permanent Improvement Fund**

This capital projects fund accounts for the resources used for the acquisition, rehabilitation and/or development of major capital facilities. Revenues for this fund primarily consist of proceeds from bond issues and various federal, state and local grants. The fund balance of the Permanent Improvement fund increased by \$685,875



from 2007. This increase is primarily due to the timing of capital project grant proceeds which accounted for a \$526,040 decrease in deferred revenue from 2007 for a new total of \$1,714,964. As of the end of the current fiscal year the Permanent Improvement Fund reported a fund balance of (\$3,357,228). The deficit fund balance will be funded in 2009 with capital program monies, private contributions or sales of land.

### **Proprietary Funds**

The Minneapolis Park and Recreation Board operates one enterprise fund and two internal service funds. The funds are reported using the accrual basis of accounting. The following is an analysis of the funds reported in the proprietary funds statements.

#### **Park Operating Fund**

This enterprise fund accounts for the activities of the Park and Recreation Board's golf courses, refectories, ice arenas, sports complexes and self-supporting recreational activities. Golf fees and park usage fees are reviewed on a yearly basis and changes are recommended to the Park and Recreation Board for approval. In 2008, charges for services and rents increased from 2007 by \$927,414 or 7.4%. In 2008, operating expenses of the Park Operating Fund increased from 2007 by \$827,734 or 7.0%. Revenues increased by a greater percentage than expenses and therefore operating income increased from 2007 by \$99,680 or 14.1%. The increase in operating income is due to the increase in fee and permit revenue collections.

#### **Park Internal Services Fund**

This internal service fund accounts for the rental of equipment and the information technology services provided to other Park and Recreation Board Funds. Equipment rental fees and internal department charges are reviewed each year during the budget process and are approved by the Park and Recreation Board. For the current fiscal year ended, operating loss was \$655,095 and ending net assets were \$5,694,488. The operating loss was largely due to the change in accounting estimate for the calculation of depreciation which increased depreciation expense and decreased the net book value of the assets. The Park Stores operation was also eliminated during 2008 and resulted in a loss and write off of inventory values. Net Assets is comprised of \$4,317,125 or 75.8% which is invested in capital assets and \$1,377,363 or 24.2% which is classified as unrestricted. The Park and Recreation Board intends to use the unrestricted portion of the fund for repair and replacement of the operation's equipment.

#### **Park Self-Insurance Fund**

This internal service fund accounts for the self-insurance activities of the Park and Recreation Board. These activities include workers compensation, property insurance, general liability, automotive liability and police professional liability. In the current fiscal year ended, operating income was \$208,680 and ending net assets were (\$884,461). An actuarial study was completed in 2007 and provided an estimate for the 2008 long-term liability for workers compensation claims payable. An actuarial study was completed in 2008 and provided the estimate for the 2008 long term liability for General liability claims payable. It is the intention to adjust rates in this fund which will, over time, allow for the full funding of the current deficit.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

At the end of 2008, the Park and Recreation Board had \$268,153,577 invested in a broad range of capital assets, including land, buildings, vehicles, equipment, trails, bridges, golf courses and parking lots. This amount represents a decrease of \$8,454,452 from 2007 which is largely due to a change in accounting estimate for the calculation of depreciation that reduced the net book value of the assets.

Major capital asset events during the current fiscal year included but are not limited to the following:

- Minnehaha Regional Park
- Chain of Lakes Flood Mitigation
- East River Flats Park Improvements
- St. Anthony Parkway Bike Trail
- East River Parkway Trails

**Capital Assets at Year End  
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Land	\$56,548,739	\$56,630,843	\$1,206,784	\$1,206,784	\$57,755,523
Building and Structures	41,019,645	41,735,131	7,367,742	8,121,882	48,387,387	49,857,013
Infrastructure	42,394,375	48,776,920	95,443	37,604	42,489,818	48,814,524
Public Improvements	89,827,280	85,545,405	3,735,306	3,737,624	93,562,586	89,283,029
Machinery and Equipment	5,081,128	6,123,320	535,202	453,053	5,616,330	6,576,373
Construction in Progress	20,060,092	24,233,107	281,841	6,356	20,341,933	24,239,463
<b>Total</b>	<b>\$254,931,259</b>	<b>\$263,044,726</b>	<b>\$13,222,318</b>	<b>\$13,563,303</b>	<b>\$268,153,577</b>	<b>\$276,608,029</b>

Additional information regarding the Park and Recreation Board's capital assets can be found in the Notes to the Financial Statements.

**Debt**

In 2008, the Park and Recreation Board did not incur any new debt. Information regarding Park and Recreation Board debt can be found in the Notes to the Financial Statements.

**Economic Factors and 2008 Budgets**

Employment:

The unemployment rate for the City of Minneapolis at the end of 2008, as released by the Minnesota Department of Economic Security, is 5.9%. This economic indicator is better than the State of Minnesota (6.8%) and the national unemployment rate (7.1%). Unemployment continues to rise and the City of Minneapolis unemployment rate has reached 7.4% in May, 2009.

2009 Budget:

On December 11, 2008, the Park and Recreation Board approved the 2009 budget. The original operating budget was set for \$58.0 million. In June, 2009, Governor Tim Pawlenty unallotted \$1.0 million of Local Government Aid (LGA) from the Park and Recreation Board. This action reduced the operating budget to \$57.0 million. The Park and Recreation Board has taken steps to reduce the impact of the reduction; the 2009 Budget provided for placing \$774,000 of LGA in reserve, departments have been directed to reduce spending, and the hiring pause begun in 2008 continues.

**Requests for Information**

This financial report is designed to provide a general overview of the Minneapolis Park and Recreation Board finances and to demonstrate the Park and Recreation Board's accountability for the funds it receives. Questions about this report or requests for additional financial information should be directed to the Finance Manager, Minneapolis Park and Recreation Board, 2117 West River Road, Minneapolis, MN 55411, 612-230-6400.

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**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF NET ASSETS**  
**December 31, 2008**

	Governmental Activities	Business -Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,746,332	\$ 133,070	\$ 11,879,402
Receivables (Net)	6,558,161	972,051	7,530,212
Inventories		90,749	90,749
Internal Balances	(800,000)	800,000	-
Capital Assets:			
Non-Depreciable	76,608,831	1,488,625	78,097,456
Depreciable (Net)	178,322,428	11,733,693	190,056,121
<b>Total Assets</b>	<u>272,435,752</u>	<u>15,218,188</u>	<u>287,653,940</u>
<b>LIABILITIES</b>			
Salaries Payable	\$ 1,578,486	\$ 167,944	\$ 1,746,430
Accounts Payable (Net)	1,969,245	356,947	2,326,192
Non-Current Liabilities			
Due Within One Year:			
Compensated Absences	2,476,310	351,670	2,827,980
Notes Payable	-	53,283	53,283
Due In More Than One Year:			
Compensated Absences	1,351,119	-	1,351,119
Post Employment Benefits	643,628	100,382	744,010
Notes Payable	-	587,863	587,863
Workers' Comp Claims Pending	5,412,515	-	5,412,515
General Liability Claims Pending	1,263,256	-	1,263,256
<b>Total Liabilities</b>	<u>14,694,559</u>	<u>1,618,089</u>	<u>16,312,648</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	254,931,259	12,581,172	267,512,431
Unrestricted	2,809,934	1,018,927	3,828,861
<b>Total Net Assets</b>	<u>257,741,193</u>	<u>13,600,099</u>	<u>271,341,292</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 272,435,752</u>	<u>\$ 15,218,188</u>	<u>\$ 287,653,940</u>

The Notes to the Financial Statements are an Integral Part of this Statement

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Function/Program Activities</b>							
<b>Governmental Activities</b>							
Culture and Recreation	\$ 83,013,151	\$ 4,383,045	\$ 3,555,456	\$ 9,464,419	\$ (65,610,231)	\$ -	\$ (65,610,231)
<b>Business Type Activities</b>							
Park Enterprise Fund	13,761,734	13,457,917	476,850	-		173,033	173,033
<b>Total</b>	<u>\$ 96,774,885</u>	<u>\$ 17,840,962</u>	<u>\$ 4,032,306</u>	<u>\$ 9,464,419</u>			
<b>General Revenues and Transfers:</b>							
Taxes:							
Property Taxes					39,533,531	-	39,533,531
Museum (county-wide levy)					11,180,883	-	11,180,883
Other					7,705	-	7,705
Grants and contributions not restricted to specific programs					8,146,017	-	8,146,017
Gain on sale of capital assets					1,008,684	-	1,008,684
Transfers					295,000	(295,000)	-
					<u>(5,438,411)</u>	<u>(121,967)</u>	<u>(5,560,378)</u>
Net Assets - January 1					263,179,604	13,722,066	276,901,670
Net Assets - December 31					<u>\$ 257,741,193</u>	<u>\$ 13,600,099</u>	<u>\$ 271,341,292</u>

The Notes to the Financial Statements are an Integral Part of this Statement

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2008**

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Minneapolis Parks Fund	Permanent Improvement	Other Governmental Fund	Total
<b>ASSETS</b>							
Cash and							
Cash Equivalents	\$ 3,819,665	\$ -	\$ 1,475,733	\$ 2,725,742	\$ 3,444	\$ 625,663	\$ 8,650,247
Receivables:							
Accounts - Net	302,829	-	76,211	-	60,000	2,000	441,040
Taxes -							
Current	361,372	-	-	-	-	-	361,372
Delinquent	468,842	-	-	-	-	-	468,842
Intergovernmental	-	99,054	318,086	-	4,866,263	-	5,283,403
Accrued Interest	-	-	-	3,494	-	-	3,494
Due From-							
Capital Advance	-	-	1,800,000	-	-	-	1,800,000
<b>Total Assets</b>	<b>\$ 4,952,708</b>	<b>\$ 99,054</b>	<b>\$ 3,670,030</b>	<b>\$ 2,729,236</b>	<b>\$ 4,929,707</b>	<b>\$ 627,663</b>	<b>\$ 17,008,398</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities :							
Payables -							
Salaries	\$ 1,461,695	\$ -	\$ 2,315	\$ -	\$ 16,906	\$ -	\$ 1,480,916
Accounts	1,131,208	99,054	14,262	-	395,065	7,686	1,647,275
Due To -							
Capital Advances	1,088,600	-	-	-	6,160,000	-	7,248,600
Deferred Revenue	468,842	-	-	-	1,714,964	-	2,183,806
<b>Total Liabilities</b>	<b>4,150,345</b>	<b>99,054</b>	<b>16,577</b>	<b>-</b>	<b>8,286,935</b>	<b>7,686</b>	<b>12,560,597</b>
Fund Balances:							
Reserved For -							
Encumbrances	108,643	-	121,384	-	190,340	-	420,367
Specific Projects	-	-	1,669,471	2,729,236	-	619,977	5,018,684
Capital Advance	-	-	1,800,000	-	-	-	1,800,000
Unreserved Reported in:							
General Fund	693,720	-	-	-	-	-	693,720
Special Revenue Funds	-	-	62,598	-	-	-	62,598
Capital Projects Fund	-	-	-	-	(3,547,568)	-	(3,547,568)
<b>Total Fund Balances</b>	<b>802,363</b>	<b>-</b>	<b>3,653,453</b>	<b>2,729,236</b>	<b>(3,357,228)</b>	<b>619,977</b>	<b>4,447,801</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,952,708</b>	<b>\$ 99,054</b>	<b>\$ 3,670,030</b>	<b>\$ 2,729,236</b>	<b>\$ 4,929,707</b>	<b>\$ 627,663</b>	<b>\$ 17,008,398</b>

The Notes to the Financial Statements are an Integral Part of this Statement

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**Reconciliation of the Total Governmental Funds Balance Sheet to the**  
**Government-wide Statement of Net Assets - Governmental Activities**  
**December 31, 2008**

**Total Governmental Funds Balances** \$ 4,447,801

Amounts reported for governmental activities  
in the Statement of Net Assets are different because

Capital assets used in the governmental activities are  
not financial resources and therefore are not reported  
in the funds.

Non-Depreciable	56,548,739	
Depreciable	324,189,329	
Accumulated Depreciation	(150,184,027)	
Work in Progress	20,060,092	250,614,133

Long-term Liabilities are not due and payable in the  
current period and therefore are not reported in the funds.

Compensated Absences - Short Term	(2,349,351)	
Compensated Absences - Long Term	(1,351,119)	
Post Employment Benefits - Long Term	(614,104)	

Deferred revenue in governmental funds is susceptible  
to full accrual on the entity-wide statements. 2,183,806

Internal Service Funds are not reported in the funds  
statement but are included in the Statement of Net  
Assets governmental activities. 4,810,027

**Net Assets of Governmental Activities** \$ 257,741,193

The Notes to the Financial Statements are an Integral Part of this Statement

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Minneapolis Parks Fund	Permanent Improvement	Other Governmental Fund	Total
<b>REVENUES</b>							
Taxes	\$40,330,918	\$11,180,883	\$ -	\$ -	\$ -	\$ -	\$ 51,511,801
Intergovernmental	11,001,628	1,197	1,443,492	-	4,246,962	421,581	17,114,860
Charges for Services and Sales	1,177,898	-	675,472	-	138,888	222	1,992,480
Fines and Forfeits	526,810	-	-	-	-	-	526,810
Special Assessments	-	-	-	-	-	141,988	141,988
Investment Earnings	-	-	-	18,737	(4)	-	18,733
Miscellaneous	1,216,808	5,591	408,902	-	3,708,258	-	5,339,559
<b>Total Revenues</b>	<b>54,254,062</b>	<b>11,187,671</b>	<b>2,527,866</b>	<b>18,737</b>	<b>8,094,104</b>	<b>563,791</b>	<b>76,646,231</b>
<b>EXPENDITURES</b>							
Culture and Recreation	54,243,358	11,187,671	661,038	-	-	-	66,092,067
Capital Outlay	-	-	26,500	-	9,329,099	421,581	9,777,180
<b>Total Expenditures</b>	<b>54,243,358</b>	<b>11,187,671</b>	<b>687,538</b>	<b>-</b>	<b>9,329,099</b>	<b>421,581</b>	<b>75,869,247</b>
Excess of Revenues Over (Under) Expenditures	10,704	-	1,840,328	18,737	(1,234,995)	142,210	776,984
<b>OTHER FINANCING SOURCES (USES)</b>							
Sales of Capital Assets	-	-	-	2,699,275	-	-	2,699,275
Transfers In - Other Funds	295,000	-	23,652	-	1,920,870	-	2,239,522
Transfers Out - Other Funds	(840,256)	-	(1,104,266)	-	-	-	(1,944,522)
Total Other Financing Sources	(545,256)	-	(1,080,614)	2,699,275	1,920,870	-	2,994,275
Net Change in Fund Balances	(534,552)	-	759,714	2,718,012	685,875	142,210	3,771,259
<b>FUND BALANCE - JANUARY 1</b>	<b>1,336,915</b>	<b>-</b>	<b>2,893,739</b>	<b>11,224</b>	<b>(4,043,103)</b>	<b>477,767</b>	<b>676,542</b>
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$ 802,363</b>	<b>\$ -</b>	<b>\$3,653,453</b>	<b>\$2,729,236</b>	<b>\$ (3,357,228)</b>	<b>\$ 619,977</b>	<b>\$ 4,447,801</b>



**MINNEAPOLIS PARK AND RECREATION BOARD**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Government-wide Statement of Activities - Governmental Activities**  
**For the Year Ended December 31, 2008**

**Net Changes in Fund Balances - Total Governmental Funds** \$ 3,771,259

Amounts reported for Governmental Activities in the Statement of Activities are different because

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (5,843,726)

Governmental funds report capital asset sales as revenues. However, in the Statement of Activities the gain on the sales of capital assets is calculated and recorded. This is the amount by which sales proceeds exceeded the gain in the current period (1,703,105)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds

Change in Deferred Revenue (1,316,919)  
 Contribution of Parkway Reconstruction 221,131

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Compensated Absences 124,225  
 Change in Post Employment Benefits (290,331)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (400,945)

**Change in net assets of governmental activities** \$ (5,438,411)

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2008**

	Business-Type Activities - Enterprise Fund	Governmental Activities- Internal Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 133,070	\$ 3,096,086
Receivables -		
Accounts - Net	972,051	10
Capital Advances	800,000	4,648,600
Materials & Supplies Inventory	90,749	-
Total Current Assets	1,995,870	7,744,696
Non Current Assets		
Net Capital Assets	13,222,318	4,317,125
<b>Total Assets</b>	<b>\$ 15,218,188</b>	<b>\$ 12,061,821</b>
 <b>LIABILITIES AND FUND EQUITY</b>		
Current Liabilities :		
Payables -		
Salaries	\$ 167,944	\$ 97,570
Accounts	356,947	321,970
Notes Payable - Current	53,283	-
Total Current Liabilities	578,174	419,540
Long-Term Liabilities:		
Notes Payable - Long Term	587,863	-
Worker's Compensation Claims Pending	-	5,412,515
General Liability Claims Pending	-	1,263,256
Post Employment Benefits Payable	100,382	29,524
Compensated Absences Payable	351,670	126,959
Total Long-Term Liabilities	1,039,915	6,832,254
Total Liabilities	1,618,089	7,251,794
Equity:		
Invested in Capital Assets, Net of Related Debt	12,581,172	4,317,125
Unrestricted	1,018,927	492,902
Total Equity	13,600,099	4,810,027
<b>Total Liabilities and Net Assets</b>	<b>\$ 15,218,188</b>	<b>\$ 12,061,821</b>

The Notes to the Financial Statements are an Integral Part of this Statement

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

	Business-Type Activities - Enterprise Fund	Governmental Activities- Internal Service Funds
<b>OPERATING REVENUES</b>		
Billings to Departments	\$ -	\$ 7,205,236
Charges For Services and Sales	11,380,131	-
Rents	2,007,731	-
Total Operating Revenues	<u>13,387,862</u>	<u>7,205,236</u>
<b>OPERATING EXPENSES</b>		
Personal Services	4,675,017	1,712,966
Contractual Services	3,500,767	1,999,364
Materials and Supplies	2,060,261	1,862,876
Depreciation on Acquired Property	1,014,405	1,403,804
Benefits	1,331,248	672,641
Total Operating Expenses	<u>12,581,698</u>	<u>7,651,651</u>
Operating Income (Loss)	<u>806,164</u>	<u>(446,415)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State of Minnesota - Department of Health & Family Support	6,982	-
City of Minneapolis - Steps to a Healthier Minneapolis	5,046	-
City of Minneapolis - Neighborhood Revitalization Program	2,784	-
Contributions	462,038	29,998
Gain (Loss) on Disposal of Capital Assets	-	(22,899)
Gain on Sale of Scrap	-	13,297
Damages/Losses Recovered	-	14,220
Other Non-Operating Revenues	70,055	10,854
City of Minneapolis - Debt Service	(1,054,355)	-
Interest Expense	(36,584)	-
Other Non-Operating Expenses	(89,097)	-
Total Nonoperating Revenues (Expenses)	<u>(633,131)</u>	<u>45,470</u>
Income (Loss) Before Transfers	<u>173,033</u>	<u>(400,945)</u>
<b>TRANSFERS IN (OUT)</b>		
Transfer to Park General Fund	(295,000)	-
Total Transfers In (Out)	<u>(295,000)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(121,967)	(400,945)
<b>NET ASSETS - JANUARY 1</b>	13,722,066	5,210,972
<b>NET ASSETS - DECEMBER 31</b>	<u>\$ 13,600,099</u>	<u>\$ 4,810,027</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

	Business-Type Activities- Enterprise Fund	Governmental Activities- Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Interfund Services Provided	\$ -	\$ 7,205,236
Cash Received from Customers	13,441,777	25,890
Cash paid to suppliers for goods and services	(5,548,626)	(3,392,848)
Cash paid to employees for services	(6,050,923)	(2,452,907)
Net cash provided by (used in) operating activities	1,842,228	1,385,371
<b>Cash Flows from Noncapital Financing Activities:</b>		
State of Minnesota - Department of Health & Family Support	6,982	-
City of Minneapolis - Steps to a Healthier Minneapolis	5,046	-
City of Minneapolis - Neighborhood Revitalization Program	2,784	-
Contributions	462,038	-
Proceeds from elimination of Park Stores Inventory	-	606,770
Advances Received	-	330,000
City of Minneapolis - Debt Service	(1,054,355)	-
Advances Paid	(70,000)	-
Transfers To Other Funds	(295,000)	-
Net Cash (Used) Provided by Noncapital Financing Activities	(942,505)	936,770
<b>Cash Flows from Capital Financing Activities:</b>		
Proceeds From Sale of Capital Assets	-	44,893
Proceeds From Sale of Scrap	-	13,297
Principal and Interest Payments	(97,799)	-
Acquisition of Property Plant and Equipment	(673,420)	(623,586)
Net Cash Used for Capital Financing Activities	(771,219)	(565,396)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	128,504	1,756,745
<b>Cash and Cash Equivalents - January 1</b>	4,566	1,339,341
<b>Cash and Cash Equivalents - December 31</b>	\$ 133,070	\$ 3,096,086
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>		
Operating Income (Loss)	\$ 806,164	\$ (446,415)
Adjustments to Reconcile Operating Income to net Cash Provided by Operating Activities:		
Depreciation Expense	1,014,405	1,403,804
(Increase) Decrease in Accounts Receivable	(16,140)	(5)
(Increase) Decrease in Intergovernmental Receivables	-	821
(Increase) Decrease in Inventories	(12,425)	-
Increase (Decrease) in Salaries Payable	(115,948)	(67,910)
Increase (Decrease) in Accounts Payable	114,762	118,712
Increase (Decrease) in Intergovernmental Payable	(838)	-
Increase (Decrease) in Workers Compensation Claims Payable	-	161,924
Increase (Decrease) in General Liability Claims Pending	-	188,756
Increase (Decrease) in Post Employment Benefits Payable	47,458	13,958
Increase (Decrease) in Comp Absences Payable	23,832	(13,348)
Non-Operating Damages Losses Recovered	-	14,220
Other Non-Operating Expenses	(89,097)	-
Other Non-Operating Revenues	70,055	10,854
Total Adjustments	1,036,064	1,831,786
<b>Net Cash Provided by Operating Activities</b>	\$ 1,842,228	\$ 1,385,371
<b>Supplemental Disclosure of Noncash Capital and Related Financing Activities:</b>		
Contribution and Transfer of Capital Assets (to) from other funds	(29,998)	29,998
Write-off of Park Stores Inventory	-	30,244
<b>Total Noncash Capital and Related Financing Activities</b>	\$ (29,998)	\$ 60,242

The Notes to the Financial Statements are an Integral Part of this Statement.

# MINNEAPOLIS PARK AND RECREATION BOARD

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2008

### Note 1 - Form of Government

The Minneapolis Park and Recreation Board operates pursuant to Chapter 16 of the City Charter. In addition, various sections of the state statutes and special legislation pertain to the operation of the Minneapolis Park and Recreation Board. Nine members elected by the voters govern the Board. The Board annually elects from its own members a President and Vice President and appoints a Secretary who is not a member of the Board.

### Note 2 - Summary of Significant Accounting Policies

#### A) Reporting Entity

The Minneapolis Park and Recreation Board is considered to be a component unit of the City of Minneapolis according to the criteria for defining the reporting entity, as adopted by the Governmental Accounting Standard Board's Statement 14, *The Financial Reporting Entity*. Specific criteria which determined the Park and Recreation Board to be a component unit are: 1) the City approves all annual budgets and tax levies of the Park and Recreation Board, 2) the City determines any allocations to be made to the Park and Recreation Board of local government aid received by the City from the State of Minnesota and 3) long-term debt issued for Park and Recreation Board projects is secured by the full faith and credit of the City. In addition, the nature of the Park and Recreation Board's activities, in relation to activities of the City, are such that exclusion from the City's financial statements would cause such statements to be incomplete.

Information on joint venture organizations is described in Note 16.

The accounting policies of the Minneapolis Park and Recreation Board conform to Generally Accepted Accounting Principles. The following is a summary of the significant policies.

#### B) Presentation of Financial Statements

**Government-wide Financial Statements.** The *Statement of Net Assets* and the *Statement of Activities* display information about the Park and Recreation Board as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. Internal Service Fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide *Statement of Activities* presents a comparison between expenses and program revenues for business-type activities and governmental activities. Program revenues include charges paid by the recipients of the goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Park and Recreation Board.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Park and Recreation Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Financial Statements.** The accounts of the Park and Recreation Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund financial statements provide information about the Park and Recreation Board's funds. Funds are classified into two categories - *Governmental* and *Proprietary*. Each category is divided into separate fund types. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

## Note 2 - Summary of Significant Accounting Policies

### B) Presentation of Financial Statements (Continued)

**Governmental Funds.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for all governmental funds. Under this method of accounting, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Park and Recreation Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include property taxes, special assessments, grants-in-aid earned and other intergovernmental revenues, rentals, intrafund charges and interest on investments. Interest on special assessments receivable is recognized when collected.

Major revenues that are determined not to be susceptible to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes, delinquent assessments, permits, fines and forfeitures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, severance and compensatory time pay; and (2) principal and interest on long-term debt which is recognized when due.

The Park and Recreation Board reports the following major governmental funds:

- **General Fund**  
The General Fund is the general operating fund of the Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. For the Park and Recreation Board, the General Fund includes such activities as recreation, public safety, maintenance and general government administration.
- **Special Revenue Fund – Museum County-Wide Levy**  
This fund was established to account for the county-wide levy for maintenance of a fine arts museum.
- **Special Revenue Fund – Park Grant and Dedicated Revenue**  
This fund is used to account for assets held for the purchase and improvement of land used for park purposes and to account for revenue received that is earmarked for a specific purpose.
- **Special Revenue Fund – Minneapolis Parks Fund**  
This fund accounts for revenue received that is designated for a specific purpose and has the contractual requirement to earn interest.
- **Capital Project Fund – Permanent Improvement**  
This fund is used to account for capital acquisition, construction and improvement projects primarily financed by proceeds from bond issues and various federal, state and local grants.

**Proprietary Funds.** All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. Fund Equity is segregated into invested in capital assets net of related debt and unrestricted. Proprietary fund type operating statements present increases and decreases in net assets.

The Park Proprietary Funds use the accrual basis of accounting, under which revenues are recognized when earned, and expenses are recorded as liabilities when they are incurred. Pursuant to Governmental Accounting Standards Board Statement 20, the Park and Recreation Board has elected to apply only those Financial Accounting Standards Board pronouncements issued on or before November 30, 1989.

**Enterprise Funds.** Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Park and Recreation Board reports the following major enterprise fund:

- **Park Operating Fund**  
This fund is used to account for the operations of golf courses, refectories, ice arenas, sports complexes and similar recreational activities.

Additionally, the Park and Recreation Board reports the following fund type:

- **Internal Service Funds**  
Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Park and Recreation Board, or to other governments, on a cost-reimbursement basis.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**C) Encumbrances**

Encumbrance accounting is used to record commitments for the expenditures of money in governmental funds. Encumbrances are not reported as expenditures and fund balances are reserved for subsequent spending.

**D) Deposits and Investments**

The City of Minneapolis serves as custodian for deposits of the Park and Recreation Board's funds. Except for the Minneapolis Parks Special Revenue Fund, the minimal amount of interest earned on these deposits is returned to the City during the year for debt service requirements. The types of investment vehicles, their valuation and risk are described in the notes of the City of Minneapolis Comprehensive Annual Financial Report.

**E) Inventories of Materials and Supplies**

Inventories are priced at cost determined on the moving average method. The cost of inventory is recorded as an expense at the time it is sold. Physical counts are taken at year-end.

**F) Capital Assets**

Governmental-type and Business-type capital assets of the Park and Recreation Board are recorded at historical or estimated historical cost. Depreciation is provided using the straight-line method over the estimated life of the asset. In 2008, the Park Board changed Depreciation estimates with the elimination of Salvage values. Estimated useful lives for determining annual depreciation are generally as follows:

Buildings and Structures	20-60	Years	Street Lighting	15	Years
Bridges	50	Years	Public Improvements	20-100	Years
Streets	20-30	Years	Equipment	2.5-12	Years

Changes in capital assets are discussed further in Note 4.

**G) Long-Term Liabilities**

Park and Recreation Board long-term debt is reported on the government-wide statements and in the Proprietary funds statements. Liabilities recorded on these statements include compensated absences payable and mortgage note payable. These liabilities are discussed further in Note 5.

**H) Interfund Transactions**

Interfund transactions are reflected as services provided, loans, reimbursements or transfers. Reimbursements occur when a fund incurs costs that are eventually repaid through charges to the benefiting fund. All other interfund transactions are treated as transfers. Transfers between governmental funds are subject to elimination as part of the reconciliation to the government-wide presentation.

**Note 3 - Receivables**

Receivables at year-end for the Park and Recreation Board's major individual governmental and enterprise funds and non-major and internal service funds in aggregate are as follows:

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Minneapolis Parks Fund	Permanent Improvement	Non- Major	Internal Service	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 302,829	\$ -	\$ 76,211	\$ -	\$ 60,000	\$ 2,000	\$ 10	\$ 441,050	\$972,051
Property Tax	830,214	-	-	-	-	-	-	830,214	-
Intergovernmental	-	99,054	318,086	-	4,866,263	-	-	5,283,403	-
Accrued Interest	-	-	-	3,494	-	-	-	3,494	-
Net Receivables	\$1,133,043	\$ 99,054	\$ 394,297	\$ 3,494	\$ 4,926,263	\$ 2,000	\$ 10	\$ 6,558,161	\$972,051

**Nicollet Island Inn.** In 1987, the Park and Recreation Board leased property on Nicollet Island to IsleWest Associates, a Minnesota general partnership. The term of the lease is 75 years and includes the operations, maintenance and improvements to the Nicollet Island Inn. IsleWest Associates is required to pay a base rent plus a percentage of the gross sales. Minnesota Statutes provide that while the land and building shell is still owned by the Park and Recreation Board and is not taxable, the leasehold improvements and tangible personal property are subject to all ad valorem property taxes. Any unpaid base or percentage rent is subject to interest charges. The total amount the Park and Recreation Board received in 2008 for base and percentage rent was \$ 96,352.



**Note 3 - Receivables (Continued)**

The future collection requirements for this agreement are as follows:

Scheduled Lease Collections	Operating Lease
2009	\$ 121,000
2010	121,000
2011	121,000
2012	133,100
2013	133,100
2014 and thereafter	<u>10,340,120</u>
Total	<u>\$10,969,320</u>

**Park and Recreation Board Headquarters.** In 2004, the Park and Recreation Board leased a portion of the headquarters property located at 2117 West River Road to Twin City Catering, Inc. The term of the lease is 10 years with the option to renew for two additional five year periods. The lease includes 17,900 useable square feet for the purpose of general office, catering kitchen, equipment storage and conference/event facility. Twin City Catering, Inc. is required to pay a base rent. Any unpaid base rate is subject to interest charges. The total amount the Park and Recreation Board received in 2008 for base rent was \$205,600.

The future collection requirements for this agreement are as follows:

Scheduled Lease Collections	Operating Lease
2009	\$ 121,910
2010	124,874
2011	127,920
2012	131,054
2013	134,275
2014 and thereafter	<u>1,469,956</u>
Total	<u>\$2,109,989</u>

**Note 4 - Changes in Capital Assets**

In 2008 the Park Board changed the Depreciation estimate with the elimination of Salvage values. Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance 1/1/08	Additions	Deletions	Balance 12/31/08
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$56,630,843	\$ -	(\$82,104)	\$56,548,739
Construction in Progress	<u>24,233,107</u>	<u>8,023,857</u>	<u>(12,196,872)</u>	<u>20,060,092</u>
Total capital assets not being depreciated	<u>80,863,950</u>	<u>8,023,857</u>	<u>(12,278,976)</u>	<u>76,608,831</u>
Capital assets being depreciated				
Buildings and Structures	60,820,477	729,604	-	61,550,081
Infrastructure	112,113,225	382,911	-	112,496,136
Public Improvements	138,794,343	10,374,188	(780,000)	148,388,531
Equipment	<u>12,577,804</u>	<u>690,764</u>	<u>(781,999)</u>	<u>12,486,569</u>
Total capital assets being depreciated	<u>324,305,849</u>	<u>12,177,467</u>	<u>(1,561,999)</u>	<u>334,921,317</u>
Less accumulated depreciation for:				
Buildings and Structures	(19,085,346)	(1,445,090)	-	(20,530,436)
Infrastructure	(63,336,305)	(6,765,456)	-	(70,101,761)
Public Improvements	(53,248,938)	(5,416,313)	104,000	(58,561,251)
Equipment	<u>(6,454,484)</u>	<u>(1,576,587)</u>	<u>625,630</u>	<u>(7,405,441)</u>
Total accumulated depreciation	<u>(142,125,073)</u>	<u>(15,203,446)</u>	<u>729,630</u>	<u>(156,598,889)</u>
Total capital assets being depreciated net	<u>182,180,776</u>	<u>(3,025,979)</u>	<u>(832,369)</u>	<u>178,322,428</u>
Governmental activities capital assets, net	<u>\$263,044,726</u>	<u>\$ 4,997,878</u>	<u>(\$13,111,345)</u>	<u>\$254,931,259</u>



**Note 4 - Changes in Capital Assets** (Continued)

	Balance 01-01-08	Additions	Deletions	Balance 12-31-08
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$1,206,784	\$ -	\$ -	\$1,206,784
Construction in Progress	<u>6,356</u>	<u>275,485</u>	-	<u>281,841</u>
Total capital assets not being depreciated	<u>1,213,140</u>	<u>275,485</u>	-	<u>1,488,625</u>
Capital assets, being depreciated				
Buildings and Structures	12,248,627			12,248,627
Infrastructure	40,000	58,638		98,638
Public Improvements	7,052,056	164,330		7,216,386
Equipment	<u>1,231,696</u>	<u>174,967</u>	-	<u>1,406,663</u>
Total capital assets, being depreciated	<u>20,572,379</u>	<u>397,935</u>	-	<u>20,970,314</u>
Less accumulated depreciation for:				
Buildings and Structures	(4,126,745)	(754,140)		(4,880,885)
Infrastructure	(2,396)	(799)		(3,195)
Public Improvements	(3,314,432)	(166,648)		(3,481,080)
Equipment	<u>(778,643)</u>	<u>(92,818)</u>	-	<u>(871,461)</u>
Total accumulated depreciation	<u>(8,222,216)</u>	<u>(1,014,405)</u>	-	<u>(9,236,621)</u>
Total capital assets, being depreciated net	<u>12,350,163</u>	<u>(616,470)</u>	-	<u>11,733,693</u>
Business-type activities capital assets, net	<u>\$13,563,303</u>	<u>(\$340,985)</u>	\$ -	<u>\$13,222,318</u>

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation	\$13,799,642
Depreciation on capital assets held in the internal service fund of the Park Board is charged to the various functions based on their usage of assets.	<u>1,403,804</u>
Total depreciation expense – governmental activities	<u>\$15,203,446</u>

Depreciation expense for governmental functions was re-estimated during 2008 eliminating all salvage values. The result is a one-time increase to the annual depreciation expense.

Depreciation expense was charged to the business-type function as follows:

Park Operating	<u>\$ 1,014,405</u>
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**Construction in Progress**

Construction in progress for the governmental activity represents work being performed on the Park and Recreation Board's permanent improvement projects related to athletic fields, park buildings, sites and totlots.

**Note 5 - Changes in Long-Term Debt**

**A) General Obligation Bonds**

Proceeds from the sale of general obligation bonds for Park and Recreation Board projects are recognized in the City of Minneapolis Capital Project Funds. The bonds are accounted for in the Entity-wide statements of the City of Minneapolis.

**B) Mortgage Note**

In 2006, the Park and Recreation Board entered into a loan agreement for the amount of \$710,000 with Wells Fargo Brokerage Services, LLC for the purchase of an ice arena facility and land located at 1306 Central Avenue Northeast. The interest rate was 4.99%. The property was renovated and became the Park and Recreation Board's Northeast Ice Arena. This facility is intended to be self-supporting with a portion of the net income generated being allocated to the debt service payments. Listed below is the annual debt service requirement to maturity for the mortgage note.

Year	Principal	Interest	Total
2009	\$ 37,072	\$ 30,727	\$ 67,799
2010	38,944	28,855	67,799
2011	40,912	26,887	67,799
2012	42,979	24,820	67,799
2013	45,150	22,649	67,799
2014 – 2018	262,363	76,632	338,995
2019 - 2021	<u>157,514</u>	<u>11,983</u>	<u>169,497</u>
Total	<u>\$624,934</u>	<u>\$222,553</u>	<u>\$847,487</u>

**Note 5 - Changes in Long-Term Debt** (Continued)

**C) Promissory Note**

In 2007, the Park and Recreation Board entered into a loan agreement for the amount of \$58,399 with Central Bank for the purchase of energy saving lighting and fixtures for Parade ice arena facility located at 600 Kenwood Parkway. The interest rate is 3.90%. Utility cost savings generated through the use of the energy saving lighting system will be allocated to the debt service payments. Listed below is the annual debt service requirement to maturity for the promissory note. The remaining balance was paid in full in 2009.

Year	Principal	Interest	Total
2009	\$ 13,884	\$ 203	\$14,087
Total	<u>\$13,884</u>	<u>\$203</u>	<u>\$14,087</u>

**D) Changes in Long-Term Liabilities**

Changes in long-term liabilities are summarized as follows:

	Balance January 1,	Additions	Retirements	Balance December 31,	Amounts due within one year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 3,965,002	\$ 2,198,444	\$ 2,336,017	\$ 3,827,429	\$ 2,476,310
Post Employment Benefits	339,339	758,782	454,493	643,628	-
<b>Business-type activities:</b>					
Notes Payable	702,361	-	61,215	641,146	53,283
Compensated absences	327,838	195,163	171,331	351,670	351,670
Post Employment Benefits	52,924	118,342	70,884	100,382	-
Total Long-Term Liabilities	<u>\$ 5,387,464</u>	<u>\$ 3,270,731</u>	<u>\$ 3,093,940</u>	<u>\$ 5,564,255</u>	<u>\$ 2,881,263</u>

**Note 6 - Operating Leases**

**Fort Snelling State Park.** In 2001, the Park and Recreation Board received approval from the National Park Service to enter into a 30-year lease with the State of Minnesota, Commissioner of Natural Resources for the operations of the Golf Course and Polo Grounds located at Fort Snelling State Park. The Park and Recreation Board is responsible for all costs associated with the operation, maintenance and improvements to the facilities. Improvement projects must receive prior written approval before they can be implemented. The Park and Recreation Board is required to pay a base rent plus a contingent rent based on a percentage of the gross sales. The total amount the Park and Recreation Board paid in 2008 for base and percentage rent was \$103,054.

The future minimum lease payments for the operating lease is as follows:

Year ending December 31	Business-Type Activity Amount
2009	\$ 55,219
2010	55,219
2011	55,219
2012	55,219
2013	55,219
2014-2030	<u>938,723</u>
Total minimum lease payments	<u>\$1,214,818</u>

**Note 7 - Interfund Transactions**

**Advances to/from other funds:**

Advances to other funds are to provide temporary working capital for permanent improvement projects and the early retirement of the headquarters building mortgage loan.

Capital Advances unpaid as of December 31, 2008 are as follows:

<b>General Fund</b>	
Due to: Park Self Insurance Fund	\$1,088,600
<b>Capital Project - Permanent Improvement</b>	
Due to: Park Grant and Dedicated Revenue Fund	1,800,000
Due to: Park Self Insurance Fund	3,560,000
Due to: Park Operating Fund	<u>800,000</u>
<b>Total</b>	<u>\$7,248,600</u>

**Note 7 - Interfund Transactions** (Continued)

**Transfers:**

Transfers are indicative of funding for capital projects, general operations and subsidies of various Park and Recreation Board's operations and re-allocations of special revenues. The following schedule briefly summarizes the Park and Recreation Board's transfer activity:

	Transfers In:			
	<u>General</u>	<u>Permanent Improvement</u>	<u>Park Grant &amp; Dedicated Revenue</u>	<u>Total</u>
Transfer out:				
General	\$ -	\$ 816,604	\$ 23,652	\$ 840,256
Park Grant & Dedicated Revenue	-	1,104,266	-	1,104,266
Park Operating Enterprise Fund	295,000	-	-	295,000
Total Transfers Out	<u>\$295,000</u>	<u>\$ 1,920,870</u>	<u>\$ 23,652</u>	<u>\$ 2,239,522</u>

**Note 8 - Vacation, Severance, Sick and Compensatory Time Pay**

Vacation may be accumulated up to fifty (50) days. Sick leave may be accumulated indefinitely. Employees have the option of being paid yearly for current unused sick leave over a minimum base of sixty (60) days. In addition, employees after twenty (20) years of service receive severance pay upon retirement based on accumulated sick leave up to a maximum of two hundred (200) days at a daily rate computed on one-half of their current salary. Accrued liabilities for compensated absences are reported in the financial statements as described in Note 5.

**Note 9 - Defined Benefit Pension Plans - Statewide**

Public Employees Retirement Association

**A) Plan Description**

All police officers hired after June 15, 1980, and other full-time and certain part-time employees of the Park and Recreation Board hired after June 30, 1978, are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes Chapters 353 and 356.

Police officers are covered by the PEPFF. All other full-time and certain part-time employees covered by the defined benefit pension plans administered by the PERA are members of the PERF. PERF members of the Park and Recreation Board belong to the Coordinated Plan and are covered by Social Security.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service.

For all PEPFF and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated public service.

**Note 9 - Defined Benefit Pension Plans – Statewide**  
Public Employees Retirement Association

**A) Plan Description** (Continued)

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

**B) Funding Policy**

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. *Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Park and Recreation Board makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Coordinated Plan members were required to contribute 6.00% of their annual covered salary in 2008. Contribution rates in the Coordinated Plan increased in 2009 to 6.75%. PEPFF members were required to contribute 8.60% of their annual covered salary in 2008. That rate increased to 9.40% in 2009.

The Park and Recreation Board is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund	<u>2008</u>	<u>2009</u>
Coordinated Plan members	6.50%	6.75%
Public Employees Police and Fire Fund	12.90%	14.10%

The Park and Recreation Board's contribution for the years ending December 31, 2008, 2007, and 2006 for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

	<u>PERF</u>	<u>PEPFF</u>
2008	\$1,611,176	\$452,181
2007	\$1,514,815	\$426,576
2006	\$1,376,530	\$384,834

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

**Note 10 - Defined Benefit Pension Plan - Multiple Employer**  
Minneapolis Employees Retirement Fund

**A) Plan Description**

Full time Park and Recreation Board employees hired on or before June 30, 1978, other than police officers, are covered by the Minneapolis Employees Retirement Fund (MERF), a defined benefit pension plan, which is a cost-sharing, multiple-employer public employee retirement plan. This plan is administered in accordance with Minnesota Statutes Chapter 422A.

The MERF pension plan provides pension benefits, deferred annuity, and death and disability benefits as set by State Statute. Members are eligible for service retirement either:

- (1) With 30 or more years of service at any age; or
- (2) At age 60 with three or more years of service; or
- (3) At age 65 with one year of service; or
- (4) With 20 or more years of service at age 55 under a money purchase plan for those who became members prior to June 28, 1973.

MERF provides a number of retirement options from which the member may choose. The maximum benefit one may receive is a retirement allowance payable throughout life. Participants may receive lesser retirement allowances if they choose payments for a guaranteed number of years, request a certain percent or dollar amount of their retirement allowances to go to a beneficiary or if they choose to provide for a certain amount to be paid out upon death. The benefit amount for all options, except the money purchase plan, is calculated based on the average of the highest five years salary within the last ten years of employment and years of creditable service at the date of retirement. The member will receive a benefit amount equal to 2% of that average salary for each of the first ten years of service, and 2.5% of that salary for each year over ten years of service.

A monthly retirement benefit is available to employees who have under three years of service in MERF, but only when these years, combined with service in other Minnesota statewide retirement systems, total three or more years. A monthly retirement benefit is also available to employees who have less than three years of combined allowable service in any of the qualifying funds, provided the employee works until age 65.

**Note 10 - Defined Benefit Pension Plan - Multiple Employer**  
**Minneapolis Employees Retirement Fund**

**A) Plan Description (Continued)**

Employees who leave public service before retirement and before age 60 may receive a refund of all personal contributions, with interest, except for the survivor benefit contribution, which is the equivalent of a non-refundable term insurance premium. Employees who leave public service after age 60 may not withdraw personal contributions with interest unless they have worked under three years and do not qualify for monthly retirement benefits.

Pension provisions include death benefits for a beneficiary or surviving spouse and disability benefits for a disabled employee, as defined by the fund.

The MERF issues a publicly available financial report that includes financial statements and required supplementary information for the MERF. This report may be obtained by writing to MERF, 706 – Second Avenue South, Suite 800, Minneapolis, Minnesota 55402, or by calling (612) 335-5950.

**B) Funding Policy**

Minnesota Statutes Chapter 422A sets the rates for employer and employee contribution. These statutes are established and amended by the state legislature. MERF members are required to contribute 9.25% of the annual covered salary into the Deposit Accumulation Reserve and .50% of salary (subject to annual adjustment) into the Survivor Benefits Reserve. The Park and Recreation Board is required to contribute any excess of normal cost contributions of 9.72% of salary. The unfunded actuarial liability is funded partially by payments each year of 2.68% of salary plus \$3,900 from all employers. MERF has a target date of June 30, 2020 to fully amortize the unfunded liability. The Park and Recreation Board levies taxes to finance the employer's share of pension costs for the General Fund.

The Park and Recreation Board's contributions for the years ended December 31, 2008, 2007 and 2006, for the MERF were:

2008	\$548,352
2007	\$616,667
2006	\$646,863

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

**Note 11-Defined Benefit Pension Plan - Single Employer**  
**Minneapolis Police Relief Association**

**A) Plan Description**

Police Officers of the Park and Recreation Board hired prior to June 15, 1980 are members of their Minneapolis Police Relief Association (MPRA). MPRA is the administrator of a single-employer pension plan. The MPRA was established on August 23, 1905, and it operates under Minnesota Statutes Sections 423B.01-18 and 69.80.

Each member who is at least 50 years of age and has five years of service with the Park and Recreation Board Police Department is eligible to receive a service pension, monthly, for the remainder of the member's life. All benefits are based on a plan of a number of units. A unit is 1/80<sup>th</sup> of the maximum current monthly salary of a first grade patrol officer. Pensions are based on current Minneapolis Police Department payroll and are fully escalated for all persons receiving a pension benefit.

A member is entitled to disability benefits in conformity with the provisions applicable to the MPRA and the circumstances of the disability, not to exceed 34 units. Death benefits for a beneficiary or surviving spouse are also available.

The MPRA issues a publicly available financial report that includes financial statements and required supplementary information for the MPRA. The most recent report, dated December 31, 2007 may be obtained by writing to the Minneapolis Police Relief Association, 10 – Second Street Northeast, Suite 103, Minneapolis, Minnesota, 55413, or by calling (612) 378-1449.

**B) Funding Policy**

Authority for contributions to the MPRA pension plan is established by Minnesota Statutes, section 69.77 and may be amended only by the Minnesota State Legislature. The MPRA funding policy provides for contributions from the Park and Recreation Board, the State of Minnesota, and active plan members. Park and Recreation Board contributions are actuarially determined which requires full funding of the MPRA's accrued liability by the year 2020. Effective in 2004, the Park and Recreation Board no longer had any current employees in the MPRA. As such, the Park Board contributed \$0 for the fiscal year ended December 31, 2007. Current funding toward the unfunded liability of the MPRA consists of an annual tax levy by the City of Minneapolis. The State of Minnesota also contributes annually the two percent peace officers' state aid to the MPRA.

**Note 11- Defined Benefit Pension Plan - Single Employer**  
Minneapolis Police Relief Association

**B) Funding Policy** (Continued)

The City of Minneapolis' annual pension cost for the fiscal year ended December 31, 2007, and related information is as follows (amounts are expressed in thousands):

	<b><u>MPRA</u></b>
Contributions Made	\$6,814
Actuarial valuation date	12/31/07
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percentage of Payroll
Remaining amortization period	14 years, closed
Asset valuation method	Book value plus the average unrealized gain for the last three years minus excess investment income as defined by state law.

Actuarial assumptions:

Investment rate of return	6% per annum
Projected salary increases	4% per annum
Inflation	None Assumed
Cost-of-living adjustments	None Assumed

**Three-Year Trend Information:**

Year	Annual Pension Cost (APC)	Percentage of APC Contributed (%)	Net Pension Obligation
<u>Ending</u>			
2007	\$6,814	100	-
2006	\$10,952	100	-
2005	\$31,550	100	-

There have been no significant changes to plan provisions and actuarial methods and assumptions in the last six years.

**Schedule of Funding Progress:**

Actuarial Valuation Date	Actuarial Value Of Plan Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (%) (a/b)	Annual Covered Payroll (Previous Fiscal Year) (c)	UAAL as a Percentage of Covered Payroll (%) ((b-a)/c)
2007	\$376,466	\$428,281	\$ 51,815	87.9	\$1,186	4368.9
2006	\$377,013	\$439,992	\$ 62,979	85.7	\$1,236	5095.4
2005	\$359,032	\$464,222	\$105,190	77.3	\$1,403	7497.5

**Note 12- Post Employment Healthcare Plan**

**A) Plan Description**

The Park and Recreation Board participates in the post employment healthcare plan provided by the City of Minneapolis. The City provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical and dental coverage. Medical coverage is administered by Medica. Dental coverage is administered through the Delta Dental Plan of Minnesota. The City is self-insured for dental coverage. Retirees pay 100 percent of the blended active/retiree premium rate, in accordance with Minnesota Statutes Chapt. 471.61, subd. 2b. It is the City's policy to periodically review its medical and dental coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

**B) Funding Policy**

Retirees and their spouses of the City and the Park and Recreation Board contribute to the healthcare plan at the same rate as the City and the Park and Recreation Board employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Delta Dental. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2008, the Park and Recreation Board contributed \$525,377 to the plan. As of January 1, 2008, there were approximately 1,089 total retirees receiving health benefits from the City's health plan (separate figures for the Park and Recreation Board were not available).



**Note 12- Post Employment Healthcare Plan** (Continued)

**C) Annual OPEB Cost and Net OPEB Obligation**

The Park and Recreation Board’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the Park and Recreation Board (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Park and Recreation Board’s annual OPEB cost of the year, the amount actually contributed to the plan, and changes in the Park and Recreation Board’s net OPEB obligation to the plan.

Annual required contribution	\$ 877,124
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>877,124</u>
Contributions made	<u>525,377</u>
Increase in net OPEB obligation	351,747
Net OPEB obligation – beginning of year	<u>392,263</u>
Net OPEB obligation – end of year	<u><u>\$ 744,010</u></u>

The Park and Recreation Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2008	\$ 877,124	59.9%	\$ 744,010
12/31/2007	\$ 898,049	56.3%	\$ 392,263

**D) Funded Status and Funding Progress**

As of January 1, 2007, the most recent actuarial valuation date, the Park and Recreation Board had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$9,434,701, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,434,701. The covered payroll (annual payroll of active employees covered by the plan) was \$36,851,875, and the ratio of the UAAL to the covered payroll was 25.6 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E) Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2007, actuarial valuation date, the entry age normal cost method was used. The actuarial assumptions included a 4.0% discount rate, which is based on the investment yield expected to finance benefits depending on whether the plan is funded in a separate trust (about 7% to 8.5%, long-term, similar to a pension plan) or unfunded (3.5% to 5%, shorter term, based on the Park and Recreation Board’s general assets). The Park and Recreation Board currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual healthcare cost trend rate was calculated to be 11 percent initially, reduced incrementally to an ultimate rate of 5 percent after ten years. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2007 was 30 years.

**Note 13- Deficit Fund Equity**

The Park Permanent Improvement Fund had a deficit Fund Balance as of December 31, 2008. The Park and Recreation Board intends to fund the project deficits for the Athletic Field Development Project and the Fort Snelling 201 Building Settlement with other funding sources in 2009.

**Note 14- Risk Management**

The Park and Recreation Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Park and Recreation Board purchases commercial insurance to cover theft of, damage to, and destruction of assets. There were no reductions in insurance coverage or settlements in excess of coverage in the last three fiscal years. For employee health and dental, the Park and Recreation Board as a component unit of the City of Minneapolis participates in the City's process of obtaining risk financing for these types of losses. The Park and Recreation Board pays an employer share of commercial health coverage based on negotiated terms within the various union contracts which cover Park and Recreation Board employees. The Park and Recreation Board pays 100% of the premium to the City of Minneapolis for dental coverage which is a self-insured function. Further information regarding these coverages can be obtained by referring to the City of Minneapolis Financial Statements. For all other risks of loss the Park and Recreation Board operates a Self-Insurance Fund (an internal service fund) for accounting and financing purposes. No excess commercial coverage is purchased and the Park and Recreation Board assumes all risk associated with these activities.

All funds of the Park and Recreation Board participate in the Self-Insurance Fund and make payments based on historical experience of the amounts needed to pay prior and current year claims which become payable in the given year. Self-Insurance Fund liabilities are reported based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability must be recognized when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The workers compensation claims liability for fiscal year ended December 31, 2008 is \$5,412,515 and is based on actuarial estimates dated December 31, 2008. The general liability claims liability for fiscal year ended December 31, 2008 is \$1,263,256 and is based on legal estimates dated December 31, 2008.

Changes in the claims liability for the two years ended December 31, 2008 and December 31, 2007 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Liability Balance, January 1	\$ 5,250,591	\$ 6,067,240	\$1,074,500	\$ 1,686,000
Current Year Claims and Changes in Estimates	1,657,993	859,814	318,638	(452,079)
Claim Payments	<u>(1,496,069)</u>	<u>(1,676,463)</u>	<u>(129,882)</u>	<u>(159,421)</u>
Liability Balance, December 31	<u>\$ 5,412,515</u>	<u>\$ 5,250,591</u>	<u>\$1,263,256</u>	<u>\$ 1,074,500</u>

Changes in Net Assets – By Major Risk Program for the year ended December 31, 2008, follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Beginning Balance, January 1	(\$4,730,575)	\$3,629,067	(\$1,101,508)
Revenues	2,321,249	455,278	2,776,527
Expenses	(1,987,229)	(261,719)	(2,248,948)
Other Expenses:			
Increase in Petty Cash Balance	40,000	-	40,000
Increase in General Liability Claims Payable	-	(188,756)	(188,756)
Increase in Workers Compensation Claims Payable	(161,924)	-	(161,924)
Decrease in Compensated Absences Payable	-	147	147
Transfer of Reserve	<u>2,000,000</u>	<u>(2,000,000)</u>	-
Ending Balance, December 31	<u>(\$2,518,479)</u>	<u>\$1,634,017</u>	<u>(\$884,462)</u>

**Note 15- Contingent Liabilities**

In connection with the normal conduct of its affairs, the Park and Recreation Board is involved in various claims, litigation and judgments. In addition, the Park and Recreation Board continues to experience various claims for workers compensation. None of these contingent liabilities are anticipated to be material to the financial statements of the Park and Recreation Board.

In connection with a construction project the Park and Recreation Board received a loan from Three Rivers Park District. The loan is due and payable only if the Park and Recreation Board should receive funding for this specific purpose. For the year ended December 31, 2008 the remaining amount due to Three Rivers Park District was not recorded as payable due to the unlikelihood of funding becoming available. The balance as of December 31, 2008 is \$125,000.



## **Note 16- Joint Ventures**

### **A) Minneapolis Neighborhood Revitalization Policy Board**

The Minneapolis Neighborhood Revitalization Policy Board is a joint venture between the City of Minneapolis, the Minneapolis Special School District No. 1, the Minneapolis Library Board, the Minneapolis Park and Recreation Board, and Hennepin County. Membership on the Policy Board consists of 20 individuals and includes public officials, neighborhood representatives, and community interest organizations. The Policy Board was created for the purpose of providing overall policy direction and governance of the Minneapolis Neighborhood Revitalization Program, to provide a forum for the coordination of private, public and intergovernmental efforts in the implementation of neighborhood action plans, and to insure and promote neighborhood participation and cooperation of governmental units and agencies. The powers exercised by the Board include reviewing, modifying where appropriate after receiving neighborhood response, and approving in whole or in part Neighborhood Action Plans. The Minneapolis Park and Recreation Board provides matching funds for projects funded through the Minneapolis Neighborhood Revitalization Program. For fiscal year 2008 these funds consisted of various types of funding including General Obligation Bonds and Private Donations. Upon dissolution of the Policy Board, all property of the Policy Board shall be sold, or otherwise distributed to its members in proportion to contributions made by its members. Financial information for the Minneapolis Neighborhood Revitalization Policy Board can be obtained from the Crown Roller Mill Building, Suite 425, 105 5th Avenue South, Minneapolis, Minnesota.

### **B) Minneapolis Youth Coordinating Board**

The Minneapolis Youth Coordinating Board is a joint venture between the City of Minneapolis, the Minneapolis Special School District No. 1, the Minneapolis Library Board, the Minneapolis Park and Recreation Board, and Hennepin County. Membership on the Board consists of 12 individuals including the Mayor of Minneapolis, one of the Judges of Hennepin County assigned to the Juvenile Court, and two State legislators, as well as two representatives from the Minneapolis City Council, the Board of Directors of Special School District No. 1, and the Hennepin County Board of Commissioners, and one representative each from the Minneapolis Library Board and the Minneapolis Park and Recreation Board. The Board was created for the purpose of improving services and the ability of public agencies to promote the health, safety, education, and development of the community's youth. Its objective is to strengthen cooperation and provide an improved means to identify and remedy conditions, which hinder or prevent the community's youth from becoming healthy, productive members of society. For fiscal year 2008 the Minneapolis Park and Recreation Board contributed \$14,415 to the Minneapolis Youth Coordinating Board for its general operations. Upon dissolution of the Board, all property of the Youth Coordinating Board shall be sold and the proceeds thereof, together with monies on hand after payment of all obligations, shall be distributed to the Participating Parties in proportion to the total contributions to the Board made by the Participating Parties. Financial information for the Youth Coordinating Board can be obtained from Towle Building, Room 540, 330 2<sup>nd</sup> Avenue South, Minneapolis, Minnesota 55401.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
OTHER THAN  
MANAGEMENT DISCUSSION  
AND ANALYSIS**





**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PARK AND RECREATION GENERAL FUND**  
**For the Year Ended December 31, 2008**

<b>REVENUES</b>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Taxes:</b>				
General Property Tax -				
Current and Delinquent	\$ 34,822,461	\$ 34,822,461	\$ 35,250,680	\$ 428,219
Property Tax Increment	-	-	54,897	54,897
Fiscal Disparities	5,000,000	5,000,000	5,018,833	18,833
Other Taxes	3,000	3,000	6,508	3,508
<b>Total Taxes</b>	<u>39,825,461</u>	<u>39,825,461</u>	<u>40,330,918</u>	<u>505,457</u>
<b>Intergovernmental Revenues:</b>				
State Grants -				
Local Government Aid	9,704,890	9,704,890	8,146,017	(1,558,873)
State Aid - Market Value Credit	1,128,000	1,128,000	1,111,398	(16,602)
Payments in Lieu of Taxes/Rent	40,000	40,000	41,056	1,056
Other Aid	73,290	73,290	73,290	-
Dept. of Economic Security - Teen Employment Program	-	325,000	325,000	-
Dept. of Public Safety - Post Brd Training Reimb.	15,000	15,000	10,013	(4,987)
Dept. of Natural Resources	5,000	5,000	1,540	(3,460)
Other Local Governments -				
City of Minneapolis - Employees Retirement Fund	300,000	300,000	328,813	28,813
Metropolitan Council - Environmental Grants	2,500	2,500	15,100	12,600
Metropolitan Council - Operations & Maintenance	1,043,315	1,043,315	949,401	(93,914)
<b>Total Intergovernmental Revenues</b>	<u>12,311,995</u>	<u>12,636,995</u>	<u>11,001,628</u>	<u>(1,635,367)</u>
<b>Charges For Services and Sales:</b>				
Culture and Recreation -				
Overhead	230,000	230,000	225,002	(4,998)
Park Board Services	672,791	672,791	544,513	(128,278)
Other Services Provided	550,412	550,412	358,987	(191,425)
Sales	2,000	2,000	49,396	47,396
<b>Total Charges For Services and Sales</b>	<u>1,455,203</u>	<u>1,455,203</u>	<u>1,177,898</u>	<u>(277,305)</u>
<b>Fines and Forfeits</b>				
Fines	586,000	586,000	419,160	(166,840)
Forfeits	1,500	1,500	107,650	106,150
<b>Total Fines and Forfeits</b>	<u>587,500</u>	<u>587,500</u>	<u>526,810</u>	<u>(60,690)</u>
<b>Miscellaneous Revenues:</b>				
Rents and Commissions	721,462	721,462	848,198	126,736
Contributions and Donations	102,500	392,500	337,390	(55,110)
Damage Claims	5,200	5,200	7,377	2,177
Other	1,000	1,000	23,843	22,843
<b>Total Miscellaneous Revenues</b>	<u>830,162</u>	<u>1,120,162</u>	<u>1,216,808</u>	<u>96,646</u>
<b>Total Revenues</b>	<u>55,010,321</u>	<u>55,625,321</u>	<u>54,254,062</u>	<u>(1,371,259)</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PARK AND RECREATION GENERAL FUND**  
**For the Year Ended December 31, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES</b>				
Culture and Recreation -				
District Operations	24,122,050	24,122,050	23,463,476	658,574
City-Wide Operations	10,856,870	11,471,870	10,847,418	624,452
Forestry	9,734,940	9,734,940	9,366,016	368,924
Police	4,897,146	4,897,146	5,904,187	(1,007,041)
Support Services	3,229,035	3,229,035	3,327,321	(98,286)
City Management Fee & Workers' Compensation	1,365,280	1,365,280	1,334,940	30,340
Total Culture and Recreation	<u>54,205,321</u>	<u>54,820,321</u>	<u>54,243,358</u>	<u>576,963</u>
Excess of Revenues Over (Under) Expenditures	<u>805,000</u>	<u>805,000</u>	<u>10,704</u>	<u>(794,296)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer From Park Enterprise Fund	295,000	295,000	295,000	-
Transfer To Park Capital Project Fund	(1,100,000)	(1,100,000)	(816,604)	283,396
Transfer To Park Special Revenue Fund	-	-	(23,652)	(23,652)
Total Other Financing Sources (Uses)	<u>(805,000)</u>	<u>(805,000)</u>	<u>(545,256)</u>	<u>259,744</u>
Net Change in Fund Balance	-	-	(534,552)	(534,552)
<b>Fund Balance - January 1</b>	1,336,915	1,336,915	1,336,915	-
<b>Fund Balance - December 31</b>	<u>\$ 1,336,915</u>	<u>\$ 1,336,915</u>	<u>\$ 802,363</u>	<u>\$ (534,552)</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MUSEUM COUNTY-WIDE LEVY SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 11,257,928	\$ 11,257,928	\$ 10,285,419	\$ (972,509)
Fiscal Disparities			895,464	895,464
Total Taxes	<u>11,257,928</u>	<u>11,257,928</u>	<u>11,180,883</u>	<u>(77,045)</u>
Intergovernmental Revenues:				
State Grants -				
Disaster Credit	<u>-</u>	<u>-</u>	<u>1,197</u>	<u>1,197</u>
Miscellaneous Revenues:				
Rents	<u>-</u>	<u>-</u>	<u>5,591</u>	<u>5,591</u>
Total Revenues	<u>11,257,928</u>	<u>11,257,928</u>	<u>11,187,671</u>	<u>(70,257)</u>
<b>EXPENDITURES</b>				
Culture and Recreation -				
Maintenance and Repairs	<u>11,257,928</u>	<u>11,257,928</u>	<u>11,187,671</u>	<u>70,257</u>
Net Change in Fund Balance	-	-	-	-
<b>Fund Balance - January 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PARK GRANT AND DEDICATED REVENUE SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Grants-				
Weed and Seed Grant	\$ -	\$ -	\$ 4,000	\$ 4,000
Other Local Governments-				
City of Minneapolis - Net Debt Bonds	-	-	100,000	100,000
Metropolitan Council	1,125,000	1,125,000	1,339,492	214,492
Total Intergovernmental Revenues	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,443,492</u>	<u>318,492</u>
Charges For Services and Sales:				
Security Services	800,000	800,000	613,547	(186,453)
Other Services Provided	169,458	169,458	50,577	(118,881)
Sales	-	-	12,168	12,168
Total Charges For Services and Sales	<u>969,458</u>	<u>969,458</u>	<u>676,292</u>	<u>(293,166)</u>
Fines and Forfeits	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Miscellaneous Revenues:				
Rents and Commissions	21,600	21,600	32,360	10,760
Contributions and Donations	100,000	100,000	332,457	232,457
Damage Claims	-	-	38,309	38,309
Revenue From Trusts	3,000	3,000	4,370	1,370
Other Miscellaneous Revenues	-	-	586	586
Total Miscellaneous Revenues	<u>124,600</u>	<u>124,600</u>	<u>408,082</u>	<u>283,482</u>
Total Revenues	<u>2,225,058</u>	<u>2,225,058</u>	<u>2,527,866</u>	<u>302,808</u>
<b>EXPENDITURES</b>				
Culture and Recreation -				
Special Dedicated Revenue Outlay	1,051,058	1,051,058	661,038	390,020
Capital Outlay	37,000	37,000	26,500	10,500
Total Expenditures	<u>1,088,058</u>	<u>1,088,058</u>	<u>687,538</u>	<u>400,520</u>
Excess of Revenues Over (Under) Expenditures	<u>1,137,000</u>	<u>1,137,000</u>	<u>1,840,328</u>	<u>703,328</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer From Park General Fund	-	-	23,652	(23,652)
Transfer To Park Capital Project Fund	(1,100,000)	(1,100,000)	(1,104,266)	(4,266)
Total Other Financing Sources (Uses)	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(1,080,614)</u>	<u>(27,918)</u>
Net Change in Fund Balance	37,000	37,000	759,714	675,410
<b>Fund Balance - January 1</b>	<u>2,893,739</u>	<u>2,893,739</u>	<u>2,893,739</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,930,739</u>	<u>\$ 2,930,739</u>	<u>\$ 3,653,453</u>	<u>\$ 675,410</u>



**MINNEAPOLIS PARK AND RECREATION BOARD**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2008**

**Note 1 - Budgetary Data**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds within the governmental funds grouping. Capital projects funds adopt project-length budgets.

The Park and Recreation Board of the City of Minneapolis follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Superintendent of Parks submits to the Park and Recreation Board a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is legally enacted through passage of a resolution.

The Park and Recreation Board adopts an annual budget and, during the budget year, supplemental appropriations are authorized. The amounts shown in the financial statements under columns headed "Original Budget" represent the January 1 adopted budget. The amounts shown in the financial statements under columns headed "Final Budget" represent the budget after all revisions have been made. The legal level of budgetary control is at the fund level. The Park and Recreation Board approves budgetary amendments at the fund level. Appropriations lapse at year-end.

Supplemental budget revisions took place during the course of the year. The effect of these revisions are summarized below:

	Original Budget	Total Revisions	Revised Budget
General Fund	\$55,305,321	\$615,000	\$55,920,321
Special Revenue Funds	<u>13,445,986</u>	-	<u>13,445,986</u>
Total	<u>\$68,751,307</u>	<u>\$615,000</u>	<u>\$69,366,307</u>

**Note 2 - Postemployment Benefits Plan**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2007	\$ -0-	\$ 9,434,701	\$ 9,434,701	0.0%	\$36,851,875	25.6%

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# OTHER SUPPLEMENTARY INFORMATION





## **NON-MAJOR GOVERNMENTAL FUND**

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Park Acquisition and Improvement Fund – This fund accounts for special assessments for parkway and sidewalk improvements and the removal of diseased shade trees from private residential property not financed by bonded debt.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**BALANCE SHEET**  
**OTHER GOVERNMENTAL FUND**  
**December 31, 2008**

	<u>Park Acquisition and Improvement</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 625,663
Receivables -	
Accounts - Net	2,000
<b>Total Assets</b>	<u><u>\$ 627,663</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities :	
Payables -	
Accounts	7,686
<b>Total Liabilities</b>	<u>7,686</u>
 Fund Balance:	
Reserved for Specific Projects	619,977
<b>Total Fund Balance</b>	<u>619,977</u>
 <b>Total Liabilities and Fund Balance</b>	 <u><u>\$ 627,663</u></u>

**MINNEAPOLIS PARK AND RECREATION BOARD  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
OTHER GOVERNMENTAL FUND  
Year Ended December 31, 2008**

	Park Acquisition and Improvement
<b>REVENUES</b>	
Intergovernmental	\$ 421,581
Charges for Services and Sales	222
Special Assessments	141,988
Total Revenues	<u>563,791</u>
 <b>EXPENDITURES</b>	
Capital Outlay	<u>421,581</u>
Total Expenditures	<u>421,581</u>
Net Change in Fund Balance	<u>142,210</u>
 <b>FUND BALANCE - JANUARY 1</b>	 477,767
 <b>FUND BALANCE - DECEMBER 31</b>	 <u><u>\$ 619,977</u></u>

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for resources used for the acquisition and/or development of major capital facilities.

### Park Acquisition and Improvement

This fund accounts for special assessments for parkway improvements and the removal of diseased shade trees from private residential property not financed by bonded debt.

### Permanent Improvement

This fund accounts for projects financed primarily by proceeds from bond issues and various federal, state and local grants.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF PROJECT COSTS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2008**

	<b>ADDITIONS</b>							
	<b>Proceeds From Sale of Bonds</b>		<b>Interaccount Transfer</b>		<b>Capital Advances and Receivables</b>		<b>Other</b>	
	<b>Prior Yrs</b>	<b>Current Yr</b>	<b>Prior Yrs</b>	<b>Curr Yr</b>	<b>Prior Years</b>	<b>Curr Year</b>		
Park Reserve	\$ 400	\$ -	\$ (894,921)	\$ -	\$ (14,265)	\$ 1,187,243	\$ -	
Cleveland Neigh Tree Planting	330,000	-	-	-	7,200	81,770	-	
Riverfront Site Dev. - Ph II	-	-	924,430	-	-	2,545,939	-	
Minnehaha Regional Park Dev	-	-	50,211	-	271,218	2,882,767	1,348,307	
Central Park Land Acquisition	473,000	-	250,000	-	7,765	733,460	-	
Cedar Lake Trail Development	-	-	-	-	(8,289)	1,337,334	-	
Gluek Riverside Park Dev	-	-	-	-	-	55,700	-	
NRP Preplan. & Design	-	-	-	-	68,987	406	-	
Park Preplan. & Design	200,000	-	63,500	-	(350,223)	1,548,761	747	
Logan Park Improvements	491,001	-	-	-	-	357,359	-	
Lynnhurst Park Improvements	679,153	-	(32,683)	-	64,152	67,949	-	
C. Mississippi Rvrfrt-Nic. Island Pas	43,565	-	73,373	-	-	1,139,694	-	
M'haha Interpretation Kiosk	-	-	-	-	-	75,000	-	
Loring Park Site Improvements	787,967	-	109,033	-	100,113	2,520,188	-	
Stevens Square Neigh. Tree Planting	-	-	-	-	-	2,545	-	
Bassett Creek Trail Development	-	-	-	-	44,770	281,136	-	
Lower Gorge Restoration	-	-	-	-	15,310	193,801	-	
McRae Site Improvements	-	-	67,864	-	-	210,908	-	
Minnehaha Regional Park Developm	-	-	-	-	47,601	3,424,739	-	
North Commons Pool Renovation	1,236,835	-	63,165	-	-	518,000	-	
Mill Ruins Park	-	-	-	-	6,450	7,957,962	686	
Windom South Park Building	200,000	-	20,000	-	10,089	-	-	
Lakeshore Restoration	-	-	-	-	(21,886)	159,080	-	
Nokomis Landscape Restoration	-	-	-	-	-	93,827	192	
Stewart Park Improvements	4,952	-	19,371	-	(11,759)	1,357,428	-	
Beltrami Park Improvements	62,500	-	2,494	-	1,327	152,692	-	
Upper Mississippi River Master Plan	-	-	-	-	(96,580)	620,090	-	
Harrison School and Community Ce	-	-	-	-	25,915	504,734	-	
Lake of the Isles Master Plan	-	-	-	-	15,548	60,140	-	
North Mississippi Regional Park	50,963	-	-	-	238,011	5,054,749	56,212	
Victory Park Improvements	62,500	-	-	-	15,014	267,680	-	
Armatage Park Playground	150,000	-	-	-	3,076	151,965	-	
Athletic Facilities Development	14,000,000	-	-	-	606,559	588,534	-	
Bridge Park Schematic Design	-	-	-	-	25	9,400	-	
Van Cleve Community Center	1,140,811	7,026	-	-	(7,026)	157,299	-	
East Phillips Site Improvements	250,000	-	(10,000)	-	(10,988)	250,000	-	
Armatage Building Remodeling	600,000	-	(21,131)	-	18,962	-	-	
Minnehaha Pkwy Regional Trail	450,000	-	-	-	13,265	1,700,698	-	
Linden Hills Tree Planting	-	-	-	-	-	51,866	12,414	
Chain of Lakes Flood Mitigation	-	-	-	-	117,812	7,806,754	736,759	
Southeast Como Blvd. Tree Planting	-	-	-	-	-	11,574	-	
North Commons Playground	300,000	-	16,457	-	-	842,500	-	
Bottineau Building	112,695	19,305	-	-	(19,304)	2,146,891	-	
Off Leash Dog Recreation Areas	100,000	-	-	-	(29,204)	100,000	-	
Riverside Park Site Improvements	350,000	-	-	-	52	26,762	-	
Bridge Park Site Improvements	-	-	-	-	(80,580)	649,036	-	
Pershing Park Improvements	-	-	-	-	3,353	125,525	-	
Tower Hill Park Landscaping	-	-	-	-	4,151	-	-	
Re-Roofing 2000	100,000	-	-	-	3,513	35,357	-	
M. L. King Park Improvements	50,000	-	-	-	11,874	152,016	-	
Chain of Lakes Alum-Macrophyte	-	-	-	-	509	140,500	-	

(Continued)

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/08	Encumb.	Unencumb Balance 12/31/08
	Prior Years	Current Yr				
\$ 278,457	\$ 243,784	\$ 34,673	\$ 278,457	\$ -	\$ -	\$ -
418,970	418,230	740	418,970	-	-	-
3,470,369	3,469,535	-	3,469,535	834	-	834
4,552,503	2,932,978	1,619,525	4,552,503	-	-	-
1,464,225	1,464,225	-	1,464,225	-	-	-
1,329,045	1,329,045	-	1,329,045	-	-	-
55,700	55,007	-	55,007	693	-	693
69,393	69,393	-	69,393	-	-	-
1,462,785	1,357,070	90,407	1,447,477	15,308	-	15,308
848,360	847,539	-	847,539	821	-	821
778,571	778,571	-	778,571	-	-	-
1,256,632	1,255,302	-	1,255,302	1,330	-	1,330
75,000	73,552	-	73,552	1,448	-	1,448
3,517,301	3,517,301	-	3,517,301	-	-	-
2,545	2,545	-	2,545	-	-	-
325,906	325,906	-	325,906	-	-	-
209,111	209,111	-	209,111	-	-	-
278,772	275,407	-	275,407	3,365	-	3,365
3,472,340	3,472,340	-	3,472,340	-	-	-
1,818,000	1,813,512	-	1,813,512	4,488	-	4,488
7,965,098	7,964,498	600	7,965,098	-	-	-
230,089	230,089	-	230,089	-	-	-
137,194	137,194	-	137,194	-	-	-
94,019	93,827	192	94,019	-	-	-
1,369,992	1,369,992	-	1,369,992	-	-	-
219,013	219,013	-	219,013	-	-	-
523,510	523,510	-	523,510	-	-	-
530,649	530,649	-	530,649	-	-	-
75,688	75,688	-	75,688	-	-	-
5,399,935	5,043,195	356,740	5,399,935	-	-	-
345,194	345,194	-	345,194	-	-	-
305,041	305,041	-	305,041	-	-	-
15,195,093	15,195,093	-	15,195,093	-	-	-
9,425	9,425	-	9,425	-	-	-
1,298,110	1,298,110	-	1,298,110	-	-	-
479,012	479,012	-	479,012	-	-	-
597,831	597,831	-	597,831	-	-	-
2,163,963	2,137,632	26,331	2,163,963	-	-	-
64,280	57,248	7,032	64,280	-	-	-
8,661,325	7,873,221	786,924	8,660,145	1,180	-	1,180
11,574	11,574	-	11,574	-	-	-
1,158,957	1,157,813	-	1,157,813	1,144	-	1,144
2,259,587	2,259,587	-	2,259,587	-	-	-
170,796	170,796	-	170,796	-	-	-
376,814	376,814	-	376,814	-	-	-
568,456	568,456	-	568,456	-	-	-
128,878	128,878	-	128,878	-	-	-
4,151	4,151	-	4,151	-	-	-
138,870	138,870	-	138,870	-	-	-
213,890	213,890	-	213,890	-	-	-
141,009	141,009	-	141,009	-	-	-

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF PROJECT COSTS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2008**

	<b>ADDITIONS</b>						
	<b>Proceeds From Sale of Bonds</b>		<b>Interaccount Transfer</b>		<b>Capital Advances and</b>	<b>Other</b>	
	<b>Prior Yrs</b>	<b>Current Yr</b>	<b>Prior Yrs</b>	<b>Curr Yr</b>	<b>Receivables</b>	<b>Prior Years</b>	<b>Curr Year</b>
East River Flats Park Improvements	-	-	-	-	(324,320)	398,918	423,975
Washburn & Clinton Field Rehabilit	291,593	-	-	-	124	60,578	-
Erosion Control	-	-	-	-	-	34,651	-
Painter Park Site & Totlot Rehabilita	398,063	1,937	-	-	(1,938)	23,600	-
Rosacker Pool Renovation	3,056,310	-	-	-	23,878	180,000	-
Nokomis Gateway Shoreline Buffer	-	-	-	-	-	12,658	-
Lyndale Farmstead Site & Totlot Rel	375,000	-	-	-	-	22,521	-
Nicollet Island Tree Planting	-	-	-	-	(4,000)	10,000	-
Bassett's Creek Improvements	-	-	-	-	-	126,686	-
Powderhorn Lake Restoration	-	-	26,000	-	-	565,263	-
Lake of the Isles Maintenance Reloc	-	-	-	-	1,268	125,000	-
Armatage Water Service Improve	-	-	-	-	4,132	-	-
Regional Bike Trails	-	-	-	-	(55,723)	2,194,532	-
Lake Calhoun Alum Treatment	-	-	-	-	-	226,000	-
Pershing Park Site & Field Renovati	-	-	(14,000)	-	(4,400)	315,000	-
Outdoor Bleachers 2002	-	-	-	-	-	125,000	-
Matthews Tennis Court Renovation	71,047	3,953	-	-	(629)	75,000	-
Willard Park Improvements	170,000	-	-	-	(12,671)	738,161	-
M.L. King Tennis Court Renovation	-	-	-	-	(2,449)	150,000	-
Cedar Field Site & Totlot Rehab	-	-	-	-	(1,348)	400,000	-
Currie Site & Totlot Rehab	344,560	55,440	-	-	(45,000)	45,000	-
Wirth Lake Beach Park Building	-	-	-	-	20,265	955,000	-
Moore Building Property Acquisition	-	-	-	-	1,130,000	4,980,660	18,300
Bryn Mawr Meadows Parking Lot R	-	-	-	-	7,801	80,000	-
Nokomis Gym Re-Roof 2002	-	-	-	-	(7,092)	50,000	-
Nokomis Gym Floor Replacement	-	-	-	-	(6,113)	80,000	-
North Mississippi Regional Pk Prairi	-	-	-	-	-	82,376	-
Longfellow Garden at Minnehaha Pa	-	-	-	-	2,087	843,819	30,002
Armatage Athletic Fields Improvem	29,000	-	43,000	-	9,033	500,890	-
CARAG Landscaping Projects	-	-	-	-	-	18,874	3,782
Hall Park Playground Improvements	191,247	8,753	-	-	-	250,000	-
Harrison Park Playground Improven	198,867	1,133	-	-	-	250,000	-
BF Nelson	-	-	-	-	(32,762)	228,891	-
Longfellow Comm Council for Oak	-	-	-	-	-	18,972	-
2003 Grand Rounds Seed Money	-	-	-	-	7,187	24,960	-
Wirth Winter Recreation Planning	200,000	-	-	-	-	55,000	27,490
2003 Regional Trail Improvements	-	-	-	-	-	676,422	-
Webber Park Totlot Improvements	204,138	-	-	-	-	125,000	-
Edgewater Park Improvements	-	-	-	-	229,383	462,130	-
Above the Falls - Master Plan	-	-	-	-	16,351	156,117	-
North Mississippi Wetlands Phase V	-	-	-	-	(125)	279,656	-
Block 40 Totlot	247,480	2,520	-	-	-	-	-
Jackson Square Site and Totlot	450,000	-	-	-	34,497	155,000	-
Skate Park Installations	299,624	6,376	-	-	(6,376)	75,090	-
Victory Mem. Pkwy Plan & Bike Pa	-	-	-	-	-	1,584,511	(344,322)
Elliot Park Improvements	38,935	12,221	-	-	276	-	-
Minnehaha Step Repair	-	-	-	-	-	80,048	1,224
Gluek Riverside Park EPA	-	-	-	-	44,054	250,213	-
Grand Rounds Corridor Mgmt Plan	-	-	-	-	7,410	-	-
Re-Roofing 2004	60,000	-	-	-	1,000	164,400	-
Folwell HVAC	-	-	-	-	16,586	90,000	-

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/08	Encumb.	Unencumb Balance 12/31/08
	Prior Years	Current Yr				
498,573	73,104	425,469	498,573	-	-	-
352,295	352,295	-	352,295	-	-	-
34,651	34,651	-	34,651	-	-	-
421,662	421,662	-	421,662	-	-	-
3,260,188	3,260,188	-	3,260,188	-	-	-
12,658	12,658	-	12,658	-	-	-
397,521	396,531	-	396,531	990	-	990
6,000	6,000	-	6,000	-	-	-
126,686	126,463	-	126,463	223	-	223
591,263	591,263	-	591,263	-	-	-
126,268	126,268	-	126,268	-	-	-
4,132	4,132	-	4,132	-	-	-
2,138,809	2,138,809	-	2,138,809	-	-	-
226,000	224,553	-	224,553	1,447	-	1,447
296,600	296,600	-	296,600	-	-	-
125,000	124,568	-	124,568	432	-	432
149,371	146,047	-	146,047	3,324	-	3,324
895,490	895,490	-	895,490	-	-	-
147,551	147,551	-	147,551	-	-	-
398,652	398,652	-	398,652	-	-	-
400,000	389,560	10,440	400,000	-	-	-
975,265	975,265	-	975,265	-	-	-
6,128,960	6,128,960	-	6,128,960	-	-	-
87,801	87,801	-	87,801	-	-	-
42,908	42,908	-	42,908	-	-	-
73,887	73,887	-	73,887	-	-	-
82,376	82,376	-	82,376	-	-	-
875,908	840,536	35,372	875,908	-	-	-
581,923	581,923	-	581,923	-	-	-
22,656	18,874	3,782	22,656	-	-	-
450,000	441,247	8,753	450,000	-	-	-
450,000	448,867	1,133	450,000	-	-	-
196,129	195,954	175	196,129	-	-	-
18,972	18,972	-	18,972	-	-	-
32,147	32,147	-	32,147	-	-	-
282,490	282,490	-	282,490	-	-	-
676,422	676,422	-	676,422	-	-	-
329,138	329,138	-	329,138	-	-	-
691,513	691,513	-	691,513	-	-	-
172,468	172,468	-	172,468	-	-	-
279,531	279,456	75	279,531	-	-	-
250,000	247,480	2,520	250,000	-	-	-
639,497	636,997	2,500	639,497	-	-	-
374,714	374,714	-	374,714	-	-	-
1,240,189	1,240,189	-	1,240,189	-	-	-
51,432	38,935	12,497	51,432	-	-	-
81,272	81,272	-	81,272	-	-	-
294,267	281,988	12,279	294,267	-	-	-
7,410	7,410	-	7,410	-	-	-
225,400	225,400	-	225,400	-	-	-
106,586	106,586	-	106,586	-	-	-

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF PROJECT COSTS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2008**

	<b>ADDITIONS</b>						
	<b>Proceeds From Sale of Bonds</b>		<b>Interaccount Transfer</b>		<b>Capital Advances and</b>	<b>Other</b>	
	<b>Prior Yrs</b>	<b>Current Yr</b>	<b>Prior Yrs</b>	<b>Curr Yr</b>	<b>Receivables</b>	<b>Prior Years</b>	<b>Curr Year</b>
St. Anthony Parkway Bike Trail	-	-	-	-	(129,451)	211,495	880,997
Franklin Steele Wading Pool	128,133	464,357	-	-	(103,604)	154,880	-
Cleveland Wading Pool	319,704	650	-	-	-	-	-
Longfellow HVAC	158,840	56,197	-	-	(54,474)	72,750	-
Miss. River Gorge Street Eroision St	-	-	-	-	99,665	255,335	-
Fuller Park Improvements	-	-	-	-	-	15,699	-
Jordan Park Site Improvements	350,000	-	-	-	21,185	100,000	-
Shingle Creek Site & Totlot	350,000	-	-	-	1,318	-	-
Lake Hiawatha Building Rehab	480,000	-	-	-	92,584	347,150	-
Minnehaha Creek Trails & Stairs	-	-	-	-	6,861	537,973	101,774
Fulton Reforestation	-	-	-	-	-	8,870	1,130
Parade Artificial Turf	768,930	231,070	-	-	(142,181)	752,720	-
Kenwood Park Playground Equipme	-	-	-	-	37,082	46,203	-
Webber Park Building Improvement	-	45,862	-	-	(113,901)	245,000	-
Diseased Elm & Buckthorn Remova	-	-	-	-	16,904	200,000	50,000
Grand Rounds Promotional Brochure	-	-	-	-	3,888	21,215	-
Grainbelt Shoreline Development	-	-	-	-	178	-	564,738
Above the Falls Regional Park - Pha	-	-	-	-	(286,726)	466,808	2,022,439
Tennis Court Improvements	-	-	-	-	-	90,369	2,469
Lake Harriet Trail Improvements	-	-	-	-	-	10,000	1,089
Marcy-Holmes Neigh Tree Planting	-	-	-	-	7	7,687	5,313
Victory Memorial Restoration	-	-	-	-	182,035	-	2,046
Fort Snelling 201 Building	-	-	-	-	945,000	-	-
Water Street Park Riverbank Cleanu	-	-	-	-	(14,933)	15,000	-
South Wirth Park Infrastructure	-	-	-	-	-	161,780	-
Bryant Square Park Seating	-	-	-	-	232	20,370	7,290
Linden Hills Park Garden & Seating	-	-	-	-	3,722	-	-
Nokomis East Neigh Tree Planting	-	-	-	-	-	26,785	10,215
Lake Harriet Lighting	-	-	-	-	24,505	67,811	4,136
East Phillips Cultural & Community	-	-	-	-	79,832	-	100,011
Grand Rounds Missing Link	-	-	-	-	(16,890)	450,000	-
Kenwood Re-Roofing	-	-	-	-	-	37,330	1,800
Grand Rounds Corridor Managemen	-	-	-	-	30,604	-	-
Mississippi River Gorge Area Invent	-	-	-	-	292,942	8,534	234,638
Holmes Park Shelter Rehabilitation	-	-	-	-	-	2,259	-
McRae Park Court Resurfacing	-	-	-	-	-	13,243	-
Minnehaha Creek Reach 8 Bank Rep	-	-	-	-	31,121	-	544,496
Kenwood Tennis Court	-	-	-	-	260	235,014	93,297
Mississippi Gorge Picnic Area	-	-	-	-	1,829	-	-
Bryant Square Outdoor Performance	-	-	-	-	979	32,223	1,198
East River Parkway Trails	-	-	-	-	615,979	37,974	362,026
Fire Protection Systems	-	-	-	-	(77,245)	-	200,000
Kenny Park Tennis Crts Rehab	-	-	-	-	(8,750)	-	8,750
B F Nelson Park Development	-	-	-	-	1,575	-	275,727
Theodore Wirth Home Rem.	-	-	-	-	13,404	-	-
Windom South Totlot	-	-	-	-	(83,840)	-	150,000
Luxton Recreation Ctr HVAC	-	-	-	-	(144,229)	-	150,000
MPRB HQ Roof Repair	-	-	-	-	20,151	-	100,000
Cavell Park Sidewalk Repl	-	-	-	-	(41,872)	-	100,000
Farview Reception Area	-	-	-	-	(700)	-	44,038
Longfellow Sidewalks	-	-	-	-	17,705	-	-
Longfellow Building	-	-	-	-	13,042	-	-

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/08	Encumb.	Unencumb Balance 12/31/08
	Prior Years	Current Yr				
963,041	211,495	751,546	963,041	-	-	-
643,766	183,012	460,754	643,766	-	-	-
320,354	319,704	650	320,354	-	-	-
233,313	231,590	1,723	233,313	-	-	-
355,000	355,000	-	355,000	-	-	-
15,699	15,699	-	15,699	-	-	-
471,185	471,185	-	471,185	-	-	-
351,318	351,318	-	351,318	-	-	-
919,734	910,031	9,703	919,734	-	-	-
646,608	535,226	111,382	646,608	-	-	-
10,000	8,870	1,130	10,000	-	-	-
1,610,539	1,521,650	88,889	1,610,539	-	-	-
83,285	83,285	-	83,285	-	-	-
176,961	151,871	25,090	176,961	-	-	-
266,904	220,941	45,963	266,904	-	-	-
25,103	25,103	-	25,103	-	-	-
564,916	49,789	515,127	564,916	-	-	-
2,202,521	1,787,163	415,358	2,202,521	-	-	-
92,838	90,369	2,469	92,838	-	-	-
11,089	11,089	-	11,089	-	-	-
13,007	13,007	-	13,007	-	-	-
184,081	42,798	141,283	184,081	-	-	-
945,000	945,000	-	945,000	-	-	-
67	67	-	67	-	-	-
161,780	161,780	-	161,780	-	-	-
27,892	20,370	7,522	27,892	-	-	-
3,722	3,722	-	3,722	-	-	-
37,000	26,785	10,215	37,000	-	-	-
96,452	62,797	33,655	96,452	-	-	-
179,843	86,103	93,740	179,843	-	-	-
433,110	306,180	126,930	433,110	-	-	-
39,130	37,330	1,800	39,130	-	-	-
30,604	15,903	14,701	30,604	-	-	-
536,114	280,878	255,236	536,114	-	-	-
2,259	2,259	-	2,259	-	-	-
13,243	13,243	-	13,243	-	-	-
575,617	75,584	500,033	575,617	-	-	-
328,571	326,811	1,760	328,571	-	-	-
1,829	1,829	-	1,829	-	-	-
34,400	32,223	2,177	34,400	-	-	-
1,015,979	37,974	978,005	1,015,979	-	-	-
122,755	15,679	107,076	122,755	-	-	-
-	-	-	-	-	-	-
277,302	-	277,302	277,302	-	-	-
13,404	-	13,404	13,404	-	-	-
66,160	-	66,160	66,160	-	-	-
5,771	-	5,771	5,771	-	-	-
120,151	-	120,151	120,151	-	-	-
58,128	-	58,128	58,128	-	-	-
43,338	-	43,338	43,338	-	-	-
17,705	-	17,705	17,705	-	-	-
13,042	-	13,042	13,042	-	-	-

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF PROJECT COSTS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2008**

<b>ADDITIONS</b>							
	<b>Proceeds From Sale of Bonds</b>		<b>Interaccount Transfer</b>		<b>Capital Advances and</b>	<b>Other</b>	
	<b>Prior Yrs</b>	<b>Current Yr</b>	<b>Prior Yrs</b>	<b>Curr Yr</b>	<b>Receivables</b>	<b>Prior Years</b>	<b>Curr Year</b>
Morris Park Totlot Playground	-	-	-	-	81,728	-	-
Lynnhurst Park Batting Cage	-	-	-	-	8,499	-	10,000
Pearl Park Wading Pool Drain	-	-	-	-	(1,869)	-	48,900
Folwell Tennis Courts Reloc	-	-	-	-	42,133	-	-
Farview Parking Lot Renov.	-	-	-	-	58,308	-	-
Wayfind on Grand Rounds	-	-	-	-	105	-	-
Lk Calhoun So. Shore Parking	-	-	-	-	-	-	30,476
Father Hennepin Bluff Sound	-	-	-	-	4,036	-	-
West River Pkwy Bike & Ped	-	-	-	-	112,257	-	-
Riverfront Acquisition	-	-	-	-	177,449	-	-
Minnehaha Shelters	-	-	-	-	(166,500)	49,613	333,001
Harriet Plaza & Shelters	-	-	-	-	-	25,000	340,412
Nokomis Totlot	-	-	-	-	(129,878)	144,701	-
Designated For Debt Serv	-	-	-	-	-	1,090,348	-
Other Reserve for Encumbrances	-	-	-	-	-	-	-
Capital Advances & Deferred Reven	-	-	-	-	(3,203,960)	-	-
Completed Projects	-	-	(756,163)	-	-	756,163	-
	<b>\$ 31,407,813</b>	<b>\$ 916,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 441,004</b>	<b>\$ 75,404,658</b>	<b>\$ 9,098,174</b>



(Continued)

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/08	Encumb.	Unencumb Balance 12/31/08
	Prior Years	Current Yr				
81,728	-	81,728	81,728	-	-	-
18,499	-	18,499	18,499	-	-	-
47,031	-	47,031	47,031	-	-	-
42,133	-	42,133	42,133	-	-	-
58,308	-	58,308	58,308	-	-	-
105	-	105	105	-	-	-
30,476	-	30,476	30,476	-	-	-
4,036	-	4,036	4,036	-	-	-
112,257	-	112,257	112,257	-	-	-
177,449	-	177,449	177,449	-	-	-
216,114	216,114	-	216,114	-	-	-
365,412	365,412	-	365,412	-	-	-
14,823	14,823	-	14,823	-	-	-
				-	-	-
1,090,348	1,090,303	-	1,090,303	45	-	45
-	-	-	-	-	190,340	(190,340)
(3,203,960)	-	-	-	(3,203,960)	-	(3,203,960)
-	-	-	-	-	-	-
<u>\$ 117,268,449</u>	<u>\$ 111,106,237</u>	<u>\$ 9,329,099</u>	<u>\$ 120,435,336</u>	<u>\$ (3,166,888)</u>	<u>\$ 190,340</u>	<u>\$ (3,357,228)</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**ANALYSIS OF OTHER ADDITIONS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year ended December 31, 2008**

**PROJECTS**

Minnehaha Regional Park Development		
Metropolitan Council Grant	1,248,307	
Hennepin County Grant	100,000	1,348,307
Park Preplanning & Revolving		
Plan Deposit		747
Mill Ruins Park		
Transfer from Park Special Revenue Fund - O&M		686
Nokomis Landscape Restoration		
Transfer from CPED - NRP Grant		192
North Mississippi Regional Park Development		
Metropolitan Council Grant		56,212
Linden Hills Neighborhood Tree Planting		
Transfer from CPED - NRP Grant		12,414
Chain of Lakes Flood Mitigation		
Metropolitan Council Grant	722,694	
Donation	14,065	736,759
East River Flats Park Improvements		
Mississippi River Watershed Organization Grant		423,975
WRR - Bldg. Acquisition/Moore Property		
Transfer from Park Special Revenue Fund - O&M		18,300
Longfellow Garden at Minnehaha Park		
Transfer from Park Special Revenue Fund - O&M		30,002
CARAG: Landscaping Projects		
Transfer from CPED - NRP Grant		3,782
Wirth Winter Recreation Improvements		
Transfer from Park Enterprise Fund		27,490
Victory Memorial Parkway Master Plan & Bike Path		
Transfer from Park Special Revenue Fund - O&M		(344,322)
Minnehaha Step Repair		
Transfer from Park Special Revenue Fund - O&M		1,224
St. Anthony Parkway Bike Trail		
Transfer from Park Special Revenue Fund - O&M	337,236	
Federal Grant - TEA	541,275	
Donations	2,486	880,997
Minnehaha Creek Trails & Stairs		
Metropolitan Council Grant		101,774
Fulton Restoration		
Transfer from CPED - NRP Grant		1,130

**MINNEAPOLIS PARK AND RECREATION BOARD  
ANALYSIS OF OTHER ADDITIONS  
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND  
For the Year ended December 31, 2008**

Diseased Elm and Buckthorn Removal		
Transfer from Park Special Revenue Fund - O&M		50,000
Grainbelt Shoreline Development		
Mississippi Watershed Management Organization Grant		564,738
Above the Falls Regional Park - Phase I		
Charge for Services - City of Minneapolis	107,583	
Hennepin County Grant	25,000	
Metropolitan Council Grant	641,000	
Mississippi Watershed Management Organization Grant	1,248,856	
	1,248,856	2,022,439
Tennis Courts Improvements		
Transfer from Park General Fund - Capital Levy		2,469
Lake Harriet Trail Improvements		
Transfer from Park Special Revenue Fund - O&M		1,089
Marcy-Holmes Neighborhood Tree Planting		
Transfer from CPED - NRP Grant		5,313
Victory Memorial Restoration		
Donation		2,046
Bryant Square Park Seating		
Transfer from CPED - NRP Grant		7,290
Nokomis East Neighborhood Tree Planting		
Transfer from CPED - NRP Grant		10,215
Lake Harriet Lighting		
Transfer from Park Special Revenue Fund - O&M		4,136
East Phillips Cultural & Community Center		
Donation		100,011
Kenwood Re-Roofing		
Transfer from Park General Fund - Capital Levy		1,800
Mississippi River Gorge Area Inventory & Bluff Repair		
Mississippi Watershed Management Organization Grant		234,638
Minnehaha Creek Reach 8 Bank Repair		
Mississippi Watershed Management Organization Grant		544,496
Kenwood Tennis Court		
Donation	55,000	
Transfer from Park General Fund - Capital Levy	38,297	
	38,297	93,297
Bryant Square Outdoor Performance Space Rehabilitation		
Transfer from CPED - NRP Grant		1,198
East River Parkway Trails Construction		
Transfer from Park Special Revenue Fund - O&M		362,026

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**ANALYSIS OF OTHER ADDITIONS**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**For the Year ended December 31, 2008**

Fire Protection System		
Transfer from Park General Fund - Capital Levy		200,000
Kenny Park Tennis Courts Rehabilitation		
Donation		8,750
BF Nelson Park Development		
Mississippi Watershed Management Organization Grant		275,727
Windom South Tot Lot		
Transfer from Park General Fund - Capital Levy		150,000
Luxton Recreation Center HVAC		
Transfer from Park General Fund - Capital Levy		150,000
MPRB HG Roof Repair North One Third		
Transfer from Park General Fund - Capital Levy		100,000
Cavell Park Sidewalk Replacement		
Transfer from Park General Fund - Capital Levy		100,000
Farview Reception Area		
Transfer from Park General Fund - Capital Levy		44,038
Lynnhurst Park Batting Cage		
Transfer from CPED - NRP Grant		10,000
Pearl Park Wading Pool Drain Upgrade		
State of Minnesota - DNR Grant	18,900	
Transfer from Park General Fund - Capital Levy	30,000	48,900
Lake Calhoun South Shore Parking Plaza		
Transfer from Park Special Revenue Fund - O&M		30,476
Minnehaha Shelters		
Transfer from Park Special Revenue Fund - O&M		333,001
Harriet Plaza and Shelter		
Transfer from Park Special Revenue Fund - O&M	280,412	
Donation	60,000	340,412
<b>Total Other Additions - Current Year - To Schedule of Project Costs</b>		<u><u>\$ 9,098,174</u></u>

**MINNEAPOLIS PARK AND RECREATION BOARD  
ANALYSIS OF EXPENDITURES DESIGNATED  
FOR SPECIFIC CAPITAL PROJECTS  
PARK ACQUISITION AND IMPROVEMENT  
CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2008**

	<u>Authorizations</u>	<u>Expenditures</u>	<u>Balance</u>
Tree Removal	\$ 961,204	\$ 416,866	\$ 544,338
Sidewalk/Street Lighting	80,353	4,715	75,638
	<hr/>	<hr/>	<hr/>
<b>Totals</b>	<u>\$ 1,041,557</u>	<u>\$ 421,581</u>	<u>\$ 619,976</u>

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## **ENTERPRISE FUND**

### Park Operating Fund

This fund accounts for the operations of Minneapolis golf courses, refectories, ice arenas, parade complex, and similar recreational activities.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**RESERVED FOR RENEWAL AND REPLACEMENT**  
**PARK OPERATING ENTERPRISE FUND**  
**For the Year Ended December 31, 2008**

	<u>Reserve For Repair &amp; Replacement</u>	<u>Recreation Programs</u>	<u>Total</u>
<b>OPERATING INCOME (LOSS)</b>	\$ 1,053,187	\$ (247,023)	\$ 806,164
<b>ADDITIONS:</b>			
Depreciation	1,013,485	920	1,014,405
Nonoperating Revenues:			
MN Department of Health and Family Support	-	6,982	6,982
City of Minneapolis - Steps to a Healthier Minneapolis	-	5,046	5,046
City of Minneapolis - Neighborhood Revitalization	-	2,784	2,784
Contributions	40,315	421,723	462,038
Other	32,574	37,481	70,055
<b>DEDUCTIONS:</b>			
Purchase of Capital Assets - Capitalized	(673,420)	-	(673,420)
Purchase of Capital Assets - Not Capitalized	(59,099)	-	(59,099)
Purchase of Capital Assets - Contributed to Other Fund	(29,998)	-	(29,998)
Other Noncash Items:			
Increase in Comp Abs & Post Emp Benefits Payable	70,506	784	71,290
Nonoperating Expenses:			
Note Principal and Interest Payment	(97,799)	-	(97,799)
Transfers To Other Funds	(295,000)	-	(295,000)
Debt Service Payment	(1,054,355)	-	(1,054,355)
<b>TOTAL INCREASE (DECREASE)</b>	396	228,697	229,093
<b>BALANCE - JANUARY 1</b>	(594,763)	750,152	155,389
<b>BALANCE - DECEMBER 31</b>	<u>\$ (594,367)</u>	<u>\$ 978,849</u>	<u>\$ 384,482</u>



**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF OPERATING INCOME - BY PROJECT**  
**PARK OPERATING ENTERPRISE FUND**  
**For the Year Ended December 31, 2008**

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<b><u>PARK REFECTORIES</u></b>			
CALHOUN	\$ 121,935	\$ 36,445	\$ 85,490
HARRIET	66,225	37,734	28,491
MINNEHAHA	128,147	51,734	76,413
NOKOMIS	12,975	1,406	11,569
PERMITS & VENDING	1,240,714	433,253	807,461
COMP ABS & POST EMP BENEFITS ADJ	-	2,852	(2,852)
<b>TOTAL PARK REFECTORIES</b>	<b><u>1,569,996</u></b>	<b><u>563,424</u></b>	<b><u>1,006,572</u></b>
<b><u>SPECIAL FACILITIES</u></b>			
PARADE COMPLEX	167,840	501,467	(333,627)
PARADE ICE COMPLEX	748,559	717,834	30,725
NORTHEAST ICE ARENA	79,241	160,361	(81,120)
COLUMBIA MANOR	57,313	12,832	44,481
COMMERCIAL PARKING	198,112	66,635	131,477
REGIONAL PARKING LOTS	338,024	117,978	220,046
NICOLLET ISLAND	374,698	84,406	290,292
COMP ABS & POST EMP BENEFITS ADJ	-	14,543	(14,543)
<b>TOTAL SPECIAL FACILITIES</b>	<b><u>1,963,787</u></b>	<b><u>1,676,056</u></b>	<b><u>287,731</u></b>
<b><u>GOLF COURSES (INCL REFECTORIES)</u></b>			
COLUMBIA	1,068,248	1,061,287	6,961
COLUMBIA LEARNING CENTER	154,014	94,013	60,001
GROSS	1,176,401	1,152,461	23,940
HIAWATHA	1,183,274	1,105,873	77,401
HIAWATHA LEARNING CENTER	131,875	50,429	81,446
MEADOWBROOK	1,302,408	1,174,453	127,955
THEODORE WIRTH	1,027,165	1,202,559	(175,394)
THEO WIRTH PAR-3	186,158	111,429	74,729
FORT SNELLING	363,382	450,316	(86,934)
COMP ABS & POST EMP BENEFITS ADJ	-	51,115	(51,115)
<b>TOTAL GOLF COURSES</b>	<b><u>6,592,925</u></b>	<b><u>6,453,935</u></b>	<b><u>138,990</u></b>
<b><u>MISCELLANEOUS ACTIVITIES</u></b>			
BOATS	270,963	58,513	212,450
WINTER PROGRAMS	101,528	260,050	(158,522)
JUNIOR GOLF PROGRAMS	42,286	99,470	(57,184)
COMP ABS & POST EMP BENEFITS ADJ	-	1,996	(1,996)
	<b><u>414,777</u></b>	<b><u>420,029</u></b>	<b><u>(5,252)</u></b>
<b><u>RECREATION PROGRAMS</u></b>			
RECREATION	2,846,377	3,092,616	(246,239)
COMP ABS & POST EMP BENEFITS ADJ	-	784	(784)
<b>TOTAL MISC ACTIVITIES</b>	<b><u>2,846,377</u></b>	<b><u>3,093,400</u></b>	<b><u>(247,023)</u></b>
<b>DEPRECIATION CALCULATION AJUSTM</b>	<b><u>-</u></b>	<b><u>374,854</u></b>	<b><u>(374,854)</u></b>
<b>TOTAL</b>	<b><u>\$ 13,387,862</u></b>	<b><u>\$ 12,581,698</u></b>	
<b>NET OPERATING INCOME</b>			<b><u>\$ 806,164</u></b>

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## **INTERNAL SERVICE FUNDS**

### Park Internal Services Fund

This fund accounts for the purchase and issuing of materials and supplies, the rental of equipment and the information technology services provided to other Park and Recreation Board Funds.

### Park Self-Insurance Fund

This fund accounts for the self-insurance activities of the Park and Recreation Board. These activities include workers compensation, general liability and automotive and property retention (deductibles).

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**December 31, 2008**

	Internal Services	Self-Insurance	Total Internal Service Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,821,787	\$ 1,274,299	\$ 3,096,086
Receivables -			
Accounts Receivable	10	-	10
Capital Advances	-	4,648,600	4,648,600
Total Current Assets	<u>1,821,797</u>	<u>5,922,899</u>	<u>7,744,696</u>
Non Current Assets			
Net Capital Assets	<u>4,317,125</u>	-	<u>4,317,125</u>
<b>Total Assets</b>	<u><u>\$ 6,138,922</u></u>	<u><u>\$ 5,922,899</u></u>	<u><u>\$ 12,061,821</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities :			
Payables -			
Salaries	\$ 95,854	\$ 1,716	\$ 97,570
Accounts	<u>194,226</u>	<u>127,744</u>	<u>321,970</u>
Total Current Liabilities	<u>290,080</u>	<u>129,460</u>	<u>419,540</u>
Long-Term Liabilities:			
Worker's Compensation Claims Pending	-	5,412,515	5,412,515
General Liability Claims Pending	-	1,263,256	1,263,256
Post Employment Benefits Payable	29,524	-	29,524
Compensated Absences Payable	<u>124,830</u>	<u>2,129</u>	<u>126,959</u>
Total Long-Term Liabilities	<u>154,354</u>	<u>6,677,900</u>	<u>6,832,254</u>
Total Liabilities	<u>444,434</u>	<u>6,807,360</u>	<u>7,251,794</u>
Net Assets:			
Invested in Capital Assets	4,317,125	-	4,317,125
Unrestricted	<u>1,377,363</u>	<u>(884,461)</u>	<u>492,902</u>
Total Net Assets	<u>5,694,488</u>	<u>(884,461)</u>	<u>4,810,027</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 6,138,922</u></u>	<u><u>\$ 5,922,899</u></u>	<u><u>\$ 12,061,821</u></u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2008**

	Internal Services	Self - Insurance	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Billings to Departments	\$ 4,697,076	\$ 2,508,160	\$ 7,205,236
Total Operating Revenues	<u>4,697,076</u>	<u>2,508,160</u>	<u>7,205,236</u>
<b>OPERATING EXPENSES</b>			
Personal Services	1,686,174	26,792	1,712,966
Contractual Service	301,310	1,698,054	1,999,364
Materials and Supplies	1,297,661	565,215	1,862,876
Depreciation on Acquired Property	1,403,804	-	1,403,804
Benefits	663,222	9,419	672,641
Total Operating Expenses	<u>5,352,171</u>	<u>2,299,480</u>	<u>7,651,651</u>
Operating Income (Loss)	<u>(655,095)</u>	<u>208,680</u>	<u>(446,415)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Contributions	29,998	-	29,998
Gain (Loss) on Disposal of Capital Assets	(22,899)	-	(22,899)
Gain on Sale of Scrap	13,297	-	13,297
Damages/Losses Recovered	14,220	-	14,220
Other Non-Operating Revenues	2,487	8,367	10,854
Total Nonoperating Revenues (Expenses)	<u>37,103</u>	<u>8,367</u>	<u>45,470</u>
<b>CHANGE IN NET ASSETS</b>	(617,992)	217,047	(400,945)
<b>NET ASSETS - JANUARY 1</b>	6,312,480	(1,101,508)	5,210,972
<b>NET ASSETS - DECEMBER 31</b>	<u>\$ 5,694,488</u>	<u>\$ (884,461)</u>	<u>\$ 4,810,027</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2008**

	Internal Services	Self - Insurance	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Cash received from Interfund Services Provided	\$ 4,697,076	\$ 2,508,160	\$ 7,205,236
Cash received from Customers	17,523	8,367	25,890
Cash paid to suppliers for goods and services	(1,487,502)	(1,905,346)	(3,392,848)
Cash paid to employees for services	(2,416,058)	(36,849)	(2,452,907)
Net cash provided by (used in) operating activities	<u>811,039</u>	<u>574,332</u>	<u>1,385,371</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Proceeds From Elimination of the Park Stores Operation	606,770	-	606,770
Advances Repaid	-	330,000	330,000
Net Cash (Used) Provided by noncapital Financing Activities	<u>606,770</u>	<u>330,000</u>	<u>936,770</u>
<b>Cash Flows from Capital Financing Activities</b>			
Proceeds From Sale of Capital Assets	44,893	-	44,893
Proceeds From Sale of Scrap	13,297	-	13,297
Acquisition of Property Plant and Equipment	(623,586)	-	(623,586)
Net Cash Used for Capital Financing Activities	<u>(565,396)</u>	<u>-</u>	<u>(565,396)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	852,413	904,332	1,756,745
<b>Cash and Cash Equivalents - January 1</b>	969,374	369,967	1,339,341
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 1,821,787</u>	<u>\$ 1,274,299</u>	<u>\$ 3,096,086</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>			
Operating Income (Loss)	\$ (655,095)	\$ 208,680	\$ (446,415)
Adjustments to Reconcile Operating Income to net Cash Provided by Operating Activities:			
Depreciation Expense	1,403,804	-	1,403,804
(Increase) Decrease in Accounts Receivable	(5)	-	(5)
(Increase) Decrease in Intergovernmental Receivable	821	-	821
Increase (Decrease) in Salaries Payable	(67,419)	(491)	(67,910)
Increase (Decrease) in Accounts Payable	111,469	7,243	118,712
Increase (Decrease) in Workers Compensation Claims Payable	-	161,924	161,924
Increase (Decrease) in General Liability Claims Pending	-	188,756	188,756
Increase (Decrease) in Postemployment Benefits Payable	13,958	-	13,958
Increase (Decrease) in Compensated Absences Payable	(13,201)	(147)	(13,348)
Non-Operating Damages Losses Recovered	14,220	-	14,220
Other Non-Operating Revenues	2,487	8,367	10,854
Total Adjustments	<u>1,466,134</u>	<u>365,652</u>	<u>1,831,786</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 811,039</u>	<u>\$ 574,332</u>	<u>\$ 1,385,371</u>
<b>Supplemental Disclosure of Noncash Capital and Related Financing Activities:</b>			
Contribution and Transfer of Capital Assets (to)from other funds	29,998		
Write-off of Park Stores Inventory	30,244		
<b>Total Noncash Capital and Related Financing Activities</b>	<u>\$ 60,242</u>		

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS - BY MAJOR PROGRAM**  
**For the Year Ended December 31, 2008**

	<b>Park Stores</b>	<b>Information Technology</b>	<b>Mobile Equipment</b>	<b>Workers Comp. &amp; Liability</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>					
Charges For Services and Sales -					
Insurance Premiums	\$ -	\$ -	\$ -	\$2,508,160	\$2,508,160
Information Technology Services	-	950,315	-	-	950,315
Stores	-	-	-	-	-
Total Charges For Services	<u>-</u>	<u>950,315</u>	<u>-</u>	<u>2,508,160</u>	<u>3,458,475</u>
Rents -					
Mobile Equipment	-	-	3,746,761	-	3,746,761
Total Operating Revenues	<u>-</u>	<u>950,315</u>	<u>3,746,761</u>	<u>2,508,160</u>	<u>7,205,236</u>
<b>OPERATING EXPENSES:</b>					
Stores	52,595	-	-	-	52,595
Information Technology Services	-	985,981	-	-	985,981
Mobile Equipment	-	-	4,313,595	-	4,313,595
Workers Comp	-	-	-	1,849,153	1,849,153
Property	-	-	-	450,327	450,327
Total Operating Expenses	<u>52,595</u>	<u>985,981</u>	<u>4,313,595</u>	<u>2,299,480</u>	<u>7,651,651</u>
Operating Income (Loss)	<u>(52,595)</u>	<u>(35,666)</u>	<u>(566,834)</u>	<u>208,680</u>	<u>(446,415)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Contributions and Donations	-	-	29,998	-	29,998
Gain (Loss) on Disposal of Capital Assets	(30,244)	-	7,345	-	(22,899)
Sale of Scrap	205	-	13,092	-	13,297
Damage Claims	-	-	14,220	-	14,220
Miscellaneous	-	-	2,487	8,367	10,854
Total Nonoperating Revenues (Expenses)	<u>(30,039)</u>	<u>-</u>	<u>67,142</u>	<u>8,367</u>	<u>45,470</u>
Change in Net Assets	(82,634)	(35,666)	(499,692)	217,047	(400,945)
Net Assets Reclassified for Park Stores Elimination	(451,297)	21,159	430,138	-	-
Change in Net Assets after Reclassification	(533,931)	(14,507)	(69,554)	217,047	(400,945)
<b>Net Assets - January 1</b>	<u>533,931</u>	<u>292,259</u>	<u>5,486,290</u>	<u>(1,101,508)</u>	<u>5,210,972</u>
<b>Net Assets - December 31</b>	<u>\$ -</u>	<u>\$ 277,752</u>	<u>\$ 5,416,736</u>	<u>\$ (884,461)</u>	<u>\$ 4,810,027</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**RESERVED FOR SPECIFIC PURPOSES**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2008**

	<u>Purchase of Capital Assets</u>	<u>Information Technology Systems</u>
<b>OPERATING INCOME (LOSS)</b>	(\$566,834)	(\$35,666)
<b>ADDITIONS:</b>		
Depreciation	1,355,663	48,141
Nonoperating Revenues:		
Sale of Equipment	44,893	-
Sale of Scrap	13,092	-
Damage Claims	14,220	-
Other Miscellaneous Revenues	2,487	-
Increase in Post Employment Benefits	13,958	-
<b>DEDUCTIONS:</b>		
Decrease in Compensated Absences	(13,201)	-
Purchase of Mobile Equipment	(623,586)	-
<b>TOTAL INCREASE (DECREASE)</b>	240,692	12,475
<b>BALANCE - JANUARY 1</b>	<u>561,074</u>	<u>307,267</u>
<b>BALANCE - DECEMBER 31</b>	<u><u>\$801,766</u></u>	<u><u>\$319,742</u></u>



# STATISTICAL SECTION





**Minneapolis Park and Recreation Board  
Government-Wide Expenses by Function**

Last Five Fiscal Years		December 31, 2008	
Fiscal Year	Culture and Recreation	Park Enterprise	Total
2004	73,590,980	12,067,235	85,658,215
2005	72,512,784	12,122,276	84,635,060
2006	72,780,472	12,184,123	84,964,595
2007	77,214,055	13,017,350	90,231,405
2008	83,013,151	13,761,734	96,774,885

**Minneapolis Park and Recreation Board  
Government-Wide Revenues**

Fiscal Year	Last Five Fiscal Years		December 31, 2008			
	Program Revenues		General Revenues			
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Unrestricted Grants & Contributions	Total
2004	15,597,126	1,816,937	8,690,805	42,115,988	10,592,294	78,813,150
2005	16,263,028	3,365,741	8,484,056	43,405,998	10,333,684	81,852,507
2006	16,507,698	3,712,669	6,221,178	45,406,887	11,884,844	83,733,276
2007	17,372,447	3,534,968	10,222,272	48,815,060	11,035,316	90,980,063
2008	17,840,962	4,032,306	9,464,419	50,722,119	9,154,701	91,214,507

**Minneapolis Park and Recreation Board  
General Fund Revenues by Source and Expenditures by Function**

Last Ten Fiscal Years	December 31, 2008									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenue</b>										
Taxes	\$ 17,762,581	\$ 19,274,396	\$ 22,510,304	\$ 27,746,615	\$ 26,555,421	\$ 28,543,419	\$ 34,491,379	\$ 36,185,368	\$ 38,535,183	\$ 40,330,918
Intergovernmental	12,416,073	12,914,746	13,728,057	12,922,381	11,177,184	8,450,333	12,577,890	14,415,082	13,589,744	11,001,628
Charges for Services	1,439,974	2,106,207	1,799,353	2,132,654	1,915,324	1,497,094	1,354,510	1,088,165	1,029,831	1,177,898
Fines and Forfeits	337,839	329,456	451,011	470,405	565,529	583,862	519,155	551,629	511,378	526,810
Miscellaneous	271,611	189,819	521,883	236,194	440,933	463,192	832,120	768,136	657,379	1,216,808
<b>Total Revenues</b>	<b>\$ 32,228,078</b>	<b>\$ 34,814,624</b>	<b>\$ 39,010,608</b>	<b>\$ 43,508,249</b>	<b>\$ 40,654,391</b>	<b>\$ 39,537,900</b>	<b>\$ 49,775,054</b>	<b>\$ 53,008,380</b>	<b>\$ 54,323,515</b>	<b>\$ 54,254,062</b>
<b>Expenditures</b>										
Current:										
Culture and Recreation	\$ 32,763,437	\$ 34,989,062	\$ 38,249,439	\$ 39,894,811	\$ 39,640,047	\$ 40,688,326	\$ 54,453,296	\$ 52,113,937	\$ 54,737,890	\$ 54,243,358
Highways and Streets	960,739	994,295	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 33,724,176</b>	<b>\$ 35,983,357</b>	<b>\$ 38,249,439</b>	<b>\$ 39,894,811</b>	<b>\$ 39,640,047</b>	<b>\$ 40,688,326</b>	<b>\$ 54,453,296</b>	<b>\$ 52,113,937</b>	<b>\$ 54,737,890</b>	<b>\$ 54,243,358</b>

(UNAUDITED)

**City of Minneapolis**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
*(in thousands of dollars)*  
**December 31, 2008**

Fiscal Year Ended December 31,	Commercial Property	Apartment Property	Residential Property	Industrial Property	Personal & Other Property	Tax-Exempt Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>2</sup>	Taxable Assessed Value as a % of Actual Taxable Value
1999	\$ 3,968,179	\$ 1,323,041	\$ 9,215,680	\$ 804,894	\$ 289,177	\$ 5,076,487	\$ 15,600,971	5.88	\$ 18,424,454	85%
2000	4,191,716	1,495,183	10,093,079	902,211	296,295	6,385,833	16,978,484	6.03	20,113,950	84%
2001	4,566,619	1,774,766	11,702,958	1,030,649	295,151	7,024,416	19,370,143	5.93	22,694,511	85%
2002	4,996,989	2,262,704	14,445,648	1,147,733	309,224	7,834,331	23,162,298	8.28	26,594,230	87%
2003	4,895,935	2,633,849	16,664,348	1,314,200	363,997	8,160,621	25,872,329	8.78	29,315,775	88%
2004	4,670,904	3,005,654	19,172,856	1,302,065	372,891	8,739,232	28,524,370	8.50	33,473,533	85%
2005	4,646,615	3,199,757	21,504,339	1,347,262	392,195	10,351,037	31,090,168	8.19	35,289,521	88%
2006	5,282,718	3,393,675	24,309,842	1,392,094	413,521	\$8,426,487	34,791,850	7.75	39,067,565	89%
2007	6,141,186	3,341,167	25,883,768	1,305,858	424,587	\$8,465,785	37,096,566	7.55	39,943,095	93%
2008	6,869,181	1,341,775	26,571,451	3,448,334	415,390	\$9,549,066	38,646,131	7.51	43,857,249	88%

Source: Finance Department calculations, using Assessor data

Notes:

<sup>1</sup>Total of the first five property types.

<sup>2</sup>Calculated using sales ratios, a means of statistically measuring the uniformity of assessments statewide.

Tax Rates are per \$1,000 of assessed value.

(UNAUDITED)

City of Minneapolis  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 December 31, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>City Direct Rates</b>										
<i>Tax Capacity Based Rates</i>										
General	2.75	2.74	2.81	3.12	3.63	4.13	4.40	4.27	4.24	4.80
Estimate and Taxation	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Building Commission	0.12	0.12	0.11	0.18	0.19	0.17	0.16	0.14	0.13	0.13
Permanent Improvement	0.09	0.10	0.11	0.14	0.14	0.10	0.08	0.07	0.05	0.05
Bond Redemption	0.90	1.10	0.95	1.53	1.69	1.25	0.97	0.74	0.63	0.57
Firefighter's Relief Association	0.13	0.04	0.01	-	-	-	-	0.05	0.10	0.11
Police Relief Association	0.03	0.05	-	0.16	0.16	0.14	-	0.08	0.12	0.11
Minneapolis Employees Retirement Fund	0.16	0.16	0.14	0.24	0.21	0.19	0.13	0.11	0.08	0.09
Parks	1.11	1.13	1.21	1.86	1.75	1.65	1.55	1.42	1.34	1.29
Libraries	0.46	0.47	0.45	0.63	0.60	0.56	0.52	0.48	0.45	-
Community Development	-	-	-	0.26	0.21	-	-	-	-	-
Public Housing	0.05	0.05	0.04	0.05	0.05	0.05	0.05	0.04	0.04	0.04
Teacher's Retirement Association	0.08	0.09	0.08	0.11	0.12	0.11	0.09	0.08	0.07	0.07
<i>Market Value Based Rates</i>										
Library Referendum	-	-	-	-	0.02	0.14	0.24	0.27	0.27	0.25
<b>Total City Direct Rates</b>	5.89	6.06	5.91	8.29	8.78	8.50	8.20	7.76	7.55	7.52
<b>Overlapping Rates</b>										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	n/a	n/a	0.18	0.36	0.16	0.10	0.16	0.13	0.14	0.18
Hennepin County	4.98	4.80	4.52	5.95	5.93	5.33	4.94	4.59	4.40	4.38
Minneapolis Public Schools	7.95	7.72	6.98	4.39	4.40	4.17	3.39	3.23	3.06	2.79
Other Special Taxing Districts	0.95	0.94	0.31	0.63	0.67	0.62	0.59	0.52	0.54	0.54
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Solid Waste Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Overlapping Rates</b>	13.89	13.48	12.01	11.34	11.17	10.23	9.09	8.48	8.15	7.90
<b>Grand Total</b>	19.78	19.54	17.92	19.63	19.95	18.73	17.29	16.24	15.70	15.42

Based upon weighted class rate among property types (e.g. commercial/industrial, residential).

Bond Redemption levy is reserved for repayment of debt service, according to schedules at the time of sale of the bonds.

Library Board is independent of the City and its property taxes are issued in the Library Board Referendum levy

n/a=not available

Source: Finance Department

(UNAUDITED)

**City of Minneapolis**  
**Principle Property Tax Payers**  
**Current Year and Nine Years Ago**  
*(in thousands of dollars)*  
**December 31, 2008**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Northern States Power	\$ 314,134	1	1.32%	\$ 274,520	3	3.94%
Target Corporation	263,243	2	1.11%			
MB Mpls. 8th St LLC	219,000	3	0.92%			
NWC Limited Partnership	191,000	4	0.80%	187,100	4	2.44%
Minneapolis 225 Holdings LLC	185,600	5	0.78%			
City Center Associates	172,400	6	0.72%	182,500	5	2.50%
First Minneapolis - Hines	168,200	7	0.71%			
Wells Operating Partnership LP	161,600	8	0.68%			
American Express Financial Corp.	142,474	9	0.59%			
Byte Investmetn Ptnrshp I	141,000	10	0.59%			
Hines Intrsts Ltd Ptnrsp	-	-	-	391,000	1	5.11%
Heitman Properties Ltd.	-	-	-	336,315	2	4.41%
Property Minnesota One LLC	-	-	-	152,900	6	2.00%
Interntl Centre Ltd Ptnrshp	-	-	-	120,495	7	1.57%
Brookfield Market Inc	-	-	-	114,400	8	1.49%
NW Natl Life Insurance Co	-	-	-	98,078	9	1.28%
Federal Reserve Bank of Mpls	-	-	-	96,375	10	1.26%
<b>Total</b>	<b>\$1,958,651</b>		<b>8.22%</b>	<b>\$ 1,953,683</b>		<b>26.00%</b>

Source: Bond Issue Report 11/25/08

(UNAUDITED)



**Minneapolis Park and Recreation Board  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

December 31, 2008

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent Of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections To Total Tax Levy</u>
1999	26,914,000	26,607,966	98.863	154,491	26,762,457	99.437
2000	28,627,000	28,344,563	99.013	83,252	28,427,815	99.304
2001	32,797,943	32,094,665	97.856	54,720	32,149,385	98.023
2002	34,796,759	34,252,787	98.437	103,901	34,356,688	98.735
2003	33,074,759	32,596,105	98.553	130,484	32,726,589	98.947
2004	34,827,749	34,300,502	98.486	44,975	34,345,477	98.615
2005	36,418,659	35,777,953	98.241	265,669	36,043,622	98.970
2006	38,064,605	37,359,038	98.146	295,318	37,654,356	98.922
2007	40,005,789	39,159,473	97.885	602,350	39,761,823	99.390
2008	41,778,021	40,743,493	97.524	698,822	41,442,315	99.196

(1) Beginning in collection year 2002, this total includes market value based homestead credit which is used to reduce the property tax of residential homesteads.

Source: City Finance Department

City of Minneapolis  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*(in thousands of dollars, except per capita)*  
December 31, 2008

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	General Obligation Bonds & Notes	Revenue Bonds	Notes Payable	Total Primary Government				
1999	642,497	125,035	27,753	326,620	116,245	4,760	1,242,910	N/A	3,466		
2000	731,091	118,385	14,478	432,940	94,445	9,083	1,400,422	16.14%	3,660		
2001	756,500	103,726	32,488	417,672	102,765	7,406	1,420,557	15.45%	3,714		
2002	738,379	90,643	49,091	380,645	91,885	3,502	1,354,145	16.78%	3,538		
2003	857,358	77,102	48,422	390,135	82,117	1,248	1,456,382	16.32%	3,810		
2004	891,678	74,682	41,998	407,280	71,390	1,155	1,488,183	16.99%	3,892		
2005	865,011	67,085	41,252	410,263	61,631	1,056	1,446,298	15.36%	3,730		
2006	817,771	65,756	26,709	396,019	57,985	950	1,365,190	14.50%	3,521		
2007	777,385	56,306	22,735	368,335	63,695	837	1,289,293	12.10%	3,323		
2008	755,946	45,647	22,291	338,188	60,730	718	1,223,520	11.48%	3,153		

**Notes:**  
Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 14 for personal income and population data. Personal income data was not available for 1999. The 2008 ratio is calculated using population for the prior calendar year

Source: Minneapolis Finance Department - Capital and Debt Management  
(UNAUDITED)

**City of Minneapolis**  
**Ratios Of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*(in thousands of dollars, except per capita)*  
**December 31, 2008**

Fiscal Year	Net General Bonded Debt Outstanding					Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Governmental General Obligation Bonds	Business-type General Obligation Bonds & Notes	Less Assets Reserved for Debt Service	Total	Total		
1999	642,497	326,620	36,139	932,978	932,978	5.98%	2,602
2000	731,091	432,940	32,495	1,131,536	1,131,536	6.66%	2,957
2001	756,500	417,672	33,059	1,141,113	1,141,113	5.89%	2,984
2002	738,379	380,645	32,453	1,086,571	1,086,571	4.69%	2,839
2003	857,358	390,135	34,451	1,213,042	1,213,042	4.69%	3,173
2004	891,678	407,280	35,753	1,263,205	1,263,205	4.43%	3,303
2005	865,011	410,263	27,704	1,247,570	1,247,570	4.01%	3,218
2006	817,771	396,019	30,978	1,182,812	1,182,812	3.40%	3,051
2007	777,385	368,335	36,559	1,109,161	1,109,161	2.99%	2,859
2008	755,946	338,188	40,196	1,053,938	1,053,938	2.73%	2,711

**Notes:**

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 5 for property value data. Assessed value used is consistent with valuations on the legal debt margin schedule.

(2) Population data can be found in Schedule 14. The 2008 ratio is calculated using the population for the prior calendar year.

Source: Minneapolis Finance Department - Capital and Debt Management

(UNAUDITED)

**City of Minneapolis**  
**Direct and Overlapping Governmental Activities Debt**  
*(in thousands of dollars)*  
**December 31, 2008**

Governmental Unit	Net General Obligation Governmental Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
City of Minneapolis - Direct Debt	\$ 446,117 (3)	100.00%	\$ 446,117
<u>Overlapping Debt:</u>			
Special School District No. 1	\$ 232,800	100.00%	\$ 232,800
Hennepin County	501,975 (4)	24.44%	122,683
Hennepin County Regional Railroad Authority	43,487	24.44%	10,628
Metropolitan Council	137,905	11.02%	15,197
Subtotal, Overlapping Debt			\$ 381,308
Total Direct and Overlapping Debt			\$ 827,425

**Notes:**

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) This table represents the net governmental debt of the City of Minneapolis and overlapping jurisdictions on a net debt basis. This presentation shows the total property tax supported debt burden of the general taxpayers of the City.

(2) The estimated percentage applicable is determined by Hennepin County and represents the tax capacity of the City in relation to the tax capacity of the overlapping jurisdictions as calculated by Hennepin County.

(3) Total excludes \$233,975 of self supporting debt, \$46,810 of special assessment debt and all governmental activity revenue bonds and notes which are not principally paid by the general taxpayer base.

(4) Excludes suburban library bonds for which Minneapolis taxpayers are not obligated.

**Sources:**

Minneapolis Finance Department - Capital and Debt Management  
 Minneapolis Public School District 1  
 Hennepin County  
 MET Council Report of Outstanding Indebtedness

(UNAUDITED)

City of Minneapolis  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*(in thousands of dollars)*  
 December 31, 2008

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$576,511	\$655,557	\$784,051	\$875,204	\$967,210	\$1,054,780	\$1,182,794	\$1,159,728	\$1,253,051	\$1,306,194
Total net debt applicable to limit	134,109	159,347	146,911	193,639	319,436	362,739	369,842	339,712	313,129	302,772
Legal debt margin	<u>\$442,402</u>	<u>\$496,210</u>	<u>\$637,140</u>	<u>\$681,565</u>	<u>\$647,774</u>	<u>\$692,041</u>	<u>\$812,952</u>	<u>\$820,016</u>	<u>\$939,922</u>	<u>\$1,003,422</u>
Total net debt applicable to limit as a percentage of debt limit	23.26%	24.31%	18.74%	22.13%	33.03%	34.39%	31.27%	29.29%	24.99%	23.18%

**Legal Debt Margin Calculation for Fiscal Year 2008**

Real Property (2008 Assessed Market Value)	\$38,254,250
Personal Property (2008 Assessed Market Value)	391,881
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	241,645
Total 2008 Assessed Market Value	<u>39,185,806</u>
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	1,306,194
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit:	330,440
Less: Assets in General Debt Service Funds	-27,668
Total Net Debt Applicable to Limit	<u>302,772</u>
Legal Debt Margin	<u>\$1,003,422</u>

(UNAUDITED)

Source: Minneapolis Finance Department - Capital and Debt Management

**City of Minneapolis  
Demographic and Economic Statistics  
Last 10 Fiscal Years  
December 31, 2008**

Year	Population (1)	Aggregate Income (3)	Per Capita Income	Median Age (4)	School Enrollment (5)	Annual average Unemployment Rate (6)
1999	358,610	N/A	N/A	N/A	48,487	2.8%
2000 (2)	382,618	\$ 8,675,946,500	\$ 22,675	31.5	48,689	3.0%
2001	382,446	9,194,419,953	24,041	32.1	47,824	3.9%
2002	382,700	8,069,589,052	21,086	32.0	45,651	4.9%
2003	382,295	8,924,153,419	23,344	33.4	42,900	5.2%
2004	382,400	8,759,647,300	22,907	33.9	40,051	5.0%
2005	387,711	9,417,158,500	24,289	32.1	37,865	4.2%
2006	387,970	10,144,150,100	27,487	33.6	36,428	3.8%
2007	388,020	10,656,131,500	30,343	35.3	34,570	4.2%
2008	N/A	N/A	N/A	N/A	33,789	5.1%

N/A = Non available

Sources:

- (1) Population 1997-2007 - Metropolitan Council
- (2) Population and aggregate income for 2000 - US Census of Population and Housing-American Community Survey began counting population in group totals as part of the total population estimates in 2006.
- (3) Aggregate income (for population 15+) - US Census Bureau - American Community Survey
- (4) Median age - US Census Bureau - American Community Survey
- (5) School enrollment - Minneapolis School System
- (6) Annual average unemployment rate - Minnesota Department of Employment and Economic Development

Notes: 1) The Metropolitan Council adopts the 2000 population figure from Census.

For consistency purposes to calculate per capita income, 2000 population and aggregate income data are from the Census of Population.

- 2) ACS only counts population in households; it excludes population in group quarters such as student dormitories, jail, convents and other institutions.

Definitions:

Total Income is the sum of the amounts reported separately for wages, salary, commissions, bonuses, or tips; self-employment income from own non-farm or farm businesses, including proprietorships and partnerships; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability pensions; and any other sources of income received regularly such as Veterans' (VA) payments, unemployment compensation, child support or alimony.

Per capita income is an average obtained by dividing aggregate income by the population 15 years old or older in an area.

**City of Minneapolis  
Principal Employers  
Current Year and Nine Years Ago  
December 31, 2008**

<u>Employer - Metro Region</u>	2008			2006		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
University of Minnesota	30,000	1	14.18%	30,240	1	14.29%
Target Corporation	25,734	2	12.16%	24,294	2	11.48%
Allina Health System	22,105	3	10.45%	22,500	3	10.64%
Wells Fargo Bank Minnesota	20,175	4	9.54%	19,100	4	9.03%
Fairview Health Services	18,500	5	8.74%	18,500	5	8.74%
Hennepin County	12,171	6	5.75%	12,459	6	5.89%
U.S. Bankcorp	9,500	7	4.49%	9,442	7	4.46%
Ameriprise Financial Inc.	6,000	8	2.84%	6,500	8	3.07%
Xcel Energy Inc.	5,057	9	2.39%	5,356	9	2.53%
Honeywell ACS	5,000	10	2.36%	-	-	-
United Parcel Services	-	-	-	5,329	10	2.52%
Total	154,242		72.90%	153,720		72.66%

Note:

Information Prior to 2006 is not available

Source: Minnesota Department of Employment and Economic Development

(UNAUDITED)

**City of Minneapolis  
Full-time Equivalent City Government Employees by Function  
Last 10 Fiscal Years  
December 31, 2008**

	Full-time Equivalent Employees as of December 31,									
Function Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Assessor	39.00	38.00	37.00	35.50	35.50	34.50	34.50	34.50	37.00	37.00
Attorney	106.00	105.50	113.50	111.50	110.63	101.13	101.00	106.50	108.00	108.00
City Clerk/Council	90.60	93.25	90.00	92.25	85.50	85.20	65.50	66.50	66.00	68.00
City Coordinator	772.25	775.50	852.80	969.20	969.59	929.75	929.08	911.03	917.00	941.00
Civil Rights	24.00	25.00	29.00	29.00	27.50	24.00	27.00	26.00	26.00	26.00
Civilian Review	7.00	7.00	5.00	5.00	-	-	-	-	-	-
Community Planning and Economic Development	-	-	211.75	204.38	206.48	144.00	139.00	142.00	141.00	140.00
Fire	483.00	493.00	483.00	482.50	469.50	449.50	444.50	444.50	447.00	449.00
Health & Family Support	70.97	73.90	64.15	69.15	75.40	73.90	69.00	66.30	66.00	66.00
Mayor	13.00	13.00	13.00	12.00	11.00	11.00	11.00	11.00	12.00	12.00
Police	1,202.50	1,191.00	1,182.50	1,093.00	1,060.50	966.05	942.00	1,058.00	1,088.00	1,093.00
Public Works	1,177.24	1,182.64	1,195.34	1,227.04	1,256.54	1,211.19	1,206.39	1,206.59	1,197.00	1,204.00
Planning	39.00	39.00	-	-	-	-	-	-	-	-
	<u>4,024.56</u>	<u>4,036.79</u>	<u>4,277.04</u>	<u>4,330.52</u>	<u>4,308.14</u>	<u>4,030.22</u>	<u>3,968.97</u>	<u>4,072.92</u>	<u>4,105.00</u>	<u>4,144.00</u>
Independent Boards										
Board of Estimate & Taxation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Library	358.89	358.89	357.99	368.00	363.40	242.00	246.50	261.90	273.00	-
Park	890.47	903.38	951.23	946.94	936.27	907.47	907.91	909.55	902.00	886.00
Community Development	163.50	157.00	-	-	-	-	-	-	-	-
Building Commission	74.00	66.50	66.50	66.50	64.00	62.00	61.00	61.00	62.00	62.00
Youth Coordinating Board	31.13	28.50	30.00	39.00	26.50	4.50	4.50	4.50	5.00	5.00
NRP	18.00	16.00	15.00	14.00	12.00	12.00	11.00	10.00	10.00	9.00
	<u>1,537.99</u>	<u>1,532.27</u>	<u>1,422.72</u>	<u>1,436.44</u>	<u>1,404.17</u>	<u>1,229.97</u>	<u>1,232.91</u>	<u>1,248.95</u>	<u>1,254.00</u>	<u>964.00</u>
Total	<u>5,562.55</u>	<u>5,569.06</u>	<u>5,699.76</u>	<u>5,766.96</u>	<u>5,712.31</u>	<u>5,260.19</u>	<u>5,201.88</u>	<u>5,321.87</u>	<u>5,359.00</u>	<u>5,108.00</u>

Source: City Management and Budget

(UNAUDITED)



## Minneapolis Park and Recreation Board Quick Fact Sheet

For over a century, the Minneapolis Park and Recreation Board has gained experience in park management, including the development and enhancement of park and recreation facilities and programs. The following quick facts about the park system will give you an idea of the scope of that task.

<b>Number of...</b>		
Acres	<b>6,400</b>	Waterparks
Park Properties	<b>182</b>	Wading Pools
Recreation Centers	<b>49</b>	Authorized Beaches
Regional Park Visits	<b>13 million</b>	Sports Fields
Neighborhood Park Visits	<b>5 million</b>	Computer Labs Open to Public
Miles of Parkways	<b>55</b>	Indoor Ice Arena
Miles of Walking Paths	<b>43</b>	Outdoor Ice Rink Locations
Miles of Biking Paths	<b>43</b>	Dog Park
Golf Courses	<b>6</b>	Skate Parks
Par-3 Courses	<b>1</b>	Volunteer
Golf Learning Centers	<b>3</b>	Boulevard Trees
Rounds of Golf Played	<b>233,101</b>	

