

ANNUAL FINANCIAL REPORT

COMPONENT UNIT OF THE
CITY OF MINNEAPOLIS

FOR THE YEAR ENDED
DECEMBER 31, 2009



MINNEAPOLIS PARK AND RECREATION BOARD

COMPONENT UNIT ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2009

FINANCE DEPARTMENT

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

TABLE OF CONTENTS

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	4
Commissioners/Officers	5
<u>Financial Section</u>	
Independent Auditor's Report	6
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 Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - All 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
<u>Required Supplementary Information</u>	<u>Schedule</u>
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	A-1 41
Museum County-wide Levy Special Revenue Fund	A-2 43
Park Grant and Dedicated Revenue Special Revenue Fund	A-3 44
Notes to the Required Supplementary Information	45
<u>Other Supplementary Information</u>	
Balance Sheet – Other Governmental Fund	B-1 48
Statement of Revenues, Expenditures and Changes in Fund Balance - Other Governmental Fund	B-2 49

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	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
 <u>Statistical Section</u>		
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		79
Principal Property Taxpayers		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

INTRODUCTORY SECTION





June 11, 2010

John Erwin, 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, 2009. 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 over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The management and compliance report 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 2009 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 were 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 – Aaa

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

Commissioners	Term of Office From	To
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
-------------	-----------------	-------------------

Vice President

Mary Merrill Anderson	January 1, 2009	December 31, 2009
-----------------------	-----------------	-------------------

Secretary

Don Siggelkow	January 1, 2009	December 31, 2009
---------------	-----------------	-------------------



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, 2009, 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, 2009, 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 June 11, 2010, 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

June 11, 2010

This Page Left Blank Intentionally.

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, 2009. 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 increased as a result of this year's operations by \$3,639,889 or 1.3%. Net assets of the business-type activities increased by \$531,612 or 3.9%, and net assets of the governmental activities increased by \$3,108,277 or 1.2%.
- The assets of the Park and Recreation Board exceeded its liabilities at the close of the most recent fiscal year by \$274,981,181 (net assets). Of this amount, \$7,544,087 (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 \$5,175,836.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$20,523,513. Ending equity of the business-type proprietary fund is \$14,131,711 with approximately 13.7% of this amount or \$1,934,224 available for spending at the government's discretion (unrestricted fund equity). Ending equity of the governmental-type proprietary fund is \$6,391,802 with approximately 31.8% of this amount or \$2,033,443 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 of \$274,623,837 increased by \$2,188,085 from a year ago, with current and other assets increased by \$1,879,737 and capital assets increased by \$308,348. The Park and Recreation Board's total business type assets of \$15,480,400 increased \$262,212 from a year ago, with current and other assets increased by \$699,179 and capital assets decreased by \$436,967. 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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 19,384,230	\$ 17,504,493	\$ 2,695,049	\$ 1,995,870	\$ 22,079,279	\$ 19,500,363
Capital assets	255,239,607	254,931,259	12,785,351	13,222,318	268,024,958	268,153,577
Total assets	274,623,837	272,435,752	15,480,400	15,218,188	290,104,237	287,653,940
Long-term liabilities outstanding	10,908,751	11,146,828	1,074,035	1,093,198	11,982,786	12,240,026
Other liabilities	2,865,616	3,547,731	274,654	524,891	3,140,270	4,072,622
Total liabilities	13,774,367	14,694,559	1,348,689	1,618,089	15,123,056	16,312,648
Net Assets:						
Invested in capital assets, net of related debt	255,239,607	254,931,259	12,197,487	12,581,172	267,437,094	267,512,431
Unrestricted	5,609,863	2,809,934	1,934,224	1,018,927	7,544,087	3,828,861
Total net Assets	\$260,849,470	\$257,741,193	\$ 14,131,711	\$13,600,099	\$274,981,181	\$271,341,292

Net assets of the Park and Recreation Board's governmental activities increased by 1.2%. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, increased by \$2,799,929 and represent 2.2% of total net assets.

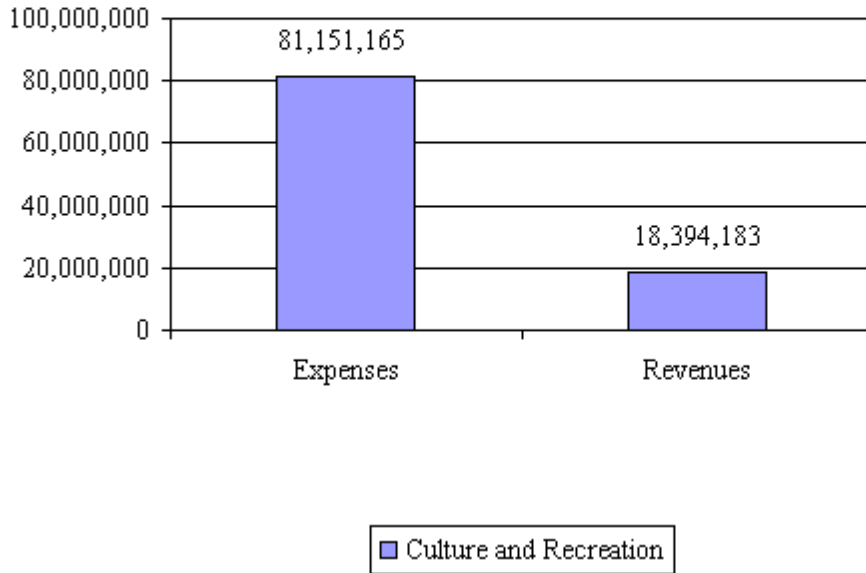
Net assets of the Park and Recreation Board's business-type activities increased by 3.9% in 2009. The Park and Recreation Board commits these net assets to finance the continuing operations including capital improvements of the Enterprise Fund.

Minneapolis Park and Recreation Board's Change in Net Assets

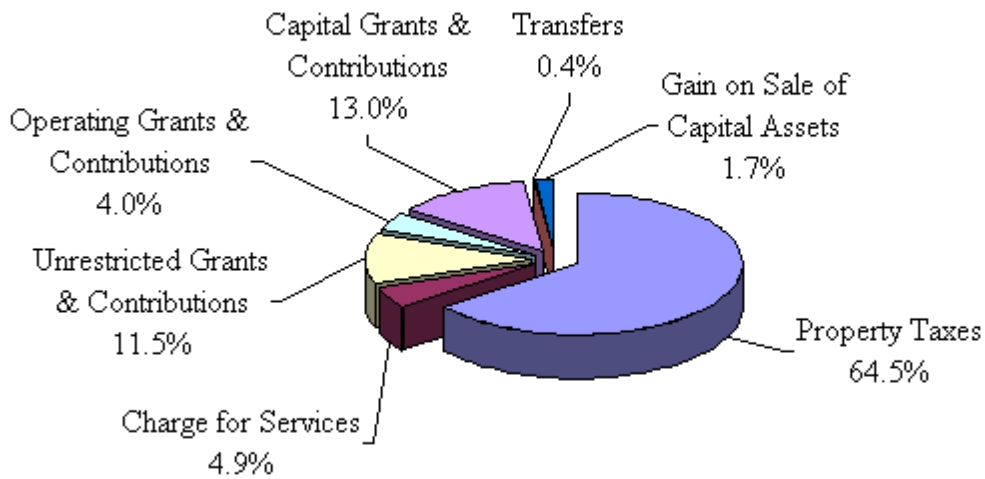
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for Services	\$4,099,154	\$ 4,383,045	\$13,407,906	\$13,457,917	\$17,507,060	\$17,840,962
Operating grants & contributions	3,331,355	3,555,456	421,983	476,850	3,753,338	4,032,306
Capital grants & contributions	10,963,674	9,464,419	-	-	10,963,674	9,464,419
General revenues:						
Taxes	54,468,935	50,722,119	-	-	54,468,935	50,722,119
Unrestricted grants & contributions	9,668,753	8,146,017	-	-	9,668,753	8,146,017
Gain on Sale of Capital Assets	1,432,571	1,008,684	-	-	1,432,571	1,008,684
Transfers	295,000	295,000	-	-	295,000	295,000
Total Revenue	84,259,442	77,574,740	13,829,889	13,934,767	98,089,331	91,509,507
Program Expense:						
Culture & Recreation	81,151,165	83,013,151	-	-	81,151,165	83,013,151
Park Enterprise Fund	-	-	13,003,277	13,761,734	13,003,277	13,761,734
Transfers	-	-	295,000	295,000	295,000	295,000
Total Expenses	81,151,165	83,013,151	13,298,277	14,056,734	94,449,442	97,069,885
Increase (Decrease) in Net Assets	\$3,108,277	\$(5,438,411)	\$ 531,612	\$ (121,967)	\$ 3,639,889	\$(5,560,378)

For governmental activities of the Park and Recreation Board, net assets increased by \$3,108,277. In 2009, spending was reduced in order to replenish General Fund reserves that had fallen below an acceptable level in 2008 through the Governor's unallotment of almost \$1.6 million in LGA to the Park and Recreation Board as part of an effort to balance the state budget in December of 2008. Net assets also increased due to the capitalization of the Lake of the Isles Parkway Improvements funded through the City of Minneapolis bond program. The increase in proprietary activities of the Park and Recreation Board of \$531,612 is primarily due to a reduction in spending and the deferment of the special services rehabilitation and improvement program to 2010 which funds the maintenance and repair of golf and other revenue producing facilities.

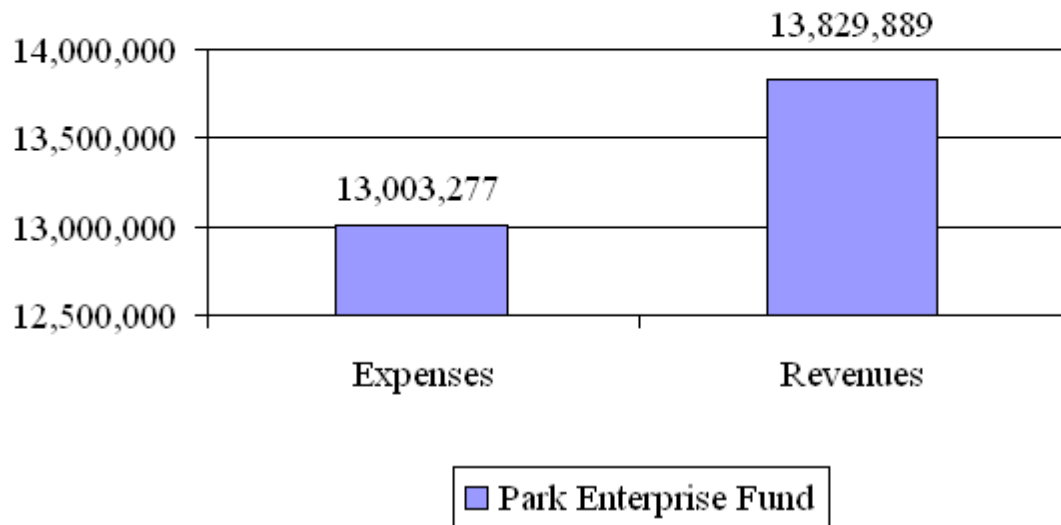
Expenses and Program Revenues Governmental Activities



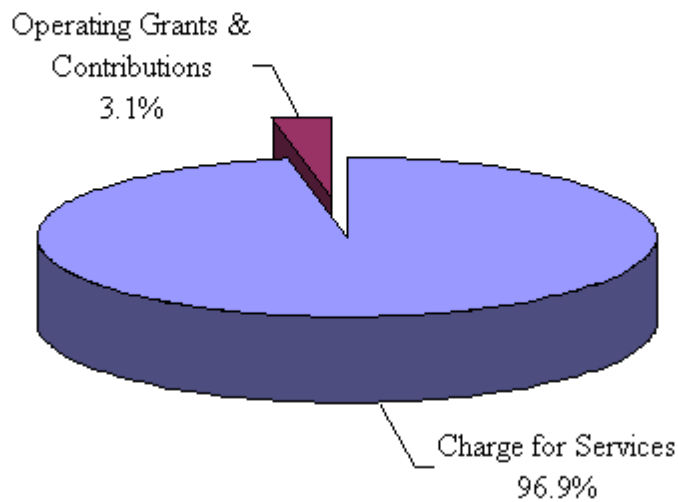
Revenues by Source - Governmental Activities



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 \$5,175,836. 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 increased by \$2,282,101 from 2008 largely due to the reduction in 2009 spending made to replenish General Fund reserves to appropriate levels. As of the end of the current fiscal year the General Fund reported a fund balance of \$3,084,464, of which \$2,823,798 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 2009 original and final appropriation was \$58,008,475 with no fund level appropriation changes occurring in 2009.

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 \$730,341 from 2008. 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 \$4,383,794, of which \$4,339,258 is classified as reserved and \$44,536 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 decreased by \$1,961,370 from 2008. The building and land located at the Fort Snelling Athletic Complex site was sold to the Boy Scouts of America and the proceeds from the sale are designated to pay down the debt obligations associated with this location. In 2009, the proceeds were transferred to a City of Minneapolis fund for this purpose. The remaining fund balance of \$767,866 is designated for future riverfront land acquisitions.

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 decreased by \$481,701 from 2008. This decrease is primarily due to the timing of capital project grant proceeds which accounted for a \$765,784 increase in deferred revenue from 2008 for a new total of \$2,480,748. As of the end of the current fiscal year the Permanent Improvement Fund reported a fund balance of (\$3,838,929). The deficit fund balance will be funded in 2010 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 2009, charges for services and rents decreased from 2008 by \$35,975 or -0.3%. In 2009, operating expenses of the Park Operating Fund decreased from 2008 by \$741,820 or -5.9%. Expenses were decreased by a greater percentage than revenues and therefore operating income increased from 2008 by \$705,845 or 87.6%. The increase in operating income is due to the decrease in operating expenses including repair and maintenance of the golf and revenue producing facilities.

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 \$18,341 and ending net assets were \$5,988,141. Net Assets is comprised of \$4,358,359 or 72.8% which is invested in capital assets and \$1,629,782 or 27.2% 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 \$1,262,912 and ending net assets were \$403,661. An actuarial study was completed in 2009 and provided an estimate for the 2009 long-term liability for workers' compensation claims payable. An actuarial study was completed in 2008 and provided the estimate for the 2009 long-term liability for General liability claims payable.

Capital Asset and Debt Administration

Capital Assets

At the end of 2009, the Park and Recreation Board had \$268,024,958 invested in a broad range of capital assets, including land, buildings, vehicles, equipment, trails, bridges, golf courses and parking lots.

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

- Minnehaha Regional Park
- North Mississippi Regional Park
- East Phillips Cultural and Community Center
- BF Nelson Park Development
- West River Parkway Bike and Pedestrian Trails
- Accelerated Stump Removal Program

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

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2009	2008	2009	2008	2009	2008
Land	\$ 56,548,739	\$ 56,548,739	\$ 1,206,784	\$ 1,206,784	\$ 57,755,523	\$ 57,755,523
Building and Structures	39,840,514	41,019,645	7,050,960	7,367,742	46,891,474	48,387,387
Infrastructure	42,217,930	42,394,375	90,733	95,443	42,308,663	42,489,818
Public Improvements	88,624,203	89,827,280	3,896,760	3,735,306	92,520,963	93,562,586
Machinery and Equipment	4,993,791	5,081,128	531,306	535,202	5,525,097	5,616,330
Construction in Progress	23,014,430	20,060,092	8,808	281,841	23,023,238	20,341,933
Total	\$255,239,607	\$254,931,259	\$12,785,351	\$13,222,318	\$268,024,958	\$268,153,577

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

Debt

In 2009, 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 2009 Budgets

Employment:

The unemployment rate for the City of Minneapolis at the end of 2009, as released by the Minnesota Department of Economic Security, is 6.6%. This economic indicator is better than the State of Minnesota (7.4%) and the national unemployment rate (9.7%). Unemployment continues to fluctuate and the City of Minneapolis unemployment rate has reached 6.8% in March, 2010.

2010 Budget:

On December 7, 2009, the Park and Recreation Board approved the 2010 budget. The original operating budget was set for \$57.7 million. In 2010, Governor Tim Pawlenty proposed an additional reduction of \$3.4 million of Local Government Aid (LGA) from the Park and Recreation Board. The legislature and governor adopted a reduction of \$1.59 million for the Park and Recreation Board in April, 2010 and the Board approved an expenditure & revenue appropriation decrease to the original operating budget of \$1,450,000 for a new total of \$56,272,552.

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.

This Page Left Blank Intentionally.

MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF NET ASSETS
December 31, 2009

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 14,323,224	\$ 1,584,381	\$ 15,907,605
Receivables (Net)	5,785,659	178,719	5,964,378
Inventories	-	120,772	120,772
Prepaid Expense	86,524	-	86,524
Internal Balances	(811,177)	811,177	-
Capital Assets:			
Non-Depreciable	79,563,169	1,215,592	80,778,761
Depreciable (Net)	175,676,438	11,569,759	187,246,197
Total Assets	<u>274,623,837</u>	<u>15,480,400</u>	<u>290,104,237</u>
LIABILITIES			
Salaries Payable	\$ 995,316	\$ 122,561	\$ 1,117,877
Accounts Payable (Net)	1,870,300	152,093	2,022,393
Non-Current Liabilities			
Due Within One Year:			
Compensated Absences	2,485,101	342,512	2,827,613
Notes Payable	-	38,945	38,945
Due In More Than One Year:			
Compensated Absences	1,373,351	-	1,373,351
Post Employment Benefits	1,077,324	143,659	1,220,983
Notes Payable	-	548,919	548,919
Workers' Compensation Claims Pending	4,829,600	-	4,829,600
General Liability Claims Pending	1,143,375	-	1,143,375
Total Liabilities	<u>13,774,367</u>	<u>1,348,689</u>	<u>15,123,056</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	255,239,607	12,197,487	267,437,094
Unrestricted	5,609,863	1,934,224	7,544,087
Total Net Assets	<u>260,849,470</u>	<u>14,131,711</u>	<u>274,981,181</u>
Total Liabilities and Net Assets	<u>\$ 274,623,837</u>	<u>\$ 15,480,400</u>	<u>\$ 290,104,237</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, 2009

	<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>
Function/Program Activities							
Governmental Activities							
Culture and Recreation	\$ 81,151,165	\$ 4,099,154	\$ 3,331,355	\$ 10,963,674	\$ (62,756,982)	\$ -	\$ (62,756,982)
Business Type Activities							
Park Enterprise Fund	13,003,277	13,407,906	421,983	-		826,612	826,612
Total	<u>\$ 94,154,442</u>	<u>\$ 17,507,060</u>	<u>\$ 3,753,338</u>	<u>\$ 10,963,674</u>			
General Revenues and Transfers:							
Taxes:							
Property Taxes					42,441,680	-	42,441,680
Museum (county-wide levy)					12,027,255	-	12,027,255
Grants and contributions not restricted to specific programs					9,668,753	-	9,668,753
Gain on sale of capital assets					1,432,571	-	1,432,571
Transfers					295,000	(295,000)	-
					<u>3,108,277</u>	<u>531,612</u>	<u>3,639,889</u>
Net Assets - January 1					257,741,193	13,600,099	271,341,292
Net Assets - December 31					<u>\$ 260,849,470</u>	<u>\$ 14,131,711</u>	<u>\$ 274,981,181</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, 2009

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Minneapolis Parks Fund	Permanent Improvement	Other Governmental Fund	Total
ASSETS							
Cash and							
Cash Equivalents	\$ 4,654,530	\$ -	\$ 2,587,535	\$ 762,536	\$ 1,957	\$ 786,612	\$ 8,793,170
Receivables:							
Accounts - Net	108,648	-	12,814	-	1,641	-	123,103
Taxes -							
Current	331,767	107,976	-	-	-	-	439,743
Delinquent	735,143	-	-	-	-	-	735,143
Intergovernmental	94,148	-	-	-	4,390,401	-	4,484,549
Accrued Interest	-	-	-	3,075	-	-	3,075
Due From-							
Other Funds	153,527	-	-	2,255	-	-	155,782
Capital Advance	-	-	1,800,000	-	-	-	1,800,000
Total Assets	\$ 6,077,763	\$ 107,976	\$ 4,400,349	\$ 767,866	\$ 4,393,999	\$ 786,612	\$ 16,534,565
LIABILITIES AND FUND BALANCES							
Liabilities :							
Payables -							
Salaries	\$ 928,521	\$ -	\$ 970	\$ -	\$ 8,505	\$ -	\$ 937,996
Accounts	550,435	107,976	14,975	-	970,148	7,971	1,651,505
Due To -							
Other Funds	12,822	-	610	-	153,527	-	166,959
Capital Advances	828,600	-	-	-	4,620,000	-	5,448,600
Deferred Revenue							
Unavailable	672,921	-	-	-	2,480,748	-	3,153,669
Total Liabilities	2,993,299	107,976	16,555	-	8,232,928	7,971	11,358,729
Fund Balances:							
Reserved For -							
Encumbrances	260,666	-	22,282	-	-	2,450	285,398
Specific Projects	-	-	2,516,976	767,866	-	776,191	4,061,033
Capital Advance	-	-	1,800,000	-	-	-	1,800,000
Unreserved Reported in:							
General Fund	2,823,798	-	-	-	-	-	2,823,798
Special Revenue Funds	-	-	44,536	-	-	-	44,536
Capital Projects Fund	-	-	-	-	(3,838,929)	-	(3,838,929)
Total Fund Balances	3,084,464	-	4,383,794	767,866	(3,838,929)	778,641	5,175,836
Total Liabilities and Fund Balances	\$ 6,077,763	\$ 107,976	\$ 4,400,349	\$ 767,866	\$ 4,393,999	\$ 786,612	\$ 16,534,565

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, 2009

Total Governmental Funds Balances \$ 5,175,836

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	330,202,045	
Accumulated Depreciation	(158,883,967)	
Work in Progress	23,014,430	250,881,247

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

Compensated Absences - Short Term		(2,354,953)
Compensated Absences - Long Term		(1,373,351)
Post Employment Benefits - Long Term		(1,024,780)

Deferred revenue in governmental funds is susceptible
to full accrual on the entity-wide statements. 3,153,669

Internal Service Funds are not reported in the funds
statement but are included in the Statement of Net
Assets governmental activities. 6,391,802

Net Assets of Governmental Activities \$ 260,849,470

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, 2009

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Minneapolis Parks Fund	Permanent Improvement	Other Governmental Fund	Total
REVENUES							
Taxes	\$42,300,317	\$12,020,347	\$ -	\$ -	\$ -	\$ -	\$ 54,320,664
Intergovernmental	12,533,827	442	1,113,468	-	5,931,721	300,000	19,879,458
Charges for Services and Sales	1,252,677	-	38,987	-	2,200	-	1,293,864
Fines and Forfeits	560,131	-	-	-	-	-	560,131
Special Assessments	-	-	-	-	-	192,852	192,852
Investment Earnings	-	-	-	13,159	-	-	13,159
Miscellaneous	929,001	6,466	427,513	-	1,298,936	-	2,661,916
Total Revenues	<u>57,575,953</u>	<u>12,027,255</u>	<u>1,579,968</u>	<u>13,159</u>	<u>7,232,857</u>	<u>492,852</u>	<u>78,922,044</u>
EXPENDITURES							
Culture and Recreation	54,189,728	12,027,255	378,203	4,123,969	-	-	70,719,155
Capital Outlay	-	-	34,512	-	9,550,594	334,188	9,919,294
Total Expenditures	<u>54,189,728</u>	<u>12,027,255</u>	<u>412,715</u>	<u>4,123,969</u>	<u>9,550,594</u>	<u>334,188</u>	<u>80,638,449</u>
Excess of Revenues Over (Under) Expenditures	<u>3,386,225</u>	<u>-</u>	<u>1,167,253</u>	<u>(4,110,810)</u>	<u>(2,317,737)</u>	<u>158,664</u>	<u>(1,716,405)</u>
OTHER FINANCING SOURCES (USES)							
Sales of Capital Assets	-	-	-	2,149,440	-	-	2,149,440
Transfers In - Other Funds	295,000	-	59,835	-	1,836,036	-	2,190,871
Transfers Out - Other Funds	<u>(1,399,124)</u>	<u>-</u>	<u>(496,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,895,871)</u>
Total Other Financing Sources	<u>(1,104,124)</u>	<u>-</u>	<u>(436,912)</u>	<u>2,149,440</u>	<u>1,836,036</u>	<u>-</u>	<u>2,444,440</u>
Net Change in Fund Balances	2,282,101	-	730,341	(1,961,370)	(481,701)	158,664	728,035
FUND BALANCE - JANUARY 1	<u>802,363</u>	<u>-</u>	<u>3,653,453</u>	<u>2,729,236</u>	<u>(3,357,228)</u>	<u>619,977</u>	<u>4,447,801</u>
FUND BALANCE - DECEMBER 31	<u>\$ 3,084,464</u>	<u>\$ -</u>	<u>\$4,383,794</u>	<u>\$ 767,866</u>	<u>\$(3,838,929)</u>	<u>\$ 778,641</u>	<u>\$ 5,175,836</u>

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

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, 2009

Net Changes in Fund Balances - Total Governmental Funds \$ 728,035

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 negative amount is the amount depreciation exceeded capital outlay in the current period. (652,772)

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 (760,808)

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	969,863
Contribution of Parkway Reconstruction	1,680,694

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	(27,834)
Change in Post Employment Benefits	(410,676)

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. 1,581,775

Change in net assets of governmental activities \$ 3,108,277

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

MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Business-Type Activities - Enterprise Fund	Governmental Activities- Internal Service Funds
ASSETS		
Cash and Cash Equivalents	\$ 1,584,381	\$ 5,530,054
Receivables -		
Accounts - Net	178,719	46
Due From Other Funds	11,177	-
Capital Advances	800,000	2,848,600
Materials & Supplies Inventory	120,772	-
Prepaid Expense	-	86,524
Total Current Assets	2,695,049	8,465,224
Non Current Assets		
Net Capital Assets	12,785,351	4,358,359
Total Assets	\$ 15,480,400	\$ 12,823,583
 LIABILITIES AND FUND EQUITY		
Current Liabilities :		
Payables -		
Salaries	\$ 122,561	\$ 57,320
Accounts	152,093	218,795
Notes Payable - Current	38,945	-
Total Current Liabilities	313,599	276,115
Long-Term Liabilities:		
Notes Payable - Long Term	548,919	-
Workers' Compensation Claims Pending	-	4,829,599
General Liability Claims Pending	-	1,143,375
Post Employment Benefits Payable	143,659	52,544
Compensated Absences Payable	342,512	130,148
Total Long-Term Liabilities	1,035,090	6,155,666
Total Liabilities	1,348,689	6,431,781
Equity:		
Invested in Capital Assets, Net of Related Debt	12,197,487	4,358,359
Unrestricted	1,934,224	2,033,443
Total Equity	14,131,711	6,391,802
Total Liabilities and Net Assets	\$ 15,480,400	\$ 12,823,583

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, 2009

	Business-Type Activities - Enterprise Fund	Governmental Activities- Internal Service Funds
OPERATING REVENUES		
Billings to Departments	\$ -	\$ 7,450,254
Charges For Services and Sales	11,422,425	-
Rents	1,929,462	-
Total Operating Revenues	<u>13,351,887</u>	<u>7,450,254</u>
OPERATING EXPENSES		
Personal Services	4,553,872	1,752,112
Contractual Services	3,356,395	1,191,731
Materials and Supplies	1,969,179	1,221,150
Depreciation on Acquired Property	614,804	1,356,097
Benefits	1,345,628	684,593
Total Operating Expenses	<u>11,839,878</u>	<u>6,205,683</u>
Operating Income (Loss)	<u>1,512,009</u>	<u>1,244,571</u>
NON-OPERATING REVENUES (EXPENSES)		
City of Minneapolis - Steps to a Healthier Minneapolis	11,822	-
City of Minneapolis - Neighborhood Revitalization Program	19,020	-
Contributions	391,141	-
Gain (Loss) on Disposal of Capital Assets	-	29,837
Gain on Sale of Scrap	-	11,041
Damages/Losses Recovered	-	13,775
Other Non-Operating Revenues	56,019	50,245
City of Minneapolis - Debt Service	(1,018,019)	-
Interest Expense	(30,948)	-
Other Non-Operating Expenses	(114,432)	-
Total Non-Operating Revenues (Expenses)	<u>(685,397)</u>	<u>104,898</u>
Income (Loss) Before Capital Contributions and Transfers	826,612	1,349,469
Capital Contributions	-	232,306
Transfer Out	<u>(295,000)</u>	<u>-</u>
CHANGE IN NET ASSETS	531,612	1,581,775
NET ASSETS - JANUARY 1	13,600,099	4,810,027
NET ASSETS - DECEMBER 31	<u>\$ 14,131,711</u>	<u>\$ 6,391,802</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, 2009

	Business-Type Activities- Enterprise Fund	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided	\$ -	\$ 7,450,254
Cash Received from Customers	14,190,061	63,984
Cash paid to suppliers for goods and services	(5,674,883)	(3,305,376)
Cash paid to employees for services	(5,910,764)	(2,450,747)
Net cash provided by (used in) operating activities	2,604,414	1,758,115
Cash Flows from Non-Capital Financing Activities:		
City of Minneapolis - Steps to a Healthier Minneapolis	11,822	-
City of Minneapolis - Neighborhood Revitalization Program	19,020	-
Contributions	391,141	-
Advances Received	-	1,800,000
City of Minneapolis - Debt Service	(1,018,019)	-
Transfers To Other Funds	(295,000)	-
Net Cash (Used) Provided by Non-Capital Financing Activities	(891,036)	1,800,000
Cash Flows from Capital Financing Activities:		
Proceeds From Sale of Capital Assets	-	54,765
Proceeds From Sale of Scrap	-	11,041
Principal and Interest Payments	(84,230)	-
Acquisition of Property Plant and Equipment	(177,837)	(1,189,953)
Net Cash Used for Capital Financing Activities	(262,067)	(1,124,147)
Net Increase (Decrease) in Cash and Cash Equivalents	1,451,311	2,433,968
Cash and Cash Equivalents - January 1	133,070	3,096,086
Cash and Cash Equivalents - December 31	\$ 1,584,381	\$ 5,530,054
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities		
Operating Income (Loss)	\$ 1,512,009	\$ 1,244,571
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	614,804	1,356,097
(Increase) Decrease in Accounts Receivable	793,332	(36)
(Increase) Decrease in Due From Other Funds	(11,177)	-
(Increase) Decrease in Inventories	(30,023)	-
(Increase) Decrease in Prepaid Expense	-	(86,523)
Increase (Decrease) in Salaries Payable	(45,383)	(40,251)
Increase (Decrease) in Accounts Payable	(204,854)	(103,175)
Increase (Decrease) in Workers' Compensation Claims Payable	-	(582,916)
Increase (Decrease) in General Liability Claims Pending	-	(119,881)
Increase (Decrease) in Post Employment Benefits Payable	43,277	23,020
Increase (Decrease) in Compensated Absences Payable	(9,158)	3,189
Non-Operating Damages Losses Recovered	-	13,775
Other Non-Operating Expenses	(114,432)	-
Other Non-Operating Revenues	56,019	50,245
Total Adjustments	1,092,405	513,544
Net Cash Provided by Operating Activities	\$ 2,604,414	\$ 1,758,115
Supplemental Disclosure of Non-Cash Capital and Related Financing Activities:		
Contribution and Transfer of Capital Assets (to) from other funds	(13,608)	232,306
Total Non-Cash Capital and Related Financing Activities	\$ (13,608)	\$ 232,306

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, 2009

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. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with original maturities of three months or less from the date of purchase. 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. Capital assets are defined as assets with an individual cost of more than \$5,000. Depreciation is provided using the straight-line method over the estimated life of the asset. As of 2008 the Park and Recreation Board is no longer using salvage values, and will depreciate assets to zero.

Estimated useful lives for determining annual depreciation are as follows:

Infrastructure	15 to 100 years
Structures and Improvements	25 to 50 years
Equipment	5 to 15 years
Public Improvements	20 to 40 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	Internal Service	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 108,648	\$ -	\$ 12,814	\$ -	\$ 1,641	\$ 46	\$ 123,149	\$178,719
Property Tax	1,066,910	107,976	-	-	-	-	1,174,886	-
Intergovernmental	94,148	-	-	-	4,390,401	-	4,484,549	-
Accrued Interest	-	-	-	3,075	-	-	3,075	-
Net Receivables	\$1,269,706	\$107,976	\$ 12,814	\$ 3,075	\$ 4,392,042	\$ 46	\$ 5,785,659	\$178,719

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 2009 for base and percentage rent was \$104,626.

Note 3 - Receivables (Continued)

The future collection requirements for this agreement are as follows:

Scheduled Lease Collections	Operating Lease
2010	\$ 121,000
2011	121,000
2012	133,100
2013	133,100
2014	133,100
2015 and thereafter	<u>10,207,020</u>
Total	<u>\$10,848,320</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 2009 for base rent was \$121,910.

The future collection requirements for this agreement are as follows:

Scheduled Lease Collections	Operating Lease
2010	\$ 124,874
2011	127,920
2012	131,054
2013	134,275
2014	137,587
2015 and thereafter	<u>1,332,369</u>
Total	<u>\$1,988,079</u>

Note 4 - Changes in Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
Governmental Activities				
Capital assets not being depreciated				
Land	\$56,548,739	\$ -	\$ -	\$56,548,739
Construction in Progress	<u>20,060,092</u>	<u>7,994,200</u>	<u>(5,039,862)</u>	<u>23,014,430</u>
Total capital assets not being depreciated	<u>76,608,831</u>	<u>7,994,200</u>	<u>(5,039,862)</u>	<u>79,563,169</u>
Capital assets being depreciated				
Buildings and Structures	61,550,081	130,315	-	61,680,396
Infrastructure	112,496,136	1,680,694	-	114,176,830
Public Improvements	148,388,531	5,109,454	(912,970)	152,585,015
Equipment	<u>12,486,569</u>	<u>1,440,507</u>	<u>(684,235)</u>	<u>13,242,841</u>
Total capital assets being depreciated	<u>334,921,317</u>	<u>8,360,970</u>	<u>(1,597,205)</u>	<u>341,685,082</u>
Less accumulated depreciation for:				
Buildings and Structures	(20,530,436)	(1,309,446)	-	(21,839,882)
Infrastructure	(70,101,761)	(1,857,139)	-	(71,958,900)
Public Improvements	(58,561,251)	(5,551,723)	152,162	(63,960,812)
Equipment	<u>(7,405,441)</u>	<u>(1,489,891)</u>	<u>646,282</u>	<u>(8,249,050)</u>
Total accumulated depreciation	<u>(156,598,889)</u>	<u>(10,208,199)</u>	<u>798,444</u>	<u>(166,008,644)</u>
Total capital assets being depreciated net	<u>178,322,428</u>	<u>(1,847,229)</u>	<u>(798,761)</u>	<u>175,676,438</u>
Governmental activities capital assets, net	<u>\$254,931,259</u>	<u>\$ 6,146,971</u>	<u>(\$5,838,623)</u>	<u>\$255,239,607</u>

Note 4 - Changes in Capital Assets (Continued)

	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
Business type Activities				
Capital assets not being depreciated				
Land	1,206,784	\$ -	\$ -	1,206,784
Construction in Progress	281,841	8,808	(281,841)	8,808
Total capital assets not being depreciated	<u>1,488,625</u>	<u>8,808</u>	<u>(281,841)</u>	<u>1,215,592</u>
Capital assets, being depreciated				
Buildings and Structures	12,248,627	-	-	12,248,627
Infrastructure	98,638	-	-	98,638
Public Improvements	7,216,386	371,745	-	7,588,131
Equipment	1,406,663	79,125	(8,954)	1,476,834
Total capital assets, being depreciated	<u>20,970,314</u>	<u>450,870</u>	<u>(8,954)</u>	<u>21,412,230</u>
Less accumulated depreciation for:				
Buildings and Structures	(4,880,885)	(316,783)	-	(5,197,668)
Infrastructure	(3,195)	(4,709)	-	(7,904)
Public Improvements	(3,481,080)	(210,291)	-	(3,691,371)
Equipment	(871,461)	(83,021)	8,954	(945,528)
Total accumulated depreciation	<u>(9,236,621)</u>	<u>(614,804)</u>	<u>8,954</u>	<u>(9,842,471)</u>
Total capital assets, being depreciated net	<u>11,733,693</u>	<u>(163,934)</u>	<u>-</u>	<u>11,569,759</u>
Business-type activities capital assets, net	<u>13,222,318</u>	<u>(155,126)</u>	<u>(281,841)</u>	<u>12,785,351</u>

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation	\$ 8,852,906
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>1,355,293</u>
Total depreciation expense – governmental activities	<u>\$10,208,199</u>

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

Park Operating	<u>\$ 614,804</u>
----------------	-------------------

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
2010	\$ 38,945	\$ 28,854	\$ 67,799
2011	40,912	26,887	67,799
2012	42,979	24,820	67,799
2013	45,150	22,649	67,799
2014	47,432	20,367	67,799
2015 –2019	275,618	63,377	338,995
2020 - 2021	96,828	4,870	101,698
Total	<u>\$587,864</u>	<u>\$191,824</u>	<u>\$779,688</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 was 3.90%. Utility cost savings generated through the use of the energy saving lighting system was allocated to the debt service payments. The remaining balance was paid in full in 2009.

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
Governmental Activities:					
Compensated Absences	\$3,827,429	\$2,406,916	\$2,375,893	\$3,858,452	\$2,485,101
Post Employment Benefits	643,628	885,322	451,626	1,077,324	-
Business-type activities:					
Notes Payable	641,146	-	53,282	587,864	38,945
Compensated absences	351,670	136,842	146,000	342,512	342,512
Post Employment Benefits	100,382	88,344	45,067	143,659	-
Total Long-Term Liabilities	<u>\$5,564,255</u>	<u>\$3,517,424</u>	<u>\$3,071,868</u>	<u>\$6,009,811</u>	<u>\$2,866,558</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 2009 for base and percentage rent was \$110,899.

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

Year ending December 31	Business-Type Activity Amount
2010	\$ 55,219
2011	55,219
2012	55,219
2013	55,219
2014	55,219
2015-2030	<u>883,504</u>
Total minimum lease payments	<u>\$1,159,599</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, 2009 are as follows:

General Fund

Due to: Park Self Insurance Fund \$ 828,600

Capital Project - Permanent Improvement

Due to: Park Grant and Dedicated Revenue Fund 1,800,000

Due to: Park Self Insurance Fund 2,020,000

Due to: Park Operating Fund 800,000

Total \$5,448,600

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:			Total
	General	Permanent Improvement	Park Grant & Dedicated Revenue	
Transfer out:				
General	\$ -	\$ 1,339,289	\$ 59,835	\$1,399,124
Park Grant & Dedicated Revenue	-	496,747	-	496,747
Park Operating Enterprise Fund	295,000	-	-	295,000
Total Transfers Out	<u>\$295,000</u>	<u>\$ 1,836,036</u>	<u>\$ 59,835</u>	<u>\$ 2,190,871</u>

Due To/From Other Funds:

Receivables and payables between funds of the Park and Recreation Board on December 31, 2009 are:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 153,527	\$ 12,822
Special Revenue Fund	2,255	610
Capital Project Fund	-	153,527
Enterprise Fund	11,177	-
	<u>\$ 166,959</u>	<u>\$ 166,959</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.

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

A) Plan Description (Continued)

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.

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, 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 6.75% of their annual covered salary in 2009. PEPFF members were required to contribute 9.4% of their annual covered salary in 2009.

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

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

The Park and Recreation Board's contribution for the years ending December 31, 2009, 2008, and 2007 for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

	<u>PERF</u>	<u>PEPFF</u>
2009	\$1,729,979	\$401,051
2008	\$1,611,176	\$452,181
2007	\$1,514,815	\$426,576

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 10.09% of salary. The unfunded actuarial liability is funded partially by payments each year of 2.68% of salary plus \$3,900,000 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, 2009, 2008 and 2007, for the MERF were:

2009	\$324,487
2008	\$548,352
2007	\$616,667

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 1/80th 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, 2008 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, 2008. 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 2% 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, 2008, and related information is as follows (amounts are expressed in thousands):

	<u>MPRA</u>
Contributions Made	\$5,811
Actuarial valuation date	12/31/08
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>			
2008	\$5,811	100	-
2007	\$6,814	100	-
2006	\$10,952	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 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)
2008	\$324,723	\$506,949	\$182,226	64.1	\$1,249	1458.9
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

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 2009, the Park and Recreation Board contributed \$496,693 to the plan. As of January 1, 2009, there were approximately 735 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	\$ 973,666
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>973,666</u>
Contributions made	<u>496,693</u>
Increase in net OPEB obligation	476,973
Net OPEB obligation – beginning of year	<u>744,010</u>
Net OPEB obligation – end of year	<u><u>\$ 1,220,983</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 2009 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>
12/31/2009	\$973,666	51.0%	\$1,220,983
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, 2009, 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 \$9,476,714, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,476,714. The covered payroll (annual payroll of active employees covered by the plan) was \$35,349,671, and the ratio of the UAAL to the covered payroll was 26.8 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, 2009, 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 10 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 original amortization period was 30 years, as of January 1, 2009, 28 years remain.

Note 13- Deficit Fund Equity

The Park Permanent Improvement Fund had a deficit Fund Balance as of December 31, 2009. 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 2010.

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, 2009 is \$4,829,600 and is based on actuarial estimates dated December 31, 2009. The general liability claims liability for fiscal year ended December 31, 2009 is \$1,143,375 and is based on legal estimates dated December 31, 2009.

Changes in the claims liability for the two years ended December 31, 2009 and December 31, 2008 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Liability Balance, January 1	\$ 5,412,515	\$ 5,250,591	\$1,263,256	\$ 1,074,500
Current Year Claims and Changes in Estimates	1,161,453	1,657,993	(11,846)	318,638
Claim Payments	<u>(1,744,368)</u>	<u>(1,496,069)</u>	<u>(108,035)</u>	<u>(129,882)</u>
Liability Balance, December 31	<u>\$ 4,829,600</u>	<u>\$ 5,412,515</u>	<u>\$1,143,375</u>	<u>\$ 1,263,256</u>

Changes in Net Assets – By Major Risk Program for the year ended December 31, 2009, follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Beginning Balance, January 1	(\$2,518,478)	\$1,634,017	(\$ 884,461)
Revenues	2,290,848	484,592	2,775,440
Expenses	(2,044,679)	(151,297)	(2,195,976)
Other Expenses:			
Correction of Prior Year Expense	-	6,112	6,112
Decrease in General Liability Claims Payable	-	119,881	119,881
Decrease in Workers Compensation Claims Payable	582,916	-	582,916
Increase in Compensated Absences Payable	-	(251)	(251)
Transfer of Reserve	<u>1,900,000</u>	<u>(1,900,000)</u>	<u>-</u>
Ending Balance, December 31	<u>\$ 210,607</u>	<u>\$ 193,054</u>	<u>\$ 403,661</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, 2009 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, 2009 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 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 2009 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 Park and Recreation Board, and Hennepin County. Membership on the Board consists of 10 individuals including the Mayor of Minneapolis, one of the Judges of Hennepin County assigned to the Juvenile Court, two representatives from the Minneapolis City Council, two representatives from the Board of Directors of Special School District No. 1, two Hennepin County Board of Commissioners, the Hennepin County Attorney and one representative from 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 2009 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 2nd Avenue South, Minneapolis, Minnesota 55401.

This Page Left Blank Intentionally.

**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, 2009

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 42,735,391	\$ 36,492,391	\$ 36,525,846	\$ 33,455
Property Tax Increment	-	-	56,188	56,188
Fiscal Disparities	-	5,720,000	5,719,744	(256)
Other Taxes	3,000	3,000	(1,461)	(4,461)
Total Taxes	42,738,391	42,215,391	42,300,317	84,926
Intergovernmental Revenues:				
Federal Grants				
Economic Recovery Act - Teen Employment Program	-	270,000	267,716	(2,284)
State Grants -				
Local Government Aid	10,478,975	9,608,313	9,469,497	(138,816)
State Aid - Market Value Credit	-	1,128,000	1,122,410	(5,590)
Payments in Lieu of Taxes/Rent	40,000	40,000	41,535	1,535
Other Aid	73,290	73,290	73,290	-
Dept. of Economic Security - Teen Employment Program	-	450,662	438,208	(12,454)
Dept. of Public Safety - Post Brd Training Reimb.	15,000	15,000	-	(15,000)
Other Local Governments -				
City of Minneapolis - Employees Retirement Fund	300,000	200,000	199,256	(744)
Metropolitan Council - Environmental Grants	10,500	10,500	5,600	(4,900)
Metropolitan Council - Operations & Maintenance	1,048,315	1,043,315	916,315	(127,000)
Total Intergovernmental Revenues	11,966,080	12,839,080	12,533,827	(305,253)
Charges For Services and Sales:				
Culture and Recreation -				
Overhead	230,000	230,000	225,079	(4,921)
Park Board Services	868,531	518,531	727,525	208,994
Other Services Provided	436,412	286,412	246,881	(39,531)
Sales	52,000	52,000	53,192	1,192
Total Charges For Services and Sales	1,586,943	1,086,943	1,252,677	165,734
Fines and Forfeits				
Fines	535,000	535,000	559,831	24,831
Forfeits	1,500	1,500	300	(1,200)
Total Fines and Forfeits	536,500	536,500	560,131	23,631
Miscellaneous Revenues:				
Rents and Commissions	676,861	676,861	580,432	(96,429)
Contributions and Donations	202,500	352,500	230,757	(121,743)
Damage Claims	5,200	5,200	7,358	2,158
Other	1,000	1,000	110,454	109,454
Total Miscellaneous Revenues	885,561	1,035,561	929,001	(106,560)
Total Revenues	57,713,475	57,713,475	57,575,953	(137,522)

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, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES				
Culture and Recreation -				
District Operations	24,581,108	24,111,491	23,701,652	409,839
City-Wide Operations	11,210,554	11,790,517	11,443,157	347,360
Forestry	10,057,113	9,740,373	9,831,861	(91,488)
Police	5,383,687	5,276,013	5,148,115	127,898
Support Services	3,350,622	3,096,867	2,979,396	117,471
City Management Fee & Workers' Compensation	1,281,306	2,623,214	1,085,547	1,537,667
Total Culture and Recreation	<u>55,864,390</u>	<u>56,638,475</u>	<u>54,189,728</u>	<u>2,448,747</u>
Excess of Revenues Over (Under) Expenditures	<u>1,849,085</u>	<u>1,075,000</u>	<u>3,386,225</u>	<u>2,311,225</u>
OTHER FINANCING SOURCES (USES)				
Transfer From Park Enterprise Fund	295,000	295,000	295,000	-
Transfer To Park Capital Project Fund	(2,144,085)	(1,370,000)	(1,339,289)	30,711
Transfer To Park Special Revenue Fund	-	-	(59,835)	(59,835)
Total Other Financing Sources (Uses)	<u>(1,849,085)</u>	<u>(1,075,000)</u>	<u>(1,104,124)</u>	<u>(29,124)</u>
Net Change in Fund Balance	-	-	2,282,101	2,282,101
Fund Balance - January 1	802,363	802,363	802,363	-
Fund Balance - December 31	<u>\$ 802,363</u>	<u>\$ 802,363</u>	<u>\$ 3,084,464</u>	<u>\$ 2,282,101</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, 2009

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 12,103,110	\$12,103,110	\$10,987,031	\$ (1,116,079)
Fiscal Disparities			1,033,316	1,033,316
Total Taxes	<u>12,103,110</u>	<u>12,103,110</u>	<u>12,020,347</u>	<u>(82,763)</u>
Intergovernmental Revenues:				
State Grants -				
Disaster Credit	<u>-</u>	<u>-</u>	<u>442</u>	<u>442</u>
Miscellaneous Revenues:				
Rents	<u>-</u>	<u>-</u>	<u>6,466</u>	<u>6,466</u>
Total Revenues	<u>12,103,110</u>	<u>12,103,110</u>	<u>12,027,255</u>	<u>(75,855)</u>
EXPENDITURES				
Culture and Recreation -				
Maintenance and Repairs	<u>12,103,110</u>	<u>12,103,110</u>	<u>12,027,255</u>	<u>75,855</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<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, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
State Government				
Environmental Grant	\$ 12,000	\$ 12,000	\$ 1,000	\$ (11,000)
Other Local Governments- Metropolitan Council	1,125,000	1,125,000	1,112,468	(12,532)
Total Intergovernmental Revenues	<u>1,137,000</u>	<u>1,137,000</u>	<u>1,113,468</u>	<u>(23,532)</u>
Charges For Services and Sales:				
Other Services Provided	-	-	36,346	36,346
Sales	-	-	2,641	2,641
Total Charges For Services and Sales	<u>-</u>	<u>-</u>	<u>38,987</u>	<u>38,987</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	196,600	143,510	(53,090)
Contributions and Donations	-	275,000	234,524	(40,476)
Damage Claims	-	-	44,046	44,046
Revenue From Trusts	3,000	3,000	5,400	2,400
Other Miscellaneous Revenues	-	-	33	33
Total Miscellaneous Revenues	<u>24,600</u>	<u>474,600</u>	<u>427,513</u>	<u>(47,087)</u>
Total Revenues	<u>1,167,600</u>	<u>1,617,600</u>	<u>1,579,968</u>	<u>(37,632)</u>
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	30,600	380,600	378,203	2,397
Capital Outlay	37,000	37,000	34,512	2,488
Total Expenditures	<u>67,600</u>	<u>417,600</u>	<u>412,715</u>	<u>4,885</u>
Excess of Revenues Over (Under) Expenditures	<u>1,100,000</u>	<u>1,200,000</u>	<u>1,167,253</u>	<u>(32,747)</u>
OTHER FINANCING SOURCES (USES)				
Transfer From Park General Fund	-	60,000	59,835	(165)
Transfer To Park Capital Project Fund	<u>(1,100,000)</u>	<u>(750,000)</u>	<u>(496,747)</u>	<u>253,253</u>
Total Other Financing Sources (Uses)	<u>(1,100,000)</u>	<u>(690,000)</u>	<u>(436,912)</u>	<u>253,088</u>
Net Change in Fund Balance	-	510,000	730,341	220,341
Fund Balance - January 1	<u>3,653,453</u>	<u>3,653,453</u>	<u>3,653,453</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 3,653,453</u>	<u>\$ 4,163,453</u>	<u>\$ 4,383,794</u>	<u>\$ 220,341</u>

MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2009

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.

	Original Budget	Total Revisions	Revised Budget
General Fund	\$58,008,475	\$ -	\$58,008,475
Special Revenue Funds	13,270,710	-	13,270,710
Total	\$71,279,185	\$ -	\$71,279,185

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)
1/1/2009	\$ -0-	\$9,476,714	\$9,476,714	0.0%	\$35,349,671	26.8%
1/1/2008	\$ -0-	\$9,426,662	\$9,426,662	0.0%	\$35,687,712	26.4%
1/1/2007	\$ -0-	\$9,434,701	\$9,434,701	0.0%	\$36,851,875	25.6%

This Page Left Blank Intentionally.

OTHER SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

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, 2009**

	<u>Park Acquisition and Improvement</u>
ASSETS	
Cash and Cash Equivalents	\$ 786,612
Total Assets	<u>\$ 786,612</u>
 LIABILITIES AND FUND BALANCE	
Liabilities :	
Payables -	
Accounts	<u>\$ 7,971</u>
Total Liabilities	<u>7,971</u>
 Fund Balance:	
Reserved for Encumbrance	2,450
Reserved for Specific Projects	<u>776,191</u>
Total Fund Balance	<u>778,641</u>
 Total Liabilities and Fund Balance	 <u>\$ 786,612</u>

**MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUND
Year Ended December 31, 2009**

	Park Acquisition and Improvement
REVENUES	
Intergovernmental	\$ 300,000
Special Assessments	192,852
Total Revenues	<u>492,852</u>
 EXPENDITURES	
Capital Outlay	<u>334,188</u>
Total Expenditures	<u>334,188</u>
Net Change in Fund Balance	<u>158,664</u>
 FUND BALANCE - JANUARY 1	 619,977
 FUND BALANCE - DECEMBER 31	 <u><u>\$ 778,641</u></u>

This Page Left Blank Intentionally.

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, 2009

	ADDITIONS						
	Proceeds From Sale of Bonds		Interaccount Transfer		Capital Advances and	Other	
	Prior Yrs	Current Yr	Prior Yrs	Curr Yr	Receivables	Prior Years	Curr Year
Park Reserve	\$ 400	\$ -	\$ (894,921)	\$ -	\$ 97,715	\$ 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	-	-	50,211	-	1,037,910	4,231,074	1,026,995
Central Park Land Acquisition	473,000	-	250,000	-	7,765	733,460	-
Cedar Lake Trail	-	-	-	-	-	1,337,334	-
Gluek Riverside Park	-	-	-	-	-	55,700	-
NRP Preplan. & Design	-	-	-	-	68,987	406	-
Park Preplan. & Design	200,000	-	63,500	-	(364,217)	1,799,894	2,050
Logan Park	491,001	-	-	-	-	357,359	-
Lynnhurst Park	679,153	-	(32,683)	-	64,152	67,949	-
C. Mississippi-Nic. Island Pass	43,565	-	73,373	-	-	1,139,694	-
M'haha Interpretation Kiosk	-	-	-	-	-	75,000	-
Loring Park Site	787,967	-	109,033	-	100,113	2,520,188	-
Stevens Sq. Neigh. Tree Planting	-	-	-	-	-	2,545	-
Bassett Creek Trail	-	-	-	-	44,770	281,136	-
Lower Gorge	-	-	-	-	15,310	193,801	-
McRae Site	-	-	67,864	-	-	210,908	-
Minnehaha Regional Park Ph III	-	-	-	-	47,601	3,424,739	-
North Commons Pool	1,236,835	-	63,165	-	-	518,000	-
Mill Ruins Park	-	-	-	-	36,721	7,958,648	-
Windom South Park Building	200,000	-	20,000	-	10,089	-	-
Lakeshore	-	-	-	-	-	159,080	-
Nokomis Landscape	-	-	-	-	-	94,019	1,036
Stewart Park	4,952	-	19,371	-	-	1,357,428	-
Beltrami Park	62,500	-	2,494	-	1,327	152,692	-
Upper Mississippi Master Plan	-	-	-	80,580	-	620,090	-
Harrison Community Center	-	-	-	-	25,915	504,734	-
Lake of the Isles Master Plan	-	-	-	-	15,548	60,140	-
North Mississippi Regional Park	50,963	-	-	-	204,875	5,110,961	1,003,123
Victory Park	62,500	-	-	-	15,014	267,680	-
Armatage Park Playground	150,000	-	-	-	3,076	151,965	-
Athletic Facilities	14,000,000	-	-	-	800,000	588,534	-
Bridge Park Schematic Design	-	-	-	-	25	9,400	-
Van Cleve Community Center	1,147,837	-	-	-	-	157,299	-
East Phillips Site	250,000	-	(10,000)	-	-	250,000	-
Armatage Building Remodeling	600,000	-	(21,131)	-	18,962	-	-
Minnehaha Pkwy Regional Trail	450,000	-	-	-	-	1,700,698	97,265
Chain of Lakes Flood Mitigation	-	-	-	(120,000)	10,422	8,543,513	502,019
SE Como Blvd. Tree Planting	-	-	-	-	-	11,574	-
North Commons Playground	300,000	-	16,457	-	-	842,500	-
Bottineau Building	132,000	-	-	-	10,875	2,146,891	-
Off Leash Dog Recreation Areas	100,000	-	-	-	-	100,000	-
Riverside Park Site	350,000	-	-	-	52	26,762	-
Bridge Park Site	-	-	-	(80,580)	-	649,036	-
Pershing Park	-	-	-	-	3,353	125,525	-
Tower Hill Park Landscaping	-	-	-	-	4,151	-	-
Re-Roofing 2000	100,000	-	-	-	3,513	35,357	-
M. L. King Park	50,000	-	-	-	11,874	152,016	-
Chain of Lakes Alum-Macrophyte	-	-	-	-	509	140,500	-

(Continued)

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/09	Encumb.	Unencumb Balance 12/31/09
	Expenditures					
	Prior Years	Current Yr				
\$ 390,437	\$ 278,456	\$ 111,981	\$ 390,437	\$ -	\$ -	\$ -
418,970	418,970	-	418,970	-	-	-
3,470,369	3,469,535	-	3,469,535	834	-	834
6,346,190	4,552,503	1,793,687	6,346,190	-	-	-
1,464,225	1,464,225	-	1,464,225	-	-	-
1,337,334	1,329,045	-	1,329,045	8,289	-	8,289
55,700	55,007	-	55,007	693	-	693
69,393	69,393	-	69,393	-	-	-
1,701,227	1,447,477	3,364	1,450,841	250,386	-	250,386
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
7,995,369	7,965,098	30,271	7,995,369	-	-	-
230,089	230,089	-	230,089	-	-	-
159,080	137,194	-	137,194	21,886	-	21,886
95,055	94,019	1,036	95,055	-	-	-
1,381,751	1,369,992	-	1,369,992	11,759	-	11,759
219,013	219,013	-	219,013	-	-	-
700,670	523,510	10,051	533,561	167,109	-	167,109
530,649	530,649	-	530,649	-	-	-
75,688	75,688	-	75,688	-	-	-
6,369,922	5,399,935	969,987	6,369,922	-	-	-
345,194	345,194	-	345,194	-	-	-
305,041	305,041	-	305,041	-	-	-
15,388,534	15,195,093	-	15,195,093	193,441	-	193,441
9,425	9,425	-	9,425	-	-	-
1,305,136	1,298,110	-	1,298,110	7,026	-	7,026
490,000	479,012	-	479,012	10,988	-	10,988
597,831	597,831	-	597,831	-	-	-
2,247,963	2,163,963	83,851	2,247,814	149	-	149
8,935,954	8,660,145	275,809	8,935,954	-	-	-
11,574	11,574	-	11,574	-	-	-
1,158,957	1,157,813	-	1,157,813	1,144	-	1,144
2,289,766	2,259,587	30,179	2,289,766	-	-	-
200,000	170,796	-	170,796	29,204	-	29,204
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, 2009

	ADDITIONS						
	Proceeds From Sale of Bonds		Interaccount Transfer		Capital Advances and	Other	
	Prior Yrs	Current Yr	Prior Yrs	Curr Yr	Receivables	Prior Years	Curr Year
East River Flats Park	-	-	-	-	19,485	822,893	27,765
Washburn & Clinton Field	291,593	-	-	-	124	60,578	-
Erosion Control	-	-	-	-	-	34,651	-
Painter Park Site & Totlot	400,000	-	-	-	-	23,600	-
Rosacker Pool	3,056,310	-	-	-	23,878	180,000	-
Nokomis Gateway Shoreline Buffer	-	-	-	-	-	12,658	-
Lyndale Farmstead Site & Totlot	375,000	-	-	-	-	22,521	-
Nicollet Island Tree Planting	-	-	-	-	-	10,000	-
Bassett's Creek	-	-	-	-	-	126,686	-
Powderhorn Lake	-	-	26,000	-	-	565,263	-
Lake of the Isles Maintenance	-	-	-	-	1,268	125,000	-
Armatage Water Service	-	-	-	-	4,132	-	-
Regional Bike Trails	-	-	-	-	-	2,194,532	-
Lake Calhoun Alum Treatment	-	-	-	-	-	226,000	-
Pershing Park Site & Field	-	-	(14,000)	-	-	315,000	-
Outdoor Bleachers 2002	-	-	-	-	-	125,000	-
Matthews Tennis Court	75,000	-	-	-	-	75,000	-
Willard Park	170,000	-	-	-	-	738,161	-
M.L. King Tennis Court	-	-	-	-	-	150,000	-
Cedar Field Site & Totlot	-	-	-	-	-	400,000	-
Currie Site & Totlot	400,000	-	-	-	-	45,000	-
Wirth Lake Beach Park Building	-	-	-	-	221,288	955,000	-
Moore Property Acquisition	-	-	-	-	1,130,000	4,998,960	-
Bryn Mawr Meadows Parking Lot	-	-	-	-	7,801	80,000	-
Nokomis Gym Re-Roof 2002	-	-	-	-	-	50,000	-
Nokomis Gym Floor Replacement	-	-	-	-	-	80,000	-
No. Miss. Regional Pk Prairie	-	-	-	-	-	82,376	-
Longfellow Garden	-	-	-	-	4,849	873,821	-
Armatage Athletic Fields	29,000	-	43,000	-	9,033	500,890	-
CARAG Landscaping Projects	-	-	-	-	-	22,656	-
BF Nelson	-	-	-	-	66,244	228,891	-
Longfellow Oak Savanna	-	-	-	-	-	18,972	-
2003 Grand Rounds Seed Money	-	-	-	-	7,187	24,960	-
2003 Regional Trail	-	-	-	-	-	676,422	-
Webber Park Totlot	204,138	-	-	-	-	125,000	-
Edgewater Park	-	-	-	-	-	462,130	248,536
Above the Falls - Master Plan	-	-	-	-	16,351	156,117	-
No. Mississippi Wetlands Phase V	-	-	-	-	-	279,656	-
Jackson Square Site and Totlot	450,000	-	-	-	34,497	155,000	-
Skate Park Installations	306,000	-	-	-	-	75,090	-
Victory Mem. Pkwy & Bike Path	-	-	-	-	1	1,240,189	11,033
Gluek Riverside Park EPA	-	-	-	46,700	299	250,213	-
Grand Rounds Corridor Mgmt Plan	-	-	-	-	7,410	-	-
Re-Roofing 2004	60,000	-	-	-	1,000	164,400	-
Folwell HVAC	-	-	-	-	16,586	90,000	-
St. Anthony Parkway Bike Trail	-	-	-	-	-	1,092,492	-
Franklin Steele Wading Pool	592,490	-	-	-	-	154,880	240,000
Longfellow HVAC	215,037	(36)	-	-	-	72,750	-
Miss. River Gorge Stabilization	-	-	-	-	-	255,335	99,665
Fuller Park	-	-	-	-	-	15,699	-

(Continued)

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/09	Encumb.	Unencumb Balance 12/31/09
	Expenditures					
	Prior Years	Current Yr				
870,143	498,573	29,974	528,547	341,596	-	341,596
352,295	352,295	-	352,295	-	-	-
34,651	34,651	-	34,651	-	-	-
423,600	421,662	-	421,662	1,938	-	1,938
3,260,188	3,260,188	-	3,260,188	-	-	-
12,658	12,658	-	12,658	-	-	-
397,521	396,531	-	396,531	990	-	990
10,000	6,000	-	6,000	4,000	-	4,000
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	-	-	-
2,194,532	2,138,809	-	2,138,809	55,723	-	55,723
226,000	224,553	-	224,553	1,447	-	1,447
301,000	296,600	-	296,600	4,400	-	4,400
125,000	124,568	-	124,568	432	-	432
150,000	146,047	-	146,047	3,953	-	3,953
908,161	895,490	-	895,490	12,671	-	12,671
150,000	147,551	-	147,551	2,449	-	2,449
400,000	398,652	-	398,652	1,348	-	1,348
445,000	400,000	-	400,000	45,000	-	45,000
1,176,288	975,265	201,023	1,176,288	-	-	-
6,128,960	6,128,960	-	6,128,960	-	-	-
87,801	87,801	-	87,801	-	-	-
50,000	42,908	-	42,908	7,092	-	7,092
80,000	73,887	-	73,887	6,113	-	6,113
82,376	82,376	-	82,376	-	-	-
878,670	875,908	2,762	878,670	-	-	-
581,923	581,923	-	581,923	-	-	-
22,656	22,656	-	22,656	-	-	-
295,135	196,129	-	196,129	99,006	-	99,006
18,972	18,972	-	18,972	-	-	-
32,147	32,147	-	32,147	-	-	-
676,422	676,422	-	676,422	-	-	-
329,138	329,138	-	329,138	-	-	-
710,666	691,513	6,111	697,624	13,042	-	13,042
172,468	172,468	-	172,468	-	-	-
279,656	279,531	-	279,531	125	-	125
639,497	639,497	-	639,497	-	-	-
381,090	374,714	-	374,714	6,376	-	6,376
1,251,223	1,240,189	11,034	1,251,223	-	-	-
297,212	294,267	2,945	297,212	-	-	-
7,410	7,410	-	7,410	-	-	-
225,400	225,400	-	225,400	-	-	-
106,586	106,586	-	106,586	-	-	-
1,092,492	963,041	63,640	1,026,681	65,811	-	65,811
987,370	643,766	308,036	951,802	35,568	-	35,568
287,751	233,313	-	233,313	54,438	-	54,438
355,000	355,000	-	355,000	-	-	-
15,699	15,699	-	15,699	-	-	-

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF PROJECT COSTS
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
For the Year Ended December 31, 2009

	ADDITIONS							
	Proceeds From Sale of Bonds		Interaccount Transfer		Capital Advances and Receivables		Other	
	Prior Yrs	Current Yr	Prior Yrs	Curr Yr	Prior Yrs	Curr Yr	Prior Yrs	Curr Year
Jordan Park Site	350,000	-	-	-	21,185	100,000	-	-
Shingle Creek Site & Totlot	350,000	-	-	-	1,318	-	-	-
Lake Hiawatha Building	480,000	-	-	-	92,971	347,150	-	-
Minnehaha Creek Trails & Stairs	-	-	-	-	34,208	639,747	-	-
Parade Artificial Turf	1,000,000	-	-	-	-	752,720	-	-
Kenwood Park Playground	-	-	-	-	-	46,203	-	37,082
Webber Park Building	45,862	-	-	-	-	245,000	-	-
Diseased Elm & Buckthorn	-	-	-	-	-	250,000	-	101,580
Grand Rounds Brochure	-	-	-	-	1,392	21,215	-	2,496
Grainbelt Shoreline	-	-	-	-	50,239	564,739	-	230,215
Above the Falls - Phase I	-	-	-	-	-	2,489,247	-	-
Tennis Courts	-	-	-	-	-	92,838	-	112,977
Marcy-Holmes Neigh Tree Planting	-	-	-	-	7	13,000	-	-
Victory Memorial	-	-	-	-	182,035	2,046	-	-
Fort Snelling 201 Building	-	-	-	-	945,000	-	-	-
Water Street Park Cleanup	-	-	-	-	-	15,000	-	-
South Wirth Park Infrastructure	-	-	-	-	-	161,780	-	-
Bryant Square Park Seating	-	-	-	-	-	27,660	-	232
Linden Hills Park Garden & Seating	-	-	-	-	3,722	-	-	-
Lake Harriet Lighting	-	-	-	-	16,452	71,947	-	8,053
East Phillips Community Center	-	319,000	-	-	-	100,011	-	335,788
Grand Rounds Missing Link	-	-	-	-	-	450,000	-	-
Kenwood Re-Roofing	-	-	-	-	(11,275)	39,130	-	11,470
Grand Rounds Corridor Plan	-	-	-	-	33,062	-	-	-
Mississippi River Gorge Area	-	-	-	-	242,318	243,172	-	89,379
Holmes Park Shelter	-	-	-	-	-	2,259	-	-
McRae Park Court Resurfacing	-	-	-	-	-	13,243	-	-
Minnehaha Creek Reach 8 Bank	-	-	-	-	31,876	544,496	-	-
Kenwood Tennis Court	-	-	-	-	-	328,311	-	20,689
Mississippi Gorge Picnic Area	-	-	-	-	1,829	-	-	-
Bryant Sq. Outdoor Performance	-	-	-	-	316	33,421	-	663
East River Parkway Trails	-	-	-	-	115,835	400,000	-	734,389
Fire Protection Systems	-	-	-	-	1,421	200,000	-	-
Kenny Park Tennis Crts Rehab	-	-	-	20,000	21,120	8,750	-	25,000
Pre-engineering and Research	-	-	-	5,840	3,280	-	-	19,584
B F Nelson Park Development	-	-	-	-	66,244	275,727	-	365,200
Theodore Wirth Home Rem.	-	-	-	-	13,404	-	-	-
Windom South Totlot	-	-	-	(83,840)	-	150,000	-	-
Linden Hills Park Sign	-	-	-	-	-	-	-	4,879
Luxton Recreation Ctr HVAC	-	-	-	(144,230)	1	150,000	-	-
MPRB Headquarters Roof Repair	-	-	-	52,004	-	100,000	-	75,000
Cavell Park Sidewalk Repl	-	-	-	(61,302)	39,839	100,000	-	-
Farview Reception Area	-	-	-	-	-	44,038	-	-
Longfellow Sidewalks	-	-	-	-	-	-	-	17,705
Longfellow Building	-	-	-	-	-	-	-	32,529
Morris Park Totlot Playground	-	-	-	-	-	-	-	138,520
Lynnhurst Park Batting Cage	-	-	-	-	8,499	10,000	-	-
Pearl Park Wading Pool Drain	-	-	-	-	-	48,900	-	2,100
Folwell Tennis Courts	-	-	-	41,877	256	-	-	-
Farview Parking Lot	-	-	-	88,185	-	-	-	15,815

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/09	Unencumb Balance 12/31/09
	Expenditures				
	Prior Years	Current Yr			
471,185	471,185	-	471,185	-	-
351,318	351,318	-	351,318	-	-
920,121	919,734	387	920,121	-	-
673,955	646,608	27,347	673,955	-	-
1,752,720	1,610,539	-	1,610,539	142,181	142,181
83,285	83,285	-	83,285	-	-
290,862	176,961	-	176,961	113,901	113,901
351,580	266,904	59,207	326,111	25,469	25,469
25,103	25,103	-	25,103	-	-
845,193	564,916	280,277	845,193	-	-
2,489,247	2,202,521	278,906	2,481,427	7,820	7,820
205,815	92,838	151	92,989	112,826	112,826
13,007	13,007	-	13,007	-	-
184,081	184,081	-	184,081	-	-
945,000	945,000	-	945,000	-	-
15,000	67	-	67	14,933	14,933
161,780	161,780	-	161,780	-	-
27,892	27,892	-	27,892	-	-
3,722	3,722	-	3,722	-	-
96,452	96,452	-	96,452	-	-
754,799	179,843	511,999	691,842	62,957	62,957
450,000	433,110	12,898	446,008	3,992	3,992
39,325	39,130	-	39,130	195	195
33,062	30,604	2,458	33,062	-	-
574,869	536,114	38,755	574,869	-	-
2,259	2,259	-	2,259	-	-
13,243	13,243	-	13,243	-	-
576,372	575,617	755	576,372	-	-
349,000	328,571	-	328,571	20,429	20,429
1,829	1,829	-	1,829	-	-
34,400	34,400	-	34,400	-	-
1,250,224	1,015,979	227,464	1,243,443	6,781	6,781
201,421	122,755	78,666	201,421	-	-
74,870	-	74,870	74,870	-	-
28,704	-	28,704	28,704	-	-
707,171	277,302	429,869	707,171	-	-
13,404	13,404	-	13,404	-	-
66,160	66,160	-	66,160	-	-
4,879	-	4,879	4,879	-	-
5,771	5,771	-	5,771	-	-
227,004	120,151	95,635	215,786	11,218	11,218
78,537	58,128	20,409	78,537	-	-
44,038	43,338	-	43,338	700	700
17,705	17,705	-	17,705	-	-
32,529	13,042	19,487	32,529	-	-
138,520	81,728	8,198	89,926	48,594	48,594
18,499	18,499	-	18,499	-	-
51,000	47,031	508	47,539	3,461	3,461
42,133	42,133	-	42,133	-	-
104,000	58,308	32,203	90,511	13,489	13,489

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF PROJECT COSTS
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
For the Year Ended December 31, 2009

	ADDITIONS						
	Proceeds From Sale of Bonds		Interaccount Transfer		Capital Advances and Receivables	Other	
	Prior Yrs	Current Yr	Prior Yrs	Curr Yr		Prior Years	Curr Year
Wayfind on Grand Rounds	-	-	-	-	6,668	-	-
Lk Calhoun So. Shore Parking	-	-	-	-	-	30,476	260,816
Father Hennepin Bluff Sound	-	-	-	23,466	-	-	-
West River Pkwy Bike & Ped	-	-	-	-	1,070,620	-	1,377,782
Riverfront Acquisition	-	-	-	-	3,260	-	182,211
East River Gorge Bluff Erosion	-	-	-	-	75,317	-	-
Lake of The Isles Hockey Panels	-	-	-	-	15,975	-	-
Lake Harriet Seating	-	-	-	-	68,478	-	-
Minnehaha Shelters	-	-	-	-	-	382,614	-
Nokomis Totlot	-	-	-	-	-	144,701	-
Chain of Lakes Plantings	-	-	-	73,300	-	-	-
Waite Park Lighted Sign	-	-	-	-	54	-	7,728
Bryant Avenue Bridge	-	-	-	-	48,789	-	-
Stump Removal	-	-	-	-	-	-	492,560
Phelps Park Bldg Renovation	-	-	-	-	-	-	100,000
Peace Bridge	-	-	-	-	5,722	-	18,000
Victory Memorial Drive	-	-	-	-	4,024	-	-
Shingle Creek Field	-	-	-	-	-	-	125,000
MLK Teen Teamwks Bldg	-	-	-	30,000	-	-	-
Lake District Park Signs	-	-	-	20,000	-	-	-
Lake District Cust. Service	-	-	-	8,000	21,657	-	-
Matthews Park Playground	-	-	-	-	(11,410)	-	45,000
Phillips Comm Ctr Rehab	-	-	-	-	-	-	500,000
Designated For Debt Serv	-	-	-	-	-	1,090,348	-
Other Reserve for Encumbrances	-	-	-	-	-	-	-
Capital Advances	-	-	-	-	(4,620,000)	-	-
Deferred Revenue	-	-	-	-	(2,480,748)	-	-
Completed Projects	-	-	(756,163)	-	-	756,163	-
	<u>\$ 31,103,103</u>	<u>\$ 318,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,601,675</u>	<u>\$ 8,749,929</u>

Total Additions	DEDUCTIONS		Total Expenditures	Unexpended Balance 12/31/09	Encumb.	Unencumb Balance 12/31/09
	Expenditures					
	Prior Years	Current Yr				
6,668	105	6,563	6,668	-	-	-
291,292	30,476	260,816	291,292	-	-	-
23,466	4,036	-	4,036	19,430	-	19,430
2,448,402	112,257	2,123,472	2,235,729	212,673	-	212,673
185,471	177,449	8,022	185,471	-	-	-
75,317	-	67,025	67,025	8,292	-	8,292
15,975	-	15,975	15,975	-	-	-
68,478	-	68,478	68,478	-	-	-
382,614	216,114	-	216,114	166,500	-	166,500
144,701	14,823	-	14,823	129,878	-	129,878
73,300	-	-	-	73,300	-	73,300
7,782	-	7,782	7,782	-	-	-
48,789	-	48,789	48,789	-	-	-
492,560	-	482,617	482,617	9,943	-	9,943
100,000	-	74,881	74,881	25,119	-	25,119
23,722	-	23,722	23,722	-	-	-
4,024	-	4,024	4,024	-	-	-
125,000	-	58,390	58,390	66,610	-	66,610
30,000	-	-	-	30,000	-	30,000
20,000	-	19,584	19,584	416	-	416
29,657	-	29,657	29,657	-	-	-
33,590	-	27,681	27,681	5,909	-	5,909
500,000	-	53,343	53,343	446,657	-	446,657
1,090,348	1,090,303	-	1,090,303	45	-	45
-	-	-	-	-	-	-
(4,620,000)	-	-	-	(4,620,000)	-	(4,620,000)
(2,480,748)	-	-	-	(2,480,748)	-	(2,480,748)
-	-	-	-	-	-	-
<u>\$ 123,773,671</u>	<u>\$ 118,062,006</u>	<u>\$ 9,550,594</u>	<u>\$ 127,612,600</u>	<u>\$ (3,838,929)</u>	<u>\$ -</u>	<u>\$ (3,838,929)</u>

**MINNEAPOLIS PARK AND RECREATION BOARD
ANALYSIS OF OTHER ADDITIONS
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
For the Year ended December 31, 2009**

PROJECTS

Minnehaha Regional Park		
Metropolitan Council Grant	1,026,845	
Charges for Services	150	1,026,995
 Park Preplanning & Revolving		
Plan Deposit		2,050
 Nokomis Landscape		
Transfer from CPED - NRP Grant		1,036
 North Mississippi Regional Park		
Metropolitan Council Grant		1,003,123
 Minnehaha Pkwy Regional Trail		
Transfer from Park Special Revenue Fund - O&M		97,265
 Chain of Lakes Flood Mitigation		
Metropolitan Council Grant		502,019
 East River Flats Park		
Mississippi River Watershed Organization Grant		27,765
 Edgewater Park		
Mississippi River Watershed Organization Grant		248,536
 Victory Memorial Parkway Master Plan & Bike Path		
Transfer from Park Special Revenue Fund - O&M		11,033
 Franklin Steele Park		
Transfer from Park General Fund - Capital Levy		240,000
 Mississippi River Gorge 38th -43rd Street Erosion Stabilization		
Mississippi River Watershed Organization Grant		99,665
 Kenwood Park Playground Equipment		
Donations		37,082
 Diseased Elm and Buckthorn Removal		
Transfer from Park Special Revenue Fund - O&M		101,580
 Grand Rounds Brochure		
Federal Grant - Grand Rounds		2,496
 Grainbelt Shoreline		
Mississippi Watershed Management Organization Grant		230,215
 Tennis Courts		
Transfer from Park General Fund - Capital Levy		112,977
 Bryant Square Park Seating		
Transfer from CPED - NRP Grant		232
 Lake Harriet Lighting		
Transfer from Park Special Revenue Fund - O&M		8,053

**MINNEAPOLIS PARK AND RECREATION BOARD
ANALYSIS OF OTHER ADDITIONS
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
For the Year ended December 31, 2009**

East Phillips Cultural & Community Center Metropolitan Council Grant	335,788
Kenwood Re-Roofing Transfer from Park General Fund - Capital Levy	11,470
Mississippi River Gorge Area Inventory & Bluff Repair Mississippi Watershed Management Organization Grant	89,379
Kenwood Tennis Court Transfer from Park General Fund - Capital Levy	20,689
Bryant Square Outdoor Performance Space Transfer from CPED - NRP Grant	663
East River Parkway Trails Construction Federal Grant - Mn DOT	734,389
Kenny Park Tennis Courts Transfer from CPED -NRP Grant	25,000
Pre-Engineering and Research Transfer from Park General Fund - Capital Levy	19,584
BF Nelson Park Mississippi Watershed Management Organization Grant	365,200
Linden Hills Park Sign Transfer from CPED - NRP Grant	4,879
MPRB Headquarters Roof Repair Transfer from Park General Fund - Capital Levy	75,000
Longfellow Sidewalks Transfer from Park General Fund - Capital Levy	17,705
Longfellow Building Transfer from Park General Fund - Capital Levy	32,529
Morris Park Totlot Playground Transfer from Park General Fund - Capital Levy	138,520
Pearl Park Wading Pool Drain Upgrade State of Minnesota - DNR Grant	2,100
Farview Parking Lot Transfer from Park General Fund - Capital Levy	15,815
Lake Calhoun South Shore Parking Plaza Transfer from Park Special Revenue Fund - O&M	260,816
West River Parkway Bike and Pedestrian Trail Construction Federal Grant - US Dept of Transportation	1,377,782

**MINNEAPOLIS PARK AND RECREATION BOARD
ANALYSIS OF OTHER ADDITIONS
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
For the Year ended December 31, 2009**

Riverfront Acquisition		
Mississippi Watershed Organizatin Grant	46,557	
Metropolitan Council Grant	135,654	182,211
Waite Park Lighted Sign		
Transfer from CPED - NRP Grant		7,728
Stump Removal		
Transfer from Other Special Revenue Funds- City of Mpls.		492,560
Phelps Park Building		
Charge for Service		100,000
Peace Bridge		
Transfer from Park Special Revenue Fund - O&M		18,000
Shingle Creek Field		
Transfer from Park General Fund - Capital Levy		125,000
Matthews Park Playground		
Transfer from Park General Fund - Capital Levy	30,000	
Donations	15,000	45,000
Phillips Community Center		
Transfer from Park General Fund - Capital Levy		500,000
Total Other Additions - Current Year - To Schedule of Project Costs		<u><u>\$ 8,749,929</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, 2009**

	<u>Authorizations</u>	<u>Expenditures</u>	<u>Balance</u>
Tree Removal	\$ 1,037,190	\$ 333,575	\$ 703,615
Sidewalk/Street Lighting	75,639	613	75,026
	<hr/>	<hr/>	<hr/>
Totals	<u><u>\$ 1,112,829</u></u>	<u><u>\$ 334,188</u></u>	<u><u>\$ 778,641</u></u>

This Page Left Blank Intentionally.

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, 2009

	Reserve For Repair & Replacement	Recreation Programs	Total
OPERATING INCOME (LOSS)	\$ 1,317,695	\$ 194,314	\$ 1,512,009
ADDITIONS:			
Depreciation	614,804	-	614,804
Non-Operating Revenues:			
City of Minneapolis - Steps to a Healthier Minneapolis	-	11,822	11,822
City of Minneapolis - Neighborhood Revitalization	-	19,020	19,020
Contributions	127,570	263,571	391,141
Other Non-Operating Revenues	48,405	7,614	56,019
DEDUCTIONS:			
Purchase of Capital Assets - Capitalized	(177,837)	-	(177,837)
Purchase of Capital Assets - Not Capitalized	(114,432)	-	(114,432)
Other Non-Cash Items:			
Increase (Decrease) in Compensated Absences and Post Employment Benefits	33,744	375	34,119
Non-Operating Expenses:			
Note Principal and Interest Payment	(84,230)	-	(84,230)
Transfers To Other Funds	(295,000)	-	(295,000)
Debt Service Payment	(1,018,019)	-	(1,018,019)
TOTAL INCREASE (DECREASE)	452,700	496,716	949,416
BALANCE - JANUARY 1	(594,367)	978,849	384,482
BALANCE - DECEMBER 31	<u>\$ (141,667)</u>	<u>\$ 1,475,565</u>	<u>\$ 1,333,898</u>

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF OPERATING INCOME - BY PROJECT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2009

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<u>PARK REFECTORIES</u>			
CALHOUN	\$ 145,283	\$ 34,706	\$ 110,577
HARRIET	50,248	62,600	(12,352)
MINNEHAHA	155,898	39,952	115,946
NOKOMIS	-	1,473	(1,473)
PERMITS & VENDING	1,019,598	509,627	509,971
COMP ABS & POST EMP BENEFITS ADJ	-	1,365	(1,365)
TOTAL PARK REFECTORIES	<u>1,371,027</u>	<u>649,723</u>	<u>721,304</u>
<u>SPECIAL FACILITIES</u>			
PARADE COMPLEX	194,825	520,519	(325,694)
PARADE ICE COMPLEX	547,371	717,044	(169,673)
NORTHEAST ICE ARENA	120,470	176,503	(56,033)
COLUMBIA MANOR	60,838	20,050	40,788
COMMERCIAL PARKING	296,784	12,559	284,225
REGIONAL PARKING LOTS	408,101	80,905	327,196
NICOLLET ISLAND	390,892	72,216	318,676
COMP ABS & POST EMP BENEFITS ADJ	-	6,960	(6,960)
TOTAL SPECIAL FACILITIES	<u>2,019,281</u>	<u>1,606,756</u>	<u>412,525</u>
<u>GOLF COURSES (INCL REFECTORIES)</u>			
COLUMBIA	955,351	1,065,251	(109,900)
COLUMBIA LEARNING CENTER	155,525	85,940	69,585
GROSS	1,234,441	1,193,988	40,453
HIAWATHA	1,202,073	1,131,329	70,744
HIAWATHA LEARNING CENTER	136,280	63,750	72,530
MEADOWBROOK	1,238,469	1,098,876	139,593
THEODORE WIRTH	904,663	1,128,390	(223,727)
THEO WIRTH PAR-3	190,662	92,794	97,868
FORT SNELLING	350,178	406,303	(56,125)
COMP ABS & POST EMP BENEFITS ADJ	-	24,463	(24,463)
TOTAL GOLF COURSES	<u>6,367,642</u>	<u>6,291,084</u>	<u>76,558</u>
<u>MISCELLANEOUS ACTIVITIES</u>			
BOATS	317,586	64,665	252,921
WINTER PROGRAMS	164,258	262,661	(98,403)
JUNIOR GOLF PROGRAMS	37,705	83,960	(46,255)
COMP ABS & POST EMP BENEFITS ADJ	-	955	(955)
TOTAL MISCELLANEOUS ACTIVITIES	<u>519,549</u>	<u>412,241</u>	<u>107,308</u>
<u>RECREATION PROGRAMS</u>			
RECREATION	3,074,388	2,879,699	194,689
COMP ABS & POST EMP BENEFITS ADJ	-	375	(375)
TOTAL RECREATION PROGRAMS	<u>3,074,388</u>	<u>2,880,074</u>	<u>194,314</u>
TOTAL	<u>\$ 13,351,887</u>	<u>\$ 11,839,878</u>	
NET OPERATING INCOME			<u>\$ 1,512,009</u>

This Page Left Blank Intentionally.

INTERNAL SERVICE FUNDS

Park Internal Services Fund

This fund accounts for 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, 2009

	Internal Services	Self-Insurance	Total Internal Service Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,910,405	\$ 3,619,649	\$ 5,530,054
Receivables -			
Accounts Receivable	46	-	46
Capital Advances	-	2,848,600	2,848,600
Prepaid Expense	-	86,524	86,524
Total Current Assets	<u>1,910,451</u>	<u>6,554,773</u>	<u>8,465,224</u>
Non-Current Assets			
Net Capital Assets	<u>4,358,359</u>	<u>-</u>	<u>4,358,359</u>
Total Assets	<u><u>\$ 6,268,810</u></u>	<u><u>\$ 6,554,773</u></u>	<u><u>\$ 12,823,583</u></u>
 LIABILITIES AND NET ASSETS			
Current Liabilities :			
Payables -			
Salaries	\$ 56,194	\$ 1,126	\$ 57,320
Accounts	44,163	174,632	218,795
Total Current Liabilities	<u>100,357</u>	<u>175,758</u>	<u>276,115</u>
Long-Term Liabilities:			
Workers' Compensation Claims Pending	-	4,829,599	4,829,599
General Liability Claims Pending	-	1,143,375	1,143,375
Post Employment Benefits Payable	52,544	-	52,544
Compensated Absences Payable	127,768	2,380	130,148
Total Long-Term Liabilities	<u>180,312</u>	<u>5,975,354</u>	<u>6,155,666</u>
Total Liabilities	<u>280,669</u>	<u>6,151,112</u>	<u>6,431,781</u>
Net Assets:			
Invested in Capital Assets	4,358,359	-	4,358,359
Unrestricted	1,629,782	403,661	2,033,443
Total Net Assets	<u>5,988,141</u>	<u>403,661</u>	<u>6,391,802</u>
Total Liabilities and Net Assets	<u><u>\$ 6,268,810</u></u>	<u><u>\$ 6,554,773</u></u>	<u><u>\$ 12,823,583</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, 2009

	Internal Services	Self - Insurance	Total Internal Service Funds
OPERATING REVENUES			
Billings to Departments	\$ 4,960,025	\$ 2,490,229	\$ 7,450,254
Total Operating Revenues	<u>4,960,025</u>	<u>2,490,229</u>	<u>7,450,254</u>
OPERATING EXPENSES			
Personal Services	1,719,875	32,237	1,752,112
Contractual Service	341,698	850,033	1,191,731
Materials and Supplies	889,372	331,778	1,221,150
Depreciation on Acquired Property	1,356,097	-	1,356,097
Benefits	671,324	13,269	684,593
Total Operating Expenses	<u>4,978,366</u>	<u>1,227,317</u>	<u>6,205,683</u>
Operating Income (Loss)	<u>(18,341)</u>	<u>1,262,912</u>	<u>1,244,571</u>
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Capital Assets	29,837	-	29,837
Gain on Sale of Scrap	11,041	-	11,041
Damages/Losses Recovered	13,775	-	13,775
Other Non-Operating Revenues	25,035	25,210	50,245
Total Non-Operating Revenues (Expenses)	<u>79,688</u>	<u>25,210</u>	<u>104,898</u>
Income Before Contributions	61,347	1,288,122	1,349,469
Capital Contributions	<u>232,306</u>	<u>-</u>	<u>232,306</u>
CHANGE IN NET ASSETS	293,653	1,288,122	1,581,775
NET ASSETS - JANUARY 1	5,694,488	(884,461)	4,810,027
NET ASSETS - DECEMBER 31	<u>\$ 5,988,141</u>	<u>\$ 403,661</u>	<u>\$ 6,391,802</u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009

	Internal Services	Self - Insurance	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash received from Interfund Services Provided	\$ 4,960,025	\$ 2,490,229	\$ 7,450,254
Cash received from Customers	38,774	25,210	63,984
Cash paid to suppliers for goods and services	(1,381,133)	(1,924,243)	(3,305,376)
Cash paid to employees for services	(2,404,901)	(45,846)	(2,450,747)
Net cash provided by (used in) operating activities	<u>1,212,765</u>	<u>545,350</u>	<u>1,758,115</u>
Cash Flows from Non-Capital Financing Activities			
Advances Repaid	-	1,800,000	1,800,000
Net Cash (Used) Provided by Non-Capital Financing Activities	<u>-</u>	<u>1,800,000</u>	<u>1,800,000</u>
Cash Flows from Capital Financing Activities			
Proceeds From Sale of Capital Assets	54,765	-	54,765
Proceeds From Sale of Scrap	11,041	-	11,041
Acquisition of Property Plant and Equipment	(1,189,953)	-	(1,189,953)
Net Cash Used for Capital Financing Activities	<u>(1,124,147)</u>	<u>-</u>	<u>(1,124,147)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	88,618	2,345,350	2,433,968
Cash and Cash Equivalents - January 1	1,821,787	1,274,299	3,096,086
Cash and Cash Equivalents - December 31	<u>\$ 1,910,405</u>	<u>\$ 3,619,649</u>	<u>\$ 5,530,054</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities			
Operating Income (Loss)	\$ (18,341)	\$ 1,262,912	\$ 1,244,571
Adjustments to Reconcile Operating Income to net Cash Provided by Operating Activities:			
Depreciation Expense	1,356,097	-	1,356,097
(Increase) Decrease in Accounts Receivable	(36)	-	(36)
(Increase) Decrease in Prepaid Expense	-	(86,523)	(86,523)
Increase (Decrease) in Salaries Payable	(39,660)	(591)	(40,251)
Increase (Decrease) in Accounts Payable	(150,063)	46,888	(103,175)
Increase (Decrease) in Workers' Compensation Claims Payable	-	(582,916)	(582,916)
Increase (Decrease) in General Liability Claims Pending	-	(119,881)	(119,881)
Increase (Decrease) in Postemployment Benefits Payable	23,020	-	23,020
Increase (Decrease) in Compensated Absences Payable	2,938	251	3,189
Non-Operating Damages Losses Recovered	13,775	-	13,775
Other Non-Operating Revenues	25,035	25,210	50,245
Total Adjustments	<u>1,231,106</u>	<u>(717,562)</u>	<u>513,544</u>
Net Cash Provided by Operating Activities	<u>\$ 1,212,765</u>	<u>\$ 545,350</u>	<u>\$ 1,758,115</u>
Supplemental Disclosure of Non-Cash Capital and Related Financing Activities:			
Contribution and Transfer of Capital Assets (to)from other funds	232,306		
Total Non-Cash Capital and Related Financing Activities	<u>\$ 232,306</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, 2009

	Information Technology	Mobile Equipment	Workers Comp. & Liability	Total
OPERATING REVENUES:				
Charges For Services and Sales -				
Insurance Premiums	\$ -	\$ -	\$2,490,229	\$2,490,229
Information Technology Services	949,930	-	-	949,930
Mobile Equipment	-	30,000	-	30,000
Total Charges For Services	<u>949,930</u>	<u>30,000</u>	<u>2,490,229</u>	<u>3,470,159</u>
Rents -				
Mobile Equipment	-	3,980,095	-	3,980,095
Total Operating Revenues	<u>949,930</u>	<u>4,010,095</u>	<u>2,490,229</u>	<u>7,450,254</u>
OPERATING EXPENSES:				
Information Technology Services	948,294	-	-	948,294
Mobile Equipment	-	4,030,072	-	4,030,072
Workers' Compensation	-	-	1,202,013	1,202,013
General Liability	-	-	25,304	25,304
Total Operating Expenses	<u>948,294</u>	<u>4,030,072</u>	<u>1,227,317</u>	<u>6,205,683</u>
Operating Income (Loss)	<u>1,636</u>	<u>(19,977)</u>	<u>1,262,912</u>	<u>1,244,571</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain (Loss) on Disposal of Capital Assets	-	29,837	-	29,837
Sale of Scrap	-	11,041	-	11,041
Damage Claims	-	13,775	-	13,775
Miscellaneous	29	25,006	25,210	50,245
Total Non-Operating Revenues (Expenses)	<u>29</u>	<u>79,659</u>	<u>25,210</u>	<u>104,898</u>
Income Before Contributions	1,665	59,682	1,288,122	1,349,469
Capital Contributions	-	232,306	-	232,306
Change in Net Assets	1,665	291,988	1,288,122	1,581,775
Net Assets - January 1	<u>277,752</u>	<u>5,416,736</u>	<u>(884,461)</u>	<u>4,810,027</u>
Net Assets - December 31	<u>\$ 279,417</u>	<u>\$ 5,708,724</u>	<u>\$ 403,661</u>	<u>\$ 6,391,802</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, 2009

	<u>Purchase of Capital Assets</u>	<u>Information Technology Systems</u>
OPERATING INCOME (LOSS)	(\$19,977)	\$1,636
ADDITIONS:		
Depreciation	1,334,995	21,102
Non-Operating Revenues:		
Sale of Equipment	54,765	-
Sale of Scrap	11,041	-
Damage Claims	13,775	-
Other Miscellaneous Revenues	25,006	29
Increase in Compensated Absences	2,938	-
Increase in Post Employment Benefits	23,020	-
DEDUCTIONS:		
Purchase of Mobile Equipment	(1,189,149)	-
TOTAL INCREASE (DECREASE)	256,414	22,767
BALANCE - JANUARY 1	<u>801,766</u>	<u>319,742</u>
BALANCE - DECEMBER 31	<u>\$1,058,180</u>	<u>\$342,509</u>

STATISTICAL SECTION



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

Last Eight Fiscal Years

December 31, 2009

Fiscal Year	Culture and Recreation	Park Enterprise	Total
2002	\$ 61,897,639	\$ 11,662,020	\$ 73,559,659
2003	67,570,967	12,101,880	79,672,847
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
2009	81,151,165	13,003,277	94,154,442

Note: The Park and Recreation Board implemented GASB 34 in 2002.

(UNAUDITED)

Minneapolis Park and Recreation Board
Government-Wide Revenues

Last Eight Fiscal Years

December 31, 2009

Fiscal Year	Program Revenues			General Revenues		Total
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Unrestricted Grants & Contributions	
2002	\$ 14,259,595	\$ 3,426,800	\$ 13,725,642	\$ 38,858,855	\$ 14,828,338	\$ 85,099,230
2003	15,720,210	2,406,492	10,332,367	38,222,236	13,417,956	80,099,261
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
2009	17,507,060	3,753,338	10,963,674	54,468,935	11,101,324	97,794,331

Note: The Park and Recreation Board implemented GASB 34 in 2002.

(UNAUDITED)

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

Last Ten Fiscal Years

December 31, 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenue										
Taxes	\$ 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	\$ 42,300,317
Intergovernmental	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	12,533,827
Charges for Services	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	1,252,677
Fines and Forfeits	329,456	451,011	470,405	565,529	583,862	519,155	551,629	511,378	526,810	560,131
Miscellaneous	189,819	521,883	236,194	440,933	463,192	832,120	768,136	657,379	1,216,808	929,001
Total Revenues	\$ 34,814,624	\$ 39,010,608	\$ 43,508,249	\$ 40,654,391	\$ 39,537,900	\$ 49,775,054	\$ 53,008,380	\$ 54,323,515	\$ 54,254,062	\$ 57,575,953
Expenditures										
Current:										
Culture and Recreation	\$ 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	\$ 54,189,728
Highways and Streets	994,295	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 35,983,357	\$ 38,249,439	\$ 39,894,811	\$ 39,640,047	\$ 40,688,326	\$ 54,453,296	\$ 52,113,937	\$ 54,737,890	\$ 54,243,358	\$ 54,189,728

(UNAUDITED)

City of Minneapolis
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2009

Fiscal Year Ended December 31,	Commercial Property	Apartment Property	Residential Property	Industrial Property	Personal & Other Property	Tax-Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Estimated Actual Taxable Value ²	Taxable Assessed Value as a % of Actual Taxable Value
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%
2009	7,295,669	1,459,942	25,461,784	3,499,200	401,699	9,025,112	38,118,294	7.68	43,473,340	88%

Source: Finance Department calculations, using Assessor data

Notes:

¹Total of the first five property types.

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

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

Total Direct Tax Rate is the weighted average of all individual direct tax rates applied.

(UNAUDITED)

**City of Minneapolis
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
December 31, 2009**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Direct Rates										
<i>Tax Capacity Based Rates</i>										
General	2.74	2.81	3.12	3.63	4.13	4.40	4.27	4.24	4.80	4.86
Estimate and Taxation	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Building Commission	0.12	0.11	0.18	0.19	0.17	0.16	0.14	0.13	0.13	0.13
Permanent Improvement	0.10	0.11	0.14	0.14	0.10	0.08	0.07	0.05	0.05	0.05
Bond Redemption	1.10	0.95	1.53	1.69	1.25	0.97	0.74	0.63	0.57	0.69
Firefighter's Relief Association	0.04	0.01	-	-	-	-	0.05	0.10	0.11	0.06
Police Relief Association	0.05	-	0.16	0.16	0.14	-	0.08	0.12	0.11	0.09
Minneapolis Employees Retirement Fund	0.16	0.14	0.24	0.21	0.19	0.13	0.11	0.08	0.09	0.07
Parks	1.13	1.21	1.86	1.75	1.65	1.55	1.42	1.34	1.29	1.35
Libraries	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	0.04	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04
Teacher's Retirement Association	0.09	0.08	0.11	0.12	0.11	0.09	0.08	0.07	0.07	0.07
<i>Market Value Based Rates</i>										
Library Referendum	-	-	-	0.02	0.14	0.24	0.27	0.27	0.25	0.25
Total City Direct Rates	6.06	5.91	8.29	8.78	8.50	8.20	7.76	7.55	7.52	7.67
Overlapping Rates										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	n/a	0.18	0.36	0.16	0.10	0.16	0.13	0.14	0.18	0.19
Hennepin County	4.80	4.52	5.95	5.93	5.33	4.94	4.59	4.40	4.38	5.09
Minneapolis Public Schools	7.72	6.98	4.39	4.40	4.17	3.39	3.23	3.06	2.78	3.15
Other Special Taxing Districts	0.94	0.31	0.63	0.67	0.62	0.59	0.52	0.54	0.54	0.49
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02
Solid Waste Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Overlapping Rates	13.48	12.01	11.34	11.17	10.23	9.09	8.48	8.15	7.90	8.94
Grand Total	19.54	17.92	19.63	19.95	18.73	17.29	16.24	15.70	15.42	16.61

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.

n/a=not available

Source: Finance Department

(UNAUDITED)

**City of Minneapolis
Principal Property Taxpayers
Current Year and Nine Years Ago
(in thousands of dollars)
December 31, 2009**

<u>Taxpayer</u>	2009			2000		
	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	\$ 311,620	1	1.29%	\$ 104,196	2	2.52%
Target Corporation	271,342	2	1.12%			
MB Mpls. 8th St LLC	234,000	3	0.97%			
Minneapolis 225 Holdings LLC	215,500	4	0.89%			
NWC Limited Partnership	207,400	5	0.86%	187,100	3	2.26%
First Minneapolis - Hines	180,600	6	0.75%	165,000	6	1.99%
Wells Operating Partnership LP	172,700	7	0.72%			
City Center Associates	160,000	8	0.66%			
Fifth Sdtreet Owner Corp.	145,900	9	0.60%			
American Express Financial Corp.	147,174	10	0.60%			
601 Second Avenue Ltd. Partnership	-	-	-	218,000	1	2.64%
City Center Associates	-	-	-	183,800	4	2.22%
Eighth Street	-	-	-	167,500	5	2.02%
Property Minnsota One LLC	-	-	-	147,100	7	1.78%
Dayton Hudson Corporation	-	-	-	141,014	8	1.62%
RelilaStar Corp.	-	-	-	101,050	9	1.22%
Federal Reserve Bank of Mpls.	-	-	-	96,566	10	1.17%
Total	<u>\$2,046,236</u>		<u>8.46%</u>	<u>\$ 1,511,326</u>		<u>19.44%</u>

Source: Bond Issue Report 5/01/09 and 6/12/2000

(UNAUDITED)

Minneapolis Park and Recreation Board
Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2009

<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>
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%
2009	43,607,542	42,519,175	97.504%	903,552	43,422,727	99.576%

(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

(UNAUDITED)

City of Minneapolis
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2009

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			
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
2009	772,936	35,980	19,040	310,607	57,365	591	1,196,519	10.87%	3,067

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements of the City's comprehensive annual financial report.
(1) See Schedule 14 for personal income and population data.

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, 2009

Fiscal Year	Net General Bonded Debt Outstanding				Total	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				
2000	\$ 731,091	\$ 432,940	\$ 32,495	\$ 1,131,536	6.66%	\$ 2,957	
2001	756,500	417,672	33,059	1,141,113	5.89%	2,984	
2002	738,379	380,645	32,453	1,086,571	4.69%	2,839	
2003	857,358	390,135	34,451	1,213,042	4.69%	3,173	
2004	891,678	407,280	35,753	1,263,205	4.43%	3,303	
2005	865,011	410,263	27,704	1,247,570	4.01%	3,218	
2006	817,771	396,019	30,978	1,182,812	3.40%	3,051	
2007	777,385	368,335	36,559	1,109,161	2.99%	2,859	
2008	755,946	338,188	40,196	1,053,938	2.73%	2,711	
2009	772,936	310,607	108,567	974,976	2.56%	2,499	

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements of the City's comprehensive annual financial report.

(1) See Assessed Value and Actual Value of Taxable Property Statistics Schedule for property value data.

Assessed value used is consistent with valuations on the legal debt margin schedule.

(2) Population data can be found in the Demographic and Economic Statistics Schedule.

Source: Minneapolis Finance Department - Capital and Debt Management

(UNAUDITED)

City of Minneapolis
Direct and Overlapping Governmental Activities Debt
(in thousands of dollars)
December 31, 2009

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	\$ 405,754 (3)	100.00%	\$ 405,754
<u>Overlapping Debt:</u>			
Special School District No. 1	217,631	100.00%	217,631
Hennepin County	600,494 (4)	26.30%	157,930
Hennepin County Regional Railroad Authority	42,431	26.30%	11,159
Metropolitan Council	131,613	11.66%	15,346
Subtotal, Overlapping Debt			\$ 402,066
Total Direct and Overlapping Debt			\$ 807,820

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements of the City's comprehensive annual financial report.

(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 \$219,540 of self supporting debt, \$50,531 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

Metropolitan Council Report of Outstanding Indebtedness

(UNAUDITED)

City of Minneapolis
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2009

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$655,557	\$784,051	\$875,204	\$967,210	\$1,054,780	\$1,182,794	\$1,159,728	\$1,253,051	\$1,306,194	\$1,282,797
Total net debt applicable to limit	<u>159,347</u>	<u>146,911</u>	<u>193,639</u>	<u>319,436</u>	<u>362,739</u>	<u>369,842</u>	<u>339,712</u>	<u>313,129</u>	<u>302,772</u>	<u>270,629</u>
Legal debt margin	<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>	<u>\$1,012,168</u>
Total net debt applicable to limit as a percentage of debt limit	24.31%	18.74%	22.13%	33.03%	34.39%	31.27%	29.29%	24.99%	23.18%	21.10%

Legal Debt Margin Calculation for Fiscal Year 2009

Real Property (2009 Assessed Market Value)	\$37,551,698
Personal Property (2009 Assessed Market Value)	378,718
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	<u>255,467</u>
Total 2009 Assessed Market Value	38,483,913
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	1,282,797
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit.	308,835
Less: Assets in General Debt Service Funds	<u>-38,206</u>
Total Net Debt Applicable to Limit	<u>270,629</u>
Legal Debt Margin	<u>\$1,012,168</u>

Source: Minneapolis Finance Department - Capital and Debt Management

(UNAUDITED)

**City of Minneapolis
Demographic and Economic Statistics
Last 10 Fiscal Years
December 31, 2009**

Year	Population (1)	Aggregate Income (3)	Per Capita Income	Median Age (4)	School Enrollment (5)	Annual average Unemployment Rate (6)
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	390,131	11,006,550,500	30,825	34.2	33,789	5.1%
2009	NA	N/A	N/A	N/A	33,584	7.4%

Sources:

- (1) Population 2000-2008 - 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 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 an 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 nay 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.

(UNAUDITED)

**City of Minneapolis
Principal Employers
Current Year and Nine Years Ago
December 31, 2009**

<u>Employer - Metro Region</u>	<u>2009</u>			<u>2006</u>		
	<u>Approximate Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Approximate Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Minnesota	14,700	1	6.95%	30,240	1	14.29%
Target Corporation	10,000	2	4.73%	24,294	2	11.48%
Wells Fargo Bank Minnesoa	6,300	3	2.98%	19,100	4	9.03%
Ameriprise Financial Services	6,100	4	2.88%	6,500	8	3.07%
Hennepin County	5,800	5	2.74%	12,459	6	5.89%
Abbott Northwestern Hospital	5,200	6	2.46%	-	-	-
City of Minneapolis	5,000	7	2.36%	-	-	-
Hennepin Health Care Systems (HCMC)	5,000	8	2.36%	-	-	-
Star Tribune	2,800	9	1.32%	-	-	-
US Bankcorp	2,600	10	1.23%	9,442	7	4.46%
Allina Health System	-	-	-	22,500	3	10.64%
Fairview Health Services	-	-	-	18,500	5	8.74%
Xcel Energy Inc.	-	-	-	5,356	9	2.53%
United Parcel Services	-	-	-	5,329	10	2.52%
Total	63,500		30.01%	153,720		72.66%

Note:

Information Prior to 2006 is not available

Source 2009: Minneapolis Community Planning and Economic Development (CPED)

Source 2006: 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, 2009

Function Program	Full-time Equivalent Employees as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Assessor	38.00	37.00	35.50	35.50	34.50	34.50	34.50	37.00	37.00	36.50
Attorney	105.50	113.50	111.50	110.63	101.13	101.00	106.50	108.00	108.00	105.50
City Clerk/Council	93.25	90.00	92.25	85.50	85.20	65.50	66.50	66.00	68.00	65.50
City Coordinator	775.50	852.80	969.20	969.59	929.75	929.08	911.03	917.00	941.00	919.10
Civil Rights	25.00	29.00	29.00	27.50	24.00	27.00	26.00	26.00	26.00	21.00
Civilian Review	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	141.00
Fire	493.00	483.00	482.50	469.50	449.50	444.50	444.50	447.00	449.00	444.00
Health & Family Support	73.90	64.15	69.15	75.40	73.90	69.00	66.30	66.00	66.00	67.00
Mayor	13.00	13.00	12.00	11.00	11.00	11.00	11.00	12.00	12.00	12.00
Police	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	1,092.00
Public Works	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	1,189.20
Planning	39.00	-	-	-	-	-	-	-	-	-
	<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>	<u>4,092.80</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	357.99	368.00	363.40	242.00	246.50	261.90	273.00	-	-
Park	903.38	951.23	946.94	936.27	907.47	907.91	909.55	902.00	886.00	859.00
Community Development	157.00	-	-	-	-	-	-	-	-	-
Building Commission	66.50	66.50	66.50	64.00	62.00	61.00	61.00	62.00	62.00	62.00
Youth Coordinating Board	28.50	30.00	39.00	26.50	4.50	4.50	4.50	5.00	5.00	5.00
NRP	16.00	15.00	14.00	12.00	12.00	11.00	10.00	10.00	9.00	9.00
	<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>	<u>937.00</u>
Total	<u><u>5,569.06</u></u>	<u><u>5,699.76</u></u>	<u><u>5,766.96</u></u>	<u><u>5,712.31</u></u>	<u><u>5,260.19</u></u>	<u><u>5,201.88</u></u>	<u><u>5,321.87</u></u>	<u><u>5,359.00</u></u>	<u><u>5,108.00</u></u>	<u><u>5,029.80</u></u>

Note: Effective January 1, 2008, the Minneapolis Public Library was merged into the Hennepin County Library system, resulting in the elimination of the Minneapolis Public Library Board.

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.

Number of...

Acres	6,732	Waterparks	2
Park Properties	182	Wading Pools	60
Recreation Centers	49	Authorized Beaches	12
Regional Park Visits	15.4 million	Multipurpose Sports Fields	396
Neighborhood Park Visits	5 million	Computer Labs Open to Public	27
Miles of Parkways	55	Indoor Ice Arenas	2
Miles of Walking Paths	43	Outdoor Ice Rink Locations	48
Miles of Biking Paths	43	Dog Off-Leash Recreation Areas	5
Golf Courses	7	Skate Parks	6
Par-3 Courses	1	Volunteers	6,800
Golf Driving Ranges	3	Boulevard Trees	200,000
Rounds of Golf Played	237,533		

(UNAUDITED)