

# ANNUAL FINANCIAL REPORT

COMPONENT UNIT OF THE  
CITY OF MINNEAPOLIS

FOR THE YEAR ENDED  
DECEMBER 31, 2017





**MINNEAPOLIS PARK AND RECREATION BOARD**

**COMPONENT UNIT  
ANNUAL FINANCIAL REPORT**



**FOR THE YEAR ENDED DECEMBER 31, 2017**

**FINANCE DEPARTMENT**



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

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# INTRODUCTORY SECTION







**Minneapolis  
Park & Recreation Board**

*Administrative Offices*  
2117 West River Road North  
Minneapolis, MN 55411-2227

*Operations Center*  
3800 Bryant Avenue South  
Minneapolis, MN 55409-1000

*Phone*  
612-230-6400

*Fax*  
612-230-6500

[www.minneapolisparcs.org](http://www.minneapolisparcs.org)

July 9, 2018

Brad Bourne, President  
Minneapolis Park & Recreation Board  
Minneapolis, Minnesota 55411

Mary Merrill, 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, 2017. 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 compliance 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 Management Discussion & Analysis (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

*President*  
Brad Bourn

*Vice President*  
AK Hassan

*Commissioners*  
Chris Meyer  
Kale Severson  
Jono Cowgill  
Steffanie Musich  
Londel French  
Meg Forney  
LaTrisha Vetaw

*Superintendent*  
Mary Merrill

*Secretary to the Board*  
Jennifer B. Ringold



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 included as part of assigned fund balance in the governmental funds 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 2017 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 2015, the Minneapolis Park and Recreation Board entered into a contract for deed agreement in the amount of \$2,000,000 with St. Anthony Real Estate Company for the purchase of 3 parcels of land. In November 2017, the Park Board extended the Balloon date to January 2020. The interest rate is four percent (4%) per annum, to be paid in full, together with all accrued interest, on or before January 2, 2020.

In 2016, the Park and Recreation Board entered into a Contract for Deed in the amount of \$2,100,000 with L and R Development, LLC for the purchase of one parcel of land located at 4022 ½ Washington Avenue North. The promissory note shall bear interest at a rate of six percent (6%) per annum. Monthly principal and interest payments commenced on April 1, 2016, with the entire remaining unpaid balance of principal and interest due and payable on the first day of the 24<sup>th</sup> month or March 1, 2018. **Subsequent Event**, the Park Board paid off a portion of this debt and refinanced the remaining principal amount of \$1,160,000 through a mortgage note with Bell Bank, a North Dakota corporation on March 1, 2018. The new note shall bear interest at the rate of 3.3 percent payable in 120 installments of principal and interest, commencing April 1, 2018 and will mature on

March 1, 2028. The proceeds received from the sale of the note shall be applied solely to the purchase of the Northside Operations Center and related expenses. Any unpaid balance shall be applied to the payment of principal or interest on the note.

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 – AA+
- S & P Global Ratings – 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 Assistant Superintendent for Administration. 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. This requirement has been complied with and the auditor's opinion has been included in this report.

### **Acknowledgements**

Timely preparation of this report 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.

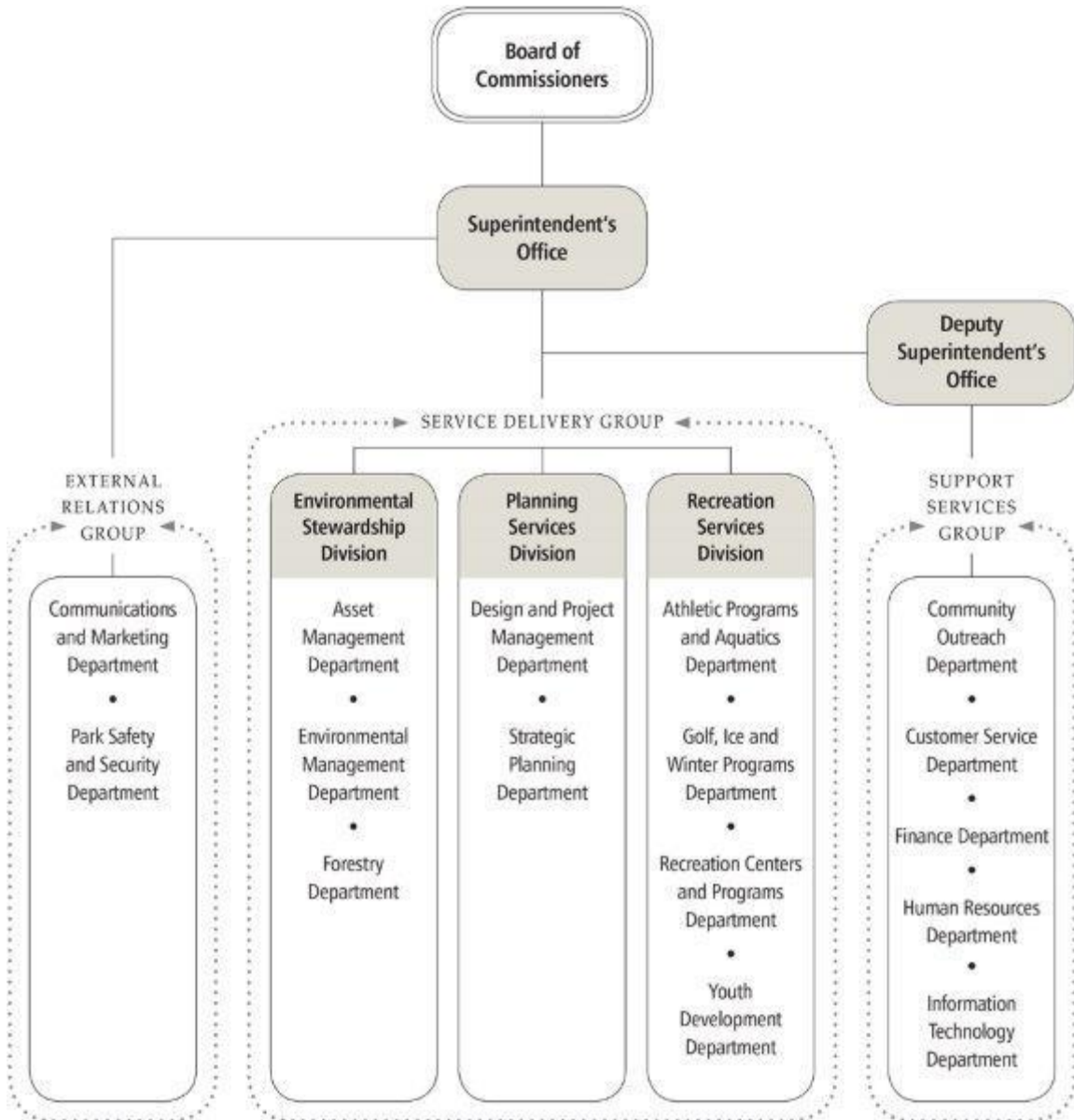
Respectfully submitted,

*Julia M. Wiseman*

Julia M. Wiseman  
Director of Finance

# MINNEAPOLIS PARK AND RECREATION BOARD

## ORGANIZATION CHART





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# FINANCIAL SECTION







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

Board of Commissioners  
Minneapolis Park and Recreation Board  
Minneapolis, Minnesota

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board, a component unit of the City of Minneapolis, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Park Board's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Minneapolis Parks Foundation, which represents the amounts shown as the discretely presented component unit. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Minneapolis Parks Foundation component unit, is based solely on the report of the other auditors. 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 from material misstatement. The financial statements of the Minneapolis Parks Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Park Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 2.N. to the financial statements, in 2017 the Park Board adopted specific accounting guidance under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as it relates to the calculation of the Park Board's proportionate share of its net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

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 introductory section, the supplementary information, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2018, 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Minneapolis Park and Recreation Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minneapolis Park and Recreation Board's internal control over financial reporting and compliance. It does not include the Minneapolis Parks Foundation, which was audited by other auditors.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

July 9, 2018

# 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, 2017. 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 position increased as a result of this year's operations by \$30,526,792 or 10.1%. Net position of the business-type activities increased by \$689,037 or 3.3%, and net position of the governmental activities increased by \$29,837,755 or 10.6%.
- The assets of the Park and Recreation Board exceeded its liabilities at the close of the most recent fiscal year by \$333,886,514 (net position).
- As of the close of the current fiscal year, the Park and Recreation Board's Governmental Funds reported combined ending fund balances of \$15,683,833.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$32,147,959. Ending equity of the business-type proprietary fund is \$21,470,104. Ending net position of the governmental-type proprietary funds is \$10,677,855.
- Fiscal year 2017 is the first year of the 20-Year Neighborhood Park Plan (NPP20). NPP20 was established through concurrent ordinances passed by the City of Minneapolis and Park and Recreation Board and provided a \$3.0 million increase in property taxes to fund enhanced neighborhood park maintenance and an additional \$8.0 million per year for capital rehabilitation and investments in neighborhood park infrastructure.

### Financial Statement Overview

This annual report consists of a series of financial statements. The *Statement of Net Position* 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 show 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 29. 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 supplementary information in addition to the basic financial statements.

### Government-wide Financial Statements

The *Statement of Net Position* 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 accounted for regardless of when cash is received or paid.

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

The government-wide financial statements include not only the Park and Recreation Board (known as the primary government), but also a legally separate entity for which the nature and significance of the relationship with the primary government is such that exclusion could cause the Park Board's basic financial statements to be misleading or incomplete. The Minneapolis Parks Foundation (Foundation) is the discretely presented component unit and is included in the basic financial statements of the Park Board in accordance with General Accepted Accounting Principles. The Foundation financial statements are not included in this audit. The Foundation as a non-profit organization follow Generally Accepted Accounting Principles and are audited annually by an independent accounting firm.

In the *Statement of Net Position* 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 and 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 specific 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, reconciliations are presented with the Governmental fund statements.

*Proprietary Funds:* Proprietary funds provide information about 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 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 titled governmental activities.

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

The Park and Recreation Board's total net position of \$333,886,514 increased by \$30,526,792 or 10.1% from a year ago. Current and other assets increased by \$188,613 and capital assets increased by \$40,242,968 from a year ago. Deferred Outflows-Pensions decreased by \$47,079,968 from a year ago. This analysis will focus first on net position and then on the changes in net position of the Park and Recreation Board's governmental and business-type activities.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary Government</u>	
	<u>Restated</u>		<u>Restated</u>		<u>Restated</u>	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 47,262,486	\$ 46,322,523	\$ 1,702,219	\$ 2,453,569	\$ 48,964,705	\$ 48,776,092
Capital assets	345,664,302	307,014,576	24,814,061	23,220,819	370,478,363	330,235,395
Total Assets	392,926,788	353,337,099	26,516,280	25,674,388	419,443,068	379,011,487
Deferred Outflows-Pensions	19,788,050	63,368,607	1,011,363	4,510,774	20,799,413	67,879,381
Long-term liabilities outstanding	75,775,133	118,965,476	5,105,726	8,536,030	80,880,859	127,501,506
Other liabilities	10,042,034	7,605,897	348,378	566,710	10,390,412	8,172,607
Total Liabilities	85,817,167	126,571,373	5,454,104	9,102,740	91,271,271	135,674,113
Deferred Inflows - Pensions	14,565,397	8,762,179	519,299	621,941	15,084,696	9,384,120
Net position:						
Net investment in Capital Assets	341,847,293	303,032,238	24,598,779	22,845,097	366,446,072	325,877,335
Unrestricted	(44,913,795)	(33,868,412)	(3,044,539)	(1,979,894)	(47,958,334)	(35,848,306)
Restricted	15,398,776	13,330,693	-	-	15,398,776	13,330,693
Total Net Position	\$ 312,332,274	\$ 282,494,519	\$ 21,554,240	\$ 20,865,203	\$ 333,886,514	\$ 303,359,722

Net position of the Park and Recreation Board's governmental activities increased by \$29,837,755 or 10.6%. The unrestricted component of net position is (\$44,913,795) and reflects the net pension obligation for the Park and Recreation Board's governmental activities.

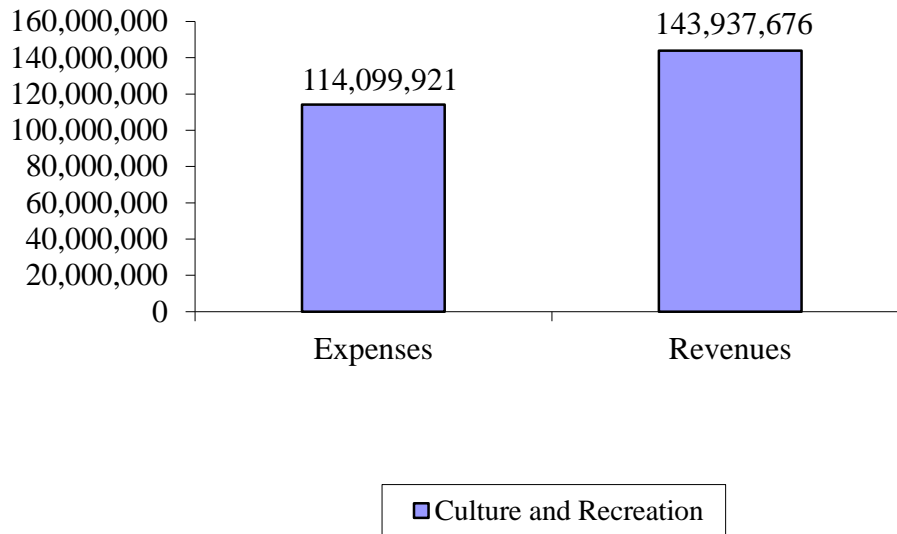
Net position of the Park and Recreation Board's business-type activities increased by \$689,037 or 3.3%. The Park and Recreation Board commits net position to finance the continuing operations including capital improvements of the Enterprise Fund.

For governmental activities of the Park and Recreation Board, net position increased by \$29,837,755. The increase in Governmental Net Position is primarily due to the Downtown East Commons Park land contribution from the City of Minneapolis and the reduction of pension expense related to a more accurate calculation of pension liability. The increase in business-type activities of the Park and Recreation Board of \$689,037 is also primarily due to the reduction in pension expense.

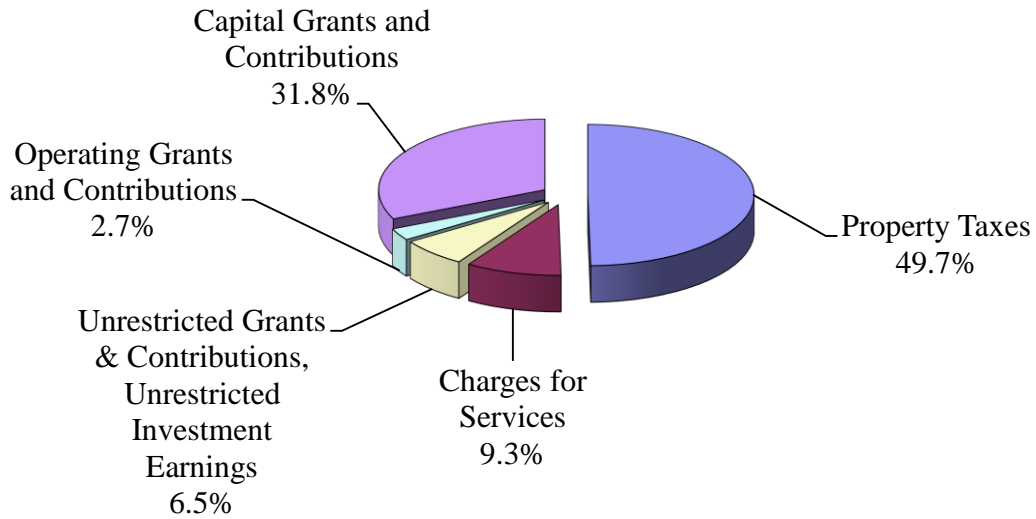
**Minneapolis Park and Recreation Board's Change in Net Position**

	<u>Governmental</u>		<u>Business-Type</u>		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 13,363,014	\$ 13,755,909	\$ 10,502,488	\$ 10,835,548	\$ 23,865,502	\$ 24,591,457
Operating grants & contributions	3,903,079	5,584,788	-	1,860	3,903,079	5,586,648
Capital grants & contributions	45,641,750	21,250,249	567,122	11,657	46,208,872	21,261,906
General revenues:						
Taxes	71,419,813	65,767,797	-	-	71,419,813	65,767,797
Unrestricted grants & contributions	9,250,879	9,539,349	1,552	-	9,252,431	9,539,349
Unrestricted investment earnings	72,161	21,887	-	-	72,161	21,887
Gain on sale of capital assets	61,980	86,987	-	-	61,980	86,987
Transfers	225,000	-	-	17,239	225,000	17,239
Total Revenue and Transfers	143,937,676	116,006,966	11,071,162	10,866,304	155,008,838	126,873,270
Program expense:						
Culture & recreation	114,099,921	110,996,993	-	-	114,099,921	110,996,993
Park enterprise fund	-	-	10,157,125	11,255,681	10,157,125	11,255,681
Transfers	-	17,239	225,000	-	225,000	17,239
Total Expenses and Transfers	114,099,921	111,014,232	10,382,125	11,255,681	124,482,046	122,269,913
Increase (Decrease) in Net Position	\$ 29,837,755	\$ 4,992,734	\$ 689,037	\$ (389,377)	\$ 30,526,792	\$ 4,603,357

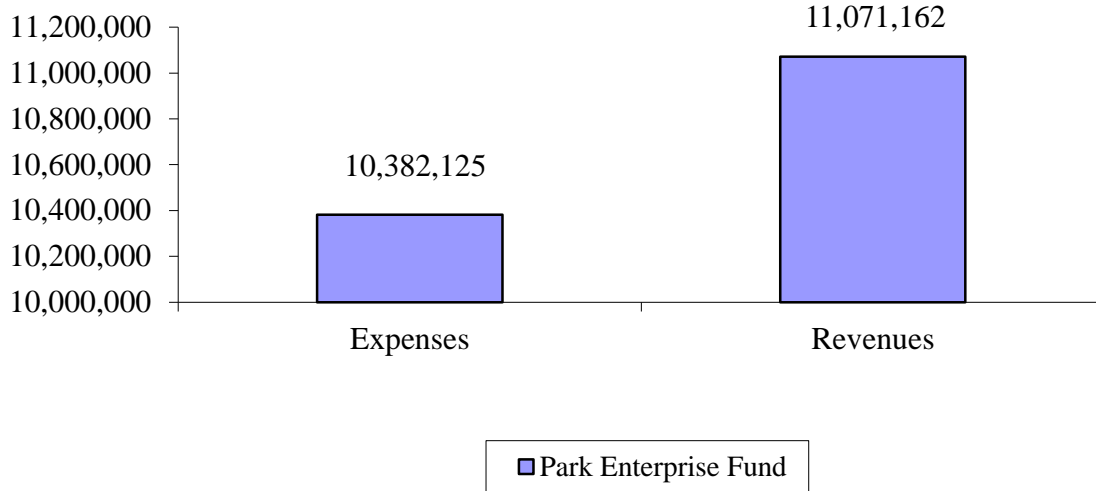
## Expenses and Program Revenues Governmental Activities



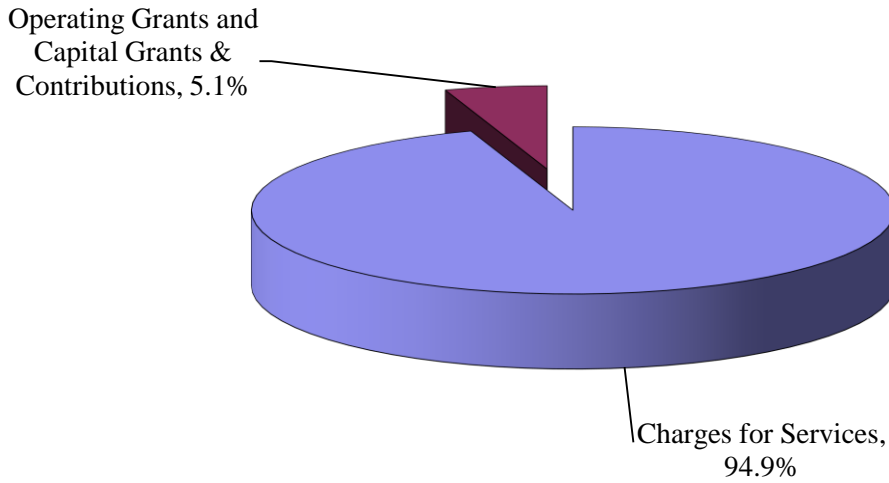
## Revenues by Source - Governmental Activities



## 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 \$15,683,833. The following is an analysis of the major funds reported in the governmental funds statements.

#### **General Fund**

The General Fund is the Board's operating fund that reports activities not reported in other funds. The fund balance of the General Fund decreased by \$1,517,604 from 2016 primarily due to a to the use of excess fund balance to fund costs associated with the NPP20 startup, legal fees associated with the Graco Easement and FEMA appeal, and the acquisition and implementation of the MPRB Asset Management System software. As of the end of the current fiscal year the General Fund reported a fund balance of \$5,921,479 of which \$592,130 is classified as committed, and \$5,329,349 is classified as unassigned 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 additional supplemental appropriations that may occur during the fiscal year. The 2017 original and final appropriation was \$76,613,494 and \$78,575,767, respectively. The changes made to the 2017 original appropriation were due to the use of excess fund balance to fund costs associated with NPP20 startup, legal fees associated with the Graco Easement and FEMA appeal, and the acquisition and implementation of the MPRB Asset Management System software.

#### **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 restricted, committed, or assigned for specific purposes. The fund balance of the Park Grant and Dedicated Revenue Fund increased by \$1,369,777 from 2016. This increase is primarily due to the State of Minnesota Lottery proceeds and park acquisition funds that are held until needed for land acquisitions. As of the end of the current fiscal year the Park Grant and Dedicated Revenue Fund reported a fund balance of \$11,611,559, of which \$6,846,439 is classified as restricted, \$361,980 is classified as committed and \$4,403,140 as assigned.

#### **Tree Preservation and Reforestation**

This special revenue fund accounts for the activities associated with a special property tax levy approved by the Board to address threats to the urban forest due to Emerald Ash Borer and tree loss due to storms. This is the fourth year of an eight-year program. As of the end of the current fiscal year the Tree Preservation and Reforestation Fund reported a fund balance of \$11,526, which is classified as committed.

#### **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 \$7,847,620 from 2016. This decrease is primarily due to the increase in expenditures related to the Phillips Community Center Aquatics Facility, completion of the Minneapolis Sculpture Garden renovation, and NPP20 projects. As of the end of the current fiscal year the Permanent Improvement Fund reported a fund balance of (\$11,243,835).

### **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, parking operations, and use & event permitting. 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 2017, operating revenues decreased from 2016 by \$291,665 or 2.7%. In 2017, operating expenses of the Park Operating Fund decreased from 2016 by \$1,094,083 or 10.2%. In 2017, operating income was \$850,402 an increase of \$802,418 from 2016. The increase in operating income in the Park Operating Fund was due to a decrease in pension expense and the reopening of Meadowbrook Golf Course.

### **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, the operating income was \$761,831 and ending net position was \$8,297,191. Net position is comprised of \$5,398,832 or 65.1%, which is the net investment in capital assets and \$2,898,359 or 34.9%, 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 both commercial insurance and 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, the operating income was \$116,463 and ending net position was \$2,380,664. An actuarial study completed in 2017 provided an estimate for the 2017 long-term liability for workers' compensation claims pending. An actuarial study completed in 2016 provides the estimate for the 2017 long-term liability for General liability claims pending.

## **Capital Asset and Debt Administration**

### **Capital Assets**

At the end of 2017, the Park and Recreation Board had \$370,478,363 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:

- Downtown East Commons Park
- Parkway Paving & Lighting Improvements
- Trail Improvements
- Playground and Wading Pool Improvements

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

	Governmental		Business-Type		Total	
	2017	Restated 2016	2017	Restated 2016	2017	Restated 2016
Land	\$ 93,484,856	\$ 73,648,577	\$ 1,206,784	\$ 1,206,784	\$ 94,691,640	\$ 74,855,361
Building and Structures	35,840,579	37,019,549	16,253,610	15,896,500	52,094,189	52,916,049
Infrastructure	38,193,074	31,781,748	53,053	57,765	38,246,127	31,839,513
Public Improvements	101,139,921	104,286,249	4,849,593	3,278,919	105,989,514	107,565,168
Machinery and Equipment	5,813,310	4,986,936	699,228	812,525	6,512,538	5,799,461
Construction in Progress	71,192,562	55,291,517	1,751,793	1,968,325	72,944,355	57,259,842
Total	\$ 345,664,302	\$ 307,014,576	\$ 24,814,061	\$ 23,220,818	\$ 370,478,363	\$ 330,235,394

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

## **Debt**

More information regarding Park and Recreation Board debt can be found in the notes to the Financial Statements.

## **Economic Factors and 2018 Budget**

### **Employment:**

The unemployment rate for the City of Minneapolis at the end of 2017, as released by the Minnesota Department of Employment and Economic Development, is 2.6%. This economic indicator is lower than the State of Minnesota (3.4%) and national unemployment rate (4.1%). The City of Minneapolis unemployment rate one year ago in December 2016 was at 3.3%.

### **2018 Budget:**

On December 6, 2017, the Park and Recreation Board approved the 2018 budget. The original operating budget was set for \$80.8 million. The 2018 certified state aid is about \$9.3 million; current law increased 2018 Local Government Aid by \$151,710 over the amount received in 2017.

## **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 Director, Minneapolis Park and Recreation Board, 2117 West River Road, Minneapolis, MN 55411, 612-230-6400.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF NET POSITION**  
**December 31, 2017**

	Primary Government			Discrete Component Unit	Total
	Governmental Activities	Business -Type Activities	Total		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Cash and Pooled Investments	\$ 33,503,633	\$ 460,996	\$ 33,964,629	\$ 1,188,894	\$ 35,153,523
Funds Held for Others	-	-	-	9,280,157	9,280,157
Receivables	13,431,838	1,435,068	14,866,906	140,474	15,007,380
Materials & Supplies Inventories	-	45,484	45,484	-	45,484
Prepaid Expense	87,686	-	87,686	9,614	97,300
Internal Balances	239,329	(239,329)	-	-	-
Capital Assets:					
Non-Depreciable	164,677,418	2,958,577	167,635,995	-	167,635,995
Depreciable (Net)	180,986,884	21,855,484	202,842,368	13,793	202,856,161
Total Assets	<u>\$ 392,926,788</u>	<u>\$ 26,516,280</u>	<u>\$ 419,443,068</u>	<u>\$ 10,632,932</u>	<u>\$ 430,076,000</u>
Deferred Outflows of Resources:					
Deferred Outflows - Pensions	19,788,050	1,011,363	20,799,413	-	20,799,413
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 412,714,838</u>	<u>\$ 27,527,643</u>	<u>\$ 440,242,481</u>	<u>\$ 10,632,932</u>	<u>\$ 450,875,413</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
Liabilities:					
Salaries Payable	\$ 1,318,048	\$ 82,820	\$ 1,400,868	\$ 13,189	\$ 1,414,057
Accounts Payable (Net)	8,573,986	265,558	8,839,544	17,678	8,857,222
Funds Held for Others	-	-	-	9,280,157	9,280,157
Unearned Revenue	150,000	-	150,000	-	150,000
Non-Current Liabilities					
Due Within One Year:					
Compensated Absences	877,704	73,744	951,448	-	951,448
Notes Payable	175,526	57,768	233,294	-	233,294
Interest Payable	6,667	-	6,667	-	6,667
Due In More Than One Year:					
Compensated Absences	3,779,437	172,069	3,951,506	-	3,951,506
Notes Payable	3,641,483	157,514	3,798,997	-	3,798,997
Post Employment Benefits	3,481,548	431,373	3,912,921	-	3,912,921
Workers' Compensation Claims Pending	2,734,484	-	2,734,484	-	2,734,484
General Liability Claims Pending	1,406,624	-	1,406,624	-	1,406,624
Net Pension Liability	59,671,660	4,213,258	63,884,918	-	63,884,918
Total Liabilities:	<u>85,817,167</u>	<u>5,454,104</u>	<u>91,271,271</u>	<u>9,311,024</u>	<u>100,582,295</u>
Deferred Inflows of Resources:					
Deferred Inflows - Pensions	14,565,397	519,299	15,084,696	-	15,084,696
Net Position:					
Net Investment in Capital Assets	341,847,293	24,598,779	366,446,072	13,793	366,459,865
Restricted					
Capital Improvements	116,296	-	116,296	-	116,296
Project and Grant Programs	8,436,041	-	8,436,041	119,500	8,555,541
Special Trust	144,376	-	144,376	-	144,376
Special Reserves	6,702,063	-	6,702,063	-	6,702,063
Unrestricted	(44,913,795)	(3,044,539)	(47,958,334)	1,188,615	(46,769,719)
Total Net Position	<u>312,332,274</u>	<u>21,554,240</u>	<u>333,886,514</u>	<u>1,321,908</u>	<u>335,208,422</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 412,714,838</u>	<u>\$ 27,527,643</u>	<u>\$ 440,242,481</u>	<u>\$ 10,632,932</u>	<u>\$ 450,875,413</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, 2017**

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental Funds	Total
<b>ASSETS</b>							
Cash and							
Cash Equivalents	\$ 8,948,274	\$ -	\$ 11,349,713	\$ 780	\$ 11,269	\$ 9,396,368	\$ 29,706,404
Receivables:							
Accounts	365,167	-	471,442	-	1,110,808	14,233	1,961,650
Taxes -							
Current	371,361	93,822	-	11,087	-	-	476,270
Delinquent	312,845	-	-	2,280	-	-	315,125
Intergovernmental	-	-	65,966	-	10,436,443	-	10,502,409
Accrued Interest	-	-	-	2,425	-	25,990	28,415
Special Assessments	-	-	-	-	-	115,963	115,963
Due From-							
Other Funds	3,065	-	2,263	-	65,168	-	70,496
Prepaid Expense	-	-	-	-	23,314	-	23,314
<b>Total Assets</b>	<b>\$ 10,000,712</b>	<b>\$ 93,822</b>	<b>\$ 11,889,384</b>	<b>\$ 16,572</b>	<b>\$ 11,647,002</b>	<b>\$ 9,552,554</b>	<b>\$ 43,200,046</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Payables -							
Salaries	\$ 1,234,166	\$ -	\$ 8,714	\$ 444	\$ 17,118	\$ -	\$ 1,260,442
Accounts	2,337,134	93,822	203,943	169	5,526,786	46,442	8,208,296
Intergovernmental	4,733	-	-	-	-	-	4,733
Due To -							
Other Funds	2,263	-	65,168	-	-	-	67,431
Capital Advances	-	-	-	-	8,670,000	-	8,670,000
Unearned Revenue	150,000	-	-	-	-	-	150,000
<b>Total Liabilities</b>	<b>3,728,296</b>	<b>93,822</b>	<b>277,825</b>	<b>613</b>	<b>14,213,904</b>	<b>46,442</b>	<b>18,360,902</b>
Deferred Inflows of Resources:							
Unavailable Revenue	350,937	-	-	4,433	8,676,933	123,008	9,155,311
Fund Balances:							
Nonspendable:							
Prepaid Expense	-	-	-	-	23,314	-	23,314
Restricted for:							
Capital Improvements	-	-	-	-	116,296	-	116,296
Project & Grant Programs	-	-	-	-	-	8,436,041	8,436,041
Special Trust	-	-	144,376	-	-	-	144,376
Special Reserves	-	-	6,702,063	-	-	-	6,702,063
Committed to:							
Capital Improvements	-	-	-	-	4,675,241	-	4,675,241
Project Programs	592,130	-	161,980	11,526	-	-	765,636
Guaranty Loan	-	-	200,000	-	-	-	200,000
Assigned to:							
Project Programs	-	-	3,064,777	-	-	-	3,064,777
Special Trust	-	-	-	-	-	12,247	12,247
Special Reserves	-	-	1,119,890	-	-	-	1,119,890
Easements	-	-	23,088	-	-	-	23,088
Forestry and Tree Disease	-	-	195,385	-	-	934,816	1,130,201
Unassigned	5,329,349	-	-	-	(16,058,686)	-	(10,729,337)
<b>Total Fund Balances</b>	<b>5,921,479</b>	<b>-</b>	<b>11,611,559</b>	<b>11,526</b>	<b>(11,243,835)</b>	<b>9,383,104</b>	<b>15,683,833</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,000,712</b>	<b>\$ 93,822</b>	<b>\$ 11,889,384</b>	<b>\$ 16,572</b>	<b>\$ 11,647,002</b>	<b>\$ 9,552,554</b>	<b>\$ 43,200,046</b>

The notes to the financial statements are an integral part of this statement.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**Reconciliation of the Total Governmental Funds Balance Sheet to the**  
**Government-wide Statement of Net Position - Governmental Activities**  
**December 31, 2017**

**Total Governmental Funds Balances** \$ 15,683,833

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

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

Non-Depreciable	93,484,856	
Depreciable	415,502,077	
Accumulated Depreciation	(239,914,025)	
Work in Progress	71,192,562	340,265,470

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

Accrued Interest Payable	(6,667)
Compensated Absences - Short Term	(834,502)
Notes Payable - Short Term	(175,526)
Compensated Absences - Long Term	(3,678,634)
Post Employment Benefits - Long Term	(3,283,567)
Notes Payable - Long Term	(3,641,483)
Net Pension Liability - Long Term	(56,610,867)

Unavailable revenue in governmental funds is susceptible  
to full accrual on the entity-wide statements. 9,155,311

Deferred outflows resulting from pension obligations are not  
available resources and therefore are not reported in the funds. 19,053,330

Deferred inflows resulting from pension obligations are not  
due and payable in the current period and therefore are not  
reported in the funds. (14,188,143)

Receivables from business-type funds for internal service fund activity. (84,136)

Internal Service Funds are not reported in the funds  
statement but are included in the Statement of Net  
Position governmental activities. 10,677,855

**Net Position of Governmental Activities** \$ 312,332,274

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, 2017**

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental Funds	Total
<b>REVENUES</b>							
Taxes	\$ 57,600,685	\$ 12,148,139	\$ -	\$ 1,712,305	\$ -	\$ -	\$ 71,461,129
Intergovernmental	10,179,529	-	1,702,006	2,489	19,305,618	300,000	31,489,642
Charges for Services and Sales	8,431,631	-	517,933	-	-	-	8,949,564
Licenses and Permits	192,027	-	43,116	-	-	-	235,143
Fines and Forfeits	270,695	-	-	-	-	-	270,695
Special Assessments	13,147	-	-	-	994,849	163,540	1,171,536
Investment Earnings	-	-	-	-	-	69,429	69,429
Miscellaneous	149,659	7,905	540,469	-	1,216,143	2,952,632	4,866,808
<b>Total Revenues</b>	<b>76,837,373</b>	<b>12,156,044</b>	<b>2,803,524</b>	<b>1,714,794</b>	<b>21,516,610</b>	<b>3,485,601</b>	<b>118,513,946</b>
<b>EXPENDITURES</b>							
<b>Current:</b>							
Culture and Recreation	74,922,963	12,156,044	1,897,161	1,754,317	-	963,705	91,694,190
Capital Outlay	-	-	-	-	32,579,975	498,237	33,078,212
<b>Debt Service:</b>							
Principal Retirement	-	-	-	-	165,329	-	165,329
Interest and Fiscal Charges	-	-	-	-	114,443	-	114,443
<b>Total Expenditures</b>	<b>74,922,963</b>	<b>12,156,044</b>	<b>1,897,161</b>	<b>1,754,317</b>	<b>32,859,747</b>	<b>1,461,942</b>	<b>125,052,174</b>
Excess of Revenues Over (Under) Expenditures	1,914,410	-	906,363	(39,523)	(11,343,137)	2,023,659	(6,538,228)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In -							
Other Funds	25,000	-	917,014	-	3,495,517	-	4,437,531
Transfers Out -							
Other Funds	(3,457,014)	-	(453,600)	-	-	(301,917)	(4,212,531)
Total Other Financing Sources (Uses)	(3,432,014)	-	463,414	-	3,495,517	(301,917)	225,000
Net Change in Fund Balance	(1,517,604)	-	1,369,777	(39,523)	(7,847,620)	1,721,742	(6,313,228)
<b>FUND BALANCE - JANUARY 1</b>	<b>7,439,083</b>	<b>-</b>	<b>10,241,782</b>	<b>51,049</b>	<b>(3,396,215)</b>	<b>7,661,362</b>	<b>21,997,061</b>
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$ 5,921,479</b>	<b>\$ -</b>	<b>\$ 11,611,559</b>	<b>\$ 11,526</b>	<b>\$ (11,243,835)</b>	<b>\$ 9,383,104</b>	<b>\$ 15,683,833</b>

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, 2017**

**Net Changes in Fund Balances - Total Governmental Funds** \$ (6,313,228)

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. Contributions and donation of capital assets are recorded as revenue in the Statement of Activities.

Expenditures for Capital Assets	29,350,893
Current Year Depreciation	(12,408,325)
Contributions and Donated Capital Assets	20,980,867

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 Unavailable Revenue	3,872,947
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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 Accrued Interest Payable	33,333
Change in Compensated Absences	(170,598)
Change in Post Employment Benefits	(10,801)
Change in Note Payable	165,329
Change in Net Pension Liability, including related deferred inflows and outflows of resources	(7,197,816)

Transfers from business-type funds for internal service fund activities.	(72,732)
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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.

1,607,886

**Change in net position of governmental activities**

\$ 29,837,755

The notes to the financial statements are an integral part of this statement.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2017**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Assets:		
Cash and Cash Equivalents	\$ 460,996	\$ 3,667,486
Cash with Escrow Agent	-	129,743
Receivables -		
Accounts	707,999	32,006
Intergovernmental	727,069	-
Capital Advances	800,000	8,990,400
Materials & Supplies Inventory	45,484	-
Prepaid Expense	-	64,372
Total Current Assets	2,741,548	12,884,007
Non-Current Assets		
Net Capital Assets	24,814,061	5,398,832
Total Assets	27,555,609	18,282,839
Deferred Outflows of Resources:		
Deferred Outflows - Pensions	1,011,363	734,720
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 28,566,972</b>	<b>\$ 19,017,559</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
Current Liabilities:		
Payables -		
Salaries	\$ 82,820	\$ 57,606
Accounts	263,529	360,183
Intergovernmental Payable	2,029	774
Compensated Absences Payable	73,744	43,202
Notes Payable - Current	57,768	-
Due to Other Funds	3,065	-
Advance From Other Funds	140,050	-
Total Current Liabilities	623,005	461,765
Long-Term Liabilities:		
Notes Payable - Long Term	157,514	-
Advance From Other Funds	980,350	-
Workers' Compensation Claims Pending	-	2,734,484
General Liability Claims Pending	-	1,406,624
Compensated Absences Payable	172,069	100,803
Post Employment Benefits Payable	431,373	197,981
Net Pension Liability	4,213,258	3,060,793
Total Long-Term Liabilities	5,954,564	7,500,685
Total Liabilities	6,577,569	7,962,450
Deferred Inflows of Resources:		
Deferred Inflows - Pensions	519,299	377,254
Net Position:		
Net Investment in Capital Assets	24,598,779	5,398,832
Unrestricted	(3,128,675)	5,279,023
Total Net Position	21,470,104	10,677,855
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 28,566,972</b>	<b>\$ 19,017,559</b>

The notes to the financial statements are an integral part of this statement.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**Reconciliation of the Proprietary Funds - Business-Type Activities Statement of Net Position to the**  
**Government-wide Statement of Net Position - Business-Type Activities**  
**December 31, 2017**

**Net Position - Enterprise Fund** \$ 21,470,104

Some amounts reported for business-type activities in the statement of net position are different because of certain internal service fund assets and liabilities that are included with business-type activities.

84,136

**Net Position of Business-Type Activities** \$ 21,554,240

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 POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2017**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>		
Billings to Departments	\$ -	\$ 9,644,833
Charges For Services and Sales	8,091,562	-
Rents	2,394,100	-
Total Operating Revenues	<u>10,485,662</u>	<u>9,644,833</u>
<b>OPERATING EXPENSES</b>		
Personal Services	3,307,316	1,969,933
Contractual Services	2,341,865	2,748,822
Materials and Supplies	1,302,229	1,335,328
Depreciation on Acquired Property	910,148	1,331,268
Benefits	1,773,702	1,381,188
Total Operating Expenses	<u>9,635,260</u>	<u>8,766,539</u>
Operating Income (Loss)	<u>850,402</u>	<u>878,294</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	567,122	-
Gain on Disposal of Capital Assets	-	54,057
Sale of Scrap	-	19,794
Damages/Losses Recovered	-	213,771
Other Non-Operating Revenues	18,378	2,997
City of Minneapolis - Debt Service	(581,788)	-
Interest Expense	(12,809)	-
Total Non-Operating Revenues (Expenses)	<u>(9,097)</u>	<u>290,619</u>
Income (Loss) Before Contributions and Transfers	841,305	1,168,913
Capital Contributions	-	438,973
Transfer Out	<u>(225,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	616,305	1,607,886
<b>NET POSITION - JANUARY 1, Restated, (Note 20)</b>	20,853,799	9,069,969
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 21,470,104</u>	<u>\$ 10,677,855</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, Expenses and**  
**Changes in Net Position of Proprietary Funds - Business-Type Activities**  
**to the Government-wide Statement of Activities - Business-Type Activities**  
**For the Year Ended December 31, 2017**

**Change in Net Position - Enterprise Fund** \$ 616,305

Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain Internal Service Funds is reported with business-type activities.

72,732

**Change in Net Position of Business-Type Activities** \$ 689,037

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, 2017**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Interfund Services Provided	\$ -	\$ 9,643,319
Cash Received (due) from Customers	10,515,422	4,163
Cash Paid to Suppliers for Goods and Services	(3,912,799)	(4,447,505)
Cash Paid to Employees for Services	(4,549,808)	(2,934,550)
Other Non-Operating Revenues	18,378	198,427
Net cash Provided by (Used in) Operating Activities	2,071,193	2,463,854
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Repayment of Advances Made by Other Funds	-	270,050
Proceeds from Sale of Scrap	-	19,794
Other Payments Received	-	18,341
City of Minneapolis - Debt Service	(581,788)	-
Transfer to Other Funds	(25,000)	-
Payment of Advances Made to Other Funds	-	(600,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(606,788)	(291,815)
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Sale of Capital Assets	-	65,955
Principal and Interest Payments	(67,799)	-
Acquisition of Property Plant and Equipment	(2,569,989)	(1,630,484)
Repayment of Advances Made by Other Funds	(140,050)	-
Transfers To Other Funds	(200,000)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,977,838)	(1,564,529)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,513,433)	607,510
<b>Cash and Cash Equivalents - January 1</b>	1,974,429	3,189,719
<b>Cash and Cash Equivalents - December 31</b>	\$ 460,996	\$ 3,797,229
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>		
Operating Income (Loss)	\$ 850,402	\$ 878,294
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation on Acquired Property	910,148	1,331,268
(Increase) Decrease in Accounts Receivable	26,263	3,081
(Increase) Decrease in Due from Other Funds	432	130,000
(Increase) Decrease in Materials and Supplies Inventory	(11,938)	-
(Increase) Decrease in Prepaid Expense	-	(2,522)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	1,112,037	807,857
Increase (Decrease) in Salaries Payable	(416)	(6,000)
Increase (Decrease) in Accounts Payable	(257,799)	(74,280)
Increase (Decrease) in Intergovernmental Payable	1,032	774
Increase (Decrease) in Due to Other Funds	3,065	(130,432)
Increase (Decrease) in Workers' Compensation Claims Pending	-	(176,537)
Increase (Decrease) in General Liability Claims Pending	-	(110,790)
Increase (Decrease) in Post Employment Benefits Payable	511	599
Increase (Decrease) in Compensated Absences Payable	(26,546)	16,850
Increase (Decrease) in Deferred Inflows of Resources - Pensions	266,426	193,550
Increase (Decrease) in Net Pension Liability	(820,802)	(596,285)
Other Non-Operating Revenues	18,378	198,427
Total Adjustments	1,220,791	1,585,560
<b>Net Cash Provided by (Used in) Operating Activities</b>	\$ 2,071,193	\$ 2,463,854
<b>Non-Cash, Capital and Related Financing Activities</b>		
Capital Contributions	\$ -	\$ 438,973
Carrying Value of Disposed Assets	-	11,898
Loss on Disposal of Capital Assets	-	7,923

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, 2017

### Note 1 - Form of Government

The Minneapolis Park and Recreation Board operates pursuant to Chapter 16 of the City Charter of the City of Minneapolis. 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 (GASB) Statement 61, *The Financial Reporting Entity: omnibus and amendment of GASB Statements No. 14 and No. 34*. 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.

#### **Discretely Presented Component Unit**

The Minneapolis Parks Foundation was established in 2013 and is an independent donor-supported nonprofit dedicated to supporting the continually evolving park system. Minneapolis Parks Foundation is the primary philanthropic partner to the Minneapolis Park and Recreation Board, which stewards the city's 6,790 acres of parkland and water. Based on its relationship with the Minneapolis Park and Recreation Board, it would be misleading to exclude the Minneapolis Parks Foundation as a component unit. It is this criterion that results in the Minneapolis Parks Foundation being reported as a discretely presented component unit. Complete financial statements for the Minneapolis Parks Foundation can be obtained from The Minneapolis Parks Foundation, 4800 Minnehaha Avenue South, Minneapolis, MN 55417.

Information on joint venture and related organizations are described in Note 14.

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 Position* 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.

The government-wide statements are prepared using the economic resources measurement focus and the full 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Generally, interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities, except in those instances where the elimination of activities would distort the direct costs and program revenues.

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, including taxes, 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 position should be reported as restricted when constraints placed on the use of net position 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.

## Note 2 - Summary of Significant Accounting Policies

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

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.

**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 and deferred outflows of resources.

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 fund balance. 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. 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. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

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 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 – Tree Preservation and Reforestation**  
This fund is used to account for a special tax levy to address threats to the urban forest due to Emerald Ash Borer and tree loss due to storms.
- **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 Position. Net position is segregated into net investment in capital assets and unrestricted. The Park and Recreation Board Proprietary Funds use the full accrual basis of accounting, under which revenues are recognized when earned, and expenses are recorded as liabilities when they are incurred.

**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) 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. In addition, the Park and Recreation Board considers cash with escrow agent to be cash and cash equivalents. Except for the Minneapolis Parks and the Park Dedication Fees Special Revenue Funds, the minimal amount of interest earned on these deposits is retained by 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.

The Park and Recreation Board invests funds in the City of Minneapolis investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. The Park and Recreation Board invests in the pool for purpose of joint investment with the City to enhance investment earnings. There are no redemption limitations.

The cash held by the Minneapolis Parks Foundation discrete component is defined as highly liquid short-term investments with a maturity date of acquisition of three months or less. Cash reported as Funds Held for others consists primarily of the RiverFirst campaign. A corresponding liability is recorded to show the amount will be gifted to the Park Board at a later date.

**D) 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.

**E) Prepaid Expense**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expense in both government-wide and fund financial statements.

**F) Capital Assets**

Governmental activities and Business-type activities 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. Contributed/donated capital assets are recorded at acquisition value.

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**

The Park and Recreation Board's long-term liabilities are reported on the government-wide statements and in the proprietary fund statements. Liabilities recorded on these statements include compensated absences payable, mortgage and promissory notes payable, post employment benefits payable, workers' compensation claims pending, general liability claims pending, and net pension liability. These liabilities are discussed further in Notes 5, 9, 10 and 12. The Park and Recreation Board typically liquidates the liability for compensated absences, other post employment benefits, and net pension liability from the fund where the employee's salary was originally charged.

**H) Deferred Inflow/Outflow of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Park and Recreation Board has one item, deferred pension outflows, that qualifies for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of pension plan contributions paid subsequent to the measurement date, the differences between expected and actual economic experience, the differences between projected and actual earnings on pension plan investments, changes in actuarial assumptions, and pension plan changes in proportionate share and accordingly, are reported only in the statements of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Park and Recreation Board has two types of deferred inflows that qualify for reporting in this category. Unavailable revenue arises only under the modified accrual basis of accounting and accordingly, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes, special assessments, intergovernmental revenue, and investment earnings, for amounts that are not considered to be available to liquidate liabilities of the current period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Park and Recreation Board also has deferred pension inflows. These

**Note 2 - Summary of Significant Accounting Policies**

**H) Deferred Inflow/Outflow of Resources** (Continued)

inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience, changes in actuarial assumptions, and pension plan changes in proportionate share, and accordingly, are reported only in the statements of net position.

**I) Pension Plan**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on a different basis than reported by PERA. The Park Board has reported its long-term projected contribution effort to the pension plan rather than the allocated amounts based on current year contributions of all contributing members. PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

**J) 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. Any residual balances between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

**K) Fund Balance**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Park and Recreation Board is bound to observe constraints imposed upon the use of the resources in the governmental funds. Fund balances are classified as:

Nonspendable – amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items not expected to be converted to cash (example: noncurrent loans, inventories and/or prepaid items).

Restricted – amounts to be used for specific purposes as determined by enabling legislation or imposed by grantors or debt covenants. Restricted fund balance is used before unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available.

Committed – amounts to be used for specific purposes as determined by formal board action. Committed fund balances are used before assigned or unassigned fund balances when an eligible expenditure is incurred and cannot be used for any other purpose unless formal board action is taken to remove or change the specified use.

Assigned – amounts intended to be used for certain purposes as determined by the board or by delegation to the Superintendent. Assigned fund balance is used first when an expenditure is incurred for which both assigned and unassigned fund balance is available.

Unassigned – amount remaining in the General Fund that has not been restricted, committed, or assigned. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Park Board applies restricted resources first when expenditures are incurred for purposes which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows.

**Note 2 - Summary of Significant Accounting Policies**

**K) Fund Balance (Continued)**

Fund Balance	General	Park Grant and Dedicated Revenue	Tree Preservation & Reforestation	Permanent Improvement	Other Governmental Funds	Total
<b><u>Nonspendable:</u></b>						
Prepaid Expense	\$ -	\$ -	\$ -	\$ 23,314	\$ -	\$ 23,314
<b><u>Restricted for:</u></b>						
Capital Improvements	-	-	-	116,296	-	116,296
Project & Grant Programs	-	-	-	-	8,436,041	8,436,041
Special Trust	-	144,376	-	-	-	144,376
Special Reserves	-	6,702,063	-	-	-	6,702,063
<i>Total Restricted</i>	-	6,846,439	-	116,296	8,436,041	15,398,776
<b><u>Committed to:</u></b>						
Capital Improvements	-	-	-	4,675,241	-	4,675,241
Project Programs	592,130	161,980	11,526	-	-	765,636
Guaranty Loan	-	200,000	-	-	-	200,000
<i>Total Committed</i>	592,130	361,980	11,526	4,675,241	-	5,640,877
<b><u>Assigned to:</u></b>						
Project Programs	-	3,064,777	-	-	-	3,064,777
Special Trust	-	-	-	-	12,247	12,247
Special Reserves	-	1,119,890	-	-	-	1,119,890
Easements	-	23,088	-	-	-	23,088
Forestry and Tree Disease	-	195,385	-	-	934,816	1,130,201
<i>Total Assigned</i>	-	4,403,140	-	-	947,063	5,350,203
<b><u>Unassigned</u></b>	5,329,349	-	-	(16,058,686)	-	(10,729,337)
Total fund balances	\$ 5,921,479	\$ 11,611,559	\$ 11,526	\$ (11,243,835)	\$ 9,383,104	\$ 15,683,833

**L) Budgets**

Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds.

The 2016 process for the 2017 budget involved the following:

May	The 2017 budget process began with the Minneapolis Park and Recreation Board Budget retreat with the Committee of the Whole. The Minneapolis Park and Recreation Board was presented with the projections for the 2017 budget.
July-September	Operating Budget Development – Departments prepared department operating budget requests; “Current Service Level Budgets” reflected current year costs of providing the same level of service as provided in the prior year, and proposals which described policy and organizational changes with financial implications.
August-September	The Board of Estimate and Taxation set the maximum property tax levy for the City, Municipal Building Commission, Public Housing Authority and the Park and Recreation Board by September 30, as required by state law.
September-October	The Superintendent held departmental hearings to review operating budgets. The Superintendent prepared and submitted a budget that includes a recommendation on annual property tax levy amounts to the Board of Commissioners at the second meeting in October.
November-December	“Truth in Taxation” property tax statements mailed by the County to property owners indicating the maximum amount of property taxes that the owner will be required to pay.
December	“Truth in Taxation” public hearings held. The Minneapolis Park and Recreation Board of Commissioners adopted a final budget and tax levy.

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

**M) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**N) Change in Accounting Principle**

During the year ended December 31, 2017, the Park and Recreation Board adopted accounting guidance by implementing specific provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 as it relates to the calculation of the Park Board's proportionate share of net pension liability and related deferred outflows/inflows of resources, and pension expense. Specifically, the Park Board implemented guidance from paragraph 48(a) of GASB statement No. 68. In that paragraph, GASB encourages the use of the employer's projected long-term contribution effort to the pension plan as compared to the total projected long-term contribution effort of all employers and nonemployer contributing entities to determine the employer's proportionate share.

The Park Board contributes to the Public Employees Retirement Association (PERA) pension plan. In practice, this plan considers only current year contributions from each employer or nonemployer contributing entity when allocating the proportionate share of the plan's net pension liability and related deferrals. The Park Board contributes additional amounts above the required payroll-related contributions to PERA, as required by Minnesota State Statute. This results in a higher proportion allocated to the Park Board as compared to contributing entities that contribute only the payroll-related required contribution. The Park Board's statutorily required additional contributions have fixed end dates, and as such, the net present value of those additional contributions can be calculated.

The resulting recalculation of the Park Board's proportionate share altered the beginning balance of net pension liability, deferred outflows, and deferred inflows of resources. This resulted in the restatement of the Park Board's January 1, 2017 net position as noted in Section O of Note 2.

**O) Restatement of Net Position**

Due to the change in accounting principle for the implementation of an alternate proportionate share calculation of GASB Statement No. 68 net pension liability and related deferrals, the Park Board restated the beginning net position of the governmental and business-type activities.

	Total Park Board	Governmental Activities	Business-Type Activities
Net Position, January 1, 2017, as previously reported	\$ 301,832,635	\$ 281,372,154	\$ 20,460,481
Change in Accounting Principle	1,527,087	1,122,365	404,722
Change in reporting entity - Parks Foundation (see Note 2A)	1,461,474		
Net Position - January 1, 2017, Restated	<u>\$ 304,821,196</u>	<u>\$ 282,494,519</u>	<u>\$ 20,865,203</u>

**Note 3 - Receivables**

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

	Museum County- Wide General	Park Grant and Dedicated Revenue Levy	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental	Internal Service	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 365,167	\$ -	\$ 471,442	\$ -	\$ 1,110,808	\$ 14,283	\$ 32,006	\$ 1,993,706
Property Tax	684,206	93,822	-	13,367	-	-	-	791,395
Intergovernmental	-	-	65,966	-	10,436,443	-	-	10,502,409
Accrued Interest	-	-	-	2,425	-	25,990	-	28,415
Special Assessments	-	-	-	-	115,963	-	-	115,963
Gross Receivables	<u>\$ 1,049,373</u>	<u>\$ 93,822</u>	<u>\$ 537,408</u>	<u>\$ 15,792</u>	<u>\$ 11,547,251</u>	<u>\$ 156,236</u>	<u>\$ 32,006</u>	<u>\$ 13,431,888</u>
								<u>\$ 1,435,068</u>

**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 tenant's interest in the lease was assigned to Island Sash & Door Co., LLC in 2005. In 2012, the Park and Recreation Board approved an amendment to the lease with Island Sash & Door Co., LLC. Island Sash & Door Co., LLC is required to pay three percent of the gross sales as rent. 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 rent is subject to interest charges. The total amount the Park and Recreation Board received in 2017 for rent was \$95,341.

**Note 3 – Receivables** (Continued)

**Park and Recreation Board Headquarters** In 2015, the Park and Recreation Board leased a portion of the headquarters property located at 2117 West River Road to Surdyk's Flights. The initial term of the Surdyk's Flights' lease is for 4 years with the option to renew for one additional four-year period. The total amount the Park and Recreation Board received in 2017 for rent from Surdyk's Flights was \$41,757.

**Unavailable Revenue – Permanent Improvement Capital Projects Fund** At the end of 2017, the Permanent Improvement Capital Projects Fund reported \$8,677,155 in unavailable revenue. Revenues are considered unavailable when they are not collectible within the current period in order to pay liabilities of the current period. The sources of revenue that make up this balance are as follows:

Grants:		
State	\$	7,698,550
Other Local Governments		589,946
Contributions		388,437
Total	\$	<u>8,676,933</u>

**Note 4 – Changes in Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 1/1/17 Restated	Additions	Deletions	Balance 12/31/17
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 73,648,577	\$ 19,836,279	\$ -	\$ 93,484,856
Construction in Progress	55,291,517	34,004,334	(18,103,289)	71,192,562
Total capital assets not being depreciated	<u>128,940,094</u>	<u>53,840,613</u>	<u>(18,103,289)</u>	<u>164,677,418</u>
Capital assets being depreciated				
Buildings and Structures	68,555,727	265,680	-	68,821,407
Infrastructure	116,778,120	8,199,941	-	124,978,061
Public Improvements	213,335,343	5,923,605	-	219,258,948
Equipment	16,690,955	2,315,359	(569,666)	18,436,648
Total capital assets being depreciated	<u>415,360,145</u>	<u>16,704,585</u>	<u>(569,666)</u>	<u>431,495,064</u>
Less accumulated depreciation for:				
Buildings and Structures	(31,536,178)	(1,444,650)	-	(32,980,828)
Infrastructure	(84,996,372)	(1,788,615)	-	(86,784,987)
Public Improvements	(109,049,094)	(9,069,933)	-	(118,119,027)
Equipment	(11,704,019)	(1,436,396)	517,077	(12,623,338)
Total accumulated depreciation	<u>(237,285,663)</u>	<u>(13,739,594)</u>	<u>517,077</u>	<u>(250,508,180)</u>
Total capital assets being depreciated net	<u>178,074,482</u>	<u>2,964,991</u>	<u>(52,589)</u>	<u>180,986,884</u>
Governmental activities capital assets, net	<u>\$ 307,014,576</u>	<u>\$ 56,805,604</u>	<u>\$ (18,155,878)</u>	<u>\$ 345,664,302</u>

Asset beginning balance restated; Portion of Land reclassified to Building and Structures, \$441,900.

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

Business - Type Activities	Balance	Additions	Deletions	Balance
	1/1/17			12/31/17
Capital assets not being depreciated				
Land	\$ 1,206,784	\$ -	\$ -	\$ 1,206,784
Construction in Progress	1,968,325	2,338,915	(2,555,447)	1,751,793
Total capital assets not being depreciated	<u>3,175,109</u>	<u>2,338,915</u>	<u>(2,555,447)</u>	<u>2,958,577</u>
Capital assets, being depreciated				
Buildings and Structures	23,603,402	809,278	-	24,412,680
Infrastructure	98,638	-	-	98,638
Public Improvements	8,724,358	1,842,054	-	10,566,412
Equipment	2,690,196	68,591	-	2,758,787
Total capital assets, being depreciated	<u>35,116,594</u>	<u>2,719,923</u>	<u>-</u>	<u>37,836,517</u>
Less accumulated depreciation for:				
Buildings and Structures	(7,706,902)	(452,168)	-	(8,159,070)
Infrastructure	(40,873)	(4,712)	-	(45,585)
Public Improvements	(5,459,071)	(257,748)	-	(5,716,819)
Equipment	(1,864,039)	(195,520)	-	(2,059,559)
Total accumulated depreciation	<u>(15,070,885)</u>	<u>(910,148)</u>	<u>-</u>	<u>(15,981,033)</u>
Total capital assets, being depreciated net	<u>20,045,709</u>	<u>1,809,775</u>	<u>-</u>	<u>21,855,484</u>
Business-type activities capital assets, net	<u>\$ 23,220,818</u>	<u>\$ 4,148,690</u>	<u>\$ (2,555,447)</u>	<u>\$ 24,814,061</u>

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation	\$ 12,408,326
Depreciation on capital assets held in the internal service fund of the Park and Recreation Board is charged to the various functions based on their usage of assets.	<u>1,331,268</u>
Total depreciation expense – governmental activities	<u>\$ 13,739,594</u>

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

Park Operating	<u>\$ 910,148</u>
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**Construction in Progress**

Construction in progress for the governmental activity represents work being performed on the Park and Recreation Board’s permanent improvement projects related to athletic fields, park buildings, sites and toflots. Construction in progress for the business-type activities represents work being performed on the Park and Recreation Board’s permanent improvement projects related to golf courses, ice arenas and other enterprise fund infrastructure.

**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. This is recorded in business-type activities. Listed below is the annual debt service requirement to maturity for the mortgage note.

Year	Principal	Interest	Total
2018	\$ 57,768	\$ 10,031	\$ 67,799
2019	60,686	7,112	67,798
2020	63,753	4,046	67,799
2021	33,075	825	33,900
Total	<u>\$ 215,282</u>	<u>\$ 22,014</u>	<u>\$ 237,296</u>

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

In 2015, the Park and Recreation Board entered into a Contract for Deed in the amount of \$2,000,000 with St. Anthony Real Estate Company for the purchase of three parcels of land located as follows: 30 31<sup>st</sup> Avenue North, 3101 Pacific Street and 50 31<sup>st</sup> Avenue North. In November 2017, the Park Board extended the Balloon date to January 2020. The interest rate is four percent (4%) per annum, to be paid in full, together with all accrued interest, on or before January 2, 2020. This is recorded in governmental activities. Listed below is the annual debt service requirement to the required payoff date.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 80,000	\$ 80,000
2019	-	80,000	80,000
2020	2,000,000	13,333	2,013,333
Total	<u>\$ 2,000,000</u>	<u>\$ 173,333</u>	<u>\$ 2,173,333</u>

In 2016, the Park and Recreation Board entered into a Contract for Deed in the amount of \$2,100,000 with L and R Development, LLC for the purchase of one parcel of land located at 4022 ½ Washington Avenue North. The promissory note shall bear interest at a rate of six percent (6%) per annum. Monthly principal and interest payments commenced on April 1, 2016, with the entire remaining unpaid balance of principal and interest due and payable on the first day of the 24<sup>th</sup> month or March 1, 2018. This is recorded in governmental activities. Listed below is the annual debt service requirement to the required payoff date.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,817,009	\$ 27,041	\$ 1,844,050

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

Changes in long-term liabilities are summarized as follows:

	Balance 01/01/17	Additions	Retirements	Balance 12/31/17	Amounts due within one year
<b>Governmental Activities:</b>					
Notes Payable	\$ 3,982,338	\$ -	\$ (165,329)	\$ 3,817,009	\$ 175,526
Interest Payable	40,000	-	(33,333)	6,667	6,667
Compensated Absences	4,469,693	2,921,250	(2,733,802)	4,657,141	877,704
Post Employment Benefits	3,470,147	112,556	(101,155)	3,481,548	-
<b>Business-Type Activities:</b>					
Contracts Payable	105,450	-	(105,450)	-	-
Notes Payable	270,272	-	(54,990)	215,282	57,768
Compensated Absences	272,358	115,923	(142,468)	245,813	73,744
Post Employment Benefits	430,862	3,057	(2,546)	431,373	-
Total Long-Term Liabilities	<u>\$ 13,041,120</u>	<u>\$ 3,152,786</u>	<u>\$ (3,339,073)</u>	<u>\$ 12,854,833</u>	<u>\$ 1,191,409</u>

**Note 6 - Operating Leases**

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 2017 for base and percentage rent was \$113,128.

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

<u>Year Ending December 31</u>	<u>Business-Type Activity Amount</u>
2018	\$ 55,219
2019	55,219
2020	55,219
2021	55,219
2022	55,219
2023-2027	276,095
2028-2030	165,657
Total minimum lease payments	<u>\$ 717,847</u>

**Note 7 - Interfund Transactions**

**Advances to/from other funds:**

Advances to other funds are to provide temporary working capital for permanent improvement projects, the early retirement of the headquarters building mortgage loan and a loan to the enterprise fund for Minnehaha Refectory improvements. Capital Advances unpaid as of December 31, 2017 are as follows:

<b>Capital Project - Permanent Improvement</b>	
Due to: Park Self-Insurance Fund	\$ 4,770,000
Due to: Park Internal Services Fund	3,100,000
Due to: Park Operating Fund	800,000
<b>Enterprise Fund - Park Operating Fund</b>	
Due to: Park Self-Insurance Fund	1,120,400
<b>Total</b>	<u><u>\$ 9,790,400</u></u>

**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:			
	General Fund	Permanent Improvement	Park Grant and Dedicated Revenue	Total
Transfer out:				
General Fund	\$ -	\$ 2,540,000	\$ 917,014	\$ 3,457,014
Park Grant and Dedicated Revenue	-	453,600	-	453,600
Minneapolis Parks Special Revenue	-	301,917	-	301,917
Park Operating Enterprise Fund	25,000	200,000	-	225,000
Total Transfers Out	<u>\$ 25,000</u>	<u>\$ 3,495,517</u>	<u>\$ 917,014</u>	<u>\$ 4,437,531</u>

**Due To/From Other Funds:**

Interfund balances are either due to timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid within one year. Receivables and payables between funds of the Park and Recreation Board on December 31, 2017 are:

	Due From	Due To
	Other Funds	Other Funds
General Fund	\$ 3,065	\$ 2,263
Park Grant and Dedicated Revenue	2,263	65,168
Permanent Improvement Fund	65,168	-
Park Operating Enterprise Fund	-	3,065
	<u>\$ 70,496</u>	<u>\$ 70,496</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. Payments are based on a sliding scale ranging from 50 percent to 100 percent depending on the base level attained. In addition, under certain circumstances, employees leaving employment may qualify to receive payment for 50 percent of their unused sick leave at their current rate of pay. Accrued liabilities for compensated absences are reported in the financial statements as described in Note 5 D.

- The liability has been calculated using the vesting method in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination.
- The liability is reported in the governmental funds only if they have matured (as a result of employee resignations and retirements).
- The liability is accrued when incurred in the government-wide and proprietary fund financial statements.
- The current portion of the liability is determined based on historical information.

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

### **A) Plan Description**

The Park and Recreation Board participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

#### **1) General Employees Retirement Plan (GERP)**

All full-time and certain part-time employees of the Park and Recreation Board are covered by the General Employees Retirement Plan (GERP). GERP members belong to either the Coordinated Plan, the Basic Plan or the Minneapolis Employee Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan members and Minneapolis Employee Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employee Retirement Fund was closed to new members in 1978 and merged into the GERP plan in 2015. All new members must participate in the Coordinated Plan and benefits vest after three years of service (five years for those first eligible for membership after June 30, 2010).

#### **2) Public Employees Police and Fire Plan (PEPFP)**

The PEPFP, originally established for police officers and firefighters not covered by a local relief association, now covers all Park and Recreation Board police officers hired since 1980. Effective July 1, 1999, the PEPFP also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA. For members first hired after June 30, 2010 but before July 1, 2014, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5 percent each year of service until fully vested after 20 years.

### **B) Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.0 percent postretirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent

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

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 General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive 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 Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. Minneapolis Employees Retirement Fund members have an annuity accrual rate of 2.0 percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year. For Public Employees Police and Fire Plan members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

For General Employees Retirement Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Public Employees Police and Fire Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high five salary.

### **C) Contributions**

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. Contribution rates can only be modified by the state legislature. The employee and employer contribution rates did not change from the previous year.

#### **1) GERP Contributions**

Basic Plan members, Coordinated Plan members, and Minneapolis Employee Retirement Fund members, were required to contribute 9.10 percent, 6.50 percent, and 9.75 percent respectively, of their annual covered salary in calendar year 2017. Participating employers are required to contribute 11.78 percent of pay for Basic Plan members, 7.50 percent for Coordinated Plan members, and 9.75 percent for Minneapolis Employees Retirement Fund members in calendar year 2017. The Park and Recreation Board contributions related to payroll to the GERP for the year ended December 31, 2017 was \$2,509,657. The Park and Recreation Board's

**Note 9 - Defined Benefit Pension Plans**

**1) GERP Contributions (Continued)**

fixed contributions to the GERP for the year ended December 31, 2017 was \$2,169,300. Total contributions were equal to the required contribution as set by state statute.

**2) PEPFP Contributions**

Plan members were required to contribute 10.80 percent of their annual covered salary in calendar year 2017. Employers were required to contribute 16.20 percent of pay for PEPFP members in calendar year 2017. The Park and Recreation Board contributions to the PEPFP for the year ended December 31, 2017 was \$560,511. Employer contributions were equal to the required contributions as set by state statute.

**D) Pension Costs**

**1) GERP Pension Costs**

At December 31, 2017, the Park and Recreation Board reported a liability of \$59,881,242 for the proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on the employer's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Park and Recreation Board's proportionate share was 0.938 percent, which was an increase of 0.0386 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Park and Recreation Board recognized pension expense of \$7,947,867 for the proportionate share of the GERP's pension expense.

In addition, the Park and Recreation Board also recognized \$22,054 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$6 million to the General Employees Retirement Plan each year, starting September 15, 2015, through September 15, 2031.

Proportionate share of net pension liability	\$59,881,242
State of Minnesota's proportionate share of the net pension liability associated with the Park and Recreation Board	<u>763,600</u>
Total	\$ 60,644,842

At December 31, 2017, the Park and Recreation Board reported proportionate shares of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,120,564	\$ 2,251,727
Difference between projected and actual investment earnings	391,590	-
Changes in Actuarial Assumptions	9,984,238	3,408,587
Changes in Proportion	1,577,064	1,720,267
Contributions paid to PERA subsequent to the measurement date	<u>1,300,610</u>	<u>-</u>
Total	<u>\$ 14,374,066</u>	<u>\$ 7,380,581</u>

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2017. These Park and Recreation Board contributions were \$1,300,610. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 3,917,644
2019	4,349,282
2020	(1,130,779)
2021	(1,443,272)

**Note 9 - Defined Benefit Pension Plans** (Continued)

**2) PEPFP Pension Costs**

At December 31, 2017, the Park and Recreation Board reported a liability of \$4,003,676 for the proportionate share of the PEPFP's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on the employer's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Park and Recreation Board's proportionate share was 0.2965 percent, which was a decrease of 0.0253 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Park and Recreation Board recognized pension expense of \$261,788 for the proportionate share of the PEPFP's pension expense.

The Park and Recreation Board also recognized \$27,000 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9,000,000 to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90.0 percent funded.

At December 31, 2017, the Park and Recreation Board reported a share of the PEPFP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 101,497	\$ 1,205,920
Difference between projected and actual investment earnings	93,732	-
Changes in Actuarial Assumptions	5,860,161	6,259,311
Changes in proportion	44,436	238,884
Contributions paid to PERA subsequent to the measurement date	325,521	-
Total	\$ 6,425,347	\$ 7,704,115

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2017. These contributions total \$325,521 for the Park and Recreation Board. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 66,406
2019	66,406
2020	(99,295)
2021	(366,593)
2022	(1,271,213)

Total pension expense for all plans recognized by the Park and Recreation Board for the year ended December 31, 2017 was \$8,209,655.

**E) Actuarial Assumptions**

The total pension liability in the June 30, 2017, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumption	GERP/PEPFP
Inflation	2.5% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

**Note 9 - Defined Benefit Pension Plans**

**E) Actuarial Assumptions** (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants in the General Employees Retirement Plan were based on RP-2014 tables, while Public Employees Police and Fire Plan were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Plan and the Public Employees Police and Fire Plan, cost of living benefit increases for retirees are assumed to be 1.0 percent.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period 2008 through 2015. The experience study for PEPFP was for the period 2004 through 2009.

The long-term expected rate of return on pension plan investments is 7.5 percent for PERA. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	39%	5.10%
International stocks	19%	5.30%
Bonds	20%	0.75%
Alternative assets	20%	5.90%
Cash	2%	0.00%

**F) Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent for PERA. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the GERP's fiduciary net position was projected to be available to make all projected future benefit payments of current and active and inactive employees.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In the Public Employees Police and Fire Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057, when projected benefit payments exceed the Plan's projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60 percent for the Public Employees Police and Fire Plan was determined that produced approximately the same present value of the projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits through the point of asset depletion and 2.85 percent thereafter.

**G) Changes in Actuarial Assumptions**

The following changes in actuarial assumptions occurred in 2017:

General Employees Retirement Plan

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions changed the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The State's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

**Note 9 - Defined Benefit Pension Plans**

**G) Changes in Actuarial Assumptions (Continued)**

Public Employees Police and Fire Plan

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous years.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 per annum to 7.50 percent per annum.

**H) Pension Liability Sensitivity**

The following presents the Park and Recreation Board’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Park and Recreation Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Proportionate share of the General Employees Retirement Fund net pension liability	\$ 79,208,393	\$ 59,881,242	\$ 43,905,777
Proportionate share of the Public Employees Police and Fire Fund net pension liability	\$ 7,540,089	\$ 4,003,676	\$ 1,084,171

**I) Pension Plan Fiduciary Net Position**

Detailed information about PERA’s fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Note 10-Postemployment Healthcare Plan**

**A) Plan Description**

The Park and Recreation Board participates in the postemployment 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 Chapter 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.

There is no separate, audited GAAP-basis postemployment benefit plan report available.

**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 2017, the Park and Recreation Board contributed \$103,701 to the plan. As of January 1, 2017, there were approximately 279 total retirees receiving health benefits from the City's health plan, of which 24 are retirees of the Park and Recreation Board.

**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 (ARC) of the Park and Recreation Board, 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	\$	122,822
Interest on net OPEB obligation		136,535
Adjustment to annual required contribution		<u>(143,744)</u>
Annual OPEB cost (expense)		115,613
Contributions made		<u>103,701</u>
Increase ( Decrease) in net OPEB obligation		11,912
Net OPEB obligation - beginning of year		<u>3,901,009</u>
Net OPEB obligation - end of year	\$	<u><u>3,912,921</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 the last three fiscal years was as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2017	\$ 115,613	84.40%	\$ 3,912,921
12/31/2016	\$ 167,944	111.69%	\$ 3,901,009
12/31/2015	\$ 166,537	127.50%	\$ 3,920,645

**D) Funded Status and Funding Progress**

As of January 1, 2017, 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 \$1,371,409 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,371,409. The covered payroll (annual payroll of active employees covered by the plan) was \$28,710,562 and the ratio of the UAAL to the covered payroll was 4.78 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.

**Note 10-Postemployment Healthcare Plan**

**D) Funded Status and Funding Progress** (Continued)

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.

**E) Actuarial Methods and Assumptions**

In the January 1, 2017, actuarial valuation date, the entry age normal cost method was used. The actuarial assumptions included a 3.50% discount rate, which is based on a blend of the long-term expected return on (1) plan assets to the extent they are projected to be sufficient to pay plan benefits, and (2) employee general assets to the extent that projected plan assets are insufficient to pay plan benefits. 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 6.50% initially, reduced incrementally to an ultimate rate of 5.0 percent after 6 years. Both rates included a 2.50% inflation assumption. The UAAL is being amortized as a level percentage of payroll over a 30-year open period.

**Note 11-Stewardship, Compliance, and Accountability**

**Deficit Fund Equity**

The Park Permanent Improvement Fund had a deficit fund balance as of December 31, 2017. The deficit is primarily due to the timing of capital reimbursements from storm related expenditures. The Park and Recreation Board intends to improve the fund position in 2018 through grant reimbursements and other funding sources.

**Note 12-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 Park 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. Park 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, 2017 is \$2,734,484 and is based on actuarial estimates dated December 31, 2017. The general liability claims liability for fiscal year ended December 31, 2017 is \$1,406,624 and is based on actuarial estimates dated December 31, 2016.

Changes in the claims liability for the two years ended December 31, 2017 and December 31, 2016 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liability Balance, January 1	\$ 2,911,021	\$ 3,149,372	\$ 1,517,414	\$ 1,107,003
Current Year Claims and Changes in Estimates	1,550,623	1,459,740	239,499	1,090,837
Claim Payments	(1,727,160)	(1,698,091)	(350,289)	(680,426)
Liability Balance, December 31	<u>\$ 2,734,484</u>	<u>\$ 2,911,021</u>	<u>\$ 1,406,624</u>	<u>\$ 1,517,414</u>

**Note 12-Risk Management** (Continued)

Changes in Net Position – By Major Risk Program in the Park Self-Insurance Fund for the year ended December 31, 2017, follows:

	Workers' Compensation	General Liability	Total
Beginning Balance, January 1, Restated	\$ 2,325,632	\$ (256,921)	\$ 2,068,711
Revenues	1,817,939	375,973	2,193,912
Expenses	(1,727,160)	(350,289)	(2,077,449)
Other Revenues	129,737	65,753	195,490
Ending Balance, December 31	<u>\$ 2,546,148</u>	<u>\$ (165,484)</u>	<u>\$ 2,380,664</u>

**Note 13-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.

The Park Board has received significant financial assistance from federal governmental agencies in the form of grants. The disbursement of funds received under these generally require compliance with terms and conditions specified in grant agreements and are subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Park Board. However, in the opinion of management, liabilities resulting from disallowed claims, if any, would not have a material effect on the Park Boards financial position at December 31, 2017.

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, 2017, 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, 2017, is \$125,000.

**Note 14-Joint Ventures**

**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 2017 the Minneapolis Park and Recreation Board contributed \$16,577 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.

**Mississippi Watershed Management Organization**

This organization began as the Middle Mississippi River Watershed Management Organization in 1985 with a joint powers agreement in accordance with the Minnesota Statute Section 103B. The agreement was executed by the Cities of Minneapolis, Saint Paul, Lauderdale, Falcon Heights, Saint Anthony Village, the Minneapolis Park and Recreation Board, and the University of Minnesota. The organization shortened its name to the Mississippi Watershed Management Organization (MWMO). The MWMO's governing Board of Commissioners consists of seven commissioners, which includes one representative from the Minneapolis Park and Recreation Board. The MWMO Watershed Management Plan 2011-2021 lays out requirements for local water management plans, sets standards to be implemented by the member organizations, and outlines MWMO partnership and funding opportunities for member organizations. The Park and Recreation Board is not required to provide contributions for the agency's general operations.

**Note 15-Subsequent Events**

The Park and Recreation Board refinanced the principal amount of a \$1,160,000 mortgage note with Bell Bank, a North Dakota corporation on March 1, 2018. The new note shall bear interest at the rate of 3.3 percent payable in 120 installments of principal and interest, commencing April 1, 2018 and will mature on March 1, 2028. The proceeds received from the sale of the note shall be applied solely to the purchase of the Northside Operations Center and related expenses. Any unpaid balance shall be applied to the payment of principal or interest on the note.

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





**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PARK AND RECREATION GENERAL FUND**  
**For the Year Ended December 31, 2017**

<b>REVENUES</b>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Taxes:</b>				
General Property Tax -				
Current and Delinquent	\$ 57,462,870	\$ 57,462,870	\$ 51,380,550	\$ (6,082,320)
Property Tax Increment	-	-	13,048	13,048
Fiscal Disparities	-	-	6,204,471	6,204,471
Other Taxes	303,000	303,000	2,616	(300,384)
<b>Total Taxes</b>	<u>57,765,870</u>	<u>57,765,870</u>	<u>57,600,685</u>	<u>(165,185)</u>
<b>Intergovernmental Revenues:</b>				
Federal Grants				
U.S. Department of Homeland Security	-	-	69,165	69,165
U.S. Department of Transportation	-	-	31,748	31,748
State Grants	742,356	742,356	-	(742,356)
Local Government Aid	9,203,376	9,203,376	9,203,376	-
Payments in Lieu of Taxes/Rent	-	-	83,378	83,378
Other Aid	-	-	73,290	73,290
Department of Agriculture	-	-	22,500	22,500
Department of Public Safety	-	-	4,255	4,255
Minnesota State Post Board	-	-	10,810	10,810
Other Local Governments	66,418	66,418	-	(66,418)
Metropolitan Council - Operations & Maintenance	-	-	612,883	612,883
Minnehaha Crrek Watershed District - Aquatics Invasive Species Grant	-	-	68,124	68,124
<b>Total Intergovernmental Revenues</b>	<u>10,012,150</u>	<u>10,012,150</u>	<u>10,179,529</u>	<u>167,379</u>
<b>Charges For Services and Sales:</b>				
Rents and Commissions	965,845	965,845	1,570,740	604,895
Overhead	126,417	126,417	-	(126,417)
Park Board Services	6,373,150	6,373,150	5,242,253	(1,130,897)
Other Services Provided	616,740	616,740	1,618,638	1,001,898
<b>Total Charges For Services and Sales</b>	<u>8,082,152</u>	<u>8,082,152</u>	<u>8,431,631</u>	<u>349,479</u>
<b>Licenses and Permits</b>	<u>294,375</u>	<u>294,375</u>	<u>192,027</u>	<u>(102,348)</u>
<b>Fines and Forfeits</b>	<u>321,000</u>	<u>321,000</u>	<u>270,695</u>	<u>(50,305)</u>
<b>Special Assessments</b>	<u>-</u>	<u>-</u>	<u>13,147</u>	<u>13,147</u>
<b>Miscellaneous Revenues:</b>				
Contributions and Donations	97,269	97,269	119,346	22,077
Damage Claims	5,000	5,000	12,583	7,583
Other	10,678	10,678	17,730	7,052
<b>Total Miscellaneous Revenues</b>	<u>112,947</u>	<u>112,947</u>	<u>149,659</u>	<u>36,712</u>
<b>Total Revenues</b>	<u>76,588,494</u>	<u>76,588,494</u>	<u>76,837,373</u>	<u>248,879</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PARK AND RECREATION GENERAL FUND**  
**For the Year Ended December 31, 2017**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
<b>EXPENDITURES</b>				
Culture and Recreation -				
Superintendent's Office	8,013,476	8,709,093	8,675,846	33,247
Deputy Superintendent's Office	4,293,639	4,293,639	3,999,565	294,074
Environmental Stewardship Division	39,613,801	39,586,564	39,440,195	146,369
Planning Services Division	2,354,169	2,354,169	2,401,549	(47,380)
Recreation Services Division	17,578,316	17,480,897	17,492,524	(11,627)
City Management Fee & Workers' Compensation	1,820,093	2,404,208	2,195,117	209,091
20 Year Neighborhood Park Plan	-	607,197	718,167	(110,970)
Total Culture and Recreation	<u>73,673,494</u>	<u>75,435,767</u>	<u>74,922,963</u>	<u>512,804</u>
<b>Total Expenditures</b>	<u>73,673,494</u>	<u>75,435,767</u>	<u>74,922,963</u>	<u>512,804</u>
Excess of Revenues Over (Under) Expenditures	<u>2,915,000</u>	<u>1,152,727</u>	<u>1,914,410</u>	<u>761,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Park Enterprise Fund	25,000	25,000	25,000	-
Transfer to Permanent Improvement Fund	(2,540,000)	(2,540,000)	(2,540,000)	-
Transfer to Park Special Revenue Fund	(400,000)	(600,000)	(917,014)	(317,014)
Total Other Financing Sources (Uses)	<u>(2,915,000)</u>	<u>(3,115,000)</u>	<u>(3,432,014)</u>	<u>(317,014)</u>
Net Change in Fund Balance	-	(1,962,273)	(1,517,604)	444,669
<b>Fund Balance - January 1</b>	<u>7,439,083</u>	<u>7,439,083</u>	<u>7,439,083</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 7,439,083</u>	<u>\$ 5,476,810</u>	<u>\$ 5,921,479</u>	<u>\$ 444,669</u>

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MUSEUM COUNTY-WIDE LEVY SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2017**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 11,972,720	\$ 12,156,044	\$ 11,142,032	\$ (1,014,012)
Fiscal Disparities	-	-	1,006,107	1,006,107
Total Taxes	<u>11,972,720</u>	<u>12,156,044</u>	<u>12,148,139</u>	<u>(7,905)</u>
Miscellaneous Revenues:				
Rents	-	-	7,905	7,905
<b>Total Revenues</b>	<u>11,972,720</u>	<u>12,156,044</u>	<u>12,156,044</u>	<u>-</u>
<b>EXPENDITURES</b>				
Culture and Recreation -				
Maintenance and Repairs	<u>11,972,720</u>	<u>12,156,044</u>	<u>12,156,044</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
<b>Fund Balance - January 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE 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, 2017**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>				
Intergovernmental Revenues				
State Government Grants				
Minnesota Dept. of Employment and Econ. Dev.	\$ -	\$ 96,240	\$ 105,864	\$ 9,624
Metropolitan Council	1,325,000	1,325,000	1,380,037	55,037
Other Local Governments				
Hennepin County	-	-	67,893	67,893
Other Local Payments	-	142,659	148,212	5,553
Total Intergovernmental	<u>1,325,000</u>	<u>1,563,899</u>	<u>1,702,006</u>	<u>138,107</u>
Charges For Services and Sales	<u>21,600</u>	<u>383,036</u>	<u>517,933</u>	<u>134,897</u>
Licenses and Permits	<u>12,000</u>	<u>12,000</u>	<u>43,116</u>	<u>31,116</u>
Fines and Forfeits	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Miscellaneous				
Contributions and Donations	-	230,136	396,744	166,608
Damage Claims	-	-	14,960	14,960
Revenue From Trusts	3,000	3,000	29,428	26,428
Other Miscellaneous Revenues	-	65,200	99,337	34,137
Total Miscellaneous	<u>3,000</u>	<u>298,336</u>	<u>540,469</u>	<u>242,133</u>
<b>Total Revenues</b>	<u>1,367,600</u>	<u>2,263,271</u>	<u>2,803,524</u>	<u>540,253</u>
<b>EXPENDITURES</b>				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>187,600</u>	<u>1,083,271</u>	<u>1,897,161</u>	<u>(813,890)</u>
<b>Total Expenditures</b>	<u>187,600</u>	<u>1,083,271</u>	<u>1,897,161</u>	<u>(813,890)</u>
Excess of Revenues Over (Under) Expenditures	<u>1,180,000</u>	<u>1,180,000</u>	<u>906,363</u>	<u>(273,637)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Park General Fund	-	-	917,014	917,014
Transfer to Park Permanent Improvement Fund	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(453,600)</u>	<u>846,400</u>
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>463,414</u>	<u>1,763,414</u>
Net Change in Fund Balance	(120,000)	(120,000)	1,369,777	1,489,777
<b>Fund Balance - January 1</b>	<u>10,241,782</u>	<u>10,241,782</u>	<u>10,241,782</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 10,121,782</u>	<u>\$ 10,121,782</u>	<u>\$ 11,611,559</u>	<u>\$ 1,489,777</u>

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**TREE PRESERVATION AND REFORESTATION SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2017**

<b>REVENUES</b>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 1,714,503	\$ 1,714,503	\$ 1,526,667	\$ (187,836)
Property Tax Increment	-	-	390	390
Fiscal Disparities	-	-	185,248	185,248
<b>Total Taxes</b>	<u>1,714,503</u>	<u>1,714,503</u>	<u>1,712,305</u>	<u>(2,198)</u>
Intergovernmental Revenues:				
Other Local Governments	-	-	2,489	2,489
<b>Total Revenues</b>	<u>1,714,503</u>	<u>1,714,503</u>	<u>1,714,794</u>	<u>291</u>
 <b>EXPENDITURES</b>				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>1,754,937</u>	<u>1,754,937</u>	<u>1,754,317</u>	<u>620</u>
<b>Total Expenditures</b>	<u>1,754,937</u>	<u>1,754,937</u>	<u>1,754,317</u>	<u>620</u>
Net Change in Fund Balance	(40,434)	(40,434)	(39,523)	911
<b>Fund Balance - January 1</b>	<u>51,049</u>	<u>51,049</u>	<u>51,049</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 10,615</u>	<u>\$ 10,615</u>	<u>\$ 11,526</u>	<u>\$ 911</u>

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT PLAN  
 DECEMBER 31, 2017**

<b>Measurement Date</b>	<b>Employer's Proportionate Share (Percentage) of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share (Amount) of the Net Pension Liability Associated with Minneapolis Park and Recreation Board (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With Minneapolis Park and Recreation Board (a+b)</b>	<b>Employer's Covered Payroll (c)</b>	<b>Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2017	0.9380%	\$ 59,881,242	\$ 763,600	\$ 60,644,842	\$ 32,272,100	187.92%	75.90%
2016	1.2049%	\$ 97,831,902	\$ 1,277,788	\$ 99,109,690	\$ 29,190,842	339.52%	68.91%
2015	1.2011%	\$ 62,247,236	N/A	\$ 62,247,236	\$ 26,621,071	233.83%	78.19%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
 The measurement date for each year is June 30.  
 N/A - Not applicable

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD  
SCHEDULE OF CONTRIBUTIONS  
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2017**

<b>Fiscal Year Ending</b>	<b>Contributions in Relation to the</b>		<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Covered Payroll (d)</b>	<b>Contributions as a Percentage of Covered Payroll (b/d)</b>
	<b>Statutorily Required Contribution (a)</b>	<b>Statutorily Required Contribution (b)</b>			
2017	\$ 4,678,957	\$ 4,678,957	\$ -	\$ 33,457,374	13.98%
2016	\$ 5,538,261	\$ 5,538,261	\$ -	\$ 31,008,224	17.86%
2015	\$ 5,320,452	\$ 5,320,452	\$ -	\$ 28,242,029	18.84%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The Park and Recreation Board year-end is December 31.

Statutorily required contributions include additional contributions as required by State Statute which affects actual contributions as a percentage of covered payroll.

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES POLICE AND FIRE PLAN**  
**DECEMBER 31, 2017**

<b>Measurement Date</b>	<b>Employer's Proportionate Share (Percentage) of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>Employer's Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2017	0.297%	\$ 4,003,676	\$ 3,074,906	130.20%	85.43%
2016	0.304%	\$ 12,200,049	\$ 2,925,828	416.98%	63.88%
2015	0.308%	\$ 3,499,601	\$ 2,850,764	122.76%	86.61%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD  
SCHEDULE OF CONTRIBUTIONS  
PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
DECEMBER 31, 2017**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contribution (a)</b>	<b>Contributions in Relation to the Statutorily Required Contribution (b)</b>	<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Employee Payroll (d)</b>	<b>Contributions as a Percentage of Employee Payroll (b/d)</b>
2017	\$ 560,511	\$ 560,511	\$ -	\$ 3,459,944	16.20%
2016	\$ 497,630	\$ 497,630	\$ -	\$ 3,067,892	16.22%
2015	\$ 472,805	\$ 472,805	\$ -	\$ 2,918,551	16.20%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The Park and Recreation Board year-end is December 31.

Statutorily required contributions include additional contributions as required by State Statute which affects actual contributions as a percentage of covered payroll.

The notes to the required supplementary information are an integral part of this schedule.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2017**

**Note 1 - Budgetary Data**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and major 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	\$ 76,613,494	\$ 1,962,273	\$ 78,575,767
Museum County-Wide Levy			
Special Revenue Fund	\$ 11,972,720	\$ 183,324	\$ 12,156,044
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,487,600	\$ 895,671	\$ 2,383,271
Tree Preservation and Reforestation			
Special Revenue Fund	\$ 1,754,937	\$ -	\$ 1,743,242

The following funds had expenditures in excess of budget for the year ending 12/31/2017:

	Expenditures	Budget	Excess
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,897,161	\$ 1,083,271	\$ (813,890)

**Note 2 - Post-Employment Benefits Plan**

**A) Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2017	\$ -	\$ 1,371,409	\$ 1,371,409	0.00%	\$ 28,710,562	4.78%
1/1/2015	\$ -	\$ 2,505,132	\$ 2,505,132	0.00%	\$ 31,428,652	7.97%
1/1/2013	\$ -	\$ 10,725,927	\$ 10,725,927	0.00%	\$ 24,170,738	44.38%

**Note 2 - Post-Employment Benefits Plan (Continued)**

**B) Plan Changes Affecting Actuarial Accrued Liability**

Changes to actuarial assumptions and plan participation caused a decrease in the actuarial accrued liability (AAL) between the valuations dated 1/1/2013 and 1/1/2015. Management reviewed and approved both the population data and actuarial assumptions used. A summary of the changes with the greatest effect is found below.

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from RP 2000 rates to the RP 2014 adjusted to 2006 White Collar Mortality Tables with MP-2016 Generational improvement Scale (Blue Collar Tables for Police and Fire Personnel).
- The withdrawal and retirement tables for non-police and fire employees were updated.
- The prior actuary assumed 20% of retirees electing medical coverage would also elect spousal coverage. This assumption was updated to assume that 85% of males and 65% of females are married and 30% of married retirees elect spousal coverage.
- The salary increase assumption was updated from 2.5% to 2.9%.
- The discount rate was changed from 3.00% to 3.50%.

**Note 3 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2017:

General Employees Retirement Plan

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions changed the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The State's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.9 percent to 7.5 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

**Note 3 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (Continued)**

Public Employees Police and Fire Plan

2017

- Assumed salary increase were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disable annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.9 percent to 7.5 percent. The single discount rate was also changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

# SUPPLEMENTARY INFORMATION





## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

Minneapolis Parks Special Revenue Fund – This fund accounts for revenue received that is earmarked for a specific purpose and has the contractual requirement to earn interest.

Park Dedication Fees Special Revenue Fund – This fund accounts for revenue received from fees charged in conjunction with construction permits.

### **Capital Projects Fund**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude capital-related outflows financed by proprietary funds.

Park Acquisition and Improvement Capital Projects Fund – This fund accounts for special assessments for parkway and sidewalk improvements and the removal of diseased trees from private residential property financed by private property assessments.

**MINNEAPOLIS PARK AND RECREATION BOARD  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
December 31, 2017**

	<u>Minneapolis Parks Special Revenue Fund</u>	<u>Park Dedication Fees Special Revenue Fund</u>	<u>Park Acquisition and Improvement Capital Projects Fund</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 206,256	\$ 8,223,087	\$ 967,025	\$ 9,396,368
Receivables -				
Accounts	-	-	14,233	14,233
Accrued Interest	-	25,990	-	25,990
Special Assessments	-	-	115,963	115,963
<b>Total Assets</b>	<u>\$ 206,256</u>	<u>\$ 8,249,077</u>	<u>\$ 1,097,221</u>	<u>\$ 9,552,554</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Payables -				
Accounts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,442</u>	<u>\$ 46,442</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>46,442</u>	<u>46,442</u>
Deferred Inflows of Resources:				
Unavailable Revenue	<u>1,023</u>	<u>6,022</u>	<u>115,963</u>	<u>123,008</u>
Fund Balances:				
Restricted for				
Projects and Grant Programs	192,986	8,243,055	-	8,436,041
Assigned to:				
Special Trust	12,247	-	-	12,247
Forestry and Tree Disease	-	-	934,816	934,816
Total Fund Balances	<u>205,233</u>	<u>8,243,055</u>	<u>934,816</u>	<u>9,383,104</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 206,256</u>	<u>\$ 8,249,077</u>	<u>\$ 1,097,221</u>	<u>\$ 9,552,554</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2017**

	Minneapolis Parks Special Revenue Fund	Park Dedication Fees Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 300,000	\$ 300,000
Special Assessments	-	-	163,540	163,540
Investment Earnings	7,402	62,027	-	69,429
Miscellaneous	-	2,952,632	-	2,952,632
Total Revenues	<u>7,402</u>	<u>3,014,659</u>	<u>463,540</u>	<u>3,485,601</u>
<b>EXPENDITURES</b>				
Culture and Recreation	-	963,705	-	963,705
Capital Outlay	-	-	498,237	498,237
Total Expenditures	<u>-</u>	<u>963,705</u>	<u>498,237</u>	<u>1,461,942</u>
Excess of Revenues Over (Under) Expenditures	<u>7,402</u>	<u>2,050,954</u>	<u>(34,697)</u>	<u>2,023,659</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out-				
Other Funds	(301,917)	-	-	(301,917)
Total Other Financing Sources (Uses)	<u>(301,917)</u>	<u>-</u>	<u>-</u>	<u>(301,917)</u>
Net Change in Fund Balance	(294,515)	2,050,954	(34,697)	1,721,742
<b>FUND BALANCE - JANUARY 1</b>	<u>499,748</u>	<u>6,192,101</u>	<u>969,513</u>	<u>7,661,362</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 205,233</u>	<u>\$ 8,243,055</u>	<u>\$ 934,816</u>	<u>\$ 9,383,104</u>

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## **CAPITAL PROJECTS FUND**

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude capital-related outflows financed by proprietary funds.

### Park Acquisition and Improvement

This fund accounts for special assessments for parkway and sidewalk improvements and the removal of diseased trees from private residential property financed by private property assessments.

**MINNEAPOLIS PARK AND RECREATION BOARD  
ANALYSIS OF EXPENDITURES ASSIGNED  
FOR SPECIFIC CAPITAL PROJECTS  
PARK ACQUISITION AND IMPROVEMENT  
CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2017**

	<u>Authorizations</u>	<u>Expenditures</u>	<u>Balance</u>
Tree Removal	\$ 1,539,971	\$ 321,204	\$ 1,218,767
Sidewalk/Street Lighting	(106,918)	177,033	(283,951)
	<hr/>	<hr/>	<hr/>
<b>Totals</b>	<u>\$ 1,433,053</u>	<u>\$ 498,237</u>	<u>\$ 934,816</u>

## **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 POSITION  
RESERVED FOR RENEWAL AND REPLACEMENT  
PARK OPERATING ENTERPRISE FUND  
For the Year Ended December 31, 2017**

	<u>Reserve For Renewal and Replacement</u>
<b>OPERATING INCOME (LOSS)</b>	\$ 850,402
<b>ADDITIONS:</b>	
Depreciation	910,148
Non-Operating Revenues:	
Federal Emergency Management Agency Grant	567,122
Other Non-Operating Revenues	18,378
<b>DEDUCTIONS:</b>	
Purchase of Capital Assets - Capitalized	(2,569,989)
Other Non-Cash Items:	
Change in Compensated Absences Payable	(26,546)
Change in Post Employment Benefits Payable	511
Change in Net Pension Liability, Deferred Inflows & Outflows - Pensions	557,661
Non-Operating Expenses:	
Note Principal and Interest Payment	(67,799)
Debt Service Payment	(581,788)
Repayment of Advances Made by Other Funds	(140,050)
Transfer to Other Funds	<u>(225,000)</u>
<b>TOTAL INCREASE (DECREASE)</b>	(706,950)
<b>BALANCE - JANUARY 1</b>	<u>2,078,861</u>
<b>BALANCE - DECEMBER 31</b>	<u><u>\$ 1,371,911</u></u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF OPERATING INCOME - BY PROJECT**  
**PARK OPERATING ENTERPRISE FUND**  
**For the Year Ended December 31, 2017**

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<b><u>PARK REFECTORIES</u></b>			
CALHOUN	\$ 171,616	\$ 21,505	\$ 150,111
HARRIET	128,418	26,817	101,601
MINNEHAHA	435,733	82,144	353,589
NOKOMIS	98,550	4,240	94,310
PERMITS & VENDING	1,059,782	653,725	406,057
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	21,564	(21,564)
<b>TOTAL PARK REFECTORIES</b>	<b><u>1,894,099</u></b>	<b><u>809,995</u></b>	<b><u>1,084,104</u></b>
<b><u>SPECIAL FACILITIES</u></b>			
PARADE COMPLEX	363,593	100,563	263,030
PARADE ICE COMPLEX	810,225	1,015,116	(204,891)
NORTHEAST ICE ARENA	112,308	222,558	(110,250)
COLUMBIA MANOR	64,372	18,974	45,398
COMMERCIAL PARKING	663,058	66,755	596,303
REGIONAL PARKING LOTS	1,073,861	434,768	639,093
NICOLLET ISLAND	536,577	127,632	408,945
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	109,978	(109,978)
<b>TOTAL SPECIAL FACILITIES</b>	<b><u>3,623,994</u></b>	<b><u>2,096,344</u></b>	<b><u>1,527,650</u></b>
<b><u>GOLF COURSES (INCL REFECTORIES)</u></b>			
COLUMBIA	1,015,103	1,257,324	(242,221)
COLUMBIA LEARNING CENTER	149,511	93,942	55,569
GROSS	1,314,534	1,430,339	(115,805)
HIAWATHA	796,329	1,230,633	(434,304)
HIAWATHA LEARNING CENTER	112,025	38,091	73,934
MEADOWBROOK	349,254	735,962	(386,708)
THEODORE WIRTH	640,047	885,526	(245,479)
THEO WIRTH PAR-3	8,753	67,341	(58,588)
FORT SNELLING	296,588	507,236	(210,648)
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	386,541	(386,541)
<b>TOTAL GOLF COURSES</b>	<b><u>4,682,144</u></b>	<b><u>6,632,935</u></b>	<b><u>(1,950,791)</u></b>
<b><u>MISCELLANEOUS ACTIVITIES</u></b>			
BOATS	230,216	25,511	204,705
BIKE RENTALS	50,072	-	50,072
WINTER PROGRAMS	-	53,351	(53,351)
JUNIOR GOLF PROGRAMS	5,137	2,029	3,108
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	15,095	(15,095)
<b>TOTAL MISCELLANEOUS ACTIVITIES</b>	<b><u>285,425</u></b>	<b><u>95,986</u></b>	<b><u>189,439</u></b>
<b>TOTAL</b>	<b><u>\$ 10,485,662</u></b>	<b><u>\$ 9,635,260</u></b>	
<b>NET OPERATING INCOME</b>			<b><u>\$ 850,402</u></b>

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## **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 commercial insurance and self-insurance activities of the Park and Recreation Board. These activities include workers' compensation, general liability, police professional liability, and property insurance.

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**December 31, 2016**

	<u>Park Internal Services Fund</u>	<u>Park Self-Insurance Fund</u>	<u>Total Internal Service Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash and Cash Equivalents	\$ 2,902,218	\$ 765,268	\$ 3,667,486
Cash with Escrow Agent	-	129,743	129,743
Receivables -			
Accounts	14,705	17,301	32,006
Capital Advances	3,100,000	5,890,400	8,990,400
Prepaid Expense	-	64,372	64,372
Total Current Assets	<u>6,016,923</u>	<u>6,867,084</u>	<u>12,884,007</u>
Non-Current Assets			
Net Capital Assets	<u>5,398,832</u>	<u>-</u>	<u>5,398,832</u>
Total Assets	<u>11,415,755</u>	<u>6,867,084</u>	<u>18,282,839</u>
Deferred Outflows of Resources:			
Deferred Outflows - Pensions	<u>695,486</u>	<u>39,234</u>	<u>734,720</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 12,111,241</u></b>	<b><u>\$ 6,906,318</u></b>	<b><u>\$ 19,017,559</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Current Liabilities :			
Payables -			
Salaries	\$ 52,663	\$ 4,943	\$ 57,606
Accounts	170,880	189,303	360,183
Intergovernmental	774	-	774
Compensated Absences Payable	41,190	2,012	43,202
Total Current Liabilities	<u>265,507</u>	<u>196,258</u>	<u>461,765</u>
Long-Term Liabilities:			
Net Pension Liability	2,897,346	163,447	3,060,793
Workers' Compensation Claims Pending	-	2,734,484	2,734,484
General Liability Claims Pending	-	1,406,624	1,406,624
Compensated Absences Payable	96,109	4,694	100,803
Post Employment Benefits Payable	197,981	-	197,981
Total Long-Term Liabilities	<u>3,191,436</u>	<u>4,309,249</u>	<u>7,500,685</u>
Total Liabilities	<u>3,456,943</u>	<u>4,505,507</u>	<u>7,962,450</u>
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	<u>357,107</u>	<u>20,147</u>	<u>377,254</u>
Net Position:			
Net Investment in Capital Assets	5,398,832	-	5,398,832
Unrestricted	<u>2,898,359</u>	<u>2,380,664</u>	<u>5,279,023</u>
Total Net Position	<u>8,297,191</u>	<u>2,380,664</u>	<u>10,677,855</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b><u>\$ 12,111,241</u></b>	<b><u>\$ 6,906,318</u></b>	<b><u>\$ 19,017,559</u></b>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2017**

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Billings to Departments	\$ 7,450,921	\$ 2,193,912	\$ 9,644,833
<b>OPERATING EXPENSES</b>			
Personal Services	1,880,022	89,911	1,969,933
Contractual Services	948,240	1,800,582	2,748,822
Materials and Supplies	1,206,004	129,324	1,335,328
Depreciation on Acquired Property	1,331,268	-	1,331,268
Benefits	1,323,556	57,632	1,381,188
Total Operating Expenses	<u>6,689,090</u>	<u>2,077,449</u>	<u>8,766,539</u>
Operating Income (Loss)	<u>761,831</u>	<u>116,463</u>	<u>878,294</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Gain (Loss) on Disposal of Capital Assets	54,057	-	54,057
Sale of Scrap	19,794	-	19,794
Damages/Losses Recovered	18,341	195,430	213,771
Other Non-Operating Revenues	2,937	60	2,997
Total Non-Operating Revenues (Expenses)	<u>95,129</u>	<u>195,490</u>	<u>290,619</u>
Income (Loss) before Contributions	856,960	311,953	1,168,913
Capital Contributions	<u>438,973</u>	<u>-</u>	<u>438,973</u>
<b>CHANGE IN NET POSITION</b>	1,295,933	311,953	1,607,886
<b>NET POSITION - JANUARY 1, Restated (Note 20)</b>	<u>7,001,258</u>	<u>2,068,711</u>	<u>9,069,969</u>
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 8,297,191</u>	<u>\$ 2,380,664</u>	<u>\$ 10,677,855</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2017**

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Cash Received from Interfund Services Provided	\$ 7,449,407	\$ 2,193,912	\$ 9,643,319
Cash Received (due) from Customers	-	4,163	4,163
Cash Paid to Suppliers for Goods and Services	(2,236,133)	(2,211,372)	(4,447,505)
Cash Paid to Employees for Services	(2,809,263)	(125,287)	(2,934,550)
Other Non-Operating Revenues	2,937	195,490	198,427
Net Cash Provided by (Used for) Operating Activities	<u>2,406,948</u>	<u>56,906</u>	<u>2,463,854</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Other Payments Received	18,341	-	18,341
Proceeds From Sale of Scrap	19,794	-	19,794
Repayment of Advances Made by Other Funds	-	270,050	270,050
Payment of Advances Made to Other Funds	-	(600,000)	(600,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>38,135</u>	<u>(329,950)</u>	<u>(291,815)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from Sale of Capital Assets	65,955	-	65,955
Acquisition of Property Plant and Equipment	(1,630,484)	-	(1,630,484)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,564,529)</u>	<u>-</u>	<u>(1,564,529)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	880,554	(273,044)	607,510
<b>Cash and Cash Equivalents - January 1</b>	<u>2,021,664</u>	<u>1,168,055</u>	<u>3,189,719</u>
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 2,902,218</u>	<u>\$ 895,011</u>	<u>\$ 3,797,229</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ 761,831	\$ 116,463	\$ 878,294
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation on Acquired Property	1,331,268	-	1,331,268
(Increase) Decrease in Accounts Receivable	(1,082)	4,163	3,081
(Increase) Decrease in Prepaid Expense	-	(2,522)	(2,522)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	764,718	43,139	807,857
(Increase) Decrease in Due from Other Funds	-	130,000	130,000
Increase (Decrease) in Salaries Payable	(7,653)	1,653	(6,000)
Increase (Decrease) in Accounts Payable	(82,663)	8,383	(74,280)
Increase (Decrease) in Intergovernmental Payable	774	-	774
Increase (Decrease) in Due to Other Funds	(432)	(130,000)	(130,432)
Increase (Decrease) in Workers' Compensation Claims Pending	-	(176,537)	(176,537)
Increase (Decrease) in General Liability Claims Pending	-	(110,790)	(110,790)
Increase (Decrease) in Post Employment Benefits Payable	599	-	599
Increase (Decrease) in Compensated Absences Payable	17,880	(1,030)	16,850
Increase (Decrease) in Deferred Inflows of Resources - Pensions	183,214	10,336	193,550
Increase (Decrease) in Net Pension Liability	(564,443)	(31,842)	(596,285)
Other Non-Operating Revenues	2,937	195,490	198,427
Total Adjustments	<u>1,645,117</u>	<u>(59,557)</u>	<u>1,585,560</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 2,406,948</u>	<u>\$ 56,906</u>	<u>\$ 2,463,854</u>
<b>Non-Cash Capital and Related Financing Activities:</b>			
Capital Contributions	\$ 438,973	\$ -	\$ 438,973
Carrying Value of Disposed Assets	11,898	-	11,898
Loss on Disposal of Capital Asset	7,923	-	7,923

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**ALL INTERNAL SERVICE FUNDS - BY MAJOR PROGRAM**  
**For the Year Ended December 31, 2017**

	<u>Information Technology</u>	<u>Mobile Equipment</u>	<u>Workers Comp. &amp; Liability</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>				
Charges For Services and Sales -				
Insurance Premiums	\$ -	\$ -	\$ 2,193,912	\$ 2,193,912
Information Technology Services	1,789,672	-	-	1,789,672
Total Charges For Services	<u>1,789,672</u>	<u>-</u>	<u>2,193,912</u>	<u>3,983,584</u>
Rents -				
Mobile Equipment	-	5,661,249	-	5,661,249
Total Operating Revenues	<u>1,789,672</u>	<u>5,661,249</u>	<u>2,193,912</u>	<u>9,644,833</u>
<b>OPERATING EXPENSES:</b>				
Information Technology Services	1,816,925	-	-	1,816,925
Mobile Equipment	-	4,872,165	-	4,872,165
Workers' Compensation	-	-	1,727,160	1,727,160
General Liability	-	-	350,289	350,289
Total Operating Expenses	<u>1,816,925</u>	<u>4,872,165</u>	<u>2,077,449</u>	<u>8,766,539</u>
Operating Income (Loss)	<u>(27,253)</u>	<u>789,084</u>	<u>116,463</u>	<u>878,294</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Gain (Loss) on Disposal of Capital Assets	-	54,057	-	54,057
Sale of Scrap	-	19,794	-	19,794
Damage Claims	-	18,341	195,430	213,771
Other Non-Operating revenues	-	2,937	60	2,997
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>95,129</u>	<u>195,490</u>	<u>290,619</u>
Income (Loss) before Contributions	<u>(27,253)</u>	<u>884,213</u>	<u>311,953</u>	<u>1,168,913</u>
Capital Contributions	-	438,973	-	438,973
<b>CHANGE IN NET POSITION</b>	<u>(27,253)</u>	<u>1,323,186</u>	<u>311,953</u>	<u>1,607,886</u>
<b>NET POSITION - JANUARY 1, Restated</b>	<u>(390,872)</u>	<u>7,392,130</u>	<u>2,068,711</u>	<u>9,069,969</u>
<b>NET POSITION - DECEMBER 31</b>	<u>\$ (418,125)</u>	<u>\$ 8,715,316</u>	<u>\$ 2,380,664</u>	<u>\$ 10,677,855</u>

**MINNEAPOLIS PARK AND RECREATION BOARD**  
**SCHEDULE OF CHANGES IN NET POSITION**  
**RESERVED FOR SPECIFIC PURPOSES**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2017**

	<u>Purchase of Information Technology Systems</u>	<u>Purchase of Mobile Equipment</u>
<b>OPERATING INCOME (LOSS)</b>	\$ (27,253)	\$ 789,084
<b>ADDITIONS:</b>		
Depreciation	13,648	1,317,620
Non-Operating Revenues:		
Sale of Equipment	-	61,980
Sale of Scrap	-	19,794
Other Miscellaneous Revenues	-	21,278
Increase in Post Employment Benefits Payable	-	599
Increase in Compensated Absences Payable	-	17,880
Increase in Deferred Outflows	338,005	426,713
Increase in Deferred Inflows	80,981	102,233
Increase in Net Pension Liability	(249,484)	(314,959)
<b>DEDUCTIONS:</b>		
Purchase of Mobile Equipment	<u>(53,419)</u>	<u>(1,577,065)</u>
<b>TOTAL INCREASE (DECREASE)</b>	102,478	865,157
<b>BALANCE - JANUARY 1</b>	<u>620,025</u>	<u>3,801,029</u>
<b>BALANCE - DECEMBER 31</b>	<u><u>\$ 722,503</u></u>	<u><u>\$ 4,666,186</u></u>

# STATISTICAL SECTION





**Schedule 1**  
**Minneapolis Park and Recreation Board**  
**Government-Wide Expenses by Function**

Last Ten Fiscal Years		December 31, 2017		
Fiscal Year	Culture and Recreation	Park Enterprise	Primary Government	Total
2008	83,013,151	13,761,734		96,774,885
2009	81,151,165	13,003,277		94,154,442
2010	80,016,571	13,720,047		93,736,618
2011	74,348,197	13,974,931		88,323,128
2012	76,510,203	14,492,481		91,002,684
2013	83,823,212	9,791,103		93,614,315
2014	86,863,390	10,352,484		97,215,874
2015	100,727,297	11,109,995		111,837,292
2016	110,996,993	11,255,681		122,252,674
2017	114,099,922	10,157,125		124,257,046

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

Schedule 2  
 Minneapolis Park and Recreation Board  
 Government-Wide Revenues

Last Ten Fiscal Years December 31, 2017

Fiscal Year	Program Revenues			General Revenues				Total Primary Government
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Grants and Contributions	Unrestricted Investment Earnings	Gain on Sale of Capital Asset	
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
2010	18,862,149	2,710,838	9,707,410	56,552,350	8,494,370	-	-	96,327,117
2011	17,902,853	2,861,755	16,270,566	58,322,009	8,730,427	-	-	104,087,610
2012	18,640,514	2,613,351	9,434,268	58,188,781	7,797,820	-	-	96,674,734
2013	18,761,949	6,115,809	15,672,266	59,395,406	7,570,039	(378)	153,575	107,668,666
2014	18,818,871	4,528,978	10,326,767	60,433,180	8,977,319	1,534	54,952	103,141,601
2015	20,992,447	4,027,533	18,844,133	62,906,396	9,170,507	1,172	181,919	116,124,107
2016	24,591,457	5,586,648	21,261,906	65,767,797	9,539,349	21,887	86,987	126,856,031
2017	23,865,502	3,903,079	46,208,872	71,419,813	9,252,431	72,161	61,980	154,783,838

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

Schedule 3  
 Minneapolis Park and Recreation Board  
 General Fund Revenues by Source and Expenditures by Function

	December 31, 2017									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenue</b>										
Taxes	\$ 40,330,918	\$ 42,300,317	\$ 44,358,084	\$ 46,646,484	\$ 47,096,192	\$ 49,073,449	\$ 49,071,884	\$ 50,985,436	\$ 52,757,423	\$ 57,600,685
Intergovernmental	11,001,628	12,533,827	9,345,082	10,284,464	9,310,330	10,320,427	10,306,619	10,579,965	11,826,443	10,179,529
Charges for Services	1,001,845	1,069,636	2,130,780	1,680,916	1,718,922	6,634,917	7,006,509	7,417,471	7,684,066	8,431,631
Licenses and Permits	176,053	183,041	240,661	208,457	250,974	444,364	313,886	220,528	205,731	192,027
Fines and Forfeits	526,810	560,131	396,068	483,535	321,106	344,062	368,911	300,343	311,885	270,695
Special Assessments	-	-	-	-	-	-	-	-	-	13,147
Miscellaneous	1,216,808	929,001	1,239,596	504,601	269,544	162,969	121,956	172,202	174,794	149,659
<b>Total Revenues</b>	<b>\$ 54,254,062</b>	<b>\$ 57,575,953</b>	<b>\$ 57,710,271</b>	<b>\$ 59,808,457</b>	<b>\$ 58,967,068</b>	<b>\$ 66,980,188</b>	<b>\$ 67,189,765</b>	<b>\$ 69,675,945</b>	<b>\$ 72,960,342</b>	<b>\$ 76,837,373</b>
<b>Expenditures</b>										
Current:										
Culture and Recreation	\$ 54,243,358	\$ 54,189,728	\$ 56,014,955	\$ 54,635,175	\$ 54,142,402	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323	\$ 67,882,252	\$ 74,922,963
Capital Outlay	-	-	-	-	436,668	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 54,243,358</b>	<b>\$ 54,189,728</b>	<b>\$ 56,014,955</b>	<b>\$ 54,635,175</b>	<b>\$ 54,579,070</b>	<b>\$ 60,734,136</b>	<b>\$ 62,682,047</b>	<b>\$ 65,325,323</b>	<b>\$ 67,882,252</b>	<b>\$ 74,922,963</b>

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

**Schedule 4**  
**City of Minneapolis**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
*(in thousands of dollars)*  
**December 31, 2017**

Fiscal Year Ended December 31,	Commercial Property		Apartment Property		Residential Property		Industrial Property		Personal & Other Property		Tax-Exempt Property		Total Taxable Assessed Value <sup>1</sup>		Total Direct Tax Rate		Estimated Actual Taxable Value <sup>2</sup>		Taxable Assessed Value as a % of Actual Taxable Value	
	\$		\$		\$		\$		\$		\$		\$						\$	
2008	6,869,181	3,448,334	26,571,451	1,341,775	415,390	9,549,066	38,646,131	7.52	43,857,249	88%										
2009	7,295,669	3,499,200	25,461,784	1,459,942	401,699	9,025,112	38,118,294	7.67	43,473,340	88%										
2010	7,020,347	3,556,811	24,611,900	1,474,662	393,785	8,777,609	37,057,504	7.81	39,746,514	93%										
2011	6,304,914	3,287,604	23,533,625	1,426,447	529,962	10,550,339	35,082,552	9.22	41,079,647	85%										
2012	5,987,868	3,266,162	22,638,806	1,301,688	404,729	10,340,495	33,599,253	10.34	39,412,937	85%										
2013	5,982,739	3,363,752	21,512,948	1,281,968	426,840	9,927,053	32,568,247	9.55	34,459,013	95%										
2014	6,166,615	3,690,983	21,634,886	1,313,800	430,582	10,482,230	33,236,865	8.82	45,164,553	74%										
2015	6,534,226	4,723,778	23,516,623	1,339,382	430,523	11,679,375	36,544,532	8.29	43,879,415	83%										
2016	7,596,673	6,090,411	24,958,025	1,215,531	436,040	12,726,043	40,296,681	8.11	45,025,954	89%										
2017	8,469,151	7,196,358	26,608,421	1,295,694	494,630	13,923,130	44,064,254	7.93	49,148,618	90%										

Source: City of Minneapolis Finance and Property Services Department calculations, using Assessor data

Notes:

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

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

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

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

(UNAUDITED)

**Schedule 5**  
**City of Minneapolis**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**December 31, 2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>City Direct Rates</b>										
<i>Tax Capacity Based Rates</i>										
General	4.80	4.86	5.04	5.73	6.09	5.36	4.76	4.48	4.59	4.55
Estimate and Taxation	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-	-	-
Building Commission	0.13	0.13	0.13	0.14	0.15	0.16	0.14	0.13	0.13	0.12
Permanent Improvement	0.05	0.05	0.05	0.06	0.03	0.03	0.03	0.03	0.01	-
Bond Redemption	0.57	0.69	0.47	0.61	0.65	1.00	1.11	1.06	0.98	0.95
Firefighter's Relief Association	0.11	0.06	0.04	0.16	0.01	0.09	0.08	0.08	0.04	0.04
Police Relief Association	0.11	0.09	0.35	0.51	0.79	0.22	0.20	0.18	0.24	0.19
Minneapolis Employees Retirement Fund	0.09	0.07	0.07	0.09	0.60	0.62	0.56	0.51	0.29	0.31
Parks	1.29	1.35	1.33	1.56	1.63	1.69	1.56	1.52	1.55	1.50
Public Housing	0.04	0.04	-	-	-	-	-	-	-	-
Teacher's Retirement Association	0.07	0.07	0.07	0.08	0.09	0.08	0.07	0.06	0.06	0.06
Market Value Based Rates										
<i>Library Referendum</i>	0.25	0.25	0.25	0.27	0.29	0.29	0.30	0.24	0.22	0.22
<b>Total City Direct Rates</b>	<b>7.52</b>	<b>7.67</b>	<b>7.81</b>	<b>9.22</b>	<b>10.34</b>	<b>9.55</b>	<b>8.82</b>	<b>8.29</b>	<b>8.11</b>	<b>7.93</b>
Overlapping Rates										
<b>Tax Capacity Based Rates</b>										
<i>Watershed Districts</i>										
Hennepin County	0.18	0.19	0.21	0.21	0.23	0.23	0.22	0.22	0.22	0.22
Minneapolis Public Schools	4.38	5.09	5.38	5.76	6.24	6.33	5.92	5.78	5.64	5.49
Other Special Taxing Districts	2.78	3.15	2.57	2.95	3.47	3.29	2.85	2.72	2.63	2.88
Market Value Based Rates	0.54	0.49	0.52	0.59	0.70	0.73	0.71	0.67	0.68	0.68
<i>Minneapolis Public Schools Referendum</i>	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.01
<b>Total Overlapping Rates</b>	<b>7.89</b>	<b>8.94</b>	<b>8.70</b>	<b>9.53</b>	<b>10.66</b>	<b>10.59</b>	<b>9.72</b>	<b>9.41</b>	<b>9.19</b>	<b>9.28</b>
<b>Grand Total</b>	<b>15.41</b>	<b>16.61</b>	<b>16.51</b>	<b>18.75</b>	<b>21.00</b>	<b>20.14</b>	<b>18.54</b>	<b>17.69</b>	<b>17.30</b>	<b>17.20</b>

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.

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

Schedule 6  
City of Minneapolis  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(in thousands of dollars)  
December 31, 2017

Taxpayer	2017			2008		
	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 Co.	\$ 398,947	1	1.62%	\$ 314,134	1	1.32%
Target Corporation	256,149	2	1.04%	263,243	2	1.11%
BRI 1855 IDS Center LLC	251,670	3	1.02%	-	-	-
NWC Limited Partnership	240,630	4	0.98%	191,000	4	0.80%
Minneapolis 225 Holdings LLC	237,870	5	0.96%	185,600	5	0.78%
33 City Center Holding LLC	196,300	6	0.80%	-	-	-
Wells Fargo Bank and Home Mortgage	245,689	7	0.99%	-	-	-
US Bank	181,700	8	0.74%	-	-	-
Wells Operating Partnership LP	163,140	9	0.66%	161,600	8	0.68%
Diamond Rock Minneapolis LLC	146,200	10	0.59%	-	-	-
First Minneapolis-Hines Co.	-	-	-	168,200	7	0.71%
MB Mpls 8th Street LLC	-	-	-	219,000	3	0.92%
City Center Associates	-	-	-	172,400	6	0.72%
American Express Financial Corp.	-	-	-	142,474	10	0.59%
Byte Investment Partnership	-	-	-	141,000	9	0.59%
Total	\$ 2,318,295		9.40%	\$ 1,958,651		8.22%

Source: Bond Issue Report 11/16/17 and 11/1/08

(UNAUDITED)

**Schedule 7**  
**Minneapolis Park and Recreation Board**  
**Property Tax Levies and Collections - General Fund**  
**Last Ten Fiscal Years**  
**December 31, 2017**

<u>Fiscal Year</u>	<u>Total Tax Levy</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>
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%
2010	45,488,623	43,503,795	95.637%	854,289	44,358,084	97.515%
2011	47,217,000	46,347,752	98.159%	298,732	46,646,484	98.792%
2012	47,217,000	46,651,826	98.803%	444,366	47,096,192	99.744%
2013	48,616,000	48,504,513	99.771%	568,936	49,073,449	100.941%
2014	49,627,000	48,649,827	98.031%	422,057	49,071,884	98.881%
2015	50,560,000	50,524,741	99.930%	460,695	50,985,436	100.841%
2016	52,583,000	52,462,988	99.772%	294,435	52,757,423	100.332%
2017	58,013,000	57,374,701	98.900%	225,984	57,600,685	99.289%

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

**Schedule 8**  
**City of Minneapolis**  
**Outstanding Debt by Type and Per Capita**  
**Last Ten Fiscal Years**  
(in thousands of dollars, except per capita)  
December 31, 2017

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita (1)
	General		Revenue		General		Revenue			
	Obligation Bonds & Notes	Revenue Bonds	Notes Payable	Obligation Bonds & Notes	Revenue Bonds	Notes Payable				
2008	755,946	45,647	22,291	338,188	60,730	718	1,223,520	3,153		
2009	772,936	35,980	19,040	310,607	57,365	591	1,196,519	3,067		
2010	673,926	26,700	15,585	308,383	95,925	455	1,120,974	2,930		
2011	586,500	25,990	15,276	296,857	91,985	311	1,016,919	2,658		
2012	495,545	25,210	14,695	272,790	85,255	157	893,652	2,304		
2013	491,517	24,385	14,385	254,971	94,100	41	879,399	2,243		
2014	508,015	23,500	14,055	234,613	90,100	-	870,283	2,171		
2015	437,357	22,710	13,695	214,125	84,790	-	772,677	1,879		
2016	439,908	21,625	4,115	221,637	76,315	-	763,600	1,851		
2017	460,116	20,305	3,705	216,456	64,300	-	764,882	1,849		

**Notes:**

Details regarding the City of Minneapolis' outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 14 for population data.

Source: City of Minneapolis Finance and Property Services Department - Investments, Capital and Debt Management

(UNAUDITED)

**Schedule 9**  
**City of Minneapolis**  
**Ratios Of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

(in thousands of dollars, except per capita)  
 December 31, 2017

Fiscal Year	Net General Bonded Debt Outstanding						Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Governmental		Business-type		Less Resources Restricted to Pay Debt Service	Total		
	General Obligation Bonds & Notes	General Obligation Bonds & Notes	General Obligation Bonds & Notes	General Obligation Bonds & Notes				
2008	755,946	338,188	40,196	1,053,938		2.73%	2,701	
2009	772,936	310,607	108,567	974,976		2.56%	2,569	
2010	673,926	308,383	57,397	924,912		2.50%	2,418	
2011	586,500	296,857	30,839	852,518		2.43%	2,228	
2012	495,545	272,790	28,681	739,654		2.20%	1,907	
2013	491,517	254,971	29,302	717,186		2.20%	1,830	
2014	508,015	234,613	27,753	714,875		2.15%	1,783	
2015	437,357	214,125	24,542	626,940		1.72%	1,524	
2016	439,908	221,637	38,695	622,850		1.55%	1,510	
2017	460,116	216,456	35,070	641,502		1.46%	1,551	

**Notes:**

Details regarding the City of Minneapolis' outstanding debt can be found in the notes to the financial statements.

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

(2) Population data can be found in Schedule 14.

Source: City of Minneapolis Finance and Property Services Department - Investments, Capital and Debt Management

(UNAUDITED)

**Schedule 10**  
**City of Minneapolis**  
**Direct and Overlapping Governmental Activities Debt**  
(in thousands of dollars)  
December 31, 2017

<u>Governmental Unit</u>	<u>Governmental Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Minneapolis - Direct Debt	\$ 484,126	100.00%	\$ 484,126
<u>Overlapping Debt:</u>			
Special School District No. 1	402,975	100.00%	402,975
Hennepin County	911,084 (3)	28.39%	258,657
Hennepin County Regional Railroad Authority	26,943	28.39%	7,649
Metropolitan Council	84,608	15.43%	13,055
Subtotal, Overlapping Debt			\$ 682,336
Total Direct and Overlapping Debt			\$ 1,166,462

**Notes:**

Details regarding the City of Minneapolis' outstanding debt can be found in the notes to the financial statements.

(1) This table represents the governmental debt of the City of Minneapolis and the net debt share of the overlapping jurisdictions.

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

Sources:

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

(UNAUDITED)

**Schedule 11**  
**City of Minneapolis**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(in thousands of dollars)  
December 31, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 1,306,194	\$ 1,282,797	\$ 1,254,206	\$ 1,173,628	\$ 1,131,060	\$ 1,102,298	\$ 1,117,046	\$ 1,226,826	\$ 1,350,986	\$ 1,472,354
Total net debt applicable to limit	302,772	270,629	246,979	213,714	154,317	155,494	146,506	114,260	109,926	106,843
Legal debt margin	\$ 1,003,422	\$ 1,012,168	\$ 1,007,227	\$ 959,914	\$ 976,743	\$ 946,804	\$ 970,540	\$ 1,112,566	\$ 1,241,060	\$ 1,365,511
Total net debt applicable to limit as a percentage of debt limit	23.18%	21.10%	19.69%	18.21%	13.64%	14.11%	13.12%	9.31%	8.14%	7.26%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Real Property (2017 Assessed Market Value)	\$ 43,591,679
Personal Property (2017 Assessed Market Value)	472,575
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	(191,651)
Total 2017 Assessed Market Value	44,170,633
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	1,472,354
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit	132,660
Less: Amount set aside to pay general obligation debt	(25,817)
Total Net Debt Applicable to Limit	106,843
Legal Debt Margin	\$ 1,365,511

Source: City of Minneapolis Finance and Property Services Department - Investments, Capital and Debt Management

(UNAUDITED)

Schedule 12  
City of Minneapolis  
Demographic and Economic Statistics  
Last 10 Fiscal Years  
December 31, 2017

Year	Population (1)	Per Capita Income (2)	Personal Income	Median Age (3)	Households (4)	Jobs (5)	Annual Average Unemployment Rate (6)	Median Household Income (7)	School Enrollment (8)
		\$	\$				%	\$	
2008	390,131	30,825	12,025,788,075	34.1	168,669	291,019	5.1%	48,724	33,958
2009	386,691	28,131	10,878,004,521	31.6	169,798	280,899	7.3%	45,538	33,424
2010	382,578	29,558	11,308,240,524	31.4	163,540	281,577	6.9%	46,508	33,418
2011	387,873	30,256	11,735,485,488	32.3	166,110	287,846	6.1%	46,682	33,476
2012	392,008	29,936	11,735,151,488	31.4	166,513	297,012	5.3%	47,604	34,423
2013	400,938	32,791	13,147,157,958	32.1	170,195	303,135	4.6%	50,563	35,356
2014	411,273	31,764	13,063,675,572	31.8	175,119	308,714	3.8%	50,791	35,400
2015	412,517	34,763	14,340,328,471	32.4	176,878	317,475	3.4%	54,571	35,649
2016	413,645	34,527	14,281,920,915	32.0	179,807	324,620	3.4%	56,255	35,597
2017	NA	NA	NA	NA	NA	327,355	3.2%	NA	35,402

Sources:

- (1) U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (2) Per Capita Income - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (3) Median Age - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (4) Households - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (5) Jobs data from MN DEED/QCEW tables; 2017 number reflects 3rd quarter, latest available data
- (6) Annual Average Unemployment Rate - from MN DEED/LAUS tables
- (7) Median Household Income - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (8) School Enrollment - Minneapolis Public Schools/Student Accounting Office

NA - 2017 data is not yet available for these categories.

(UNAUDITED)

Schedule 13  
City of Minneapolis  
Principal Employers  
Current Year and Nine Years Ago  
December 31, 2017

<u>Employer</u>	2017 (a)			2008 (b)		
	Approximate Number of Employees	Rank	Percentage of Total Metro Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
University of Minnesota	20,000	1	6.1%	30,000	1	14.2%
Allina Health	20,000	2	6.1%	22,105	3	10.5%
Target Corporation	8,300	3	2.5%	25,734	2	12.2%
Hennepin County Medical Center	7,100	4	2.2%	(d)	(d)	(d)
Wells Fargo Bank	7,000	5	2.1%	20,175	4	9.5%
Hennepin County	6,600	6	2.0%	12,171	6	5.8%
Ameriprise Financial Services	4,900	7	1.5%	6,000	8	2.8%
US Bancorp	4,700	8	1.4%	9,500	7	4.5%
Xcel Energy	2,400	9	0.7%	5,057	9	2.4%
City of Minneapolis	2,100	10	0.6%	(c)	(c)	(c)
Fairview Health Services	-		-	18,500	5	8.7%
Honeywell ACS	-		-	5,000	10	2.4%
<b>Total</b>	<u>83,100</u>		<u>25.2%</u>	<u>154,242</u>		<u>73.0%</u>

Notes:

- a) Employment numbers are metro-wide numbers rounded to nearest 100.
- b) Sources for City jobs: Minneapolis Downtown Council, Hoovers
- c) Source was MN DEED <http://www.mnpro.com> as previously published in 2008 City CAFR.
- d) Employer not part of top ten city-wide employers in 2008 City CAFR.
- e) Hennepin Healthcare was part of Hennepin County in 2008.

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**Schedule 14**  
**City of Minneapolis**  
**Full-time Equivalent City Government Employees by Function**  
**Last 10 Fiscal Years**  
**December 31, 2017**

Function Program	Full-time Equivalent Employees as of December 31, 2017									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Assessor	37.00	36.50	36.50	34.50	35.00	35.00	36.00	36.00	37.00	38.00
Attorney	108.00	105.50	102.00	105.00	101.00	102.00	108.00	110.00	112.00	112.00
City Clerk/Council	67.00	65.50	65.50	64.75	65.02	66.00	66.00	70.00	71.00	71.00
City Coordinator	941.00	919.10	949.80	546.60	691.40	677.40	702.60	747.60	754.10	764.10
Civil Rights	26.00	21.00	19.00	19.00	19.00	21.00	22.00	23.00	25.00	29.00
Community Planning and Economic Development	139.00	141.00	135.00	128.00	116.79	224.80	228.00	230.00	239.00	240.00
Fire	449.00	444.00	438.00	406.00	392.00	413.00	413.00	413.00	413.00	418.00
Minneapolis Health Department	66.00	67.00	60.00	61.70	50.25	91.00	94.30	99.30	100.05	103.05
Internal Audit	-	-	2.00	3.00	2.50	2.00	3.00	3.00	3.00	4.00
Mayor	12.00	12.00	10.00	11.00	11.00	11.00	11.00	12.00	13.00	13.00
Police	1,093.00	1,092.00	999.20	992.00	967.80	980.50	985.50	1,020.50	1,029.50	1,060.50
Public Works	1,203.00	1,189.20	1,024.50	1,000.35	932.08	911.65	946.98	1,004.50	1,005.90	1,097.90
Regulatory Services*	-	-	-	379.00	285.30	141.00	149.00	156.50	173.00	177.00
	<u>4,141.00</u>	<u>4,092.80</u>	<u>3,841.50</u>	<u>3,750.90</u>	<u>3,669.14</u>	<u>3,676.35</u>	<u>3,765.38</u>	<u>3,925.40</u>	<u>3,975.55</u>	<u>4,127.55</u>
Independent Boards										
Board of Estimate & Taxation	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Park	886.00	859.00	827.00	811.18	802.40	814.72	819.24	832.00	859.26	924.36
Building Commission	62.00	62.00	62.00	60.00	54.00	55.00	55.00	55.00	55.00	55.00
Youth Coordinating Board	5.00	5.00	5.00	5.80	5.80	5.80	9.00	8.00	8.00	8.00
Neighborhood Revitalization Program**	9.00	9.00	7.00	5.00	-	-	-	-	-	-
	<u>964.00</u>	<u>937.00</u>	<u>902.00</u>	<u>882.98</u>	<u>863.20</u>	<u>876.52</u>	<u>884.24</u>	<u>896.00</u>	<u>923.26</u>	<u>988.36</u>
Total	<u>5,105.00</u>	<u>5,029.80</u>	<u>4,743.50</u>	<u>4,633.88</u>	<u>4,532.34</u>	<u>4,552.87</u>	<u>4,649.62</u>	<u>4,821.40</u>	<u>4,898.81</u>	<u>5,115.91</u>

\* In 2011 Regulatory Services became a Charter department and is no longer included in City Coordinator FTE total

\*\* In 2012, the Neighborhood Revitalization Program (NRP) changed management to the Neighborhood and Community Relations (NCR) department under the City Coordinator.

Source: City of Minneapolis Management and Budget

(UNAUDITED)