



Minneapolis Park and Recreation Board  
Financial Status Report  
as of Second Quarter, 2012

Prepared by: Minneapolis Park and Recreation Board Finance Department  
2117 West River Road  
Minneapolis, Minnesota 55411-2227  
[www.minneapolisparcs.org](http://www.minneapolisparcs.org)



## TABLE OF CONTENTS

Budget Overview .....	2
General Fund .....	3
Enterprise Fund .....	8
Internal Service Fund .....	11



## **Budget Overview**

Minneapolis Park and Recreation Board operating activities are accounted for in funds. The Park Board funds included in this financial status report are the General Fund, Enterprise Fund and Internal Service Funds. This report details the operations of these funds through June 30, 2012.

*This interim financial report has been prepared by the Minneapolis Park and Recreation Board Finance Department. Financial information contained in this report is preliminary and has not been audited, nor is the information contained in this report a complete presentation of all financial activity within the Minneapolis Park and Recreation Board.*

### **General Fund**

The General Fund accounts for services and goods provided by the Park Board that are primarily supported by property taxes. To the end of 2012, General Fund revenues are projected to be \$59.4 million and expenditures are projected to be \$58.8 million.

The 2012 year-end fund balance is projected to be \$5.8 million, which exceeds financial policy requirements. This projected balance is an increase of \$264,000 over the 2011 year-end balance.

### **Enterprise Fund**

The Enterprise Fund accounts for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. The fund is focused on income generation and supports Park Board programs and improvements. Enterprise Fund operating income is projected to end the year at \$2.5 million.

### **Internal Service Funds**

Internal Service Funds accounts for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2012 Internal Service Fund revenues and expenses are projected to be \$7.0 million.



## General Fund

### Summary

The General Fund is the operating fund of the Minneapolis Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2012 with a fund balance of \$5.5 million and has a current operating budget of \$59.7 million. Through June of this year, 43.4 percent of the Fund’s appropriations have been spent with 50 percent of the year elapsed.

Revenue generated by the Park Board as of June 30, 2012 totaled \$24.8 million, up 1 percent from the \$24.7 million collected in the first half of 2011. Total revenues for 2012 are projected to be \$59.4 million, a decrease of \$0.5 million from 2011 actual revenues.

As of June 30, 2012 actual expenditures totaled \$25.9 million, down 1 percent from the \$26.1 million spent in 2011. To the end of 2012 expenditures are projected to be \$58.8 million, 1 percent lower than 2011.

The fund balance for the General Fund at fiscal year-end 2011 exceeded the financial policy requirement of 5 percent of the General Fund operating budget. It is expected that the 2012 year-end General Fund balance will exceed the requirement as well.

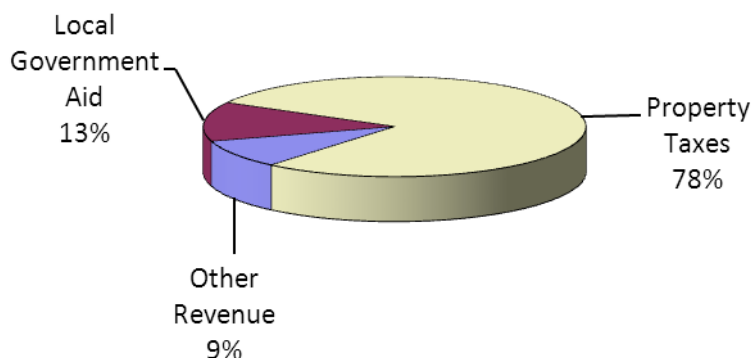
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

### General Fund Revenues

As of June 30, 2012 actual revenues totaled \$24.8 million, up 1 percent from the \$24.7 million received in the first half of 2011.

Revenues by Major Category

	2011			2012			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
	Year-End	As of 6/30					
Property and Other Taxes	\$46,273,318	\$23,433,629	50.6%	\$46,272,466	\$23,564,054	50.9%	\$46,421,186
Local Government Aid	7,571,635	0	0.0%	7,570,039	0	0.0%	7,570,039
Fees, Fines and Other Revenues	6,088,549	1,230,658	20.2%	5,595,391	1,272,704	22.7%	5,427,529
<b>Total Revenues</b>	<b>\$59,933,502</b>	<b>\$24,664,287</b>	<b>41.2%</b>	<b>\$59,437,896</b>	<b>\$24,836,758</b>	<b>41.8%</b>	<b>\$59,418,755</b>





**Property Taxes**

Property taxes provide 78 percent of projected revenue, the largest funding source of the General Fund. The Park Board received the first half property tax payment from Hennepin County, 50.9 percent of budgeted property taxes. Property tax revenue is projected to exceed budget by \$148,720 at year-end.

**Local Government Aid**

Local Government Aid (LGA) is projected to provide 13 percent of 2012 revenue, the second largest funding source of the General Fund. The State Budget included the 2012 City of Minneapolis LGA allocation of \$64.1 million. The City of Minneapolis revenue distribution policy provides for the transfer of a portion of this LGA to the Park Board. The Park Board expects to receive its full budgeted LGA amount of \$7.6 million.

**Fees, Fines and Other Revenue**

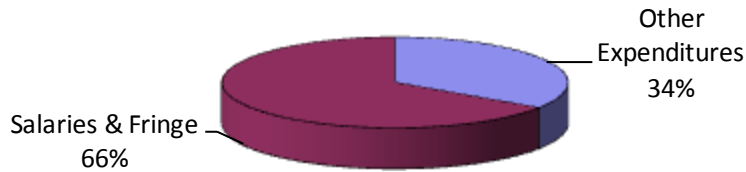
Fees, fines and other revenue provide nine percent of projected revenue. The Park Board has recognized 22.7 percent of the budgeted fees, fines and other revenue for 2012, an increase of 3 percent over 2011. Revenues are projected to end the year slightly below budget at \$5.4 million.

**General Fund Expenditures**

As of June 30, 2012 actual expenditures totaled \$25.9 million, down 1 percent from the \$26.1 million spent in the first half of 2011.

**Expenditures by Major Category**

	2011			2012		
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended
	Year-End	As of 6/30				
Salaries & Fringe	\$38,688,716	\$18,882,964	48.8%	\$ 39,246,015	\$ 19,015,615	48.5%
Other Expenditures	20,460,745	7,231,711	35.3%	20,434,881	\$ 6,882,880	33.7%
<b>Total Expenditures</b>	<b>\$59,149,461</b>	<b>\$26,114,675</b>	<b>44.2%</b>	<b>\$59,680,896</b>	<b>\$25,898,495</b>	<b>43.4%</b>



**Salaries and Fringe Benefits**

Salaries and fringe benefits are 48.5 percent expended with 50 percent of the year elapsed, similar to 2011.



**Other Expenditures**

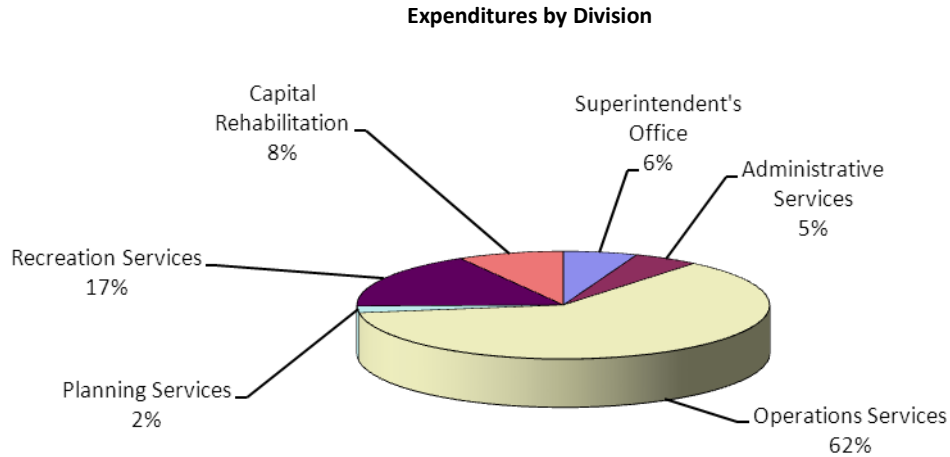
Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures are 33.7 percent expended with 50 percent of the year elapsed, down 1.6 percent from 2011. A mild winter and spring combined with decreasing prices have resulted in savings in utility expenses.

	Expenditures by Service Area						
	2011			2012			
	Actual		Percent	Current	Actual	Percent	Projected
	Year-End	As of 6/30	Expended	Budget	As of 6/30	Expended	Year-End
Operating Departments							
<b>Superintendent's Office</b>							
Superintendent's Office	\$681,337	\$239,558	35.2%	\$745,553	\$394,987	53.0%	\$742,607
Board of Commissioners	526,925	329,901	62.6%	600,083	250,640	41.8%	583,433
Communications & Marketing	312,591	147,357	47.1%	399,210	193,769	48.5%	397,468
Community Outreach				1,380,472	613,715	44.5%	1,251,934
Human Resources	482,602	217,809	45.1%	450,632	195,139	43.3%	428,706
<b>Administrative Services</b>							
Customer Service	381,820	210,836	55.2%	475,716	221,870	46.6%	457,709
Finance	880,069	447,795	50.9%	892,647	417,062	46.7%	867,034
City Mgmt Fee, Contributions & Other	1,781,699	1,182,374	66.4%	1,591,244	877,950	55.2%	1,694,952
<b>Operations Services</b>							
Environmental	1,272,241	557,833	43.8%	1,635,746	643,850	39.4%	1,586,758
Volunteer Services	131,745	63,633	48.3%	178,691	88,068	49.3%	178,588
Forestry	9,776,762	4,840,522	49.5%	9,678,831	4,978,243	51.4%	9,568,399
Maintenance	19,206,664	9,312,042	48.5%	19,368,856	9,073,241	46.8%	19,021,493
Summer Youth Empl.-Teen							
Teamworks	963,547	94,484	9.8%	894,000	270,835	30.3%	892,343
Park Police	5,063,538	2,478,506	48.9%	5,032,451	2,445,803	48.6%	5,027,430
<b>Planning Services</b>							
Planning	1,386,953	804,120	58.0%	1,239,273	546,572	44.1%	1,182,376
<b>Recreation Services</b>							
Aquatics	420,251	136,594	32.5%	414,191	111,392	26.9%	413,100
Recreation	10,157,441	4,647,378	45.8%	9,818,052	4,547,706	46.3%	9,580,105
Wirth Winter Recreation Area	391,964	276,572	70.6%				
<b>Other</b>							
Storm Damage	976,314	0	0.0%				
<b>Total Operating Expenditures</b>	<b>\$54,794,463</b>	<b>\$25,987,314</b>	<b>47.4%</b>	<b>\$54,795,648</b>	<b>\$25,870,842</b>	<b>47.2%</b>	<b>\$53,874,435</b>
<b>Capital</b>							
Pay-as-You-Go-Rehabilitation	4,354,998	127,361	2.9%	4,885,248	27,653	0.6%	4,885,248
<b>Total Capital Expenditures</b>	<b>\$4,354,998</b>	<b>\$127,361</b>	<b>2.9%</b>	<b>\$4,885,248</b>	<b>\$27,653</b>	<b>0.6%</b>	<b>\$4,885,248</b>
<b>Total General Fund</b>	<b>\$59,149,461</b>	<b>\$26,114,675</b>	<b>44.2%</b>	<b>\$59,680,896</b>	<b>\$25,898,495</b>	<b>43.4%</b>	<b>\$58,759,683</b>



**Operating Departments**

Three departments have expended greater than 50 percent of budget in the first half of 2012. Budgeted lobbying and legal fees associated with the State budget cycle and Park Board policy issues have been expended from the Superintendent’s Office budget. Non-budgeted severance payments have been made from City Management Fee, Contributions & Other. Forestry has made tree purchases for 2012. Operating department budgets are monitored closely throughout the year and adjustments are made if necessary to ensure budget targets are met.



**Divisions**

Three divisions make up approximately 65 percent of the projected General Fund expenditures: Maintenance, Recreation and Forestry. Small percentage variances in any of these areas can significantly impact total expenditures.

**General Fund Budget Appropriation Changes**

Three budget appropriation changes occurred during the first half of 2012. The first change was a Board approved budget increase of \$100,000 for aquatic invasive species protection. The second budget appropriation change was a \$750,000 increase to the Teen Teamworks budget for grant funding received from the City of Minneapolis, State of Minnesota, and private donors. The third budget appropriation change was a Superintendent approved re-appropriation for purchases that were encumbered in 2011 and delivered in 2012.

**Budget Appropriation Changes**

2012 Original Budget	\$58,687,896
Aquatic Invasive Species Protection	100,000
Teen Teamworks Grants & Donations	750,000
2011 Purchase Re-Appropriation	143,000
2012 Current Budget	<u>\$59,680,896</u>





**General Fund Balance**

The 2012 year-end fund balance is estimated to be \$5.8 million, 4.8 percent higher than 2011.

**General Fund Balance**

	2011			2012			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Total Revenue	\$59,933,502	\$24,664,287	41.2%	\$59,437,896	\$24,836,758	41.8%	\$59,418,755
Total Expenditures	59,149,461	26,114,675	44.2%	59,680,896	25,898,495	43.4%	58,759,683
<b>Revenue Over/(Under) Expenditures</b>	<b>\$784,041</b>	<b>(\$1,450,388)</b>		<b>(\$243,000)</b>	<b>(\$1,061,737)</b>		<b>\$659,072</b>

Park Board financial policy requires the General Fund balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation. Based on un-audited figures, the year-end 2012 balance is estimated at \$5.8 million, which is 10 percent of the current year adopted expenditure appropriation. This fund balance exceeds financial policy requirements by \$2.9 million.

**2012 Projected General Fund Year-End Fund Balance**

<b>Fund Balance, January 1, 2012</b>	<b>\$5,529,026</b>
Transfer to Sustainability Fund	(\$395,162)
Projected Revenues in Excess of Expenditures	<u>659,072</u>
<b>Projected Fund Balance, December 31, 2012</b>	<b>5,792,936</b>
Fund Balance Requirement (5%)	<u>2,934,395</u>
<b>Fund Balance in Excess of Requirement</b>	<b><u>\$2,858,541</u></b>

The projections in this report are based on estimates and unforeseen changes in revenue or expenditures could cause actual results to vary considerably from the projected year-end results.



## Enterprise Fund

### Fund Description

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. Operating income from operations is reserved for capital rehabilitation, construction or improvements; debt service; and general fund support.

### Enterprise Fund by Service Area

	2011			2012			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Golf</b>							
Revenues	\$5,321,841	\$2,167,035	40.7%	\$6,134,600	\$2,743,978	44.7%	\$5,856,917
Expenses	5,724,667	2,461,024	43.0%	5,257,572	2,502,266	47.6%	5,728,995
<b>Net Income</b>	<b>(\$402,826)</b>	<b>(\$293,989)</b>		<b>\$877,028</b>	<b>\$241,712</b>		<b>\$127,922</b>
<b>Use &amp; Events</b>							
<b>Permitting</b>							
Revenues	\$1,246,889	\$317,932	25.5%	\$1,040,000	\$303,138	29.1%	\$1,220,000
Expenses	723,241	240,307	33.2%	626,619	280,987	44.8%	686,632
<b>Net Income</b>	<b>\$523,648</b>	<b>\$77,625</b>		<b>\$413,381</b>	<b>\$22,151</b>		<b>\$533,368</b>
<b>Concessions</b>							
Revenues	\$1,033,341	\$191,417	18.5%	\$1,028,000	\$233,366	22.7%	\$1,040,000
Expenses	177,246	50,997	28.8%	144,360	45,885	31.8%	135,856
<b>Net Income</b>	<b>\$856,095</b>	<b>\$140,420</b>		<b>\$883,640</b>	<b>\$187,481</b>		<b>\$904,144</b>
<b>Parking</b>							
Revenues	\$1,102,393	\$391,678	35.5%	\$987,000	\$640,467	64.9%	\$1,341,118
Expenses	218,042	88,689	40.7%	194,115	78,391	40.4%	190,373
<b>Net Income</b>	<b>\$884,351</b>	<b>\$302,989</b>		<b>\$792,885</b>	<b>\$562,076</b>		<b>\$1,150,745</b>
<b>Ice Arenas</b>							
Revenues	\$812,083	\$339,263	41.8%	\$842,050	\$271,623	32.3%	\$800,100
Expenses	837,282	377,827	45.1%	739,031	395,616	53.5%	853,843
<b>Net Income</b>	<b>(\$25,199)</b>	<b>(\$38,564)</b>		<b>\$103,019</b>	<b>(\$123,993)</b>		<b>(\$53,743)</b>
<b>Athletic Facilities</b>							
Revenues	\$268,907	\$53,039		\$254,000	\$4,729	1.9%	\$250,000
Expenses	462,246	134,928	29.2%	429,824	179,681	41.8%	445,295
<b>Net Income</b>	<b>(\$193,339)</b>	<b>(\$81,889)</b>		<b>(\$175,824)</b>	<b>(\$174,952)</b>		<b>(\$195,295)</b>
<b>Lupient Water Park</b>							
Revenues	\$243,092	\$49,830		\$244,703	\$66,283	27.1%	\$257,888
Expenses	325,947	76,786		329,807	78,733	23.9%	333,882
<b>Net Income</b>	<b>(\$82,855)</b>	<b>(\$26,956)</b>		<b>(\$85,104)</b>	<b>(\$12,450)</b>		<b>(\$75,994)</b>
<b>Wirth Winter</b>							
Revenues	\$43,591	\$42,766	98.1%	\$291,200	\$120,975	41.5%	\$160,000
Expenses	60,378	52,554	87.0%	411,945	267,224	64.9%	379,947
<b>Net Income</b>	<b>(\$16,787)</b>	<b>(\$9,788)</b>		<b>(\$120,745)</b>	<b>(\$146,249)</b>		<b>(\$219,947)</b>



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

	2011			2012			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Sculpture Garden &amp; Cowles Conservatory</b>							
Revenues	\$28,370	\$11,052	39.0%	\$50,900	\$6,601	13.0%	\$25,000
Expenses	256,317	107,609	42.0%	246,350	115,617	46.9%	246,070
<b>Net Income</b>	<b>(\$227,947)</b>	<b>(\$96,557)</b>		<b>(\$195,450)</b>	<b>(\$109,016)</b>		<b>(\$221,070)</b>
<b>Recreation</b>							
Revenues	\$3,960,150	\$1,763,902	44.5%	\$3,415,146	\$2,112,083	61.8%	\$4,000,356
Expenses	3,367,875	1,289,859	38.3%	3,415,146	1,624,165	47.6%	3,486,448
<b>Net Income</b>	<b>\$592,275</b>	<b>\$474,043</b>		<b>\$0</b>	<b>\$487,918</b>		<b>\$513,908</b>
<b>Total Operating Income</b>							
Revenues	\$14,060,657	\$5,327,914	37.9%	\$14,287,599	\$6,503,243	45.5%	\$14,951,379
Expenses	12,153,241	4,880,580	40.2%	11,794,769	5,568,565	47.2%	12,487,341
<b>Net Income</b>	<b>\$1,907,416</b>	<b>\$447,334</b>		<b>\$2,492,830</b>	<b>\$934,678</b>		<b>\$2,464,038</b>
<b>Non-Operating Expenses</b>							
Improvements	\$475,067	\$169,585	35.7%	\$1,219,180	\$59,522	4.9%	\$980,000
Debt Service	757,025	91,263	12.1%	728,650	178,625	24.5%	728,650
Athletic Field Improvements	339,030	94,500	27.9%	250,000	52,757	21.1%	250,000
Transfers	295,000	0	0.0%	295,000	0	0.0%	295,000
<b>Total Non-Operating Exp</b>	<b>\$1,866,122</b>	<b>\$355,348</b>		<b>\$2,492,830</b>	<b>\$290,904</b>		<b>\$2,253,650</b>
<b>Income after</b>							
<b>Non-Operating Expenses</b>	<b>\$41,294</b>	<b>\$91,986</b>		<b>\$0</b>	<b>\$643,774</b>		<b>\$210,388</b>

**Golf Operations**

Golf operations benefited from an early March opening. Weather conditions continued to be favorable through April, however, May 2012 was the second wettest May in history. Through June 30, 2012 revenue is up 27 percent from 2011. Expenses are up 2 percent from 2011. Revenues are projected to end the year under budget due to the wet weather conditions in May and continued weakness in the golf industry nationwide, while expenses are projected to exceed budget due to the continued operation of Fort Snelling Golf Course, which was not budgeted for in 2012. To the end of 2012 golf operations is projected to have a profit of \$127,922.

**Use & Events Permitting**

Use & Events Permitting net income is projected to end 2012 at \$533,368, an increase of \$9,720 over 2011.

**Concessions**

Concessions net income is projected to increase by \$48,049 to \$904,144 in 2012 due to the full operating season from the new Lake Harriet concession *Bread & Pickle*.

**Parking**

Parking operations include revenue collection and maintenance of on-street single-space parking meters, multi space pay and display machines, patron parking permit sales and event parking. Revenue as of June 30, 2012 is up from 2011 levels due to newly installed electronic on-street single space parking meters installed on Main



Street and East River Road, favorable mild winter weather which increased traffic in the regional parks, and better preventative maintenance on parking machines allowing them to be in service for longer periods of time. Expenses are projected to end the year within budget. To the end of 2012 parking operations net income is projected to be \$1,150,745.

### **Ice Arenas**

Ice arena operations consist of the Parade and Northeast Ice Arenas. Revenues are expected to come in under budget in 2012 due to the loss of a large ice user. Expenses are expected to end the year over budget due to necessary repairs in the south rink at Parade and the increasing cost of Freon used in the rink cooling systems. To the end of 2012 ice arena operations is projected to have a loss of (\$53,743).

### **Athletic Facilities**

Athletic Facilities consist of Neiman Complex, Parade Athletic Fields, Van Cleve, Quilici, Northeast and Pearl Park Fields. To the end of 2012 this operation is projected to have a loss of (\$195,295).

### **Lupient Water Park**

Lupient Water Park has benefited from a hot summer. Revenues are up \$16,000 over 2011 as of June 30 while expenses are up \$2,000. To the end of 2012 this operation is projected to have a loss of (\$75,944).

### **Wirth Winter Recreation Area**

In 2012 the entire Wirth Winter Recreation Area is reported in the enterprise fund. In 2011 only the tubing hill was reported in the enterprise fund. Revenues and expenses are projected to be under budget due to poor winter conditions, limiting the season. To the end of 2012 this operation is projected to have a loss of (\$219,947).

### **Sculpture Garden & Cowles Conservatory**

Revenue is generated from permit rentals of Cowles Conservatory and weddings at the Sculpture Garden. The Planning Division is currently working with the Walker Art Center to develop and implement a jointly agreed upon operational agreement for the garden that is mutually beneficial and sustainable. To the end of 2012 this operation is projected to have a loss of (\$221,070).

### **Recreation**

Recreation includes fee-based community programs, school-age child care, and adult sports. To the end of 2012 recreation net income is projected to be \$513,908.

### **Enterprise Operating Income**

Operating income is the difference between operating revenues and operating expenses. Operating income in 2012 is projected to be \$2.5 million. Operating income is higher than 2011 due to increased net income in golf operations.

Operating income is used for four purposes; facility improvements, transfers to support the General Fund, matching funds for the Hennepin County youth sports grants, and debt service. Improvements planned for the second half of 2012 include the Hiawatha Golf Course parking lot renovation, a new irrigation well at Meadowbrook Golf Course to combat zebra mussels in Minnehaha Creek, the purchase of additional electronic single space on-street parking meters, Parade Ice Arena Zamboni replacement and parking lot renovation, and the addition of air conditioning at Columbia Manor. Several improvements planned for 2012 will be deferred including Gross Golf Course clubhouse renovation, bunker renovations at Columbia, Gross and Hiawatha Golf Courses and Parade Baseball Field improvements.



## Internal Service Fund

### Summary

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

	2011			2012			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Equipment</b>							
Revenues	\$4,359,518	\$2,356,479	54.1%	\$4,094,401	\$1,955,201	47.8%	\$3,976,325
Expenses	4,608,360	2,622,520	56.9%	3,932,772	1,534,382	39.0%	3,901,157
<b>Net Income</b>	<b>(\$248,842)</b>	<b>(\$266,041)</b>		<b>\$161,629</b>	<b>\$420,819</b>		<b>\$75,168</b>
<b>Information Technology Services</b>							
Revenues	\$920,135	\$471,210	51.2%	\$1,099,890	\$464,851	42.3%	\$960,017
Expenses	833,469	456,018	54.7%	1,303,476	572,119	43.9%	1,123,668
<b>Net Income</b>	<b>\$86,666</b>	<b>\$15,192</b>		<b>(\$203,586)</b>	<b>(\$107,268)</b>		<b>(\$163,651)</b>
<b>Self-Insurance</b>							
Revenues	\$2,443,409	\$1,102,138	45.1%	\$2,028,027	\$835,577	41.2%	\$2,033,207
Expenses	1,972,075	701,603	35.6%	2,028,027	676,756	33.4%	1,959,233
<b>Net Income</b>	<b>\$471,334</b>	<b>\$400,535</b>		<b>\$0</b>	<b>\$158,821</b>		<b>\$73,974</b>

### Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue is down 17 percent compared to 2011 due to enterprise fund departments no longer participating in the fleet replacement portion of the equipment fund. Enterprise departments now buy equipment as needed, with the equipment department providing repair and maintenance services. Expenses are down 41 percent compared to 2011 due to minimal equipment purchases taking place in the first half of the year. Budgeted purchases will take place in the second half of the year. In addition to the budgeted equipment purchases the Board approved the purchase of an aquatic plant harvester using the equipment reserve balance. The projected year-end equipment reserve balance is \$1,030,000.

### Information Technology Services

Park Board departments are charged an annual fee for the use and service of computer workstations and access to the Park Board network. Information Technology Services revenues are expected to end the year under budget since Geographic Information Systems services have not been deployed and are not being charged for. Expenses are projected to be under budget due to position vacancies. The projected year-end Information Technology Services equipment reserve balance is \$278,000.

### Self Insurance

Self Insurance premiums are collected from Park Board departments to fund activities including workers compensation; property, fire and vandalism insurance; and general, automotive and police professional liability. Self Insurance revenues and expenses are expected to end the year near budget. Self-Insurance premiums charged to departments were reduced in 2012 due to a history of lower claim rates.

**Equipment Services and Information Technology Services Equipment Reserve Balance**

The Internal Service Fund equipment reserve at year-end 2011 was \$1.4 million. During 2012 expenses are projected to exceed revenues by \$88,000, decreasing the equipment reserve balance to \$1.3 million.

**2012 Projected Internal Service Fund Year-End Equipment Reserve Balance**

<b>Working Capital January 1, 2012</b>	<b>\$1,396,347</b>
Equipment Services revenue in excess of expenditures	75,168
ITS revenue in excess of expenditures	<u>(163,651)</u>
<b>Working Capital December 31, 2012</b>	<b>\$1,307,864</b>

**Self Insurance Fund Net Asset Balance**

The Self Insurance Fund net assets balance at year-end 2011 was \$7.5 million. During 2012 revenues are projected to exceed expenses by \$74,000, increasing the net assets balance.

**2012 Projected Self Insurance Fund Year-End Net Asset Balance**

<b>Working Capital January 1, 2012</b>	<b>\$7,474,262</b>
Self Insurance Fund revenue in excess of expenditures	<u>73,974</u>
<b>Working Capital December 31, 2012</b>	<b>\$7,548,236</b>