

ANNUAL FINANCIAL REPORT

COMPONENT UNIT OF THE
CITY OF MINNEAPOLIS

FOR THE YEAR ENDED
DECEMBER 31, 2015



MINNEAPOLIS PARK AND RECREATION BOARD

**COMPONENT UNIT
ANNUAL FINANCIAL REPORT**



FOR THE YEAR ENDED DECEMBER 31, 2015

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
Minneapolis, MN 55411-2227

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

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612-230-6500

www.minneapolisparcs.org

June 10, 2016

Liz Wielinski, President
Minneapolis Park & Recreation Board
Minneapolis, Minnesota 55411

Jayne Miller, 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, 2015. 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,

President
Liz Wielinski

Vice President
Scott Vreeland

Commissioners
Brad Bourn
John Erwin
Meg Forney

Steffanie Musich
Jon C. Olson
Anita Tabb
M. Annie Young

Superintendent
Jayne Miller

Secretary to the Board
Jennifer B. Ringold



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

Reporting Entity

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

Budgetary Control is maintained in compliance with City Charter requirements that specify that funds be first appropriated by the Park & Recreation Board before being spent by the departments for ongoing services and for projects in all funds except for the Park Grant and Dedicated Revenue Fund of the Special Revenue Fund Type. All purchase orders, contracts and other obligation documents, which exceed appropriations, are not encumbered or processed until additional appropriations are made available. Operating Encumbrances outstanding at December 31 are 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 2015 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. This amount, plus the accrued interest, is to be paid in full on or before November 2, 2017.

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

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

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

Cash Management

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

Risk Management

The Minneapolis Park & Recreation Board accounts for its risk management activities as an internal service fund and charges the operating funds annually for the anticipated actuarially projected claims. The Park & Recreation Board's risk management program operates under the direction of the 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.

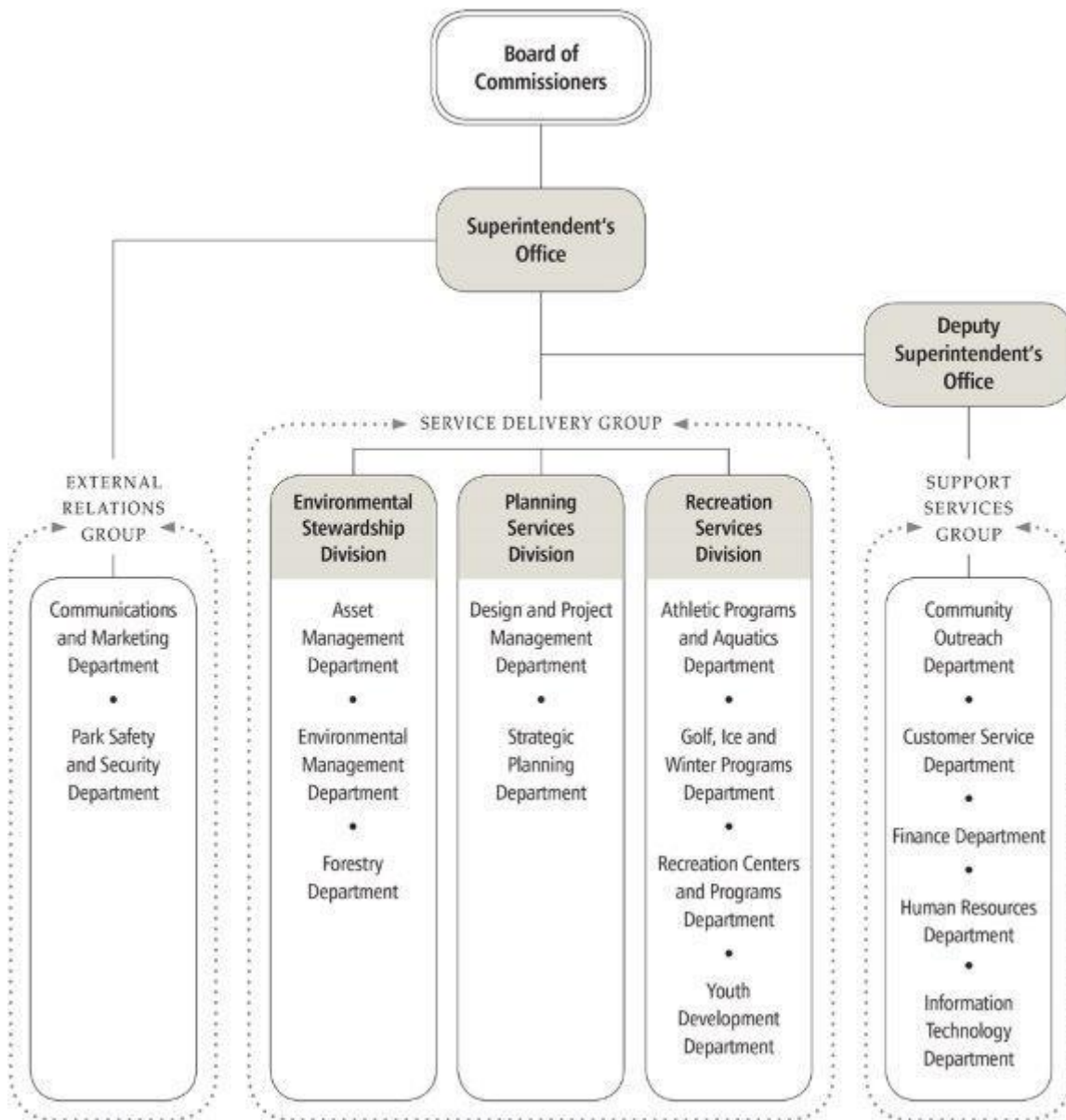
Acknowledgements

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

COMMISSIONERS AND OFFICERS

Commissioners	Term of Office From	To
Brad Bourn	January 1, 2010	December 31, 2017
John Erwin	January 1, 2010	December 31, 2017
Meg Forney	January 1, 2014	December 31, 2017
Steffanie Musich	January 1, 2014	December 31, 2017
Jon Olson	January 1, 2002	December 31, 2017
Anita Tabb	January 1, 2010	December 31, 2017
Scott Vreeland	January 1, 2006	December 31, 2017
Liz Wielinski	January 1, 2010	December 31, 2017
M. Annie Young	January 1, 1990	December 31, 2017

Officers

President

Liz Wielinski	January 1, 2014	December 31, 2015
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Vice President

Scott Vreeland	January 1, 2014	December 31, 2015
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Secretary

Jennifer Ringold	January 1, 2015	December 31, 2015
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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, 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, 2015, and the related notes to the financial statements, which collectively comprise the Minneapolis Park and Recreation 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 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.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board as of December 31, 2015, 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.K. to the financial statements, in 2015 the Park Board adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 82, *Pension Issues*, 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.

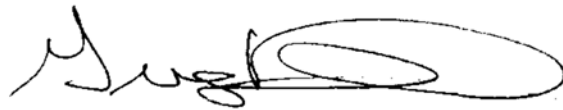
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minneapolis Park and Recreation Board's internal control over financial reporting and compliance.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 10, 2016

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, 2015. 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 \$4,287,411 or 1.5%. Net position of the business-type activities decreased by \$57,339 or 0.3%, and net position of the governmental activities increased by \$4,344,750 or 1.6%.
- The assets of the Park and Recreation Board exceeded its liabilities at the close of the most recent fiscal year by \$297,229,278 (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 \$12,580,191.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$29,153,503. Ending equity of the business-type proprietary fund is \$20,849,858. Ending net position of the governmental-type proprietary funds is \$8,303,645.

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 20-21) 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 22. 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 taken into account 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 liabilities, with the difference between the two 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.

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

Governmental Funds: Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be used in the near future to finance the Park and Recreation Board's programs. In order to compare these fund statements to the government-wide statements which are presented using accrual accounting, 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 \$297,229,278 increased by \$4,287,411 or 1.5% from a year ago. Current and other assets increased by \$3,711,182 and capital assets increased by \$14,754,272 from a year ago. Deferred Outflows-Pensions are reflected in the statements for the first time in 2015 and 2014 has been restated with the implementation of Governmental Accounting Standards Board's Statement Number 68. Deferred Outflows-Pensions increased by \$32,464,330 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</u>	
	Restated		Restated		Restated	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 33,416,004	\$ 28,952,016	\$ 1,649,591	\$ 2,402,397	\$ 35,065,595	\$ 31,354,413
Capital assets	292,529,984	278,973,674	22,624,913	21,426,951	315,154,897	300,400,625
Total Assets	325,945,988	307,925,690	24,274,504	23,829,348	350,220,492	331,755,038
Deferred Outflows-Pensions	33,860,191	3,714,998	2,593,376	274,239	36,453,567	3,989,237
Long-term liabilities outstanding	75,203,214	36,076,660	5,556,925	2,724,792	80,760,139	38,801,452
Other liabilities	4,746,980	3,529,358	231,824	471,598	4,978,804	4,000,956
Total Liabilities	79,950,194	39,606,018	5,788,749	3,196,390	85,738,943	42,802,408
Deferred Inflows - Pensions	3,476,565	-	229,273	-	3,705,838	-
Net position:						
Net investment in Capital Assets	290,529,984	278,973,674	22,302,296	21,054,505	312,832,280	300,028,179
Unrestricted	(21,959,274)	(13,064,155)	(1,452,438)	(147,308)	(23,411,712)	(13,211,463)
Restricted	7,808,710	6,125,151	-	-	7,808,710	6,125,151
Total Net Position	\$ 276,379,420	\$ 272,034,670	\$ 20,849,858	\$ 20,907,197	\$ 297,229,278	\$ 292,941,867

Net position of the Park and Recreation Board's governmental activities increased by \$4,344,750 or 1.6%. The unrestricted component of net position is (\$21,959,274) and reflects the net pension obligation for the Park and Recreation Board's governmental activities.

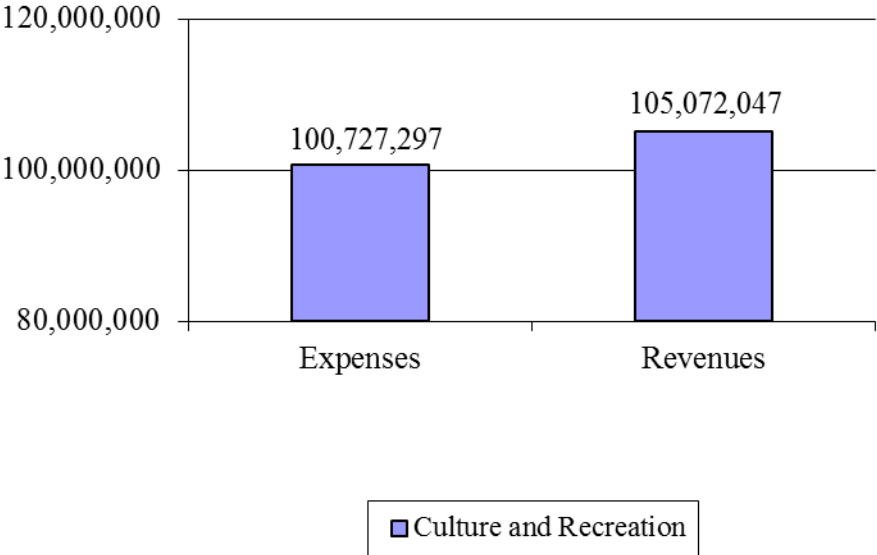
Net position of the Park and Recreation Board's business-type activities decreased by \$57,339 or 0.3%. The Park and Recreation Board commits net position to finance the continuing operations including capital improvements of the Enterprise Fund.

Minneapolis Park and Recreation Board's Change in Net Position

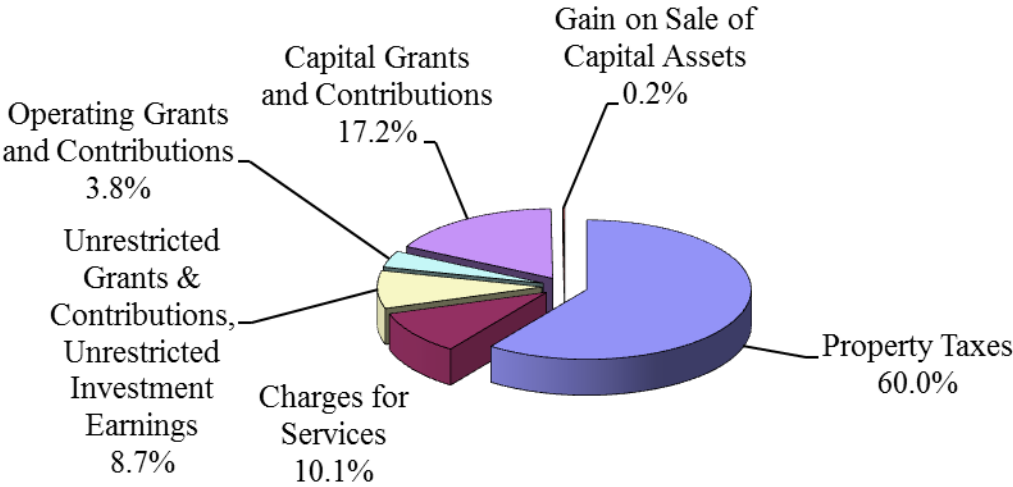
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 10,664,076	\$ 9,078,160	\$ 10,328,371	\$ 9,740,711	\$ 20,992,447	\$ 18,818,871
Operating grants & contributions	4,027,533	4,482,708	476,664	46,270	4,504,197	4,528,978
Capital grants & contributions	18,120,444	7,625,377	247,025	2,701,390	18,367,469	10,326,767
General revenues:						
Taxes	62,906,396	60,433,180	-	-	62,906,396	60,433,180
Unrestricted grants & contributions	9,170,507	8,977,319	-	-	9,170,507	8,977,319
Unrestricted investment earnings	1,172	1,534	-	-	1,172	1,534
Gain on sale of capital assets	181,919	54,952	596	-	182,515	54,952
Transfers	-	-	-	308,112	-	308,112
Total Revenue and Transfers	105,072,047	90,653,230	11,052,656	12,796,483	116,124,703	103,449,713
Program expense:						
Culture & recreation	100,727,297	86,863,390	-	-	100,727,297	86,863,390
Park enterprise fund	-	-	11,109,995	10,352,484	11,109,995	10,352,484
Transfers	-	308,112	-	-	-	308,112
Total Expenses and Transfers	100,727,297	87,171,502	11,109,995	10,352,484	111,837,292	97,523,986
Increase (Decrease) in Net Position	\$ 4,344,750	\$ 3,481,728	\$ (57,339)	\$ 2,443,999	\$ 4,287,411	\$ 5,925,727

For governmental activities of the Park and Recreation Board, net position increased by \$4,344,750. The increase in Governmental Net Position is primarily due to conservative spending in 2015. The decrease in business-type activities of the Park and Recreation Board of \$57,339 is primarily due to the continued loss associated with the closure of Meadowbrook Golf Course and partial closure of Hiawatha Golf Course.

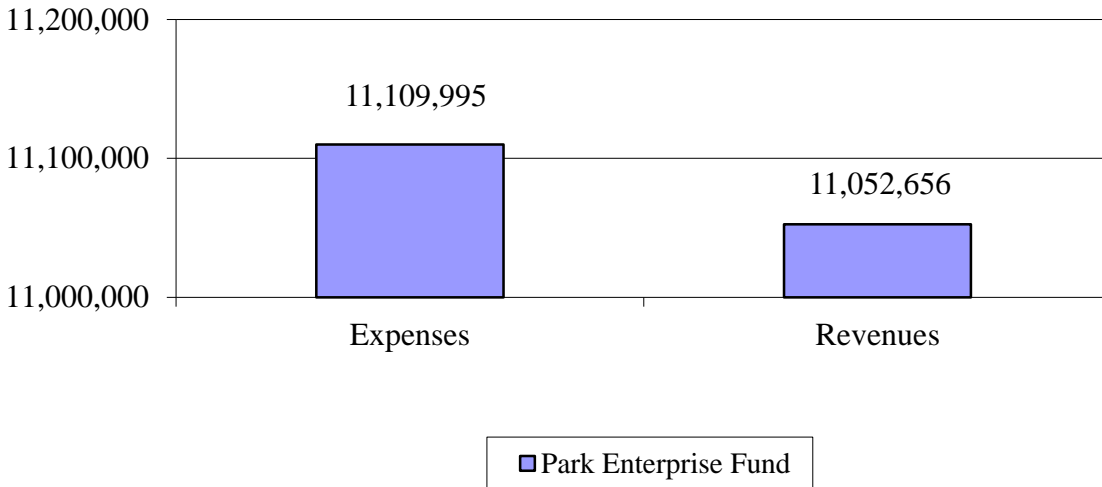
Expenses and Program Revenues Governmental Activities



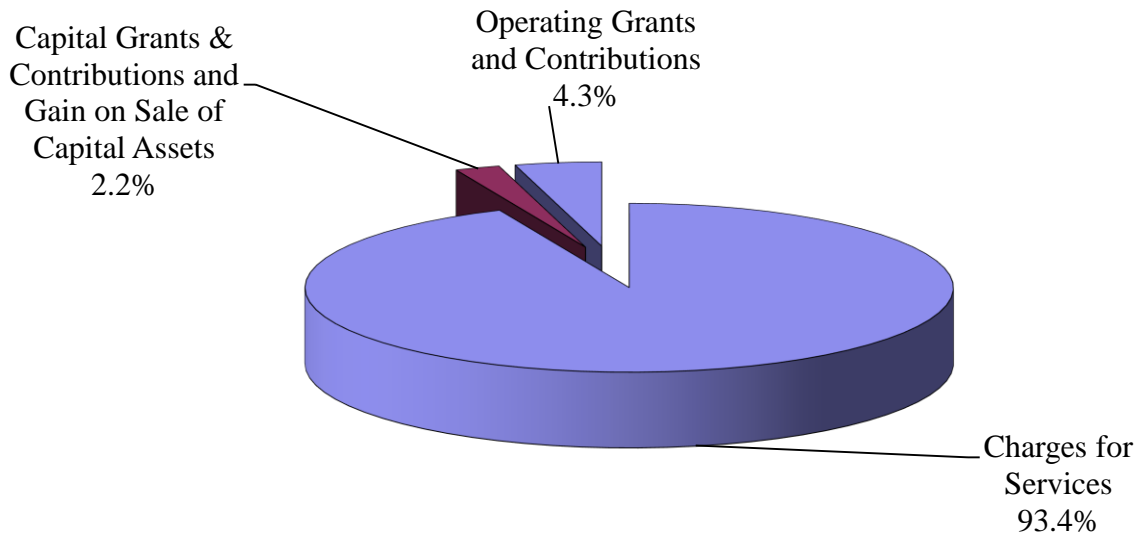
Revenues by Source - Governmental Activities



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 \$12,580,191. The following is an analysis of the major funds reported in the governmental funds statements.

General Fund

The General Fund is the Board's operating fund that reports activities not reported in other funds. The fund balance of the General Fund increased by \$702,796 from 2014 primarily due to a higher than expected property tax collection rate. As of the end of the current fiscal year the General Fund reported a fund balance of \$6,320,780 of which \$754,440 is classified as committed and \$5,566,340 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 2015 original and final appropriation was \$68,241,007 and \$69,397,947, respectively. The changes made to the 2015 original appropriation were due to the use of excess fund balance to fund one-time costs associated with the Southwest light rail tunnel study, Graco easement purchase, and recreation facilities analysis and design.

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 or assigned for specific purposes. The fund balance of the Park Grant and Dedicated Revenue Fund increased by \$899,179 from 2014. This increase is primarily due to the State of Minnesota Lottery proceeds and Park Dedication Fees that are held in this fund and then allocated to specific Park & Recreation Board approved projects. As of the end of the current fiscal year the Park Grant and Dedicated Revenue Fund reported a fund balance of \$9,121,676, of which \$5,736,618 is classified as restricted, \$379,253 is classified as committed and \$3,005,805 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 second 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 \$58,224, 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 \$3,744,769 from 2014. This decrease is primarily due to the timing of capital project grant proceeds which accounted for unavailable revenue in the amount of \$5,899,979. As of the end of the current fiscal year the Permanent Improvement Fund reported a fund balance of (\$5,709,723).

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 2015, operating revenues increased from 2014 by \$616,392 or 6.4%. In 2015, operating expenses of the Park Operating Fund increased from 2014 by \$553,772 or 5.9%. In 2015, operating income was \$388,486 a 19.2% increase from 2014. The increase in operating income in the Park Operating Fund was due to increase in rounds of golf at open courses, increases in use and event permits, concessions and parking revenues.

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 \$9,718 and ending net position was \$6,317,933. Net position is comprised of \$4,413,051 or 69.8%, which is the net investment in capital assets and \$1,904,882 or 30.2%, which is classified as unrestricted. The Park and Recreation Board intends to use the unrestricted portion of the fund for repair and replacement of the operation's equipment.

Park Self-Insurance Fund

This internal service fund accounts for 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 loss was \$326,498 and ending net position was \$1,985,712. An actuarial study completed in 2015 provided an estimate for the 2015 long-term liability for workers' compensation claims pending. An actuarial study completed in 2014 provides the estimate for the 2015 long-term liability for General liability claims pending.

Capital Asset and Debt Administration

Capital Assets

At the end of 2015, the Park and Recreation Board had \$315,154,897 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:

- West River Road Slope Stabilization
- Sculpture Garden Improvements
- Riverfront Land Acquisition
- Minnehaha Refectory Improvements

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

	Governmental		Business-Type		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 71,432,009	\$ 66,327,204	\$ 1,206,784	\$ 1,206,784	\$ 72,638,793	\$ 67,533,988
Building and Structures	38,005,387	39,088,475	14,670,385	15,181,009	52,675,772	54,269,484
Infrastructure	33,060,705	34,902,920	62,475	67,185	33,123,180	34,970,105
Public Improvements	98,742,639	93,640,516	3,521,847	3,786,503	102,264,486	97,427,019
Machinery and Equipment	4,819,346	4,511,144	741,751	870,169	5,561,097	5,381,313
Construction in Progress	46,469,898	40,503,415	2,421,671	315,301	48,891,569	40,818,716
Total	\$ 292,529,984	\$ 278,973,674	\$ 22,624,913	\$ 21,426,951	\$ 315,154,897	\$ 300,400,625

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 2016 Budget

Employment:

The unemployment rate for the City of Minneapolis at the end of 2015, as released by the Minnesota Department of Employment and Economic Development, is 2.8%. This economic indicator is lower than the State of Minnesota (3.7%) and national unemployment rate (4.8%). The City of Minneapolis unemployment rate one year ago in December 2014 was at 3.0%.

2016 Budget:

On December 9, 2015, the Park and Recreation Board approved the 2016 budget. The original operating budget was set for \$70.9 million. The 2016 certified state aid is about \$9.1 million; current law increased 2016 Local Government Aid by \$49,221 over the amount received in 2015.

Subsequent Event

20 Year Neighborhood Park Plan:

In May 2016, the Park and Recreation Board and City of Minneapolis came to an agreement on financing a 20 Year Neighborhood Park Plan through the passage of concurrent ordinances. The 20 Year Neighborhood Park Plan provides \$11 million annually in additional resources for neighborhood park maintenance, rehabilitation and capital investments and protects existing revenue and costs that are through the City of Minneapolis. The funding will begin in 2017. The City of Minneapolis also authorized the payment of \$1.5 million to cover startup expenditures paid by the Park and Recreation Board in 2016.

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.

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MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities	Business -Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and Cash Equivalents	\$ 20,586,043	\$ 1,476,485	\$ 22,062,528
Receivables	12,328,642	572,315	12,900,957
Materials & Supplies Inventories	-	42,195	42,195
Prepaid Expense	59,915	-	59,915
Internal Balances	441,404	(441,404)	-
Capital Assets:			
Non-Depreciable	117,901,907	3,628,455	121,530,362
Depreciable (Net)	174,628,077	18,996,458	193,624,535
Total Assets	<u>\$ 325,945,988</u>	<u>\$ 24,274,504</u>	<u>\$ 350,220,492</u>
Deferred Outflows of Resources:			
Deferred Outflows - Pensions	33,860,191	2,593,376	36,453,567
Total Assets and Deferred Outflows of Resources	<u><u>\$ 359,806,179</u></u>	<u><u>\$ 26,867,880</u></u>	<u><u>\$ 386,674,059</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Salaries Payable	\$ 1,012,069	\$ 74,382	\$ 1,086,451
Accounts Payable (Net)	3,544,609	157,442	3,702,051
Unearned Revenue	190,302	-	190,302
Non-Current Liabilities			
Due Within One Year:			
Compensated Absences	2,553,750	77,696	2,631,446
Notes Payable	-	52,345	52,345
Due In More Than One Year:			
Compensated Absences	1,680,928	181,291	1,862,219
Interest Payable	20,000	-	20,000
Notes Payable	2,000,000	270,272	2,270,272
Post Employment Benefits	3,492,865	427,780	3,920,645
Workers' Compensation Claims Pending	3,149,372	-	3,149,372
General Liability Claims Pending	1,107,003	-	1,107,003
Net Pension Liability	61,199,296	4,547,541	65,746,837
Total Liabilities:	<u>79,950,194</u>	<u>5,788,749</u>	<u>85,738,943</u>
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	3,476,565	229,273	3,705,838
Net Position:			
Net Investment in Capital Assets	290,529,984	22,302,296	312,832,280
Restricted			
Capital Improvements	178,422	-	178,422
Project and Grant Programs	1,893,670	-	1,893,670
Special Trust	115,011	-	115,011
Special Reserves	5,621,607	-	5,621,607
Unrestricted	<u>(21,959,274)</u>	<u>(1,452,438)</u>	<u>(23,411,712)</u>
Total Net Position	<u>276,379,420</u>	<u>20,849,858</u>	<u>297,229,278</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 359,806,179</u></u>	<u><u>\$ 26,867,880</u></u>	<u><u>\$ 386,674,059</u></u>

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

MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Function/Program Activities							
Governmental Activities							
Culture and Recreation	\$ 100,727,297	\$ 10,664,076	\$ 4,027,533	\$ 18,120,444	\$ (67,915,244)	\$ -	\$ (67,915,244)
Business-Type Activities							
Park Enterprise Fund	11,109,995	10,328,371	476,664	247,025	-	(57,935)	(57,935)
Total	<u>\$ 111,837,292</u>	<u>\$ 20,992,447</u>	<u>\$ 4,504,197</u>	<u>\$ 18,367,469</u>	<u>(67,915,244)</u>	<u>(57,935)</u>	<u>(67,973,179)</u>
General Revenues							
Taxes:							
Property taxes					52,385,627	-	52,385,627
Museum (county-wide levy)					10,520,769	-	10,520,769
Grants and contributions not restricted to specific programs					9,170,507	-	9,170,507
Unrestricted interest and investment earnings					1,172	-	1,172
Gain on sale of capital assets					181,919	596	182,515
Total General Revenues					<u>72,259,994</u>	<u>596</u>	<u>72,260,590</u>
Change in Net Position					4,344,750	(57,339)	4,287,411
Net Position - January 1, Restated (Note 2K)					272,034,670	20,907,197	292,941,867
Net Position - December 31					<u>\$ 276,379,420</u>	<u>\$ 20,849,858</u>	<u>\$ 297,229,278</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, 2015

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental Funds	Total
ASSETS							
Cash and							
Cash Equivalents	\$ 7,317,252	\$ -	\$ 8,874,489	\$ 193,339	\$ 140,431	\$ 2,817,908	\$ 19,343,419
Receivables:							
Accounts	1,208,959	-	203,127	-	183,672	11,300	1,607,058
Taxes -							
Current	389,353	-	-	11,365	-	-	400,718
Delinquent	521,626	-	-	3,825	-	-	525,451
Intergovernmental	87,815	49,569	203,928	-	9,453,665	-	9,794,977
Accrued Interest	-	-	-	-	-	438	438
Due From-							
Other Funds	62,145	-	-	-	106,883	-	169,028
Total Assets	\$ 9,587,150	\$ 49,569	\$ 9,281,544	\$ 208,529	\$ 9,884,651	\$ 2,829,646	\$ 31,841,089
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Payables -							
Salaries	\$ 953,639	\$ -	\$ 6,247	\$ -	\$ 35	\$ -	\$ 959,921
Accounts	1,632,399	49,569	58,898	147,757	1,162,510	40,276	3,091,409
Intergovernmental	120	-	-	-	1,850	-	1,970
Due To -							
Other Funds	36,880	-	94,723	-	200,000	-	331,603
Capital Advances	-	-	-	-	8,330,000	-	8,330,000
Unearned Revenue	190,302	-	-	-	-	-	190,302
Total Liabilities	2,813,340	49,569	159,868	147,757	9,694,395	40,276	12,905,205
Deferred Inflows of Resources:							
Unavailable Revenue	453,030	-	-	2,548	5,899,979	136	6,355,693
Fund Balances:							
Restricted for:							
Capital Improvements	-	-	-	-	178,422	-	178,422
Project & Grant Programs	-	-	-	-	-	1,893,670	1,893,670
Special Trust	-	-	115,011	-	-	-	115,011
Special Reserves	-	-	5,621,607	-	-	-	5,621,607
Committed to:							
Capital Improvements	-	-	-	-	5,560,349	-	5,560,349
Project Programs	754,440	-	379,253	58,224	-	-	1,191,917
Assigned to:							
Capital Improvements	-	-	-	-	-	74,763	74,763
Project Programs	-	-	2,423,517	-	-	-	2,423,517
Special Trust	-	-	-	-	-	11,986	11,986
Special Reserves	-	-	404,625	-	-	-	404,625
Easements	-	-	23,088	-	-	-	23,088
Forestry and Tree Disease	-	-	154,575	-	-	808,815	963,390
Unassigned	5,566,340	-	-	-	(11,448,494)	-	(5,882,154)
Total Fund Balances	6,320,780	-	9,121,676	58,224	(5,709,723)	2,789,234	12,580,191
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,587,150	\$ 49,569	\$ 9,281,544	\$ 208,529	\$ 9,884,651	\$ 2,829,646	\$ 31,841,089

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, 2015

Total Governmental Funds Balances \$ 12,580,191

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	71,432,009	
Depreciable	386,160,945	
Accumulated Depreciation	(215,945,919)	
Work in Progress	46,469,898	288,116,933

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

Accrued Interest Payable	(20,000)	
Compensated Absences - Short Term	(2,518,752)	
Compensated Absences - Long Term	(1,599,265)	
Post Employment Benefits - Long Term	(3,298,196)	
Notes Payable- Long Term	(2,000,000)	
Net Pension Liability - Long Term	(58,544,132)	

Unavailable revenue in governmental funds is susceptible
to full accrual on the entity-wide statements. 6,355,693

Deferred outflows resulting from pension obligations are not
available resources and therefore are not reported in the funds 32,346,003

Deferred inflows resulting from pension obligations are not
due and payable in the current period and therefore are not
reported in the funds. (3,342,700)

Internal Service Funds are not reported in the funds
statement but are included in the Statement of Net
Position governmental activities. 8,303,645

Net Position of Governmental Activities **\$ 276,379,420**

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, 2015

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental Funds	Total
REVENUES							
Taxes	\$ 50,985,436	\$ 10,520,770	\$ -	\$ 1,483,385	\$ -	\$ -	\$ 62,989,591
Intergovernmental	10,579,965	-	2,103,601	2,033	9,951,140	-	22,636,739
Charges for Services and Sales	7,417,471	-	403,396	-	76,454	-	7,897,321
Licenses and Permits	220,528	-	15,742	-	-	-	236,270
Fines and Forfeits	300,343	-	3,965	-	-	-	304,308
Special Assessments	-	-	-	-	-	80,728	80,728
Investment Earnings	-	-	-	-	-	1,168	1,168
Miscellaneous	172,202	6,345	455,448	-	233,257	1,499,362	2,366,614
Total Revenues	69,675,945	10,527,115	2,982,152	1,485,418	10,260,851	1,581,258	96,512,739
EXPENDITURES							
Culture and Recreation	65,325,323	10,527,115	1,528,777	1,455,933	-	-	78,837,148
Capital Outlay	-	-	-	-	20,207,642	263,125	20,470,767
Total Expenditures	65,325,323	10,527,115	1,528,777	1,455,933	20,207,642	263,125	99,307,915
Excess of Revenues Over (Under) Expenditures	4,350,622	-	1,453,375	29,485	(9,946,791)	1,318,133	(2,795,176)
OTHER FINANCING SOURCES (USES)							
Transfers In - Other Funds	-	-	139,249	-	4,202,022	-	4,341,271
Transfers Out - Other Funds	(3,647,826)	-	(693,445)	-	-	-	(4,341,271)
Promissory Note Issued	-	-	-	-	2,000,000	-	2,000,000
Total Other Financing Sources (Uses)	(3,647,826)	-	(554,196)	-	6,202,022	-	2,000,000
Net Change in Fund Balance	702,796	-	899,179	29,485	(3,744,769)	1,318,133	(795,176)
FUND BALANCE - JANUARY 1	5,617,984	-	8,222,497	28,739	(1,964,954)	1,471,101	13,375,367
FUND BALANCE - DECEMBER 31	\$ 6,320,780	\$ -	\$ 9,121,676	\$ 58,224	\$ (5,709,723)	\$ 2,789,234	\$ 12,580,191

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, 2015

Net Changes in Fund Balances - Total Governmental Funds \$ (795,176)

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	19,960,694
Current Year Depreciation	(10,814,441)
Contributions and Donated Capital Assets	3,971,081

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	3,846,524
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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	(20,000)
Change in Compensated Absences	(46,103)
Change in Post Employment Benefits	53,035
Change in Net Pension Liability	(9,845,196)

Some capital additions were financed through promissory notes. In governmental funds, a capital promissory note is considered a source of financing, but in the statement of net position, the note obligation is reported as a liability.

(2,000,000)

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.

34,332

Change in net position of governmental activities

\$ 4,344,750

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, 2015

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and Cash Equivalents	\$ 1,476,485	\$ 1,144,452
Cash with Escrow Agent	-	98,172
Receivables -		
Accounts	424,025	-
Intergovernmental	148,290	-
Capital Advances	800,000	8,930,500
Due From Other Funds	200,596	24,720
Materials & Supplies Inventory	42,195	-
Prepaid Expense	-	59,915
Total Current Assets	3,091,591	10,257,759
Non-Current Assets		
Net Capital Assets	22,624,913	4,413,051
Total Assets	25,716,504	14,670,810
Deferred Outflows of Resources:		
Deferred Outflows - Pensions	2,593,376	1,514,188
Total Assets and Deferred Outflows of Resources	\$ 28,309,880	\$ 16,184,998
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Payables -		
Salaries	\$ 74,382	\$ 52,148
Accounts	157,442	451,229
Compensated Absences Payable	77,696	34,999
Notes Payable - Current	52,345	-
Due to Other Funds	41,500	21,241
Advance From Other Funds	140,500	-
Total Current Liabilities	543,865	559,617
Long-Term Liabilities:		
Net Pension Liability	4,547,541	2,655,164
Notes Payable - Long Term	270,272	-
Advance From Other Funds	1,260,000	-
Workers' Compensation Claims Pending	-	3,149,372
General Liability Claims Pending	-	1,107,003
Compensated Absences Payable	181,291	81,663
Post Employment Benefits Payable	427,780	194,669
Total Long-Term Liabilities	6,686,884	7,187,871
Total Liabilities	7,230,749	7,747,488
Deferred Inflows of Resources:		
Deferred Inflows - Pensions	229,273	133,865
Net Position:		
Net Investment in Capital Assets	22,302,296	4,413,051
Unrestricted	(1,452,438)	3,890,594
Total Net Position	20,849,858	8,303,645
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 28,309,880	\$ 16,184,998

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, 2015

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Billings to Departments	\$ -	\$ 8,531,749
Charges For Services and Sales	7,992,423	-
Rents	2,310,873	-
Total Operating Revenues	<u>10,303,296</u>	<u>8,531,749</u>
OPERATING EXPENSES		
Personal Services	3,412,189	1,491,430
Contractual Services	2,146,980	3,095,724
Materials and Supplies	1,333,530	1,741,448
Depreciation on Acquired Property	981,584	1,289,936
Benefits	2,040,527	1,229,991
Total Operating Expenses	<u>9,914,810</u>	<u>8,848,529</u>
Operating Income (Loss)	<u>388,486</u>	<u>(316,780)</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental	148,290	-
Contributions	476,664	-
Gain on Disposal of Capital Assets	596	181,918
Sale of Scrap	-	24,036
City of Minneapolis - Capital Financing	98,735	-
Other Non-Operating Revenues	25,075	58,608
City of Minneapolis - Debt Service	(1,145,738)	-
Interest Expense	(17,971)	-
Other Non-Operating Expenses	(31,476)	-
Total Non-Operating Revenues (Expenses)	<u>(445,825)</u>	<u>264,562</u>
Income (Loss) Before Contributions	(57,339)	(52,218)
Capital Contributions	-	86,550
CHANGE IN NET POSITION	<u>(57,339)</u>	<u>34,332</u>
NET POSITION - JANUARY 1, Restated (Note 2K)	20,907,197	8,269,313
NET POSITION - DECEMBER 31	<u>\$ 20,849,858</u>	<u>\$ 8,303,645</u>

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

MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided	\$ -	\$ 8,532,345
Cash Received from Customers	11,283,514	-
Cash Paid to Suppliers for Goods and Services	(3,583,682)	(4,637,090)
Cash Paid to Employees for Services	(4,668,507)	(2,268,822)
Other Non-Operating Revenues	25,075	39,015
Net cash Provided by (Used in) Operating Activities	3,056,400	1,665,448
Cash Flows from Non-Capital Financing Activities:		
Contributions	476,664	-
Repayment of Advances Made by Other Funds	-	1,068,600
Other Payments Received	-	19,593
City of Minneapolis - Debt Service	(1,145,738)	-
Payment of Advances Made to Other Funds	-	(6,400,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(669,074)	(5,311,807)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Capital Assets	596	194,788
Proceeds from Sale of Scrap	-	24,036
Proceeds from Capital Arbitrage	98,735	-
Principal and Interest Payments	(67,799)	-
Acquisition of Property Plant and Equipment	(2,179,546)	(1,655,228)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,148,014)	(1,436,404)
Net Increase (Decrease) in Cash and Cash Equivalents	239,312	(5,082,763)
Cash and Cash Equivalents - January 1	1,237,173	6,325,387
Cash and Cash Equivalents - December 31	\$ 1,476,485	\$ 1,242,624
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ 388,486	\$ (316,780)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation on Acquired Property	981,584	1,289,936
(Increase) Decrease in Accounts Receivable	(121,644)	-
(Increase) Decrease in Intergovernmental Receivables	-	-
(Increase) Decrease in Due from Other Funds	1,410,338	(24,720.00)
(Increase) Decrease in Materials and Supplies Inventory	146,775	-
(Increase) Decrease in Prepaid Expense	13,413	17,118
(Increase) Decrease in Deferred Outflows of Resources - Pensions	(2,319,136)	(1,354,068)
Increase (Decrease) in Salaries Payable	(7,890)	(5,115)
Increase (Decrease) in Accounts Payable	(231,884)	55,232
Increase (Decrease) in Due to Other Funds	(308,476)	11,102
Increase (Decrease) in Workers' Compensation Claims Pending	-	150,142
Increase (Decrease) in General Liability Claims Pending	-	(8,196)
Increase (Decrease) in Post Employment Benefits Payable	3,774	3,391
Increase (Decrease) in Compensated Absences Payable	(13,505)	(13,841)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	229,273	133,865
Increase (Decrease) in Net Pension Liability	2,891,693	1,688,367
Other Non-Operating Expenses	(31,476)	-
Other Non-Operating Revenues	25,075	39,015
Total Adjustments	2,667,914	1,982,228
Net Cash Provided by (Used in) Operating Activities	\$ 3,056,400	\$ 1,665,448
Non-Cash, Capital and Related Financing Activities		
Capital Contributions	\$ -	\$ 86,550
Carrying Value of Disposed Assets	-	12,870

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, 2015

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.

Information on joint venture organizations is 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. Internal Service Fund activity is eliminated to avoid "doubling up" revenues and expenses.

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

The government-wide *Statement of Activities* presents a comparison between expenses and program revenues for business-type activities and governmental activities. Program revenues include charges paid by the recipients of the goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, 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.

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

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

Note 2 - Summary of Significant Accounting Policies

B) Presentation of Financial Statements (Continued)

Governmental Funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets 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 net position. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Park and Recreation Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include property taxes, special assessments, grants-in-aid earned and other intergovernmental revenues, rentals, intrafund charges and interest on investments. Interest on special assessments receivable is recognized when collected.

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

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

- **General Fund**
The General Fund is the general operating fund of the Park and Recreation Board. It is used to account for all financial resources except those 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. Proprietary fund type operating statements present increases and decreases in net position.

The Park and Recreation Board Proprietary Funds use the accrual basis of accounting, under which revenues are recognized when earned, and expenses are recorded as liabilities when they are incurred.

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

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) 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 valued at their estimated fair market value on the date contributed/donated.

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.

F) Long-Term Liabilities

The Park and Recreation Board's long-term debt is 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, postemployment benefits payable and net pension liability. These liabilities are discussed further in Notes 5, 9, and 10. The Park and Recreation Board typically liquidates the liability for compensated absences, other postemployment benefits, and net pension liability to the fund where the employee's salary was originally charged.

G) Deferred Inflow/Outflow of Resources

In addition to assets, the statement of financial 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 and also the differences between projected and actual earnings on pension plan investments and accordingly, are reported only in the statements of net position.

In addition to liabilities, the statement of financial 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, 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 inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share, and accordingly, are reported only in the statements of net position.

H) 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 the same basis as they are reported by PERA except that 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.

Note 2 - Summary of Significant Accounting Policies (Continued)

I) 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. Transfers between governmental funds are subject to elimination as part of the reconciliation to the government-wide presentation.

J) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Park 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows.

Fund Balance	General	Park Grant and Dedicated Revenue	Tree Preservation & Reforestation	Permanent Improvement	Other Governmental Funds	Total
<u>Restricted for:</u>						
Capital Improvements	\$ -	\$ -	\$ -	\$ 178,422	\$ -	\$ 178,422
Project & Grant Programs	-	-	-	-	1,893,670	1,893,670
Special Trust	-	115,011	-	-	-	115,011
Special Reserves	-	5,621,607	-	-	-	5,621,607
<i>Total Restricted</i>	-	5,736,618	-	178,422	1,893,670	7,808,710
<u>Committed to:</u>						
Capital Improvements	-	-	-	5,560,349	-	5,560,349
Project Programs	754,440	379,253	58,224	-	-	1,191,917
<i>Total Committed</i>	754,440	379,253	58,224	5,560,349	-	6,752,266
<u>Assigned to:</u>						
Capital Improvements	-	-	-	-	74,763	74,763
Project Programs	-	2,423,517	-	-	-	2,423,517
Special Trust	-	-	-	-	11,986	11,986
Special Reserves	-	404,625	-	-	-	404,625
Easements	-	23,088	-	-	-	23,088
Forestry and Tree Disease	-	154,575	-	-	808,815	963,390
<i>Total Assigned</i>	-	3,005,805	-	-	895,564	3,901,369
<u>Unassigned</u>						
	5,566,340	-	-	(11,448,494)	-	(5,882,154)
Total fund balances	\$ 6,320,780	\$ 9,121,676	\$ 58,224	\$ (5,709,723)	\$ 2,789,234	\$ 12,580,191

Note 2 - Summary of Significant Accounting Policies (Continued)

K) Change in Accounting Principles

During the year ended December 31, 2015, the Park and Recreation Board adopted new accounting guidance by implementing the provisions of GASB Statements 68, 71, and 82. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, requires governments providing defined benefit pensions to employees through pension plans administered through trusts to record their proportionate share of the net pension obligation as a liability on their financial statements along with related deferred outflows of resources, deferred inflows of resources, and pension expense. This statement also requires additional note disclosures and schedules in the required supplementary information.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, addresses an issue regarding amounts associated with contributions made to a pension plan after the measurement date of the net pension liability.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No.73*, modifies the measure of payroll that is presented in the required supplementary information schedules.

GASB Statements 68 and 71 require the Park and Recreation Board to report its proportionate share of the Public Employees Retirement Association of Minnesota (PERA) total employers’ unfunded pension liability. As a result, beginning net position has been restated to record the Park and Recreation Board’s net pension liability and related deferred outflows of resources.

	Governmental Activities	Business-Type Activities
Net Position, January 1, 2015, as previously reported	\$ 292,536,979	\$ 22,288,806
Change in Accounting Principles	(20,502,309)	(1,381,609)
Net Position - January 1, 2015, Restated	<u>\$ 272,034,670</u>	<u>\$ 20,907,197</u>

L) Budgets

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

The 2014 process for the 2015 budget involved the following:

- May The 2015 budget process began with the Minneapolis Park and Recreation Board Budget retreat with the Committee of the Whole. The Minneapolis Park and Recreation Board approved the 2014-2018 Strategic Direction and Implementation Plan.
- 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.

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 liabilities 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.

Note 3 - Receivables

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

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Permanent Improvement	Other Governmental	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 1,208,959	\$ -	\$ 203,127	\$ -	\$ 183,672	\$ 11,300	\$ 1,607,058	\$ 424,025
Property Tax	910,979	-	-	15,190	-	-	926,169	-
Intergovernmental	87,815	49,569	203,928	-	9,453,665	-	9,794,977	148,290
Accrued Interest	-	-	-	-	-	438	438	-
Gross Receivables	\$ 2,207,753	\$ 49,569	\$ 407,055	\$ 15,190	\$ 9,637,337	\$ 11,738	\$ 12,328,642	\$ 572,315

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 2015 for rent was \$100,677.

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 and also to the Consulate General of Ecuador, Minnesota. 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 terms for the Consulate General of Ecuador, Minnesota was for an initial term of August 1, 2015 through July 31, 2020, with an option to renew for an additional 5 year term. The total amount the Park and Recreation Board received in 2015 for rent from Surdyk’s Flights was \$16,400. The Consulate General of Ecuador, Minnesota paid \$20,298 in 2015 for rent. The Consulate chose to vacate the lease in January 2016.

Unavailable Revenue – Permanent Improvement Capital Projects Fund At the end of 2015, the Permanent Improvement Capital Projects Fund reported \$5,899,979 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:	
Federal	\$ 1,760,281
State	779,179
Other Local Governments	3,297,003
Contributions	63,516
Total	<u>\$ 5,899,979</u>

Note 4 – Changes in Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance 1/1/15	Additions	Deletions	Balance 12/31/15
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 66,327,204	\$ 5,104,805	\$ -	\$ 71,432,009
Construction in Progress	40,503,415	22,166,717	(16,200,234)	46,469,898
Total capital assets not being depreciated	<u>106,830,619</u>	<u>27,271,522</u>	<u>(16,200,234)</u>	<u>117,901,907</u>
Capital assets being depreciated				
Buildings and Structures	67,758,077	347,809	-	68,105,886
Infrastructure	116,278,120	-	-	116,278,120
Public Improvements	187,069,653	12,500,679	-	199,570,332
Equipment	15,526,421	1,802,617	(1,181,111)	16,147,927
Total capital assets being depreciated	<u>386,632,271</u>	<u>14,651,105</u>	<u>(1,181,111)</u>	<u>400,102,265</u>
Less accumulated depreciation for:				
Buildings and Structures	(28,669,602)	(1,430,897)	-	(30,100,499)
Infrastructure	(81,375,200)	(1,842,215)	-	(83,217,415)
Public Improvements	(93,429,137)	(7,398,556)	-	(100,827,693)
Equipment	(11,015,277)	(1,432,709)	1,119,405	(11,328,581)
Total accumulated depreciation	<u>(214,489,216)</u>	<u>(12,104,377)</u>	<u>1,119,405</u>	<u>(225,474,188)</u>
Total capital assets being depreciated net	<u>172,143,055</u>	<u>2,546,728</u>	<u>(61,706)</u>	<u>174,628,077</u>
Governmental activities capital assets, net	<u>\$ 278,973,674</u>	<u>\$ 29,818,250</u>	<u>\$ (16,261,940)</u>	<u>\$ 292,529,984</u>
	Balance 1/1/15	Additions	Deletions	Balance 12/31/15
Business - Type Activities				
Capital assets not being depreciated				
Land	\$ 1,206,784	\$ -	\$ -	\$ 1,206,784
Construction in Progress	315,301	2,106,370	-	2,421,671
Total capital assets not being depreciated	<u>1,522,085</u>	<u>2,106,370</u>	<u>-</u>	<u>3,628,455</u>
Capital assets, being depreciated				
Buildings and Structures	21,959,486	-	-	21,959,486
Infrastructure	98,638	-	-	98,638
Public Improvements	8,724,358	-	-	8,724,358
Equipment	2,388,658	73,175	(7,338)	2,454,495
Total capital assets, being depreciated	<u>33,171,140</u>	<u>73,175</u>	<u>(7,338)</u>	<u>33,236,977</u>
Less accumulated depreciation for:				
Buildings and Structures	(6,778,477)	(510,624)	-	(7,289,101)
Infrastructure	(31,453)	(4,710)	-	(36,163)
Public Improvements	(4,937,855)	(264,656)	-	(5,202,511)
Equipment	(1,518,489)	(201,593)	7,338	(1,712,744)
Total accumulated depreciation	<u>(13,266,274)</u>	<u>(981,583)</u>	<u>7,338</u>	<u>(14,240,519)</u>
Total capital assets, being depreciated net	<u>19,904,866</u>	<u>(908,408)</u>	<u>-</u>	<u>18,996,458</u>
Business-type activities capital assets, net	<u>\$ 21,426,951</u>	<u>\$ 1,197,962</u>	<u>\$ -</u>	<u>\$ 22,624,913</u>

Note 4 - Changes in Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation	\$ 10,814,441
Depreciation on capital assets held in the internal service fund of the Park Board is charged to the various functions based on their usage of assets.	<u>1,289,936</u>
Total depreciation expense – governmental activities	<u>\$ 12,104,377</u>
Depreciation expense was charged to the business-type function as follows:	
Park Operating	<u>\$ 981,583</u>

Construction in Progress

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

Note 5 - Changes in Long-Term Debt

A) General Obligation Bonds

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

B) Mortgage Note

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 52,345	\$ 15,453	\$ 67,798
2017	54,990	12,809	67,799
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>\$ 322,617</u>	<u>\$ 50,276</u>	<u>\$ 372,893</u>

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 3 parcels of land located as follows: 30 31st Avenue North, 3101 Pacific Street and 50 31st Avenue North. The interest rate was 1% per annum, to be paid in full, together with all accrued interest, on or before November 2, 2017.

D) Changes in Long-Term Liabilities

Changes in long-term liabilities are summarized as follows:

	Balance			Balance	Amounts due
Governmental Activities:	January 1, 2015	Additions	Retirements	December 31, 2015	within one year
Notes Payable	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Compensated Absences	4,202,416	2,502,992	2,470,730	4,234,678	2,553,750
Post Employment Benefits	3,542,509	162,303	211,947	3,492,865	-
Business-Type Activities:					
Notes Payable	372,446	-	49,829	322,617	52,345
Compensated Absences	272,492	134,728	148,233	258,987	77,696
Post Employment Benefits	424,006	4,234	460	427,780	
Total Long-Term Liabilities	<u>\$ 8,813,869</u>	<u>\$ 4,804,257</u>	<u>\$ 2,881,199</u>	<u>\$ 10,736,927</u>	<u>\$ 2,683,791</u>

Note 6 - Operating Leases

Fort Snelling State Park. In 2001, the Park and Recreation Board received approval from the National Park Service to enter into a 30-year lease with the State of Minnesota, Commissioner of Natural Resources for the operations of the Golf Course and Polo Grounds located at Fort Snelling State Park. The Park and Recreation Board is responsible for all costs associated with the operation, maintenance and improvements to the facilities. Improvement projects must receive prior written approval before they can be implemented. The Park and Recreation Board is required to pay a base rent plus a contingent rent based on a percentage of the gross sales. The total amount the Park and Recreation Board paid in 2015 for base and percentage rent was \$121,084.

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

Year Ending December 31	Business-Type Activity Amount
2016	\$ 55,219
2017	55,219
2018	55,219
2019	55,219
2020	55,219
2021-2025	276,095
2026-2030	276,095
Total minimum lease payments	<u>\$ 828,285</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, 2015 are as follows:

General Fund

Due to: Park Self-Insurance Fund -

Capital Project - Permanent Improvement

Due to: Park Self-Insurance Fund 4,430,000

Due to: Park Internal Services Fund 3,100,000

Due to: Park Operating Fund 800,000

Enterprise Fund - Park Operating Fund

Due to: Park Self-Insurance Fund 1,400,500

Total \$ 9,730,500

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:		
	Permanent Improvement	Park Grant and Dedicated Revenue	Total
Transfer out:			
General Fund	\$ 3,508,577	\$ 139,249	\$ 3,647,826
Park Grant and Dedicated Revenue	693,445	-	693,445
Total Transfers Out	<u>\$ 4,202,022</u>	<u>\$ 139,249</u>	<u>\$ 4,341,271</u>

Note 7 - Interfund Transactions (Continued)

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, 2015 are:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 62,145	\$ 36,880
Park Grant and Dedicated Revenue	-	94,723
Permanent Improvement Fund	106,883	200,000
Park Self-Insurance Fund	24,720	20,645
Park Internal Services Fund	-	596
Park Operating Enterprise Fund	200,596	41,500
	<u>\$ 394,344</u>	<u>\$ 394,344</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.

Note 9 - Defined Benefit Pension Plans - Statewide

General Employees Retirement Fund

A) Plan Description

All full-time and certain part-time employees of the Park and Recreation Board are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund and the Public Employees Police and Fire Fund, which are cost sharing, multiple-employer retirement plans. These 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 401(a) of the Internal Revenue Code.

General Employees Retirement Fund members belong to the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. The Park and Recreation Board does not have any Basic Plan members. All new members must participate in the Coordinated Plan and benefits vest after five years of credited service.

All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a graduated schedule starting with 50 percent after five 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 for each year of service until fully vested after 20 years.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and can be modified only 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 post-retirement 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 paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Note 9 - Defined Benefit Pension Plans - Statewide

General Employees Retirement Fund

A) Plan Description (Continued)

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 Fund Coordinated members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for Coordinated Plan members, is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

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

B) Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. Ch. 353. These statutes are established and amended by the State Legislature. General Employees Retirement Fund and Coordinated Plan members are required to contribute 6.50 percent of their annual covered salary in 2015. Public Employees Police and Fire Fund members are required to contribute 10.80 percent of their annual covered salary in 2015.

In 2015, the Park and Recreation Board was required to contribute the following percentages of annual covered payroll:

General Employees Retirement Fund	
Coordinated Plan members	7.50%
Public Employees Police and Fire Fund	16.20%

The Park and Recreation Board's contribution for the years ending December 31, 2015 to the pension plans were:

General Employees Retirement Fund	\$ 5,320,452
Public Employees Police and Fire Fund	472,805

These contribution amounts are equal to the contractually required contributions for each year as set by state statute. Contribution rates increased on January 1, 2015, by 0.25 percent in the General Employees Retirement Fund Coordinated Plan for both member and employer contributions, and in the Public Employees Police and Fire Fund, contributions increased 0.60 percent and 0.90 percent, respectively, for member and employer contributions.

C) Pension Costs

At December 31, 2015, the Park and Recreation Board reported a liability of \$62,247,236 for its proportionate share of the General Employees Retirement Fund's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Park and Recreation Board's proportion of the net pension liability was based on the Park and Recreation Board's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the Park and Recreation Board's proportion was 1.2011 percent. It was .4825 percent measured as of June 30, 2014.

The Park and Recreation Board proportionate share of the Minneapolis Employees Retirement Fund (MERF) as of June 30, 2014 was .11 percent. A portion of MERF was absorbed by the Park and Recreation Board for June 30, 2015. The Park and Recreation Board recognized pension expense of \$16,736,460 for its proportionate share of the General Employees Retirement Fund's pension expense.

Note 9 - Defined Benefit Pension Plans - Statewide

General Employees Retirement Association

C) Pension Costs (Continued)

The Park and Recreation Board reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 3,138,318
Difference between projected and actual investment earnings	5,892,657	-
Changes in proportion	25,317,167	-
Contributions paid to PERA subsequent to the measurement date	<u>4,288,596</u>	<u>-</u>
Total	<u>\$ 35,498,420</u>	<u>\$ 3,138,318</u>

A total of \$4,288,596 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ 8,866,115
2017	8,866,115
2018	8,866,115
2019	1,473,161

Public Employees Police and Fire Fund

At December 31, 2015, the Park and Recreation Board reported a liability of \$3,499,601 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The Park and Recreation Board's proportion of the net pension liability was based on the Park and Recreation Board's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the Park and Recreation Board's proportion was .308 percent. It was .297 percent measured as of June 30, 2014. The Park and Recreation Board recognized pension expense of \$622,865 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

The Park and Recreation Board also recognized \$27,720 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 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90 percent funded.

Note 9- Defined Benefit Pension Plan - Statewide

C) Pension Costs

Public Employees Police and Fire Fund (Continued)

The Park and Recreation Board reported its proportionate share of the Public Employees Police and Fire Fund’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 567,520
Difference between projected and actual investment earnings	609,748	-
Changes in proportion	99,004	-
Contributions paid to PERA subsequent to the measurement date	<u>246,395</u>	<u>-</u>
Total	<u>\$ 955,147</u>	<u>\$ 567,520</u>

A total of \$246,395 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ 58,734
2017	58,734
2018	58,734
2019	58,734
2020	(93,704)

Total Pension Expense

The total pension expense for all plans recognized by the Park and Recreation Board ended December 31, 2015, was \$17,387,055.

D) Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.75 percent per year
Active member payroll growth	3.50 percent per year
Investment rate of return	7.90 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Fund and the Public Employees Police and Fire Fund, cost of living benefit increases for retirees are assumed to be 1.0 percent effective every January 1 through 2035 and 2037, respectively, and 2.5 percent thereafter.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Fund was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the Public Employees Police and Fire Fund was for the period of July 1, 2004, through June 30, 2009.

In 2015, an updated experience study was done for PERA’s General Employees Retirement Fund for the six-year period ending June 30, 2014, which would result in a larger pension liability. However, PERA will not implement the changes in assumptions until its June 30, 2016, estimate of pension liability.

Note 9- Defined Benefit Pension Plan - Statewide

D) Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments is 7.9 percent. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	45%	5.50%
International stocks	15	6.00
Bonds	18	1.45
Alternative assets	20	6.40
Cash	2	0.50

E) Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The discount rate did not change since the prior measurement date. 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, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

F) Pension Liability Sensitivity

The following presents the Park and Recreation Board’s proportionate share of the net pension liability 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 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (6.9%)</u>	<u>Discount Rate (7.9%)</u>	<u>1% Increase in Discount Rate (8.9%)</u>
Proportionate share of the General Employees Retirement Fund net pension liability	\$ 97,874,780	\$ 62,247,236	\$ 32,824,357
Public Employees Police and Fire Fund net pension liability	6,820,759	3,499,601	755,746

G) Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org; or by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Note 10- Post Employment Healthcare Plan

A) Plan Description

The Park and Recreation Board participates in the post employment healthcare plan provided by the City of Minneapolis. The City provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical and dental coverage. Medical coverage is administered by Medica. Dental coverage is administered through the Delta Dental Plan of Minnesota. The City is self-insured for dental coverage. Retirees pay 100 percent of the blended active/retiree premium rate, in accordance with Minnesota Statutes 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.

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 2015, the Park and Recreation Board contributed

Note 10-Post Employment Healthcare Plan

B) Funding Policy (Continued)

\$212,407 to the plan. As of January 1, 2015, there were approximately 347 total retirees receiving health benefits from the City’s health plan (separate figures for the Park and Recreation Board were not available).

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	\$ 193,553
Interest on net OPEB obligation	118,995
Adjustment to annual required contribution	(146,011)
Annual OPEB cost (expense)	<u>166,537</u>
Contributions made	<u>212,407</u>
Increase (Decrease) in net OPEB obligation	(45,870)
Net OPEB obligation - beginning of year	<u>3,966,515</u>
Net OPEB obligation - end of year	<u><u>\$ 3,920,645</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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 166,537	127.5%	\$ 3,920,645
12/31/2014	1,058,280	89.0%	3,966,515
12/31/2013	1,373,172	38.9%	3,851,118

D) Funded Status and Funding Progress

As of January 1, 2015, 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 \$2,505,132 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,505,132. The covered payroll (annual payroll of active employees covered by the plan) was \$31,428,652, and the ratio of the UAAL to the covered payroll was 7.97 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.

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, 2015, actuarial valuation date, the entry age normal cost method was used. The actuarial assumptions included a 3.0% 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 7.20% initially, reduced incrementally to an ultimate rate of 5.0% after 7 years. Both rates included a 2.75% 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, 2015. 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 2016 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, 2015 is \$3,149,372 and is based on actuarial estimates dated December 31, 2015. The general liability claims liability for fiscal year ended December 31, 2015 is \$1,107,003 and is based on actuarial estimates dated December 31, 2014.

Changes in the claims liability for the two years ended December 31, 2015 and December 31, 2014 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liability Balance, January 1	\$ 2,999,229	\$ 2,818,504	\$ 1,115,199	\$ 825,938
Current Year Claims and Changes in Estimates	2,026,194	2,007,368	531,531	503,632
Claim Payments	(1,876,051)	(1,826,643)	(539,727)	(214,371)
Liability Balance, December 31	<u>\$ 3,149,372</u>	<u>\$ 2,999,229</u>	<u>\$ 1,107,003</u>	<u>\$ 1,115,199</u>

Changes in Net Position – By Major Risk Program in the Park Self-Insurance Fund for the year ended December 31, 2015, follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Beginning Balance, January 1, Restated	\$ 2,037,291	\$ 235,904	\$ 2,273,195
Revenues	1,758,240	326,062	2,084,302
Expenses	(1,871,073)	(539,727)	(2,410,800)
Other Revenues	39,015	-	39,015
Ending Balance, December 31	<u>\$ 1,963,473</u>	<u>\$ 22,239</u>	<u>\$ 1,985,712</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.

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, 2015, 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, 2015, 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 2015 the Minneapolis Park and Recreation Board contributed \$14,415 to the Minneapolis Youth Coordinating Board for its general operations. Upon dissolution of the Board, all property of the Youth Coordinating Board shall be sold and the proceeds thereof, together with monies on hand after payment of all obligations, shall be distributed to the Participating Parties in proportion to the total contributions to the Board made by the Participating Parties. Financial information for the Youth Coordinating Board can be obtained from Towle Building, Room 540, 330 2nd Avenue South, Minneapolis, Minnesota 55401.

Mississippi River 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.

**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, 2015

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 49,548,800	\$ 49,548,800	\$ 44,040,287	\$ (5,508,513)
Property Tax Increment	-	-	407,164	407,164
Fiscal Disparities	-	-	6,535,168	6,535,168
Other Taxes	3,000	3,000	2,817	(183)
Total Taxes	49,551,800	49,551,800	50,985,436	1,433,636
Intergovernmental Revenues:				
Federal Grants				
U.S. Department of Homeland Security	-	-	172,817	172,817
U.S. Department of Justice	-	-	30,000	30,000
U.S. Department of Transportation	-	-	47,003	47,003
State Grants				
Local Government Aid	810,769	810,769	-	(810,769)
Payments in Lieu of Taxes/Rent	9,133,360	9,133,360	9,133,360	-
Other Aid	-	-	69,675	69,675
Department of Natural Resources	-	-	73,252	73,252
Department of Public Safety	-	-	171,900	171,900
Minnesota State Post Board	-	-	47,750	47,750
Other Local Governments	-	-	9,995	9,995
Metropolitan Council - Operations & Maintenance	639,851	639,851	-	(639,851)
Minnehaha Watershed District	-	-	654,066	654,066
Mississippi River Watershed Management Org.	-	-	8,000	8,000
Total Intergovernmental Revenues	10,583,980	10,583,980	10,579,965	(4,015)
Charges For Services and Sales:				
Rents and Commissions	1,169,844	1,169,844	1,139,097	(30,747)
Park Board Services	5,909,099	5,909,099	4,836,439	(1,072,660)
Other Services Provided	479,538	479,538	1,441,935	962,397
Total Charges For Services and Sales	7,558,481	7,558,481	7,417,471	(141,010)
Licenses and Permits	315,000	315,000	220,528	(94,472)
Fines and Forfeits	-	-	300,343	300,343
Miscellaneous Revenues:				
Contributions and Donations	172,276	172,276	83,155	(89,121)
Damage Claims	5,000	5,000	75,225	70,225
Sale of Scrap/Waste Materials	-	-	13,410	13,410
Other	29,470	29,470	412	(29,058)
Total Miscellaneous Revenues	206,746	206,746	172,202	(34,544)
Total Revenues	68,216,007	68,216,007	69,675,945	1,459,938

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES				
Culture and Recreation -				
Superintendent's Office	7,683,258	7,711,194	7,521,336	189,858
Deputy Superintendent's Office	3,599,894	3,599,894	3,057,296	542,598
Environmental Stewardship Division	34,384,275	34,415,975	34,129,098	286,877
Planning Services Division	2,213,185	2,213,185	1,861,486	351,699
Recreation Services Division	15,542,695	15,742,107	16,155,568	(413,461)
City Management Fee & Workers' Compensation	2,288,329	3,091,221	2,600,539	490,682
Total Culture and Recreation	<u>65,711,636</u>	<u>66,773,576</u>	<u>65,325,323</u>	<u>1,448,253</u>
Total Expenditures	<u>65,711,636</u>	<u>66,773,576</u>	<u>65,325,323</u>	<u>1,448,253</u>
Excess of Revenues Over (Under) Expenditures	<u>2,504,371</u>	<u>1,442,431</u>	<u>4,350,622</u>	<u>2,908,191</u>
OTHER FINANCING SOURCES (USES)				
Transfer From Park Enterprise Fund	25,000	25,000	-	(25,000)
Transfer To Permanent Improvement Fund	(2,529,371)	(2,624,371)	(3,508,577)	(884,206)
Transfer To Park Special Revenue Fund	-	-	(139,249)	(139,249)
Total Other Financing Sources (Uses)	<u>(2,504,371)</u>	<u>(2,599,371)</u>	<u>(3,647,826)</u>	<u>(1,048,455)</u>
Net Change in Fund Balance	-	(1,156,940)	702,796	1,859,736
Fund Balance - January 1	<u>5,617,984</u>	<u>5,617,984</u>	<u>5,617,984</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 5,617,984</u>	<u>\$ 4,461,044</u>	<u>\$ 6,320,780</u>	<u>\$ 1,859,736</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, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 10,322,715	\$ 10,527,547	\$ 9,499,992	\$ (1,027,555)
Fiscal Disparities	-	-	1,020,778	1,020,778
Total Taxes	<u>10,322,715</u>	<u>10,527,547</u>	<u>10,520,770</u>	<u>(6,777)</u>
Miscellaneous Revenues:				
Rents	-	-	6,345	6,345
Total Revenues	<u>10,322,715</u>	<u>10,527,547</u>	<u>10,527,115</u>	<u>(432)</u>
EXPENDITURES				
Culture and Recreation -				
Maintenance and Repairs	<u>10,322,715</u>	<u>10,527,547</u>	<u>10,527,115</u>	<u>432</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Intergovernmental Revenues				
Federal Government Grants				
U.S. Department of Housing	\$ -	\$ 84,327	\$ 84,327	\$ -
State Government Grants				
Minnesota Dept. of Employment and Econ. Dev.	-	598,539	598,539	-
Other State Governments	-	-	39,939	39,939
Other Local Governments				
Minneapolis Youth Coordinating Board	-	49,964	49,965	1
Hennepin County	-	-	59,018	59,018
Metropolitan Council	1,325,000	1,325,000	1,271,813	(53,187)
Total Intergovernmental	<u>1,325,000</u>	<u>2,057,830</u>	<u>2,103,601</u>	<u>45,771</u>
Charges For Services and Sales	<u>21,600</u>	<u>21,600</u>	<u>403,396</u>	<u>381,796</u>
Licenses and Permits	<u>12,000</u>	<u>12,000</u>	<u>15,742</u>	<u>3,742</u>
Fines and Forfeits	<u>6,000</u>	<u>6,000</u>	<u>3,965</u>	<u>(2,035)</u>
Miscellaneous				
Contributions and Donations	-	135,190	356,090	220,900
Damage Claims	-	-	37,279	37,279
Revenue From Trusts	3,000	3,000	1,959	(1,041)
Other Miscellaneous Revenues	-	-	60,120	60,120
Total Miscellaneous	<u>3,000</u>	<u>138,190</u>	<u>455,448</u>	<u>317,258</u>
Total Revenues	<u>1,367,600</u>	<u>2,235,620</u>	<u>2,982,152</u>	<u>746,532</u>
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>67,600</u>	<u>935,620</u>	<u>1,528,777</u>	<u>(593,157)</u>
Total Expenditures	<u>67,600</u>	<u>935,620</u>	<u>1,528,777</u>	<u>(593,157)</u>
Excess of Revenues Over (Under) Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,453,375</u>	<u>153,375</u>
OTHER FINANCING SOURCES (USES)				
Transfer From Park General Fund	-	-	139,249	139,249
Transfer To Park General Fund	(1,300,000)	(1,300,000)	-	1,300,000
Transfer To Park Permanent Improvement Fund	-	-	(693,445)	(693,445)
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(554,196)</u>	<u>745,804</u>
Net Change in Fund Balance	-	-	899,179	899,179
Fund Balance - January 1	<u>8,222,497</u>	<u>8,222,497</u>	<u>8,222,497</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 8,222,497</u>	<u>\$ 8,222,497</u>	<u>\$ 9,121,676</u>	<u>\$ 899,179</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, 2015

REVENUES	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 1,445,500	\$ 1,445,500	\$ 1,280,782	\$ (164,718)
Property Tax Increment	-	-	11,886	11,886
Fiscal Disparities	-	-	190,635	190,635
Other Taxes	-	-	82	82
Total Taxes	<u>1,445,500</u>	<u>1,445,500</u>	<u>1,483,385</u>	<u>37,885</u>
Intergovernmental Revenues:				
Other Local Governments	-	-	2,033	2,033
Total Revenues	<u>1,445,500</u>	<u>1,445,500</u>	<u>1,485,418</u>	<u>39,918</u>
 EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>1,445,500</u>	<u>1,190,780</u>	<u>1,455,933</u>	<u>(265,153)</u>
Total Expenditures	<u>1,445,500</u>	<u>1,190,780</u>	<u>1,455,933</u>	<u>(265,153)</u>
Net Change in Fund Balance	-	254,720	29,485	(225,235)
Fund Balance - January 1	<u>28,739</u>	<u>28,739</u>	<u>28,739</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 28,739</u>	<u>\$ 283,459</u>	<u>\$ 58,224</u>	<u>\$ (225,235)</u>

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

GASB 68 – Pension Liability

PERA General Employees Retirement Fund

Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Fund
December 31, 2015

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.2011%	\$ 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.

GASB 68 – Pension Liability (Continued)
 PERA General Employees Retirement Fund

Schedule of Contributions
PERA General Employees Retirement Fund
December 31, 2015

Year Ending	Statutorily Required Contributions * (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll * (b/c)
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's 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.

GASB 68 – Pension Liability (Continued)
 PERA General Employees Retirement Fund

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Fund
 December 31, 2015

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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.

GASB 68 – Pension Liability (Continued)
 PERA General Employees Retirement Fund

Schedule of Contributions
PERA Public Employees Police and Fire Fund
December 31, 2015

Year Ending	Statutorily Required Contributions * (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll * (b/c)
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.

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MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

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	\$ 68,241,007	\$ 1,156,940	\$ 69,397,947
Museum County-Wide Levy			
Special Revenue Fund	10,322,715	204,832	10,527,547
Park Grant and Dedicated Revenue			
Special Revenue Fund	1,367,600	868,020	2,235,620
Tree Preservation and Reforestation			
Special Revenue Fund	1,445,500	(254,720)	1,190,780

The following funds had expenditures in excess of budget for the year ending 12/31/2015:

	Expenditures	Budget	Excess
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,528,777	\$ 935,620	\$ (593,157)
Tree Preservation and Reforestation			
Special Revenue Fund	1,455,933	1,190,780	(265,153)

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)
1/1/2015	\$ -	\$ 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%
1/1/2011	\$ -	\$ 11,597,683	\$ 11,597,683	0.00%	\$ 34,178,934	33.93%

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 number of total plan participants decreased by 7.3 percent due to the Minneapolis Public Housing Authority no longer participating in the City’s plan.
- The 1/1/2013 valuation used a healthcare cost trend rate of 8.0 percent initially reduced to 5.0 percent after 12 years with a 3.0 percent inflation rate. The 1/1/2015 valuation used lower rates with a healthcare cost trend rate of 7.2 percent initially reduced to 5.0 percent after seven years with a 2.75 percent inflation rate.
- Changes in actuarial methodologies between the actuaries preparing the 1/1/2013 and the 1/1/2015 valuation caused the greatest reduction in AAL. For example, the most recent valuation differentiates between the contribution rates of different participant classes while the prior valuation used a blended rate.
- Actual medical claims experience and coverage election varied significantly from the previously projected amounts. New projections more closely aligned to actual experience resulted in a reduction in AAL.

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, 2015

	Minneapolis Parks Special Revenue Fund	Park Dedication Fees Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 196,192	\$ 1,700,057	\$ 921,659	\$ 2,817,908
Receivables -				
Accounts	-	9,105	2,195	11,300
Intergovernmental	-	-	-	-
Accrued Interest	438	-	-	438
Total Assets	<u>\$ 196,630</u>	<u>\$ 1,709,162</u>	<u>\$ 923,854</u>	<u>\$ 2,829,646</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Payables -				
Accounts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,276</u>	<u>\$ 40,276</u>
Deferred Inflows of Resources:				
Unavailable Revenue	<u>136</u>	<u>-</u>	<u>-</u>	<u>136</u>
Fund Balances:				
Restricted for				
Projects and Grant Programs	184,508	1,709,162	-	1,893,670
Assigned to:				
Capital Improvements	-	-	74,763	74,763
Special Trust	11,986	-	-	11,986
Forestry and Tree Disease	-	-	808,815	808,815
Total Fund Balances	<u>196,494</u>	<u>1,709,162</u>	<u>883,578</u>	<u>2,789,234</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 196,630</u>	<u>\$ 1,709,162</u>	<u>\$ 923,854</u>	<u>\$ 2,829,646</u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	Minneapolis Parks Special Revenue Fund	Park Dedication Fees Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
REVENUES				
Special Assessments	\$ -	\$ -	\$ 80,728	\$ 80,728
Investment Earnings	1,168	-	-	1,168
Miscellaneous	-	1,499,362	-	1,499,362
Total Revenues	<u>1,168</u>	<u>1,499,362</u>	<u>80,728</u>	<u>1,581,258</u>
EXPENDITURES				
Capital Outlay	-	-	263,125	263,125
Net Change in Fund Balance	1,168	1,499,362	(182,397)	1,318,133
FUND BALANCE - JANUARY 1	<u>195,326</u>	<u>209,800</u>	<u>1,065,975</u>	<u>1,471,101</u>
FUND BALANCE - DECEMBER 31	<u>\$ 196,494</u>	<u>\$ 1,709,162</u>	<u>\$ 883,578</u>	<u>\$ 2,789,234</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, 2015**

	<u>Authorizations</u>	<u>Expenditures</u>	<u>Balance</u>
Tree Removal	\$ 1,071,940	\$ 263,125	\$ 808,815
Sidewalk/Street Lighting	74,763	-	74,763
	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 1,146,703</u>	<u>\$ 263,125</u>	<u>\$ 883,578</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.

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**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, 2015**

	Reserve For Renewal and Replacement
OPERATING INCOME (LOSS)	\$ 388,486
ADDITIONS:	
Depreciation	981,584
Non-Operating Revenues:	
Intergovernmental Revenue	148,290
Contributions	476,664
Other Non-Operating Revenues	25,075
City of Minneapolis - Capital Financing	98,735
Gain on Disposal	596
DEDUCTIONS:	
Purchase of Capital Assets - Capitalized	(2,179,546)
Other Non-Cash Items:	
Change in Compensated Absences Payable	(13,505)
Change in Post Employment Benefits Payable	3,774
Change in Net Pension Liability, Deferred Inflows & Outflows - Pensions	801,830
Non-Operating Expenses:	
Note Principal and Interest Payment	(67,799)
Debt Service Payment	(1,145,738)
Other Non-Operating Expense	(31,476)
TOTAL INCREASE (DECREASE)	(513,030)
BALANCE - JANUARY 1	2,379,703
BALANCE - DECEMBER 31	\$ 1,866,673

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF OPERATING INCOME - BY PROJECT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2015

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<u>PARK REFECTORIES</u>			
CALHOUN	\$ 172,600	\$ 23,321	\$ 149,279
HARRIET	169,159	28,073	141,086
MINNEHAHA	368,344	44,676	323,668
NOKOMIS	85,048	2,193	82,855
PERMITS & VENDING	1,120,281	582,052	538,229
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	32,036	(32,036)
TOTAL PARK REFECTORIES	<u>1,915,432</u>	<u>712,351</u>	<u>1,203,081</u>
<u>SPECIAL FACILITIES</u>			
PARADE COMPLEX	209,786	235,674	(25,888)
PARADE ICE COMPLEX	785,253	958,576	(173,323)
NORTHEAST ICE ARENA	197,052	193,274	3,778
COLUMBIA MANOR	73,833	18,496	55,337
COMMERCIAL PARKING	686,910	34,226	652,684
REGIONAL PARKING LOTS	846,381	313,899	532,482
NICOLLET ISLAND	481,276	116,244	365,032
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	163,385	(163,385)
TOTAL SPECIAL FACILITIES	<u>3,280,491</u>	<u>2,033,774</u>	<u>1,246,717</u>
<u>GOLF COURSES (INCL REFECTORIES)</u>			
COLUMBIA	1,152,414	1,077,522	74,892
COLUMBIA LEARNING CENTER	138,276	104,377	33,899
GROSS	1,456,445	1,284,732	171,713
HIAWATHA	339,515	852,921	(513,406)
HIAWATHA LEARNING CENTER	102,942	38,184	64,758
MEADOWBROOK	-	589,199	(589,199)
THEODORE WIRTH	1,001,847	1,098,530	(96,683)
THEO WIRTH PAR-3	99,751	99,149	602
FORT SNELLING	347,521	426,206	(78,685)
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	574,253	(574,253)
TOTAL GOLF COURSES	<u>4,638,711</u>	<u>6,145,073</u>	<u>(1,506,362)</u>
<u>MISCELLANEOUS ACTIVITIES</u>			
BOATS	261,017	25,499	235,518
BIKE RENTALS	38,513	-	38,513
WINTER PROGRAMS	118,449	851,895	(733,446)
JUNIOR GOLF PROGRAMS	50,683	123,793	(73,110)
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	22,425	(22,425)
TOTAL MISCELLANEOUS ACTIVITIES	<u>468,662</u>	<u>1,023,612</u>	<u>(554,950)</u>
TOTAL	<u>\$ 10,303,296</u>	<u>\$ 9,914,810</u>	
NET OPERATING INCOME			<u>\$ 388,486</u>

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, 2015

	Park Internal Services Fund	Park Self-Insurance Fund	Total Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and Cash Equivalents	\$ 579,661	\$ 564,791	\$ 1,144,452
Cash with Escrow Agent	-	98,172	98,172
Due from Other Funds	-	24,720	24,720
Capital Advances	3,100,000	5,830,500	8,930,500
Prepaid Expense	-	59,915	59,915
Total Current Assets	<u>3,679,661</u>	<u>6,578,098</u>	<u>10,257,759</u>
Non-Current Assets			
Net Capital Assets	<u>4,413,051</u>	<u>-</u>	<u>4,413,051</u>
Total Assets	<u>8,092,712</u>	<u>6,578,098</u>	<u>14,670,810</u>
Deferred Outflows of Resources:			
Deferred Outflows - Pensions	<u>1,394,173</u>	<u>120,015</u>	<u>1,514,188</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 9,486,885</u></u>	<u><u>\$ 6,698,113</u></u>	<u><u>\$ 16,184,998</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities :			
Payables -			
Salaries	\$ 48,358	\$ 3,790	\$ 52,148
Accounts	248,904	202,325	451,229
Compensated Absences Payable	32,537	2,462	34,999
Due to Other Funds	596	20,645	21,241
Total Current Liabilities	<u>330,395</u>	<u>229,222</u>	<u>559,617</u>
Long-Term Liabilities:			
Net Pension Liability	2,444,714	210,450	2,655,164
Workers' Compensation Claims Pending	-	3,149,372	3,149,372
General Liability Claims Pending	-	1,107,003	1,107,003
Compensated Absences Payable	75,919	5,744	81,663
Post Employment Benefits Payable	194,669	-	194,669
Total Long-Term Liabilities	<u>2,715,302</u>	<u>4,472,569</u>	<u>7,187,871</u>
Total Liabilities	<u>3,045,697</u>	<u>4,701,791</u>	<u>7,747,488</u>
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	<u>123,255</u>	<u>10,610</u>	<u>133,865</u>
Net Position:			
Net Investment in Capital Assets	4,413,051	-	4,413,051
Unrestricted	<u>1,904,882</u>	<u>1,985,712</u>	<u>3,890,594</u>
Total Net Position	<u>6,317,933</u>	<u>1,985,712</u>	<u>8,303,645</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 9,486,885</u></u>	<u><u>\$ 6,698,113</u></u>	<u><u>\$ 16,184,998</u></u>

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, 2015

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
Billings to Departments	\$ 6,447,447	\$ 2,084,302	\$ 8,531,749
OPERATING EXPENSES			
Personal Services	1,404,842	86,588	1,491,430
Contractual Services	1,063,535	2,032,189	3,095,724
Materials and Supplies	1,527,431	214,017	1,741,448
Depreciation on Acquired Property	1,289,936	-	1,289,936
Benefits	1,151,985	78,006	1,229,991
Total Operating Expenses	<u>6,437,729</u>	<u>2,410,800</u>	<u>8,848,529</u>
Operating Income (Loss)	<u>9,718</u>	<u>(326,498)</u>	<u>(316,780)</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain on Disposal of Capital Assets	181,918	-	181,918
Sale of Scrap	24,036	-	24,036
Other Non-Operating Revenues	19,593	39,015	58,608
Total Non-Operating Revenues (Expenses)	<u>225,547</u>	<u>39,015</u>	<u>264,562</u>
Income (Loss) before Contributions	235,265	(287,483)	(52,218)
Capital Contributions	<u>86,550</u>	<u>-</u>	<u>86,550</u>
CHANGE IN NET POSITION	321,815	(287,483)	34,332
NET POSITION - JANUARY 1, Restated (Note 2K)	<u>5,996,118</u>	<u>2,273,195</u>	<u>8,269,313</u>
NET POSITION - DECEMBER 31	<u>\$ 6,317,933</u>	<u>\$ 1,985,712</u>	<u>\$ 8,303,645</u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$ 6,448,043	\$ 2,084,302	\$ 8,532,345
Cash Paid to Suppliers for Goods and Services	(2,436,343)	(2,200,747)	(4,637,090)
Cash Paid to Employees for Services	(2,140,812)	(128,010)	(2,268,822)
Other Non-Operating Revenues	-	39,015	39,015
Net Cash Provided by (Used for) Operating Activities	<u>1,870,888</u>	<u>(205,440)</u>	<u>1,665,448</u>
Cash Flows from Non-Capital Financing Activities			
Other Payments Received	19,593	-	19,593
Payment of Advances Made to Other Funds	(3,100,000)	(3,300,000)	(6,400,000)
Repayment of Advances Made by Other Funds	-	1,068,600	1,068,600
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(3,080,407)</u>	<u>(2,231,400)</u>	<u>(5,311,807)</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Sale of Capital Assets	194,788	-	194,788
Proceeds from Sale of Scrap	24,036	-	24,036
Acquisition of Property Plant and Equipment	(1,655,228)	-	(1,655,228)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,436,404)</u>	<u>-</u>	<u>(1,436,404)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,645,923)	(2,436,840)	(5,082,763)
Cash and Cash Equivalents - January 1	<u>3,225,584</u>	<u>3,099,803</u>	<u>6,325,387</u>
Cash and Cash Equivalents - December 31	<u>\$ 579,661</u>	<u>\$ 662,963</u>	<u>\$ 1,242,624</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ 9,718	\$ (326,498)	\$ (316,780)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation on Acquired Property	1,289,936	-	1,289,936
(Increase) Decrease in Prepaid Expense	11,528	5,590	17,118
(Increase) Decrease in Deferred Outflows of Resources - Pensions	(1,246,744)	(107,324)	(1,354,068)
(Increase) Decrease in Due from Other Funds	-	(24,720)	(24,720)
Increase (Decrease) in Salaries Payable	(4,243)	(872)	(5,115)
Increase (Decrease) in Accounts Payable	143,095	(87,863)	55,232
Increase (Decrease) in Due to Other Funds	596	10,506	11,102
Increase (Decrease) in Workers' Compensation Claims Pending	-	150,142	150,142
Increase (Decrease) in General Liability Claims Pending	-	(8,196)	(8,196)
Increase (Decrease) in Post Employment Benefits Payable	3,391	-	3,391
Increase (Decrease) in Compensated Absences Payable	(14,190)	349	(13,841)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	123,255	10,610	133,865
Increase (Decrease) in Net Pension Liability	1,554,546	133,821	1,688,367
Other Non-Operating Revenues	-	39,015	39,015
Total Adjustments	<u>1,861,170</u>	<u>121,058</u>	<u>1,982,228</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,870,888</u>	<u>\$ (205,440)</u>	<u>\$ 1,665,448</u>
Non-Cash Capital and Related Financing Activities:			
Capital Contributions	\$ 86,550	\$ -	\$ 86,550
Carrying Value of Disposed Assets	12,870	-	12,870

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, 2015

	<u>Information Technology</u>	<u>Mobile Equipment</u>	<u>Workers Comp. & Liability</u>	<u>Total</u>
OPERATING REVENUES:				
Charges For Services and Sales -				
Insurance Premiums	\$ -	\$ -	\$ 2,084,302	\$ 2,084,302
Information Technology Services	1,524,757	-	-	1,524,757
Total Charges For Services	<u>1,524,757</u>	<u>-</u>	<u>2,084,302</u>	<u>3,609,059</u>
Rents -				
Mobile Equipment	-	4,922,690	-	4,922,690
Total Operating Revenues	<u>1,524,757</u>	<u>4,922,690</u>	<u>2,084,302</u>	<u>8,531,749</u>
OPERATING EXPENSES:				
Information Technology Services	1,816,659	-	-	1,816,659
Mobile Equipment	-	4,621,070	-	4,621,070
Workers' Compensation	-	-	1,871,073	1,871,073
General Liability	-	-	539,727	539,727
Total Operating Expenses	<u>1,816,659</u>	<u>4,621,070</u>	<u>2,410,800</u>	<u>8,848,529</u>
Operating Income (Loss)	<u>(291,902)</u>	<u>301,620</u>	<u>(326,498)</u>	<u>(316,780)</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain on Disposal of Capital Assets	-	181,918	-	181,918
Sale of Scrap	-	24,036	-	24,036
Other Non-Operating revenues	-	19,593	39,015	58,608
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>225,547</u>	<u>39,015</u>	<u>264,562</u>
Income (Loss) before Contributions	(291,902)	527,167	(287,483)	(52,218)
Capital Contributions	-	86,550	-	86,550
CHANGE IN NET POSITION	(291,902)	613,717	(287,483)	34,332
NET POSITION - JANUARY 1, Restated (Note 2K)	99,586	5,896,532	2,273,195	8,269,313
NET POSITION - DECEMBER 31	<u>\$ (192,316)</u>	<u>\$ 6,510,249</u>	<u>\$ 1,985,712</u>	<u>\$ 8,303,645</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, 2015

	Purchase of Capital Assets	Information Technology Systems
OPERATING INCOME (LOSS)	\$ 301,620	\$ (291,902)
ADDITIONS:		
Depreciation	1,272,212	17,724
Non-Operating Revenues:		
Sale of Equipment	181,918	-
Sale of Scrap	24,036	-
Other Miscellaneous Revenues	19,593	-
Increase in Post Employment Benefits Payable	3,391	-
Decrease in Compensated Absences Payable	(14,190)	-
Increase in Deferred Outflows of Resources - Pensions	(1,246,744)	-
Increase in Deferred Inflows of Resources - Pensions	123,255	-
Increase in Net Pension Liability	1,554,546	-
DEDUCTIONS:		
Purchase of Mobile Equipment	(1,655,228)	-
TOTAL INCREASE (DECREASE)	564,409	(274,178)
BALANCE - JANUARY 1	2,296,620	431,010
BALANCE - DECEMBER 31	\$ 2,861,029	\$ 156,832

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by the Minneapolis Park and Recreation Board. The accompanying Notes to the Schedule of Expenditures of Federal Awards provide integral information regarding the schedule.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed Through City of Minneapolis			
Community Development Block Grants/Entitlement Grants	14.218	Not provided	<u>\$ 84,327</u>
U.S. Department of the Interior			
Passed Through Twin Cities Clean Cities Coalition			
Mississippi National River and Recreation Area State and Local Assistance	15.941	P13AP00046	<u>\$ 120</u>
U.S. Department of Justice			
Passed Through City of Minneapolis			
National Forum on Youth Violence Prevention	16.819	Not provided	<u>\$ 30,000</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	03089	\$ 773,344
Highway Planning and Construction	20.205	03719	<u>46,129</u>
Total CFDA #20.205			<u>\$ 819,473</u>
Passed Through Minnesota Department of Public Safety			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC16-2016-MPLSPD-00006	<u>\$ 47,003</u>
Total U.S. Department of Transportation			<u>\$ 866,476</u>
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4182DRMNP00000001	<u>\$ 2,192,745</u>
<i>Of this amount, \$311,822 was incurred in a prior year.</i>			
Total Federal Awards			<u><u>\$ 3,173,668</u></u>

No funds were passed through to subrecipients.

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015**

1. Reporting Entity
The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Minneapolis Park and Recreation Board, a discretely presented component unit of the City of Minneapolis. The Park Board's reporting entity is defined in Note 2 to the financial statements.
2. Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Minneapolis Park and Recreation Board under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Minneapolis Park and Recreation Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Minneapolis Park and Recreation Board.
3. Summary of Significant Accounting Policies
Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the Minneapolis Park and Recreation Board. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Minneapolis Park and Recreation Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance

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STATISTICAL SECTION



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

Last Ten Fiscal Years		December 31, 2015		
Fiscal Year	Culture and Recreation	Park Enterprise	Total	
2006	72,780,472	12,184,123	84,964,595	
2007	77,214,055	13,017,350	90,231,405	
2008	83,013,151	13,761,734	96,774,885	
2009	81,151,165	13,003,277	94,154,442	
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	

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

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

Last Ten Fiscal Years December 31, 2015

Fiscal Year	Program Revenues			General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Grants and Contributions	Unrestricted Interest and Investment Earnings	Gain on Sale of Capital Asset	
2006	16,507,698	3,712,669	6,221,178	45,406,887	11,884,844	-	-	83,733,276
2007	17,372,447	3,534,968	10,222,272	48,815,060	11,035,316	-	-	90,980,063
2008	17,840,962	4,032,306	9,464,419	50,722,119	9,154,701	-	-	91,214,507
2009	17,507,060	3,753,338	10,963,674	54,468,935	11,101,324	-	-	97,794,331
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

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

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

Last Ten Fiscal Years	December 31, 2015									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Revenue</u>										
Taxes	\$ 36,185,368	\$ 38,535,183	\$ 40,330,918	\$ 42,300,317	\$ 44,358,084	\$ 46,646,484	\$ 47,096,192	\$ 49,073,449	\$ 49,071,884	\$ 50,985,436
Intergovernmental	14,415,082	13,589,744	11,001,628	12,533,827	9,345,082	10,284,464	9,310,330	10,320,427	10,306,619	10,579,965
Charges for Services	941,836	933,902	1,001,845	1,069,636	2,130,780	1,680,916	1,718,922	6,634,917	7,006,509	7,417,471
Licenses and Permits	146,329	95,929	176,053	183,041	240,661	208,457	250,974	444,364	313,886	220,528
Fines and Forfeits	551,629	511,378	526,810	560,131	396,068	483,535	321,106	344,062	368,911	300,343
Miscellaneous	768,136	657,379	1,216,808	929,001	1,239,596	504,601	269,544	162,969	121,956	172,202
Total Revenues	\$ 53,008,380	\$ 54,323,515	\$ 54,254,062	\$ 57,575,953	\$ 57,710,271	\$ 59,808,457	\$ 58,967,068	\$ 66,980,188	\$ 67,189,765	\$ 69,675,945
<u>Expenditures</u>										
Current:										
Culture and Recreation	\$ 52,113,937	\$ 54,737,890	\$ 54,243,358	\$ 54,189,728	\$ 56,014,955	\$ 54,635,175	\$ 54,142,402	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323
Capital Outlay	-	-	-	-	-	-	436,668	-	-	-
Total Expenditures	\$ 52,113,937	\$ 54,737,890	\$ 54,243,358	\$ 54,189,728	\$ 56,014,955	\$ 54,635,175	\$ 54,579,070	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

**City of Minneapolis
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2015**

Fiscal Year Ended December 31,	Commercial Property	Apartment Property	Residential Property	Industrial Property	Personal & Other Property	Tax-Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Estimated Actual Taxable Value ²	Taxable Assessed Value as a % of Actual Taxable Value
2006	\$ 5,282,718	\$ 3,393,675	\$ 24,309,842	\$ 1,392,094	\$ 413,521	\$ 8,426,487	\$ 34,791,850	7.75	\$ 39,067,565	89%
2007	6,141,186	3,341,167	25,883,768	1,305,858	424,587	8,465,785	37,096,566	7.55	39,943,095	93%
2008	6,869,181	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	7.68	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	9.23	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	10.33	39,412,937	85%
2013	5,982,739	3,363,752	21,512,948	1,281,968	426,840	9,927,033	32,568,247	9.56	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	8.28	43,879,415	83%

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

Notes:

¹Total of the first five property types.

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

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

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

(UNAUDITED)

City of Minneapolis
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 December 31, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Direct Rates										
<i>Tax Capacity Based Rates</i>										
General	4.27	4.24	4.80	4.86	5.04	5.73	6.09	5.36	4.76	4.48
Estimate and Taxation	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-
Building Commission	0.14	0.13	0.13	0.13	0.13	0.14	0.15	0.16	0.14	0.13
Permanent Improvement	0.07	0.05	0.05	0.05	0.05	0.06	0.03	0.03	0.03	0.03
Bond Redemption	0.74	0.63	0.57	0.69	0.47	0.61	0.65	1.00	1.11	1.06
Firefighter's Relief Association	0.05	0.10	0.11	0.06	0.04	0.16	0.01	0.09	0.08	0.08
Police Relief Association	0.08	0.12	0.11	0.09	0.35	0.51	0.79	0.22	0.20	0.18
Minneapolis Employees Retirement Fund	0.11	0.08	0.09	0.07	0.07	0.09	0.60	0.62	0.56	0.51
Parks	1.42	1.34	1.29	1.35	1.33	1.56	1.63	1.69	1.56	1.52
Libraries	0.48	0.45	-	-	-	-	-	-	-	-
Public Housing	0.04	0.04	0.04	0.04	-	-	-	-	-	-
Teacher's Retirement Association	0.08	0.07	0.07	0.07	0.07	0.08	0.09	0.08	0.07	0.06
<i>Market Value Based Rates</i>										
Library Referendum	0.27	0.27	0.25	0.25	0.25	0.27	0.29	0.29	0.30	0.24
Total City Direct Rates	7.76	7.53	7.52	7.67	7.81	9.22	10.34	9.55	8.82	8.29
Overlapping Rates										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	0.13	0.14	0.18	0.19	0.21	0.21	0.23	0.23	0.22	0.22
Hennepin County	4.59	4.40	4.38	5.09	5.38	5.76	6.24	6.33	5.92	5.78
Minneapolis Public Schools	3.23	3.06	2.78	3.15	2.57	2.95	3.47	3.29	2.85	2.72
Other Special Taxing Districts	0.52	0.54	0.54	0.49	0.52	0.59	0.70	0.73	0.71	0.67
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02
Total Overlapping Rates	8.48	8.15	7.89	8.94	8.70	9.53	10.66	10.59	9.72	9.41
Grand Total	16.24	15.68	15.41	16.61	16.51	18.75	21.00	20.14	18.54	17.70

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)

**City of Minneapolis
Principal Property Tax Payers
Current Year and Nine Years Ago
(in thousands of dollars)
December 31, 2015**

<u>Taxpayer</u>	2015			2006		
	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.	\$ 378,158	1	1.67%	\$ 307,629	1	3.17%
First Minneapolis-Hines Co.	270,438	2	1.20%	112,000	7	1.24%
SRI Ten City Center LLC	243,740	3	1.08%	-	-	-
Target Corporation	239,191	4	1.06%	214,898	2	2.41%
BRI 1855 IDS Center LLC	209,970	5	0.93%	-	-	-
NWC Limited Partnership	193,280	6	0.86%	154,000	4	1.72%
Minneapolis 225 Holdings LLC	187,950	7	0.83%	-	-	-
Wells Operating Partnership LP	145,600	8	0.64%	130,000	5	1.46%
Diamondrock Minneapolis LLC	133,000	9	0.59%	-	-	-
Wells Fargo Bank and Home Mortgage	127,496	10	0.56%	-	-	-
City Center Associates	-	-	-	102,500	9	1.18%
American Express Financial Corp.	-	-	-	108,539	8	1.19%
Byte Investment Partnership	-	-	-	116,000	6	1.28%
80 South Eighth LLC	-	-	-	167,000	3	1.89%
SP 100-150 South 5th LLC	-	-	-	100,000	10	1.11%
Total	\$ 2,128,823		9.42%	\$ 1,512,566		16.65%

Source: City of Minneapolis Assessor 12/31/15 and Bond Issue Report 06/19/06

(UNAUDITED)

**Minneapolis Park and Recreation Board
Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2015**

<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>
2006	38,064,605	37,359,038	98.146%	295,318	37,654,356	98.922%
2007	40,005,789	39,159,473	97.885%	602,350	39,761,823	99.390%
2008	41,778,021	40,743,493	97.524%	698,822	41,442,315	99.196%
2009	43,607,542	42,519,175	97.504%	903,552	43,422,727	99.576%
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%

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

City of Minneapolis
Outstanding Debt by Type and Per Capita
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2015

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita (1)
	General Obligation Bonds & Notes	Revenue Bonds	Notes Payable	General Obligation Bonds & Notes	Revenue Bonds	Notes Payable		
2006	\$ 817,771	\$ 65,756	\$ 26,709	\$ 396,019	\$ 57,985	\$ 950	\$ 1,365,190	\$ 3,521
2007	777,385	56,306	22,735	368,335	63,695	837	1,289,293	3,323
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

Notes:
Details regarding the City of Minneapolis' outstanding debt can be found in the notes to the financial statements in the City's CAFR.
(1) See Demographic and Economic Statistics table for population data.

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

(UNAUDITED)

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

(in thousands of dollars, except per capita)
 December 31, 2015

Fiscal Year	Net General Bonded Debt Outstanding					Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Governmental General Obligation Bonds & Notes	Business-type General Obligation Bonds & Notes	Less Resources Restricted to Pay Debt Service	Total			
2006	\$ 817,771	\$ 396,019	\$ 30,978	\$ 1,182,812	\$	3.40%	3,051
2007	777,385	368,335	36,559	1,109,161		2.99%	2,859
2008	755,946	338,188	40,196	1,053,938		2.73%	2,701
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

Notes:

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

(1) See Assessed Value and Value of Taxable Property for property value data. Assessed value used is consistent with valuations on the legal debt margin schedule.

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

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

(UNAUDITED)

City of Minneapolis
Direct and Overlapping Governmental Activities Debt
(in thousands of dollars)
December 31, 2015

Governmental Unit	General Obligation Governmental Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
City of Minneapolis - Direct Debt	\$ 467,648	100.00%	\$ 467,648
<u>Overlapping Debt:</u>			
Special School District No. 1	289,107	100.00%	289,107
Hennepin County	689,516 (3)	29.79%	205,407
Hennepin County Regional Railroad Authority	34,389	29.79%	10,244
Metropolitan Council	107,386	13.83%	14,851
Subtotal, Overlapping Debt			\$ 519,609
Total Direct and Overlapping Debt			\$ 987,257

Notes:

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

- (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 - Capital and Debt Management
Minneapolis Public School District 1
Hennepin County
Metropolitan Council Report of Outstanding Indebtedness

(UNAUDITED)

City of Minneapolis
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2015

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 1,159,728	\$ 1,253,051	\$ 1,306,194	\$ 1,282,797	\$ 1,254,206	\$ 1,173,628	\$ 1,131,060	\$ 1,102,298	\$ 1,117,046	\$ 1,226,826
Total net debt applicable to limit	339,712	313,129	302,772	270,629	246,979	213,714	154,317	155,494	146,506	114,260
Legal debt margin	\$ 820,016	\$ 939,922	\$ 1,003,422	\$ 1,012,168	\$ 1,007,227	\$ 959,914	\$ 976,743	\$ 946,804	\$ 970,540	\$ 1,112,566
Total net debt applicable to limit as a percentage of debt limit	29.29%	24.99%	23.18%	21.10%	19.69%	18.21%	13.64%	14.11%	13.12%	9.31%

Legal Debt Margin Calculation for Fiscal Year 2015

Real Property (2015 Assessed Market Value)	\$ 36,134,709
Personal Property (2015 Assessed Market Value)	409,823
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	(37,784)
Total 2015 Assessed Market Value	<u>36,804,778</u>
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	1,226,826
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit	134,070
Less: Amount set aside to pay general obligation debt	(19,810)
Total Net Debt Applicable to Limit	<u>114,260</u>
Legal Debt Margin	<u>\$ 1,112,566</u>

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

(UNAUDITED)

**City of Minneapolis
Demographic and Economic Statistics
Last 10 Fiscal Years
December 31, 2015**

Year	Population (1)	Per Capita Income (2)	Personal Income	Median Age (3)	Households (4)	Jobs (5)	Annual Average		Median	
							Unemployment Rate (6)	Household Income (7)	Household Income (7)	School Enrollment (8)
2006	387,970	\$ 27,487	\$ 10,664,131,390	33.6	167,317	294,370	3.8%	\$ 43,369	\$ 43,369	36,428
2007	388,020	\$ 30,343	\$ 11,773,690,860	35.3	167,367	292,833	4.3%	\$ 44,423	\$ 44,423	34,570
2008	390,131	\$ 30,825	\$ 12,025,788,075	34.1	168,669	291,019	5.1%	\$ 48,724	\$ 48,724	33,958
2009	386,691	\$ 28,131	\$ 10,878,004,521	31.6	169,798	280,899	7.3%	\$ 45,538	\$ 45,538	33,424
2010	382,578	\$ 29,558	\$ 11,308,240,524	31.4	163,540	281,577	6.9%	\$ 46,508	\$ 46,508	33,418
2011	387,873	\$ 30,256	\$ 11,735,485,488	32.3	166,110	287,846	6.1%	\$ 46,682	\$ 46,682	33,476
2012	392,008	\$ 29,936	\$ 11,735,151,488	31.4	166,513	297,012	5.3%	\$ 47,604	\$ 47,604	34,423
2013	400,938	\$ 32,791	\$ 13,147,157,958	32.1	170,195	303,135	4.6%	\$ 50,563	\$ 50,563	35,356
2014	411,273	\$ 31,764	\$ 13,063,675,572	31.8	175,119	308,714	3.8%	\$ 50,791	\$ 50,791	35,400
2015	NA	NA	NA	NA	NA	317,794	3.4%	NA	NA	35,717

Sources:

- (1) Population 2006-2009 & 2011-2014 - Metropolitan Council. 2010 figure from US Census
- (2) Per Capita Income - US Census Bureau - American Community Survey Table B19301 (2014 - 1 year estimate)
- (3) Median Age - US Census Bureau - American Community Survey Table S0101 - (2014 - 1 year estimate)
- (4) Households 2006-2009 & 2011-2014 - Metropolitan Council. 2010 figure from US Census
- (5) Jobs data from MN DEED/QCEW tables; 2015 number reflects 3rd quarter, latest available data
- (6) Annual Average Unemployment Rate - from MN DEED/LAUS tables
- (7) Median Household Income - American Community Survey Table B19013 (2014 - 1 year estimate)
- (8) School enrollment - Minneapolis Public Schools/Student Accounting Office

NA - 2015 data is not yet available for these categories.

(UNAUDITED)

City of Minneapolis
Principal Employers
Current Year and Ten Years Ago
December 31, 2015

<u>Employer</u>	<u>2015 (City only) (a)</u>			<u>2006 (metro-wide) (b)</u>		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total Metro Employment
University of Minnesota	14,400	1	4.5%	30,200	1	1.9%
Wells Fargo Bank	11,000	2	3.5%	19,100	4	1.2%
Fairview Health Services	10,200	3	3.2%	18,500	5	1.1%
Target Corporation	9,500	4	3.0%	24,300	2	1.5%
Allina Health	9,400	5	3.0%	22,500	3	1.4%
Hennepin Healthcare Systems Inc. HCMC	7,200	6	2.3%	(d)	(d)	(c)
Minneapolis Public Schools	6,900	7	2.2%	(c)	(c)	(c)
Hennepin County	6,200	8	2.0%	12,500	6	0.8%
Ameriprise Financial Services	5,000	9	1.6%	6,500	8	0.4%
City of Minneapolis	5,000	9	1.6%	5,600	9	0.3%
US Bancorp	4,100	-	1.3%	9,400	7	0.6%
Xcel Energy Inc.	2,900	-	0.9%	5,400	10	0.3%
Total	<u>91,800</u>		<u>29.1%</u>	<u>154,000</u>		<u>9.5%</u>

Notes:

- a) Figures reflect 2015 estimates of City of Minneapolis-based employees, both full- and part-time; numbers rounded to nearest 100
- Sources for City jobs: Reference USA, Minneapolis Downtown Council, direct communications with companies
- b) 2006 totals not available for City only, so metro totals were used; source was MN DEED <http://www.mnpro.com> as previously published in 2006 City CAFR
- c) Employer not part of top ten metro -wide employers in 2006 City CAFR
- d) Hennepin Healthcare was part of Hennepin County in 2006

(UNAUDITED)

**City of Minneapolis
Full-time Equivalent City Government Employees by Function
Last 10 Fiscal Years
December 31, 2015**

	Full-time Equivalent Employees as of December 31, 2015									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function Program										
General Government										
Assessor	34.50	37.00	37.00	36.50	36.50	34.50	35.00	35.00	36.00	36.00
Attorney	106.50	108.00	108.00	105.50	102.00	105.00	101.00	102.00	108.00	110.00
City Clerk/Council	66.50	66.00	67.00	65.50	65.50	64.75	65.02	66.00	66.00	70.00
City Coordinator	911.03	917.00	941.00	919.10	949.80	546.60	691.40	677.40	702.60	711.60
Civil Rights	26.00	26.00	26.00	21.00	19.00	19.00	19.00	21.00	22.00	23.00
Community Planning and Economic Development	142.00	141.00	139.00	141.00	135.00	128.00	116.79	224.80	228.00	230.00
Fire	444.50	447.00	449.00	444.00	438.00	406.00	392.00	413.00	413.00	413.00
Minneapolis Health Department	66.30	66.00	66.00	67.00	60.00	61.70	50.25	91.00	94.30	100.80
Internal Audit	-	-	-	-	2.00	3.00	2.50	2.00	3.00	3.00
Mayor	11.00	12.00	12.00	12.00	10.00	11.00	11.00	11.00	11.00	12.00
Police	1,058.00	1,088.00	1,093.00	1,092.00	999.20	992.00	967.80	980.50	985.50	1,020.50
Public Works	1,206.59	1,197.00	1,203.00	1,189.20	1,024.50	1,000.35	932.08	911.65	946.98	955.50
Regulatory Services**	-	-	-	-	-	379.00	285.30	141.00	149.00	155.50
	<u>4,072.92</u>	<u>4,105.00</u>	<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>3,840.90</u>
Independent Boards										
Board of Estimate & Taxation	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Library	261.90	273.00	-	-	-	-	-	-	-	-
Minneapolis Park and Recreation Board	909.55	902.00	886.00	859.00	827.00	811.18	802.40	814.72	819.24	832.00
Municipal Building Commission	61.00	62.00	62.00	62.00	62.00	60.00	54.00	55.00	55.00	55.00
Minneapolis Youth Coordinating Board	4.50	5.00	5.00	5.00	5.00	5.80	5.80	5.80	9.00	8.00
NRP	10.00	10.00	9.00	9.00	7.00	5.00	-	-	-	-
	<u>1,248.95</u>	<u>1,254.00</u>	<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>
Total	<u>5,321.87</u>	<u>5,359.00</u>	<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>4,736.90</u>

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

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

Source: City of Minneapolis Management and Budget

(UNAUDITED)

