

# **Minneapolis Park & Recreation Board**

Minneapolis Park and Recreation Board  
Financial Status Report  
as of Second Quarter, 2020

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## **Budget Overview**

Minneapolis Park and Recreation Board operating activities are accounted for in funds. The Park Board funds included in this financial status report are the General Fund, Enterprise Fund, Tree Preservation and Reforestation Fund and Internal Service Funds. This report details the operations of these funds through June 30, 2020.

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

### **Coronavirus Pandemic**

In 2020, the United States, State of Minnesota and City of Minneapolis declared states of emergency related to urgent conditions created by the Coronavirus Pandemic (COVID-19). The spread of COVID-19 necessitated unprecedented actions including social distancing requirements and stay-at-home orders and has impacted the Park and Recreation Board's ability to deliver services. Following Governor Walz' declaration of a peacetime state of emergency on March 13, 2020, public health guidelines for social distancing, and the stay at home order for Minnesota on March 25, 2020, the Park Board enacted necessary changes in service levels. The Park Board's priority is the health and safety of its park visitors and employees. Buildings have been closed and programs and events cancelled, resulting in an estimated \$1 – 2 million loss in revenue each month. All departments have been impacted by COVID-19, however, with the closures of the recreation centers, the Recreation Division has experienced the most significant reductions in the level of services that can be provided.

The COVID-19 crisis will continue into the coming months and the negative impact to the local and national economies will be felt long after the health crisis subsides. Immediate cost containment measures were implemented including hiring, spending freeze, and training and travel freeze. On April 22, 2020, the Board adopted the 2020 Budget Framework to Respond to Financial Impacts of the Coronavirus Pandemic. This framework provided a staged approach for the organization to weather the current financial crisis, including the immediate cost containment measures, voluntary budgetary leave, and the use of fund balance while also searching and applying for any state and federal disaster relief that may become available. Long-term strategies are being considered as the 2021 budget development process begins and risks remain in all Park Board revenue streams. The Park Board recognizes that program and service levels with corresponding staffing models will need to be redefined to accommodate the pandemic and economic conditions.

### **General Fund**

The General Fund accounts for services and goods provided by the Park Board that are primarily supported by property taxes. To the end of 2020, General Fund revenues are projected to be \$80.9 million and expenditures are projected to be \$83.7 million.

The 2020 year-end fund balance is projected to be \$1.9 million, which is below financial policy requirements by \$2.5 million. This projected balance is a decrease of \$2.8 million below the 2019 year-end balance.

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

The Tree Preservation and Reforestation Fund accounts for a special property tax levy that funds the Park Board work addressing threats to the urban forest due to Emerald Ash Borer and tree loss due to storms. To the end of 2020 Tree Preservation and Reforestation Fund revenues and expenses are projected to be \$1.8 million.

**Enterprise Fund**

The Enterprise Fund accounts for all business-type operations of the Park Board including golf courses, concessions, ice arenas, and permits. The fund is focused on income generation and supports Park Board programs and improvements. To the end of 2020, Enterprise Fund revenues are projected to be \$8.8 million, operating expenses are projected to be \$8.9 million and non-operating expenses are projected to be \$1.6 million. The 2020 year-end Enterprise Fund balance is projected to be \$2.3 million. This projected balance is a decrease of \$2.2 million below the 2019 year-end balance of \$4.6 million.

**Internal Service Funds**

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2020 Internal Service Fund revenues are projected to be \$10.9 million and expenses are projected to be \$10.8 million. The 2020 year-end Internal Service Funds balance is projected to be \$11.9 million. This projected balance is an increase of \$66,062 above the 2019 year-end balance of \$11.8 million.

**General Fund****Summary**

The General Fund is the operating fund of the Minneapolis Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2020 with a fund balance of \$4.7 million and has a current operating budget of \$89.2 million. Through June of this year, 42.4 percent of the Fund's appropriations have been spent with 50 percent of the year elapsed.

Revenue generated by the Park Board as of June 30, 2020 totaled \$36.3 million, down 5.6 percent from the \$38.4 million collected in the first half of 2019. Total revenues for 2020 are projected to be \$80.9 million, 4.5 percent lower than 2019 revenues and 9.4 percent under budget.

As of June 30, 2020, actual expenditures totaled \$37.8 million, up 2.5 percent from the \$36.9 million spent in the first half of 2019. To the end of 2020 expenditures are projected to be \$83.6 million, one percent lower than 2019 and 6.2 percent under budget.

The fund balance for the General Fund at fiscal year-end 2019 was \$4.7 million, exceeding the financial policy requirement of \$4.2 million (5 percent of the 2019 General Fund operating budget) by \$510,237. The fund balance for the General Fund is projected to be \$1.9 million at fiscal year-end 2020, below the financial policy requirement of \$4.5 million (5 percent of the 2020 General Fund operating budget) by \$2.5 million.

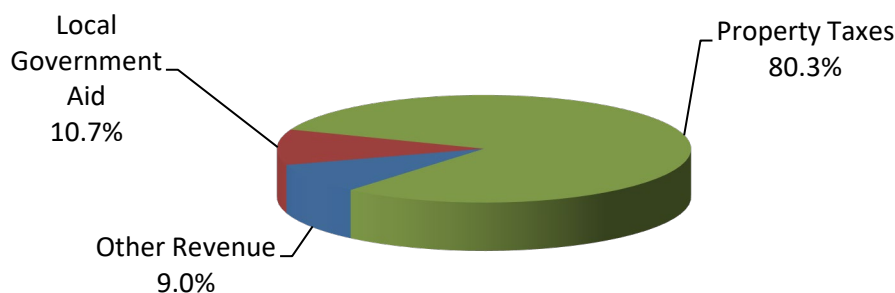
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

**General Fund Revenues**

As of June 30, 2020, actual revenues totaled \$36.3 million, down 5.6 percent from the \$38.4 million collected in the first half of 2019. Projected year end revenue is \$80.9 million, \$8.4 million under budget.

**Revenues by Major Category**

	2019			2020			
	Actual Year-End	Actual As of 6/30	Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
Property and Other Taxes	\$63,597,657	\$32,249,021	50.7%	\$66,953,700	\$32,413,816	48.4%	\$64,924,800
Local Government Aid	9,356,363	1,366,029	14.6%	9,624,270	0	0.0%	8,661,843
Fees, Fines and Other Revenues	11,700,596	4,800,276	41.0%	12,656,138	3,867,149	30.6%	7,272,174
<b>Total Revenues</b>	<b>\$84,654,616</b>	<b>\$38,415,326</b>	<b>45.4%</b>	<b>\$89,234,108</b>	<b>\$36,280,965</b>	<b>40.7%</b>	<b>\$80,858,817</b>


**Property Taxes**

Property taxes provide 80.3 percent of projected revenue, the largest funding source of the General Fund. In 2020, Hennepin County allowed property owners to pay the 1<sup>st</sup> half property tax payment two months late. This reduced the amount the Park Board received in its first half payment. At year-end property tax payments are expected to come in under budget due to the financial hardship's property owners are facing. The City of Minneapolis is projecting a very low rate of property tax collections in 2020, however, in the last 15 years the collection rate has not been below 98% of levied property taxes.

**Local Government Aid**

Local Government Aid (LGA) is projected to provide 10.7 percent of 2020 revenue. The State Budget included the 2020 City of Minneapolis LGA allocation of \$81.6 million. The NPP20 Ordinance provides for the transfer of 11.79% of this LGA to the Park Board. The current State of Minnesota budget has a deficit of \$2.4 billion. One of the potential fixes for that deficit is a reduction in LGA paid to cities, which would occur in the December payment to the Park Board. Projected LGA revenue has been decreased by 10% as a provision for this possible reduction.

**Fees, Fines and Other Revenue**

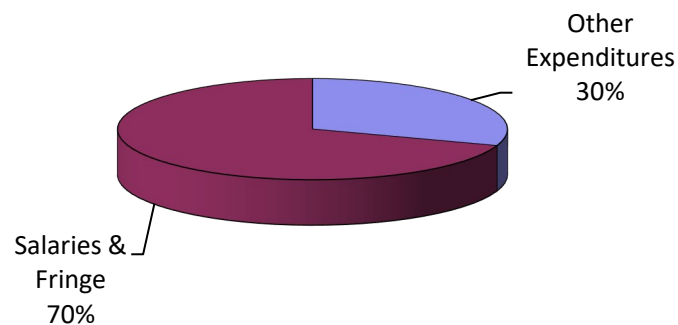
Fees, fines and other revenue provide 9.0 percent of projected revenue. With most programming and rentals cancelled due to COVID-19, revenues are projected to be under budget by \$5.4 million. The Park Board has been identifying and applying for Federal and State aids, and there is potential to collect additional revenue from these sources.

### General Fund Expenditures

As of June 30, 2020, actual expenditures totaled \$37.8 million, up 2.5 percent from the \$36.9 million spent in the first half of 2019. Projected year end expenditures are \$83.6 million, \$5.6 million under budget.

#### Expenditures by Major Category

	2019			2020			
	Actual Year-End	Actual As of 6/30	Percent Expended	Current Budget	Actual As of 6/30	Percent Expended	Projected Year End
Salaries & Fringe	\$57,642,631	\$26,655,966	46.2%	\$62,222,713	\$27,756,542	44.6%	\$58,778,256
Other Expenditures	26,877,467	10,241,323	38.1%	27,011,395	10,077,687	37.3%	\$24,891,887
<b>Total Expenditures</b>	<b>\$84,520,098</b>	<b>\$36,897,289</b>	<b>43.7%</b>	<b>\$89,234,108</b>	<b>\$37,834,229</b>	<b>42.4%</b>	<b>\$83,670,143</b>



### Salaries and Fringe Benefits

Salaries and fringe benefits are 44.6 percent expended with 50 percent of the year elapsed. In an effort to reduce costs, any full-time vacant positions that can be left unfilled have been. This is reflected in savings in Customer Service, Finance, Human Resources, Environmental Management and Design & Project Management. Savings from part-time staff being inactivated or not hired for summer programming are reflected in the Environmental Management, Athletic Program & Aquatics, Recreation Centers & Programs and Youth Development budgets.

### Other Expenditures

Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures are 37.3 percent expended with 50 percent of the year elapsed. Every department has been asked to reduce spending on contractual services. In addition, because of program cancellations and building closures, materials and supplies spending has been significantly reduced in Recreation Services.

**Expenditures by Service Area**

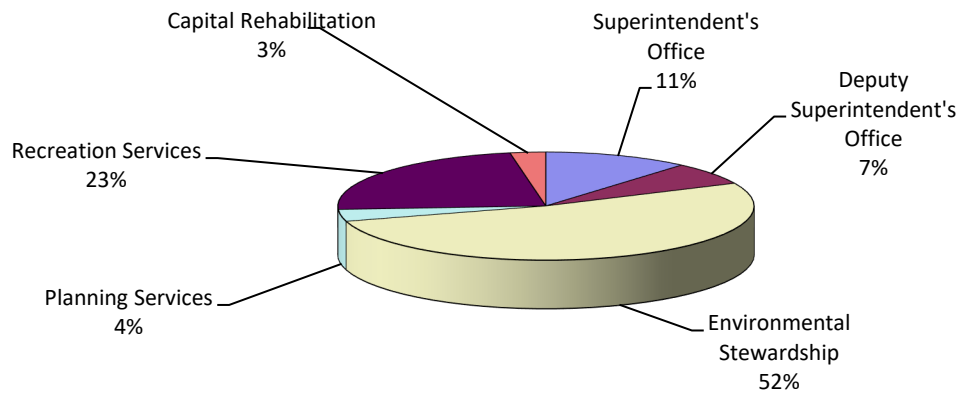
	2019			2020			
	Actual Year-End	Actual As of 6/30	Percent Expended	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
<b>Operating Departments</b>							
<b>Superintendent's Office</b>							
Superintendent's Office	\$779,806	\$353,628	45.3%	\$807,095	\$409,693	50.8%	\$806,322
Board of Commissioners	774,342	425,011	54.9%	684,317	397,683	58.1%	683,120
Communications & Marketing	922,677	419,193	45.4%	881,668	424,200	48.1%	865,277
Community Outreach	1,531,327	666,360	43.5%	766,356	339,610	44.3%	682,914
Park Police	6,362,951	3,070,479	48.3%	6,431,458	3,189,778	49.6%	6,427,844
<b>Deputy Superintendent's Office</b>							
Customer Service	529,562	263,255	49.7%	1,271,663	478,796	37.7%	1,015,563
Deputy Superintendent's Office	357,679	128,881		492,085	215,810	43.9%	432,168
Finance	1,227,202	582,134	47.4%	1,395,604	599,635	43.0%	1,211,411
Human Resources	1,234,374	574,545	46.5%	1,440,916	629,691	43.7%	1,238,671
City Management Fee, Contributions & Other	1,644,898	812,711	49.4%	1,718,679	872,782	50.8%	1,777,953
<b>Environmental Stewardship</b>							
Forestry	9,592,825	4,526,048	47.2%	9,989,631	4,640,337	46.5%	9,971,655
Asset Management	29,381,878	12,900,218	43.9%	30,957,209	14,179,742	45.8%	30,872,078
Environmental Management	2,913,458	1,204,894	41.4%	3,752,720	1,214,310	32.4%	2,927,139
<b>Planning Services</b>							
Design & Project Management	1,934,714	858,610	44.4%	2,005,070	859,698	42.9%	1,755,358
Strategic Planning	1,247,408	514,663	41.3%	1,206,946	602,231	49.9%	1,206,807
<b>Recreation Services</b>							
Athletic Programs & Aquatics	3,496,119	1,456,122	41.6%	3,589,303	1,218,697	34.0%	2,736,788
Recreation Centers & Programs	12,798,486	6,030,559	47.1%	14,178,036	5,833,846	41.1%	13,146,719
Youth Development	4,795,393	2,041,641	42.6%	4,570,352	1,659,353	36.3%	3,595,682
<b>Total Operating Expenditures</b>	<b>\$81,525,098</b>	<b>\$36,828,952</b>	<b>45.2%</b>	<b>\$86,139,108</b>	<b>\$37,765,892</b>	<b>43.8%</b>	<b>\$81,353,469</b>
<b>Capital</b>							
Pay-as-You-Go-Rehabilitation	2,995,000	68,337	2.3%	3,095,000	68,337	2.2%	2,316,674
<b>Total Capital Expenditures</b>	<b>\$2,995,000</b>	<b>\$68,337</b>	<b>2.3%</b>	<b>\$3,095,000</b>	<b>\$68,337</b>	<b>2.2%</b>	<b>\$2,316,674</b>
<b>Total General Fund</b>	<b>\$84,520,098</b>	<b>\$36,897,289</b>	<b>43.7%</b>	<b>\$89,234,108</b>	<b>\$37,834,229</b>	<b>42.4%</b>	<b>\$83,670,143</b>



### Operating Departments

Operating department budgets are monitored closely throughout the year and adjustments are made if necessary, to ensure budget targets are met.

### Expenditures by Division and Capital



### Divisions

Two divisions make up approximately 75 percent of the projected General Fund expenditures: Environmental Stewardship and Recreation.

**General Fund Balance**

The 2020 year-end fund balance is estimated to be \$1.9 million, 60 percent lower than 2019.

	2019			2020			
	Actual Year-End	Actual As of 6/30	Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
Total Revenue	\$84,654,616	\$38,415,326	45.4%	\$89,234,108	\$36,280,965	40.7%	\$80,858,817
Total Expenditures	84,520,098	36,897,289	43.7%	89,234,108	37,834,229	42.4%	83,670,143
<b>Revenue Over/(Under) Expenditures</b>	<b>\$134,518</b>	<b>\$1,518,037</b>		<b>\$0</b>	<b>(\$1,553,264)</b>		<b>(\$2,811,326)</b>

**General Fund Balance**

Park Board financial policy requires the General Fund balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation to provide financial reserves for unanticipated one-time expenditures, revenue shortfalls, and/or emergency needs. The COVID-19 crisis and the associated revenue shortfalls will necessitate the use of these reserves. Based on un-audited figures, the year-end 2020 balance is estimated at \$1.9 million, which is 2.4 percent of the current year adopted expenditure appropriation. This fund balance is below financial policy requirements by \$2.5 million. The MPRB Financial Management Policies requires that the Board must approve and adopt a plan to restore the reserves to the minimum required level within a specific period of time. That plan will be set forth during the development of the 2021 annual budget.

**2020 Projected General Fund Year-End Fund Balance**

<b>Fund Balance, January 1, 2020</b>	<b>4,724,432</b>
Projected Expenditures in Excess of Revenues	(2,811,326)
<b>Projected Fund Balance, December 31, 2020</b>	<b>1,913,106</b>
 Fund Balance Requirement (5%)	 4,461,705
 <b>Fund Balance Below Requirement</b>	 <b>(\$2,548,599)</b>

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

## **Tree Preservation and Reforestation Fund**

### **Summary**

The Tree Preservation and Reforestation Fund accounts for a special property tax levy that funds the Park Board work addressing threats to the urban forest due to Emerald Ash Borer and tree loss due to storms.

	2019			2020			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Revenues	\$1,795,259	\$910,305	50.7%	\$1,857,240	\$820,813	44.2%	\$1,800,960
Expenses	1,790,656	1,364,547	76.2%	1,857,240	1,290,047	69.5%	1,800,453
<b>Net Income</b>	<b>\$4,603</b>	<b>(\$454,242)</b>		<b>\$0</b>	<b>(\$469,234)</b>		<b>\$507</b>

### **Revenues**

Tree Preservation and Reforestation Fund revenues come from a property tax levy dedicated to tree preservation and reforestation. The Park Board has received the first half property tax payment from Hennepin County.

### **Expenses**

Tree Preservation and Reforestation Fund expenses include tree removal, stump removal and tree planting costs. Tree purchases for 2020 have been made, causing expenses to exceed 50 percent of budget as of June 30. Stump removals are planned for the second half of the year.

### **Fund Balance**

Any unspent funds remaining at the end of the year are designated for tree preservation and reforestation purposes and will be programmed in future years.

### **Tree Preservation and Reforestation Projected 2020 Year-End Fund Balance**

Fund Balance 1/1/2020	\$14
Expenditures in Excess of Revenues	<u>507</u>
Fund Balance 12/31/2020	<u><u>\$521</u></u>

## **Enterprise Fund**

### **Fund Description**

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

### **Enterprise Fund by Service Area**

	2019			2020			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Golf</b>							
Revenues	\$5,569,204	\$2,464,617	44.3%	\$6,066,630	\$2,773,660	45.7%	\$5,659,164
Expenses	6,154,714	2,618,770	42.5%	6,481,953	2,466,977	38.1%	6,198,447
<b>Net Income</b>	<b>(\$585,510)</b>	<b>(\$154,153)</b>		<b>(\$415,323)</b>	<b>\$306,683</b>		<b>(\$539,283)</b>
<b>Use &amp; Events Permitting</b>							
Revenues	\$1,276,685	\$515,682	40.4%	\$1,240,260	\$158,319	12.8%	\$211,595
Expenses	831,034	384,884	46.3%	960,098	269,422	28.1%	586,842
<b>Net Income</b>	<b>\$445,651</b>	<b>\$130,798</b>		<b>\$280,162</b>	<b>(\$111,103)</b>		<b>(\$375,247)</b>
<b>Concessions</b>							
Revenues	\$1,419,992	\$235,121	16.6%	\$1,489,000	\$73,250	4.9%	\$514,431
Expenses	292,999	115,376	39.4%	455,560	84,235	18.5%	294,361
<b>Net Income</b>	<b>\$1,126,993</b>	<b>\$119,745</b>		<b>\$1,033,440</b>	<b>(\$10,985)</b>		<b>\$220,070</b>
<b>Parking</b>							
Revenues	\$2,509,801	\$1,017,557	40.5%	\$2,565,358	\$726,999	28.3%	\$1,791,688
Expenses	591,061	248,830	42.1%	809,742	239,223	29.5%	681,811
<b>Net Income</b>	<b>\$1,918,740</b>	<b>\$768,727</b>		<b>\$1,755,616</b>	<b>\$487,776</b>		<b>\$1,109,877</b>
<b>Ice Arenas</b>							
Revenues	\$1,277,434	\$477,513	37.4%	\$1,137,279	\$397,534	35.0%	\$596,301
Expenses	1,243,908	567,497	45.6%	1,085,793	498,118	45.9%	971,325
<b>Net Income</b>	<b>\$33,526</b>	<b>(\$89,984)</b>		<b>\$51,486</b>	<b>(\$100,584)</b>		<b>(\$375,024)</b>
<b>Sculpture Garden &amp; Cowles Conservatory</b>							
Revenues	\$172,769	\$62,841		\$309,800	\$23,840	7.7%	\$57,448
Expenses	181,332	64,389	35.5%	376,005	55,859	14.9%	208,972
<b>Net Income</b>	<b>(\$8,563)</b>	<b>(\$1,548)</b>		<b>(\$66,205)</b>	<b>(\$32,019)</b>		<b>(\$151,524)</b>

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

	2019			2020			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Total Operating Income</b>							
Revenues	\$12,225,885	\$4,773,331	39.0%	\$12,808,327	\$4,153,602	32.4%	\$8,830,627
Expenses	\$9,295,048	\$3,999,746	43.0%	\$10,169,151	\$3,613,834	35.5%	\$8,941,758
<b>Net Income</b>	<b>\$2,930,837</b>	<b>\$773,585</b>		<b>\$2,639,176</b>	<b>\$539,768</b>		<b>(\$111,131)</b>
<b>Non-Operating Revenue</b>							
Transfers					\$77,927		\$77,927
Insurance Proceeds	\$637,902			\$1,000,344	\$35,126	3.5%	\$35,126
<b>Total Non-Operating Revenue</b>	<b>\$637,902</b>			<b>\$1,000,344</b>	<b>\$113,053</b>		<b>\$113,053</b>
<b>Non-Operating Expenses</b>							
Improvements	\$1,341,829	\$201,779	15.0%	\$2,310,344	\$571,440	24.7%	\$857,160
MERF Payment	\$177,092		0.0%	\$141,773	\$70,887	50.0%	\$141,773
Debt Service	715,154	184,231	25.8%	717,387	129,769	18.1%	577,337
<b>Total Non-Operating Exp</b>	<b>\$2,234,075</b>	<b>\$386,010</b>		<b>\$3,169,504</b>	<b>\$772,096</b>		<b>\$1,576,270</b>
<b>Income after Non-Operating Expenses</b>	<b>\$1,334,664</b>	<b>\$387,575</b>		<b>\$470,016</b>	<b>(\$119,275)</b>		<b>(\$1,574,348)</b>

**Golf Operations**

Golf courses have been busy since the Governor allowed them to open in mid-April. If good weather continues, and there are no COVID-19 related shutdowns, golf revenues will end the year at their highest level since 2012. Park Board staff that normally work in facilities that are temporarily closed have been working at the golf courses which has reduced golf course part-time staffing costs. To the end of 2020 golf operations is projected to have a loss of (\$539,283).

**Use & Events Permitting**

Most events have been cancelled in 2020 due to COVID-19. Staff is working to add some small limited events in the second half of 2020. To the end of 2020 Use & Events Permitting is projected to have a net loss of (\$375,247), under budget by \$655,409.

**Concessions**

Concessions operations have been disrupted by the COVID-19. Concessions have opened, but business is slow. To the end of 2020 concessions net income is projected to be \$220,070, under budget by \$906,923.

### **Parking**

Parking operations include revenue collection and maintenance of on-street single-space parking meters, multi space pay and display machines, patron parking permit sales and event parking. Parking operations have been impacted by COVID-19, with lower usage, parkway closures and the U of M campus closure. To the end of 2020 parking operations is projected to have net income of \$1,109,877, under budget by \$645,739.

### **Ice Arenas**

Ice arena operations consist of the Parade and Northeast Ice Arenas. After being shut down because of COVID-19, the ice arenas have re-opened in a limited fashion. To the end of 2020 ice arena operations is projected to have a net loss of (\$375,024), under budget by \$426,510.

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

The Sculpture Garden has been impacted by COVID-19, with no events or rentals taking place. Parking is the sole source of revenue in 2020. To the end of 2020 this operation is projected to have a loss of (\$151,524), under budget by \$85,139.

### **Enterprise Operating Income**

Operating income is the difference between operating revenues and operating expenses. Operating income in 2020 is projected to be (\$111,131) lower than 2019 due to the impacts of COVID-19.

Operating income is used for facility improvements, debt service, and the MERF pension plan payment. Improvements planned for 2020 include renovation of the Parade Ice Arena Training Room, Gross Golf Course storage facility, Wirth toolshed roof, and emergency repairs.

### **Enterprise Fund Projected 2020 Year-End Reserve for Renewal and Replacement**

Reserve Balance 1/1/2020	\$4,563,130
Expenditures in Excess of Revenues	(1,574,348)
Reserved for Bde Maka Ska Refectory	<u>(673,028)</u>
Reserve Balance 12/31/2020	<u><u>\$2,315,754</u></u>

## **Internal Service Funds**

### **Summary**

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

		2019		2020				
		Actual		Percent	Current	Actual	Percent	Projected
		Year End	As of 6/30	Recognized	Budget	As of 6/30	Recognized	Year-End
Equipment								
	Revenues	\$6,137,539	\$3,018,825	49.2%	\$6,300,942	\$3,095,099	49.1%	\$6,300,800
	Expenses	7,320,792	3,836,950	52.4%	6,847,177	2,166,448	31.6%	6,439,446
	Net Income	(\$1,183,253)	(\$818,125)		(\$546,235)	\$928,651		(\$138,646)
Information Technology Services								
	Revenues	\$2,288,893	\$1,144,447	50.0%	\$2,369,725	\$1,184,863	50.0%	\$2,369,725
	Expenses	2,177,881	752,227	34.5%	2,369,725	1,292,516	54.5%	2,289,413
	Net Income	\$111,012	\$392,220		\$0	(\$107,653)		\$80,312
Self-Insurance								
	Revenues	\$2,521,680	\$1,266,446	50.2%	\$2,150,000	\$1,110,482	51.7%	\$2,220,964
	Expenses	2,325,519	787,527	33.9%	2,150,000	875,064	40.7%	2,096,568
	Net Income	\$196,161	\$478,919		\$0	\$235,418		\$124,396

### **Equipment**

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. In 2020 Equipment Services is making equipment purchases that have been delayed due to issues with the state purchasing contract, which accounts for the budgeted loss of (\$546,235), however COVID-19 has slowed delivery of equipment purchases. As of June 30, \$586,000 of the \$3.0 million of budgeted equipment purchases for 2020 had been made. At the end of 2020 the equipment reserve balance was \$3.6 million. The projected 2020 year-end equipment reserve balance is \$3.5 million.

### **Information Technology Services**

Park Board departments are charged an annual fee for the use and service of computer workstations and access to the Park Board network. Hardware purchases and software license payments were made in the first half of 2020. At the end of 2019 the Information Technology Services equipment reserve balance was \$739,231. The projected 2020 year-end Information Technology Services equipment reserve balance is \$819,543.

### **Self-Insurance**

Self-Insurance premiums are collected from Park Board departments to fund activities including workers compensation; property, fire and vandalism insurance; and general, automotive and police professional liability. Self-Insurance revenues are expected to end the year over budget while expenses are expected to end the year under budget, although expenses are dependent on the number and amount of claims paid out. At the end of 2019 the Self-Insurance net asset balance was \$7.5 million. The projected 2020 year-end Self-Insurance net asset balance is \$7.6 million.

**Equipment Services Equipment Reserve Balance**

The Internal Service Fund equipment reserve at year-end 2019 was \$3.6 million. During 2020 expenses are projected to exceed revenues \$138,646 leaving the equipment reserve balance at \$3.5 million.

<b>2020 Projected Internal Service Fund Year-End Equipment Reserve Balance</b>
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<b>Working Capital January 1, 2020</b>	<b>\$3,592,635</b>
Equipment Services expenditures in excess of revenues	<u>(138,646)</u>
<b>Working Capital December 31, 2020</b>	<b>\$3,453,989</b>

**Information Technology Services Equipment Reserve Balance**

The Internal Service Fund information technology services equipment reserve at year-end 2019 was \$739,231. During 2020 revenues are projected to exceed expenses by \$80,312, leaving the equipment reserve balance at \$819,543.

<b>2020 Projected Internal Service Fund Year-End Information Technology Equipment Reserve Balance</b>
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<b>Working Capital January 1, 2020</b>	<b>\$739,231</b>
ITS revenue in excess of expenditures	<u>80,312</u>
<b>Working Capital December 31, 2020</b>	<b>\$819,543</b>

**Self-Insurance Fund Net Asset Balance**

The Self-Insurance Fund net assets balance at year-end 2019 was \$7.5 million. During 2020 revenues are projected to exceed expenses by \$124,396, leaving the equipment reserve balance at \$7.6 million.

<b>2020 Projected Self Insurance Fund Year-End Net Asset Balance</b>
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<b>Working Capital January 1, 2020</b>	<b>\$7,467,124</b>
Self-Insurance Fund revenue in excess of expenditures	<u>124,396</u>
<b>Working Capital December 31, 2020</b>	<b>\$7,591,520</b>