

Comprehensive Annual Financial Report



Minneapolis Park and Recreation Board
Minneapolis, Minnesota
For the year ended December 31, 2019



Minneapolis
Park & Recreation Board

**COMPONENT UNIT
ANNUAL FINANCIAL REPORT**



Minneapolis
Park & Recreation Board

FOR THE YEAR ENDED DECEMBER 31, 2019

FINANCE DEPARTMENT

MINNEAPOLIS PARK AND RECREATION BOARD
MINNEAPOLIS, MINNESOTA

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INTRODUCTORY SECTION



Minneapolis
Park & Recreation Board



Minneapolis Park & Recreation Board

Administrative Offices

2117 West River Road North
Minneapolis, MN 55411-2227

Northside Operations Center

4022 1/2 North Washington Avenue
Minneapolis, MN 55412-1742

Southside Operations Center

3800 Bryant Avenue South
Minneapolis, MN 55409-1000

Phone

612-230-6400

Fax

612-230-6500

www.minneapolisparks.org

President

Jono Cowgill

Vice President

Latrishia Vetaw

Commissioners

Chris Meyer

Kale Severson

AK Hassan

Steffanie Musich

Brad Bourn

Meg Forney

Londel French

Superintendent

Al Bangoura

Secretary to the Board

Jennifer B. Ringold

August 4, 2020

Jono Cowgill, President

Minneapolis Park & Recreation Board

Minneapolis, Minnesota 55411

Al Bangoura, 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, 2019. The purpose of this report is to provide the Park & Recreation Board, Mayor, City Council, staff, citizens, and other interested parties with useful information concerning the Park & Recreation Board's operations and financial position.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Park & Recreation Board. The data presented in this report is believed to be accurate in all material respects. We believe the report contains all disclosures necessary for the reader to understand the Park & Recreation Board's financial affairs.

Report Format

The presentation in this report is in compliance with the requirements of governmental financial reporting. The content of the report is prepared in accordance with generally accepted standards of reporting as recommended by the Governmental Finance Officers Association of the United States and Canada, the Governmental Accounting Standards Board, the Office of the State Auditor, State of Minnesota and the City Charter of the City of Minneapolis, Minnesota.

The transmittal letter is designed to complement the Management Discussion & Analysis (MD&A) and should be read in conjunction with it. The Minneapolis Park & Recreation Board's MD&A can be found immediately following the report of the independent auditor.

Form of Government

The Minneapolis Park & Recreation Board was established in 1883 by an act of the Minnesota Legislature. It is to serve as an independently elected, semi-autonomous body responsible for maintaining and developing the diverse system of land and water areas for citizens of the city. It is a nine-member board, serving four-year terms. Six commissioners are elected from designated park districts, and three are elected from the city at-large. The Park & Recreation Board is a discretely presented component unit of the City of Minneapolis. The City Finance Officer acts as the 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 2019 is included as part of the MD&A.

Debt Administration

In 2006, the Minneapolis Park & Recreation Board entered into a loan agreement for the amount of \$710,000 with Wells Fargo Brokerage Services, LLC for the purchase of an ice arena facility and land at 1306 Central Avenue Northeast. This facility is intended to be self-supporting with a portion of the net income generated being allocated to the debt service payments.

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

In 2016, the Park and Recreation Board entered into a Contract for Deed in the amount of \$2,100,000 with L and R Development, LLC for the purchase of one parcel of land located at 4022 ½ Washington Avenue North. The promissory note shall bear interest at a rate of six percent (6%) per annum. Monthly principal and interest payments commenced on April 1, 2016, with the entire remaining unpaid balance of principal and interest due and payable on the first day of the 24th month or March 1, 2018. On March 18, 2018 the Park and Recreation Board refinanced this purchase and secured a \$1,160,000 mortgage note and mortgage with Bell Bank to partially finance the property acquisition.

In 2018, the Park Board acquired a mortgage note in the amount of \$1,160,000 with Bell Bank, a North Dakota corporation for the partial refinancing of property located at 4022 ½ Washington Avenue North. The new note shall bear interest at the rate of 3.3 percent (3.3%) payable in 120 installments of principal and interest, commencing April 1, 2018 and will mature on March 1, 2028.

In 2018, the Park and Recreation Board issued a Promissory Note in the amount of \$600,000 with Marylee Hardenbergh for the purchase of one parcel of land located at 2230 Marshall Street NE. The promissory note shall bear interest at a rate of four percent (4%) per annum and interest begins to accrue as of the date of the note, August 17, 2018. This note is payable in four (4) equal annual installments beginning on January 15, 2019 and continuing on January 15 of each year thereafter.

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 – AAA
- S & P Global Ratings – AAA

Cash Management

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

Risk Management

The Minneapolis Park & Recreation Board accounts for its risk management activities as an internal service fund and charges the operating funds annually for the anticipated actuarially projected claims. The Park & Recreation Board's risk management program operates under the direction of the Assistant Superintendent for Administration. Various programs have been developed to reduce the Park & Recreation Board's risk of loss including: a comprehensive employee health & safety program; a strategy to reduce tort liability exposure; and, a strategy to reduce the frequency of injuries and illnesses and the cost of workers' compensation.

Independent Audit

The State of Minnesota requires an annual audit of the books of account, financial records, and transactions of the Minneapolis Park & Recreation Board by the Office of the State Auditor. This requirement has been complied with and the auditor's opinion has been included in this report.

Acknowledgements

Timely preparation of this report could not have been accomplished without the efficient and dedicated services of the Minneapolis Park & Recreation Board's Finance Department. In addition, we would like to thank the State Auditor's Office for their thoroughness and professionalism in conducting the Park & Recreation Board's audit.

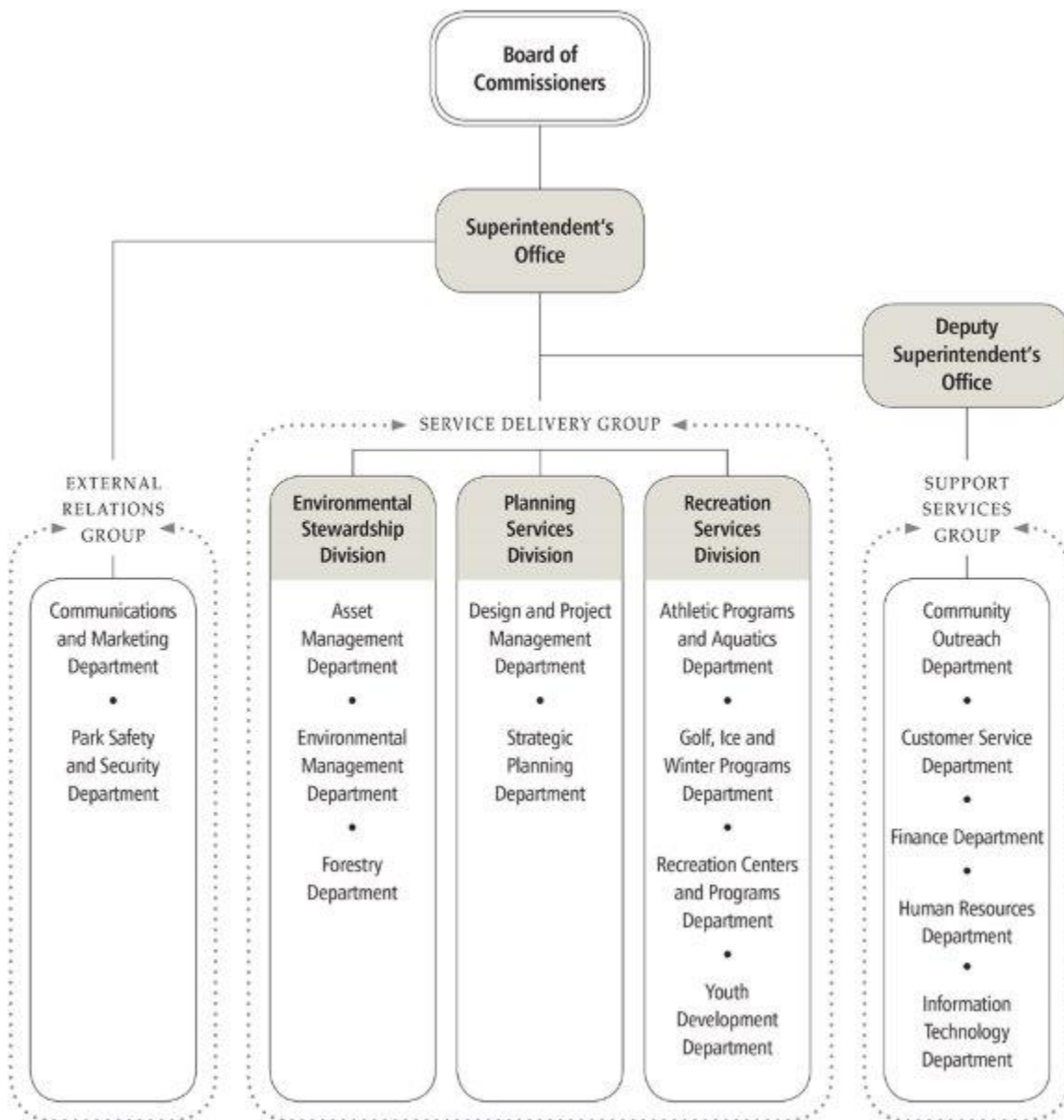
Respectfully submitted,

Julia M. Wiseman

Julia M. Wiseman
Director of Finance

MINNEAPOLIS PARK AND RECREATION BOARD

ORGANIZATION CHART



MINNEAPOLIS PARK AND RECREATION BOARD

COMMISSIONERS AND OFFICERS

Commissioners	Term of Office From	To
Brad Bourn	January 1, 2010	December 31, 2021
Jono Cowgill	January 1, 2018	December 31, 2021
Meg Forney	January 1, 2014	December 31, 2021
Londel French	January 1, 2018	December 31, 2021
AK Hassan	January 1, 2018	December 31, 2021
Chris Meyer	January 1, 2018	December 31, 2021
Steffanie Musich	January 1, 2014	December 31, 2021
Kale Severson	January 1, 2018	December 31, 2021
Latrisha Vetaw	January 1, 2018	December 31, 2021

Officers

President

Brad Bourn	January 1, 2017	December 31, 2019
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Vice President

AK Hassan	January 1, 2017	December 31, 2019
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Secretary

Jennifer Ringold	January 1, 2017	December 31, 2019
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FINANCIAL SECTION



Minneapolis
Park & Recreation Board



JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Minneapolis Park and Recreation Board
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board, a component unit of the City of Minneapolis, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the 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 did not audit the financial statements of the Minneapolis Parks Foundation, which represents the amounts shown as the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Minneapolis Parks Foundation component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Minneapolis Parks Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Park and Recreation 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 and Recreation Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Minneapolis Park and Recreation Board as of December 31, 2019, 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 – Subsequent Event

As discussed in Note 15 to the financial statements, subsequent to year-end, the Park and Recreation Board temporarily closed buildings and cancelled programs and events due to the COVID-19 pandemic, resulting in a decrease in revenue. 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 Governmental Accounting Standards Board, 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

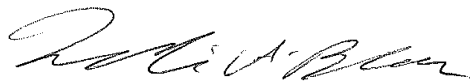
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minneapolis Park and Recreation Board's basic financial statements. The Introductory Section, the Supplementary Information, and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information as listed in the table of contents 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 Supplementary 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 August 4, 2020, on our consideration of the Minneapolis Park and Recreation Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Minneapolis Park and Recreation Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minneapolis Park and Recreation Board's internal control over financial reporting and compliance. It does not include the Minneapolis Parks Foundation, which was audited by other auditors.



JULIE BLAHA
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

August 4, 2020

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, 2019. 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 \$20,478,617 or 5.9%. Net position of the business-type activities increased by \$1,797,404 or 8.0%, and net position of the governmental activities increased by \$18,681,213 or 5.7%.
- The assets and deferred outflows of resources of the Park and Recreation Board exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$368,940,158 (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 \$42,712,605.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$36,479,760. Ending equity of the business-type proprietary fund is \$24,164,163. Ending net position of the governmental-type proprietary funds is \$12,315,597.

Financial Statement Overview

This annual report consists of a series of financial statements. The *Statement of Net Position* and the *Statement of Activities* (on pages 18-19) provide information about the activities of the Park and Recreation Board as a whole and present a longer-term view of the Park and Recreation Board's finances. Fund financial statements start on page 20. For governmental activities, these statements show how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Park and Recreation Board's operations in more detail than the government-wide statements by providing information about the Park and Recreation Board's most financially significant funds. Notes to the financial statements start on page 29. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. This report also contains required and supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities

The government-wide financial statements provide an overview of the Park and Recreation Board as a whole. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

These two statements report the Park and Recreation Board's net position and the changes in components of net position. The *Statement of Net Position* presents the Park and Recreation Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. The *Statement of Activities* presents information showing how the Park and Recreation Board's net position changed during the most recent fiscal year. Over time, changes in the Park and Recreation Board's net position is one indicator of whether its financial health is improving or deteriorating. Other non-financial factors should be considered, such as changes in the Park and Recreation Board's property tax base and the condition of the Park and Recreation Board's capital assets to determine the overall financial health of the Park and Recreation Board.

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

In the *Statement of Net Position* and the *Statement of Activities*, the Park and Recreation Board is divided into two kinds of activities:

- **Governmental Activities:** Most of the Park and Recreation Board's basic services are reported here and are reported as Culture and Recreation. Property taxes and state and federal grants finance most of these activities.
- **Business-Type Activities:** The Park and Recreation Board charges fees to customers to help cover all or most of the costs of certain services it provides. The Park and Recreation Board's golf courses are reported here.

Fund Financial Statements

The fund financial statements begin on page 20 and provide detailed information about the funds. Some funds are required to be established by state law. In addition, the Park and Recreation Board has established other funds to help it control and manage money for specific purposes. The Park and Recreation Board's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis 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 \$368,940,158 increased by \$20,478,617 or 5.9% from a year ago. Current and other assets increased by \$14,445,190 and capital assets increased by \$5,959,330 from a year ago. Deferred Outflows-Pensions and Deferred Outflows-OPEB, decreased by \$6,646,877 from a year ago. This analysis will focus first on net position and then on the changes in net position of the Park and Recreation Board's governmental and business-type activities.

Minneapolis Park and Recreation Board's Net Position

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary Government</u>	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 65,086,470	\$ 52,770,016	\$ 5,445,589	\$ 3,316,853	\$ 70,532,059	\$ 56,086,869
Capital assets	363,436,335	357,283,469	23,850,051	24,043,587	387,286,386	381,327,056
Total Assets	428,522,805	410,053,485	29,295,640	27,360,440	457,818,445	437,413,925
Deferred Outflows-OPEB	114,569	102,301	7,748	12,675	122,317	114,976
Deferred Outflows-Pensions	7,809,596	14,110,828	314,375	667,361	8,123,971	14,778,189
Total Deferred Outflows	7,924,165	14,213,129	322,123	680,036	8,246,288	14,893,165
Long-term liabilities outstanding	62,080,510	71,157,038	3,869,362	4,598,874	65,949,872	75,755,912
Other liabilities	7,532,527	7,582,108	553,047	367,115	8,085,574	7,949,223
Total Liabilities	69,613,037	78,739,146	4,422,409	4,965,989	74,035,446	83,705,135
Deferred Inflows-Service Concessions Arrangement	4,438,556	4,672,164	-	-	4,438,556	4,672,164
Deferred Inflows-OPEB	7,892	-	534	-	8,426	-
Deferred Inflows-Pensions	17,724,157	14,873,189	917,990	595,061	18,642,147	15,468,250
Total Deferred Inflows	22,170,605	19,545,353	918,524	595,061	23,089,129	20,140,414
Net position:						
Net investment in Capital Assets	359,994,222	353,598,165	23,449,081	23,886,073	383,443,303	377,484,238
Restricted	33,474,368	22,157,533	-	-	33,474,368	22,157,533
Unrestricted	(48,805,262)	(49,773,583)	827,749	(1,406,647)	(47,977,513)	(51,180,230)
Total Net Position	\$ 344,663,328	\$ 325,982,115	\$ 24,276,830	\$ 22,479,426	\$ 368,940,158	\$ 348,461,541

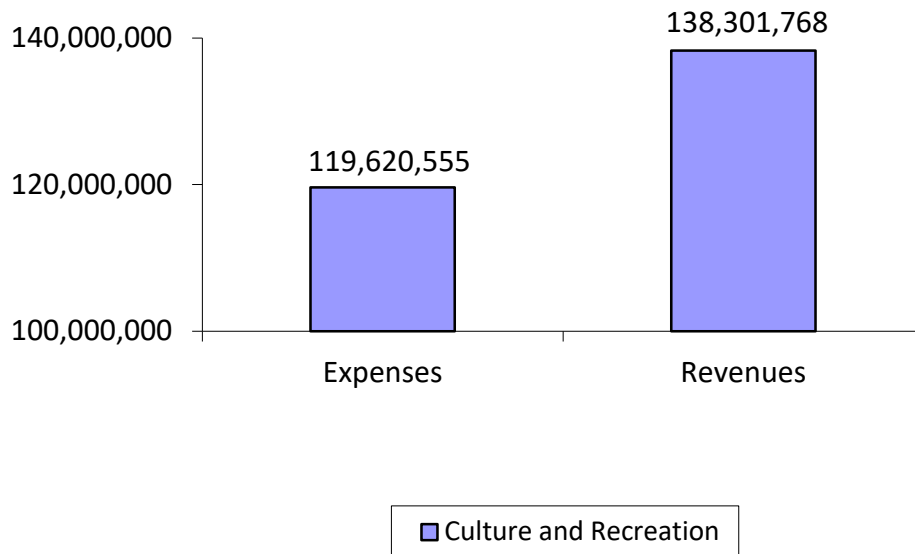
Net position of the Park and Recreation Board's governmental activities increased by \$18,681,213 or 5.7%. The unrestricted component of net position is (\$48,805,262) and reflects the net pension obligation for the Park and Recreation Board's governmental activities. Net position of the Park and Recreation Board's business-type activities increased by \$1,797,404 or 8.0%. 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

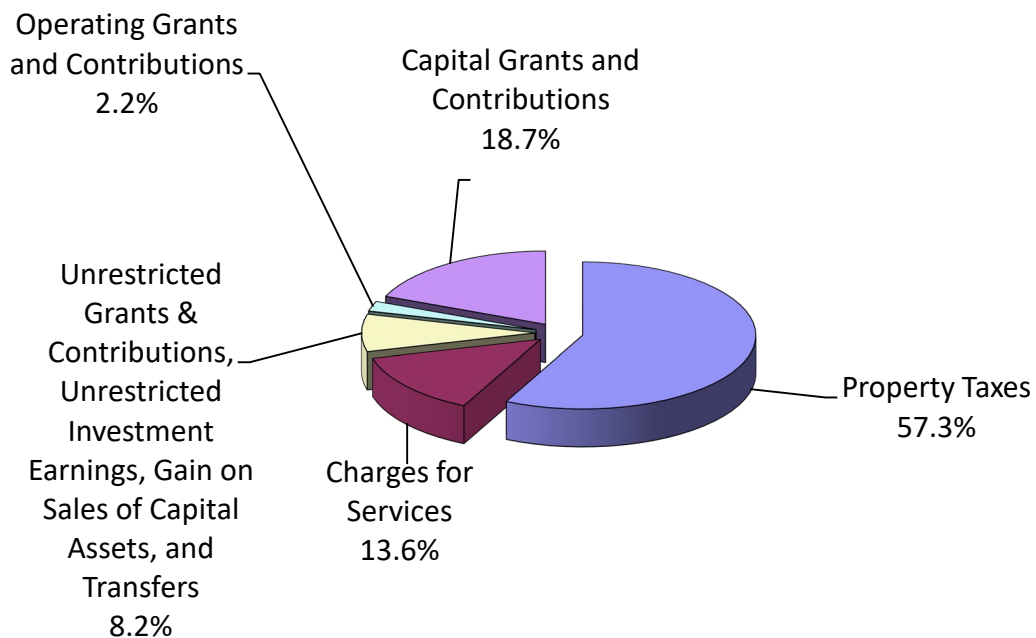
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary Government</u>	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 18,862,522	\$ 17,641,715	\$ 12,863,289	\$ 12,276,500	\$ 31,725,811	\$ 29,918,215
Operating grants & contributions	3,009,775	3,318,624	500	-	3,010,275	3,318,624
Capital grants & contributions	25,913,649	22,484,499	440,188	200	26,353,837	22,484,699
General revenues:						
Taxes	79,178,842	74,564,055	-	-	79,178,842	74,564,055
Unrestricted grants & contributions	9,643,947	10,189,761	10,346	27,906	9,654,293	10,217,667
Unrestricted investment earnings	760,739	283,216	-	-	760,739	283,216
Gain on sale of capital assets	337,294	151,883	-	-	337,294	151,883
Transfers	595,000	625,000	-	-	595,000	625,000
Total Revenue and Transfers	138,301,768	129,258,753	13,314,323	12,304,606	151,616,091	141,563,359
Program expense:						
Culture & recreation	119,620,555	117,852,548	-	-	119,620,555	117,852,548
Park enterprise fund	-	-	10,921,919	11,032,412	10,921,919	11,032,412
Transfers	-	-	595,000	625,000	595,000	625,000
Total Expenses and Transfers	119,620,555	117,852,548	11,516,919	11,657,412	131,137,474	129,509,960
Increase (Decrease) in Net Position	\$ 18,681,213	\$ 11,406,205	\$ 1,797,404	\$ 647,194	\$ 20,478,617	\$ 12,053,399

For governmental activities of the Park and Recreation Board, net position increased by \$18,681,213. The increase in Governmental Net Position is primarily due to the increase in tax revenue. The increase in business-type activities of the Park and Recreation Board of \$1,797,404 is primarily due to increased parking revenue, the receipt of insurance proceeds related to the fire at Bde Maka Ska pavilion and federal grant related funding.

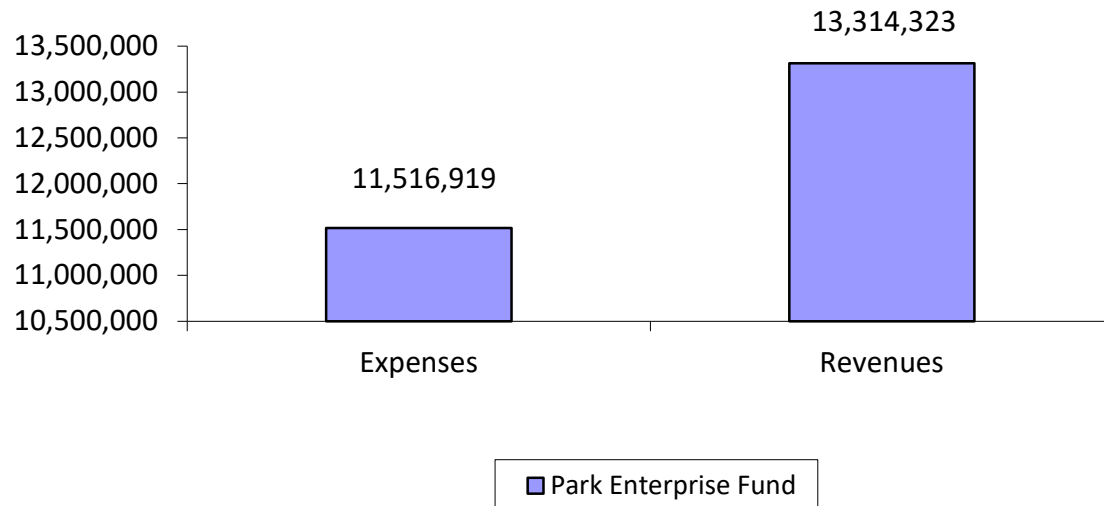
Expenses and Program Revenues Governmental Activities



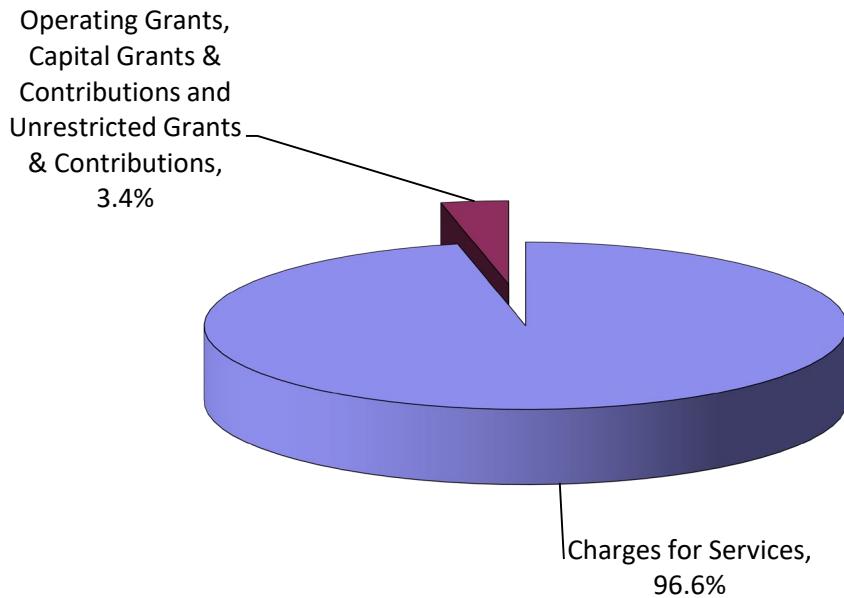
Revenues by Source - Governmental Activities



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 \$42,712,605. 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 \$16,886 from 2018 primarily due to increased tax revenue. As of the end of the current fiscal year the General Fund reported a fund balance of \$5,296,847 of which \$11,389 is classified as nonspendable, \$691,111 is classified as committed, and \$4,594,347 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 2019 original appropriation was \$84,283,901. Revisions of \$636,601 brought the final appropriation to \$84,920,502.

Museum County-wide Levy

This special revenue fund was established to account for the countywide levy for maintenance of a fine art museum. The Park and Recreation Board acts as a pass-through agency for these funds and a fund balance is not established.

Park Grant and Dedicated Revenue

This special revenue fund accounts for the activities associated with the purchase and improvement of land used for park purposes and to account for revenue received that is restricted, committed, or assigned for specific purposes. The fund balance of the Park Grant and Dedicated Revenue Fund increased by \$734,830 from 2018. This increase is primarily due to the State of Minnesota Lottery proceeds and park acquisition funds that are held until needed for land acquisitions or park improvements. As of the end of the current fiscal year, the Park Grant and Dedicated Revenue Fund reported a fund balance of \$14,202,459, of which \$7,896,199 is classified as restricted, \$739,479 is classified as committed and \$5,566,781 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 sixth 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 \$14, which is classified as committed.

Park Dedication Fees

This special revenue fund accounts for the fees received in conjunction with construction permits that are issued by the City of Minneapolis and are restricted for use in park development within set geographical boundaries from the location the fee is collected. As of the end of the current fiscal year, the Park Dedication Fees Fund reported a fund balance of \$18,903,723, which is classified as restricted.

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 increased by \$6,691,013 from 2018. This increase is primarily due to the increase in revenues related to the Waterworks development, Graco Park donation and NPP20 projects. As of the end of the current fiscal year, the Permanent Improvement Fund reported a fund balance of \$1,786,005.

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 2019, operating revenues decreased from 2018 by \$244,075 or 2.0%. In 2019, operating expenses of the Park Operating Fund increased from 2018 by \$5,655 or 0.05%. In 2019, operating income was \$1,537,343, a decrease of \$249,730 from 2018. The decrease in operating income in the Park Operating Fund was primarily due to the decreased revenue in golf operations and concessions.

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 \$94,513 and ending net position was \$9,339,100. Net position is comprised of \$7,565,412 or 81.0%, which is the net investment in capital assets and \$1,773,688 or 19.0%, which is classified as unrestricted. The Park and Recreation Board intends to use the unrestricted portion of the fund for repair and replacement of the operation's equipment.

Park Self-Insurance Fund

This internal service fund accounts for both commercial insurance and self-insurance activities of the Park and Recreation Board. These activities include workers' compensation, property insurance, general liability, automotive liability and police professional liability. In the current fiscal year ended, the operating income was \$349,716 and ending net position was \$2,976,497. An actuarial study completed in 2019 provided an estimate for the 2019 long-term liability for workers' compensation claims pending. An actuarial study completed in 2018 provided the estimate for the 2019 long-term liability for general liability claims pending.

Capital Asset and Debt Administration

Capital Assets

At the end of 2019, the Park and Recreation Board had \$387,286,386 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:

- Phillips Aquatic Facility
- Webber Park Improvements
- Chain of Lakes Reinvestment
- Playground and Wading Pool Improvements

Capital Assets at Year End (Net of Depreciation)

	Governmental		Business-Type		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 94,267,090	\$ 93,794,857	\$ 1,206,784	\$ 1,206,784	\$ 95,473,874	\$ 95,001,641
Building and Structures	66,164,957	52,385,700	15,391,669	15,854,557	81,556,626	68,240,257
Infrastructure	39,655,387	36,148,233	271,582	281,040	39,926,969	36,429,273
Public Improvements	119,884,448	97,319,452	5,291,668	5,639,685	125,176,116	102,959,137
Machinery and Equipment	7,788,498	6,414,176	514,079	578,009	8,302,577	6,992,185
Construction in Progress	35,675,955	71,221,051	1,174,269	483,512	36,850,224	71,704,563
Total	\$ 363,436,335	\$ 357,283,469	\$ 23,850,051	\$ 24,043,587	\$ 387,286,386	\$ 381,327,056

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 2020 Budget

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 MPRB's ability to deliver services. Following Governor Walz' declaration of a peacetime state of emergency on March 13, public health guidelines for social distancing, and the stay at home order for Minnesota on March 25, the MPRB enacted necessary changes in service levels. The MPRB's priority is the health and safety of its park visitors and employees. Buildings have been closed and programs and events cancelled, resulting in a \$1 – 2 million loss in revenue each month. While there is an understanding that the COVID-19 crisis will ease in the coming months, the negative impact to the local and national economies will be felt long after the health crisis subsides. Along with current revenue short falls, economic impacts resulting from this health crisis are, at this point, certain to occur.

George Floyd Killing and Unrest:

On Monday, May 25, 2020, a Minneapolis Police Officer knelt on the neck of George Floyd killing him. The black community and many throughout the City of Minneapolis and nation are experiencing a profound sense of sadness and pain while seeking justice for Mr. Floyd. The Minneapolis Park and Recreation Board stands in solidarity with those seeking justice. The Park Board denounces racism in all forms and supports and promotes justice. In the days following George Floyd's death, peaceful protesting and periods of civil unrest ensued. The periods of civil unrest caused considerable damage and loss of property throughout the City of Minneapolis and surrounding areas and the City enlisted the assistance of other law enforcement agencies and the Minnesota National Guard during this period. The estimated property damage and costs associated with the unrest could exceed \$500 million for the Minneapolis and St. Paul areas. The Park Board experienced very minimal direct costs and did not experience any property loss during this time. The Park Board relies on property taxes, City and State revenues to finance its operations and the financial and economic impact to the Park Board is currently unknown.

Employment:

The unemployment rate for the City of Minneapolis at the end of 2019, as released by the Minnesota Department of Employment and Economic Development, is 2.6%. This economic indicator is lower than the State of Minnesota (3.5%) and national unemployment rate (3.4%). The City of Minneapolis unemployment rate one year ago in December 2018 was at 2.5%. Due to COVID-19 unemployment in 2020 has risen to extremely high levels. The City of Minneapolis in May 2020 had an unemployment rate of 12%. The economic indicator is higher than the State of Minnesota (9.4%) since the City has been more heavily impacted by COVID-19 than other parts of the state and is lower than the national unemployment rate (13.0%).

2020 Budget:

On December 11, 2019, the Park and Recreation Board approved the 2020 budget. The original operating budget was set for \$89.3 million. The MPRB expects to see an increase of \$269,013 in 2020 certified state aid for a total of \$9.6 million based on the current LGA formula. Due to COVID-19, immediate cost containment measures have been implemented including hiring and spending freezes, 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 MPRB revenue streams. The Board recognizes that program and service levels with corresponding staffing models will need to be redefined to accommodate the pandemic and economic conditions.

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, 2019

	Primary Government			Discrete	
	Governmental	Business -Type		Component Unit	
	Activities	Activities	Total		Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and Pooled Investments	\$ 58,912,297	\$ 3,936,521	\$ 62,848,818	\$ 1,229,787	\$ 64,078,605
Funds Held for Others	-	-	-	5,658,448	5,658,448
Receivables	6,136,166	1,388,339	7,524,505	85,887	7,610,392
Materials & Supplies Inventories	-	48,362	48,362	-	48,362
Prepaid Expense	110,374	-	110,374	11,189	121,563
Internal Balances	(72,367)	72,367	-	-	-
Capital Assets:					
Non-Depreciable	129,943,045	2,381,053	132,324,098	-	132,324,098
Depreciable (Net)	233,493,290	21,468,998	254,962,288	15,095	254,977,383
Total Assets	428,522,805	29,295,640	457,818,445	7,000,406	464,818,851
Deferred Outflows of Resources:					
Deferred Outflows - Pensions	7,809,596	314,375	8,123,971	-	8,123,971
Deferred Outflows - Other Post Employment Benefits	114,569	7,748	122,317	-	122,317
Total Deferred Outflows of Resources	7,924,165	322,123	8,246,288	-	8,246,288
Total Assets and Deferred Outflows of Resources	\$ 436,446,970	\$ 29,617,763	\$ 466,064,733	\$ 7,000,406	\$ 473,065,139
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Liabilities:					
Salaries Payable	\$ 2,214,627	\$ 154,896	\$ 2,369,523	\$ 25,397	\$ 2,394,920
Accounts Payable (Net)	5,317,900	398,151	5,716,051	20,784	5,736,835
Funds Held for Others	-	-	-	5,658,448	5,658,448
Non-Current Liabilities					
Due Within One Year:					
Compensated Absences	2,858,867	240,155	3,099,022	-	3,099,022
Notes Payable	2,252,214	63,753	2,315,967	-	2,315,967
Interest Payable	15,123	-	15,123	-	15,123
Due In More Than One Year:					
Compensated Absences	2,165,836	54,464	2,220,300	-	2,220,300
Notes Payable	1,189,899	33,074	1,222,973	-	1,222,973
Other Post Employment Benefits	855,552	57,852	913,404	-	913,404
Workers' Compensation Claims Pending	3,055,644	-	3,055,644	-	3,055,644
General Liability Claims Pending	1,277,725	-	1,277,725	-	1,277,725
Net Pension Liability	48,409,650	3,420,064	51,829,714	-	51,829,714
Total Liabilities:	69,613,037	4,422,409	74,035,446	5,704,629	79,740,075
Deferred Inflows of Resources:					
Deferred Inflows - Service Concession Arrangement	4,438,556	-	4,438,556	-	4,438,556
Deferred Inflows - Pensions	17,724,157	917,990	18,642,147	-	18,642,147
Deferred Inflows - Other Post Employment Benefits	7,892	534	8,426	-	8,426
Total Deferred Inflows of Resources	22,170,605	918,524	23,089,129	-	23,089,129
Net Position:					
Net Investment in Capital Assets	359,994,222	23,449,081	383,443,303	15,095	383,458,398
Restricted					
Capital Improvements	5,158,053	-	5,158,053	-	5,158,053
Project and Grant Programs	20,420,116	-	20,420,116	156,925	20,577,041
Special Trust	168,803	-	168,803	-	168,803
Special Reserves	7,727,396	-	7,727,396	-	7,727,396
Unrestricted	(48,805,262)	827,749	(47,977,513)	1,123,757	(46,853,756)
Total Net Position	344,663,328	24,276,830	368,940,158	1,295,777	370,235,935
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 436,446,970	\$ 29,617,763	\$ 466,064,733	\$ 7,000,406	\$ 473,065,139

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, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-Type Activities	Total	Discrete Component unit	Total
FUNCTION/PROGRAM ACTIVITIES									
Primary Government									
Governmental Activities									
Culture and Recreation	\$ 119,620,555	\$ 18,862,522	\$ 3,009,775	\$ 25,913,649	\$ (71,834,609)	\$ -	\$ (71,834,609)	\$ -	\$ (71,834,609)
Business-Type Activities									
Park Enterprise Fund	10,921,919	12,863,289	500	440,188	-	2,382,058	2,382,058	-	2,382,058
Total Primary Government	<u>\$ 130,542,474</u>	<u>\$ 31,725,811</u>	<u>\$ 3,010,275</u>	<u>\$ 26,353,837</u>	<u>\$ (71,834,609)</u>	<u>\$ 2,382,058</u>	<u>\$ (69,452,551)</u>	<u>\$ -</u>	<u>\$ (69,452,551)</u>
Component unit									
Discrete Component Unit									
Minneapolis Parks Foundation	1,011,758	557,201	-	453,531	-	-	-	(1,026)	(1,026)
Total	<u>\$ 131,554,232</u>	<u>\$ 32,283,012</u>	<u>\$ 3,010,275</u>	<u>\$ 26,807,368</u>	<u>\$ (71,834,609)</u>	<u>\$ 2,382,058</u>	<u>\$ (69,452,551)</u>	<u>\$ (1,026)</u>	<u>\$ (69,453,577)</u>
General Revenues									
Taxes:									
Property taxes and fiscal disparities					65,290,620	-	65,290,620	-	65,290,620
Property tax increment					774	-	774	-	774
Museum (county-wide levy)					13,887,448	-	13,887,448	-	13,887,448
Grants and contributions not restricted to specific programs					9,643,947	10,346	9,654,293	-	9,654,293
Unrestricted interest and investment earnings					760,739	-	760,739	-	760,739
Gain on sale of capital assets					337,294	-	337,294	-	337,294
Transfers					595,000	(595,000)	-	-	-
Total General Revenues					<u>90,515,822</u>	<u>(584,654)</u>	<u>89,931,168</u>	<u>-</u>	<u>89,931,168</u>
Change in Net Position					18,681,213	1,797,404	20,478,617	(1,026)	20,477,591
Net Position - January 1					325,982,115	22,479,426	348,461,541	1,296,803	349,758,344
Net Position - December 31					<u>\$ 344,663,328</u>	<u>\$ 24,276,830</u>	<u>\$ 368,940,158</u>	<u>\$ 1,295,777</u>	<u>\$ 370,235,935</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, 2019

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Park Dedication Fees	Permanent Improvement	Other Governmental Funds	Total
ASSETS								
Cash and								
Cash Equivalents	\$ 8,284,122	\$ -	\$ 14,181,513	\$ 1,243	\$ 18,866,050	\$ 3,226,696	\$ 3,239,895	\$ 47,799,519
Receivables:								
Accounts	112,132	-	219,880	-	-	144,510	-	476,522
Taxes -								
Current	291,825	75,017	-	8,239	-	-	-	375,081
Delinquent	288,840	-	-	7,784	-	-	-	296,624
Intergovernmental	43,487	-	-	-	-	4,500,079	-	4,543,566
Accrued Interest	-	-	-	115	70,876	-	18,263	89,254
Special Assessments	-	-	-	-	-	-	121,888	121,888
Due From-								
Other Funds	-	-	-	-	-	730,214	-	730,214
Prepaid Expense	11,389	-	-	-	-	-	-	11,389
Total Assets	\$ 9,031,795	\$ 75,017	\$ 14,401,393	\$ 17,381	\$ 18,936,926	\$ 8,601,499	\$ 3,380,046	\$ 54,444,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Payables -								
Salaries	\$ 2,091,835	\$ -	\$ 7,167	\$ -	\$ -	\$ 238	\$ -	\$ 2,099,240
Accounts	1,358,523	75,017	183,158	-	-	3,219,255	4,420	4,840,373
Intergovernmental	13,681	-	21	-	-	-	-	13,702
Due To -								
Other Funds	-	-	8,588	-	-	-	721,626	730,214
Capital Advances	-	-	-	10,000	-	1,410,000	-	1,420,000
Total Liabilities	3,464,039	75,017	198,934	10,000	-	4,629,493	726,046	9,103,529
Deferred Inflows of Resources:								
Unavailable Revenue	270,909	-	-	7,367	33,203	2,186,001	130,443	2,627,923
Fund Balances:								
Nonspendable:								
Prepaid Expense	11,389	-	-	-	-	-	-	11,389
Restricted for:								
Capital Improvements	-	-	-	-	-	5,158,053	-	5,158,053
Project and Grant Programs	-	-	-	-	18,903,723	-	1,516,393	20,420,116
Special Trust	-	-	168,803	-	-	-	-	168,803
Special Reserves	-	-	7,727,396	-	-	-	-	7,727,396
Committed to:								
Capital Improvements	-	-	-	-	-	3,831,277	-	3,831,277
Project Programs	691,111	-	539,479	14	-	-	-	1,230,604
Guaranty Loan	-	-	200,000	-	-	-	-	200,000
Assigned to:								
Project Programs	-	-	3,719,290	-	-	-	-	3,719,290
Special Trust	-	-	-	-	-	-	12,972	12,972
Special Reserves	-	-	1,824,403	-	-	-	-	1,824,403
Easements	-	-	23,088	-	-	-	-	23,088
Forestry and Tree Disease	-	-	-	-	-	-	994,192	994,192
Unassigned	4,594,347	-	-	-	-	(7,203,325)	-	(2,608,978)
Total Fund Balances	5,296,847	-	14,202,459	14	18,903,723	1,786,005	2,523,557	42,712,605
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,031,795	\$ 75,017	\$ 14,401,393	\$ 17,381	\$ 18,936,926	\$ 8,601,499	\$ 3,380,046	\$ 54,444,057

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, 2019

Total Governmental Funds Balances	\$	42,712,605
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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	94,267,090	
Depreciable	492,615,434	
Accumulated Depreciation	(266,687,556)	
Construction in Progress	35,675,955	355,870,923

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

Accrued Interest Payable		(15,123)
Compensated Absences - Short Term		(2,737,782)
Notes Payable - Short Term		(2,252,214)
Compensated Absences - Long Term		(2,138,375)
Other Post Employment Benefits - Long Term		(811,271)
Notes Payable - Long Term		(1,189,899)
Net Pension Liability - Long Term		(45,953,131)

Unavailable revenue in governmental funds is susceptible to full accrual on the entity-wide statements.	2,627,923
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Deferred outflows are not available resources and therefore
are not reported in the funds.

Deferred Outflows - Pensions	7,611,081
Deferred Outflows - Other Post Employment Benefits	108,639

Deferred inflows are not due and payable in the current period
and therefore are not reported in the funds.

Deferred Inflows - Pensions	(17,043,944)
Deferred Inflows - Other Post Employment Benefits	(7,484)
Deferred Inflows - Service Concession Arrangement	(4,438,556)

Receivables from business-type funds for internal service fund activity.	(112,667)
Receivable from Service Concession Arrangement.	117,006

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

12,315,597

Net Position of Governmental Activities

\$ 344,663,328

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, 2019

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Park Dedication Fees	Permanent Improvement	Other Governmental Funds	Total
REVENUES								
Taxes	\$ 63,521,493	\$ 13,887,448	\$ -	\$ 1,793,087	\$ -	\$ -	\$ -	\$ 79,202,028
Intergovernmental	10,451,931	7,363	1,971,600	2,172	-	16,320,701	300,000	29,053,767
Charges for Services and Sales	9,784,103	-	439,247	-	-	26,875	-	10,250,225
Licenses and Permits	467,383	-	92,859	-	-	-	-	560,242
Fines and Forfeits	290,536	-	810	-	-	9,000	-	300,346
Special Assessments	-	-	-	-	-	-	265,727	265,727
Investment Earnings	-	-	-	(7,540)	709,428	-	93,693	795,581
Miscellaneous	222,046	-	674,972	-	6,394,529	4,261,952	4,814,000	16,367,499
Total Revenues	84,737,492	13,894,811	3,179,488	1,787,719	7,103,957	20,618,528	5,473,420	136,795,415
EXPENDITURES								
Current:								
Culture and Recreation	81,531,561	13,894,811	1,308,008	1,790,657	1,708	-	327	98,527,072
Capital Outlay	-	-	-	-	-	25,673,917	597,139	26,271,056
Debt Service:								
Principal Retirement	102,973	-	-	-	-	141,294	-	244,267
Interest and Fiscal Charges	33,701	-	60,000	-	-	21,600	-	115,301
Total Expenditures	81,668,235	13,894,811	1,368,008	1,790,657	1,708	25,836,811	597,466	125,157,696
Excess of Revenues Over (Under) Expenditures	3,069,257	-	1,811,480	(2,938)	7,102,249	(5,218,283)	4,875,954	11,637,719
OTHER FINANCING SOURCES (USES)								
Transfers In -								
Other Funds	-	-	452,383	-	-	10,815,771	-	11,268,154
Transfers Out -								
Other Funds	(3,052,371)	-	(1,529,033)	-	(1,751,048)	-	(4,340,702)	(10,673,154)
Sale of Land and Buildings	-	-	-	-	-	1,093,525	-	1,093,525
Total Other Financing Sources (Uses)	(3,052,371)	-	(1,076,650)	-	(1,751,048)	11,909,296	(4,340,702)	1,688,525
Net Change in Fund Balance	16,886	-	734,830	(2,938)	5,351,201	6,691,013	535,252	13,326,244
FUND BALANCE - JANUARY 1	5,279,961	-	13,467,629	2,952	13,552,522	(4,905,008)	1,988,305	29,386,361
FUND BALANCE - DECEMBER 31	\$ 5,296,847	\$ -	\$ 14,202,459	\$ 14	\$ 18,903,723	\$ 1,786,005	\$ 2,523,557	\$ 42,712,605

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, 2019

Net Changes in Fund Balances - Total Governmental Funds \$ 13,326,244

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	19,802,070
Current Year Depreciation	(13,598,827)
Contributed Capital Assets	77,309
Disposal of Capital Assets	(1,592,847)

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	(234,038)
Change in Service Concession Arrangement	227,450

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	19,811
Change in Compensated Absences	(125,759)
Change in Other Post Employment Benefits, including related deferred inflows and outflows of resources	374,512
Change in Note Payable	243,191
Change in Net Pension Liability, including related deferred inflows and outflows of resources	(1,022,639)

Transfers from business-type funds for internal service fund activities. (28,433)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,213,169

Change in net position of governmental activities

\$ 18,681,213

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, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and Cash Equivalents	\$ 3,936,521	\$ 11,005,780
Cash with Escrow Agent	-	106,998
Receivables -		
Accounts	221,082	-
Intergovernmental	1,167,257	116,225
Capital Advances	800,000	1,460,300
Materials & Supplies Inventory	48,362	-
Prepaid Expense	-	98,985
Total Current Assets	<u>6,173,222</u>	<u>12,788,288</u>
Non-Current Assets		
Net Capital Assets	<u>23,850,051</u>	<u>7,565,412</u>
Total Assets	<u>30,023,273</u>	<u>20,353,700</u>
Deferred Outflows of Resources:		
Deferred Outflows - Pensions	314,375	198,515
Deferred Outflows - Other Post Employment Benefits	7,748	5,930
Total Deferred Outflows of Resources	<u>322,123</u>	<u>204,445</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 30,345,396</u></u>	<u><u>\$ 20,558,145</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Payables -		
Salaries	\$ 154,896	\$ 115,387
Accounts	395,964	463,825
Intergovernmental Payable	2,187	-
Compensated Absences Payable	240,155	121,085
Notes Payable - Current	63,753	-
Advance From Other Funds	140,050	-
Total Current Liabilities	<u>997,005</u>	<u>700,297</u>
Long-Term Liabilities:		
Advance From Other Funds	700,250	-
Compensated Absences Payable	54,464	27,461
Notes Payable - Long Term	33,074	-
Other Post Employment Benefits Payable	57,852	44,281
Workers' Compensation Claims Pending	-	3,055,644
General Liability Claims Pending	-	1,277,725
Net Pension Liability	3,420,064	2,456,519
Total Long-Term Liabilities	<u>4,265,704</u>	<u>6,861,630</u>
Total Liabilities	<u>5,262,709</u>	<u>7,561,927</u>
Deferred Inflows of Resources:		
Deferred Inflows - Pensions	917,990	680,213
Deferred Inflows - Other Post Employment Benefits	534	408
Total Deferred Inflows of Resources	<u>918,524</u>	<u>680,621</u>
Net Position:		
Net Investment in Capital Assets	23,449,081	7,565,412
Unrestricted	715,082	4,750,185
Total Net Position	<u>24,164,163</u>	<u>12,315,597</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 30,345,396</u></u>	<u><u>\$ 20,558,145</u></u>

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

MINNEAPOLIS PARK AND RECREATION BOARD
Reconciliation of the Proprietary Funds - Business-Type Activities Statement of Net Position to the
Government-wide Statement of Net Position - Business-Type Activities
December 31, 2019

Net Position - Enterprise Fund	\$ 24,164,163
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Some amounts reported for business-type activities in the statement of net position are different because of certain internal service fund assets and liabilities that are included with business-type activities.

112,667
<hr/>

Net Position of Business-Type Activities

\$ 24,276,830
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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, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Intergovernmental Revenue	\$ -	\$ 116,225
Billings to Departments	-	10,221,866
Charges For Services and Sales	9,461,252	-
Rents	2,526,427	-
Total Operating Revenues	<u>11,987,679</u>	<u>10,338,091</u>
OPERATING EXPENSES		
Personnel Services	4,062,599	2,146,743
Contractual Services	2,624,949	2,111,253
Materials and Supplies	1,344,113	2,684,772
Depreciation on Acquired Property	937,046	1,965,257
Benefits	1,481,629	985,837
Total Operating Expenses	<u>10,450,336</u>	<u>9,893,862</u>
Operating Income (Loss)	<u>1,537,343</u>	<u>444,229</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental	450,535	7,800
Contributions	500	-
Gain (Loss) on Sale of Capital Assets	-	335,907
Sale of Scrap	-	18,384
Damages/Losses Recovered	853,228	359,069
Other Non-Operating Revenues	22,382	1,860
City of Minneapolis - Debt Service	(507,305)	-
Interest Expense	(7,112)	-
Total Non-Operating Revenues (Expenses)	<u>812,228</u>	<u>723,020</u>
Income (Loss) Before Contributions and Transfers	2,349,571	1,167,249
Capital Contributions	14,400	45,920
Transfers Out - Other Funds	<u>(595,000)</u>	<u>-</u>
CHANGE IN NET POSITION	1,768,971	1,213,169
NET POSITION - JANUARY 1	22,395,192	11,102,428
NET POSITION - DECEMBER 31	<u><u>\$ 24,164,163</u></u>	<u><u>\$ 12,315,597</u></u>

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

MINNEAPOLIS PARK AND RECREATION BOARD
Reconciliation of the Statement of Revenues, Expenses and
Changes in Net Position of Proprietary Funds - Business-Type Activities
to the Government-wide Statement of Activities - Business-Type Activities
For the Year Ended December 31, 2019

Change in Net Position - Enterprise Fund	\$ 1,768,971
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Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain Internal Service Funds is reported with business-type activities.

28,433

Change in Net Position of Business-Type Activities	<u><u>\$ 1,797,404</u></u>
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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, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided	\$ -	\$ 10,220,821
Cash Received from Customers	12,244,531	12,540
Cash Paid to Suppliers for Goods and Services	(4,108,295)	(5,390,278)
Cash Paid to Employees for Services	(5,502,289)	(3,077,027)
Other Non-Operating Revenues	875,610	350,955
Net cash Provided by (Used in) Operating Activities	<u>3,509,557</u>	<u>2,117,011</u>
Cash Flows from Non-Capital Financing Activities:		
Contributions	500	-
Repayment of Advances Made by Other Funds	-	3,310,050
Proceeds from Sale of Scrap	-	18,384
Other Payments Received	-	9,974
Intergovernmental Receipts	10,346	7,800
City of Minneapolis - Debt Service	(507,305)	-
Transfer to Other Funds	(30,000)	-
Payment of Advances Made to Other Funds	-	(10,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(526,459)</u>	<u>3,336,208</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Capital Assets	-	346,933
Principal and Interest Payments	(67,799)	-
Acquisition of Property, Plant and Equipment	(439,368)	(3,395,525)
Capital Contribution	14,400	-
Repayment of Advances Made by Other Funds	(140,050)	-
Transfers To Other Funds	(565,000)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,197,817)</u>	<u>(3,048,592)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,785,281	2,404,627
Cash and Cash Equivalents - January 1	<u>2,151,240</u>	<u>8,708,151</u>
Cash and Cash Equivalents - December 31	<u>\$ 3,936,521</u>	<u>\$ 11,112,778</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ 1,537,343	\$ 444,229
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation on Acquired Property	937,046	1,965,257
(Increase) Decrease in Intergovernmental Receivables	-	(116,225)
(Increase) Decrease in Accounts Receivable	199,947	12,540
(Increase) Decrease in Due from Other Funds	56,905	180
(Increase) Decrease in Materials and Supplies Inventory	8,364	-
(Increase) Decrease in Prepaid Expense	-	(29,707)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	352,986	266,145
(Increase) Decrease in Deferred Outflows of Resources - OPEB	4,927	(113)
Increase (Decrease) in Salaries Payable	29,388	18,056
Increase (Decrease) in Accounts Payable	(147,260)	(83,249)
Increase (Decrease) in Intergovernmental Payable	(338)	(4,392)
Increase (Decrease) in Due to Other Funds	-	(1,045)
Increase (Decrease) in Workers' Compensation Claims Pending	-	(162,659)
Increase (Decrease) in General Liability Claims Pending	-	(314,247)
Increase (Decrease) in Other Post Employment Benefits Payable	(97,315)	(26,934)
Increase (Decrease) in Compensated Absences Payable	21,506	1,450
Increase (Decrease) in Deferred Inflows of Resources - Pensions	322,929	243,483
Increase (Decrease) in Deferred Inflows of Resources - OPEB	534	408
Increase (Decrease) in Net Pension Liability	(593,015)	(447,121)
Other Non-Operating Revenues	875,610	350,955
Total Adjustments	<u>1,972,214</u>	<u>1,672,782</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,509,557</u>	<u>\$ 2,117,011</u>
Non-Cash, Capital and Related Financing Activities		
Capital Contributions	\$ -	\$ 45,920
Capital Asset Purchased on Account	304,142	-

MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1 - Form of Government

The Minneapolis Park and Recreation Board operates pursuant to Chapter 16 of the City Charter of the City of Minneapolis. In addition, various sections of the state statutes and special legislation pertain to the operation of the Minneapolis Park and Recreation Board. Nine members elected by the voters govern the Board. The Board annually elects from its own members a President and Vice President and appoints a Secretary who is not a member of the Board.

Note 2 - Summary of Significant Accounting Policies

A) Reporting Entity

The Minneapolis Park and Recreation Board is considered to be a component unit of the City of Minneapolis according to the criteria for defining the reporting entity, as adopted by the Governmental Accounting Standard Board's (GASB) Statement 61, *The Financial Reporting Entity: omnibus and amendment of GASB Statements No. 14 and No. 34*. Specific criteria which determined the Park and Recreation Board to be a component unit are: 1) the City approves all annual budgets and tax levies of the Park and Recreation Board, 2) the City determines any allocations to be made to the Park and Recreation Board of local government aid received by the City from the State of Minnesota and 3) long-term debt issued for Park and Recreation Board projects is secured by the full faith and credit of the City. In addition, the nature of the Park and Recreation Board's activities, in relation to activities of the City, are such that exclusion from the City's financial statements would cause such statements to be incomplete.

Discretely Presented Component Unit

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

Information on joint ventures is described in Note 13.

The accounting policies of the Minneapolis Park and Recreation Board conform to Generally Accepted Accounting Principles. The following is a summary of the significant policies.

B) Presentation of Financial Statements

Government-wide Financial Statements. The *Statement of Net Position* and the *Statement of Activities* display information about the Park and Recreation Board as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Generally, interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities, except in those instances where the elimination of activities would distort the direct costs and program revenues.

The government-wide *Statement of Activities* presents a comparison between expenses and program revenues for business-type activities and governmental activities. Program revenues include charges paid by the recipients of the goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, including taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Park and Recreation Board. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 2 - Summary of Significant Accounting Policies

B) Presentation of Financial Statements (Continued)

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.

Governmental Funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets and deferred outflows of resources.

The modified accrual basis of accounting is used for all governmental funds. Under this method of accounting, revenues are recognized when they become measurable and available as fund balance. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Park and Recreation Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include property taxes, special assessments, grants-in-aid earned and other intergovernmental revenues, rentals, intrafund charges and interest on investments. Interest on special assessments receivable is recognized when collected. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, severance and compensatory time pay; and (2) principal and interest on long-term debt which is recognized when due. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

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

- **General Fund**
The General Fund is the general operating fund of the Park and Recreation Board. It is used to account for all financial resources except those accounted for in another fund. For the Park and Recreation Board, the General Fund includes such activities as recreation, public safety, maintenance and general government administration.
- **Special Revenue Fund – Museum County-Wide Levy**
This fund was established to account for the county-wide levy for maintenance of a fine arts museum.
- **Special Revenue Fund – Park Grant and Dedicated Revenue**
This fund is used to account for assets held for the purchase and improvement of land used for park purposes and to account for revenue received that is earmarked for a specific purpose.
- **Special Revenue Fund – Tree Preservation and Reforestation**
This fund is used to account for a special tax levy to address threats to the urban forest due to Emerald Ash Borer and tree loss due to storms.
- **Special Revenue Fund – Park Dedication Fees**
This fund is used to account for fees charged in conjunction with construction permits.
- **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.

Note 2 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Net position is segregated into net investment in capital assets and unrestricted. The Park and Recreation Board Proprietary Funds use the full accrual basis of accounting, under which revenues are recognized when earned, and expenses are recorded as liabilities when they are incurred.

Enterprise Funds. Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Park and Recreation Board reports the following major enterprise fund:

- **Park Operating Fund**

This fund is used to account for the operations of golf courses, refectories, ice arenas, sports complexes and similar recreational activities.

Additionally, the Park and Recreation Board reports the following fund type:

- **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Park and Recreation Board, or to other governments, on a cost-reimbursement basis.

C) Deposits and Investments

The City of Minneapolis serves as custodian for deposits of the Park and Recreation Board's funds. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with original maturities of three months or less from the date of purchase. In addition, the Park and Recreation Board considers cash with escrow agent to be cash and cash equivalents. Except for the Minneapolis Parks and the Park Dedication Fees Special Revenue Funds, the minimal amount of interest earned on these deposits is retained by the City during the year for debt service requirements. The types of investment vehicles, their valuation and risk are described in the notes of the City of Minneapolis Comprehensive Annual Financial Report.

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

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

D) Inventories of Materials and Supplies

Inventories are priced at cost determined on the moving average method. The cost of inventory is recorded as an expense at the time it is sold. Physical counts are taken at year-end.

E) Prepaid Expense

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

F) Capital Assets

Governmental activities and Business-type activities capital assets of the Park and Recreation Board are recorded at historical or estimated historical cost. Capital assets are defined as assets with an individual cost of more than \$5,000. Depreciation is provided using the straight-line method over the estimated life of the asset. As of 2008, the Park and Recreation Board is no longer using salvage values and will depreciate assets to zero. Contributed/donated capital assets are recorded at acquisition value.

Note 2 - Summary of Significant Accounting Policies

F) Capital Assets Continued)

Estimated useful lives for determining annual depreciation are as follows:

Infrastructure	15 to 100 years
Structures and Improvements	25 to 50 years
Equipment	5 to 15 years
Public Improvements	20 to 40 years

Changes in capital assets are discussed further in Note 4.

G) Long-Term Liabilities

The Park and Recreation Board's long-term liabilities are reported on the government-wide statements and in the proprietary fund statements. Liabilities recorded on these statements include compensated absences payable, mortgage and promissory notes payable, post employment benefits payable, workers' compensation claims pending, general liability claims pending, and net pension liability. These liabilities are discussed further in Notes 5, 8, 9, 10 and 12. The Park and Recreation Board typically liquidates the liability for compensated absences, other post employment benefits, and net pension liability from the fund where the employee's salary was originally charged.

H) Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Park and Recreation Board has two types of deferred outflows that qualify for reporting in this category, deferred pension and deferred OPEB outflows. These outflows arise only under the full accrual basis of accounting and accordingly, are reported only in the statements of net position.

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

I) Pension Plan

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

J) Interfund Transactions

Interfund transactions are reflected as services provided, loans, reimbursements, or transfers. Reimbursements occur when a fund incurs costs that are eventually repaid through charges to the benefiting fund. All other interfund transactions are treated as transfers. Transfers between governmental funds are subject to elimination as part of the reconciliation to the government-wide presentation. Any residual balances between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

K) Fund Balance

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

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

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

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

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

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

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

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

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

Fund Balance	General	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Park Dedication Fees	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:							
Prepaid Expense	\$ 11,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,389
Restricted for:							
Capital Improvements	-	-	-	-	5,158,053	-	5,158,053
Project and Grant Programs	-	-	-	18,903,723	-	1,516,393	20,420,116
Special Trust	-	168,803	-	-	-	-	168,803
Special Reserves	-	7,727,396	-	-	-	-	7,727,396
Total Restricted	-	7,896,199	-	18,903,723	5,158,053	1,516,393	33,474,368
Committed to:							
Capital Improvements	-	-	-	-	3,831,277	-	3,831,277
Project Programs	691,111	539,479	14	-	-	-	1,230,604
Guaranty Loan	-	200,000	-	-	-	-	200,000
Total Committed	691,111	739,479	14	-	3,831,277	-	5,261,881
Assigned to:							
Project Programs	-	3,719,290	-	-	-	-	3,719,290
Special Trust	-	-	-	-	-	12,972	12,972
Special Reserves	-	1,824,403	-	-	-	-	1,824,403
Easements	-	23,088	-	-	-	-	23,088
Forestry and Tree Disease	-	-	-	-	-	994,192	994,192
Total Assigned	-	5,566,781	-	-	-	1,007,164	6,573,945
Unassigned	4,594,347	-	-	-	(7,203,325)	-	(2,608,978)
Total fund balances	\$ 5,296,847	\$ 14,202,459	\$ 14	\$ 18,903,723	\$ 1,786,005	\$ 2,523,557	\$ 42,712,605

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

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

The 2018 process for the 2019 budget involved the following:

May-June	The 2019 budget process began with the Minneapolis Park and Recreation Board Budget retreat with the Committee of the Whole. The Minneapolis Park and Recreation Board was presented with the projections for the 2019 budget.
July-September	Operating Budget Development – Departments prepared department operating budget requests; “Current Service Level Budgets” reflected current year costs of providing the same level of service as provided in the prior year, and proposals which described policy and organizational changes with financial implications.
August-September	The Board of Estimate and Taxation set the maximum property tax levy for the City, Municipal Building Commission, Public Housing Authority and the Park and Recreation Board by September 30, as required by state law.
September-October	The Superintendent held departmental hearings to review operating budgets. The Superintendent prepared and submitted a budget that includes a recommendation on annual property tax levy amounts to the Board of Commissioners at the second meeting in October.
November-December	“Truth in Taxation” property tax statements mailed by the County to property owners indicating the maximum amount of property taxes that the owner will be required to pay.
December	“Truth in Taxation” public hearings held. The Minneapolis Park and Recreation Board of Commissioners adopted a final budget and tax levy.

M) Use of Estimates

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

Note 3 - Receivables

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

	General	Museum County- Wide Levy	Park Grant and Dedicated Revenue	Tree Preservation and Reforestation	Park Dedication Fees	Permanent Improvement	Other Governmental	Internal Service	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 112,132	\$ -	\$ 219,880	\$ -	\$ -	\$ 144,510	\$ -	\$ -	\$ 476,522	\$ 221,082
Property Tax	580,665	75,017	-	16,023	-	-	-	-	671,705	-
Intergovernmental	43,487	-	-	-	-	4,500,079	-	116,225	4,659,791	1,167,257
Accrued Interest	-	-	-	115	70,876	-	18,263	-	89,254	-
Special Assessments	-	-	-	-	-	-	121,888	-	121,888	-
Gross Receivables	\$ 736,284	\$ 75,017	\$ 219,880	\$ 16,138	\$ 70,876	\$ 4,644,589	\$ 140,151	\$ 116,225	\$ 6,019,160	\$ 1,388,339

See also Note 14 – Service Concession Agreement for an additional receivable recorded at the Governmental Activities level.

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

Note 3 - Receivables**Nicollet Island Inn** (Continued)

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 2019 for rent was \$76,680.

Park and Recreation Board Headquarters In 2015, the Park and Recreation Board leased a portion of the headquarters property located at 2117 West River Road to Surdyk's Flights. The initial term of the Surdyk's Flights' lease is for 4 years with the option to renew for one additional four-year period. The total amount the Park and Recreation Board received in 2019 for rent from Surdyk's Flights was \$44,300.

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:

	General	Tree Preservation and Reforestation	Park Dedication Fees	Permanent Improvement	Other Governmental	Total
Property Taxes	\$ 270,909	\$ 7,313	\$ -	\$ -	\$ -	\$ 278,222
Special Assessments	-	-	-	-	121,888	121,888
Grants:						
Federal	-	-		784,227	-	784,227
State	-	-	-	1,190,584	-	1,190,584
Other Local Governments	-	-	-	211,190	-	211,190
Interest	-	54	33,203	-	8,555	41,812
	<u>\$ 270,909</u>	<u>\$ 7,367</u>	<u>\$ 33,203</u>	<u>\$ 2,186,001</u>	<u>\$ 130,443</u>	<u>\$ 2,627,923</u>

Note 4 - Changes in Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 93,794,857	\$ 2,065,080	\$ (1,592,847)	\$ 94,267,090
Construction in Progress	71,221,051	20,647,074	(56,192,170)	35,675,955
Total capital assets not being depreciated	<u>165,015,908</u>	<u>22,712,154</u>	<u>(57,785,017)</u>	<u>129,943,045</u>
Capital assets being depreciated				
Buildings and Structures	86,816,505	15,497,835	-	102,314,340
Infrastructure	125,154,291	5,692,495	-	130,846,786
Public Improvements	224,841,582	32,169,064	-	257,010,646
Machinery and Equipment	19,585,855	3,441,445	(2,188,311)	20,838,989
Total capital assets being depreciated	<u>456,398,233</u>	<u>56,800,839</u>	<u>(2,188,311)</u>	<u>511,010,761</u>
Less accumulated depreciation for:				
Buildings and Structures	(34,430,805)	(1,718,578)	-	(36,149,383)
Infrastructure	(89,006,058)	(2,185,341)	-	(91,191,399)
Public Improvements	(127,522,130)	(9,604,068)	-	(137,126,198)
Machinery and Equipment	(13,171,679)	(2,056,097)	2,177,285	(13,050,491)
Total accumulated depreciation	<u>(264,130,672)</u>	<u>(15,564,084)</u>	<u>2,177,285</u>	<u>(277,517,471)</u>
Total capital assets being depreciated net	<u>192,267,561</u>	<u>41,236,755</u>	<u>(11,026)</u>	<u>233,493,290</u>
Governmental activities capital assets, net	<u>\$ 357,283,469</u>	<u>\$ 63,948,909</u>	<u>\$ (57,796,043)</u>	<u>\$ 363,436,335</u>

Some construction in progress amounts were expensed in the current year.

Note 4 - Changes in Capital Assets (Continued)

Business - Type Activities	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated				
Land	\$ 1,206,784	\$ -	\$ -	\$ 1,206,784
Construction in Progress	483,512	690,757	-	1,174,269
Total capital assets not being depreciated	1,690,296	690,757	-	2,381,053
Capital assets, being depreciated				
Buildings and Structures	24,476,515	-	-	24,476,515
Infrastructure	336,083	-	-	336,083
Public Improvements	11,709,599	-	-	11,709,599
Machinery and Equipment	2,802,086	52,753	-	2,854,839
Total capital assets, being depreciated	39,324,283	52,753	-	39,377,036
Less accumulated depreciation for:				
Buildings and Structures	(8,621,958)	(462,888)	-	(9,084,846)
Infrastructure	(55,043)	(9,458)	-	(64,501)
Public Improvements	(6,069,914)	(348,017)	-	(6,417,931)
Machinery and Equipment	(2,224,077)	(116,683)	-	(2,340,760)
Total accumulated depreciation	(16,970,992)	(937,046)	-	(17,908,038)
Total capital assets, being depreciated net	22,353,291	(884,293)	-	21,468,998
Business-type activities capital assets, net	\$ 24,043,587	\$ (193,536)	\$ -	\$ 23,850,051

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation \$ 13,598,827

Depreciation on capital assets held in the internal service fund of the Park and Recreation Board is charged to the various functions based on their usage of assets.

Total depreciation expense – governmental activities \$ 15,564,084

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

Park Operating \$ 937,046

Construction in Progress

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

Note 5 - Changes in Long-Term Debt**A) General Obligation Bonds**

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

B) Mortgage Note

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 63,753	\$ 4,046	\$ 67,799
2021	33,074	825	33,899
Total	<u>\$ 96,827</u>	<u>\$ 4,871</u>	<u>\$ 101,698</u>

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,000,000	\$ 13,333	\$ 2,013,333

In 2016, the Park and Recreation Board entered into a Contract for Deed in the amount of \$2,100,000 with L and R Development, LLC for the purchase of one parcel of land located at 4022 ½ Washington Avenue North. The promissory note shall bear interest at a rate of six percent (6%) per annum. Monthly principal and interest payments commenced on April 1, 2016, with the entire remaining unpaid balance of principal and interest due and payable on the first day of the 24th month or March 1, 2018. On March 18, 2018 the Park and Recreation Board refinanced this purchase and secured a \$1,160,000 mortgage note and mortgage with Bell Bank to partially finance the property acquisition. The new note shall bear interest at the rate of 3.3 percent (3.3%) payable in 120 installments of principal and interest, commencing April 1, 2018 and will mature on March 1, 2028. This is recorded in governmental activities. Listed below is the annual debt service requirement to the required payoff date.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 105,268	\$ 31,406	\$ 136,674
2021	108,935	27,738	136,673
2022	112,636	24,037	136,673
2023	116,463	20,210	136,673
2024	120,371	16,302	136,673
2025-2028	419,734	23,847	443,581
Total	<u>\$ 983,407</u>	<u>\$ 143,540</u>	<u>\$ 1,126,947</u>

In 2018, the Park and Recreation Board issued a Promissory Note in the amount of \$600,000 with Marylee Hardenbergh for the purchase of one parcel of land located at 2230 Marshall Street NE. The promissory note shall bear interest at a rate of four percent (4%) per annum and interest begins to accrue as of the date of the note, August 17, 2018. This note is payable in four (4) equal annual installments beginning on January 15, 2019 and continuing on January 15 of each year thereafter. This note is recorded in governmental activities. Listed below is the annual debt service requirement to the required payoff date.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 146,946	\$ 18,348	\$ 165,294
2021	152,824	12,470	165,294
2022	158,936	6,358	165,294
Total	<u>\$ 458,706</u>	<u>\$ 37,176</u>	<u>\$ 495,882</u>

D) Changes in Long-Term Liabilities

Changes in long-term liabilities are summarized as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19	Amounts due within one year
Governmental Activities:					
Notes Payable	\$ 3,685,304	\$ -	\$ (243,191)	\$ 3,442,113	\$ 2,252,214
Interest Payable	34,934	15,123	(34,934)	15,123	15,123
Compensated Absences	4,897,494	3,291,768	(3,164,559)	5,024,703	2,858,867
Business-Type Activities:					
Notes Payable	157,514	-	(60,687)	96,827	63,753
Compensated Absences	273,114	201,305	(179,800)	294,619	240,155
Total Long-Term Liabilities	<u>\$ 9,048,360</u>	<u>\$ 3,508,196</u>	<u>\$ (3,683,171)</u>	<u>\$ 8,873,385</u>	<u>\$ 5,430,112</u>

Note 6 - Operating Leases

In 2001, the Park and Recreation Board received approval from the National Park Service to enter into a 30-year lease with the State of Minnesota, Commissioner of Natural Resources for the operations of the Golf Course and Polo Grounds located at Fort Snelling State Park. The Park and Recreation Board is responsible for all costs associated with the operation, maintenance and improvements to the facilities. Improvement projects must receive prior written approval before they can be implemented. The Park and Recreation Board is required to pay a base rent plus a contingent rent based on a percentage of the gross sales. The total amount the Park and Recreation Board paid in 2019 for base and percentage rent was \$110,646.

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

Year Ending December 31	Business-Type Activity Amount
2020	\$ 55,219
2021	55,219
2022	55,219
2023	55,219
2024	55,219
2025-2030	331,314
Total minimum lease payments	<u>\$ 607,409</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, 2019 are as follows:

Capital Project - Permanent Improvement		
Due to: Park Self-Insurance Fund	\$	610,000
Due to: Park Operating Fund		800,000
Tree Preservation and Reforestation		
Due to: Park Self-Insurance Fund		10,000
Enterprise Fund - Park Operating Fund		
Due to: Park Self-Insurance Fund		840,300
Total	\$	<u>2,260,300</u>

Transfers:

Transfers are indicative of funding for capital projects, general operations and subsidies of various Park and Recreation Board's operations and re-allocations of special revenues. The following schedule briefly summarizes the Park and Recreation Board's transfer activity:

	Transfers In:		
	Permanent Improvement	Park Grant and Dedicated Revenue	Total
Transfer out:			
General Fund	\$ 2,629,988	\$ 422,383	\$ 3,052,371
Park Grant and Dedicated Revenue	1,529,033	-	1,529,033
Minneapolis Parks Special Revenue	4,340,702	-	4,340,702
Park Dedication Fees	1,751,048	-	1,751,048
Park Operating Enterprise Fund	565,000	30,000	595,000
Total Transfers Out	<u>\$ 10,815,771</u>	<u>\$ 452,383</u>	<u>\$ 11,268,154</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, 2019 are:

	Due From Other Funds	Due To Other Funds
Park Grant and Dedicated Revenue	-	8,588
Minneapolis Parks Special Revenue	-	721,626
Permanent Improvement Fund	730,214	-
	<u>\$ 730,214</u>	<u>\$ 730,214</u>

Note 8 - Vacation, Severance, Sick and Compensatory Time Pay

Vacation may be accumulated up to fifty (50) days. Sick leave may be accumulated indefinitely. Employees have the option of being paid yearly for current unused sick leave over a minimum base of sixty (60) days. Payments are based on a sliding scale ranging from 50 percent to 100 percent depending on the base level attained. In addition, under certain circumstances, employees leaving employment may qualify to receive payment for 50 percent of their unused sick leave at their current rate of pay. Accrued liabilities for compensated absences are reported in the financial statements as described in Note 5.D.

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

Note 9 - Defined Benefit Pension Plans**A) Plan Description**

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

1) General Employees Retirement Plan (GERP)

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

2) Public Employees Police and Fire Plan (PEPFP)

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

B) Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefit increases are provided to benefit recipients each January. Beginning January 1, 2019, General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at

Note 9 - Defined Benefit Pension Plans

B) Benefits Provided (Continued)

least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

Beginning January 1, 2019, Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. Minneapolis Employees Retirement Fund members have an annuity accrual rate of 2.0 percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year. For Public Employees Police and Fire Plan members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

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

C) Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1) GERP Contributions

Basic Plan members, Coordinated Plan members, and Minneapolis Employee Retirement Fund members, were required to contribute 9.10 percent, 6.50 percent, and 9.75 percent respectively, of their annual covered salary in calendar year 2019. Participating employers are required to contribute 11.78 percent of pay for Basic Plan members, 7.50 percent for Coordinated Plan members, and 9.75 percent for Minneapolis Employees Retirement Fund members in calendar year 2019. The Park and Recreation Board contributions related to payroll to the GERP for the year ended December 31, 2019 was \$2,940,384. The Park and Recreation Board's fixed contributions to the GERP for the year ended December 31, 2019 was \$1,084,650. Total contributions were equal to the required contribution as set by state statute.

2) PEPFP Contributions

Plan members were required to contribute 11.30 percent of their annual covered salary in calendar year 2019. Employers were required to contribute 16.95 percent of pay for PEPFP members in calendar year 2019. The Park and Recreation Board contributions to the PEPFP for the year ended December 31, 2019 was \$639,595. Employer contributions were equal to the required contributions as set by state statute.

Note 9 - Defined Benefit Pension Plans (Continued)**D) Pension Costs****1) GERP Pension Costs**

At December 31, 2019, the Park and Recreation Board reported a liability of \$48,554,630 for the proportionate share of the GERP's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on the employer's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the Park and Recreation Board's combined proportionate share was 0.5905 percent, which was a decrease of 0.4366 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Park and Recreation Board recognized pension expense of \$1,324,558 for the proportionate share of the GERP's pension expense.

In addition, the Park and Recreation Board also recognized \$146,966 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Retirement Plan for the fiscal years ended June 30, 2018 and 2019, and \$6 million thereafter, through calendar year 2031.

Proportionate share of net pension liability	\$ 48,554,630
State of Minnesota's proportionate share of the net pension liability associated with the Park and Recreation Board	1,962,415
Total	<u>\$ 50,517,045</u>

At December 31, 2019, the Park and Recreation Board reported proportionate shares of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 863,047	\$ -
Difference between projected and actual investment earnings	-	2,989,766
Changes in Actuarial Assumptions	-	2,409,023
Changes in Proportion	1,981,817	7,667,628
Contributions paid to PERA subsequent to the measurement date	1,526,572	-
Total	<u>\$ 4,371,436</u>	<u>\$ 13,066,417</u>

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2019. These Park and Recreation Board contributions were \$1,526,572. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ (3,653,880)
2021	(3,966,371)
2022	(2,653,911)
2023	52,609

2) PEPFP Pension Costs

At December 31, 2019, the Park and Recreation Board reported a liability of \$3,275,084 for the proportionate share of the PEPFP's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of

Note 9 - Defined Benefit Pension Plans**2) PEPFP Pension Costs (Continued)**

the net pension liability was based on the employer's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the Park and Recreation Board's combined proportionate share was 0.3272 percent, which was a decrease of 0.0436 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Park and Recreation Board recognized pension expense of \$32,642 for the proportionate share of the PEPFP's pension expense.

The Park and Recreation Board also recognized \$42,187 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9,000,000 to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90.0 percent funded.

At December 31, 2019 the Park and Recreation Board reported a share of the PEPFP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 154,103	\$ 541,270
Difference between projected and actual investment earnings	-	776,540
Changes in Actuarial Assumptions	2,930,080	3,890,035
Changes in proportion	376,033	367,885
Contributions paid to PERA subsequent to the measurement date	292,319	-
Total	<u>\$ 3,752,535</u>	<u>\$ 5,575,730</u>

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2019. These contributions total \$292,319 for the Park and Recreation Board. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ (225,235)
2021	(492,533)
2022	(1,397,154)
2023	44,088
2024	(44,680)

Total pension expense for all plans recognized by the Park and Recreation Board for the year ended December 31, 2019 was \$1,357,200.

E) Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following actuarial assumptions:

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

Note 9 - Defined Benefit Pension Plans**E) Actuarial Assumptions (Continued)**

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Plan, cost of living benefit increases for retirees are assumed to be 1.25 percent per year. For the Public Employees Police and Fire Plan, cost of living benefit increases for retirees are assumed to be 1.0 percent, as set by state statute.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 30, 2015. The experience study for the Police and Fire Plan was dated August 30, 2016. Inflation and investment assumptions for both plans were reviewed in the experience study report for the General Employees Plan dated June 27, 2019.

The long-term expected rate of return on pension plan investments is 7.5 percent for PERA. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return

on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	35.50%	5.10%
International stocks	17.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
Unallocated Cash	2.00%	0.00%

F) Discount Rate

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

G) Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2019:

General Employees Retirement Plan

- The mortality projection scale was changed from MP-2017 to MP-2018.

Public Employees Police and Fire Plan

- The mortality projection scale was changed from MP-2017 to MP-2018.

H) Pension Liability Sensitivity

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

Note 9 - Defined Benefit Pension Plans**H) Pension Liability Sensitivity** (Continued)

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Proportionate share of the General Employees Retirement Fund net pension liability	\$ 69,272,202	\$ 48,554,630	\$ 31,363,668
Proportionate share of the Public Employees Police and Fire Fund net pension liability	\$ 7,158,725	\$ 3,275,084	\$ 63,376

I) Pension Plan Fiduciary Net Position

Detailed information about PERA'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; 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 – Other Postemployment Benefits (OPEB)

The City of Minneapolis engaged a consulting actuary who has conducted a review of liabilities to be reported as required by GASB 75. In general, the City and the Park Board do not pay the cost of health insurance for retired employees, except in limited circumstances. Retired Park and Recreation Board employees however, may purchase health insurance offered to Park and Recreation Board employees at the retired employee's expense. Including retired employees with current employees causes health insurance premiums for current employees to be more than if retired employees were not in the same pool of insureds. The Park and Recreation Board and current employees share the cost of health insurance for current employees. The increased cost of health insurance premiums for current employees is considered an implicit subsidy for the retired employees and is disclosed as required by GASB 75.

A) Plan Description

The Park and Recreation Board participates in the postemployment healthcare plan provided by the City of Minneapolis. The City provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical and dental coverage. Medical coverage is administered by Medica. Dental coverage is administered through the Delta Dental Plan of Minnesota. The City is self-insured for dental coverage. Retirees pay 100 percent of the blended active/retiree premium rate, in accordance with Minnesota Statutes Chapter 471.61, subd. 2b. It is the City's policy to periodically review its medical and dental coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

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

B) Funding Policy

Retirees and their spouses of the City and the Park and Recreation Board contribute to the healthcare plan at the same rate as the City and the Park and Recreation Board employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Delta Dental. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2019, the Park and Recreation Board contributed \$55,002 to the plan. As of January 1, 2019, there were approximately 456 total active and inactive employees receiving health benefits from the City's health plan, of which 18 are retirees of the Park and Recreation Board.

C) Total OPEB Liability

The Park and Recreation Board's total OPEB Liability of \$913,404, was measured as of January 1, 2019, and was determined by an actuarial valuation as of January 1, 2020. This represents 4.01 percent of the total collective liability for the total plan. The total OPEB liability in the fiscal year-end December 31, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods and entities included in the measurement unless otherwise specified:

Note 10 – Other Postemployment Benefits (OPEB)

C) Total OPEB Liability (Continued)

Assumption	OPEB Liability
Inflation	2.50%
Salary increases	2.90%
Health care cost trend	6.40% in 2019, gradually decreasing over several decades to an ultimate rate of 4.00% in 2075.
Discount Rate	3.71%
Mortality Rate	PERA General employees and MERF - From the July 1, 2019 PERA of Minnesota General Employees Retirement Plan actuarial valuation, mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2018 and other adjustments. PERA Police & Fire, MPRA, and MFRA - From the July 1, 2019 PERA of Minnesota Public Employees' Police & Fire Plan actuarial valuation, mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2018, and other adjustments.
Actuarial Cost Method	Entry Age, level percentage of pay

Changes in total OPEB liability

Balance at January 1, 2019	\$ 1,407,494
Changes for the year	
Service cost	37,661
Interest cost	28,196
Difference between expected and actual experience	76,835
Change of assumptions	(586,418)
Benefit payments	(50,364)
Total Net change	(494,090)
Balance at December 31, 2019	<u>\$ 913,404</u>

OPEB Liability Sensitivity

The following presents the total OPEB liability of the Park and Recreation Board calculated using the discount rate previously disclosed, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage higher than the current discount rate.

	1% Decrease	Selected Discount Rate	1% Increase
Discount Rate	2.71%	3.71%	4.71%
Park and Recreation Board total OPEB liability	\$ 979,673	\$ 913,404	\$ 851,895

The following presents the total OPEB liability of the Park and Recreation Board calculated using the health care cost trend previously disclosed, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than current health care cost trend rate:

	1% Decrease	Selected Healthcare Trend Rate	1% Increase
Medical Trend Rate	5.40% Decreasing to 3.00% by 2075	6.40% Decreasing to 4.00% by 2075	7.40% Decreasing to 5.00% by 2075
Park and Recreation Board total OPEB liability	\$ 830,992	\$ 913,404	\$ 1,007,721

Note 10 – Other Postemployment Benefits (OPEB) (Continued)**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the Park and Recreation Board recognized OPEB expense of \$493,004. The Park and Recreation Board also reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability experience (gains) and losses	\$ 67,314	\$ -
Changes in actuarial assumptions	-	8,426
Contributions paid subsequent to measurement date	55,003	-
Total	<u>\$ 122,317</u>	<u>\$ 8,426</u>

Changes in Actuarial Assumptions:

The following changes in actuarial assumptions occurred in 2019:

- The discount rate was changed from 3.30% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- The increases in explicit subsidy amounts were updated to reflect recent experience and future increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- Withdrawal and retirement rates were updated from the rates used in the 7/1/2016 PERA Police & Fire Plan valuation to the rates used in the 7/1/2019 valuation.
- Mortality rates were updated from the RP-2014 White Collar and Blue Collar mortality tables with MP-2016 generational improvement scale to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.
- The salary scale assumption was updated from a flat 2.90% to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.
- 25% percent of future retirees are assumed to elect family coverage at retirement. The prior valuation assumed 85% of future male retirees and 65% of future female retirees would be married. Of these married retirees, 30% would elect family coverage.
- The percent of active ex-spouses assumed to continue coverage under the original member changed from 20% to 25% based on the change in family coverage assumption.

Note 11 - 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.

Note 11 - Risk Management (Continued)

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, 2019 is \$3,055,644 and is based on actuarial estimates dated December 31, 2019. The general liability claims liability for fiscal year ended December 31, 2019 is \$1,277,725 and is based on actuarial estimates dated December 31, 2018.

Changes in the claims liability for the two years ended December 31, 2019 and December 31, 2018 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liability Balance, January 1	\$ 3,218,303	\$ 2,734,484	\$ 1,591,972	\$ 1,406,624
Current Year Claims and Changes in Estimates	1,139,989	1,863,460	205,975	1,072,159
Claim Payments	(1,302,648)	(1,379,641)	(520,222)	(886,811)
Liability Balance, December 31	<u>\$ 3,055,644</u>	<u>\$ 3,218,303</u>	<u>\$ 1,277,725</u>	<u>\$ 1,591,972</u>

Changes in Net Position – By Major Risk Program in the Park Self-Insurance Fund for the year ended December 31, 2019 follows:

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Beginning Balance, January 1,	\$ 3,085,987	\$ (808,674)	\$ 2,277,313
Revenues	1,803,034	369,552	2,172,586
Expenses	(1,302,648)	(520,222)	(1,822,870)
Other Revenues	249,468	100,000	349,468
Ending Balance, December 31	<u>\$ 3,835,841</u>	<u>\$ (859,344)</u>	<u>\$ 2,976,497</u>

Note 12 - Contingent Liabilities

In connection with the normal conduct of its affairs, the Park and Recreation Board is involved in various claims, litigation and judgments. In addition, the Park and Recreation Board continues to experience various claims for workers compensation. None of these contingent liabilities are anticipated to be material to the financial statements of the Park and Recreation Board.

The Park and Recreation Board has received significant financial assistance from federal governmental agencies in the form of grants. The disbursement of funds received under these generally require compliance with terms and conditions specified in grant agreements and are subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Park and Recreation Board. However, in the opinion of management, liabilities resulting from disallowed claims, if any, would not have a material effect on the Park and Recreation Boards financial position at December 31, 2019.

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, 2019, 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, 2019, is \$125,000.

Note 13 - 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

Note 13 - Joint Ventures**Minneapolis Youth Coordinating Board** (Continued)

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 the fiscal year 2019, the Minneapolis Park and Recreation Board contributed \$16,577 to the Minneapolis Youth Coordinating Board for its general operations. Upon dissolution of the Board, all property of the Youth Coordinating Board shall be sold and the proceeds thereof, together with monies on hand after payment of all obligations, shall be distributed to the Participating Parties in proportion to the total contributions to the Board made by the Participating Parties. Financial information for the Youth Coordinating Board can be obtained from Towle Building, Room 540, 330 2nd Avenue South, Minneapolis, Minnesota 55401.

Mississippi Watershed Management Organization

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

Note 14 - Service Concession Agreement

The Park and Recreation Board entered into a Lease Agreement with the Loppet Foundation on September 12, 2018. The Park Board, as owner of the Theodore Wirth Regional Park, and the Loppet Foundation, whose mission is for year-round outdoor adventure in the Minneapolis area, agreed that a new building should be constructed on Park Land. The Foundation was solely responsible for the construction of the building, in accordance with the schematic design previously agreed upon with the Park Board. The Foundation agreed to donate the Adventure and Welcome Center to the Park Board upon completion of construction. The Park Board wishes to lease to the Foundation the Adventure and Welcome Center.

The initial term of the lease commences on September 12, 2018 and terminates 20 years after that date. The Foundation has the right to renew the lease for two additional terms of 10 years each. The Foundation will pay 18% of the Net Income, plus a lump sum annual amount of \$6,500, increasing by \$1,000 every ten years of this agreement. The Foundation is also required to deposit into an interest-bearing escrow account, \$20,000 per year for the first ten years, and \$30,000 per year for years eleven through twenty. During the first additional term, the amount will be \$40,000, and \$50,000 during the second additional term.

The Park and Recreation Board reports the donation of the Adventure and Welcome Center as a capital asset and deferred inflow of resources in the amount of \$4,321,550. The annual lump sum amounts were reported as a receivable and a deferred inflow of resources in the amount of \$117,006.

Note 15 - Subsequent Events**Coronavirus Pandemic (COVID-19)**

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 and Recreation Board enacted necessary changes in service levels. The Park and Recreation 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. While there is an understanding that the COVID-19 crisis will ease in the coming months, the negative impact to the local and national economies will be felt long after the health crisis subsides. Along with current revenue short falls, economic impacts resulting from this health crisis are, at this point, certain to occur. Immediate cost containment measures have been implemented including hiring and spending freezes, budgetary leave, and the use of fund

Note 15 - Subsequent Events

Coronavirus Pandemic (COVID-19) (Continued)

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 and Recreation Board revenue streams. The Park and Recreation Board recognizes that program and service levels with corresponding staffing models will need to be redefined to accommodate the pandemic and economic conditions.

George Floyd Killing and Unrest

On Monday, May 25, 2020, a Minneapolis Police Officer knelt on the neck of George Floyd killing him. The black community and many throughout the City of Minneapolis and nation are experiencing a profound sense of sadness and pain while seeking justice for Mr. Floyd. The Minneapolis Park and Recreation Board stands in solidarity with those seeking justice. The Park and Recreation Board denounces racism in all forms and supports and promotes justice. In the days following George Floyd's death, peaceful protesting and periods of civil unrest ensued. The periods of civil unrest caused considerable damage and loss of property throughout the City of Minneapolis and surrounding areas and the City enlisted the assistance of other law enforcement agencies and the Minnesota National Guard during this period. The estimated property damage and costs associated with the unrest could exceed \$500 million for the Minneapolis and St. Paul areas. The Park and Recreation Board experienced very minimal direct costs and did not experience any property loss during this time. The Park and Recreation Board relies on property taxes, City and State revenues to finance its operations and the financial and economic impact to the Park and Recreation Board is currently unknown.

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



Minneapolis
Park & Recreation Board

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, 2019

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 63,295,650	\$ 63,295,650	\$ 57,148,670	\$ (6,146,980)
Property Tax Increment	-	-	753	753
Fiscal Disparities	-	-	6,366,449	6,366,449
Other Taxes	300,000	300,000	5,621	(294,379)
Total Taxes	63,595,650	63,595,650	63,521,493	(74,157)
Intergovernmental Revenues:				
Federal Grants				
U.S. Department of Transportation	-	-	28,463	28,463
State Grants	742,356	742,356	-	(742,356)
Local Government Aid	9,355,257	9,355,257	9,356,363	1,106
Payments in Lieu of Taxes/Rent	-	-	76,918	76,918
Other Aid	-	-	73,290	73,290
PERA Pension Aid	-	-	171,006	171,006
Department of Public Safety	-	-	2,164	2,164
Minnesota State Post Board	-	-	30,819	30,819
Other Local Governments	66,418	66,418	-	(66,418)
Hennepin County	-	-	8,000	8,000
Metropolitan Council - Operations & Maintenance	-	-	654,511	654,511
Minnehaha Creek Watershed District - Aquatics Invasive Species Grant	-	-	35,487	35,487
Middle Mississippi River Watershed Management Org.	-	-	14,910	14,910
Total Intergovernmental Revenues	10,164,031	10,164,031	10,451,931	287,900
Charges For Services and Sales:				
Rents and Commissions	1,081,174	1,081,174	1,525,049	443,875
Overhead	445,015	445,015	456,686	11,671
Park Board Services	7,588,916	7,588,916	6,096,669	(1,492,247)
Other Services Provided	633,576	1,008,576	1,705,699	697,123
Total Charges For Services and Sales	9,748,681	10,123,681	9,784,103	(339,578)
Licenses and Permits	294,375	294,375	467,383	173,008
Fines and Forfeits	346,000	346,000	290,536	(55,464)
Miscellaneous Revenues:				
Contributions and Donations	122,164	122,164	130,714	8,550
Damage Claims	13,000	13,000	2,851	(10,149)
Other	-	-	88,481	88,481
Total Miscellaneous Revenues	135,164	135,164	222,046	86,882
Total Revenues	84,283,901	84,658,901	84,737,492	78,591

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, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES				
Culture and Recreation -				
Superintendent's Office	10,485,795	10,524,845	10,415,837	109,008
Deputy Superintendent's Office	3,340,834	3,445,268	3,348,816	96,452
Environmental Stewardship Division	41,664,931	41,928,695	41,807,399	121,296
Planning Services Division	3,221,026	3,335,377	3,150,619	184,758
Recreation Services Division	20,794,416	20,976,332	21,090,412	(114,080)
City Management Fee & Workers' Compensation	1,781,899	1,714,985	1,547,472	167,513
PERA Pensions	-	-	171,006	(171,006)
Total Culture and Recreation	<u>81,288,901</u>	<u>81,925,502</u>	<u>81,531,561</u>	<u>393,941</u>
Principal Retirement	102,973	102,973	102,973	-
Interest and Fiscal Charges	33,701	33,701	33,701	-
Total Debt Service	<u>136,674</u>	<u>136,674</u>	<u>136,674</u>	<u>-</u>
Total Expenditures	<u>81,425,575</u>	<u>82,062,176</u>	<u>81,668,235</u>	<u>393,941</u>
Excess of Revenues Over (Under) Expenditures	<u>2,858,326</u>	<u>2,596,725</u>	<u>3,069,257</u>	<u>472,532</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Permanent Improvement Fund	(2,543,326)	(2,543,326)	(2,629,988)	(86,662)
Transfer to Park Special Revenue Fund	(315,000)	(315,000)	(422,383)	(107,383)
Total Other Financing Sources (Uses)	<u>(2,858,326)</u>	<u>(2,858,326)</u>	<u>(3,052,371)</u>	<u>(194,045)</u>
Net Change in Fund Balance	-	(261,601)	16,886	278,487
Fund Balance - January 1	<u>5,279,961</u>	<u>5,279,961</u>	<u>5,279,961</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 5,279,961</u>	<u>\$ 5,018,360</u>	<u>\$ 5,296,847</u>	<u>\$ 278,487</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, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 13,665,777	\$ 13,894,811	\$ 12,766,745	\$ (1,128,066)
Fiscal Disparities	-	-	1,120,703	1,120,703
Total Taxes	<u>13,665,777</u>	<u>13,894,811</u>	<u>13,887,448</u>	<u>(7,363)</u>
Intergovernmental Revenues:				
State Grants				
Payment in Lieu of Taxes/Rent	-	-	7,363	7,363
Total Revenues	<u>13,665,777</u>	<u>13,894,811</u>	<u>13,894,811</u>	<u>-</u>
EXPENDITURES				
Culture and Recreation -				
Maintenance and Repairs	<u>13,665,777</u>	<u>13,894,811</u>	<u>13,894,811</u>	<u>-</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>	<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, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Intergovernmental Revenues				
State Government Grants				
Minnesota Dept. of Employment and Econ. Dev.	\$ -	\$ 320,442	\$ 320,442	\$ -
Other Local Governments				
Hennepin County	-	-	20,250	20,250
Metropolitan Council	1,306,400	1,406,400	1,630,908	224,508
Total Intergovernmental	1,306,400	1,726,842	1,971,600	244,758
Charges For Services and Sales	21,600	224,193	439,247	215,054
Licenses and Permits	-	92,859	92,859	-
Fines and Forfeits	6,000	6,000	810	(5,190)
Miscellaneous				
Contributions and Donations	30,600	494,596	548,391	53,795
Damage Claims	-	-	52,024	52,024
Revenue From Trusts	3,000	3,000	7,707	4,707
Other Miscellaneous Revenues	-	65,494	66,850	1,356
Total Miscellaneous	33,600	563,090	674,972	111,882
Total Revenues	1,367,600	2,612,984	3,179,488	566,504
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	67,600	1,341,409	1,308,008	33,401
Debt Service				
Interest and Fiscal Charges	-	-	60,000	(60,000)
Total Expenditures	67,600	1,341,409	1,368,008	(26,599)
Excess of Revenues Over (Under) Expenditures	1,300,000	1,271,575	1,811,480	539,905
OTHER FINANCING SOURCES (USES)				
Transfer from Park General Fund	-	-	422,383	422,383
Transfer from Park Enterprise Fund	-	364,891	30,000	(334,891)
Transfer to Park Permanent Improvement Fund	(1,300,000)	(1,636,466)	(1,529,033)	107,433
Total Other Financing Sources (Uses)	(1,300,000)	(1,271,575)	(1,076,650)	194,925
Net Change in Fund Balance	-	-	734,830	734,830
Fund Balance - January 1	13,467,629	13,467,629	13,467,629	-
Fund Balance - December 31	\$ 13,467,629	\$ 13,467,629	\$ 14,202,459	\$ 734,830

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, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 1,786,950	\$ 1,786,950	\$ 1,613,337	\$ (173,613)
Property Tax Increment	-	-	21	21
Fiscal Disparities	-	-	179,729	179,729
Total Taxes	<u>1,786,950</u>	<u>1,786,950</u>	<u>1,793,087</u>	<u>6,137</u>
State Government				
Payments in Lieu of Taxes/Rent	<u>-</u>	<u>-</u>	<u>2,172</u>	<u>2,172</u>
Investment Earnings	<u>-</u>	<u>-</u>	<u>(7,540)</u>	<u>(7,540)</u>
Total Revenues	<u>1,786,950</u>	<u>1,786,950</u>	<u>1,787,719</u>	<u>769</u>
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>1,806,950</u>	<u>1,806,950</u>	<u>1,790,657</u>	<u>16,293</u>
Total Expenditures	<u>1,806,950</u>	<u>1,806,950</u>	<u>1,790,657</u>	<u>16,293</u>
Net Change in Fund Balance	(20,000)	(20,000)	(2,938)	17,062
Fund Balance - January 1	<u>2,952</u>	<u>2,952</u>	<u>2,952</u>	<u>-</u>
Fund Balance - December 31	<u>\$ (17,048)</u>	<u>\$ (17,048)</u>	<u>\$ 14</u>	<u>\$ 17,062</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 DEDICATION FEES SPECIAL REVENUE FUND
For the Year Ended December 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 709,428	\$ 709,428
Miscellaneous Revenues	-	2,150,000	6,394,529	4,244,529
Total Revenues	-	2,150,000	7,103,957	4,953,957
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	-	-	1,708	(1,708)
Total Expenditures	-	-	1,708	(1,708)
Excess of Revenues Over (Under) Expenditures	-	2,150,000	7,102,249	4,952,249
OTHER FINANCING SOURCES (USES)				
Transfer to Park Permanent Improvement Fund	-	(2,150,000)	(1,751,048)	398,952
Total Other Financing Sources (Uses)	-	(2,150,000)	(1,751,048)	398,952
Net Change in Fund Balance	-	-	5,351,201	5,351,201
Fund Balance - January 1	13,552,522	13,552,522	13,552,522	-
Fund Balance - December 31	\$ 13,552,522	\$ 13,552,522	\$ 18,903,723	\$ 5,351,201

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

**MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2019**

Measurement	Employer's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Minneapolis Park and Recreation Board	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With Minneapolis Park and Recreation Board	Employer's Covered Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Date	Liability (Asset)	(a)	(b)	(a+b)	(c)	((a+b)/c)	Liability
2019	0.5905%	\$ 48,554,630	\$ 1,962,415	\$ 50,517,045	\$ 36,735,712	137.51%	80.23%
2018	0.9536%	\$ 56,978,371	\$ 1,735,310	\$ 58,713,681	\$ 35,153,492	167.02%	79.53%
2017	0.9380%	\$ 59,881,242	\$ 763,600	\$ 60,644,842	\$ 32,272,100	187.92%	75.90%
2016	1.2049%	\$ 97,831,902	\$ 1,277,788	\$ 99,109,690	\$ 29,190,842	339.52%	68.91%
2015	1.2011%	\$ 62,247,236	N/A	\$ 62,247,236	\$ 26,621,071	233.83%	78.19%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The measurement date for each year is June 30.

N/A - Not applicable

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

**MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2019**

Fiscal Year Ending	Contributions in Relation to the					Contributions as a Percentage of Covered Payroll (b/d)
	Statutorily Required Contribution	Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll		
	(a)	(b)	(a-b)	(d)		
2019	\$ 4,025,034	\$ 4,025,034	\$ -	\$ 39,173,969	10.27%	
2018	\$ 4,958,119	\$ 4,958,119	\$ -	\$ 37,073,367	13.37%	
2017	\$ 4,678,957	\$ 4,678,957	\$ -	\$ 33,457,374	13.98%	
2016	\$ 5,538,261	\$ 5,538,261	\$ -	\$ 31,008,224	17.86%	
2015	\$ 5,320,452	\$ 5,320,452	\$ -	\$ 28,242,029	18.84%	

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

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

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

**MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2019**

Measurement	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Date	(Asset)	(a)	(b)	(a/b)	
2019	0.327%	\$ 3,275,084	\$ 4,628,542	70.76%	89.26%
2018	0.341%	\$ 3,511,412	\$ 3,590,432	97.80%	88.84%
2017	0.297%	\$ 4,003,676	\$ 3,074,906	130.20%	85.43%
2016	0.304%	\$ 12,200,049	\$ 2,925,828	416.98%	63.88%
2015	0.308%	\$ 3,499,601	\$ 2,850,764	122.76%	86.61%

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

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

**MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2019**

Fiscal Year Ending	Contributions in Relation to the		Contribution Deficiency (Excess) (a-b)	Employee Payroll (d)	Contributions as a Percentage of Employee Payroll (b/d)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)			
2019	\$ 639,595	\$ 639,595	\$ -	\$ 3,291,715	19.43%
2018	\$ 534,399	\$ 534,399	\$ -	\$ 3,292,886	16.23%
2017	\$ 560,511	\$ 560,511	\$ -	\$ 3,459,944	16.20%
2016	\$ 497,630	\$ 497,630	\$ -	\$ 3,067,892	16.22%
2015	\$ 472,805	\$ 472,805	\$ -	\$ 2,918,551	16.20%

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

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

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

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2019

	2019	2018
Total OPEB Liability		
Service cost	\$ 37,661	\$ 73,563
Interest cost	28,196	46,638
Differences between expected and actual experience	76,835	-
Changes of assumption or other inputs	(586,418)	-
Benefit payments	(50,364)	(104,000)
Net change in total OPEB liability	\$ (494,090)	\$ 16,201
Total OPEB Liability - Beginning	1,407,494	1,391,293
Total OPEB Liability - Ending	<u>\$ 913,404</u>	<u>\$ 1,407,494</u>
 Covered-employee payroll	 \$ 31,903,229	 \$ 30,837,088
Net OPEB liability (asset) as a percentage of covered-employee payroll	2.90%	4.56%
Percentage of proportionate share of the collective total liability	2.37%	4.01%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2019

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	\$ 84,283,901	\$ 636,601	\$ 84,920,502
Museum County-Wide Levy			
Special Revenue Fund	\$ 13,665,777	\$ 229,034	\$ 13,894,811
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,367,600	\$ 1,610,275	\$ 2,977,875
Tree Preservation and Reforestation			
Special Revenue Fund	\$ 1,806,950	\$ -	\$ 1,806,950
Park Dedication Fees			
Special Revenue Fund	\$ -	\$ 2,150,000	\$ 2,150,000

The following funds had expenditures in excess of budget for the year ending 12/31/2019:

	Expenditures	Budget	Excess
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,368,008	\$ 1,341,409	\$ (26,599)
Park Dedication Fees			
Special Revenue Fund	\$ 1,708	\$ -	\$ (1,708)

Note 2 - Other Postemployment Benefits Plan

A) Other Postemployment Benefits Funded Status

In 2018, the Minneapolis Park and Recreation Board implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Note 10 in the notes to the financial statements for additional information regarding the Park Board's other postemployment benefits.

B) Employer Contributions to Other Postemployment Benefits

Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits.

Note 2 - Other Post-Employment Benefits Plan**B) Employer Contributions to Other Postemployment Benefits (Continued)**

The following changes were reflected in the valuation performed of Other Postemployment Benefits (OPEB):

2019

- The discount rate was changed from 3.30% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- The increases in explicit subsidy amounts were updated to reflect recent experience and future increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- Withdrawal and retirement rates were updated from the rates used in the 7/1/2016 PERA Police & Fire Plan valuation to the rates used in the 7/1/2019 valuation.
- Mortality rates were updated from the RP-2014 White Collar and Blue Collar mortality tables with MP-2016 generational improvement scale to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.
- The salary scale assumption was updated from a flat 2.90% to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.
- 25% percent of future retirees are assumed to elect family coverage at retirement. The prior valuation assumed 85% of future male retirees and 65% of future female retirees would be married. Of these married retirees, 30% would elect family coverage.
- The percent of active ex-spouses assumed to continue coverage under the original member changed from 20% to 25% based on the change in family coverage assumption.

2018

- The discount rate was changed from 3.00% to 3.50%.

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

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

General Employees Retirement Plan2019

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.5 percent per year thereafter.

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

General Employees Retirement Plan

2017 (Continued)

- Minneapolis Employees Retirement Fund plan provisions changed the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The State's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

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

Public Employees Police and Fire Plan

2019

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed to 1.0 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- Assumed salary increase were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

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

Public Employees Police and Fire Plan

2017 (Continued)

- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 per annum to 7.50 percent per annum.

2016

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

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SUPPLEMENTARY INFORMATION



Minneapolis
Park & Recreation Board

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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.

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, 2019

	Minneapolis Parks Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,241,283	\$ 998,612	\$ 3,239,895
Receivables -			
Accrued Interest	18,263	-	18,263
Special Assessments	-	121,888	121,888
Total Assets	<u>\$ 2,259,546</u>	<u>\$ 1,120,500</u>	<u>\$ 3,380,046</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Payables -			
Accounts	\$ -	\$ 4,420	\$ 4,420
Due to -			
Other Funds	721,626	-	721,626
Total Liabilities	<u>721,626</u>	<u>4,420</u>	<u>726,046</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>8,555</u>	<u>121,888</u>	<u>130,443</u>
Fund Balances:			
Restricted for:			
Projects and Grant Programs	1,516,393	-	1,516,393
Assigned to:			
Special Trust	12,972	-	12,972
Forestry and Tree Disease	-	994,192	994,192
Total Fund Balances	<u>1,529,365</u>	<u>994,192</u>	<u>2,523,557</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,259,546</u>	<u>\$ 1,120,500</u>	<u>\$ 3,380,046</u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	Minneapolis Parks Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 300,000	\$ 300,000
Special Assessments	-	265,727	265,727
Investment Earnings	93,693	-	93,693
Miscellaneous	4,814,000	-	4,814,000
Total Revenues	<u>4,907,693</u>	<u>565,727</u>	<u>5,473,420</u>
EXPENDITURES			
Current			
Culture and Recreation	327	-	327
Capital Outlay	-	597,139	597,139
Total Expenditures	<u>327</u>	<u>597,139</u>	<u>597,466</u>
Excess of Revenues Over (Under) Expenditures	<u>4,907,366</u>	<u>(31,412)</u>	<u>4,875,954</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out-			
Other Funds	(4,340,702)	-	(4,340,702)
Total Other Financing Sources (Uses)	<u>(4,340,702)</u>	<u>-</u>	<u>(4,340,702)</u>
Net Change in Fund Balance	566,664	(31,412)	535,252
FUND BALANCE - JANUARY 1	<u>962,701</u>	<u>1,025,604</u>	<u>1,988,305</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,529,365</u>	<u>\$ 994,192</u>	<u>\$ 2,523,557</u>

ENTERPRISE FUND

Park Operating Fund

This fund accounts for the operations of Minneapolis golf courses, refectories, ice arenas, parade complex, and similar recreational activities.

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF CHANGES IN NET POSITION
RESERVED FOR RENEWAL AND REPLACEMENT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2019

	<u>Reserve For Renewal & Replacement</u>
OPERATING INCOME (LOSS)	\$ 1,537,343
ADDITIONS:	
Depreciation	937,046
Non-Operating Revenues:	
Federal Emergency Management Agency Grant	328,098
State Grant	122,437
Contributions	500
Other Non-Operating Revenues	875,610
Capital Contributions	14,400
DEDUCTIONS:	
Purchase of Capital Assets - Capitalized	(743,509)
Other Non-Cash Items:	
Change in Compensated Absences	21,506
Change in Other Post employment Benefits, Deferred Outflows - Other Post Employment Benefits	(91,855)
Change in Net Pension Liability, Deferred Inflows & Outflows - Pensions	82,900
Non-Operating Expenses:	
Note Principal and Interest Payment	(67,799)
Repayment of Capital Advance	(140,050)
Debt Service Payment	(507,305)
Transfer to General Fund	(30,000)
Transfer to Capital Projects	(565,000)
TOTAL INCREASE (DECREASE)	1,774,322
BALANCE - JANUARY 1	2,788,808
BALANCE - DECEMBER 31	<u><u>\$ 4,563,130</u></u>

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF OPERATING INCOME - BY PROJECT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2019

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<u>PARK REFECTORIES</u>			
BDE MAKA SKA	\$ 4	\$ 36,013	\$ (36,009)
HARRIET	15,777	88,181	(72,404)
MINNEHAHA	406,680	91,882	314,798
NOKOMIS	92,120	23,431	68,690
PERMITS & VENDING	1,276,686	831,034	445,652
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	926	(926)
TOTAL PARK REFECTORIES	<u>1,791,267</u>	<u>1,071,467</u>	<u>719,800</u>
<u>SPECIAL FACILITIES</u>			
PARADE COMPLEX	317,671	186,575	131,096
PARADE ICE COMPLEX	1,112,165	1,356,558	(244,393)
NORTHEAST ICE ARENA	165,269	263,849	(98,580)
COLUMBIA MANOR	99,948	35,651	64,297
COMMERCIAL PARKING	892,988	78,907	814,081
REGIONAL PARKING LOTS	1,471,912	506,374	965,538
NICOLLET ISLAND	430,157	130,850	299,307
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	4,723	(4,723)
TOTAL SPECIAL FACILITIES	<u>4,490,110</u>	<u>2,563,487</u>	<u>1,926,623</u>
<u>GOLF COURSES (INCL REFECTORIES)</u>			
COLUMBIA	922,466	1,158,770	(236,304)
COLUMBIA LEARNING CENTER	138,382	47,015	91,367
GROSS	1,117,413	1,275,010	(157,597)
HIAWATHA	687,621	1,071,091	(383,470)
HIAWATHA LEARNING CENTER	95,150	66,961	28,189
MEADOWBROOK	1,053,700	1,146,707	(93,007)
THEODORE WIRTH	1,039,850	1,235,493	(195,643)
THEO WIRTH PAR-3	71,519	70,277	1,242
FORT SNELLING	283,110	486,608	(203,498)
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	193,693	(193,693)
TOTAL GOLF COURSES	<u>5,409,211</u>	<u>6,751,625</u>	<u>(1,342,414)</u>
<u>MISCELLANEOUS ACTIVITIES</u>			
BOATS	220,913	25,953	194,960
BIKE RENTALS	72,776	-	72,776
WINTER PROGRAMS	-	37,156	(37,156)
JUNIOR GOLF PROGRAMS	3,402	-	3,402
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	648	(648)
TOTAL MISCELLANEOUS ACTIVITIES	<u>297,091</u>	<u>63,757</u>	<u>233,334</u>
TOTAL	<u>\$ 11,987,679</u>	<u>\$ 10,450,336</u>	
NET OPERATING INCOME			<u>\$ 1,537,343</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, 2019

	Park Internal Services Fund	Park Self-Insurance Fund	Total Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and Cash Equivalents	\$ 5,036,110	\$ 5,969,670	\$ 11,005,780
Cash with Escrow Agent	-	106,998	106,998
Receivables -			
Intergovernmental	116,225		116,225
Capital Advances	-	1,460,300	1,460,300
Prepaid Expense	-	98,985	98,985
Total Current Assets	<u>5,152,335</u>	<u>7,635,953</u>	<u>12,788,288</u>
Non-Current Assets			
Net Capital Assets	<u>7,565,412</u>	<u>-</u>	<u>7,565,412</u>
Total Assets	<u>12,717,747</u>	<u>7,635,953</u>	<u>20,353,700</u>
Deferred Outflows of Resources:			
Deferred Outflows - Pensions	185,361	13,154	198,515
Deferred Outflows - Other Post Employment Benefits	5,930	-	5,930
Total Deferred Outflows of Resources	<u>191,291</u>	<u>13,154</u>	<u>204,445</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 12,909,038</u>	<u>\$ 7,649,107</u>	<u>\$ 20,558,145</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities :			
Payables -			
Salaries	\$ 110,295	\$ 5,092	\$ 115,387
Accounts	306,255	157,570	463,825
Compensated Absences Payable	114,918	6,167	121,085
Total Current Liabilities	<u>531,468</u>	<u>168,829</u>	<u>700,297</u>
Long-Term Liabilities:			
Compensated Absences Payable	26,062	1,399	27,461
Other Post Employment Benefits Payable	44,281	-	44,281
Workers' Compensation Claims Pending	-	3,055,644	3,055,644
General Liability Claims Pending	-	1,277,725	1,277,725
Net Pension Liability	2,322,257	134,262	2,456,519
Total Long-Term Liabilities	<u>2,392,600</u>	<u>4,469,030</u>	<u>6,861,630</u>
Total Liabilities	<u>2,924,068</u>	<u>4,637,859</u>	<u>7,561,927</u>
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	645,462	34,751	680,213
Deferred Inflows - Other Post Employment Benefits	408	-	408
Total Deferred Inflows of Resources	<u>645,870</u>	<u>34,751</u>	<u>680,621</u>
Net Position:			
Net Investment in Capital Assets	7,565,412	-	7,565,412
Unrestricted	1,773,688	2,976,497	4,750,185
Total Net Position	<u>9,339,100</u>	<u>2,976,497</u>	<u>12,315,597</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 12,909,038</u>	<u>\$ 7,649,107</u>	<u>\$ 20,558,145</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, 2019

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
Intergovernmental Revenue	\$ 116,225	\$ -	\$ 116,225
Billings to Departments	8,049,280	2,172,586	10,221,866
Total Operating Revenues	<u>8,165,505</u>	<u>2,172,586</u>	<u>10,338,091</u>
OPERATING EXPENSES			
Personnel Services	2,039,190	107,553	2,146,743
Contractual Services	1,029,146	1,082,107	2,111,253
Materials and Supplies	2,086,982	597,790	2,684,772
Depreciation on Acquired Property	1,965,257	-	1,965,257
Benefits	950,417	35,420	985,837
Total Operating Expenses	<u>8,070,992</u>	<u>1,822,870</u>	<u>9,893,862</u>
Operating Income (Loss)	<u>94,513</u>	<u>349,716</u>	<u>444,229</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	7,427	373	7,800
Gain (Loss) on Sale of Capital Assets	335,907	-	335,907
Sale of Scrap	18,384	-	18,384
Damages/Losses Recovered	9,974	349,095	359,069
Other Non-Operating Revenues	1,860	-	1,860
Total Non-Operating Revenues (Expenses)	<u>373,552</u>	<u>349,468</u>	<u>723,020</u>
Income (Loss) before Contributions and Transfers	468,065	699,184	1,167,249
Capital Contributions	<u>45,920</u>	<u>-</u>	<u>45,920</u>
CHANGE IN NET POSITION	513,985	699,184	1,213,169
NET POSITION - JANUARY 1	<u>8,825,115</u>	<u>2,277,313</u>	<u>11,102,428</u>
NET POSITION - DECEMBER 31	<u>\$ 9,339,100</u>	<u>\$ 2,976,497</u>	<u>\$ 12,315,597</u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$ 8,048,235	\$ 2,172,586	\$ 10,220,821
Cash Received from Customers	-	12,540	12,540
Cash Paid to Suppliers for Goods and Services	(3,207,015)	(2,183,263)	(5,390,278)
Cash Paid to Employees for Services	(2,938,723)	(138,304)	(3,077,027)
Other Non-Operating Revenues	1,860	349,095	350,955
Net Cash Provided by (Used for) Operating Activities	1,904,357	212,654	2,117,011
Cash Flows from Non-Capital Financing Activities			
Repayment of Advances Made by Other Funds	-	3,310,050	3,310,050
Proceeds From Sale of Scrap	18,384	-	18,384
Other Payments Received	9,974	-	9,974
Payment of Advances Made to Other Funds	-	(10,000)	(10,000)
Intergovernmental Receipts	7,427	373	7,800
Net Cash Provided by (Used for) Non-Capital Financing Activities	35,785	3,300,423	3,336,208
Cash Flows from Capital and Related Financing Activities			
Proceeds from Sale of Capital Assets	346,933	-	346,933
Acquisition of Property, Plant and Equipment	(3,395,525)	-	(3,395,525)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,048,592)	-	(3,048,592)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,108,450)	3,513,077	2,404,627
Cash and Cash Equivalents - January 1	6,144,560	2,563,591	8,708,151
Cash and Cash Equivalents - December 31	\$ 5,036,110	\$ 6,076,668	\$ 11,112,778
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ 94,513	\$ 349,716	\$ 444,229
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation on Acquired Property	1,965,257	-	1,965,257
(Increase) Decrease in Intergovernmental Receivable	(116,225)	-	(116,225)
(Increase) Decrease in Accounts Receivable	-	12,540	12,540
(Increase) Decrease in Prepaid Expense	-	(29,707)	(29,707)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	253,389	12,756	266,145
(Increase) Decrease in Deferred Outflows of Resources - OPEB	(113)	-	(113)
(Increase) Decrease in Due from Other Funds	180	-	180
Increase (Decrease) in Salaries Payable	16,977	1,079	18,056
Increase (Decrease) in Accounts Payable	(86,496)	3,247	(83,249)
Increase (Decrease) in Intergovernmental Payable	(4,392)	-	(4,392)
Increase (Decrease) in Due to Other Funds	(1,045)	-	(1,045)
Increase (Decrease) in Workers' Compensation Claims Pending	-	(162,659)	(162,659)
Increase (Decrease) in General Liability Claims Pending	-	(314,247)	(314,247)
Increase (Decrease) in Other Post Employment Benefits Payable	(26,934)	-	(26,934)
Increase (Decrease) in Compensated Absences Payable	856	594	1,450
Increase (Decrease) in Deferred Inflows of Resources - Pensions	231,812	11,671	243,483
Increase (Decrease) in Deferred Inflows of Resources - OPEB	408	-	408
Increase (Decrease) in Net Pension Liability	(425,690)	(21,431)	(447,121)
Other Non-Operating Revenues	1,860	349,095	350,955
Total Adjustments	1,809,844	(137,062)	1,672,782
Net Cash Provided by (Used in) Operating Activities	\$ 1,904,357	\$ 212,654	\$ 2,117,011
Non-Cash Capital and Related Financing Activities:			
Capital Contributions	\$ 45,920	\$ -	\$ 45,920

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, 2019

	<u>Information Technology</u>	<u>Mobile Equipment</u>	<u>Workers Comp. & Liability</u>	<u>Total</u>
OPERATING REVENUES:				
Intergovernmental Revenue -				
Mobile Equipment	\$ -	\$ 116,225	\$ -	\$ 116,225
Charges For Services and Sales -				
Insurance Premiums	-	-	2,172,586	2,172,586
Information Technology Services	2,288,893	-	-	2,288,893
Total Charges For Services and Sales	2,288,893	-	2,172,586	4,461,479
Rents -				
Mobile Equipment	-	5,760,387	-	5,760,387
Total Operating Revenues	2,288,893	5,876,612	2,172,586	10,338,091
OPERATING EXPENSES:				
Information Technology Services	2,216,984	-	-	2,216,984
Mobile Equipment	-	5,854,008	-	5,854,008
Workers' Compensation	-	-	1,302,648	1,302,648
General Liability	-	-	520,222	520,222
Total Operating Expenses	2,216,984	5,854,008	1,822,870	9,893,862
Operating Income (Loss)	71,909	22,604	349,716	444,229
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	3,424	4,003	373	7,800
Gain (Loss) on Sale of Capital Assets	-	335,907	-	335,907
Sale of Scrap	-	18,384	-	18,384
Damage Claims	-	9,974	100,000	109,974
Other Non-Operating Revenues	-	1,860	249,095	250,955
Total Non-Operating Revenues (Expenses)	3,424	370,128	349,468	723,020
Income (Loss) before Contributions and Transfers	75,333	392,732	699,184	1,167,249
Capital Contributions	-	45,920	-	45,920
CHANGE IN NET POSITION	75,333	438,652	699,184	1,213,169
NET POSITION - JANUARY 1	(512,854)	9,337,969	2,277,313	11,102,428
NET POSITION - DECEMBER 31	<u>\$ (437,521)</u>	<u>\$ 9,776,621</u>	<u>\$ 2,976,497</u>	<u>\$ 12,315,597</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, 2019

	Purchase of Information Technology Systems	Purchase of Mobile Equipment
OPERATING INCOME (LOSS)	\$ 71,909	\$ 22,604
ADDITIONS:		
Depreciation	20,526	1,944,731
Non-Operating Revenues:		
Sale of Equipment	-	346,933
Sale of Scrap	-	18,384
Other Miscellaneous Revenues	3,424	15,837
(Increase) Decrease in Deferred Outflows - Pensions	116,812	136,576
(Increase) Decrease in Deferred Outflows - OPEB	(52)	(61)
Increase (Decrease) in Other Post Employment Benefits Payable	(12,417)	(14,517)
Increase (Decrease) in Compensated Absences Payable	395	461
Increase (Decrease) in Deferred Inflows - Pensions	106,865	124,947
Increase (Decrease) in Deferred Inflows - OPEB	188	220
Increase (Decrease) in Net Pension Liability	(196,243)	(229,447)
DEDUCTIONS:		
Purchase of Mobile Equipment	-	(3,395,525)
TOTAL INCREASE (DECREASE)	111,407	(1,028,857)
BALANCE - JANUARY 1	627,825	4,621,491
BALANCE - DECEMBER 31	\$ 739,232	\$ 3,592,634

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SCHEDULE OF INTERGOVERNMENTAL REVENUE

Schedule of Intergovernmental Revenue

The Schedule of Intergovernmental revenue presents the various sources of revenue received from Federal, State and Local entities by the Minneapolis Park and Recreation Board.

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF INTERGOVERNMENTAL REVENUE
For the Year Ended December 31, 2019

Shared Revenue**State**

Local Government Aid	\$ 9,356,363
PERA Pension Contribution	189,152
PERA Rate Increase Aid	<u>73,290</u>

Total Shared Revenue	<u>\$ 9,618,805</u>
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Payments**Local**

County Grants	\$ 964,802
Mississippi Watershed Management Organization	849,538
Minneahaha Creek Watershed District	35,487
Metropolitan Council	7,298,678
City of Minneapolis	9,442,873
Payments in Lieu of Tax/Rent	<u>86,453</u>

Total Local	<u>\$ 18,677,831</u>
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Grants**State**

Department of Employment and Economic Development	\$ 320,443
Department of Natural Resources	354,841
Department of Public Safety	145,109
Peace Officer Standards and Training (POST) Board	<u>30,819</u>

Total State Grants	<u>\$ 851,212</u>
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Federal

Department of Transportation	\$ 65,212
Federal Emergency Management Agency	<u>415,267</u>

Total Federal Grants	<u>\$ 480,479</u>
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Total State and Federal Grants	<u>\$ 1,331,691</u>
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Total Intergovernmental Revenue	<u>\$ 29,628,327</u>
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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, 2019**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of the Interior				
Passed Through Minnesota Department of Natural Resources Outdoor Recreation - Acquisition, Development and Planning	15.916	P15AP00179/27-01398	\$ <u>500,000</u>	\$ <u>-</u>
U.S. Department of Transportation				
Passed Through Minnesota Department of Public Safety Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC19-2019- MPLSPD-056	\$ 5,717	\$ -
National Priority Safety Programs	20.616	A-ENFRC19-2019- MPLSPD-056	6,796	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC19-2019- MPLSPD-056	<u>15,950</u>	<u>-</u>
Total U.S. Department of Transportation			\$ <u>28,463</u>	\$ <u>-</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>375,446</u>	\$ <u>-</u>
Total Federal Awards			\$ <u>903,909</u>	\$ <u>-</u>
Totals by Cluster				
Total expenditures for Highway Safety Cluster			12,513	

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

MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Note 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.

Note 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, 2019. 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.

Note 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 full 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. Amounts shown on the schedule have been reduced, when applicable, for adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Minneapolis Park and Recreation Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance

Note 4. - Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 480,479
Revenue Received in 2019 for Future years' expenditures	(76,570)
Timing differences between expenditures and related reimbursements	500,000
	<hr/>
Expenditures Per Schedule of Intergovernmental Revenue	<u>\$ 903,909</u>

STATISTICAL SECTION



Minneapolis
Park & Recreation Board

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

Last Ten Fiscal Years		December 31, 2019		
Fiscal Year	Culture and Recreation	Park Enterprise	Total Primary Government	
2010	\$ 80,016,571	\$ 13,720,047	\$	93,736,618
2011	74,348,197	13,974,931		88,323,128
2012	76,510,203	14,492,481		91,002,684
2013	83,823,212	9,791,103		93,614,315
2014	86,863,390	10,352,484		97,215,874
2015	100,727,297	11,109,995		111,837,292
2016	110,996,993	11,255,681		122,252,674
2017	114,099,922	10,157,125		124,257,046
2018	117,852,548	11,032,412		128,884,960
2019	119,620,555	10,921,919		130,542,474

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

Schedule 2
Minneapolis Park and Recreation Board
Government-Wide Revenues

Last Ten Fiscal Years				December 31, 2019				
Fiscal Year	Program Revenues			General Revenues				Total Primary Government
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Grants and Contributions	Unrestricted Interest and Investment Earnings	Gain on Sale of Capital Asset	
2010	\$ 18,862,149	\$ 2,710,838	\$ 9,707,410	\$ 56,552,350	\$ 8,494,370	\$ -	\$ -	\$ 96,327,117
2011	17,902,853	2,861,755	16,270,566	58,322,009	8,730,427	-	-	104,087,610
2012	18,640,514	2,613,351	9,434,268	58,188,781	7,797,820	-	-	96,674,734
2013	18,761,949	6,115,809	15,672,266	59,395,406	7,570,039	(378)	153,575	107,668,666
2014	18,818,871	4,528,978	10,326,767	60,433,180	8,977,319	1,534	54,952	103,141,601
2015	20,992,447	4,027,533	18,844,133	62,906,396	9,170,507	1,172	181,919	116,124,107
2016	24,591,457	5,586,648	21,261,906	65,767,797	9,539,349	21,887	86,987	126,856,031
2017	23,865,502	3,903,079	46,208,872	71,419,813	9,252,431	72,161	61,980	154,783,838
2018	29,918,215	3,318,624	22,484,699	74,564,055	10,217,667	283,216	151,883	140,938,359
2019	31,725,811	3,010,275	26,353,837	79,178,842	9,654,293	760,739	337,294	151,021,091

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

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

Last Ten Fiscal Years										December 31, 2019
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Revenue</u>										
Taxes	\$ 44,358,084	\$ 46,646,484	\$ 47,096,192	\$ 49,073,449	\$ 49,071,884	\$ 50,985,436	\$ 52,757,423	\$ 57,600,685	\$ 59,920,817	\$ 63,521,493
Intergovernmental	9,345,082	10,284,464	9,310,330	10,320,427	10,306,619	10,579,965	11,826,443	10,179,529	10,272,675	10,451,931
Charges for Services	2,130,780	1,680,916	1,718,922	6,634,917	7,006,509	7,417,471	7,684,066	8,431,631	9,229,522	9,784,103
Licenses and Permits	240,661	208,457	250,974	444,364	313,886	220,528	205,731	192,027	245,152	467,383
Fines and Forfeits	396,068	483,535	321,106	344,062	368,911	300,343	311,885	270,695	318,764	290,536
Special Assessments	-	-	-	-	-	-	-	13,147	146	-
Investment Earnings	-	-	-	-	-	-	-	-	68	-
Miscellaneous	1,239,596	504,601	269,544	162,969	121,956	172,202	174,794	149,659	500,244	222,046
Total Revenues	\$ 57,710,271	\$ 59,808,457	\$ 58,967,068	\$ 66,980,188	\$ 67,189,765	\$ 69,675,945	\$ 72,960,342	\$ 76,837,373	\$ 80,487,388	\$ 84,737,492
<u>Expenditures</u>										
Current:										
Culture and Recreation	\$ 56,014,955	\$ 54,635,175	\$ 54,142,402	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323	\$ 67,882,252	\$ 74,922,963	\$ 77,807,421	\$ 81,531,561
Capital Outlay	-	-	436,668	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	35,670	102,973
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	13,432	33,701
Total Expenditures	\$ 56,014,955	\$ 54,635,175	\$ 54,579,070	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323	\$ 67,882,252	\$ 74,922,963	\$ 77,856,523	\$ 81,668,235

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

Schedule 4
City of Minneapolis
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2019

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
2010	\$ 7,020,347	\$ 3,556,811	\$ 24,611,900	\$ 1,474,662	\$ 393,785	\$ 8,777,609	\$ 37,057,504	7.81	\$ 39,746,514	93%
2011	6,304,914	3,287,604	23,533,625	1,426,447	529,962	10,550,339	35,082,552	9.22	41,079,647	85%
2012	5,987,868	3,266,162	22,638,806	1,301,688	404,729	10,340,495	33,599,253	10.34	39,412,937	85%
2013	5,982,739	3,363,752	21,512,948	1,281,968	426,840	9,927,053	32,568,247	9.55	34,459,013	95%
2014	6,166,615	3,690,983	21,634,886	1,313,800	430,582	10,482,230	33,236,865	8.82	45,164,553	74%
2015	6,534,226	4,723,778	23,516,623	1,339,382	430,523	11,679,375	36,544,532	8.29	43,879,415	83%
2016	7,596,673	6,090,411	24,958,025	1,215,531	436,040	12,726,043	40,296,681	8.11	45,025,954	89%
2017	8,469,151	7,196,358	26,608,421	1,295,694	494,630	13,923,130	44,064,254	7.93	49,148,618	90%
2018	9,195,030	8,117,143	28,671,360	1,418,993	545,408	15,218,503	47,947,934	7.62	53,685,280	89%
2019	9,849,039	9,174,208	31,579,460	1,565,868	556,830	15,481,603	52,725,405	7.59	59,242,028	89%

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)

Schedule 5
City of Minneapolis
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
December 31, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rates										
<i>Tax Capacity Based Rates</i>										
General	5.04	5.73	6.09	5.36	4.76	4.48	4.59	4.55	4.40	4.61
Estimate and Taxation	0.01	0.01		0.01	0.01	-	-	-	-	-
Building Commission	0.13	0.14	0.15	0.16	0.14	0.13	0.13	0.12	0.11	0.11
Permanent Improvement	0.05	0.06	0.03	0.03	0.03	0.03	0.01	-	-	-
Bond Redemption	0.47	0.61	0.65	1.00	1.11	1.06	0.98	0.95	0.91	0.91
Firefighter's Relief Association	0.04	0.16	0.01	0.09	0.08	0.08	0.04	0.04	0.05	0.04
Police Relief Association	0.35	0.51	0.79	0.22	0.20	0.18	0.24	0.19	0.28	0.02
Minneapolis Employees Retirement Fund	0.07	0.09	0.60	0.62	0.56	0.51	0.29	0.31	0.19	0.23
Parks	1.33	1.56	1.63	1.69	1.56	1.52	1.55	1.50	1.44	1.43
Public Housing	-	-	-	-	-	-	-	-	-	-
Teacher's Retirement Association	0.07	0.08	0.09	0.08	0.07	0.06	0.06	0.06	0.05	0.05
<i>Market Value Based Rates</i>										
Library Referendum	0.25	0.27	0.29	0.29	0.30	0.24	0.22	0.22	0.20	0.19
Total City Direct Rates	7.81	9.22	10.34	9.55	8.82	8.29	8.11	7.93	7.63	7.59
Overlapping Rates										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	0.21	0.21	0.23	0.23	0.22	0.22	0.22	0.22	0.20	0.19
Hennepin County	5.38	5.76	6.24	6.33	5.92	5.78	5.64	5.49	5.37	5.25
Minneapolis Public Schools	2.57	2.95	3.47	3.29	2.85	2.72	2.63	2.88	2.87	2.72
Other Special Taxing Districts	0.52	0.59	0.70	0.73	0.71	0.67	0.68	0.68	0.64	0.61
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.01	0.02	0.01
Total Overlapping Rates	8.70	9.53	10.66	10.59	9.72	9.41	9.19	9.28	9.10	8.78
Grand Total	16.51	18.75	21.00	20.14	18.54	17.69	17.30	17.20	16.73	16.37

Based upon weighted class rate among property types (e.g. commercial/industrial, residential).

Bond Redemption levy is reserved for repayment of debt service, according to schedules at the time of sale of the bonds.

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

Schedule 6
City of Minneapolis
Principal Property Tax Payers
Current Year and Nine Years Ago
(in thousands of dollars)
December 31, 2019

	2019				2010			
	<u>Taxpayer</u>	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
	BRI 1855 IDS Center LLC	\$ 295,640	1	1.01%	\$ -	-	-	
	Target Corporation	269,010	2	0.92%	256,110	2	2.01%	
	NWC Limited Partnership	267,590	3	0.91%	188,800	5	1.48%	
	Minneapolis 225 Holdings LLC	262,170	4	0.89%	208,400	4	1.64%	
	33 City Center Holding LLC	238,590	5	0.81%	-	-	-	
	Wells Fargo Bank NA	211,040	6	0.72%	-	-	-	
	Mpls City Property Atn Cpded (Prev MCDA)	269,978	7	0.75%	-	-	-	
88	Northern States Power	214,357	8	0.73%	303,867	1	2.20%	
	Wells Operating Partnership	202,800	9	0.69%	157,000	7	1.23%	
	First Minneapolis -Hines Company	191,000	10	0.65%	159,600	6	1.26%	
	MB Mpls 8th Street LLC	-	-	-	209,300	3	1.65%	
	City Center Associates	-	-	-	146,100	8	1.18%	
	Fifth Street Owner Corporation	-	-	-	139,900	9	1.10%	
	American Express Financial Corp.	-	-	-	137,874	10	1.06%	
	Total	\$ 2,422,175		8.08%	\$ 1,906,951		14.81%	

Source: Bond Issue Report 5/31/19 and 5/14/10

(UNAUDITED)

Schedule 7
Minneapolis Park and Recreation Board
Property Tax Levies and Collections - General Fund
Last Ten Fiscal Years
December 31, 2019

<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>
2010	45,488,623	43,503,795	95.637%	854,289	44,358,084	97.515%
2011	47,217,000	46,347,752	98.159%	298,732	46,646,484	98.792%
2012	47,217,000	46,651,826	98.803%	444,366	47,096,192	99.744%
2013	48,616,000	48,504,513	99.771%	568,936	49,073,449	100.941%
2014	49,627,000	48,649,827	98.031%	422,057	49,071,884	98.881%
2015	50,560,000	50,524,741	99.930%	460,695	50,985,436	100.841%
2016	52,583,000	52,462,988	99.772%	294,435	52,757,423	100.332%
2017	58,013,000	57,374,701	98.900%	225,984	57,600,685	99.289%
2018	60,450,000	59,785,797	98.901%	135,020	59,920,817	99.125%
2019	63,935,000	63,179,493	98.818%	341,999	63,521,492	99.353%

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

Schedule 8
City of Minneapolis
Outstanding Debt by Type and Per Capita
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2019

Fiscal Year	Governmental Activities				Business-type Activities			
	General		Revenue		General		Revenue	
	Obligation Bonds & Notes	Notes Payable	Bonds		Obligation Bonds & Notes	Notes Payable	Bonds	
2010	\$ 673,926	\$ 15,585	\$ 26,700	\$ 308,383	\$ 95,925	\$ 455	\$ 1,120,974	\$ 2,930
2011	586,500	15,276	25,990	296,857	91,985	311	1,016,919	2,658
2012	495,545	14,695	25,210	272,790	85,255	157	893,652	2,304
2013	491,517	14,385	24,385	254,971	94,100	41	879,399	2,243
2014	508,015	14,055	23,500	234,613	90,100	-	870,283	2,171
2015	437,357	13,695	22,710	214,125	84,790	-	772,677	1,879
2016	439,908	4,115	21,625	221,637	76,315	-	763,600	1,851
2017	460,116	3,705	20,305	216,456	64,300	-	764,882	1,849
2018	462,799	3,270	18,940	235,830	61,565	-	782,404	1,853
2019	517,235	2,805	17,520	255,580	58,835	-	851,975	2,003

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Schedule 14 for population data.

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

(UNAUDITED)

Schedule 9
City of Minneapolis
Ratios Of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2019

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 Restricted to Pay Debt Service	Total			
2010	\$ 673,926	\$ 308,383	\$ 57,397	\$ 924,912	2.50%	\$	2,418
2011	586,500	296,857	30,839	852,518	2.43%		2,228
2012	495,545	272,790	28,681	739,654	2.20%		1,907
2013	491,517	254,971	29,302	717,186	2.20%		1,830
2014	508,015	234,613	27,753	714,875	2.15%		1,783
2015	437,357	214,125	24,542	626,940	1.72%		1,524
2016	439,908	221,637	38,695	622,850	1.55%		1,510
2017	460,116	216,456	35,070	641,502	1.46%		1,551
2018	462,799	235,830	29,399	669,230	1.40%		1,585
2019	517,235	255,580	35,579	737,236	1.40%		1,733

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Schedule 5 for property value data. Assessed value used is consistent with valuations on the legal debt margin schedule.
(2) Population data can be found in Schedule 14.

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

(UNAUDITED)

Schedule 10
City of Minneapolis
Direct and Overlapping Governmental Activities Debt
(in thousands of dollars)
December 31, 2019

Governmental Unit	Governmental Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
City of Minneapolis - Direct Debt	\$ 537,560	100.00%	\$ 537,560
<u>Overlapping Debt:</u>			
Special School District No. 1	495,460	100.00%	495,460
Hennepin County	983,233 (3)	29.11%	286,219
Hennepin County Regional Railroad Authority	91,599	29.11%	26,664
Metropolitan Council	142,584	14.79%	21,088
Subtotal, Overlapping Debt			\$ 829,431
Total Direct and Overlapping Debt			\$ 1,366,991

Notes:

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

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

(2) The estimated percentage applicable is determined by Hennepin County and represents the tax capacity of the City in relation to the tax capacity of the overlapping jurisdictions as calculated by Hennepin County.

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

Sources:

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

(UNAUDITED)

Schedule 11
City of Minneapolis
Legal Debt Margin Information
Last Ten Fiscal Years
(In thousands of dollars)
December 31, 2019

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 1,254,206	\$ 1,173,628	\$ 1,131,060	\$ 1,102,298	\$ 1,117,046	\$ 1,226,826	\$ 1,350,986	\$ 1,472,354	\$ 1,598,184	\$ 1,754,691
Total net debt applicable to limit	246,979	213,714	154,317	155,494	146,506	114,260	109,926	106,843	141,957	261,336
Legal debt margin	<u>\$ 1,007,227</u>	<u>\$ 959,914</u>	<u>\$ 976,743</u>	<u>\$ 946,804</u>	<u>\$ 970,540</u>	<u>\$ 1,112,566</u>	<u>\$ 1,241,060</u>	<u>\$ 1,365,511</u>	<u>\$ 1,456,227</u>	<u>\$ 1,493,355</u>
Total net debt applicable to limit as a percentage of debt limit	19.69%	18.21%	13.64%	14.11%	13.12%	9.31%	8.14%	7.26%	8.88%	14.89%
Legal Debt Margin Calculation for Fiscal Year 2019										
Real Property (2019 Assessed Market Value)										\$ 52,194,463
Personal Property (2019 Assessed Market Value)										530,942
Adjustment for Exempt Personal Property (1966 Market Value)										298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution										(382,714)
Total 2019 Assessed Market Value (as adjusted)										<u>52,640,721</u>
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)										1,754,691
Debt applicable to limit:										
General Obligation Bonds Subject to Debt Limit										288,235
Less: Amount set aside to pay general obligation debt										<u>(26,899)</u>
Total Net Debt Applicable to Limit										<u>261,336</u>
Legal Debt Margin										<u>\$ 1,493,355</u>

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

(UNAUDITED)

Schedule 12
City of Minneapolis
Demographic and Economic Statistics
Last 10 Fiscal Years

Year	Population (1)	Per Capita Income (2)	Personal Income	Median Age (3)	Households (4)	Jobs (5)	Annual Average Unemployment Rate (6)	Median Household Income (7)	School Enrollment (8)
2010	382,578	\$ 29,558	\$ 11,308,240,524	31.4	163,540	281,577	6.9%	\$ 46,508	33,418
2011	387,873	30,256	11,735,485,488	32.3	166,110	287,846	6.1%	46,682	33,476
2012	392,008	29,936	11,735,151,488	31.4	166,513	297,012	5.3%	47,604	34,423
2013	400,938	32,791	13,147,157,958	32.1	170,195	303,135	4.6%	50,563	35,356
2014	411,273	31,764	13,063,675,572	31.8	175,119	308,714	3.8%	50,791	35,400
2015	412,517	34,763	14,340,328,471	32.4	176,878	317,475	3.4%	54,571	35,649
2016	413,645	34,527	14,281,920,915	32.0	179,807	324,620	3.4%	56,255	35,597
2017	422,326	38,131	16,103,712,706	32.4	176,416	327,355	3.2%	60,789	35,402
2018	425,403	37,071	15,770,114,613	32.1	173,916	332,175	2.5%	58,993	34,572
2019	NA	NA	NA	NA	NA	336,717	2.6%	NA	33,593

Sources:

- (1) Population - 2010 US Census. 2011 - 2018 Council
- (2) Per Capita Income - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (3) Median Age - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (4) Households - 2010 US Census. 2011 - 2018 Met Council
- (5) Jobs data from MN DEED/QCEW tables; 2019 number reflects 3rd quarter, latest available data
- (6) Annual Average Unemployment Rate - from MN DEED/LAUS tables
- (7) Median Household Income - U.S. Census Bureau - American Community Survey - 1 Year Estimate
- (8) School Enrollment - Minneapolis Public Schools/Student Accounting Office

NA - 2019 data is not yet available for these categories.

(UNAUDITED)

Schedule 13
City of Minneapolis
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2019 (a)			2010 (b)		
	Approximate Number of Employees	Rank	Percentage of Total Metro Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
University of Minnesota	24,500	1	7.3%	17,100	1	8.5%
Allina Health	10,100	2	3.0%	(c)	(c)	(c)
Target Corporation	8,500	3	2.5%	10,000	2	5.0%
Hennepin Healthcare	7,200	4	2.1%	4,500	7	2.2%
Wells Fargo Bank	7,000	5	2.1%	9,100	3	4.5%
Hennepin County	6,300	6	1.9%	5,800	4	2.9%
Ameriprise Financial Services	5,000	7	1.5%	3,300	8	1.6%
US Bancorp	4,900	8	1.5%	(c)	(c)	(c)
Xcel Energy	2,500	9	0.7%	(c)	(c)	(c)
City of Minneapolis	2,000	10	0.6%	5,000	6	2.5%
Abbott Northwestern Hospital	-	-	-	5,200	5	2.6%
Children's Hospitals and Clinics	-	-	-	3,100	9	1.5%
Fairview Health Services	-	-	-	3,000	10	1.5%
Total	78,137		23.2%	66,100		32.8%

Notes:

- a) Employment numbers are metro-wide numbers rounded to the nearest 100. Sources for City jobs: Minneapolis/St Paul Business Journal, Hennepin Healthcare Department of Human Resources, UMN Human Resources and Allina Public Relations Department
- b) Source was from previously published 2010 City CAFR
- c) Employer not part of top ten city-wide employers in 2010 City CAFR.

(UNAUDITED)

Schedule 14
City of Minneapolis
Full-time Equivalent City Government Employees by Function
Last 10 Fiscal Years
December 31, 2019

Full-time Equivalent Employees as of December 31										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function Program										
General Government										
Assessor	36.50	34.50	35.00	35.00	36.00	36.00	37.00	38.00	38.00	38.00
Attorney	102.00	105.00	101.00	102.00	108.00	110.00	112.00	112.00	113.30	114.30
City Clerk/Council	65.50	64.75	65.02	66.00	66.00	70.00	71.00	71.00	71.00	71.00
City Coordinator	949.80	546.60	691.40	677.40	702.60	747.60	754.10	764.10	771.30	780.30
Civil Rights	19.00	19.00	19.00	21.00	22.00	23.00	25.00	29.00	30.00	32.00
Community Planning and Economic Development	135.00	128.00	116.79	224.80	228.00	230.00	239.00	240.00	243.00	251.00
Fire	438.00	406.00	392.00	413.00	413.00	413.00	413.00	418.00	421.00	426.00
Minneapolis Health Department	60.00	61.70	50.25	91.00	94.30	99.30	100.05	103.05	107.00	107.85
Internal Audit	2.00	3.00	2.50	2.00	3.00	3.00	3.00	4.00	4.00	4.00
Mayor	10.00	11.00	11.00	11.00	11.00	12.00	13.00	13.00	13.00	14.00
Police	999.20	992.00	967.80	980.50	985.50	1,020.50	1,029.50	1,060.50	1,080.50	1,080.50
Public Works	1,024.50	1,000.35	932.08	911.65	946.98	1,004.50	1,005.90	1,097.90	1,134.60	1,151.85
Regulatory Services*	-	379.00	285.30	141.00	149.00	156.50	173.00	177.00	177.00	181.00
	3,841.50	3,750.90	3,669.14	3,676.35	3,765.38	3,925.40	3,975.55	4,127.55	4,203.70	4,251.80
Independent Boards										
Board of Estimate & Taxation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Park	827.00	811.18	802.40	814.72	819.24	832.00	859.26	924.36	956.91	956.91
Building Commission	62.00	60.00	54.00	55.00	55.00	55.00	55.00	55.00	59.00	59.00
Youth Coordinating Board	5.00	5.80	5.80	5.80	9.00	8.00	8.00	8.00	8.00	8.00
Neighborhood Revitalization Program**	7.00	5.00	-	-	-	-	-	-	-	-
	902.00	882.98	863.20	876.52	884.24	896.00	923.26	988.36	1,024.91	1,024.91
Total	4,743.50	4,633.88	4,532.34	4,552.87	4,649.62	4,821.40	4,898.81	5,115.91	5,228.61	5,276.71

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

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

Source: City of Minneapolis Management and Budget

(UNAUDITED)