



Annual Comprehensive Financial Report



**Minneapolis Park and Recreation Board
Minneapolis, Minnesota**

For the year ended December 31, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

COMPONENT UNIT OF THE
CITY OF MINNEAPOLIS

FOR THE YEAR ENDED
DECEMBER 31, 2022



Minneapolis
Park & Recreation Board

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

TABLE OF CONTENTS

<u>Introductory Section</u>		<u>Page</u>
Letter of Transmittal		1
Organizational Structure		4
Commissioners and Officers		5
<u>Financial Section</u>		
Independent Auditor's Report		7
Management's Discussion and Analysis		11
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position		19
Statement of Activities		20
Fund Financial Statements		
Balance Sheet - Governmental Funds		21
Reconciliation of the Total Governmental Funds Balance Sheet to the Government-wide Statement of Net Position - Governmental Activities		22
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds		23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities		24
Statement of Net Position - Proprietary Funds		25
Reconciliation of the Proprietary Funds – Business-Type Activities Statement of Net Position to the Government-wide Statement of Net Position – Business-Type Activities		26
Statement of Revenues, Expenses and Changes in Net Position- Proprietary Funds		27
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		28
Statement of Cash Flows - Proprietary Funds		29
Notes to the Financial Statements		31
<u>Required Supplementary Information</u>	<u>Schedule</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
Park and Recreation General Fund	A-1	51
Museum County-Wide Levy Special Revenue Fund	A-2	53
Park Grant and Dedicated Revenue Special Revenue Fund	A-3	54
Tree Preservation and Reforestation Special Revenue Fund	A-4	55
Park Dedication Fees Special Revenue Fund	A-5	56

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
<u>Required Supplementary Information (Continued)</u>	
	<u>Schedule</u>
PERA General Employees Retirement Plan	
Schedule of Proportionate Share of Net Pension Liability	A-6 57
Schedule of Contributions	A-7 58
PERA Public Employees Police and Fire Plan	
Schedule of Proportionate Share of Net Pension Liability	A-8 59
Schedule of Contributions	A-9 60
Other Postemployment Benefits	
Schedule of Changes in Total OPEB Liability and Related Ratios	A-10 61
Notes to the Required Supplementary Information	62
<u>Supplementary Information</u>	
Combining Balance Sheet - Other Governmental Funds	B-1 69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	B-2 70
Enterprise Fund	
Schedule of Changes For Renewal and Replacement	C-1 71
Schedule of Operating Income - by Project	C-2 72
Internal Service Funds	
Combining Statement of Net Position	D-1 73
Combining Statement of Revenues, Expenses and Changes in Net Position	D-2 74
Combining Statement of Cash Flows	D-3 75
Combining Schedule of Revenues, Expenses and Changes in Net Position – By Major Program	D-4 76
Schedule of Changes in Net Position – Reserved for Specific Purposes	D-5 77
Schedule of Intergovernmental Revenue	E-1 79
<u>Statistical Section (Unaudited)</u>	
Schedule 1 - Government-Wide Expenses by Function	81
Schedule 2 - Government-Wide Revenues	82
Schedule 3 - General Fund Revenues by Source and Expenditures by Function	83
Schedule 4 - Assessed Value and Actual Value of Taxable Property	84
Schedule 5 - Direct and Overlapping Property Tax Rates	85
Schedule 6 - Principal Property Taxpayers	86
Schedule 7 - Property Tax Levies and Collections – General Fund	87

TABLE OF CONTENTS
(Continued)

Page

Statistical Section (Unaudited)-(Continued)

Schedule

Schedule 8 - Outstanding Debt by Type and Per Capita	88
Schedule 9 - Ratios of Net General Bonded Debt Outstanding	89
Schedule 10 - Direct and Overlapping Governmental Activities Debt	90
Schedule 11 - Legal Debt Margin Information	91
Schedule 12 - Demographic and Economic Statistics	92
Schedule 13 - Principal Employers	93
Schedule 14 - Full-time Equivalent City Government Employees by Function	94

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.minneapolisparcs.org

President

Meg Forney

Vice President

Alicia D. Smith

Commissioners

Cathy Abene, P.E.
Becky Alper
Billy Menz
Steffanie Musich
Tom Olsen
Elizabeth Shaffer
Becka Thompson

Superintendent

Al Bangoura

Secretary to the Board

Jennifer B. Ringold

Meg Forney, 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 Comprehensive Financial Report of the Minneapolis Park & Recreation Board for the fiscal year ended December 31, 2022. 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 & Recreation Board's overall financial condition during the fiscal year ended 2022 is included as part of the MD&A.

Debt Administration

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

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

- Fitch – AA+ Positive
- S & P Global Ratings – AAA Stable

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 Deputy Superintendent. 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.

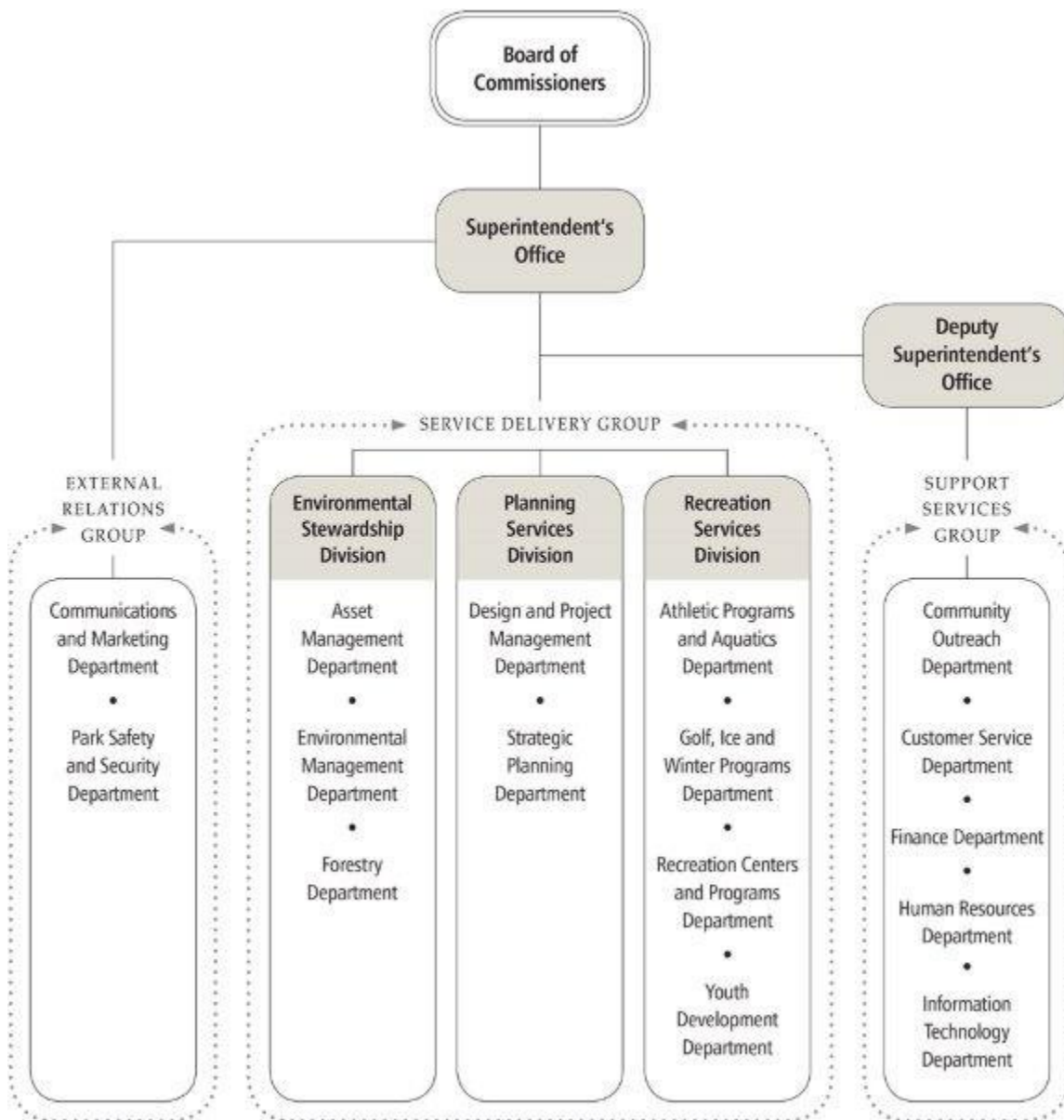
Respectfully submitted,

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
Cathy Abene	January 1, 2022	December 31, 2025
Becky Alper	January 1, 2022	December 31, 2025
Meg Forney	January 1, 2014	December 31, 2025
Billy Menz	January 1, 2022	December 31, 2025
Steffanie Musich	January 1, 2014	December 31, 2025
Tom Olsen	January 1, 2022	December 31, 2025
Elizabeth Shaffer	January 1, 2022	December 31, 2025
Alicia D. Smith	January 1, 2022	December 31, 2025
Becka Thompson	January 1, 2022	December 31, 2025
Officers		
President		
Meg Forney	January 1, 2022	December 31, 2022
Vice President		
Alicia D. Smith	January 1, 2022	December 31, 2022
Secretary		
Jennifer Ringold	January 1, 2014	December 31, 2022

FINANCIAL SECTION



Minneapolis
Park & Recreation Board



Independent Auditor's Report

Board of Commissioners
Minneapolis Park and Recreation Board
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, 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.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2022, and the respective changes in financial position, and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, which were prepared in accordance with standards of financial reporting of nongovernmental entities, were audited by other auditors whose report has been furnished to us. We have applied procedures on the conversion adjustments to the financial statements of the Minneapolis Parks Foundation, which conform the financial reporting to accounting principles generally accepted in the United States of America for state and local governments. Our opinion, insofar as it relates to the amounts included for the Minneapolis Parks Foundation component unit, prior to these conversion adjustments, is based solely on the report of the other auditors. The financial statements of the Minneapolis Parks Foundation component unit were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park and Recreation Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Minneapolis Parks Foundation component unit were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park and Recreation Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park and Recreation Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules for the General Fund and each major special revenue fund, PERA retirement plan schedules, Other Postemployment Benefits Schedule of Changes in Total OPEB Liability and Related Ratios, and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 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 Combining Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – Other Governmental Funds, Enterprise Fund supplementary schedules, Internal Service Funds combining financial statements and schedules, and Schedule of Intergovernmental Revenue are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

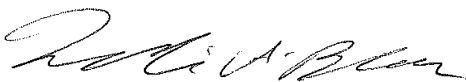
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2023, on our consideration of the 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 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 Park and Recreation Board's internal control over financial reporting and compliance. The financial statements of the Minneapolis Parks Foundation component unit were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Minneapolis Parks Foundation component unit.



Julie Blaha
State Auditor

July 17, 2023

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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, 2022. 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 \$8,890,798 or 2.2%. Net position of the business-type activities increased by \$3,680,082 or 13.5%, and net position of the governmental activities increased by \$5,210,716 or 1.4%.
- 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 \$411,496,383 (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 \$49,220,572.
- As of the close of the current fiscal year, the Park and Recreation Board's Proprietary Funds reported combined ending equity of \$43,727,943. Ending equity of the business-type proprietary fund is \$30,899,578. Ending net position of the governmental-type proprietary funds is \$12,828,365.

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 19-20) 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 21. 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 31. 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 21 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 \$411,496,383 increased by \$8,890,798 or 2.2% from a year ago. Current and other assets decreased by (\$2,473,083) and capital assets increased by \$9,847,599 from a year ago. Deferred Outflows-Pensions and Deferred Outflows-OPEB, increased by \$1,679,360 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>	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 71,203,466	\$ 74,133,611	\$ 8,520,046	\$ 8,062,984	\$ 79,723,512	\$ 82,196,595
Capital assets	380,760,307	374,248,028	26,987,036	23,651,716	407,747,343	397,899,744
Total Assets	451,963,773	448,381,639	35,507,082	31,714,700	487,470,855	480,096,339
Deferred Outflows-OPEB	161,352	213,574	13,805	14,044	175,157	227,618
Deferred Outflows-Pensions	23,736,318	21,748,976	1,207,767	1,463,288	24,944,085	23,212,264
Total Deferred Outflows	23,897,670	21,962,550	1,221,572	1,477,332	25,119,242	23,439,882
Long-term liabilities outstanding	79,570,400	49,758,616	4,693,457	2,957,248	84,263,857	52,715,864
Other liabilities	10,766,459	10,916,202	978,243	902,485	11,744,702	11,818,687
Total Liabilities	90,336,859	60,674,818	5,671,700	3,859,733	96,008,559	64,534,551
Deferred Inflows-Service Concessions Arrangement	3,737,732	3,971,340	-	-	3,737,732	3,971,340
Deferred Inflows-OPEB	9,155	13,571	808	892	9,963	14,463
Deferred Inflows-Pensions	1,272,604	30,390,083	64,856	2,020,199	1,337,460	32,410,282
Total Deferred Inflows	5,019,491	34,374,994	65,664	2,021,091	5,085,155	36,396,085
Net position:						
Net investment in Capital Assets	378,465,435	374,117,952	26,390,863	23,578,854	404,856,298	397,696,806
Restricted	38,059,015	36,516,806	-	-	38,059,015	36,516,806
Unrestricted	(36,019,357)	(35,340,381)	4,600,427	3,732,354	(31,418,930)	(31,608,027)
Total Net Position	\$ 380,505,093	\$ 375,294,377	\$ 30,991,290	\$ 27,311,208	\$ 411,496,383	\$ 402,605,585

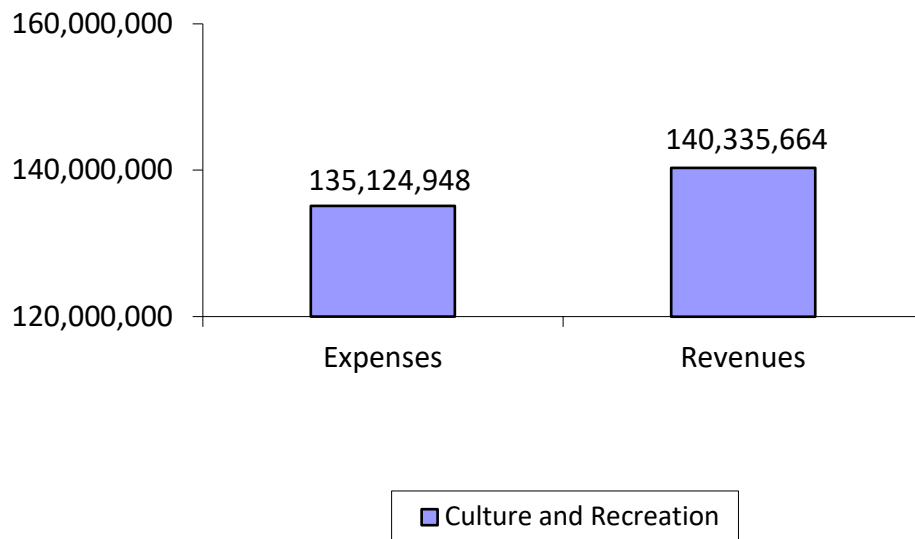
Net position of the Park and Recreation Board's governmental activities increased by \$5,210,716 or 1.4%. The unrestricted component of net position is (\$36,019,357) and reflects the net pension obligation for the Park and Recreation Board's governmental activities. Net position of the Park and Recreation Board's business-type activities increased by \$3,680,082 or 13.5%. 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

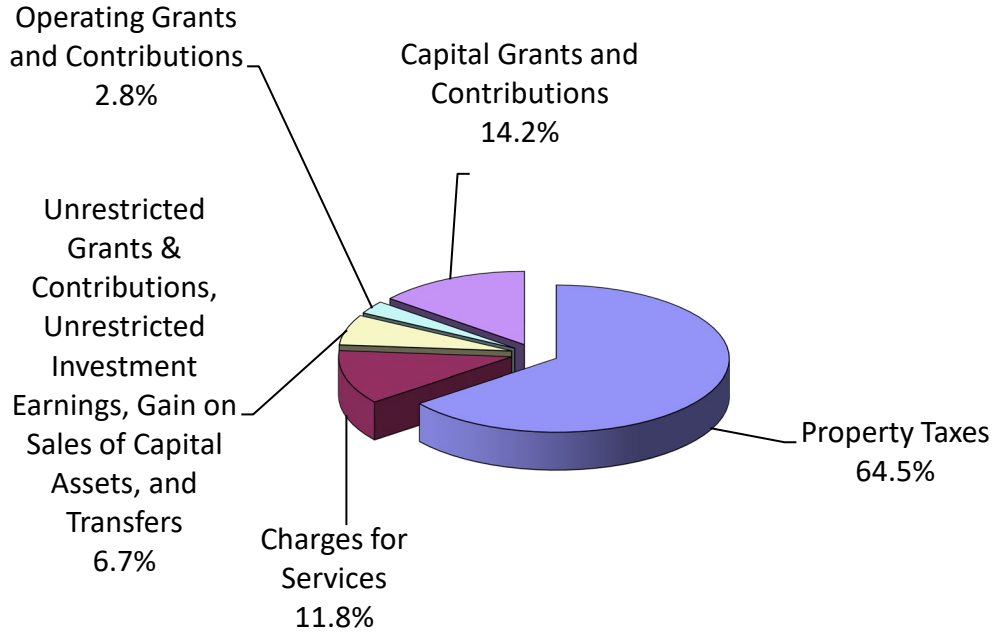
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary Government</u>	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 16,572,307	\$ 13,283,806	\$ 14,845,165	\$ 13,652,748	\$ 31,417,472	\$ 26,936,554
Operating grants & contributions	3,966,347	4,311,287	377	2,394	3,966,724	4,313,681
Capital grants & contributions	19,889,914	14,066,943	1,248,126	-	21,138,040	14,066,943
General revenues:						
Taxes	90,555,442	85,802,098	-	-	90,555,442	85,802,098
Unrestricted grants & contributions	9,671,714	9,428,030	25,924	8,041	9,697,638	9,436,071
Unrestricted investment earnings	(730,806)	(37,271)	559	-	(730,247)	(37,271)
Gain on sale of capital assets	410,746	314,640	-	-	410,746	314,640
Transfers	-	70,000	1,963,278	-	1,963,278	70,000
Total Revenue and Transfers	140,335,664	127,239,533	18,083,429	13,663,183	158,419,093	140,902,716
Program expense:						
Culture & recreation	133,161,670	118,176,999	-	-	133,161,670	118,176,999
Park enterprise fund	-	-	14,403,347	12,652,451	14,403,347	12,652,451
Transfers	1,963,278	-	-	70,000	1,963,278	70,000
Total Expenses and Transfers	135,124,948	118,176,999	14,403,347	12,722,451	149,528,295	130,899,450
Increase (Decrease) in Net Position	\$ 5,210,716	\$ 9,062,534	\$ 3,680,082	\$ 940,732	\$ 8,890,798	\$ 10,003,266

For governmental activities of the Park and Recreation Board, net position increased by \$5,210,716. The increase in Governmental Net Position is primarily due to an adjustment to compensated absences and an increase in capital assets. The increase in business-type activities of the Park and Recreation Board of \$3,680,082 is primarily due to capital transfers in for the Bde Maka Ska Project that began construction in 2022 and will be completed in 2023.

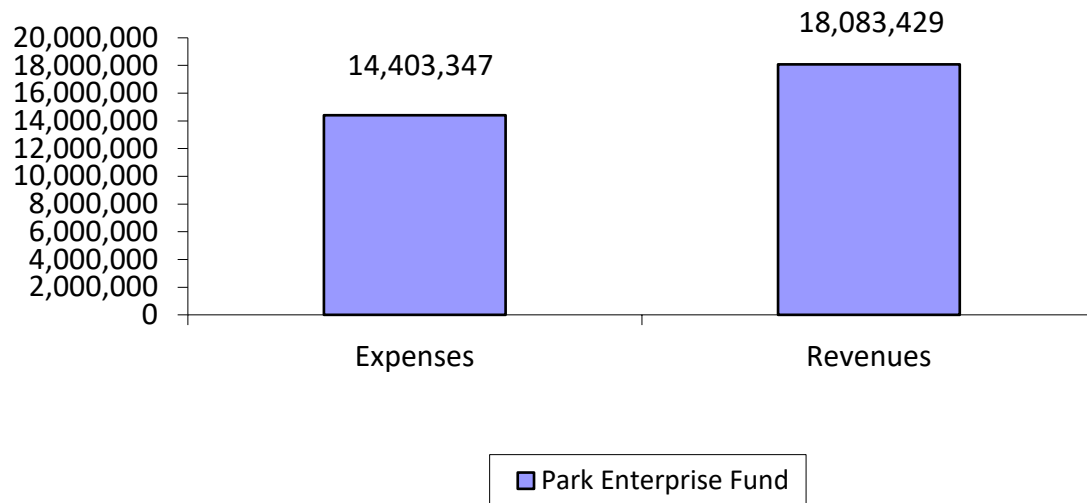
Expenses and Program Revenues Governmental Activities



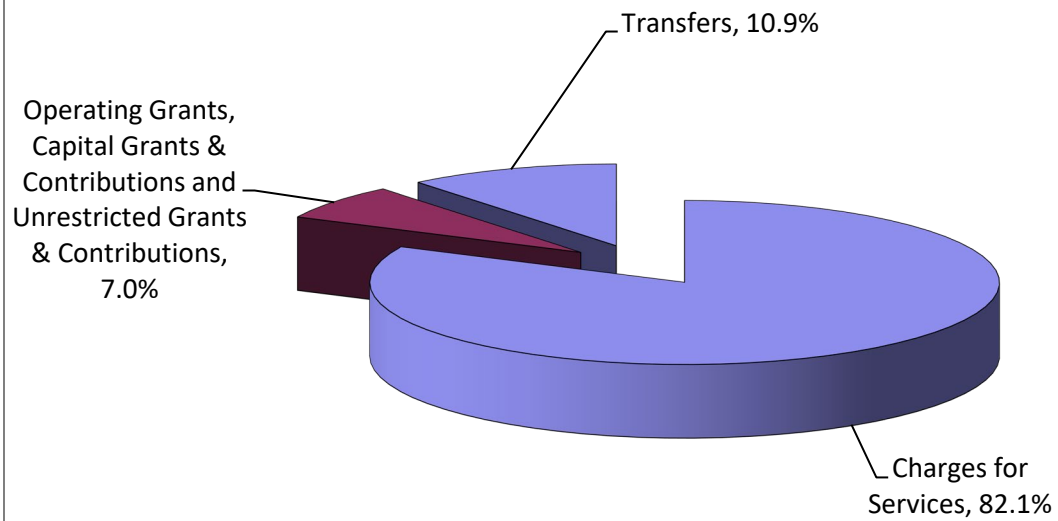
Revenues by Source - Governmental Activities



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 \$49,220,572. The following is an analysis of the major funds reported in the governmental funds' statements.

General Fund

The General Fund is the Board's operating fund that reports activities not reported in other funds. The fund balance of the General Fund decreased by \$3,147,347 from 2021 due to Board approved one-time expense allocations from the General Fund excess fund balance. As of the end of the current fiscal year the General Fund reported a fund balance of \$5,272,482 of which \$990,135 is classified as committed, and \$4,282,347 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 2022 original appropriation was \$96,187,819 and final appropriation was \$98,587,124.

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 decreased by (\$768,290) from 2021. This decrease is primarily due to the use of proceeds 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 \$12,292,530, of which \$6,803,559 is classified as restricted, \$241,233 is classified as committed and \$5,247,738 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. As of the end of the current fiscal year, the Tree Preservation and Reforestation Fund reported a fund balance of \$2,681, 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 \$25,544,245, 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 decreased by \$475,690 from 2021. This decrease is primarily related to the spending of donation revenue as the Waterworks development project was completed and capital levy revenue previously allocated to projects that were spent in 2022 as capital projects delayed due to COVID were completed. As of the end of the current fiscal year, the Permanent Improvement Fund reported a fund balance of \$5,809,748.

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 2022, operating revenues increased from 2021 by \$1,363,424 or 10.1%. In 2022, operating expenses of the Park Operating Fund increased from 2021 by \$2,316,427 or 21.9%. In 2022, operating income was \$1,926,236, a decrease of (\$953,003) from 2021. The decrease in operating income in the Park Operating Fund is primarily due to inflationary increases in materials, supplies and wages. Staffing levels have returned to normal after COVID, and wages have increased.

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 loss was (\$514,108) and ending net position was \$10,653,929. Net position is comprised of \$9,468,486 or 88.9%, which is the net investment in capital assets and \$1,185,443 or 11.1%, 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 \$436,698 and ending net position was \$2,174,435. An actuarial study completed in 2022 provided an estimate for the 2022 long-term liability for workers' compensation claims pending. An actuarial study completed in 2023 provided the estimate for the 2022 long-term liability for general liability claims pending.

Capital Asset and Debt Administration

Capital Assets

At the end of 2022, the Park and Recreation Board had \$407,747,343 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:

- Plank Trail Improvements
- Northeast Park Recreation Building
- Folwell Park Rehab
- Tennis Courts
- Longfellow Playground Improvements
- Cleveland Playground Improvements
- New Exhibits at Kroening – No. Mississippi

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

	Governmental		Business-Type		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 98,009,521	\$ 98,009,521	\$ 1,206,784	\$ 1,206,784	\$ 99,216,305	\$ 99,216,305
Building and Structures	62,278,745	63,711,038	16,427,709	15,070,482	78,706,454	78,781,520
Infrastructure	36,910,189	36,067,851	243,208	252,666	37,153,397	36,320,517
Public Improvements	118,508,644	121,501,015	4,571,189	5,121,580	123,079,833	126,622,595
Machinery and Equipment	9,947,897	7,553,994	620,175	425,388	10,568,072	7,979,382
Construction in Progress	55,105,311	47,404,609	3,917,971	1,574,816	59,023,282	48,979,425
Total	\$ 380,760,307	\$ 374,248,028	\$ 26,987,036	\$ 23,651,716	\$ 407,747,343	\$ 397,899,744

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 2023 Budget

Employment:

The unemployment rate for the City of Minneapolis at the end of 2022, as released by the Minnesota Department of Employment and Economic Development, is 2.6%. This economic indicator is the same as the State of Minnesota (2.6%) and lower than the national unemployment rate (3.7%). The City of Minneapolis unemployment rate one year ago in December 2021 was at 2.5%. The unemployment rate has stabilized since the economy rebounded from the impacts COVID-19 pandemic.

2023 Budget:

On December 6, 2022, the Park and Recreation Board approved the 2023 budget. The original General Fund operating budget was set for \$99.8 million. This is the first budget year under the guidance of the 2023-2026 Strategic Directions, Performance Goals, and Priority Comprehensive Plan Strategies adopted by the Board in May 2022. The five strategic directions are: act boldly for our climate; cultivate each community's place and honor cultural traditions in Minneapolis parks; implement quality youth and intergenerational programs; care for park assets to meet evolving needs and practices; and steward our natural resources.

Requests for Information

This financial report is designed to provide a general overview of the Minneapolis Park and Recreation Board finances and to demonstrate the Park and Recreation Board's accountability for the funds it receives. Questions about this report or requests for additional financial information should be directed to the Finance Director, Minneapolis Park and Recreation Board, 2117 West River Road, Minneapolis, MN 55411, 612-230-6400.

MINNEAPOLIS PARK AND RECREATION BOARD
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Discrete	
	Governmental	Business -Type	Total	Component Unit	Total
	Activities	Activities			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and Pooled Investments	\$ 65,116,070	\$ 6,569,566	\$ 71,685,636	\$ 2,606,055	\$ 74,291,691
Funds Held for Others	-	-	-	243,770	243,770
Receivables	6,409,227	1,401,143	7,810,370	20,000	7,830,370
Materials & Supplies Inventories	-	77,775	77,775	-	77,775
Prepaid Expense	149,731	-	149,731	9,032	158,763
Internal Balances	(471,562)	471,562	-	-	-
Capital Assets:					
Non-Depreciable	153,114,832	5,124,755	158,239,587	-	158,239,587
Depreciable (Net)	227,645,475	21,862,281	249,507,756	9,770	249,517,526
Total Assets	451,963,773	35,507,082	487,470,855	2,888,627	490,359,482
Deferred Outflows of Resources:					
Deferred Outflows - Pensions	23,736,318	1,207,767	24,944,085	-	24,944,085
Deferred Outflows - Other Post Employment Benefits	161,352	13,805	175,157	-	175,157
Total Deferred Outflows of Resources	23,897,670	1,221,572	25,119,242	-	25,119,242
Total Assets and Deferred Outflows of Resources	\$ 475,861,443	\$ 36,728,654	\$ 512,590,097	\$ 2,888,627	\$ 515,478,724
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Liabilities:					
Salaries Payable	\$ 2,199,241	\$ 151,376	\$ 2,350,617	\$ 37,255	\$ 2,387,872
Accounts Payable (Net)	5,520,967	522,316	6,043,283	10,895	6,054,178
Funds Held for Others	-	-	-	243,770	243,770
Non-Current Liabilities					
Due Within One Year:					
Compensated Absences	3,046,251	304,551	3,350,802	-	3,350,802
Due In More Than One Year:					
Compensated Absences	898,604	89,838	988,442	-	988,442
Other Post Employment Benefits	808,818	59,370	868,188	-	868,188
Workers' Compensation Claims Pending	3,262,158	-	3,262,158	-	3,262,158
General Liability Claims Pending	2,327,875	-	2,327,875	-	2,327,875
Net Pension Liability	72,272,945	4,544,249	76,817,194	-	76,817,194
Total Liabilities:	90,336,859	5,671,700	96,008,559	291,920	96,300,479
Deferred Inflows of Resources:					
Deferred Inflows - Service Concession Arrangement	3,737,732	-	3,737,732	-	3,737,732
Deferred Inflows - Pensions	1,272,604	64,856	1,337,460	-	1,337,460
Deferred Inflows - Other Post Employment Benefits	9,155	808	9,963	-	9,963
Total Deferred Inflows of Resources	5,019,491	65,664	5,085,155	-	5,085,155
Net Position:					
Net Investment in Capital Assets	378,465,435	26,390,863	404,856,298	9,770	404,866,068
Restricted					
Capital Improvements	5,045,536	-	5,045,536	-	5,045,536
Project and Grant Programs	26,209,920	-	26,209,920	1,432,056	27,641,976
Special Trust	195,974	-	195,974	-	195,974
Special Reserves	6,607,585	-	6,607,585	-	6,607,585
Unrestricted	(36,019,357)	4,600,427	(31,418,930)	1,154,881	(30,264,049)
Total Net Position	380,505,093	30,991,290	411,496,383	2,596,707	414,093,090
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 475,861,443	\$ 36,728,654	\$ 512,590,097	\$ 2,888,627	\$ 515,478,724

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, 2022

FUNCTION/PROGRAM ACTIVITIES	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discrete Component unit	Total
					Governmental Activities	Business-Type Activities	Total		
Primary Government									
Governmental Activities									
Culture and Recreation	\$ 133,161,670	\$ 16,572,307	\$ 3,966,347	\$ 19,889,914	\$ (92,733,102)	\$ -	\$ (92,733,102)	\$ -	\$ (92,733,102)
Business-Type Activities									
Park Enterprise Fund	14,403,347	14,845,165	377	1,248,126	-	1,690,321	1,690,321	-	1,690,321
Total Primary Government	<u>\$ 147,565,017</u>	<u>\$ 31,417,472</u>	<u>\$ 3,966,724</u>	<u>\$ 21,138,040</u>	<u>\$ (92,733,102)</u>	<u>\$ 1,690,321</u>	<u>\$ (91,042,781)</u>	<u>\$ -</u>	<u>\$ (91,042,781)</u>
Component unit									
Discrete Component Unit									
Minneapolis Parks Foundation	1,224,741	167,350	-	1,014,766	-	-	-	(42,625)	(42,625)
Total	<u>\$ 148,789,758</u>	<u>\$ 31,584,822</u>	<u>\$ 3,966,724</u>	<u>\$ 22,152,806</u>	<u>\$ (92,733,102)</u>	<u>\$ 1,690,321</u>	<u>\$ (91,042,781)</u>	<u>\$ (42,625)</u>	<u>\$ (91,085,406)</u>
General Revenues									
Taxes:									
Property taxes and fiscal disparities					73,790,188	-	73,790,188	-	73,790,188
Property tax increment					54,703	-	54,703	-	54,703
Museum (county-wide levy)					16,710,551	-	16,710,551	-	16,710,551
Local Government Aid					9,233,125	-	9,233,125	-	9,233,125
Grants and contributions not restricted to specific programs					438,589	25,924	464,513	-	464,513
Unrestricted interest and investment earnings					(730,806)	559	(730,247)	-	(730,247)
Gain on sale of capital assets					410,746	-	410,746	-	410,746
Transfers					(1,963,278)	1,963,278	-	-	-
Total General Revenues and transfers					97,943,818	1,989,761	99,933,579	-	99,933,579
Change in Net Position					5,210,716	3,680,082	8,890,798	(42,625)	8,848,173
Net Position - January 1					375,294,377	27,311,208	402,605,585	2,639,332	405,244,917
Net Position - December 31					<u>\$ 380,505,093</u>	<u>\$ 30,991,290</u>	<u>\$ 411,496,383</u>	<u>\$ 2,596,707</u>	<u>\$ 414,093,090</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, 2022

	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	\$ 8,046,553	\$ -	\$ 12,207,386	\$ 2,673	\$ 25,469,173	\$ 7,221,689	\$ 768,445	\$ 53,715,919
Receivables:								
Accounts	229,602	-	98,922	-	-	1,982,637	-	2,311,161
Taxes -								
Current	500,815	-	-	-	-	-	-	500,815
Delinquent	360,446	-	-	-	-	-	-	360,446
Intergovernmental	12,123	111,766	13,455	-	-	2,865,646	-	3,002,990
Accrued Interest	-	-	-	8	75,072	-	2,225	77,305
Special Assessments	-	-	-	-	-	-	57,978	57,978
Due From-								
Other Funds	5,700	-	4,053	-	-	275,000	-	284,753
Total Assets	<u>\$ 9,155,239</u>	<u>\$ 111,766</u>	<u>\$ 12,323,816</u>	<u>\$ 2,681</u>	<u>\$ 25,544,245</u>	<u>\$ 12,344,972</u>	<u>\$ 828,648</u>	<u>\$ 60,311,367</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Payables -								
Salaries	\$ 2,069,571	\$ -	\$ 5,186	\$ -	\$ -	\$ 29,186	\$ -	\$ 2,103,943
Accounts	1,444,873	111,766	20,364	-	-	3,312,216	218,495	5,107,714
Intergovernmental	2,704	-	36	-	-	-	-	2,740
Due To -								
Other Funds	4,053	-	5,700	-	-	-	275,000	284,753
Capital Advances	-	-	-	-	-	1,020,000	-	1,020,000
Total Liabilities	<u>3,521,201</u>	<u>111,766</u>	<u>31,286</u>	<u>-</u>	<u>-</u>	<u>4,361,402</u>	<u>493,495</u>	<u>8,519,150</u>
Defferred Inflows of Resources:								
Unavailable Revenue	361,556	-	-	-	-	2,173,822	36,267	2,571,645
Fund Balances:								
Restricted for:								
Capital Improvements	-	-	-	-	-	5,045,536	-	5,045,536
Project and Grant Programs	-	-	-	-	25,544,245	-	665,675	26,209,920
Special Trust	-	-	195,974	-	-	-	-	195,974
Special Reserves	-	-	6,607,585	-	-	-	-	6,607,585
Committed to:								
Capital Improvements	-	-	-	-	-	5,728,696	-	5,728,696
Project Programs	990,135	-	41,233	2,681	-	-	-	1,034,049
Guaranty Loan	-	-	200,000	-	-	-	-	200,000
Assigned to:								
Project Programs	-	-	4,852,608	-	-	-	-	4,852,608
Special Trust	-	-	-	-	-	-	91,571	91,571
Special Reserves	-	-	372,042	-	-	-	-	372,042
Easements	-	-	23,088	-	-	-	-	23,088
Unassigned	4,282,347	-	-	-	-	(4,964,484)	(458,360)	(1,140,497)
Total Fund Balances	<u>5,272,482</u>	<u>-</u>	<u>12,292,530</u>	<u>2,681</u>	<u>25,544,245</u>	<u>5,809,748</u>	<u>298,886</u>	<u>49,220,572</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,155,239</u>	<u>\$ 111,766</u>	<u>\$ 12,323,816</u>	<u>\$ 2,681</u>	<u>\$ 25,544,245</u>	<u>\$ 12,344,972</u>	<u>\$ 828,648</u>	<u>\$ 60,311,367</u>

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, 2022

Total Governmental Funds Balances	\$	49,220,572
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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	98,009,522	
Depreciable	530,943,053	
Accumulated Depreciation	(312,766,064)	
Construction in Progress	55,105,310	371,291,821

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

Compensated Absences - Short Term		(2,909,221)
Compensated Absences - Long Term		(858,181)
Other Post Employment Benefits - Long Term		(763,886)
Net Pension Liability - Long Term		(69,065,683)

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

2,571,645

Deferred outflows are not available resources and therefore
are not reported in the funds.

Deferred Outflows - Pensions		22,998,746
Deferred Outflows - Other Post Employment Benefits		150,904

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

Deferred Inflows - Pensions		(1,220,534)
Deferred Inflows - Other Post Employment Benefits		(8,543)
Deferred Inflows - Service Concession Arrangement		(3,737,732)

Receivables from business-type funds for internal service fund activity.
Receivable from Service Concession Arrangement.

(91,712)
98,532

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

12,828,365

Net Position of Governmental Activities

	\$	380,505,093
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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, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	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	\$ 73,776,631	\$ 16,710,551	\$ -	\$ 7,565	\$ -	\$ -	\$ -	\$ 90,494,747
Intergovernmental	10,859,338	7,771	2,214,034	-	-	16,026,943	844,180	29,952,266
Charges for Services and Sales	8,496,289	-	280,618	-	-	-	-	8,776,907
Licenses and Permits	223,677	-	-	-	-	-	-	223,677
Fines and Forfeits	179,063	-	-	-	-	-	-	179,063
Special Assessments	-	-	-	-	-	-	864,800	864,800
Investment Earnings	94	-	-	2,680	(604,993)	(31,877)	(53,100)	(687,196)
Miscellaneous	54,252	-	348,777	-	5,777,880	217,133	20,000	6,418,042
Total Revenues	93,589,344	16,718,322	2,843,429	10,245	5,172,887	16,212,199	1,675,880	136,222,306
EXPENDITURES								
Current:								
Culture and Recreation	92,144,834	16,718,322	951,256	592,132	6,168	-	-	110,412,712
Capital Outlay	-	-	-	-	-	23,694,170	2,538,451	26,232,621
Debt Service:								
Principal Retirement	-	-	-	-	-	130,076	-	130,076
Interest and Fiscal Charges	-	-	-	-	-	5,203	-	5,203
Total Expenditures	92,144,834	16,718,322	951,256	592,132	6,168	23,829,449	2,538,451	136,780,612
Excess of Revenues Over (Under) Expenditures	1,444,510	-	1,892,173	(581,887)	5,166,719	(7,617,250)	(862,571)	(558,306)
OTHER FINANCING SOURCES (USES)								
Transfers In -								
Other Funds	99,522	-	847,845	-	-	8,019,075	-	8,966,442
Transfers Out -								
Other Funds	(4,691,379)	-	(3,508,308)	-	(2,184,186)	(877,515)	-	(11,261,388)
Total Other Financing Sources (Uses)	(4,591,857)	-	(2,660,463)	-	(2,184,186)	7,141,560	-	(2,294,946)
Net Change in Fund Balance	(3,147,347)	-	(768,290)	(581,887)	2,982,533	(475,690)	(862,571)	(2,853,252)
FUND BALANCE - JANUARY 1	8,419,829	-	13,060,820	584,568	22,561,712	6,285,438	1,161,457	52,073,824
FUND BALANCE - DECEMBER 31	\$ 5,272,482	\$ -	\$ 12,292,530	\$ 2,681	\$ 25,544,245	\$ 5,809,748	\$ 298,886	\$ 49,220,572

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, 2022

Net Changes in Fund Balances - Total Governmental Funds \$ (2,853,252)

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	18,674,439
Current Year Depreciation	(16,032,637)
Contributed Capital Assets	1,741,946

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	28,182
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 Compensated Absences	1,783,060
Change in Other Post Employment Benefits, including related deferred inflows and outflows of resources	(55,677)
Change in Note Payable	130,076
Change in Net Pension Liability, including related deferred inflows and outflows of resources	(552,610)

Transfers from business-type funds for internal service fund activities.	(13,189)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

2,132,928

Change in net position of governmental activities

\$ 5,210,716

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, 2022

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and Cash Equivalents	\$ 6,569,566	\$ 11,249,090
Cash with Escrow Agent	-	151,061
Receivables -		
Accounts	1,401,143	-
Capital Advances	800,000	640,150
Materials & Supplies Inventory	77,775	-
Prepaid Expense	-	149,731
Total Current Assets	<u>8,848,484</u>	<u>12,190,032</u>
Non-Current Assets		
Net Capital Assets	<u>26,987,036</u>	<u>9,468,486</u>
Total Assets	<u>35,835,520</u>	<u>21,658,518</u>
Deferred Outflows of Resources:		
Deferred Outflows - Pensions	1,207,767	737,572
Deferred Outflows - Other Post Employment Benefits	13,805	10,448
Total Deferred Outflows of Resources	<u>1,221,572</u>	<u>748,020</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 37,057,092</u></u>	<u><u>\$ 22,406,538</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Payables -		
Salaries	\$ 151,376	\$ 95,298
Accounts	518,042	410,513
Intergovernmental Payable	4,274	-
Compensated Absences Payable	304,551	137,030
Advance From Other Funds	140,050	-
Total Current Liabilities	<u>1,118,293</u>	<u>642,841</u>
Long-Term Liabilities:		
Advance From Other Funds	280,100	-
Compensated Absences Payable	89,838	40,423
Other Post Employment Benefits Payable	59,370	44,932
Workers' Compensation Claims Pending	-	3,262,158
General Liability Claims Pending	-	2,327,875
Net Pension Liability	4,544,249	3,207,262
Total Long-Term Liabilities	<u>4,973,557</u>	<u>8,882,650</u>
Total Liabilities	<u>6,091,850</u>	<u>9,525,491</u>
Deferred Inflows of Resources:		
Deferred Inflows - Pensions	64,856	52,070
Deferred Inflows - Other Post Employment Benefits	808	612
Total Deferred Inflows of Resources	<u>65,664</u>	<u>52,682</u>
Net Position:		
Net Investment in Capital Assets	26,390,863	9,468,486
Unrestricted	4,508,715	3,359,879
Total Net Position	<u>30,899,578</u>	<u>12,828,365</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 37,057,092</u></u>	<u><u>\$ 22,406,538</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, 2022

Net Position - Enterprise Fund	\$ 30,899,578
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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.

91,712

Net Position of Business-Type Activities

\$ 30,991,290

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, 2022

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Billings to Departments	\$ -	\$ 10,028,292
Charges For Services and Sales	10,752,610	-
Rents	4,063,881	-
Total Operating Revenues	<u>14,816,491</u>	<u>10,028,292</u>
OPERATING EXPENSES		
Personnel Services	5,044,813	2,339,541
Contractual Services	3,057,252	2,109,004
Materials and Supplies, and Other	2,059,287	2,271,368
Depreciation on Acquired Property	926,227	2,353,595
Benefits	1,802,676	1,032,194
Total Operating Expenses	<u>12,890,255</u>	<u>10,105,702</u>
Operating Income (Loss)	<u>1,926,236</u>	<u>(77,410)</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental	1,274,050	16,047
Contributions	377	-
Gain (Loss) on Sale of Capital Assets	(355,885)	390,902
Sale of Scrap	-	197,789
Other Non-Operating Revenues	29,233	1,273,932
City of Minneapolis - Debt Service	(1,147,538)	-
Other Non-Operating Expenses	(22,858)	-
Total Non-Operating Revenues (Expenses)	<u>(222,621)</u>	<u>1,878,670</u>
Income (Loss) Before Contributions and Transfers	1,703,615	1,801,260
Transfer In	2,033,278	359,364
Transfers Out - Other Funds	<u>(70,000)</u>	<u>(27,696)</u>
CHANGE IN NET POSITION	3,666,893	2,132,928
NET POSITION - JANUARY 1	27,232,685	10,695,437
NET POSITION - DECEMBER 31	<u>\$ 30,899,578</u>	<u>\$ 12,828,365</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, 2022

Change in Net Position - Enterprise Fund	\$ 3,666,893
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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.

13,189

Change in Net Position of Business-Type Activities	<u><u>\$ 3,680,082</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, 2022

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided	\$ -	\$ 10,028,292
Cash Received (Due) from Customers	13,510,323	-
Cash Paid to Suppliers for Goods and Services	(5,176,504)	(5,057,870)
Cash Paid to Employees for Services	(6,736,315)	(3,284,947)
Other Non-Operating Revenues	29,233	1,289,147
Net cash Provided by (Used in) Operating Activities	<u>1,626,737</u>	<u>2,974,622</u>
Cash Flows from Non-Capital Financing Activities:		
Contributions	377	-
Repayment of Advances Made by Other Funds	-	270,050
Proceeds from Sale of Scrap	-	197,789
Intergovernmental Receipts	25,924	832
City of Minneapolis - Debt Service	(1,147,538)	-
Transfers from Other Funds	-	359,364
Transfer to Other Funds	(70,000)	(27,696)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(1,191,237)</u>	<u>800,339</u>
Cash Flows from Capital and Related Financing Activities:		
Intergovernmental Revenue	1,248,126	-
Proceeds from Sale of Capital Assets	-	438,428
Acquisition of Property, Plant and Equipment	(4,617,430)	(4,529,652)
Repayment of Advances Made by Other Funds	(140,050)	-
Transfers From Other Funds	2,033,278	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,476,076)</u>	<u>(4,091,224)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,040,576)</u>	<u>(316,263)</u>
Cash and Cash Equivalents - January 1	<u>7,610,142</u>	<u>11,716,414</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 6,569,566</u></u>	<u><u>\$ 11,400,151</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ 1,926,236	\$ (77,410)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation on Acquired Property	926,227	2,353,595
(Increase) Decrease in Accounts Receivable	(1,306,172)	-
(Increase) Decrease in Materials and Supplies Inventory	(38,230)	-
(Increase) Decrease in Prepaid Expense	-	(16,101)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	255,521	158,162
(Increase) Decrease in Deferred Outflows of Resources - OPEB	239	(35)
Increase (Decrease) in Salaries Payable	49,987	46,620
Increase (Decrease) in Accounts Payable	115,115	(283,304)
Increase (Decrease) in Intergovernmental Payable	(113,991)	-
Increase (Decrease) in Due to Other Funds	-	(200,445)
Increase (Decrease) in Workers' Compensation Claims Pending	-	8,387
Increase (Decrease) in General Liability Claims Pending	-	(186,036)
Increase (Decrease) in Other Post Employment Benefits Payable	7,105	4,559
Increase (Decrease) in Compensated Absences Payable	19,948	14,662
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(1,955,342)	(1,210,323)
Increase (Decrease) in Deferred Inflows of Resources - OPEB	(84)	(50)
Increase (Decrease) in Net Pension Liability	1,733,803	1,073,194
Other Non-Operating Expenses	(22,858)	-
Other Non-Operating Revenues	29,233	1,289,147
Total Adjustments	<u>(299,499)</u>	<u>3,052,032</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,626,737</u></u>	<u><u>\$ 2,974,622</u></u>
Non-Cash, Capital and Related Financing Activities		
Capital Asset Purchased on Account	596,173	-
Loss on Disposal of Capital Assets	355,885	-

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MINNEAPOLIS PARK AND RECREATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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 12.

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)

In the Statement of Net Position, the Park and Recreation Board's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. 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 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 Annual Comprehensive 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
Machinery and 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, post employment benefits payable, workers' compensation claims pending, general liability claims pending, and net pension liability. These liabilities are discussed further in Notes 5, 7, 8, 9 and 11. 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 assets 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 assets 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 four 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, and intergovernmental revenue, 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
<u>Restricted for:</u>							
Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ 5,045,536	\$ -	\$ 5,045,536
Project and Grant Programs	-	-	-	25,544,245	-	665,675	26,209,920
Special Trust	-	195,974	-	-	-	-	195,974
Special Reserves	-	6,607,585	-	-	-	-	6,607,585
<u>Total Restricted</u>	<u>-</u>	<u>6,803,559</u>	<u>-</u>	<u>25,544,245</u>	<u>5,045,536</u>	<u>665,675</u>	<u>38,059,015</u>
<u>Committed to:</u>							
Capital Improvements	-	-	-	-	5,728,696	-	5,728,696
Project Programs	990,135	41,233	2,681	-	-	-	1,034,049
Guaranty Loan	-	200,000	-	-	-	-	200,000
<u>Total Committed</u>	<u>990,135</u>	<u>241,233</u>	<u>2,681</u>	<u>-</u>	<u>5,728,696</u>	<u>-</u>	<u>6,962,745</u>
<u>Assigned to:</u>							
Project Programs	-	4,852,608	-	-	-	-	4,852,608
Special Trust	-	-	-	-	-	91,571	91,571
Special Reserves	-	372,042	-	-	-	-	372,042
Easements	-	23,088	-	-	-	-	23,088
<u>Total Assigned</u>	<u>-</u>	<u>5,247,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,571</u>	<u>5,339,309</u>
<u>Unassigned</u>	<u>4,282,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,964,484)</u>	<u>(458,360)</u>	<u>(1,140,497)</u>
Total fund balances	<u>\$ 5,272,482</u>	<u>\$ 12,292,530</u>	<u>\$ 2,681</u>	<u>\$ 25,544,245</u>	<u>\$ 5,809,748</u>	<u>\$ 298,886</u>	<u>\$ 49,220,572</u>

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 2021 process for the 2022 budget involved the following:

May-June	The 2022 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 2022 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.

N) Stewardship, Accountability and Compliance

The Park Acquisition and Improvement Capital Projects Fund currently has a deficit fund balance of \$458,360 due to increased expenditures related to removal of diseased trees. This fund is supported by bond sales and fees assessed for diseased tree removals.

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	Total Governmental Activities	Total Business- Type Activities
Trade Accounts	\$ 229,602	\$ -	\$ 98,922	\$ -	\$ -	\$ 1,982,637	\$ -	\$ 2,311,161	\$ 1,401,143
Property Tax	861,261	-	-	-	-	-	-	861,261	-
Intergovernmental	12,123	111,766	13,455	-	-	2,865,646	-	3,002,990	-
Accrued Interest	-	-	-	8	75,072	-	2,225	77,305	-
Special Assessments	-	-	-	-	-	-	57,978	57,978	-
Gross Receivables	\$ 1,102,986	\$ 111,766	\$ 112,377	\$ 8	\$ 75,072	\$ 4,848,283	\$ 60,203	\$ 6,310,695	\$ 1,401,143

No allowance for uncollectible receivables have been provided because such amounts are not expected to be material.

Note 3 – Receivables (Continued)

See also Note 13 – Service Concession Agreement for an additional receivable recorded at the Governmental Activities level.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed by Hennepin County in March. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

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	Permanent Improvement	Other Governmental Funds	Total
Property Taxes	\$ 361,556	\$ -	\$ -	\$ 361,556
Special Assessments	-	-	36,267	36,267
Grants:				
Other Local Governments	-	2,173,822	-	2,173,822
	<u>\$ 361,556</u>	<u>\$ 2,173,822</u>	<u>\$ 36,267</u>	<u>\$ 2,571,645</u>

Note 4 - Changes in Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 98,009,521	\$ -	\$ -	\$ 98,009,521
Construction in Progress	47,404,609	21,314,217	(13,613,515)	55,105,311
Total capital assets not being depreciated	<u>145,414,130</u>	<u>21,314,217</u>	<u>(13,613,515)</u>	<u>153,114,832</u>
Capital assets being depreciated				
Buildings and Structures	104,485,353	903,367	-	105,388,720
Infrastructure	131,898,866	3,090,037	-	134,988,903
Public Improvements	280,356,412	8,411,479	-	288,767,891
Machinery and Equipment	21,909,448	4,840,452	(1,857,509)	24,892,391
Total capital assets being depreciated	<u>538,650,079</u>	<u>17,245,335</u>	<u>(1,857,509)</u>	<u>554,037,905</u>
Less accumulated depreciation for:				
Buildings and Structures	(40,774,315)	(2,335,660)	-	(43,109,975)
Infrastructure	(95,831,015)	(2,247,699)	-	(98,078,714)
Public Improvements	(158,855,397)	(11,403,850)	-	(170,259,247)
Machinery and Equipment	(14,355,454)	(2,399,023)	1,809,983	(14,944,494)
Total accumulated depreciation	<u>(309,816,181)</u>	<u>(18,386,232)</u>	<u>1,809,983</u>	<u>(326,392,430)</u>
Total capital assets being depreciated net	<u>228,833,898</u>	<u>(1,140,897)</u>	<u>(47,526)</u>	<u>227,645,475</u>
Governmental activities capital assets, net	<u>\$ 374,248,028</u>	<u>\$ 20,173,320</u>	<u>\$ (13,661,041)</u>	<u>\$ 380,760,307</u>

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

Note 4 - Changes in Capital Assets (Continued)

Business - Type Activities	Balance 1/1/22	Additions	Deletions	Balance 12/31/22
Capital assets not being depreciated				
Land	\$ 1,206,784	\$ -	\$ -	\$ 1,206,784
Construction in Progress	1,574,816	4,205,382	(1,862,227)	3,917,971
Total capital assets not being depreciated	2,781,600	4,205,382	(1,862,227)	5,124,755
Capital assets, being depreciated				
Buildings and Structures	24,776,134	1,845,636	-	26,621,770
Infrastructure	336,083	-	-	336,083
Public Improvements	12,228,453	6,865	(363,062)	11,872,256
Machinery and Equipment	2,897,563	421,776	(747,417)	2,571,922
Total capital assets, being depreciated	40,238,233	2,274,277	(1,110,479)	41,402,031
Less accumulated depreciation for:				
Buildings and Structures	(9,705,652)	(488,409)	-	(10,194,061)
Infrastructure	(83,417)	(9,458)	-	(92,875)
Public Improvements	(7,106,873)	(339,754)	145,560	(7,301,067)
Machinery and Equipment	(2,472,175)	(88,606)	609,034	(1,951,747)
Total accumulated depreciation	(19,368,117)	(926,227)	754,594	(19,539,750)
Total capital assets, being depreciated net	20,870,116	1,348,050	(355,885)	21,862,281
Business-type activities capital assets, net	\$ 23,651,716	\$ 5,553,432	\$ (2,218,112)	\$ 26,987,036

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

Depreciation expense was charged to governmental functions as follows:

Culture and Recreation	\$ 16,032,637
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.	2,353,595
Total depreciation expense – governmental activities	\$ 18,386,232

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

Park Operating	\$ 926,227
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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) Promissory Note

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. Interest of \$5,203 was paid and recorded as part of culture and recreation expense. The note was paid in full in 2022.

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

Changes in long-term liabilities are summarized as follows:

	Balance 01/01/22	Additions	Retirements	Balance 12/31/22	Amounts due within one year
Governmental Activities:					
Notes Payable	\$ 130,076	\$ -	\$ (130,076)	\$ -	\$ -
Compensated Absences	5,714,872	1,712,109	(3,482,126)	3,944,855	3,046,251
Business-Type Activities:					
Compensated Absences	374,441	279,251	(259,303)	394,389	304,551
Total Long-Term Liabilities	<u>\$ 6,219,389</u>	<u>\$ 1,991,360</u>	<u>\$ (3,871,505)</u>	<u>\$ 4,339,244</u>	<u>\$ 3,350,802</u>

Note 6 - 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, 2022 are as follows:

Capital Project - Permanent Improvement

Due to: Park Self-Insurance Fund	\$ 220,000
Due to: Park Operating Fund	800,000

Enterprise Fund - Park Operating Fund

Due to: Park Self-Insurance Fund	420,150
Total	<u>\$ 1,440,150</u>

Transfers:

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

	Transfers In:					
	General Fund	Park Grant and Dedicated Revenue	Permanent Improvement	Park Self Insurance Fund	Park Operating Enterprise Fund	Total
Transfer out:						
General Fund	\$ -	\$ 412,383	\$ 3,278,996	\$ -	\$ 1,000,000	\$ 4,691,379
Park Grant and Dedicated Revenue	59,522	-	2,970,557	-	478,229	3,508,308
Park Dedication Fees	-	-	1,741,826	-	442,360	2,184,186
Permanent Improvement Fund	-	405,462	-	359,364	112,689	877,515
Park Self Insurance Fund	-	-	27,696	-	-	27,696
Park Operating Enterprise Fund	40,000	30,000	-	-	-	70,000
Total Transfers Out	<u>\$ 99,522</u>	<u>\$ 847,845</u>	<u>\$ 8,019,075</u>	<u>\$ 359,364</u>	<u>\$ 2,033,278</u>	<u>\$ 11,359,084</u>

Due To/From Other Funds:

Interfund balances are either due to timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid within one year. Receivables and payables between funds of the Park and Recreation Board on December 31, 2022 are:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 5,700	\$ 4,053
Park Grant and Dedicated Revenue	4,053	5,700
Permanent Improvement Fund	275,000	-
Park Acquisition and Improvement Fund	-	275,000
	<u>\$ 284,753</u>	<u>\$ 284,753</u>

Note 7 - 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 8 - 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. 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 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.

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.

Note 8 - Defined Benefit Pension Plans

B) Benefits Provided (Continued)

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 1.2 percent of average salary for each of the first ten years of service and 1.7 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 1.7 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 2022. 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 2022. The Park and Recreation Board contributions related to payroll to the GERP for the year ended December 31, 2022 was \$3,321,470. The Park and Recreation Board's fixed contributions to the GERP for the year ended December 31, 2022 was \$2,169,300. Total contributions were equal to the required contribution as set by state statute.

2) PEPFP Contributions

Plan members were required to contribute 11.80 percent of their annual covered salary in calendar year 2022. Employers were required to contribute 17.70 percent of pay for PEPFP members in calendar year 2022. The Park and Recreation Board contributions to the PEPFP for the year ended December 31, 2022 was \$634,647. Employer contributions were equal to the required contributions as set by state statute.

D) Pension Costs

1) GERP Pension Costs

At December 31, 2022, the Park and Recreation Board reported a liability of \$63,675,571 for the proportionate share of the GERP's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the Park and Recreation Board's combined proportionate share was 0.6196 percent, which was an increase of 0.0198 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Park and Recreation Board recognized pension expense of \$773,368 for the proportionate share of the GERP's pension expense.

In addition, the Park and Recreation Board also recognized \$154,336 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 annually until September 15, 2031.

Note 8 - Defined Benefit Pension Plans**(D) Pension Costs** (Continued)

Proportionate share of net pension liability	\$ 63,675,571
State of Minnesota's proportionate share of the net pension liability associated with the Park and Recreation Board	2,239,768
Total	<u>\$ 65,915,339</u>

At December 31, 2022, 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	\$ 409,891	\$ 508,101
Difference between projected and actual investment earnings	1,415,052	-
Changes in actuarial assumptions	11,129,138	195,947
Changes in proportion	822,529	241,983
Contributions paid to PERA subsequent to the measurement date	1,810,962	-
Total	<u>\$ 15,587,572</u>	<u>\$ 946,031</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, 2023. These Park and Recreation Board contributions were \$1,810,962. 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
2023	\$ 4,801,720
2024	4,758,446
2025	(1,167,460)
2026	4,437,873

2) PEPFP Pension Costs

At December 31, 2022, the Park and Recreation Board reported a liability of \$13,141,623 for the proportionate share of the PEPFP's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the Park and Recreation Board's combined proportionate share was 0.3063 percent, which was an increase of 0.0084 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Park and Recreation Board recognized pension expense of \$298,770 for the proportionate share of the PEPFP's pension expense.

The State of Minnesota also contributed \$18 million to the PEPFP in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation.

Legislation required the State of Minnesota to pay direct state aid of \$9 million on October 1, 2020, and to pay \$9 million by October 1 of each subsequent year until full funding is reached, or July 1, 2048, whichever is earlier. The Park and Recreation

Note 8 - Defined Benefit Pension Plans**(D) Pension Costs** (Continued)

Board recognized an additional \$50,940 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

Proportionate share of net pension liability	\$ 13,141,623
State of Minnesota's proportionate share of the net pension liability associated with the Park and Recreation Board	538,057
Total	<u>\$ 13,679,680</u>

The Park and Recreation Board also recognized \$129,839 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 PEPFP. Legislation requires the State of Minnesota to contribute \$9 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90.0 percent funded or until the State Patrol Plan is 90 percent funded, whichever occurs later.

At December 31, 2022 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	\$ 812,318	\$ -
Difference between projected and actual investment earnings	296,058	-
Changes in actuarial assumptions	7,769,913	81,156
Changes in proportion	139,948	310,273
Contributions paid to PERA subsequent to the measurement date	338,276	-
Total	<u>\$ 9,356,513</u>	<u>\$ 391,429</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, 2023. These contributions total \$338,276 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
2023	\$ 1,710,868
2024	1,622,102
2025	1,484,244
2026	2,690,659
2027	1,118,935

Total pension expense for all plans recognized by the Park and Recreation Board for the year ended December 31, 2022 was \$1,072,138.

E) Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumption	GERP	PEPFF
Inflation	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year
Investment Rate of Return	6.50%	6.50%

Note 8 - 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 the Pub-2010 General Employee Mortality Table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire Plan, 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 1.00 percent, as set by state statute.

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. For both plans a review of inflation and investment assumptions dated June 24, 2021, was utilized.

The long-term expected rate of return on pension plan investments is 6.50 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 Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%

F) Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent in 2022. 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 2022:

General Employees Retirement Plan

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Public Employees Police and Fire Plan

- The investment return and single discount rates were changed from 6.50 percent to 5.40 percent, for financial reporting purposes.
- The mortality improvement scale was changed from MP-2020 to MP-2021.

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

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
Proportionate share of the General Employees Retirement Fund net pension liability	\$ 92,718,933	\$ 63,675,571	\$ 39,786,275
	1% Decrease in Discount Rate (4.4%)	Discount Rate (5.4%)	1% Increase in Discount Rate (6.4%)
Proportionate share of the Public Employees Police and Fire Fund net pension liability	\$ 19,976,780	\$ 13,141,623	\$ 7,616,764

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.

Note 9 – 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 and Recreation 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 2022, the Park and Recreation Board contributed \$49,279 to the plan. As of the actuarial valuation for the fiscal year ending December 31, 2020, there were approximately 460 Park and Recreation Board employees receiving health benefits from the City's health plan.

C) Total OPEB Liability

The Park and Recreation Board's total OPEB Liability of \$868,188, was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date. This represents 1.8 percent of the total collective liability for the total plan. The total OPEB liability in the fiscal year-end December 31, 2022, actuarial valuation was determined using the following

Note 9 – Other Postemployment Benefits (OPEB)**C) Total OPEB Liability (Continued)**

actuarial assumptions and other inputs, applied to all periods and entities included in the measurement unless otherwise specified:

Assumption	OPEB Liability
Inflation	2.25%
Salary increases	3.00%
Health care cost trend	6.00% in 2022, gradually decreasing over several decades to an ultimate rate of 4.04% in 2075.
Discount Rate	2.06%
Mortality Rate	<p>General Healthy Pre-Retirement: Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2020. Rates are multiplied by a factor of 1.07 for males and 0.98 for females.</p> <p>General Healthy Post-Retirement: Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2020. Rates are multiplied by a factor of 1.02 for males and 0.90 for females.</p> <p>General Disabled Retiree: Pub-2010 General/Teacher Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2020. Rates are set forward two years for males and set forward four years for females.</p>
	<p>Police Fire Healthy Pre-Retirement: Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2020.</p> <p>Police Fire Healthy Post-Retirement: Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2020. Male rates are multiplied by a factor of 0.98.</p> <p>Police Fire Disabled Retiree: Pub-2010 Public Safety Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2020. Male rates are multiplied by a factor of 1.05.</p>
Actuarial Cost Method	Entry Age, level percentage of pay

Changes in total OPEB liability

Balance at January 1, 2022	\$	847,119
Changes for the year:		
Service cost		47,029
Interest cost		18,838
Change of assumptions		2,217
Benefit payments		(47,015)
Total Net change		21,069
Balance at December 31, 2022	\$	868,188

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 point higher than the current discount rate.

	1% Decrease	Selected Discount Rate	1% Increase
Discount Rate	1.06%	2.06%	3.06%
Park and Recreation Board total OPEB liability	\$ 943,822	\$ 868,188	\$ 833,877

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:

Note 9 – Other Postemployment Benefits (OPEB)**B) Total OPEB Liability (Continued)**

	1% Decrease	Selected Healthcare Trend Rate	1% Increase
Medical Trend Rate	5.00% Decreasing to 3.04% by 2075	6.00% Decreasing to 4.04% by 2075	7.00% Decreasing to 5.04% by 2075
Park and Recreation Board total OPEB liability	\$ 797,305	\$ 868,188	\$ 991,315

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Park and Recreation Board recognized OPEB expense of \$44,176. 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	\$ 92,527	\$ -
Changes in actuarial assumptions	33,351	9,963
Contributions paid subsequent to measurement date	49,279	-
Total	<u>\$ 175,157</u>	<u>\$ 9,963</u>

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to OPEB liability for the year ended December 31, 2023. These contributions total \$49,279 for the Park and Recreation Board. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended December 31:	OPEB Expense Amount
2023	\$ 28,661
2024	28,661
2025	28,661
2026	22,663
2027	6,845
Thereafter	424

D) Changes in Actuarial Assumptions:

The following changes in actuarial assumptions occurred in 2022:

- Discount rate was updated to reflect the Bond Buyer 20-Bond General Obligation index as of 12/31/2021.

Note 10 - 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. The Park and Recreation Board also purchases commercial insurance to cover directors and officers liability. There were no reductions in insurance coverage or settlements in excess of coverage in the last three fiscal years. For employee health and dental, the Park and Recreation Board as a component unit of the City of Minneapolis participates in the City's process of obtaining risk financing for these types of losses. The Park and Recreation Board pays an employer share of commercial health coverage based on negotiated terms within the various union contracts which cover Park and Recreation Board employees. The Park and Recreation Board pays 100% of the premium to the City of Minneapolis for dental coverage which is a self-insured function. Further information regarding these coverages can be obtained by referring to the City of Minneapolis Financial Statements. For all other risks of loss, the Park and Recreation Board operates a Self-Insurance Fund (an internal service fund) for accounting and financing purposes. No excess commercial coverage is purchased, and the Park and Recreation Board assumes all risk associated with these activities.

All funds of the Park and Recreation Board participate in the Park Self-Insurance Fund and make payments based on historical experience of the amounts needed to pay prior and current year claims which become payable in the given year. Park Self-Insurance Fund liabilities are reported based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability must be recognized when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The workers' compensation claims liability for fiscal year ended December 31, 2022 is \$3,262,158 and is based on actuarial estimates dated December 31, 2021. The general liability claims liability for fiscal year ended December 31, 2022 is \$2,327,875 and is based on actuarial estimates dated December 31, 2022.

Changes in the claims liability for the two years ended December 31, 2022 and December 31, 2021 are as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Liability Balance, January 1	\$ 3,253,771	\$ 3,277,998	\$ 2,513,911	\$ 2,398,723
Current Year Claims and Changes in Estimates	1,240,360	1,232,792	152,800	846,791
Claim Payments	(1,231,973)	(1,257,019)	(338,836)	(731,603)
Liability Balance, December 31	<u>\$ 3,262,158</u>	<u>\$ 3,253,771</u>	<u>\$ 2,327,875</u>	<u>\$ 2,513,911</u>

Changes in Net Position – By Major Risk Program in the Park Self-Insurance Fund for the year ended December 31, 2022 follows:

	<u>Workers'</u>	<u>General</u>	<u>Total</u>
	<u>Compensation</u>	<u>Liability</u>	
Beginning Balance, January 1,	\$ 3,247,173	\$ (3,108,913)	\$ 138,260
Revenues	1,450,000	529,811	1,979,811
Expenses	(1,231,973)	(338,836)	(1,570,809)
Other Revenues	1,262,282	5,528	1,267,810
Transfers In	-	359,364	359,364
Ending Balance, December 31	<u>\$ 4,727,482</u>	<u>\$ (2,553,046)</u>	<u>\$ 2,174,436</u>

Note 11 - 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, 2022.

Note 11 - Contingent Liabilities (Continued)

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, 2022, 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, 2022, is \$125,000.

Note 12 - Joint Ventures

Minneapolis Youth Coordinating Board

The Minneapolis Youth Coordinating Board is a joint venture between the City of Minneapolis, the Minneapolis Special School District No. 1, the Minneapolis Park and Recreation Board, and Hennepin County. Membership on the Board consists of 10 individuals including the Mayor of Minneapolis, one of the Judges of Hennepin County assigned to the Juvenile Court, two representatives from the Minneapolis City Council, two representatives from the Board of Directors of Special School District No. 1, two Hennepin County Board of Commissioners, the Hennepin County Attorney and one representative from the Minneapolis Park and Recreation Board. The Board was created for the purpose of improving services and the ability of public agencies to promote the health, safety, education, and development of the community's youth. Its objective is to strengthen cooperation and provide an improved means to identify and remedy conditions, which hinder or prevent the community's youth from becoming healthy, productive members of society. For the fiscal year 2022, 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 Minneapolis City Hall, 350 South 5th Street, Room 201, Minneapolis, Minnesota 55415.

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, Columbia Heights, Fridley, Hilltop and Saint Paul. 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 13 - Service Concession Agreement

The Park and Recreation Board entered into a Lease Agreement with the Loppet Foundation on September 12, 2018. The Park and Recreation 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 and Recreation Board. The Foundation agreed to donate the Adventure and Welcome Center to the Park and Recreation Board upon completion of construction. The Park and Recreation Board wishes to lease to the Foundation the Adventure and Welcome Center.

The initial term of the lease commenced 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 \$3,737,732. The annual lump sum amounts were reported as a receivable and a deferred inflow of resources in the amount of \$98,532.

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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, 2022

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Taxes:				
General Property Tax -				
Current and Delinquent	\$ 73,694,610	\$ 73,694,610	\$ 66,924,920	\$ (6,769,690)
Property Tax Increment	-	-	54,703	54,703
Fiscal Disparities	-	-	6,793,541	6,793,541
Other Taxes	221,061	221,061	3,466	(217,595)
Total Taxes	73,915,671	73,915,671	73,776,630	(139,041)
Intergovernmental Revenues:				
Federal Grants				
U.S. Department of Transportation	25,000	25,000	4,919	(20,081)
U.S. Department of Treasury	1,300,000	1,300,000	538,612	(761,388)
State Grants	694,955	694,955	-	(694,955)
Local Government Aid	9,233,125	9,233,125	9,233,125	-
Payments in Lieu of Taxes/Rent	-	-	70,086	70,086
PERA Pension Aid	-	-	205,276	205,276
Department of Natural Resources	-	-	22,500	22,500
Minnesota State Post Board	-	-	30,445	30,445
Other Local Governments	231,549	231,549	-	(231,549)
Hennepin County	-	-	40,000	40,000
City of Minneapolis - Public Works Department	-	-	75,000	75,000
Metropolitan Council - Operations & Maintenance	-	-	639,376	639,376
Total Intergovernmental Revenues	11,484,629	11,484,629	10,859,339	(625,290)
Charges For Services and Sales:				
Rents and Commissions	1,203,858	1,203,858	1,348,629	144,771
Overhead	601,362	601,362	562,692	(38,670)
Park Board Services	6,918,861	6,895,861	4,836,669	(2,059,192)
Other Services Provided	641,577	641,577	1,748,299	1,106,722
Total Charges For Services and Sales	9,365,658	9,342,658	8,496,289	(869,369)
Licenses and Permits	294,094	294,094	223,677	(70,417)
Fines and Forfeits	310,000	310,000	179,063	(130,937)
Investment Earnings	-	-	94	94
Miscellaneous Revenues:				
Contributions and Donations	697,745	697,745	48,402	(649,343)
Damage Claims	13,000	13,000	2,070	(10,930)
Other	7,500	7,500	3,780	(3,720)
Total Miscellaneous Revenues	718,245	718,245	54,252	(663,993)
Total Revenues	96,088,297	96,065,297	93,589,344	(2,475,953)

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES				
Culture and Recreation -				
Superintendent's Office	10,552,260	10,646,551	10,822,420	(175,869)
Deputy Superintendent's Office	5,136,330	5,136,330	4,654,031	482,299
Environmental Stewardship Division	47,335,034	47,780,916	49,227,718	(1,446,802)
Planning Services Division	3,644,831	3,644,831	3,516,534	128,297
Recreation Services Division	25,349,189	25,406,323	22,200,601	3,205,722
City Management Fee & Workers' Compensation	1,311,849	1,280,794	1,518,254	(237,460)
PERA Pensions	-	-	205,276	(205,276)
Total Culture and Recreation	<u>93,329,493</u>	<u>93,895,745</u>	<u>92,144,834</u>	<u>1,750,911</u>
Excess of Revenues Over (Under) Expenditures	<u>2,758,804</u>	<u>2,169,552</u>	<u>1,444,510</u>	<u>(725,042)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from Park Enterprise Fund	40,000	40,000	40,000	-
Transfer from Park Special Revenue Fund	59,522	59,522	59,522	-
Transfer to Permanent Improvement Fund	(2,858,326)	(3,278,996)	(3,278,996)	-
Transfer to Park Special Revenue Fund	-	(412,383)	(412,383)	-
Transfer to Park Enterprise Fund	-	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	<u>(2,758,804)</u>	<u>(4,591,857)</u>	<u>(4,591,857)</u>	<u>-</u>
Net Change in Fund Balance	-	(2,422,305)	(3,147,347)	(725,042)
Fund Balance - January 1	<u>8,419,829</u>	<u>8,419,829</u>	<u>8,419,829</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 8,419,829</u></u>	<u><u>\$ 5,997,524</u></u>	<u><u>\$ 5,272,482</u></u>	<u><u>\$ (725,042)</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
MUSEUM COUNTY-WIDE LEVY SPECIAL REVENUE FUND
For the Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes (County-Wide Levy):				
General Property Tax -				
Current and Delinquent	\$ 16,648,997	\$ 16,718,322	\$ 15,348,098	\$ (1,370,224)
Fiscal Disparities	-	-	1,362,453	1,362,453
Total Taxes	<u>16,648,997</u>	<u>16,718,322</u>	<u>16,710,551</u>	<u>(7,771)</u>
Intergovernmental Revenues:				
State Grants				
Payment in Lieu of Taxes/Rent	-	-	7,771	7,771
Total Revenues	<u>16,648,997</u>	<u>16,718,322</u>	<u>16,718,322</u>	<u>-</u>
EXPENDITURES				
Culture and Recreation -				
Maintenance and Repairs	<u>16,648,997</u>	<u>16,718,322</u>	<u>16,718,322</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>

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Intergovernmental Revenues				
Federal Government Grants				
U.S. Department of Justice	\$ -	\$ -	\$ 105,091	\$ 105,091
U.S. Department of Treasury	-	-	3,784	3,784
State Government Grants				
Minnesota Dept. of Public Safety	-	-	4,053	4,053
Minnesota Dept. of Employment and Econ. Dev.	-	-	236,089	236,089
Other Local Governments				
Hennepin County	-	-	40,836	40,836
Other Local Payments	1,306,400	2,023,910	15,290	(2,008,620)
Metropolitan Council	-	-	1,808,891	1,808,891
Total Intergovernmental	<u>1,306,400</u>	<u>2,023,910</u>	<u>2,214,034</u>	<u>190,124</u>
Charges For Services and Sales	<u>21,600</u>	<u>187,345</u>	<u>280,618</u>	<u>93,273</u>
Fines and Forfeits	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Miscellaneous				
Contributions and Donations	30,600	171,438	211,568	40,130
Damage Claims	-	-	40,974	40,974
Revenue From Trusts	3,000	3,000	10,278	7,278
Other Miscellaneous Revenues	-	313,656	85,957	(227,699)
Total Miscellaneous	<u>33,600</u>	<u>488,094</u>	<u>348,777</u>	<u>(139,317)</u>
Total Revenues	<u>1,367,600</u>	<u>2,705,349</u>	<u>2,843,429</u>	<u>138,080</u>
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	<u>67,600</u>	<u>1,108,549</u>	<u>951,256</u>	<u>157,293</u>
Excess of Revenues Over (Under) Expenditures	<u>1,300,000</u>	<u>1,596,800</u>	<u>1,892,173</u>	<u>295,373</u>
OTHER FINANCING SOURCES (USES)				
Transfer from Park General Fund	-	479,253	412,383	(66,870)
Transfer from Park Permanent Improvement Fund	-	405,462	405,462	-
Transfer from Park Enterprise Fund	-	-	30,000	30,000
Transfer to Park General Fund	(1,300,000)	(1,300,000)	(59,522)	1,240,478
Transfer to Other Special Revenue Fund	-	-	-	-
Transfer to Park Permanent Improvement Fund	-	(2,087,580)	(2,970,557)	(882,977)
Transfer to Park Enterprise Fund	-	-	(478,229)	(478,229)
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>(2,502,865)</u>	<u>(2,660,463)</u>	<u>(157,598)</u>
Net Change in Fund Balance	-	(906,065)	(768,290)	137,775
Fund Balance - January 1	<u>13,060,820</u>	<u>13,060,820</u>	<u>13,060,820</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 13,060,820</u>	<u>\$ 12,154,755</u>	<u>\$ 12,292,530</u>	<u>\$ 137,775</u>

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

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE PRESERVATION AND REFORESTATION SPECIAL REVENUE FUND
For the Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes:				
General Property Tax -				
Other Taxes	\$ -	\$ -	\$ 7,565	\$ 7,565
Investment Earnings	-	-	2,680	2,680
Total Revenues	-	-	10,245	10,245
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	600,000	600,000	592,132	7,868
Net Change in Fund Balance	(600,000)	(600,000)	(581,887)	18,113
Fund Balance - January 1	584,568	584,568	584,568	-
Fund Balance - December 31	<u>\$ (15,432)</u>	<u>\$ (15,432)</u>	<u>\$ 2,681</u>	<u>\$ 18,113</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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	\$ -	\$ -	\$ (604,993)	\$ (604,993)
Miscellaneous Revenues	-	2,300,000	5,777,880	3,477,880
Total Revenues	<u>-</u>	<u>2,300,000</u>	<u>5,172,887</u>	<u>2,872,887</u>
EXPENDITURES				
Culture and Recreation -				
Special Dedicated Revenue Outlay	-	-	6,168	(6,168)
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,300,000</u>	<u>5,166,719</u>	<u>2,866,719</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Park Permanent Improvement Fund	-	(2,300,000)	(2,184,186)	115,814
Net Change in Fund Balance	-	-	2,982,533	2,982,533
Fund Balance - January 1	<u>22,561,712</u>	<u>22,561,712</u>	<u>22,561,712</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 22,561,712</u>	<u>\$ 22,561,712</u>	<u>\$ 25,544,245</u>	<u>\$ 2,982,533</u>

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

**MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2022**

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
2022	0.6196%	\$ 63,675,571	\$ 2,239,768	\$ 65,915,339	\$ 43,199,389	152.58%	76.67%
2021	0.5998%	\$ 41,292,280	\$ 1,255,465	\$ 42,547,745	\$ 40,315,596	105.54%	87.00%
2020	0.6083%	\$ 52,325,330	\$ 1,795,992	\$ 54,121,322	\$ 40,372,970	134.05%	79.06%
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, 2022**

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)		
2022	\$ 5,490,770	\$ 5,490,770	\$ -	\$ 44,222,776	12.42%	
2021	\$ 5,288,388	\$ 5,288,388	\$ -	\$ 41,573,615	12.72%	
2020	\$ 5,310,398	\$ 5,310,398	\$ -	\$ 41,893,416	12.68%	
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, 2022**

Measurement	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the Minneapolis Park and Recreation Board	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset)	Employers 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)	(c)	(a/c)	
2022	0.306%	\$ 13,141,623	\$ 538,057	\$ 13,679,680	\$ 3,437,204	382.33%	70.53%
2021	0.298%	\$ 2,112,648	\$ 95,045	\$ 2,207,693	\$ 3,237,450	65.26%	93.66%
2020	0.320%	\$ 4,011,726	\$ 92,985	\$ 4,104,711	\$ 3,380,742	118.66%	87.19%
2019	0.327%	\$ 3,275,084	N/A	\$ 3,275,084	\$ 4,628,542	70.76%	89.26%
2018	0.341%	\$ 3,511,412	N/A	\$ 3,511,412	\$ 3,590,432	97.80%	88.84%
2017	0.297%	\$ 4,003,676	N/A	\$ 4,003,676	\$ 3,074,906	130.20%	85.43%
2016	0.304%	\$ 12,200,049	N/A	\$ 12,200,049	\$ 2,925,828	416.98%	63.88%
2015	0.308%	\$ 3,499,601	N/A	\$ 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, 2022**

Fiscal Year Ending	Contributions in Relation to the					Contributions as a Percentage of Employee Payroll (b/d)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Employee Payroll (d)		
2022	\$ 634,647	\$ 634,647	\$ -	\$ 3,595,087		17.65%
2021	\$ 571,993	\$ 571,993	\$ -	\$ 3,231,603		17.70%
2020	\$ 604,615	\$ 604,615	\$ -	\$ 3,415,922		17.70%
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, 2022

Fiscal Year Ending	Service Cost	Interest	Differences Between Expected and Actual Experience	Changes of Assumption or Other Inputs	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered Employee Payroll	Total OPEB Liability as a Percentage of Covered Employee Payroll
December 31, 2018	\$ 73,563	\$ 46,638	\$ -	\$ -	\$ (104,000)	\$ 16,201	\$ 1,391,293	\$ 1,407,494	\$ 30,837,088	4.56%
December 31, 2019	37,661	28,196	76,835	(586,418)	(50,364)	(494,090)	1,407,494	913,404	31,903,229	2.86%
December 31, 2020	49,317	33,520	-	62,175	(82,670)	62,342	913,404	975,746	36,398,658	2.68%
December 31, 2021	36,056	21,336	98,527	(242,914)	(41,632)	(128,627)	975,746	847,119	36,858,180	2.30%
December 31, 2022	47,029	18,838	-	2,217	(47,015)	21,069	847,119	868,188	56,118,950	1.55%

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, 2022

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	\$ 96,187,819	\$ 2,399,305	\$ 98,587,124
Museum County-Wide Levy			
Special Revenue Fund	\$ 16,648,997	\$ 69,325	\$ 16,718,322
Park Grant and Dedicated Revenue			
Special Revenue Fund	\$ 1,367,600	\$ 1,337,749	\$ 2,705,349
Tree Preservation and Reforestation			
Special Revenue Fund	\$ -	\$ -	\$ -
Park Dedication Fees			
Special Revenue Fund	\$ -	\$ 2,300,000	\$ 2,300,000

Note 2 - Excess of Expenditures over Appropriation

The following special revenue fund had expenditures in excess of appropriation for the fiscal year ending December 31, 2022.

	Final Budgeted Amounts	Actual	Variance
Park Dedication Fees			
Special Revenue Fund	\$ -	\$ 6,168	\$ (6,168)

The expenditures in excess of appropriation were due to credit card fees associated with the revenue collections. The Park and Recreation Board is monitoring and managing the fund inflows.

Note 3 - Other Postemployment Benefits Plan

A) Other Postemployment Benefits Funded Status

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 3 - Other Postemployment Benefits Plan (Continued)

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

2022

The flowing changes in actuarial assumptions occurred in 2022 for the Minneapolis Park and Recreation Board:

- The discount rate was updated to reflect the Bond Buyer 20-Bond General Obligation Index as of 12/31/21.

2021

The flowing changes in actuarial assumptions occurred in 2021 for the Minneapolis Park and Recreation Board:

- Salary increase rates were updated to reflect the 2019 Experience Study for PERA.
- Retirement rates were updated to reflect the 2019 Experience Study for PERA.
- Termination rates were updated to reflect the 2019 Experience Study for PERA.
- Mortality rates were updated to reflect the 2019 Experience Study for PERA.
- Disability rates were updated to reflect the 2019 Experience Study for PERA.
- Discount rate was updated to reflect the Bond Buyer 20-Bond General Obligation Index as of 12/31/2020
- Medical trend increase rates was updated to reflect current and anticipated future economic environment

2020

The flowing changes in actuarial assumptions occurred in 2020 for the Minneapolis Park and Recreation Board:

- The discount rate was changed from 3.71% to 275% based on updated 20-year municipal bond rates.

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 4 - 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:

Note 4 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions
General Employees Retirement Plan

2022

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

- 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.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalent after June 30, 2024.
- Interest is 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.
- Contribution stabilizer provisions were repealed.

Note 4 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2018 (Continued)

- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

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

2016

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

Public Employees Police and Fire Plan

2022

- The investment return and single discount rates were changed from 6.50 percent to 5.40 percent, for financial reporting purposes.
- The mortality improvement scale was changed from MP-2020 to Scale MP-2021.

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Note 4 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan

2021 (Continued)

- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020

- The mortality projection scale was changed from MP-2018 to MP-2019,

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.
- 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.

Note 4 - Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions
Public Employees Police and Fire Plan (Continued)

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, 2022

	Minneapolis Parks Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 755,021	\$ 13,424	\$ 768,445
Receivables -			
Accrued Interest	2,225	-	2,225
Special Assessments	-	57,978	57,978
Total Assets	<u><u>\$ 757,246</u></u>	<u><u>\$ 71,402</u></u>	<u><u>\$ 828,648</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Payables -			
Accounts	\$ -	\$ 218,495	\$ 218,495
Due to -			
Other Funds	-	275,000	275,000
Total Liabilities	<u>-</u>	<u>493,495</u>	<u>493,495</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>-</u>	<u>36,267</u>	<u>36,267</u>
Fund Balances:			
Restricted for:			
Projects and Grant Programs	665,675	-	665,675
Assigned to:			
Special Trust	91,571	-	91,571
Unassigned:	-	(458,360)	(458,360)
Total Fund Balances	<u>757,246</u>	<u>(458,360)</u>	<u>298,886</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 757,246</u></u>	<u><u>\$ 71,402</u></u>	<u><u>\$ 828,648</u></u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	Minneapolis Parks Special Revenue Fund	Park Acquisition and Improvement Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 844,180	\$ 844,180
Special Assessments	-	864,800	864,800
Investment Earnings	(53,100)	-	(53,100)
Miscellaneous	20,000	-	20,000
Total Revenues	<u>(33,100)</u>	<u>1,708,980</u>	<u>1,675,880</u>
EXPENDITURES			
Capital Outlay	<u>-</u>	<u>2,538,451</u>	<u>2,538,451</u>
Net Change in Fund Balance	(33,100)	(829,471)	(862,571)
FUND BALANCE - JANUARY 1	<u>790,346</u>	<u>371,111</u>	<u>1,161,457</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 757,246</u></u>	<u><u>\$ (458,360)</u></u>	<u><u>\$ 298,886</u></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
FOR RENEWAL AND REPLACEMENT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2022

	<u>Renewal & Replacement</u>
OPERATING INCOME (LOSS)	\$ 1,926,236
ADDITIONS:	
Depreciation	926,227
Non-Operating Revenues:	
Met Council Grant	1,248,126
State Grant	25,924
Contributions	377
Other Non-Operating Revenues	29,233
Transfers From Other Funds	2,033,278
DEDUCTIONS:	
Purchase of Capital Assets - Capitalized	(2,274,275)
Other Non-Cash Items:	
Change in Compensated Absences	19,948
Change in Other Post Employment Benefits, Deferred Inflows & Outflows - Other Post Employment Benefits	7,260
Change in Net Pension Liability, Deferred Inflows & Outflows - Pensions	33,982
Loss on Disposal of Capital Assets	(355,885)
Non-Operating Expenses:	
Repayment of Capital Advance	(140,050)
Debt Service Payment	(1,147,538)
Transfer to Special Revenue Fund	(30,000)
Transfer to General Fund	(40,000)
Other Non-Operating Expenses	(22,858)
TOTAL INCREASE (DECREASE)	2,239,985
BALANCE - JANUARY 1	6,706,243
BALANCE - DECEMBER 31	<u>\$ 8,946,228</u>

MINNEAPOLIS PARK AND RECREATION BOARD
SCHEDULE OF OPERATING INCOME - BY PROJECT
PARK OPERATING ENTERPRISE FUND
For the Year Ended December 31, 2022

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>OPERATING INCOME/(LOSS)</u>
<u>PARK REFECTORIES</u>			
BDE MAKA SKA	\$ -	\$ 29,551	\$ (29,551)
HARRIET	190,201	53,337	136,864
MINNEHAHA	464,199	123,779	340,420
NOKOMIS	72,274	27,713	44,561
WATER WORKS	475,994	271,319	204,675
PERMITS & VENDING	979,858	776,110	203,748
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	3,523	(3,523)
TOTAL PARK REFECTORIES	<u>2,182,526</u>	<u>1,285,332</u>	<u>897,194</u>
<u>SPECIAL FACILITIES</u>			
PARADE COMPLEX	260,075	263,428	(3,353)
PARADE ICE COMPLEX	1,153,694	1,590,697	(437,003)
NORTHEAST ICE ARENA	208,598	289,148	(80,550)
COLUMBIA MANOR	34,785	74,353	(39,568)
COMMERCIAL PARKING	697,060	8,324	688,736
REGIONAL PARKING LOTS	1,386,958	522,930	864,028
NICOLLET ISLAND	533,278	94,073	439,205
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	17,969	(17,969)
TOTAL SPECIAL FACILITIES	<u>4,274,448</u>	<u>2,860,922</u>	<u>1,413,526</u>
<u>GOLF COURSES (INCL REFECTORIES)</u>			
COLUMBIA	1,353,497	1,487,905	(134,408)
COLUMBIA LEARNING CENTER	161,845	108,667	53,178
GROSS	1,571,528	1,569,914	1,614
HIAWATHA	1,282,804	1,404,527	(121,723)
HIAWATHA LEARNING CENTER	195,276	85,721	109,555
MEADOWBROOK	1,573,893	1,389,308	184,585
THEODORE WIRTH	1,517,899	1,739,876	(221,977)
THEO WIRTH PAR-3	87,013	34,958	52,055
FORT SNELLING	363,052	631,310	(268,258)
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	204,928	(204,928)
TOTAL GOLF COURSES	<u>8,106,807</u>	<u>8,657,114</u>	<u>(550,307)</u>
<u>MISCELLANEOUS ACTIVITIES</u>			
BOATS	242,682	61,210	181,472
WINTER PROGRAMS	-	23,212	(23,212)
JUNIOR GOLF PROGRAMS	10,028	-	10,028
COMP ABS, POST EMP BEN & PEN LIAB ADJ	-	2,465	(2,465)
TOTAL MISCELLANEOUS ACTIVITIES	<u>252,710</u>	<u>86,887</u>	<u>165,823</u>
TOTAL	<u>\$ 14,816,491</u>	<u>\$ 12,890,255</u>	
NET OPERATING INCOME			<u>\$ 1,926,236</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, 2022

	Park Internal Services Fund	Park Self-Insurance Fund	Total Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and Cash Equivalents	\$ 4,174,342	\$ 7,074,748	\$ 11,249,090
Cash with Escrow Agent	-	151,061	151,061
Capital Advances	-	640,150	640,150
Prepaid Expense	-	149,731	149,731
Total Current Assets	<u>4,174,342</u>	<u>8,015,690</u>	<u>12,190,032</u>
Non-Current Assets			
Net Capital Assets	<u>9,468,486</u>	<u>-</u>	<u>9,468,486</u>
Total Assets	<u>13,642,828</u>	<u>8,015,690</u>	<u>21,658,518</u>
Deferred Outflows of Resources:			
Deferred Outflows - Pensions	692,567	45,005	737,572
Deferred Outflows - Other Post Employment Benefits	<u>10,071</u>	<u>377</u>	<u>10,448</u>
Total Deferred Outflows of Resources	<u>702,638</u>	<u>45,382</u>	<u>748,020</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 14,345,466</u></u>	<u><u>\$ 8,061,072</u></u>	<u><u>\$ 22,406,538</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities:			
Payables -			
Salaries	\$ 90,831	\$ 4,467	\$ 95,298
Accounts	306,848	103,665	410,513
Compensated Absences Payable	<u>130,112</u>	<u>6,918</u>	<u>137,030</u>
Total Current Liabilities	<u>527,791</u>	<u>115,050</u>	<u>642,841</u>
Long-Term Liabilities:			
Compensated Absences Payable	38,382	2,041	40,423
Other Post Employment Benefits Payable	43,313	1,619	44,932
Workers' Compensation Claims Pending	-	3,262,158	3,262,158
General Liability Claims Pending	-	2,327,875	2,327,875
Net Pension Liability	<u>3,037,166</u>	<u>170,096</u>	<u>3,207,262</u>
Total Long-Term Liabilities	<u>3,118,861</u>	<u>5,763,789</u>	<u>8,882,650</u>
Total Liabilities	<u>3,646,652</u>	<u>5,878,839</u>	<u>9,525,491</u>
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	44,295	7,775	52,070
Deferred Inflows - Other Post Employment Benefits	<u>590</u>	<u>22</u>	<u>612</u>
Total Deferred Inflows of Resources	<u>44,885</u>	<u>7,797</u>	<u>52,682</u>
Net Position:			
Net Investment in Capital Assets	9,468,486	-	9,468,486
Unrestricted	<u>1,185,443</u>	<u>2,174,436</u>	<u>3,359,879</u>
Total Net Position	<u>10,653,929</u>	<u>2,174,436</u>	<u>12,828,365</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 14,345,466</u></u>	<u><u>\$ 8,061,072</u></u>	<u><u>\$ 22,406,538</u></u>

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
Billings to Departments	\$ 8,048,481	\$ 1,979,811	\$ 10,028,292
OPERATING EXPENSES			
Personnel Services	2,221,031	118,510	2,339,541
Contractual Services	1,038,336	1,070,668	2,109,004
Materials and Supplies, and Other	1,956,419	314,949	2,271,368
Depreciation on Acquired Property	2,353,595	-	2,353,595
Benefits	993,208	38,986	1,032,194
Total Operating Expenses	8,562,589	1,543,113	10,105,702
Operating Income (Loss)	(514,108)	436,698	(77,410)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	15,215	832	16,047
Gain (Loss) on Sale of Capital Assets	390,902	-	390,902
Sale of Scrap	197,789	-	197,789
Other Non-Operating Revenues	6,954	1,266,978	1,273,932
Total Non-Operating Revenues (Expenses)	610,860	1,267,810	1,878,670
Income (Loss) before Contributions and Transfers	96,752	1,704,508	1,801,260
Transfers In-	-	359,364	359,364
Transfers Out-			
Other Funds	-	(27,696)	(27,696)
CHANGE IN NET POSITION	96,752	2,036,176	2,132,928
NET POSITION - JANUARY 1	10,557,177	138,260	10,695,437
NET POSITION - DECEMBER 31	\$ 10,653,929	\$ 2,174,436	\$ 12,828,365

MINNEAPOLIS PARK AND RECREATION BOARD
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Park Internal Services Fund	Park Self - Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$ 8,048,481	\$ 1,979,811	\$ 10,028,292
Cash Paid to Suppliers for Goods and Services	(3,243,042)	(1,814,828)	(5,057,870)
Cash Paid to Employees for Services	(3,128,725)	(156,222)	(3,284,947)
Other Non-Operating Revenues	22,169	1,266,978	1,289,147
Net Cash Provided by (Used for) Operating Activities	<u>1,698,883</u>	<u>1,275,739</u>	<u>2,974,622</u>
Cash Flows from Non-Capital Financing Activities			
Repayment of Advances Made by Other Funds	-	270,050	270,050
Proceeds From Sale of Scrap	197,789	-	197,789
Transfers from Other Funds	-	359,364	359,364
Transfers to Other Funds	-	(27,696)	(27,696)
Intergovernmental Receipts	-	832	832
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>197,789</u>	<u>602,550</u>	<u>800,339</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Sale of Capital Assets	438,428	-	438,428
Acquisition of Property, Plant and Equipment	(4,529,652)	-	(4,529,652)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(4,091,224)</u>	<u>-</u>	<u>(4,091,224)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,194,552)	1,878,289	(316,263)
Cash and Cash Equivalents - January 1	<u>6,368,894</u>	<u>5,347,520</u>	<u>11,716,414</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 4,174,342</u></u>	<u><u>\$ 7,225,809</u></u>	<u><u>\$ 11,400,151</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (514,108)	\$ 436,698	\$ (77,410)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation on Acquired Property	2,353,595	-	2,353,595
(Increase) Decrease in Prepaid Expense	-	(16,101)	(16,101)
(Increase) Decrease in Deferred Outflows of Resources - Pensions	149,964	8,198	158,162
(Increase) Decrease in Deferred Outflows of Resources - OPEB	342	(377)	(35)
Increase (Decrease) in Salaries Payable	47,407	(787)	46,620
Increase (Decrease) in Accounts Payable	(248,287)	(35,016)	(283,303)
Increase (Decrease) in Due to Other Funds	-	(200,445)	(200,445)
Increase (Decrease) in Workers' Compensation Claims Pending	-	8,387	8,387
Increase (Decrease) in General Liability Claims Pending	-	(186,036)	(186,036)
Increase (Decrease) in Other Post Employment Benefits Payable	4,559	-	4,559
Increase (Decrease) in Compensated Absences Payable	13,335	1,327	14,662
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(1,147,587)	(62,736)	(1,210,323)
Increase (Decrease) in Deferred Inflows of Resources - OPEB	(72)	22	(50)
Increase (Decrease) in Net Pension Liability	1,017,566	55,627	1,073,193
Other Non-Operating Revenues	22,169	1,266,978	1,289,147
Total Adjustments	<u>2,212,991</u>	<u>839,041</u>	<u>3,052,032</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,698,883</u></u>	<u><u>\$ 1,275,739</u></u>	<u><u>\$ 2,974,622</u></u>

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, 2022

	<u>Information Technology</u>	<u>Mobile Equipment</u>	<u>Workers Comp. & Liability</u>	<u>Total</u>
OPERATING REVENUES:				
Charges For Services and Sales -				
Insurance Premiums	\$ -	\$ -	\$ 1,979,811	\$ 1,979,811
Information Technology Services	2,536,354	-	-	2,536,354
Total Charges For Services and Sales	<u>2,536,354</u>	<u>-</u>	<u>1,979,811</u>	<u>4,516,165</u>
Rents -				
Mobile Equipment	-	5,512,127	-	5,512,127
Total Operating Revenues	<u>2,536,354</u>	<u>5,512,127</u>	<u>1,979,811</u>	<u>10,028,292</u>
OPERATING EXPENSES:				
Information Technology Services	2,682,072	-	-	2,682,072
Mobile Equipment	-	5,880,517	-	5,880,517
Workers' Compensation	-	-	1,231,973	1,231,973
General Liability	-	-	311,140	311,140
Total Operating Expenses	<u>2,682,072</u>	<u>5,880,517</u>	<u>1,543,113</u>	<u>10,105,702</u>
Operating Income (Loss)	<u>(145,718)</u>	<u>(368,390)</u>	<u>436,698</u>	<u>(77,410)</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	7,258	7,957	832	16,047
Gain (Loss) on Sale of Capital Assets	-	390,902	-	390,902
Sale of Scrap	-	197,789	-	197,789
Other Non-Operating Revenues	-	6,954	1,266,978	1,273,932
Total Non-Operating Revenues (Expenses)	<u>7,258</u>	<u>603,602</u>	<u>1,267,810</u>	<u>1,878,670</u>
Income (Loss) before Transfers	(138,460)	235,212	1,704,508	1,801,260
Transfer from Other Funds	-	-	359,364	359,364
Transfer to Other Funds	-	-	(27,696)	(27,696)
CHANGE IN NET POSITION	(138,460)	235,212	2,036,176	2,132,928
NET POSITION - JANUARY 1	<u>(128,203)</u>	<u>10,685,380</u>	<u>138,260</u>	<u>10,695,437</u>
NET POSITION - DECEMBER 31	<u>\$ (266,663)</u>	<u>\$ 10,920,592</u>	<u>\$ 2,174,436</u>	<u>\$ 12,828,365</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, 2022

	Purchase of Information Technology Systems	Purchase of Mobile Equipment
OPERATING INCOME (LOSS)	\$ (145,718)	\$ (368,390)
ADDITIONS:		
Depreciation	17,368	2,336,227
Non-Operating Revenues:		
Sale of Equipment	-	390,902
Sale of Scrap	-	197,789
Other Miscellaneous Revenues	7,258	14,911
(Increase) Decrease in Deferred Outflows - Pensions	71,499	78,465
(Increase) Decrease in Deferred Outflows - OPEB	163	179
Increase (Decrease) in Other Post Employment Benefits Payable	2,174	2,385
Increase (Decrease) in Compensated Absences Payable	6,358	6,977
Increase (Decrease) in Deferred Inflows - Pensions	(547,137)	(600,450)
Increase (Decrease) in Deferred Inflows - OPEB	(34)	(38)
Increase (Decrease) in Net Pension Liability	485,146	532,420
DEDUCTIONS:		
Purchase of Mobile Equipment	-	(4,529,652)
TOTAL INCREASE (DECREASE)	(102,923)	(1,938,275)
BALANCE - JANUARY 1	888,437	4,522,475
BALANCE - DECEMBER 31	\$ 785,514	\$ 2,584,200

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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, 2022

Shared Revenue**State**

Local Government Aid	\$ 9,233,125
PERA Pension Contribution	<u>247,247</u>
Total Shared Revenue	<u>\$ 9,480,372</u>

Payments**Local**

County Grants	\$ 691,923
Mississippi Watershed Management Organization	608,528
Metropolitan Council	8,956,885
Minnesota Historical Society	30,000
City of Minneapolis	9,573,770
Other Local Payments	15,290
Payments in Lieu of Tax/Rent	<u>77,857</u>
Total Local	<u>\$ 19,954,253</u>

Grants**State**

Department of Employment and Economic Development	\$ 562,256
Department of Natural Resources	199,215
Department of Public Safety	94,644
Peace Officer Standards and Training (POST) Board	<u>30,445</u>
Total State Grants	<u>\$ 886,560</u>

Federal

Department of Justice	\$ 105,091
Department of Transportation	4,919
Federal Emergency Management Agency	268,773
Department of the Treasury	<u>542,396</u>
Total Federal Grants	<u>\$ 921,179</u>

Total State and Federal Grants	<u>\$ 1,807,739</u>
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Total Intergovernmental Revenue	<u><u>\$ 31,242,364</u></u>
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STATISTICAL SECTION



Minneapolis
Park & Recreation Board

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

Last Ten Fiscal Years		December 31, 2022		
Fiscal Year	Culture and Recreation	Park Enterprise	Total Primary Government	
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
2020	115,850,374	9,981,422		125,831,796
2021	118,176,999	12,652,451		130,829,450
2022	133,161,670	14,403,347		147,565,017

Source: Minneapolis Park and Recreation Board

(UNAUDITED)

Schedule 2
Minneapolis Park and Recreation Board
Government-Wide Revenues

Last Ten Fiscal Years					December 31, 2022			
Fiscal Year	Charges for Services	Program Revenues		General Revenues				Total
		Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Grants and Contributions	Unrestricted Interest and Investment Earnings	Gain on Sale of Capital Asset	
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
2020	24,013,155	6,492,349	24,337,332	84,060,533	9,850,200	608,314	132,074	149,493,957
2021	26,936,554	4,313,681	14,066,943	85,802,098	9,436,071	(37,271)	314,640	140,832,716
2022	31,417,472	3,966,724	21,138,040	90,555,442	9,697,638	(730,247)	410,746	156,455,815

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, 2022
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue										
Taxes	\$ 49,073,449	\$ 49,071,884	\$ 50,985,436	\$ 52,757,423	\$ 57,600,685	\$ 59,920,817	\$ 63,521,493	\$ 67,169,489	\$ 68,441,761	\$ 73,776,630
Intergovernmental	10,320,427	10,306,619	10,579,965	11,826,443	10,179,529	10,272,675	10,451,931	13,410,468	10,512,022	10,859,339
Charges for Services	6,634,917	7,006,509	7,417,471	7,684,066	8,431,631	9,229,522	9,784,103	5,670,949	7,295,888	8,496,289
Licenses and Permits	444,364	313,886	220,528	205,731	192,027	245,152	467,383	312,296	270,575	223,677
Fines and Forfeits	344,062	368,911	300,343	311,885	270,695	318,764	290,536	223,351	275,005	179,063
Special Assessments	-	-	-	-	13,147	146	-	-	-	-
Investment Earnings	-	-	-	-	-	68	-	-	(31,669)	94
Miscellaneous	162,969	121,956	172,202	174,794	149,659	500,244	222,046	44,753	34,915	54,252
Total Revenues	\$ 66,980,188	\$ 67,189,765	\$ 69,675,945	\$ 72,960,342	\$ 76,837,373	\$ 80,487,388	\$ 84,737,492	\$ 86,831,306	\$ 86,798,497	\$ 93,589,344
Expenditures										
Current:										
Culture and Recreation	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323	\$ 67,882,252	\$ 74,922,963	\$ 77,807,421	\$ 81,531,561	\$ 79,450,915	\$ 82,729,697	\$ 92,144,834
Debt Service	-	-	-	-	-	35,670	102,973	104,991	879,939	-
Principal Retirement	-	-	-	-	-	13,432	33,701	31,683	6,430	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 60,734,136	\$ 62,682,047	\$ 65,325,323	\$ 67,882,252	\$ 74,922,963	\$ 77,856,523	\$ 81,668,235	\$ 79,587,589	\$ 83,616,066	\$ 92,144,834

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, 2022

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
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	33,236,866	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	40,296,680	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%
2020	10,368,096	10,387,637	33,385,795	1,618,603	569,749	18,401,743	56,329,880	7.51	60,589,378	93%
2021	11,156,098	11,635,121	34,287,581	1,688,725	585,511	15,498,136	59,353,036	7.44	64,274,169	92%
2022	10,533,396	12,321,392	35,747,876	1,744,541	267,927	17,469,944	60,615,132	7.62	65,576,351	92%

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.

The last two columns data have been updated for 2020 & 2021

2021 Total Direct Tax Rate has been updated

(UNAUDITED)

Schedule 5
City of Minneapolis
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
December 31, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Direct Rates										
<i>Tax Capacity Based Rates</i>										
General	5.36	4.76	4.48	4.59	4.55	4.40	4.61	4.61	4.69	4.79
Estimate and Taxation	0.01	0.01	-	-	-	-	-	-	-	-
Building Commission	0.16	0.14	0.13	0.13	0.12	0.11	0.11	0.11	0.07	0.10
Permanent Improvement	0.03	0.03	0.03	0.01	-	-	-	-	-	0.14
Bond Redemption	1.00	1.11	1.06	0.98	0.95	0.91	0.91	0.88	0.92	0.92
Firefighter's Relief Association	0.09	0.08	0.08	0.04	0.04	0.05	0.04	0.04	0.04	0.04
Police Relief Association	0.22	0.20	0.18	0.24	0.19	0.28	0.02	0.02	0.02	0.02
Minneapolis Employees Retirement Fund	0.62	0.56	0.51	0.29	0.31	0.19	0.23	0.23	0.22	0.21
Parks	1.69	1.56	1.52	1.55	1.50	1.44	1.43	1.43	1.44	1.36
Teacher's Retirement Association	0.08	0.07	0.06	0.06	0.06	0.05	0.05	0.04	0.04	0.04
<i>Market Value Based Rates</i>										
Library Referendum	0.29	0.30	0.24	0.22	0.22	0.20	0.19	0.15	-	-
Total City Direct Rates	<u>9.55</u>	<u>8.82</u>	<u>8.29</u>	<u>8.11</u>	<u>7.94</u>	<u>7.63</u>	<u>7.59</u>	<u>7.51</u>	<u>7.44</u>	<u>7.62</u>
Overlapping Rates										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	0.23	0.22	0.22	0.22	0.22	0.20	0.19	0.18	0.18	0.16
Hennepin County	6.33	5.92	5.78	5.64	5.49	5.37	5.25	4.89	4.96	4.40
Minneapolis Public Schools	3.29	2.85	2.72	2.63	2.88	2.87	2.72	2.41	2.65	2.44
Other Special Taxing Districts	0.73	0.71	0.67	0.68	0.68	0.64	0.61	0.58	0.58	0.50
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	0.01	0.02	0.02	0.02	0.01	0.02	0.01	0.01	0.01	0.01
Total Overlapping Rates	<u>10.59</u>	<u>9.72</u>	<u>9.41</u>	<u>9.19</u>	<u>9.28</u>	<u>9.10</u>	<u>8.78</u>	<u>8.07</u>	<u>8.38</u>	<u>7.51</u>
Grand Total	<u>20.14</u>	<u>18.54</u>	<u>17.70</u>	<u>17.30</u>	<u>17.22</u>	<u>16.73</u>	<u>16.37</u>	<u>15.58</u>	<u>15.82</u>	<u>15.13</u>

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

2021 Total City Direct Rates have been updated

(UNAUDITED)

Schedule 6

City of Minneapolis

Principal Property Tax Payers

Current Year and Nine Years Ago

(in thousands of dollars)

December 31, 2022

Taxpayer	2022			2013		
	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	\$ 290,260	1	0.77%			
WFM Office Owner LLC	266,000	2	0.70%			
SRI Eleven Minneapolis 225 L	254,570	3	0.67%			
33 City Center 33 South Property LLC	241,470	4	0.64%			
Target Corporation	208,600	5	0.55%	209,113	2	1.12%
Wells REIT-800 Nicolett	207,900	6	0.55%			
US Bank Corp RE Tax Department	200,350	7	0.53%			
South Sixth Office LLC	160,000	8	0.42%			
88 BAM 701 LLC	158,280	9	0.42%			
KBS CAPITAL ADVISORS LLC	114,831	10	0.30%			
Northern States Power				\$ 332,197	1	1.78%
MB Mpls. 8th St LLC				177,600	3	0.95%
NWC Limited Partnership				165,300	4	0.88%
Minneapolis 225 Holdings LLC				162,600	5	0.87%
SRI Ten Center LLC				152,400	6	0.82%
Wells Operating Partnership LP				135,900	7	0.73%
First Minneapolis-Hines Co.				133,500	8	0.71%
Hilton Hotels Corp.				120,200	9	0.64%
Hines Global REIT				110,300	10	0.59%
Total	\$ 2,102,261		5.55%	\$ 1,699,110		9.09%

Source: Bond Official Statement 08/17/2022 and 11/01/13

(UNAUDITED)

Schedule 7
Minneapolis Park and Recreation Board
Property Tax Levies and Collections - General Fund
Last Ten Fiscal Years
December 31, 2022

<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>
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%
2020	67,630,000	66,781,074	98.745%	388,415	67,169,489	99.319%
2021	68,911,000	67,959,048	98.619%	482,713	68,441,761	99.319%
2022	74,439,000	73,515,516	98.759%	261,114	73,776,630	99.110%

Source: City of Minneapolis Finance and Property Services Department

(UNAUDITED)

Schedule 8
City of Minneapolis
Outstanding Debt by
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2022

[illegible]

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, 2022

Fiscal Year	Net General Bonded Debt Outstanding					Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Governmental General Obligation Bonds & Notes	Business-type General Obligation Bonds & Notes	Less Resources Restricted to Pay Debt Service	Total			
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	255,579	35,579	737,235	1.40%		1,733
2020	498,174	272,914	38,060	733,028	1.30%		1,682
2021	530,631	307,497	63,127	775,001	1.31%		1,803
2022	527,825	324,404	43,561	808,668	1.33%		1,862

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, 2022

<u>Governmental Unit</u>	<u>Governmental Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Minneapolis - Direct Debt	\$ 541,930	100.00%	\$ 541,930
<u>Overlapping Debt:</u>			
Special School District No. 1	494,565	100.00%	494,565
Hennepin County	1,018,886	27.91%	284,371
Hennepin County Regional Railroad Authority	85,465	27.91%	23,853
Metropolitan Council	83,059	15.19%	12,617
Subtotal, Overlapping Debt			\$ 815,406
Total Direct and Overlapping Debt			\$ 1,357,336

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.

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, 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 1,102,298	\$ 1,117,046	\$ 1,226,826	\$ 1,350,986	\$ 1,472,354	\$ 1,598,184	\$ 1,754,691	\$ 1,871,515	\$ 2,169,516	\$ 2,215,147
Total net debt applicable to limit	155,494	146,506	114,260	109,926	106,843	141,957	261,336	241,735	241,475	265,267
Legal debt margin	\$ 946,804	\$ 970,540	\$ 1,112,566	\$ 1,241,060	\$ 1,365,511	\$ 1,456,227	\$ 1,493,355	\$ 1,629,780	\$ 1,928,041	\$ 1,949,880
Total net debt applicable to limit as a percentage of debt limit	14.11%	13.12%	9.31%	8.14%	7.26%	8.88%	14.89%	12.92%	11.13%	11.98%

Legal Debt Margin Calculation for Fiscal Year 2022

Real Property (2022 Assessed Market Value)	\$ 60,374,987
Personal Property (2022 Assessed Market Value)	240,146
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	(500,065)
Total 2022 Assessed Market Value (as adjusted)	60,413,097
Debt Limit (3-2/3% of Market Value Applicable to Debt Limit)	2,215,147
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit	291,340
Less: Amount set aside to pay general obligation debt	(26,073)
Total Net Debt Applicable to Limit	265,267
Legal Debt Margin	\$ 1,949,880

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 (4)	Median Age (3)	Households (2)	Jobs (5)	Annual Average Unemployment Rate (6)	Median Household Income (2)	School Enrollment (7)
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	435,885	38,808	16,915,825,080	32.2	176,974	339,242	2.6%	62,583	33,593
2020	429,954	38,881	16,717,041,474	32.3	178,886	309,636	4.8%	66,068	32,023
2021	435,105	43,925	19,111,987,125	33.5	182,419	314,809	2.5%	70,099	29,580
2022	429,292	NA	NA	NA	NA	316,728	2.80%	NA	28,437

Sources:

- (1) Population - 2020 US Census. 2012 - 2019 Metropolitan Council.
- (2) Per Capita Income - U.S. Census Bureau - American Community Survey Table DP03 - 1 Year Estimate
- (3) Median Age - U.S. Census Bureau - American Community Survey Table DP05 - 1 Year Estimate
- (4) Personal Income = Population x Per Capita Income
- (5) Jobs data from MN DEED/QCEW tables; 2022 number reflects 3rd quarter, latest available data
- (6) Annual Average Unemployment Rate - from MN DEED/LAUS tables
- (7) School Enrollment - Minneapolis Public Schools/Student Accounting Office

NA - 2022 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>	2022			2013 (d)		
	Approximate Number of Employees	Rank	Percentage of Total Metro Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
University of Minnesota	24,336	1	7.7%	14,000	1	4.6%
Allina Health	10,717	2	3.4%	10,800	4	3.5%
Target Corporation	7,100	3	2.2%	12,100	2	4.0%
Hennepin Healthcare	6,993	4	2.2%	6,300	6	2.1%
Hennepin County	5,524	5	1.7%	6,000	7	2.0%
Wells Fargo Bank	5,500	6	1.7%	11,000	3	3.6%
Ameriprise Financial Services	4,501	7	1.4%	4,900	9	1.6%
US Bancorp	4,364	8	1.4%	(e)	(e)	(e)
Xcel Energy	2,686	9	0.8%	(e)	(e)	(e)
City of Minneapolis	1,954	10	0.6%	4,800	10	1.6%
Fairview Health Services	-	-	-	10,000	5	3.3%
Minneapolis Public Schools	-	-	-	5,800	8	1.9%
Total	73,675		23.1%	85,700		28.1%

Notes:

- a) Employment numbers are Twin Cities wide rounded to the nearest 100. Sources for City jobs: UMN Human Resources
- b) Employment numbers are Minneapolis wide rounded to the nearest 100. Sources for City jobs: Allina Public Relations Department
- c) Employment numbers are downtown Minneapolis only rounded to the nearest 100. Sources for City jobs: Mpls Downtown Council
- d) Source was from previously published 2013 City Annual Report
- e) Employer not part of top ten city-wide employers in 2013 City Annual Report.

(UNAUDITED)

Schedule 14
City of Minneapolis
Full-time Equivalent City Government Employees by Function
Last 10 Fiscal Years
December 31, 2022

Full-time Equivalent Employees as of December 31										
Function Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Assessor	35.00	36.00	36.00	37.00	38.00	38.00	38.00	38.00	38.00	37.00
Attorney	102.00	108.00	110.00	112.00	112.00	113.30	114.30	114.30	113.30	107.30
City Clerk/Council	66.00	66.00	70.00	71.00	71.00	71.00	71.00	72.00	75.00	83.00
City Coordinator	677.40	702.60	747.60	754.10	764.10	771.30	780.30	795.30	806.50	810.80
Civil Rights	21.00	22.00	23.00	25.00	29.00	30.00	32.00	35.00	35.00	39.00
Community Planning and Economic Development	224.80	228.00	230.00	239.00	240.00	243.00	251.00	252.00	251.00	236.00
Fire	413.00	413.00	413.00	413.00	418.00	421.00	426.00	428.00	428.00	427.00
Minneapolis Health Department	91.00	94.30	99.30	100.05	103.05	107.00	107.85	110.85	112.50	119.20
Internal Audit	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	5.00
Mayor	11.00	11.00	12.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00
Police	980.50	985.50	1,020.50	1,029.50	1,060.50	1,080.50	1,080.50	1,082.90	1,077.00	926.00
Public Works	911.65	946.98	1,004.50	1,005.90	1,097.90	1,134.60	1,151.85	1,161.65	1,143.40	1,124.10
Regulatory Services	141.00	149.00	156.50	173.00	177.00	177.00	181.00	179.40	178.40	177.40
	3,676.35	3,765.38	3,925.40	3,975.55	4,127.55	4,203.70	4,251.80	4,287.40	4,276.10	4,105.80
Independent Boards										
Board of Estimate & Taxation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Park & Recreation Board	814.72	819.24	832.00	859.26	924.36	956.91	957.52	972.85	973.00	1,009.00
Municipal Building Commission	55.00	55.00	55.00	55.00	55.00	59.00	59.00	59.00	44.00	43.00
Youth Coordinating Board	5.80	9.00	8.00	8.00	8.00	8.00	8.00	7.00	8.00	7.00
	876.52	884.24	896.00	923.26	988.36	1,024.91	1,025.52	1,039.85	1,026.00	1,059.50
Total	4,552.87	4,649.62	4,821.40	4,898.81	5,115.91	5,228.61	5,277.32	5,327.25	5,302.10	5,165.30

Source: City of Minneapolis Management and Budget

(UNAUDITED)

